



June 1, 2023

Questions and Answers Report



Mayor Kirk Watson

Council Member Natasha Harper-Madison, District 1

Council Member Vanessa Fuentes, District 2

Council Member José Velásquez, District 3

Council Member Josè “Chito” Vela, District 4

Council Member Ryan Alter, District 5

Council Member Mackenzie Kelly, District 6

Council Member Leslie Pool, District 7

Mayor Pro Tem Paige Ellis, District 8

Council Member Zohaib “Zo” Qadri, District 9

Council Member Alison Alter, District 10

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

AHFC Items:

COUNCIL MEMBER ALISON ALTER'S OFFICE

1. For our AHFC agenda, for each item involving a loan agreement, can you please clarify for me whether the loan will be forgiven at the end of the term or paid back by the end of the term?

Rental Housing Development Assistance (RHDA) loans are deferred but payable upon completion of the loan term (typically 40 years). In addition, in certain "cash events" such as refinance and/or recapitalization, AHFC can require repayment.

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Under both RHDA and OHDA programs, the affordability is secured by a Land Use Restriction Agreement (LURA) for the length of the affordability period.

Item #11: Approve a resolution directing the publication of an Official Notice of Intention to Issue \$28,000,000 City of Austin, Texas, Certificates of Obligation, Series 2023.

COUNCIL MEMBER KELLY'S OFFICE

1. *What Fire/EMS stations are using these bonds?*

The \$17.5 million portion of the Certificates of Obligation fund design and construction of the recently completed Loop 360/Davenport Ranch Fire Station. The \$2.8 million portion of the Certificates of Obligation fund improvements to Fire Station #1/EMS Station #6, Fire Station #3, and Fire Station #22/EMS Station #12.

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COUNCIL MEMBER VANESSA FUENTES'S OFFICE

1. *Does living wage apply for this contract?*

Yes, living wage applies to these contracts.

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1. *What has been the percentage change in the cost of steel, asphalt, concrete, lumber, and labor respectively?*

The costs outlined in the 2018 Aquatic Plan were used to establish the funding request in the 2018 General Obligation Bond. The following is a breakdown of the cost increases from the design development estimate prepared November 2021 by the project's Construction Manager at Risk, Flintco, LLC to the actual bid prices received September 2022:

1. Concrete – 65% increase
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Although the City's Living Wage program did not technically apply to these contracts, staff have checked with each of the contractors to confirm that they will compensate employees at hourly rates no less than the City's Living Wage rate. Additionally, we will secure their contractual commitment to the current rate of \$20 per hour and future Living Wage rate, as it may change throughout the term of these contracts.

Item #32: Authorize negotiation and execution of four contracts for vegetation management around energized lines with ABC Professional Tree Services, BDG Trees, LLC, Pannell Contracting, LLC, and Sequoias Tree Expert LLC, each for up to three years for a total contract amount not to exceed \$15,000,000, divided among the contractors. [Note: These contracts are exempt from the City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

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Item #33: Ratify two contracts for storm debris removal, disposal, and monitoring, related to Winter Storm Mara with Tetra Tech, Inc. in the amount of \$3,200,000, and with Ceres Environmental Services, Inc., CrowderGulf, LLC., and DRC Emergency Services, LLC in the amount of \$18,000,000, divided among the contractors. [Note: These contracts are exempt from the City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

COUNCIL MEMBER ALISON ALTER'S OFFICE

1. *This item ratifies already executed contracts related to storm debris. We are hearing concerns about the need for further storm debris and dead and downed brush within our parks and greenbelts. What plans do we have to remove or otherwise address this brush and debris so it does not generate wildfire risks in the future?*

Contractors performed all Federal Emergency Management Agency (FEMA) eligible work on parkland. There is no FEMA reimbursable work remaining within greenbelts as FEMA work focuses on hazards with direct impacts to amenities or individuals.

Dead and down wood is a natural and important component of healthy ecosystems. The goal is not to remove all dead and down wood from natural areas. Most elevated fire risk to homes in parkland natural areas is due to loading and arrangement of live fuels (living plant material) that will need to be managed via ecological restoration over years to decades. The best way to reduce wildfire risk in these natural areas is holistic management.

With that said, the Parks and Recreation Department (PARC) works closely with the Austin Fire Department (AFD) to assess areas with concerns for structures (homes) and then works to prioritize the implementation of shaded fuel breaks. Constructing a shaded fuel break is the process of selectively thinning and removing more flammable understory vegetation adjacent to homes and other structures while leaving the majority of larger, more fire-tolerant tree species in place.

PARD staff manage and install shaded fuel breaks under a city master agreement using funding from the Austin Fire Department. Current PARD staff have been reallocated from other projects to install \$100,000 of shaded field breaks each year. To increase this pace, additional resources are required. To install high and moderate need shaded fuel breaks currently identified on parkland with a contractor is estimated to require up to \$6M.

PARD can work with AFD to review the prioritization of shaded fuel breaks in light of the recent storms and work to re-prioritize areas for shaded-fuel breaks.

Item #36: Approve a resolution modifying the procedures for City Council meetings, public hearings, and appeals.

COUNCIL MEMBER FUENTES’S OFFICE

1. *Where can I locate the current procedures for Council Meetings, public hearings, and appeals?*

The current procedures are published on the main Council Meeting Information Center <https://services.austintexas.gov/edims/document.cfm?id=279629>

2. *Can you please provide a red-lined version of Exhibit A?*

Please see attached.

3. Have these proposed changes been discussed in any public meetings to date?

The only significant changes are with the public communications sections, bringing them in line with current practices.

4. Have any members of council been included in the drafting of these changes?

The Clerk’s Office distributed suggested revisions to Mayor and Council in April 2023. Noting the procedures were once codified and removed from the code and implemented as procedures shortly after the 10-1 transition. The Council Procedures were last updated in 2017. The Clerk received a couple of inquiries suggesting revisions to 1-1-4(A) “the council shall meet each Thursday to consider action on city business.” However, there is a charter provision that states council shall meet weekly, therefore, the Council meeting schedule that is approved yearly displays a “canceled meeting” column. (Revised 2023 Council Meeting Schedule <https://services.austintexas.gov/edims/document.cfm?id=396982>)

The Clerk’s office is requesting revisions to the current procedures as they require extensive updates to the public communication section. The revised document was forwarded to the Agenda Office for review and consideration to post on an upcoming council agenda.

Item #40: Approve an ordinance amending the Fiscal Year 2022-2023 Austin Public Health Department Operating Budget Special Revenue Fund (Ordinance No. 20220817-004) to accept and appropriate opioid settlement funding in the amount of \$1,531,218 and add 1.0 full-time equivalent position for

communication and harm reduction strategies to address the escalating public health crisis caused by drug overdoses.

