

Housing and Planning Committee (HPC) Meeting – 04/12/2022

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[3:02:39 PM]

>> Chair: We have a quorum on the dais. I want to call this -- we have a quorum on the dais and we have Ellis calling in. Only other members are Natasha Harper Madison is off the dais. I will now call this meeting of the housing and planning committee to order here at Austin city hall, 301 west second street on April 12th, 2022. The time is 3:05 P.M. We have four people that have signed up to speak today.

[3:03:40 PM]

I believe they are all remote. The staff is ready to call the speakers. Go ahead. I believe the first speaker is Tracy Wittie. Try the other speakers. >> I'm here.

[3:04:41 PM]

>> Three minutes, I believe. >> Okay. Good afternoon, council members. East twelfth street homeowner within the urban renewal plan for about a dozen years. I currently serve as the president of the neighborhood association. A package of amendments to streamline the urp and nccd is coming back to you on April 21st after a four-month postponement. Back in the fall of 2021, the central east contact team, my neighbors and I touched base with you about a handful of potential changes that represent a fairly radical departure from the task of regulatory alignment and don't support the vision for a street of existing and new residential uses. One change impacts my home and many others, a single home duplex are proposed to be prohibited on a street with long-standing persistent and common use. All of them are consistent with urban renewal plan vision. All of them contribute to the stability of east Austin and

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this portion of the African-American cultural heritage district. They are occupied by long-term as in 60 years homeowners, renters and new neighbors. It's hard to understand where their use should be disallowed or jeopardized in any way. The organization of neighborhoods and individual property owners urge you to ensure the lower density residential uses currently permitted and established on nearly half of east twelfth street remain fully permitted single family duplex and townhomes. The urban renewal board created a carve-out in its draft documents to convey what they think will be conforming status for existing uses, but would you want your home's legality to convey to others to rest in a line or two on a plan? I appreciate the efforts to try to ensure our full rights. The simple way to do that is keep these uses permitted. This process began as an assignment for the staff and urban renewal plan with each of the 11th and 12th street eccds.

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We heard over they have been changing. Somehow recommendations brought by staff took us to a place where a lot of homeowners are potentially facing a huge change that is wholly unnecessary. We ask that council member Harper Madison and you all support keeping these uses permitted. Thank you for your attention to this issue. We look forward to touching base with you on this and other concerns on April 21st. Thank you. >> Chair: Next speaker. >> My comments -- thank you, Mr. Chair, members. My comments are primarily related to item 2 which is specifically the community needs assessment. I wanted to call to your attention as it relates to the city of Austin fy '21-22 action

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plan, the language on page 105 and 224, that speaks to the land development code. It specifies that it was to implement housing outlined in the strategic housing blueprint and specified expanding opportunities. However, in the media and as related to the district judge's ruling which is referenced in the backup, it appears that it's primarily related to the protest rights of homeowners. So I would ask when you update the plan that you actually put accurate information there. It also mentions the smart housing incentive and I would ask you to recognize that it specify high opportunity areas, and to also recognize that that plan is over a decade old. It's 2008. So the city is really concerned about placing individuals in affordable housing next to transit, then it would be

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helpful to prioritize updating the guide. The guide shows \$125,000 as it relates to the homeowner assistance program, so it's pretty old. I would also call to your attention the language in the building a stronger community through investments and housing in neighborhoods, which talks about economic impact of covid-19 and using housing vouchers to move individuals who are low income and in need of supportive housing through economic opportunities to reduce concentrated areas of low economic opportunity. So as you get your update on the goals from the fy '20-21 plan, I would just ask you to consider helping Travis county with the 4,876 homeless. It's not homeless.

[3:09:45 PM]

These people are likely to become homeless if the rental assistance applications that show that you actually expended about \$5 million for over 4,000 applications, but the county needs help and I would lastly just ask you to expound on the tenants' rights assistance and the homelessness services which is on page 13 of 26 of the backup. It appears that you had an actual of 297 but you had a goal of 527, so I'm just concerned that the tenants who you projected to help are not being helped, and the city has yet to address the needs of those who are needing rental assistance. As it relates to the homeless, I would just ask you to specify a little bit more when you get to the \$11.4 million for the spending plan. I'm not sure if that is my time, but I just wanted to call to your attention those specific items.

[3:10:45 PM]

And my specific reference to the building stronger is actually federal register, may 17th, 2021. If you have any questions, I'm happy to [inaudible]. >> Chair: Thank you. >> You're welcome. >> Chair: Now we are going to approve the minutes. Do I have a motion? A motion has been made and a second. All those in favor, raise your arm. Everyone on the dais voted for it except for Harper Madison. She's off the dais this week. Colleagues, I have a request from one of our colleagues, council member kitchen. She has a very important appointment that she has to leave and she requested that we move up on the agenda item 5,

[3:11:46 PM]

the briefing on the process and status of hotel acquisition of permanent supportive housing. We will go on to that. I apologize, but if you can come forward and make your presentation. >> Good afternoon, Mr. Chair, council members. I'm the acting housing and community development officer for the housing and planning department. We have a presentation. Different one. There you go. Today, I'm going to be discussing the hotel conversion

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process and provide a status update on the three hotels that are under conversion right now. At the beginning of fiscal year 2019, neighborhood housing and community development management team began discussing the potential purchase of the hotel for conversion to housing for individuals experiencing homelessness. In the spring of 2020, the city of Austin purchased its first hotel with an accumulation of cdbg funds from previous grant years. The following year, council approved the acquisition of three additional hotels specifically for conversion to permanent supportive housing. Two of these hotels were identified and purchased by Austin public health with assistance from the housing and planning department. And the office of real estate services. The third was brought to Austin housing finance corporation as an application for rental housing development assistance by foundation communities. Since these acquisitions were completed, staff has worked diligently to prepare each hotel for service. Today, I hope to explain that process, including the steps that staff has taken to date as well as those that are scheduled to take place in the next few

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months. Does this work? There we go. First, we will review each of the hotels we are discussing and their approximate locations. Next, we will discuss the overall process for conversion and the major cost categories. Then we will go a little deeper into the detail of each process and finally, we will provide a status update for each hotel conversion project. As a reminder, we are discussing these three hotels today. They are bungalows at century park, see if we can circle. No? Okay. Bungalows at century park located between Howard lane and palmer lane. The gardens located near the intersection of highways 183 and 620. And the terrace. Each hotel will follow a similar process with at least five separate transactions requiring five separate legal documents.