COUNCIL MEMBER FUENTES'S OFFICE

1. *In what ways will this FTE engage and assist the Travis County/City of Austin Public Health Commission?*

The focus of this position is the coordination of substance misuse programs and funding sources. It does not have a direct role with the Public Health Commission.

2. *In addition to financing the FTE position, how will the remaining settlement funds be used?*

Funding will be used to implement council directives in resolutions 20220616-053 (invest in harm reduction strategies, data dashboard, and public education campaign) and 20230413-043 (funding and resources to purchase and distribute Narcan and provide training on its use).

Item #45: Approve a resolution related to authorizing the Housing Authority of Travis County (HATC) to exercise its powers within the City.

COUNCIL MEMBER KELLY'S OFFICE

1. *What authority does this agreement give to the city manager in terms of acquisition negotiation between the three projects?*

Before a county housing authority may conduct business within a municipal housing authority's jurisdiction, the county housing authority must obtain approvals from both the municipal housing authority and the municipality's governing body. In this instance, the Housing Authority of Travis County (HATC) must obtain approvals from both the City Council and the Housing Authority of the City of Austin (HACA) to operate within the City limits. If Council and HACA agree that HATC can conduct business within the City, cooperation agreements are required. These cooperation agreements do not impose minimum affordability requirements or grant the City or HACA any control over HATC's developments.

Item #45: Approve a resolution related to authorizing the Housing Authority of Travis County (HATC) to exercise its powers within the City.

COUNCIL MEMBER LESLIE POOL'S OFFICE

1. *What is the standard process for City Housing Department staff review and recommendations for Council on affordable housing projects seeking City subsidy and tax benefits?*

Applications for direct subsidy via the City of Austin's Rental Housing Development Assistance (RHDA) and Ownership Housing Development Assistance (OHDA) programs are received on a quarterly basis. Applications undergo a thorough staff review (including financial underwriting, as well as a panel review of applications consisting of multiple divisions within the Housing Department). After internal review, applications are review by the Housing Investment Review Committee (HIRC), which is a five-member, community-led advisory group. After staff and HIRC review, the Housing Department's executives review and make the final recommendation for funding to the Austin Housing Finance Corporation (AHFC) Board of Directors. The RHDA and OHDA applications, funding schedule, funding process, as well as current and prior applications

can be found on the Housing Department's website:

<https://www.austintexas.gov/page/affordable-housing-development-funding>

Currently, there is not a formal process for partnerships, in which an AHFC subsidiary would act as a General Partner and would consequently confer 100% tax exemption. AHFC currently has 14 partnerships – eight projects are fully operational, two projects are under construction, and three projects are in predevelopment. In addition, AHFC subsidiaries have ownership interests in four small multifamily developments, as well as a recently acquired portfolio of small multifamily properties. In each of these cases, AHFC staff had sufficient opportunity to thoroughly vet the developer, analyze the site location through the RHDA location criteria, analyze (and negotiate) extensive community benefits commensurate with the proposed property tax exemption, ensure the long-term sustainability of the project, and ensure the ongoing monitoring and enforceability of the legal agreements.

Based on what is known at this time, the three developments listed in the draft resolution (when considered in their totality, with their mixed-market rate companion developments) would not be likely candidates for an AHFC partnership.

2. *Why did the three projects not go through the standard process? If possible, please identify if a postponement to allow City housing staff review and vetting would negatively impact any of the three projects listed.*

It did not come to staff's attention (until recently) that the Travis County Collaborative ("the Collaborative") projects were utilizing a PFC structure which would require City of Austin authorization. When the Travis County Supportive Housing Collaborative was first envisioned, it was presented that no City of Austin subsidy would be required.

The Collaborative has been working closely with Travis County for the past two years. Travis County has committed \$50 million in federal ARPA funding toward the projects. Staff first became aware of the need for city subsidy when four members of the collaborative – SAFE, Family Eldercare, LifeWorks, and Austin Area Urban League – submitted RHDA applications in May 2022. All of those projects have been recommended and awarded funding, based on the standard RHDA review criteria.

A postponement until the July 20, 2023, City Council meeting would allow staff sufficient time to propose a consistent framework for review of proposed PFC projects and should not negatively impact the three projects listed in Agenda Item 45. Staff will confirm with the Travis County Supportive Housing Collaborative partners.

3. *What is the total City subsidy in funding as well as in City tax breaks requested by each of the three projects listed in the resolution? Were these projects always seeking these subsidies from the City?*

The City of Austin has committed (or is considering) more than \$27 million in direct subsidy to the Travis County Supportive Housing Collaborative projects. The AHFC board approved the first two of the applications – Family Eldercare (\$3.4 million) and the Austin Area Urban League (\$4 million) – on September 1, 2022.

The AHFC board approved a \$6 million RHDA loan for SAFE at the December 1, 2022, meeting.

The AHFC board will consider an \$8 million RHDA loan for LifeWorks at the June 1, 2023, board meeting. In addition, the AHFC board will consider a \$6,077,738 RHDA loan for Caritas at the June 1, 2023, board meeting. Assuming the awards to LifeWorks and Caritas are made (which are both recommended by staff), the City of Austin will have committed more than \$27 million in gap financing for the Travis County Supportive Housing Collaborative projects.

According to Capital A Housing, consultant for the Travis County Supportive Housing Collaborative, the assessed value of the three parcels upon full development would generate a total of approximately \$4 million per year in property taxes. Thus, the City of Austin would be authorizing to forgo the city's portion of the property taxes for the length of the agreement between HATC and the development partner. (The estimate property taxes have not been independently verified by city staff.)

4. *Does this resolution extend Council approval for any Housing Authority of Travis County or Public Facilities Corporation (PFC) projects outside of those listed in the resolution?*

The resolution is specifically focused on the three projects that are part of the Travis County Supportive Housing Collaborative. Housing Department staff worked with CM Ryan Alter's staff to ensure that the resolution only focused on the three projects listed. Housing Department staff has not vetted nor reviewed other proposed HATC PFC projects.

Housing Department staff is working collaboratively with HATC and the Housing Authority of the City of Austin (HACA) to ensure that projects receiving a full tax exemption are providing commensurate community benefits. AHFC, HACA, and HATC met on May 25, 2023, to discuss a framework and a process for reviewing and approving these types of projects. The three entities have agreed to meet monthly to develop a framework that is focused on our shared community values around affordability.

5. *What is the overall funding concept proposed under the PFCs for these three projects? Please break down the amount of Permanent Supportive Housing (PSH), income-restricted, and market-rate housing proposed, and identify the combination of Travis County federal ARPA dollars allocated for these projects by the Travis County Commissioners Court, the City RHDA/OHDA funds being requested, as well as the City tax benefits that would apply not only to the PSH units, but to the market-rate portion of the property as well.*

Capital A Housing, which is the consultant for the Collaborative, has provided the attached information regarding the three projects that are the subject of the resolution. The attached information provides a breakdown of Permanent Supportive Housing (PSH) units, affordable units (at or below 80% MFI), and market rate units. It is important to note that – because of the PFC structure – the 100% property tax exemption will apply to the PSH units, the affordable units, and the market rate units. We have requested an estimate of the property tax exemption benefit and are awaiting that information.

6. *Is there agreement language between the City, the developers, and other partners that guarantees the provision of income-restricted units in a timely manner, and commitments to invest tax benefits into those units? If so, is there an opportunity to include a "claw back" clause in the final agreements on these three projects to require a reauthorization by the Council if*

conditions in the agreements or deadlines for provision of the income restricted housing units are not met?

The City of Austin is not a party to the Travis County Supportive Housing Collaborative Agreements. In each of those cases, the legal agreement (and enforcement mechanism) is between the private developer, the nonprofit Collaborative Partner, and HATC.

7. *What are the one-time closing fees, per unit fees, and annual fees proposed to pay HATC or HACA for these three projects?*

Information on the proposed fees to HATC are on the attached summary from Capital A Housing.

8. *Does the City have policies related to criteria for PFCs within the City of Austin? If not, is City housing staff able to craft criteria, procedures, and outcome metrics for PFC projects within the city limits that reflect new state law and our community values related to affordability levels, longevity of income-restricted units, tenant protections, and other protections for residents? If so, how long would it take to craft such a policy?*

Housing Department staff is working with both HACA and HATC to craft criteria, procedures, and outcome metrics for PFC projects within city limits. While it may take several months to reach agreement on those items amongst the three parties, Housing Department can identify our local priorities, a proposed framework, and a proposed process for staff review of PFC projects prior to the July 20th City Council meeting.

9. *HB 2071 from Representative Jetton related to PFCs passed and is ready to be signed by the governor. When does this bill go into effect, and what impact might it have on the three PFC projects in the resolution?*

Housing Department staff is working with Law and IGRO to determine when the bill will go into effect and what the implications for these projects (and others) may be.

Item #48: Approve a resolution initiating code amendments to City Code Title 25 related to dwelling unit occupancy limits.

COUNCIL MEMBER VELA'S OFFICE

1. *How many times have people been cited for violating the occupancy limits?*

In the last 2 years, no legal actions have been filed through Municipal Court in relation to occupancy limits established by §25-2-511.

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COUNCIL MEMBER ALISON ALTER'S OFFICE

1. *If we adopted this resolution and followed only the property maintenance code, how would we calculate occupancy limits?*

Section 404.4.1 of the City of Austin Property Maintenance Code would establish occupancy limits for residential dwelling units.

2. *What would be the maximum occupancy allowed in a 3 bedroom 1200 sq foot dwelling unit should this resolution pass? Assume each bedroom meets the minimum property maintenance code requirement.*

If all 3 bedrooms are the minimum sleeping room size of 70 sq ft, each bedroom would allow for 2 adult occupants per bedroom, resulting in a total allowance of 6 adults in the dwelling.

3. *Please describe how occupancy is currently regulated for STRs and how, if at all, this resolution would impact STRs.*

STR occupancy limits are regulated under the Property Maintenance Code. Therefore, this resolution would not impact occupancy limits for STRs.

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COUNCIL MEMBER QADRI'S OFFICE

1. *Do you know if it would be possible to pull the 311 complaints and subsequent enforcement for occupancy limits?*

In the last 2 years, there have been 30 complaints filed that included over-occupancy. Three (3) of the cases resulted in notices of violations being sent to the property owner. However, none of the notices include §25-2-511 as a violation.



Council Question and Answer

Related To

AHFC Item #2-12

Meeting Date

June 1, 2023

Additional Answer Information

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COUNCIL MEMBER FUENTES'S OFFICE

1. *Does living wage apply for this contract?*

Although the City's Living Wage program did not technically apply to these contracts, staff have checked with each of the contractors to confirm that they will compensate employees at hourly rates no less than the City's Living Wage rate. Additionally, we will secure their contractual commitment to the current rate of \$20 per hour and future Living Wage rate, as it may change throughout the term of these contracts.



Council Question and Answer

Related To

Item #32

Meeting Date

June 1, 2023

Additional Answer Information

Authorize negotiation and execution of four contracts for vegetation management around energized lines with ABC Professional Tree Services, BDG Trees, LLC, Pannell Contracting, LLC, and Sequoias Tree Expert LLC, each for up to three years for a total contract amount not to exceed \$15,000,000, divided among the contractors. [Note: These contracts are exempt from the City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

COUNCIL MEMBER FUENTES'S OFFICE

1. *Does living wage apply for this contract?*

Although the City's Living Wage program did not technically apply to these contracts, staff have checked with each of the contractors to confirm that they will compensate employees at hourly rates not less than the City's Living Wage rate. Additionally, we will secure their contractual commitment to the current rate of \$20 per hour and future Living Wage rate, as it may change throughout the term of these contracts.



Council Question and Answer

Related To

Item #33

Meeting Date

June 1, 2023

Additional Answer Information

Ratify two contracts for storm debris removal, disposal, and monitoring, related to Winter Storm Mara with Tetra Tech, Inc. in the amount of \$3,200,000, and with Ceres Environmental Services, Inc., CrowderGulf, LLC., and DRC Emergency Services, LLC in the amount of \$18,000,000, divided among the contractors. [Note: These contracts are exempt from the City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established].

COUNCIL MEMBER ALISON ALTER'S OFFICE

1. *This item ratifies already executed contracts related to storm debris. We are hearing concerns about the need for further storm debris and dead and downed brush within our parks and greenbelts. What plans do we have to remove or otherwise address this brush and debris so it does not generate wildfire risks in the future?*

Contractors performed all Federal Emergency Management Agency (FEMA) eligible work on parkland. There is no FEMA reimbursable work remaining within greenbelts as FEMA work focuses on hazards with direct impacts to amenities or individuals.

Dead and down wood is a natural and important component of healthy ecosystems. The goal is not to remove all dead and down wood from natural areas. Most elevated fire risk to homes in parkland natural areas is due to loading and arrangement of live fuels (living plant material) that will need to be managed via ecological restoration over years to decades. The best way to reduce wildfire risk in these natural areas is holistic management.