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These transactions will provide support to ensure each property has the necessary resources to meet the capital expenses, operating expenses and service expenses while no individual transaction is dependent on the other, the timing of each is important to ensure the conversion is completed in a timely manner. The five steps to this process are 1, securing the vouchers. 2, rehabilitating the property. 3, transferring ownership of the property to ahfc or Austin housing finance corporation. 4, executing the operating agreement. 5, executing the service contract. Let's talk about the vouchers first. Vouchers provide the recurring source of funds to maintain the operation of the facility. As these properties will serve individuals experiencing chronic homelessness, few if any residents will have the ability to pay even a portion of their rent. The housing authority of the city of Austin has awarded

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project-based vouchers to all three of these properties. To accept these vouchers and enter into a contract, each property must undergo an environmental review as well as a subsidy layering review. The environmental review is to ensure federal funds are not used on properties that will have a significant negative impact to the environment, and the subsidy layering review is to ensure the properties do not exceed the maximum federal subsidy per unit. An important step as each of these properties will have multiple sources of federal funds. Both reviews take significant time and resources, and require several weeks for HUD to review, comment and approve. Once the environmental subsidy and layering reviews are complete and approved, the rehabilitation may begin. For the two hotels currently owned by the city of Austin, a service agreement is under development with the city law department. This phase of the project will physically convert the hotel units to permanent residential

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units by adding kitchenettes and sinks. For example, these contracts will be funded using the American rescue plan funds. These agreements will be based upon the scope of work as provided by the entity chosen to manage the property. Then Austin housing finance corporation will finalize the transfer of the property to AHFC ownership. The reason for this transfer is two-fold. First, to convey the property tax abatement necessary to keep the operating expenses in line with the projected revenues from the vouchers, the property must be owned by a public entity. In the case of foundation communities, this transfer was envisioned as part of the initial application for acquisition funds. For the city-owned properties, this transfer brings the residential developments into the same portfolio as several other publicly owned residential facilities such as the Sparrow at Rutland.

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This alignment ensures sound long-term management of the property. Once the property has been transferred to AHFC, the final pieces can be put into place, the operating agreement and the services agreement. The operating agreement will define the obligations and responsibilities of the property management as well as the rights and benefits that will flow to the property management. Austin housing finance corporation as owner will enforce this agreement and verify that the property is maintained and the finances provide a sustainable source of funds in the event of a capital need such as a new roof or major repair. Austin public health expects to have service contracts for all three properties before the rehabilitation work is complete. These service contracts will ensure that residents have access to the complete suite of wrap-around services necessary to prevent a return to homelessness. Now I would like to talk about the status of each of the hotels. First we will discuss bungalows at Century Park.

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This is the property located between Howard lane and palmer lane. This is going to be managed by integral care. We have integral care was awarded 50 project-based vouchers on April 1st in 2021. The environmental review has been approved by hud and the subsidy layering review is currently under review by hud. We expect that within the next several weeks. The rehab contract for this property is currently under review by city law department and we expect the transfer to ahfc to occur sometime in the next month. Pecan gardens is near 183 and 620. This is the -- a property to be managed by family elder care. This property was also awarded 50 project-based vouchers in February 23rd of 2022. The environmental review, we are

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expecting the approval of the environmental review in may 12th, 2022. Shortly after that approval, we will submit the subsidy layering review to hud for their review, and we expect 30 to 45 days after that submittal for the final approval. After we get the final approval of our subsidy layering review from hud, then the rehabilitation can begin. We will be using the integral care contract for subsidy -- for the rehabilitation as a template to build out the contract for rehabilitation for pecan gardens. That should expedite the process a bit. Finally, we do expect hud approval in June with construction beginning shortly thereafter. Balcones terrace is the property brought to the Austin housing finance corporation for rental housing development assistance award. This property was awarded 25 project-based vouchers, an additional 25 vouchers.

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The environmental review has been approved by hud. The subsidy layering review is currently with hud. We expect approval shortly. Foundation communities has also applied for multi-family direct loan from the Texas department of housing and community affairs for the rehabilitation of the property. We expect this property to be transferred to ahfc ownership in may. We have got a lot going on in the next six weeks or so. And so that's the status of our three hotels. I would be happy to answer any questions. I would also note that Diana gray is here if you have any specific questions that I can't handle. Thank you. >> Chair: Thank you. Anyone have any questions? Anne? >> Kitchen: Okay. I just want to confirm I'm counting 150 vouchers. Does that mean that's the capacity for the three places combined? >> That gives a little bit of wiggle room.

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The exact unit count escapes me. However, I can tell you that with pecan gardens, we have also -- we intend to award some local housing vouchers to supplement. I believe it's about 24. >> Kitchen: Okay. So a minimum of 150. There may be 24 or 25 more people? >> Yes, ma'am. >> Kitchen: Okay. And are they - is the thinking that they are single to a room? Is that the thinking? I'm just trying to get to how many people we think this is going to serve. >> Right. This is where I will talk to Dianne. >> Kitchen: If you're not sure, that's okay. Okay. These are all for people that were homeless, right? >> Yes, ma'am. These are all sourced directly from the coordinator assessment. >> Kitchen: Okay. How many of them will be sourced from heel, do we know? >> Come on up. >> We have not set aside a

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specific psh units for people at this time. That's something we can look at later. >> Kitchen: Okay. But this is for the coordinated assessment. Okay. At some point, I would like to understand how that works. For coordinated assessment versus heal, although I think it should be all working together. Okay. Okay. Is this still the approach to coordinated assessment where it's scored and people at the top of the list go first? >> Yes, ma'am. >> Kitchen: Okay. Thank you. >> Chair, I have a question. >> Chair: Okay. I will go ahead and recognize council member Ellis, please. >> Ellis: Thank you. I know it can be hard in chamber so I just wanted to make sure I spoke up. What is the expectation of how long individuals would be in this type of housing before moving into the next phase?

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Like bridge housing or some other sort of more permanent housing voucher? >> These are permanent supportive housing units. This would be -- that's why we are bringing in the vouchers that would provide that long-term subsidy as well as the service dollars to provide the wrap-around services, while clients may graduate from this type of facility, it would be to a more permanent housing situation, outside of a permanent supportive housing. We don't expect them to graduate into a bridge housing or anything like that. >> Ellis: Okay. Thank you for that information. I know we care a lot about the pipeline, making sure that people can get immediate assistance and then hopefully eventually get into an apartment or some sort of other housing unit in the future. I know we are always looking for more beds for more people to be able to move into, but thank you very much for this information. It was helpful. >> Thank you. >> Chair: Council member villa?

[3:25:03 PM]

>> Vela: I have a handful of questions. I'm starting from a basic level. The coordinated assessment, how are we deciding who gets these spots? Again, I'm familiar with family elder care, I'm assuming that would be more housing for the elderly. I'm familiar with integral care. They handle a lot of mental health issues. Are these referrals from those agencies? What's the process? >> So the sourcing of these -- of the referrals comes through echo. Echo manages the coordinated entry system and continuum of care. We ask all of our developers who commit to permanent supportive housing sign an mou with echo so that we can ensure that those units are housed by people that are coming from the coordinated entry system, and it is the top of the list, the most immediate needs, most immediate needs for the individual. The hardest to serve. >> Vela: And echo is provided direct services to people experiencing homelessness and is identifying them and categorizing them and I guess