With that said, the Parks and Recreation Department (PARD) works closely with the Austin Fire Department (AFD) to assess areas with concerns for structures (homes) and then works to prioritize the implementation of shaded fuel breaks. Constructing a shaded fuel break is the process of selectively thinning and removing more flammable understory vegetation adjacent to homes and other structures while leaving the majority of larger, more fire-tolerant tree species in place.

PARD staff manage and install shaded fuel breaks under a city master agreement using funding from the Austin Fire Department. Current PARD staff have been reallocated from other projects to install \$100,000 of shaded field breaks each year. To increase this pace, additional resources are required. To install high and moderate need shaded fuel breaks currently identified on parkland with a contractor is estimated to require up to \$6M.

PARD can work with AFD to review the prioritization of shaded fuel breaks in light of the recent storms and work to re-prioritize areas for shaded-fuel breaks.



Council Question and Answer

Related To

Item #36

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution modifying the procedures for City Council meetings, public hearings, and appeals.

COUNCIL MEMBER FUENTES'S OFFICE

1. *Where can I locate the current procedures for Council Meetings, public hearings, and appeals?*
The current procedures are published on the main Council Meeting Information Center <https://services.austintexas.gov/edims/document.cfm?id=279629>
2. *Can you please provide a red-lined version of Exhibit A?*
Please see attached.
3. Have these proposed changes been discussed in any public meetings to date?
The only significant changes are with the public communications sections, bringing them in line with current practices.
4. Have any members of council been included in the drafting of these changes?
The Clerk's Office distributed suggested revisions to Mayor and Council in April 2023. Noting the procedures were once codified and removed from the code and implemented as procedures shortly after the 10-1 transition. The Council Procedures were last updated in 2017. The Clerk received a couple of inquiries suggesting revisions to 1-1-4(A) "the council shall meet each Thursday to consider action on city business." However, there is a charter provision that states council shall meet weekly, therefore, the Council meeting schedule that is approved yearly displays a "canceled meeting" column. (Revised 2023 Council Meeting Schedule <https://services.austintexas.gov/edims/document.cfm?id=396982>)

The Clerk's office is requesting revisions to the current procedures as they require extensive updates to the public communication section. The revised document was forwarded to the Agenda Office for review and consideration to post on an upcoming council agenda.

EXHIBIT A

PROCEDURES FOR AUSTIN CITY COUNCIL MEETINGS, PUBLIC HEARINGS, AND APPEALS

PROCEDURES FOR AUSTIN CITY COUNCIL MEETINGS, PUBLIC HEARINGS, AND APPEALS

(Effective _____, 2023~~21~~¹⁷)

ARTICLE 1. - PROCEDURES FOR CITY COUNCIL MEETINGS.

Division 1. - Regular Meetings.

§ 1-1-1 - COUNCIL FINDINGS.

The council finds that:

- (1) Useful public debate at its meetings is served by the fair and impartial administration of rules of order.
- (2) Democracy is best served by participation of people in their government.
- (3) Austin's exercise of representative democracy is well-served by the timely and substantial participation of the public. ~~its citizens.~~
- (4) Minor, incidental breaches of decorum may occur in the exercise of participatory democracy.
- (5) The best government is that which is done in the open.

§ 1-1-2 - PROCEDURAL DIRECTIVES.

- (A) These Procedures are directory only, and a violation of any of the provisions of this article does not affect the validity or legality of any council action otherwise properly adopted.
- (B) The council may waive any of the requirements of these Procedures for a particular agenda item by voice vote without the need to amend the Procedures.
- (C) The city clerk shall make copies of these Procedures available to the public.

§ 1-1-3 - RULES OF ORDER.

- (A) Except in the case of a conflict with these Procedures, the City Code ("Code"), the City Charter, or state law, council meetings should be conducted under Robert's Rules of Order.
- (B) Each person and councilmember attending a council meeting should observe decorum. A person or councilmember should not speak out of turn, use disparaging or abusive language, or make threats of violence against any other person during a council meeting.
- (C) The presiding officer:
 - (1) should maintain order;
 - (2) should exercise the officer's authority impartially; and
 - (3) may shorten a person's speaking time or ban a person from speaking for the duration of a meeting only for a violation of decorum set out in this section.

- (D) The presiding officer should rule out of order any council_member breaching decorum. A council_member ruled out of order may call for a vote of the council to sustain or overrule the presiding officer.

§ 1-1-4 - THURSDAY COUNCIL MEETING.

- (A) The council shall meet each Thursday to consider action on city business.
- (B) A time certain prescribed in this section means that the agenda item or hearing may not be considered or heard before the time ~~indicated, but~~indicated but may be considered or heard at a later time.
- (C) If possible, the presiding officer should call the council meeting to order at the time posted. The council may meet in executive session after the meeting is convened.
- (D) The council should conduct the following business at specified times certain:
- (1) a board meeting, including ~~Austin Housing Finance~~ Corporation meetings;
 - (2) a bond sale;
 - (3) a briefing;
 - (4) public citizens' communication;
 - (5) the consent agenda;
 - (6) live music;
 - (7) a proclamation; and
 - (8) a public hearing.
- (E) Except as otherwise provided in this section, a council_member may request that an agenda item or hearing be set at a time certain if the council_member receives the approval of one additional council_member. A council_member may, without the approval of another councilmember, request that a zoning item scheduled during the established time for zoning hearings be postponed until the later time during the council meeting.
- (F) The presiding officer should adjourn a council meeting at 10:00 p.m. However, if council is considering a matter at 10:00 p.m., the council may proceed with consideration of the matter. At the conclusion of the matter, council may vote to continue the council meeting. The presiding officer may recess a council meeting that continues past 12:00 midnight and may reconvene the meeting at a time certain during the same day.
- (G) Not more than two briefings may be placed on a council meeting agenda.

§ 1-1-5 - CONSENT AGENDA.

- (A) The council may adopt items by consent of the council without a separate vote on each item as the consent agenda.
- (B) The council may not adopt by consent an item:
- (1) subject to a public hearing;
 - (2) posted on the agenda for consideration at a specific time;

- (3) that a ~~council member requests~~ council member requests to be pulled from the agenda for discussion;
- ~~(4) on which two or more people have registered to testify if the persons have registered to testify 15 minutes prior to the scheduled start time of the council meeting; or~~
- ~~(5)~~(4) that has been considered by a standing committee of the council.
- (C) A person not wishing to speak ~~but donating time~~ is considered as registered ~~to testify in determining if an item should be removed from the consent agenda for, neutral, or against a specific item.~~
- (D) ~~If an individual is the only person registered to testify on an item on the consent agenda that has not been otherwise pulled for discussion, the item will remain part of the consent agenda.~~ The person registered to testify will be allowed to speak one time, for up to three minutes on the consent agenda as a whole, regardless of the number of items for which the person has signed up to speak. Consent agenda items may be batched with non-consent agenda items.
- (E) A person, other than a council member, may not participate in removing ~~more than three~~ items from the consent agenda ~~for a single council meeting.~~
 - ~~(1) This limitation applies only to items that are removed from the consent agenda solely on the basis of the number of persons who have registered to testify or donated time, as described in Subsections (B)(4) and (C) of this section.~~
 - ~~(2) The first three numerically listed items for which a person has registered to testify or donated time shall be considered for purposes of this limitation.~~
 - ~~(3) A person who is registered to speak must be present in the council chambers when the item is pulled off the consent agenda.~~
- ~~(F) The number of items pulled from consent on which a person may speak is not limited.~~
- ~~(G) If one or more people have registered to speak on an item that could otherwise be approved by consent of the council, the presiding officer should ask if reading the registration card into the record and approving the item on consent is an acceptable alternative to a presentation by the registered speakers.~~

§ 1-1-6 - AGENDA FOR COUNCIL MEETINGS.

- (A) The city manager shall have the administrative duty to compile the agenda for each council meeting, and shall:
 - (1) group agenda items by council committee, or if an item has not been considered by a council committee, by department or by topic;
 - (2) mark each action item, identifying an item that is an ordinance or a resolution;
 - (3) list items from the council in a separate section of the agenda, unless the item has been reviewed by a council committee;
 - (4) include the final committee report in the back-up information for each agenda item that was reviewed by a council committee; and
 - (5) include a notice for an item that was reviewed by a council committee stating that the

item was reviewed by a council committee.

- (B) The city manager may place an item on the council's agenda. The city manager should not place an item on an agenda unless:
 - (1) the item has been considered by the appropriate advisory board, if any;
 - (2) the item has been reviewed by a council committee with an accompanying recommendation that the item be placed on a future council agenda;
 - (3) the item is sponsored by four council members; or
 - (4) the item is an administrative matter, or the city manager determines that the back-up material accompanying the item is sufficient to provide the council with a full explanation of the item.
- (C) The city manager shall provide electronic mail notification of the electronic posting of the agenda to any citizen-person who requests notification by the established electronic notification system.
- (D) Four council members may place an item directly on the council agenda:
 - (1) The council members should submit items for inclusion on an agenda not later than the second business day before the council agenda is posted.
 - (2) If an item is submitted later than the time prescribed by this section, a sponsor of the item shall certify that the item is time sensitive because it is immediately critical to the interests of the City. The certification shall be on a form provided by the city manager.
 - (3) An item submitted for inclusion on the agenda should include posting language and a resolution, ordinance, agreement, City board report, written and oral public testimony, and other supplemental information.
- (E) A council member may place an item on a work session agenda for the purposes of:
 - (1) discussion and identifying three other council members who wish to place the item directly on a council agenda; or
 - (2) discussion and identifying three other council members who wish to open the item for public comment at a council meeting.

§ 1-1-7 - ~~CITIZEN-PUBLIC~~ PARTICIPATION AT COUNCIL MEETINGS.

- (A) The right of a person to speak to the council, as regulated by these Procedures, the Code, the City Charter, and state or federal law, may not be abridged.
- (B) Except as provided in Section 1-1-9 (*Speaker Registration and Speaking Time*), the presiding officer should not refuse permission to speak to a person who has registered to speak, and who is present and ready to speak, unless the hearing or consideration of the item for which the person has registered to speak has been continued to a later meeting.
- (C) If a hearing or item for which a person has registered is continued, a person who has registered but has not spoken must re-register as a speaker at the subsequent meeting during which the hearing or item is considered by the council.
- (D) A person who intends to speak at a council meeting may do so one of two ways:

- (1) ~~under Section 1-1-8 (General Citizen-Public Communication)~~ (under Section 1-1-8) – Speakers may register via the city website, by telephone, E-mail or in person; and
 - (2) ~~under Section 1-1-9 (Speaker Registration on Agenda Items and Speaking Time)~~ (under Section 1-1-9) must Speakers may register by online form or in person via the kiosks.
- ~~(E) If a formal public hearing has been held and closed on the subject matter of an agenda item, a person may not register to speak on the item at a subsequent council meeting. The presiding officer should not entertain additional public comment during subsequent council consideration of the subject matter of a closed public hearing.~~

§ 1-1-8 - GENERAL ~~CITIZEN-PUBLIC~~ COMMUNICATION.

- (A) At a Thursday council meeting, a maximum of 10 people may address the council during the general ~~citizen-public~~ communication portion of the meeting.
- (B) A person who intends to speak during ~~the~~ general ~~citizen-public~~ communication must register between 9:00 a.m. on the 21st 14th day before the council meeting at which the person intends to speak and 4:30 p.m. on the Thursday 14th day before the council meeting at which the person intends to speak.
- ~~(C) The city clerk should not accept more than 10 registrations under this section for general citizen-public communications at a council meeting.~~
- ~~(D) The city clerk may not register a person to speak at general citizen-public communication more frequently than once out of every three regularly scheduled council meetings.~~
- ~~(D) A person may not speak at general citizen communication more often than once every six weeks.~~

§ 1-1-9 — SPEAKER REGISTRATION ON AGENDA ITEMS AND SPEAKING TIME.

- (A) For an item that has been considered by a council committee, public comment shall be taken in the same manner as for an item that has not been considered by a council committee.
- (B) A person who intends to testify at a council meeting on an agenda item or at a public hearing shall register on the electronic signup system in one of two ways:-
 - (1) Remote and In Person Speakers: The ~~person-public~~ may register via the online signup form at any time after ~~12:00 noon~~ 10:00 a.m. on the Monday preceding the a council meeting, when the city clerk opens the agenda, for the meeting, and before the last person who has registered to testify on the item has begun to testify until 12:00 p.m. the Wednesday preceding the council meeting.
 - (2) In Person Speakers Only: ~~To speak on an item on the consent agenda, a~~ The person may register at any time via the City Hall kiosks during business hours starting shortly after 12:00 ~~noon p.m.~~ p.m. on the ~~Monday-Wednesday~~ preceding a council meeting and until 45 minutes before the meeting is scheduled to begin, ~~when the city clerk opens the agenda for the meeting, and before the last person who has registered to testify on the consent agenda has begun to testify.~~