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ultimately putting them on the coordinated assessment list? >> Echo is the entity that manages. It's the ending community homelessness coalition. They manage the coordinated entry system, continuum of care. They have the data base and all the other service providers filter into that data base and they would be able to read the coordinated entry system and apply or assign the units to those individuals. >> Vela: So about how many people are -- does echo have on the list? >> The last report I had for permanent supportive housing specifically, because part of what that system does is to recommend the type of housing program folks need, we had well over 1,000 people on that list. I'm sure we can get an updated number as well. >> Vela: Then again, there was some reference made to bridge shelter versus permanent supportive housing. Can you explain that distinction, what are their roles? >> Sure. If you think of it as a

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continuum, there's bridge shelter which is the transitional housing, it's kind of an immediate service. There is also rapid re-housing where individuals who are at risk of homelessness just need that additional assistance in order to get into a permanent living facility. That's for about two years' worth of subsidy. Then at the extreme end of the system is the permanent supportive housing. That is housing -- permanent housing for the individual, supportive with wrap-around services to ensure that the individual is successful and it's a housing unit, so it's not coordinated or it's not a communal living. It is an individual's unit where they own or rent the unit and own what is inside. >> Vela: And a bridge housing, bridge shelter, what exactly does that refer to? I guess that would be the bridge between homelessness and a more permanent supportive housing? Would that become the first step in becoming housed? >> I can take that. I think when we talk about

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shelter, historically, you know, we think about shelter that really, the primary purpose is to give somebody a place to sleep at night. Really, the distinction with bridge shelter is that we really acknowledge it as a time-limited stop on the way to getting into their permanent housing setting. So for our bridge shelters as an example, we don't move people from the street, into those units, until we know that they have got resources available to them through a rapid re-housing program or psh, where we are working through paperwork, perhaps we are working on identifying a unit, but we know that they are essentially at the top of that list, they are up to get that permanent housing resource, whereas in a general emergency shelter, you might have people there who need the shelter certainly, but you know, it may be a year or more before they come to the top of the list at the level of historical resourcing of our system. >> Vela: So the bridge shelter

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would be to -- there is another step, it's ready to go almost, we just want to get them off of the streets with all the negative outcomes that that entails into a bridge shelter and then transition them into the permanent supportive housing when that becomes available? >> That's right. I think one of the reasons it's so valuable is that you can imagine that particularly if we are doing scattered site housing, people have a rental assistance but they have to go find a unit in the community, it really helps the case managers and the service staff that we know where the person is, they are stable, they're safe, they can work on getting their documents together, et cetera, so it really does provide that interim stability to help make the step to housing. >> Vela: In working with the St. John's situation and again, thank you all so much for all of your work on that site, I believe a majority of the folks there had income, where they were \$700 a month or you know what I mean? In other words, there was

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income, not enough to rent a place in Austin, but what happens to that income? You know, is that. >> So where an individual does have income and can provide some level of support, some level of rent payment, then that would reduce the amount of the voucher that is provided. However, we know that with this population, that is very few and far between. In some situations, I have seen a minimum contribution of \$25 from the resident. However, I do not believe these hotels would require that minimum contribution. But again, if an individual can provide some support for themselves, that would ultimately reduce the value of the voucher. >> Vela: But generally speaking, when someone does have say social security disability or something to that effect, there will be maybe a nominal charge but basically they use that money to take care of themselves, feed themselves, whatever the case may be? >> 30% of their income goes toward their rent and utility

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costs. So it's pro rated based on their income. >> Vela: Alright. Now, how many units of permanent supportive housing do we have at this point? >> It's a good question. I got the answer in my office. I will get back to you with that. >> Vela: Okay. The bridge shelters, how many, we have four hotels that are the bridge shelters in Austin? >> Only two of our hotels are operating as bridge shelters currently. One of them is the hotel that Jamie referenced that we purchased with cdbg funds which we do intend to operate that long-term as a bridge shelter. It's a little more, would be more of a complex conversion. The other hotel is one that we didn't talk about today, we will eventually convert that to psh, it's operating as bridge shelter. But the three that Jamie spoke to this afternoon are not currently operating as bridge shelter in anticipation of their conversion. >> Vela: They are being remodeled to be permanent supportive housing? >> They will be, yes.

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>> Vela: The two bridge shelters right now, north bridge would be one of them, and what is the other one? >> South bridge. >> Vela: Oh, original names. >> You should never -- don't ask city staff to brand things, councilman. >> Vela: So do we need more -- I mean, the answer to I think the permanent supportive housing is yes, we do need more permanent supportive housing. Do we need more bridge shelters? Do we need another hotel that can serve as a bridge shelter? >> So I think that one of the things that we found and I think north bridge serves as an example, I think we know, I think we talked about this and council at large has talked about the need for additional shelter given our shelter population, from housing department standpoint, shelter really is more of an aph portfolio, but I think that one of the great things about the hotel strategy is that there is an opportunity in some cases to

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acquire a property, to use it temporarily as that bridge shelter while we are going through the process that Mr. May described of lining up the permanent housing conversion. >> Vela: So again, not to put words in your mouth, but I guess the answer would be yes, we could use another bridge shelter or two, again, with the idea that anything that we are using as a bridge shelter could eventually be converted to another form of housing, you know, depending on the circumstances and the situation in the community, huh? >> That's right. Depending on the type of real estate. I think the hotels are obviously often an easier conversion than other types of real estate assets. >> Vela: Has that been the focus of the hotel purchase? I mean, it's just easier, quicker, you know, you can kind of be ready with that as opposed to, for example, purchasing land and zoning it and the construction? Has that been kind of the

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impetus for the push toward the purchasing hotels? >> Purchasing hotel and conversion strategy is quicker than building. I can say that for sure. We have a property in sparrow at Rutland that will provide 171 housing units, 100 of which will be permanent supportive housing. That first came for funding to us before the pandemic. It just takes time to build and secure the financing. >> Vela: Is using the hotels, is that a model that we are picking up from other cities, or is that something, what's the background on that? >> You know, this is something that was actually brought to council by the executive director of echo, and the first homeless strategy officer I think in late 2019. We have seen some of this happen in other communities. One of the things that's interesting is that when the pandemic hit, we actually saw a lot of communities using hotels,

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as did we, as sort of temporary public health interventions for people who were very vulnerable to covid. So we are seeing it more across other cities, but I will say I don't know that there were any municipalities that I'm aware of that had a broad portfolio, particularly of full studio apartments. You see in some cases we had sort of old hotels that had been converted, but didn't have private bathrooms or kitchens which is of course what we are looking at here, a fully functioning studio apartment. >> Vela: Well, I really, I like the strategy. I'm supportive of it. Ultimately, it's an asset that the city holds indefinitely or that the Austin housing finance corporation holds. Who knows what's going to happen in the future. Maybe we can build affordable housing if and when the need for housing unsheltered folks is

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precipitated. I feel like there's -- we can do an untold number of things with those properties in the future for other city councils. We will figure that out. But I really, I like the strategy. I appreciate the briefing. Thank you. >> Chair: Thank you, chito. I just have one brief question on that. How is the foundation community role in this process? Can you just give me a quick -- >> So they are going to serve in the same type of role as INTs integral care would serve at bungalows. However, they will have a master lease as opposed to an operating agreement and then have a contract with their operating partner. It will look very similar to the other two. >> Chair: They are going to be managing it? >> Yes, sir. And providing the services. >> Chair: But we are going to

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recommend the clients? >> Yes, sir. >> Chair: Okay. Thank you. Ann? >> Kitchen: If you're finished. I have one more question. Is that okay? Okay. I wanted to circle back around as a follow-up on previous

question from council member vela. Can I just ask, I'm not sure if this is a question for you all or maybe it's a question for Rosie. But is our state staff currently looking for additional hotels to purchase for bridge shelter? >> Yes, council member. And to be clear, to I think within the scope of this meeting, looking for hotels also that could be converted -- >> Kitchen: Yeah, so looking for hotels to purchase for bridge housing and potential conversion to psh. >> That's right. >> Kitchen: Okay.