- (C) Except as provided in Section 1-1-5 (*Consent Agenda*), a person is not limited in the number of items on which the person may register to testify.
- (D) Except as provided in Subsection (I), the presiding officer should grant the first 20 speakers on an agenda item three minutes each, and each subsequent speaker on the agenda item one minute, to address the council, unless:
 - ~~(1)–(1)~~ the council rules otherwise;
 - ~~(2)–~~
 - (2) the presiding officer exercises the officer's authority under Section 1-1-3 (*Rules of Order*) to limit or reduce the speaker's time.
- ~~(E) A person may donate the person's speaking time on an agenda item or at a public hearing to another speaker if the person donating the time is present when the speaker begins to address the council.~~
 - ~~(1) A person receiving a donation of time from one of the first 20 registered speakers on an item may speak an additional two minutes for each donation of time received.~~
 - ~~(2) A person receiving a donation of time from a speaker registered after the 20th speaker on an item may speak one additional minute for each donation of time received.~~
- ~~(F) A speaker may not use the time of more than two other registered speakers on an agenda item or at a public hearing.~~
- ~~(G)~~(E) Except as required by state law, the council may limit the number of speakers or the length of testimony at the council's discretion. If the council limits testimony under this subsection, the electronic registration of each non-speaking person shall be made part of the public hearing record.
- ~~(H)~~(F) A person may not register to speak on an item posted as a briefing.
- ~~(I)~~(G) The total time for public comment on an agenda item may not exceed 90 minutes unless the council votes to extend the time for comment on the item. This subsection does not apply to:
 - (1) a public hearing subject to Article 2 of these Procedures (*Procedures for Public Hearings and Appeals*);
 - (2) a public hearing subject to Chapter 25-1, Article 6, Division 2 (*Public Hearing Procedures*) of the Code; or
 - (3) a public hearing required by state or federal law.

Division 2. - Work Session Meetings.

§ 1-2-1 - MEETINGS.

- (A) A work session shall be held each Tuesday of a week that a regular Thursday council meeting is scheduled and shall begin at 9:00 a.m.
- (B) Meetings should be held in the City Hall Boards and Commissions Room if possible.

§ 1-2-2 - WORK SESSION AGENDA.

(A) The order of the work session agenda shall be as follows:

(1) Agenda Review.

(a) Preselected agenda item.

(i) A preselected agenda item is an item from the Thursday agenda that a council member has selected for discussion and for which staff input is requested. Staff members will be present for the discussion.

(ii) Council may discuss an item from the Thursday agenda that is not pre-selected. However, because the item is not preselected, staff may be unavailable for the discussion.

(b) Council discussion item. A council discussion item is an item from the Thursday agenda that a council member identifies as an item solely for discussion among council members.

(2) Council item of interest.

(a) A council item of interest is an item that is not on the Thursday council agenda. This category may include an item that the council wants to place on a future work session agenda.

(b) A council item of interest may be placed on the agenda by the mayor or a council member.

(3) Briefings.

(B) Council members should submit preselected agenda items to the Agenda Office by 4:00 p.m. on the Monday before the work session.

(C) The work session agenda shall include all items from the Thursday agenda and shall include a statement that council may discuss any item from the Thursday agenda, including items that have not been preselected, as discussed in Subsection (A) of this section.

§ 1-2-3 - BRIEFINGS.

(A) The purpose of a work session briefing is to update the council.

(B) The mayor or a council member may request that a person or entity having information relevant to council provide a briefing to council.

(C) A briefing that is normally placed on a Thursday agenda may not be placed on a work session agenda.

§ 1-2-4 - COUNCIL ACTION.

(A) The council may not vote on a work session agenda item that is on the Thursday agenda.

(B) The council may vote on a work session agenda item that is not on the Thursday agenda.

§ 1-2-5 - ~~CITIZEN-PUBLIC~~ PARTICIPATION.

- (A) Except as otherwise provided in this section, ~~citizen-public~~ participation is not permitted at a work session meeting.
- (B) ~~Citizen-Public~~ participation is permitted on any item on which council will vote under Section 1-2-4 (*Council Action*).
- ~~(C)~~ Council may vote to allow ~~citizen-public~~ participation during a work session or for any work session item.

ARTICLE 2. - PROCEDURES FOR PUBLIC HEARINGS AND APPEALS.

Division 1. - Public Hearings.

§ 2-1-1 - GENERAL PROVISIONS.

- (A) Except as otherwise provided in the Code and in these Procedures, including Subsection (B) of this section and Chapter 2-5 (*Council Action, Appeals, Terms, and Committees*) of the Code, this division applies to a public hearing authorized under the Code. A provision regarding a public hearing procedure in the Code prevails over this article to the extent of any conflict.
- (B) A public hearing authorized under Title 25 (*Land Development*) of the Code shall be held as prescribed by Chapter 25-1, Article 6, Division 2 (*Public Hearing Procedure*) of the Code.
- (C) A public hearing should be conducted as prescribed by the Code, this article, and state and federal law.
- (D) The city manager should set the date of a public hearing before the council by publication in the agenda. The council may change a hearing date.
- (E) Except as provided in Section 1-1-9 (*Speaker Registration and Speaking Time*), a public hearing should not be closed if there is a person present who has registered to testify but has not had an opportunity to address the council.

§ 2-1-2 - CONDUCT OF PUBLIC HEARINGS.

- (A) A person shall register to speak at a public hearing as prescribed by Section 1-1-9 (*Speaker Registration and Speaking Time*).
- (B) Except as otherwise provided in the Code, a person who registers before the public hearing is closed may speak at the time provided in Subsection (C).
- (C) Except as provided in Division 2 (*Appeals*), a public hearing shall proceed as follows:
 - (1) presentation of a report by City staff;
 - (2) presentation by the applicant, for a hearing on an application, limited to five minutes;
 - (3) presentation by interested parties supporting the application or proposal subject to the time limitations prescribed in Section 1-1-9 (*Speaker Registration and Speaking Time*);
 - (4) presentation by interested parties opposing the application or proposal subject to the time limitations prescribed in Section 1-1-9 (*Speaker Registration and Speaking Time*); and
 - (5) rebuttal by the applicant, for a hearing on an application, limited to three minutes.
- (D) A councilmember may ask questions of a person at any time during the hearing.
- (E) The presiding officer may limit a speaker's time to address the body, as prescribed by Section 1-1-3 (*Rules of Order*). The presiding officer may request that a speaker eliminate repetitious or irrelevant testimony.

§ 2-1-3 - POSTPONEMENT AND CONTINUATION OF PUBLIC HEARINGS.