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Alright. I imagine we will get a briefing on that soon? Do you know? >> When we have good prospects for you. >> Kitchen: Okay. Maybe we will ask for a briefing. Anyway, so there's that. The second thing, I just wanted to understand better, so I understand what you said that the source for these locations is the coc and we are not setting aside any particular units for heal. Can you help me understand why we don't need to do that? Or is that just something that's being considered? In other words, what I'm trying to avoid is any kind of bottleneck for heal, because of not having available permanent supportive housing, understanding that not everyone that goes through the heal process needs permanent supportive housing. So I want to know how you are

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managing that. >> That's right. So when council initially approved the heal initiative, the design did focus on of course, bridge shelter and access to rapid re-housing. So we have not done the same set-aside, partially because rapid re-housing can essentially be converted to psh with the addition of a permanent voucher, which we are often able to do when some are available, we will look across our portfolio and say here's someone who is in a rapid re-housing program but it really, you know, based on the service provider's assessment, they will need a long-term subsidy. I do think that we might be able to talk with our providers about maybe there's a small set-aside, you know. We are still a few months out, of course, from these coming online. But I think you asked before or wanted to confirm, heal is flowing through the coordinated

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entry system and so of course, people who come through heal, they are in coordinated entry, they may already be on sort of a prioritization list somewhere for psh, it might just be a matter of seeing whether we have some small set-aside for those folks. >> Kitchen: Okay. That all makes sense to me. I just want to, and it sounds to me like y'all are thinking about this and seeing how things work out, but I wouldn't want folks to get stuck in the heal process and then be someone who needed permanent supportive housing but didn't have a place to go. So because I think that's one of the promises of heal is a program that really takes them every step of the way. But it sounds to me like you have an approach for that and

you haven't experienced that kind of barrier at this point. >> I think it's a valid point, and I think we have been able to place people with rapid, but I think over time, we certainly want to make sure if we need psh for some of those folks, we have

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that option in a timely manner. >> Kitchen: I would just recommend, you probably have already thought about this, that the service contracts that you enter into allow that option in the future at the city's discretion, if you need to do that. >> Thank you. >> Kitchen: Okay. Thank you. >> Chair: Any other questions? Council member. >> Tovo: Thanks for the presentation. At public health, we have an update on heal and an update on homelessness and housing services related to homelessness at almost every public health meeting, including tomorrow. I invite you to join that conversation tomorrow. I think it's focused on heal specifically. I had a couple questions. I'm trying to kind of put together the information that you just provided with how we talked about

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are the organizations, I think we are paying the organizations we're contracting with for services, is that right? >> That's correct. >> Tovo: Are there any other funding streams coming into the city to help defray the cost, or is it pretty much just the housing vouchers? >> So the housing vouchers, I think if we think about, you know, basic operations, insurance, utilities, those kinds of things, maintenance staff, for services, we are utilizing general funds through the aph budget, specifically drawing on the additional general funds that council placed into aph's budget for homelessness around a reimagining public safety in fiscal year '21. >> Tovo: I think this is -- I'm really glad we have taken this step. I think it is worth looking back, especially as we contemplate how we want to move forward with additional bridge

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shelter. I would be interested in seeing some kind of detailed information about costs and whether those have been about what we anticipated they would be and again, again, since we kind of undertook this with the assumption there would be dollars coming in to help pay for the services and now really, the city is funding the services and maintenance and operations on its own, I think it would be worth getting a sense of whether this is still the most cost-effective way to deliver bridge shelter. The other question I had, this is one I have raised before in some of our conversations, is whether hotels are offering the soundest investment over the long run, or whether we should also be looking at apartment complexes, and I think we have asked for some feedback about this and apologies if we have gotten it and haven't -- and I just overlooked it. We had talked about the fact that hotels are not really

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designed for kind of long-term residency, so I don't know whether the wear and tear on a hotel room, I don't know if they are built in quite the same way, and I know we are doing renovations on them to help bring them into alignment with what we would need for permanent supportive housing, but I also, you know, that question also, as we talk about costs and benefits and really evaluate whether this is still the most cost-effective way to deliver the best level of services, I would also want to know whether the product we are purchasing is still ideal or whether we should also be branching out and looking at multi-family complexes. I invite you, do you have any thoughts about any of this? >> I can't say housing and planning department specifically our real estate team is pursuing existing apartment complexes, specifically within project connect corridors. Part of that project connect funding is designed to go directly to ahfc for preservation of affordable

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units. It's possible that some of those preserved apartment complexes could be converted to permanent supportive housing. The real cost driver in any of that is the services and the operations. You know, the building itself, I believe the total purchase cost for one of the hotels was \$16 million, but we have been seeing multi-family apartment complexes in the \$40 million and \$50 million range. Those units would not require as much rehab, theoretically, as a hotel would for converting to permanent supportive housing. But just the initial sticker shock in our market right now, it's a little surprising. >> Tovo: Yeah, thank you. I guess you know, I'm not sure what the right forum is but I do have drill-down questions. I understand what you are saying about the acquisition costs being higher but I think we need

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to factor in both the renovation costs and the maintenance and operation costs to really be able to evaluate which product is more cost-effective over the long run. I guess that question, we don't need to answer it here and I'm not sure if it can be answered, but given that we have now taken this on largely as a city initiative versus how it was described initially as kind of a partnership with outside entities helping raise the money for the social services, you know, I think it's just time to kind of look at what that cost looks like and how and again, whether this is the best way to deliver those services, or should we also be investing, obviously once it's safe to do so, should we also be investing in more congregate shelter as well. To serve and to kind of meet the need. >> I know this is really confusing because we are talking about a particular kind of real estate asset that we are using

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in two ways, but that are connected. As bridge shelter and then as permanent shelter. The process and financing structure that Mr. May described today is all about the conversion to permanent housing. So those are not resources that are utilized, frankly it is a more resource-intensive endeavor probably than just using it as bridge shelter. We're not doing major rehab in most cases for bridge shelter. I would also point out that in terms of the services and in terms of the fundamental operating costs, those are going to be pretty much on par with a conventional affordable housing development. So the real difference, I think, a, is in the initial capital cost. There may be some differential to your point in how the finishes wear over time, et cetera, and I think that we actually may be able to turn to one of our nonprofit partners who has done a hotel conversion

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in the past, foundation communities, you know well, and certainly conversions with them over the years have informed our expectation of the operating costs of these properties, which just encourage us to think of them and speak of them as apartment buildings because that's what they are going to be when we finish this process. >> Chair: Colleague, we only have two hours for this meeting. We started at 3:00. So if you have some very important questions that need to be answered today, ask them. But if you don't, they can be answered to you over the week, I would recommend that. >> Thank you, councilman. >> Chair: So now that we finished this one, I would like to go back in order.

[3:50:02 PM]

Go back to item 2, a briefing and discussion of upcoming spending priorities for the federal housing and community development grants as part of the community needs assessment for fiscal year '22-23 action plan. >> Thank you, chair. Deputy director of the housing and planning department, pleased to be here joined by max Horsman. Fantastic. I will turn it over to max to kick-start the conversation. Then I will jump in about halfway through. >> Awesome. Thank you. We should have a power point presentation on deck. Pulling it up there. Thank you for having us today. I'm here today to give you some information and get some feedback from this committee about an upcoming round of annual entitlement grants that

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we received from the housing and urban development department through what's called the action plan. So each year, the city submits to hud an annual action plan that qualifies us for continued federal

funding for housing and public services, and each year, we go through a process ahead of submitting the action plan to reach out to various community organizations and committees and commissions to receive feedback about what kinds of programs and community needs should be prioritized for spending in the action plan. So we are here today to discuss specifically the action plan for the next fiscal year, fiscal year '22-23. Next slide, please. So in this presentation, we will walk through what the reporting process looks like for the action plan to give you some context about that. We will be going over a lot of what the action plan typically

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funds, so we will review the performance for our federally funded programs for the fiscal year 2021, and do a deeper dive into what the programs consist of and how they are implemented, and then I will talk about what kinds of organizations we're reaching out to to receive feedback in this time, and how the public can give feedback on the action plan and then we will open it up to discussion. Next slide, please. Then you can go one more. So the action plan is part of this federal reporting process that we follow with the housing and urban development department. The funding we are talking about today is specifically funding from hud, and in order to receive that funding on an annual basis, we, every five years, submit a consolidated plan to hud that gives a projection five years out what we plan to fund within that

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five-year period with federal dollars. And then each year, within that consolidated plan, in that consolidated plan includes a market analysis and in-depth needs assessment, annually, each year within that five-year period, we submit an action plan which affirms for that year what programs we plan to fund, what their budget allocations are and how many people we hope to serve with each of these programs. So that's what we are gearing up to create right now. Then at the conclusion of the fiscal year, we create a performance report that's submitted to hud, called the caper, and that report has demographic information and specific data about how many people are served by each of our programs. We will go over some of that information about the most recent fiscal year, we have information for fiscal year 2021 later in the presentation. Right now we are going into year four of that five-year plan with

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fiscal year '22-23. Next slide, please. So through the action plan process, we receive the entitlement grants that you see on the screen. You have the community development block grant, housing opportunities for persons with AIDS, home investment partnerships and the emergency solutions grant.

Each of these grants has specific eligible uses and expenditure deadlines and has specific intentions behind what it should be spent towards, but across all four of these grants, the city typically receives around \$13 million to \$14 million annually. Next slide, please. You can go one more. Now looking back at the past fiscal year for what these grants funded, we served about 3,552 people with these federal funds. 2,688 of those qualified as extremely low income. Of our entitlement dollars, we

[3:55:05 PM]

spent about \$9,765,000 and this presentation will also have an update on some of our cares act spending. Of the cares act we spent \$10,196,749. Next slide, please. This slide will go over the spread of who's being served by income. You can see the highest concentration of people served is in that extremely low income category. Next slide, please. Then we have the breakdown here of who's being served in terms of race. On the left graph, we have the population served by our dollars and on the right, we have the population of Austin, just to give a reference, and in the blue category, we have white individuals represented, the Orange category represents black or African-American individuals. The gray category represents Asian individuals. The golden category represents native American or Alaska natives, and the green category

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at the top represents people who identify as multi-racial or a race not identified in the census or declined to provide their information. Within each of these racial categories, there's categories of people who also have identified as hispanic or Latino, and we will see that on the next slide, if you can advance the slide. So we report the demographics to hud in this format of people identified with the race and then they are also identified as either hispanic or Latino or not, and so we have on the left, population served in fiscal year 2021 in that Orange block at the top represents hispanic and Latino population served. Next slide, please. These next few slides will get into the specifics about how many people were served through each program and how that compares to the goals set by the program, how much is budgeted and how much was

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expended. So the programs that you see on this slide are programs where the city programs met the goals that they set or exceeded them. We have our downpayment assistance program, home ownership development assistance, tenant based rental assistance and senior services program. Next slide, please. And the programs that you see here are programs that did not meet their goals, so on the top, we have our home repair service programs. These programs were paused at times during the pandemic to avoid in-person site visits, avoid having staff meeting with clients in their homes. We have the homelessness

services, appreciate the comments of miss Joseph. These services provided by the emergency solutions grant include our rapid re-housing program and the operation and maintenance of the arch shelter downtown. Through the pandemic, we saw these services rolled back in

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terms of in-person street outreach and shelter capacity to avoid large congregations of people. Our tenants' rights assistance program, that is also a program that saw a greater difficulty in administration during the pandemic. That's a program that's administered through the group, the Austin tenants council. They provide landlord/tenant repair, remediation services so they help the tenant advocate for themselves for repairs for their unit, and through the pandemic, the issues faced by tenants have become much more complex and the risks of eviction have increased greatly, so the housing advocates that are executing these programs have had a lower capacity to serve a larger number of people. We have our child care services and our youth mental health services programs that are administered by the Austin public health. These programs have had to navigate a shifting field of

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need in terms of parents needing and requesting child care it can change based on the employment situation of the parent and so there's been some turnover overall. Next slide, please. This next slide will go over the cares act spending and services that have been provided. Some of these programs are ongoing, like our childcare services, CV program, our emergency solutions cares act programs, the capped re-housing temporary emergency shelter. Some of these have included our emergency stealth programs that spent their dollars [inaudible]. Next slide, please. And I'll pass it off to Mandy de mayo to go over the programs that are funded via the action. >> I am back. Thank you for that, max. I am going to briefly go

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over some of our program categories where we deploy our federal funds. Those include homelessness assistance, special needs assistance, renters assistance, homeowner assistance, home buyer assistance, housing developer assistance and then a catchall category of other community development assistance. If we could go to the next slide. First we're going to talk about homelessness assistance, which is funded with respect to our federal grants primarily through emergency solutions grant program or esg. Those priorities include rapid re-housing, which our homeless strategy officer Diana gray was discussing previously. Tenant based rental assistance and then the operation and maintenance of the downtown Austin resource center for the homeless, the arch. Our special needs assistance includes direct funding through the hopwa program, that's one of our block

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grants. And that provides funding for services as well as housing for people living with HIV or AIDS. And then we also have a variety of contract under what we call our public services grants. Those are a variety of contracts that include childcare services, which we provide vouchers for low income families. Youth mental health service, a contract with integral consider, and senior services, a contract that we have with family elder care to provide bill payer services and enable seniors to get access to services. Those three programs I will say fall under our public services cap by federal regulations. We're limited to 15% of our cdbg allocation and can be used for these type of public services. Next slide, please. Renters assistance, max touched on this earlier.