- (A) The council may:
 - (1) postpone a public hearing by announcing the postponement on the date and at the time and location stated in the notice for the scheduled hearing; and
 - (2) continue a public hearing to a later date by announcing the continuance after the hearing begins.
- (B) If the council postpones or continues a hearing to a specific date and time not later than 60 days after the date on which the postponement or continuance is announced, the announcement is adequate notice of the next hearing and additional notice is not required.
- (C) If the council does not specify a hearing date and time at the time that a postponement or continuance is announced, notice of the next hearing shall be provided in the manner required for the original hearing.

§ 2-1-4 - RECORD OF PUBLIC HEARING.

- (A) The council shall record each public hearing on audio tape or video tape.
- (B) The official record of a public hearing includes:
 - (1) the audio tape or video tape recording of the public hearing;
 - (2) written staff reports, excluding legal advice and information presented in executive session; and
 - (3) documentary evidence submitted during a public hearing.
- (C) A person may review the official record of a public hearing.
- (D) The city clerk may establish rules regarding the time and location for review of the record.

Division 2. - Appeals.

§ 2-2-1 - CONDUCT OF PUBLIC HEARING ON AN APPEAL.

- (A) Before opening a hearing on an appeal, the council shall decide preliminary issues raised by the parties, including whether to postpone or continue the hearing and whether the appellant has standing to appeal.
- (B) A public hearing on an appeal shall proceed in the following order:
 - (1) a report from City staff;
 - (2) a presentation by the appellant, limited to five minutes;
 - (3) comment by persons supporting the appeal subject to the time limitations prescribed in Section 1-1-9 (*Speaker Registration and Speaking Time*);
 - (4) comment by persons opposing the appeal subject to the time limitations prescribed in Section 1-1-9 (*Speaker Registration and Speaking Time*); and

- (5) a rebuttal by the appellant, limited to three minutes.
- (C) Notwithstanding Section 2-1-2(B) (*Conduct of Public Hearings*), for a public hearing on an appeal, a person desiring to speak during the hearing must be registered to speak before the item is called for consideration by council.



Council Question and Answer

Related To

Item #40

Meeting Date

June 1, 2023

Additional Answer Information

Approve an ordinance amending the Fiscal Year 2022-2023 Austin Public Health Department Operating Budget Special Revenue Fund (Ordinance No. 20220817-004) to accept and appropriate opioid settlement funding in the amount of \$1,531,218 and add 1.0 full-time equivalent position for communication and harm reduction strategies to address the escalating public health crisis caused by drug overdoses.

COUNCIL MEMBER FUENTES'S OFFICE

1. *In what ways will this FTE engage and assist the Travis County/City of Austin Public Health Commission?*
The focus of this position is the coordination of substance misuse programs and funding sources. It does not have a direct role with the Public Health Commission.
2. *In addition to financing the FTE position, how will the remaining settlement funds be used?*
Funding will be used to implement council directives in resolutions 20220616-053 (invest in harm reduction strategies, data dashboard, and public education campaign) and 20230413-043 (funding and resources to purchase and distribute Narcan and provide training on its use).



Council Question and Answer

Related To

Item #45

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution related to authorizing the Housing Authority of Travis County (HATC) to exercise its powers within the City.

COUNCIL MEMBER KELLY'S OFFICE

- 1. What authority does this agreement give to the city manager in terms of acquisition negotiation between the three projects?*

Before a county housing authority may conduct business within a municipal housing authority's jurisdiction, the county housing authority must obtain approvals from both the municipal housing authority and the municipality's governing body. In this instance, the Housing Authority of Travis County (HATC) must obtain approvals from both the City Council and the Housing Authority of the City of Austin (HACA) to operate within the City limits. If Council and HACA agree that HATC can conduct business within the City, cooperation agreements are required. These cooperation agreements do not impose minimum affordability requirements or grant the City or HACA any control over HATC's developments.



Council Question and Answer

Related To

Item #45

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution related to authorizing the Housing Authority of Travis County (HATC) to exercise its powers within the City.

COUNCIL MEMBER LESLIE POOL'S OFFICE

1. *What is the standard process for City Housing Department staff review and recommendations for Council on affordable housing projects seeking City subsidy and tax benefits?*

Applications for direct subsidy via the City of Austin's Rental Housing Development Assistance (RHDA) and Ownership Housing Development Assistance (OHDA) programs are received on a quarterly basis. Applications undergo a thorough staff review (including financial underwriting, as well as a panel review of applications consisting of multiple divisions within the Housing Department). After internal review, applications are review by the Housing Investment Review Committee (HIRC), which is a five-member, community-led advisory group. After staff and HIRC review, the Housing Department's executives review and make the final recommendation for funding to the Austin Housing Finance Corporation (AHFC) Board of Directors. The RHDA and OHDA applications, funding schedule, funding process, as well as current and prior applications can be found on the Housing Department's website: <https://www.austintexas.gov/page/affordable-housing-development-funding>

Currently, there is not a formal process for partnerships, in which an AHFC subsidiary would act as a General Partner and would consequently confer 100% tax exemption. AHFC currently has 14 partnerships – eight projects are fully operational, two projects are under construction, and three projects are in predevelopment. In addition, AHFC subsidiaries have ownership interests in four small multifamily developments, as well as a recently acquired portfolio of small multifamily properties. In each of these cases, AHFC staff had sufficient opportunity to thoroughly vet the developer, analyze the site location through the RHDA location criteria, analyze (and negotiate) extensive community benefits commensurate with the proposed property tax exemption, ensure the long-term sustainability of the project, and ensure the ongoing monitoring and enforceability of the legal agreements. Based on what is known at this time, the three developments listed in the draft resolution (when considered in their totality, with their mixed-market rate companion developments) would not be likely candidates for an AHFC partnership.

2. *Why did the three projects not go through the standard process? If possible, please identify if a postponement to allow City housing staff review and vetting would negatively impact any of the three projects listed.*

It did not come to staff's attention (until recently) that the Travis County Collaborative ("the Collaborative") projects were utilizing a PFC structure which would require City of Austin authorization. When the Travis County Supportive Housing Collaborative was first envisioned, it was presented that no City of Austin subsidy would be required.

The Collaborative has been working closely with Travis County for the past two years. Travis County has committed \$50 million in federal ARPA funding toward the projects. Staff first became aware of the need for city subsidy when four members of the collaborative – SAFE, Family Eldercare, LifeWorks, and Austin Area Urban League – submitted RHDA applications in May 2022. All of those projects have been recommended and awarded funding, based on the standard RHDA review criteria.

A postponement until the July 20, 2023, City Council meeting would allow staff sufficient time to propose a consistent framework for review of proposed PFC projects and should not negatively impact the three projects listed in Agenda Item 45. Staff will confirm with the Travis County Supportive Housing Collaborative partners.