[4:02:13 PM]

It includes 10 standpoint-based rental assistance, which we have a long-standing contract with the housing authority of the city of Austin or haca, 18 months of rental assistance. Up until a couple of years ago it was slightly more broadly disbursed and administered. About two years ago we focused our tbra on folks coming through the coordinated entry. We knew we wanted to coordinate people experiencing homelessness so now haca works in conjunction with echo to identify those folks who are experiencing homelessness and utilizing the tbra for that population. Abr or architectural barrier removal, for renters, is a program that provides low income renters with assistance on where to find their rented property to accommodate their physical needs. And then tenant rights assistance as max mentioned

[4:03:14 PM]

is a contract that we have with Austin tenants' council to provide landlord-tenant counseling. If we could go to the next one, which should be homeowner assistance, and it is. We have a companion program, abr owner, for our low income owners who are primarily for somewheres with disabilities who need modifications to their home. We also administer a home repair contract with the Austin area urban league to provide \$5,000 in repairs, again, grants, to low income homeowners. Our homeowner rehabilitation loan program is one program in a suite of assistance for low income homeowners and that provides up to \$75,000 in repairs for really bringing property up to code. We work closely with the code department to identify properties that are in need of assistance and work with those homeowners.

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Our G.O. Repair program is a program that we have that is funded through the general obligation bond so it's not federally funded. Provides up to \$20,000 in assistance and it's administered by our seven non-profit partners owe seven non-profit importance that include meals and wheels and more, Austin habitat for humanity, youth works, interfaith access central Texas, rebuilding together. And if I did Easter seals then I'm double counting. I always miss one and I apologize for that. But we have seven fantastic non-profits that work directly with community members in need of home repairs. If you could go to the next slide which should be home buyer assistance, we have one program that is in high demand. Our dpa program, down payment assistance, that we administer internally. We provide between 14,000 and \$40,000 in down payment assistance to income qualified first-time home buyers for income-eligible

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properties. Very popular program, as max pointed out, we typically beat or exceed our goals for the year with this program that's funded but the home program. Next slide, please. Housing development assistance. These are -- we often come to the ahfc board once a year for our rhda and ohda loans to get approval from the board. That's rental or ownership housing development assistance where we provide gap assistance for people. You see some of the properties down below. We work with a range of developers and really these programs over the last decade or so, 5,000 plus affordable units that we have created. We're very proud of this program. We'll be coming to ahfc board I think it's in may

[4:06:21 PM]

with our next round of recommendations and funding approval. I should note that our federal funds are a small slice of the pie. Primarily the funding that we provide is through our local funding either G.O. Bonds or housing trust fund or other sources. If we could go to the next slide. This is our catchall. We have with our partner department, the economic development department, we service the funding program and also the community housing development organization or chdo, operating expense grant that we provide up to \$50,000, 50-thousand dollars a year for our small certified chdos and those are community-based organizations. We have a handful of operating chdos in the city of Austin. We currently have three who are recipients of the operating expense grants. Those include accessible housing Austin or aha,

[4:07:24 PM]

Blackshear neighborhood development corporation and blackland neighborhood development corporation. So we're thrilled to help them with their operating expenses and to expand their capacity. If we could go to the nix slide and I think I am turning it back to max and I am for the timeline and then

we'll take questions after that. >> Thank you. So in order to engage the public on these dollars leading up to the creation of a draft we've been meeting with the organizations that you see on the screen. So there are different service providers in this list, housing advocates and commissions, the city commissions. We have had a public hearing to receive input on March 24th with accountant. We received some good feedback. And we are actually having another public hearing tonight with the community development commission. And during this time we also have a speak up Austin web page available for the

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public to enter their feedback online. Any comments we receive there will be included in the draft action plan and in our final submission to hud. And it's a great website where people can view the comments that other people have left as well as the comments themselves. So as this process wraps up in the next few days we hope you will be able to share the speak up Austin link to your constituents to continue to gather feedback on community needs, ultimately from these presentations we've gotten a lot of good feedback about what programs and needs should be prioritized for funding. So with the conclusion of the community needs assessment this Friday, we will package up our information into a draft action plan. You can go to the next slide, please. And we will release that draft to the public starting on may third up until June 10th. During this period the draft action plan will be available for people to review online at our speak up Austin website as well as in-person in a few locations

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around the city and we will hold two additional public hearings to receive feedback on the draft on may 10th and June 9th. And we hope to receive final approval or final action on the action plan from city council by July 28th. And submit the action plan to hud hopefully by August 10th. And this is what our speak up Austin web page looks like where people can leave feedback that will be seen by our city staff as well as included in the action plan. And I believe that concludes the presentation so I'll pass it back to the chair. >> Renteria: Before we go on, what kind of budget are we looking at for this year?

[4:10:32 PM]

>> Hud has not released the anticipated budget yet. We're using last year's budget. Typically it's between our four block grants, between 13 and men million dollars a year. >> Renteria: So last year you got how much? >> Last year was 13.7 million. Max, is that about -- something like that? >> Renteria: Okay. >> So we're anticipating about the same. >> Renteria: About the same. >> And we should find out within the next month. We just got word that some time mid may we'll be notified of the allocation amount. >> Renteria: Let's hope it's more than that. >> A little bit more would always be great because

we have ways to spend it. >> Renteria: Colleagues, questions? Council member vela. >> Vela: Thank you, chair. The cdbg money, what are the other four. >> Cdbg is the community development black grant and that's the largest block grant. And we have the home program, which is another one. Esg, which is emergency solutions grant, and hopwa,

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housing opportunities for persons with AIDS. >> Vela: And the attendant based rental solutions program is that what's funding the vouchers for the permanent supportive housing? >> No. It could be. No, Diana is shaking no, so we have no. We have a variety, there is tenant based rental assistance funded through that program, we have a separate tenant based rental assistance program which is a program with haca that is funded through the home dollars. And the biggest source of tenant based rental assistance are the housing vouchers which are administered by haca and those don't flow through the city. They're directly administered by the housing authority. Those are the vouchessers that are providing the project based assistance to the hotels that Jamie mentioned. >> Vela: That's all the questions I have, thank you.

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>> Renteria: Any other questions? Thank you. >> Thank you so much. >> Renteria: And if we go on through the agenda, item 3, briefing and discussion on spending priorities for home arp grant healthed to homeless and housing stability. Is someone here to make this presentation? >> Yes. I think that will also be me. I'm going to stick with you. Max here with the housing and planning department. This is another pool of federal funding that we are seeking our input on and want you to be aware of, want the people to be aware of. So this is the home arp or home American rescue plan grant. So the city is eligible for a specific slice of funding from the American rescue plan that will be administered through the home grant. It's a one time

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pool of funding called arp. Next slide, please. So this funding is a slice of the larger American rescue plan grant that we received through the home grant and this grant has a lot of specific requirements surrounding it around consultation and public participation. And so outside of the American rescue plan public input process that took place earlier a few months ago, this is another specific consultation about home arp in particular. So Austin is eligible for \$11.4 million of this grant and the funding is specifically intended to be used to address homelessness, people at risk of homelessness with rental housing, non-congregate shelters, supportive services. In order to receive this funding the city is required to go through a process of consultation with various types of community

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organizations and we're required to hold a public hearing and receive input from the public before submitting a plan to HUD on how we will allocate that funding. If you can go to the next slide, please. So again, we're eligible for \$11.4 million and for the past few weeks we've been reaching out to different organizations to get feedback about how this funding could be allocated. On this screen you can see the eligible uses of HOME ARP as written by the housing and urban development. We have the provision of supportive services and acquisition and development of non-congregate shelter. So the \$11.4 million that we're eligible for can be allocated to one of these categories or across multiple of the categories. Next slide, please. This next slide has the eligible populations that stand to benefit from HOME ARP so we have populations who are homeless at risk of

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homelessness, fleeing domestic violence or other populations where providing supportive services could prevent homelessness who are people who are at great risk of housing instability. Next slide, please. And these are the groups that the city has been consulting with, specifically around this pool of funding. So these meetings have been conducted with representatives of the organization as well as with leadership of the housing and planning department as well as Austin public health homeless strategy division. So there are a lot of great communications about where this money could be allocated to the activities that different service providing organizations have faced through COVID and through all of these consultations as this wraps up we will put that information into a draft allocation plan that will propose how this funding could be allocated.

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And we're going to release that draft allocation plan to the public starting on May third and have it available up until June 10th. It will be available online in our Speak Up Austin website as well as a few locations around the city in coordination with really seeing the draft action plan. And we will also be holding two public hearings for the HOME ARP grant coinciding with the action plan public hearings, one on May 10th with the community development commission and one on June 9th with the city council. And assuming everything goes well in the plan the proposal looks good and we plan to submit the plan to HUD some time in August. It will be submitted as an amendment to our fiscal year '21-22 action plan and so we'll be eligible to spend this funding this year. And that is the conclusion of the presentation. I'll pass it back to the chair. >> Renteria: That's pretty

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good use there. We'll have to decide how -- hopefully you get a lot of community input so that we can make some really good decision. Is there anybody out there that -- colleagues, any questions on this? >> Just a very quick question. >> Renteria: Council member vela. >> Vela: Just to be clear, this is 11.4 million that Austin is eligible for, has not been awarded for the American rescue plan, so this is additional money on top of what we already have ready to go. >> That is correct. >> Let me clarify, this is money we have counted in the \$106.7 million because we were age to identify how much it would be when the American rescue plan act came down. This is our process of formally requesting it, and I'm looking at hbd staff to get the actual -- have the money come down, but we have already counted it in our

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overall resource plan for homelessness. >> Got it, thank you. >> Renteria: Okay. Thank you for that clarification. Any other questions? Thank you? All right. We're on our last item, briefing on the Austin community land trust. Implementation and prepare policy pilot program and lottery process for home sales. >> Good afternoon. Thank you for having us. Chair kiolbassa council, this is our first one so I apologize of all the titles. I'm not sure. But today we're going to brief you on the Austin community land trust and the implementation of the preference policy. And just to walk you back through, because we know it's been awhile since we've talked about any of this,

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the preference policy that relates to the distribution of affordable housing units for low to moderate income households based on generational ties to the city and a policy that relates to the distribution of units based on household size. The preference policy pilot will soon be implemented through the Austin community land trust units sold by the Austin housing finance corporation. The Austin community land trust is unique in that it separates the ownership of the house from the land and creates affordable housing by taking the cost of the land out of the purchase price of the aclt home. It keeps housing affordable for future buyers by controlling the resale price of aclt homes through a ground lease and a resale formula. So we're going to get into the presentation because I figured after that little brief overview, which I'm sure everybody needed on land trust -- I'm so sorry, my name is son da Gaither, I'm a program manager over at HPD, specifically in our real estate division. I oversee the long-term

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affordability units and also our Austin community land trust. Next slide, please. So we just did our brief overview and now we'll get into the preference policy overview and after that we'll talk about the application and lottery specifically and then talk about aclthomes.org, our website, and property listings. Next slide, please. So in the implementation of the preference policy through the acit will be specifically talking about the three main tenets in the preference policy and how they will apply in the application. Next slide, please. We're going to start with the full tenet, which is disability, which applies to accessible units, households with disabled members and priority for units with disability modifications. The next tenant is household size and we simply borrowed haca's take on how many

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people could be in a unit and how units will be assigned. But all of our units are subject to right sizing and you can see a brief chart up here that lets you know bedroom size and minimum number of persons and maximum number of persons for that particular unit. Next slide, please. Will next tenant, specifically generational ties and displacement, so eligible census tracts are households that reside in census tracts in any gentrification type and any [indiscernible] From the university of Texas at Austin. The following households would be covered. Households that currently reside under applicable census tracts. Households that used to reside there back to the year 2000. And households that have been displaced since 2000 due to the following, natural disaster, government action, eminent domain, the city of Austin tenant notification and relocation

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assistance organization or federal uniform relocation act. Also immediate family resides in city still. They would also be granted sort of like a right of return under generational ties. And also just in case we also cover immediate family that could have resided in the city at the time of their death. Next slide, please. This is an overview of the application process from initial intake to random selection. Citizens can go online and do what we call a precertification form where they will basically tell us how they are eligible for this property. If they self-certify and they meet all of the correct eligibility criteria, they'll move on to the next area which will be the lottery. They must be 80% mfi or less. They will have to provide id and all the basic information. We will collect nothing initially, this is just a

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self-certification. At that point internally we will separate they're user id from person and that gives some unanimity in running this lottery. The 40% folks are going to be directly related to our units that are available for generational ties and 60% which will basically be all other units. And they will be right sized still. Our precertification form will be open 24 hours a day for 30 calendar days. And we will run

that continuously each time. Next slide, please. And this is probably not the fun stuff, but so you know we will be running this on a random lottery. So the folks that have generational ties based on the scoring system. Once that unit is established with the household, the next units that are available will all be done through a randomizer

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and their unique ids. Next slide, please. From start to finish, staff will email them a link to the full online application. That's where we will collect their personnel identifying information. I will be able to 10 figure out if they are eligible. We will request that they have uploaded all their information in 21 calendar days. Program staff will verify the information and determine their eligibility. That applicant will be able to choose their unit and sign a contract and proceed from mortgage to closing. Next slide, please. Here is the front page of our fabulous website that we are very excited about, aclthomes.org. Note that a lot of words are up there, but we're hoping that this will serve as a way to not only market, but also educate our households on what a community land trust is and what the

[4:25:53 PM]

benefits are to them. Next slide, please. There will always be additional information available, for example, the operations for the two, three and four bedrooms, which are deeply affordable, they are based on the 80% of the Austin median family income, but the pricing is actually based on only 65% of those incomes. So we're able to offer the four bedroom for 246, which is amazing. It also walks them through the process of what to expect after their application has been chosen. Next slide, please. You can go to the next one. Sorry. So here you can see the property pricing and we do not have any one bedrooms or studios available so that's why you're seeing two, three, four bedrooms up here. Beer very excited to offer them to low to moderate income families here in the

[4:26:54 PM]

Austin area. Next slide, please. We're taking a phased approach to offering the 20 total properties that we3 have. We'll start off with a pilot that will open later this month and after that they will go in groups of four to fives. One obviously to better utilize the resources that are available that will be conducting the lottery and also lottery to close. But also as a way to not just throw something at the community and hope that they're ready to go. With this phased approach we're able to say you you entered or thought that I'm not quite mortgage ready but you can get mortgage ready in the next 12 to 18 months which is about how long it will take us to get through the 28 homes. And up there you can see the council districts and the number of units that are in each unit and the approximate lottery period that we're hoping to be a open to sell. Next slide, please. There is a section

[4:27:54 PM]

specifically on the website where they can look at the actual homes for sale so it's just like a regular listing. Next slide, please. Although it's kind of squished you can see here 1018 Lyndon, our first home that we're going to offer. There's a map and it will let them know bathroom size, how many bathrooms, square footage and obviously pictures of the inside and outside of the homes. So all very normal stuff when purchasing a home, right? Next slide, please. So what's next? Look forward to the pilot that will open later this month. And then approximately June we'll open it up for groups of fours and fives. Last slide, please. Questions? >> Renteria: [Indiscernible].

[4:29:55 PM]

>> It was utilized for families using housing choice vouchers and it gave us the right of first refusal. >> And the other ones have been sometimes coming from our long time affordability program over -- yeah, that's basically the two areas right now. We're looking to expand and will find ways to keep adding. >> So title to the land is with the Austin housing finance corporation? >> Correct, we'll retain ownership of the land. So less cost burden to the purchaser and less cost burden as far as paying taxes. >> Vela: And are these inheritable? >> Yes, they can be passed down to immediate family, as long as it's written in the will. They do not have to go back through the income certification, as long as it's spouse, domestic spouse, partner or child.

[4:31:00 PM]

>> Vela: And human people are in the lottery? >> We don't know. We'll see which one are in in the first lottery. I imagine many, many. I imagine the number will be great. >> Vela: So this really is like a lottery. It's a lot of people, handful of homes and you need a little luck. >> Yes. >> Vela: Thank you. >> You're welcome. >> Renteria: Yes, councilmember Ellis? >> Ellis: Thank you, chair. This is hugely exciting to see some of these properties starting to become online. I am very curious about the ones that might be in district 8. I understand that you may not be able to share that information today, but I would love to know. And also if there's any information you have that we can share in our newsletter, I would love to circulate the word within district 8 and other people who subscribe to my newsletter because I think it's a fantastic opportunity for people and we certainly love and welcome people to be participating in this

[4:32:02 PM]

process whether they're providing a home for the community or being able to move into a home in a place that has great schools available to people. So we're very excited and just share any information you can with any office. >> You got it. We have to have a memo going to council soon so as soon as that's distributed you have I'm sure at least what you have for the newsletter but if I'm not available for any information you may need. >> If I may jump in for a second. Regarding district 8, I do not believe any of our 2008 homes are in -- 28 homes are in district 8. But having said that we haven't reached every single district with our community land trust. Our intention is to get there. I will say that one of our tenants of our planned acquisition strategy with our general obligation \$100 million in land acquisition, is to acquire land across the city of Austin in alignment with project connect. Council member, as you know, we have acquired some vacant

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land in district 8, which we're very excited about. And one of our goals when we put our properties out for solicitation, should in fact all or a portion of it be for home ownership. We want to ensure there is a community land trust model. Thus far we've put out three parcels for solicitation. Two of those have ownership components. Those are both being developed and administered by the Guadalupe neighborhood development corporation that has its own community land trust so this is a perfect mechanism to ensure long-term affordability. So again for any parcels, including any parcels in district 8 where we do see an ownership opportunity, we want to ensure that the community land trust model is deployed. >> Thank you for that. I had seen it listed on one of the slides, but that just -- >> It is. I think we have one. One. But -- and one is great.

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But yes. >> We're still happy to spread the word so you can have more. Thank you. >> Renteria: It doesn't restrict anyone in Austin from applying. >> It doesn't. This way residents can apply. Any other questions? Councilmember Tovo. >> Tovo: Yeah, thank you. Thanks very much. This is super, super exciting and I'm really just thrilled to see the community land trust being unveiled and I want to thank the staff, all of our housing staff for their work in making that and getting that up and going. I know the preference policy has been just many years in fruition or coming to fruition and so I want to thank both our housing staff, but I also want to give appreciation to Ashley Richardson on my staff who worked on this really, really closely with law for several years before we actually were able to get it on the agenda and Trish Link from law just worked on this endlessly.

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I'm excited about this. This was an idea brought to us by multiple people, but also by members of the mayor's committee on institutional racism and systemic inequities. So it's great to see it about to be rolled out. When we had talked about it initially, and I think the staff's first memo talked about it also being applied to rental properties. Do we know how soon that might be piloted or is that already taking place in some of the ahfc properties? >> We don't have a timeline for piloting the rental side because we really want to break the system the first time here. That's the purposement we're trying to see what works. And we would like to present that information at a later date. >> Tovo: Thank you very much. I look forward to keeping in touch on that. And we had submitted a budget rider and all this information I posted or Ashley posted on the message board today so we all had it. We did a budget rider asking in part for feedback on what

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additional resources you might need so that we can encourage our private developers and our affordable housing developers and others to also use the preference policy. So let's keep in touch on that part too. But again, congratulations. This is really exciting. I too look forward to spreading the news about the April lottery and the ones to come. >> And council member, if I could jump in, I do want to point out that for again the solicitations that have occurred thus far, the ahfc solicitations, one on it willry, one on Tannehill and one on gardener lane, those are in predevelopment, they're moving forward. But one of the components of the solicitation moving forward was requiring that the developers, including developers of rental housing utilize not necessarily our preference policy. We gave them the example of our preference policy, but a preference policy that would preference populations that are prone to displacement. So developers who were awarded have all agreed to pursue. They have different ideas about how that will be implemented.

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We will work side by side with them. But as Shonda points out, we are looking at this as truly the pilot. It is the first manageable piece of properties that we're going to be deploying, the true preference policy that was laid out in the memo that went to council I think in 2019. >> Tovo: Thank you. >> Renteria: Thank you. Colleagues, are there any other questions? If not, we're moving on to future items. If any of y'all have anything that wants to be posted on the agenda, on our next agenda, please contact my office. My chief of staff is taking all the information that y'all need so just contact her. If there's nothing else, I would like to adjourn this

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meeting today of the housing and planning committee. The time is -- if someone could tell me the time. I left my watch. >> 4:38. >> Renteria: 438. So this meeting is adjourned at 4:38. Thank you.