3. *What is the total City subsidy in funding as well as in City tax breaks requested by each of the three projects listed in the resolution? Were these projects always seeking these subsidies from the City?*

The City of Austin has committed (or is considering) more than \$27 million in direct subsidy to the Travis County Supportive Housing Collaborative projects. The AHFC board approved the first two of the applications – Family Eldercare (\$3.4 million) and the Austin Area Urban League (\$4 million) – on September 1, 2022.

The AHFC board approved a \$6 million RHDA loan for SAFE at the December 1, 2022, meeting.

The AHFC board will consider an \$8 million RHDA loan for LifeWorks at the June 1, 2023, board meeting. In addition, the AHFC board will consider a \$6,077,738 RHDA loan for Caritas at the June 1, 2023, board meeting. Assuming the awards to LifeWorks and Caritas are made (which are both recommended by staff), the City of Austin will have committed more than \$27 million in gap financing for the Travis County Supportive Housing Collaborative projects.

According to Capital A Housing, consultant for the Travis County Supportive Housing Collaborative, the assessed value of the three parcels upon full development would generate a total of approximately \$4 million per year in property taxes. Thus, the City of Austin would be authorizing to forgo the city's portion of the property taxes for the length of the agreement between HATC and the development partner. (The estimate property taxes have not been independently verified by city staff.)

4. *Does this resolution extend Council approval for any Housing Authority of Travis County or Public Facilities Corporation (PFC) projects outside of those listed in the resolution?*

The resolution is specifically focused on the three projects that are part of the Travis County Supportive Housing Collaborative. Housing Department staff worked with CM Ryan Alter's staff to ensure that the resolution only focused on the three projects listed. Housing Department staff has not vetted nor reviewed other proposed HATC PFC projects.

Housing Department staff is working collaboratively with HATC and the Housing Authority of the City of Austin (HACA) to ensure that projects receiving a full tax exemption are providing commensurate community benefits. AHFC, HACA, and HATC met on May 25, 2023, to discuss a framework and a process for reviewing and approving these types of projects. The three entities have agreed to meet monthly to develop a framework that is focused on our shared community values around affordability.

5. *What is the overall funding concept proposed under the PFCs for these three projects? Please break down the amount of Permanent Supportive Housing (PSH), income-restricted, and market-rate housing proposed, and identify the combination of Travis County federal ARPA dollars allocated for these projects by the Travis County Commissioners Court, the City RHDA/OHDA funds being requested, as well as the City tax benefits that would apply not only to the PSH units, but to the market-rate portion of the property as well.*

Capital A Housing, which is the consultant for the Collaborative, has provided the attached information regarding the three projects that are the subject of the resolution. The attached information provides a breakdown of Permanent Supportive Housing (PSH) units, affordable units (at or below 80% MFI), and market rate units. It is important to note that – because of the PFC structure – the 100% property tax exemption will apply to the PSH units, the affordable units, and the market rate units. We have requested an estimate of the property tax exemption benefit and are awaiting that information.

6. *Is there agreement language between the City, the developers, and other partners that guarantees the provision of income-restricted units in a timely manner, and commitments to invest tax benefits into those units? If so, is there an opportunity to include a “claw back” clause in the final agreements on these three projects to require a reauthorization by the Council if conditions in the agreements or deadlines for provision of the income restricted housing units are not met?*

The City of Austin is not a party to the Travis County Supportive Housing Collaborative Agreements. In each of those cases, the legal agreement (and enforcement mechanism) is between the private developer, the nonprofit Collaborative Partner, and HATC.

7. *What are the one-time closing fees, per unit fees, and annual fees proposed to pay HATC or HACA for these three projects?*

Information on the proposed fees to HATC are on the attached summary from Capital A Housing.

8. *Does the City have policies related to criteria for PFCs within the City of Austin? If not, is City housing staff able to craft criteria, procedures, and outcome metrics for PFC projects within the city limits that reflect new state law and our community values related to affordability levels, longevity of income-restricted units, tenant protections, and other protections for residents? If so, how long would it take to craft such a policy?*

Housing Department staff is working with both HACA and HATC to craft criteria, procedures, and outcome metrics for PFC projects within city limits. While it may take several months to reach agreement on those items amongst the three parties, Housing Department can identify our local priorities, a proposed framework, and a proposed process for staff review of PFC projects prior to the July 20th City Council meeting.

9. *HB 2071 from Representative Jetton related to PFCs passed and is ready to be signed by the governor. When does this bill go into effect, and what impact might it have on the three PFC projects in the resolution?*

Housing Department staff is working with Law and IGRO to determine when the bill will go into effect and what the implications for these projects (and others) may be.



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June 1, 2003 Authorizing Resolution for Supportive Housing Public Facility Corporation Developments

Actionable Item:

On June 1, the Austin City Council is scheduled to take up Item 45, "Approve a resolution related to authorizing the Housing Authority of Travis County (HATC) to exercise its powers within the City."

The resolution is required by state law to allow the Housing Authority of Travis County (HATC) and its associated Public Facility Corporation, Travis County Facilities Corporation (TCFC) to sponsor a public facility corporation housing development within Austin city limits.

Background:

- The three projects that are authorized by this resolution will host three of the seven permanent supportive housing homelessness-response projects funded by Travis County last year that are part of the Travis County Supportive Housing Collaborative.
- The projects use a unique structure that uses the benefits under state law for "public facility corporation" housing: a full property tax exemption and sales tax exemption on building materials.
- The developments are on land to be transferred to the HATC PFC and then leased back to the developer who currently owns the property. That developer will then build a mixed market/affordable building on most of the land, and sub-lease part of the property to the non-profit who will build and operate a permanent supportive housing building.
- Because the development meets the state law requirement of half of the total units being affordable at 80% MFI, the property tax exemption applies to both the PSH and the mixed-income buildings.
- The affordable units in the mixed-income buildings are expected to range from 70-80% MFI.
- HATC was first approached because the county is the biggest funder of the projects, and it was willing to donate most of its fees.

Composition of Developments Authorized by Item 45

Development		Non-Profit		Developer Partner			Totals		
Address	Council District	PSH Partner	PSH Units	Afford Units	Market-Rate	Partner Total	Site Units	Site % Afford	Site % PSH
6400 FM 969	1	Austin Area Urban League	80	100	180	280	360	50%	22%
2824 Real St.	1	Family Eldercare	60	90	150	240	300	50%	20%
701 Tillery*	3	LifeWorks	120	68	188	256	376	50%	32%
Totals			260	258	518	776	1036	50%	25%

Note: The Tillery project was incorrectly listed in the resolution as containing 1,000 total units.



Affordability:

- Each project exceeds the affordability requirements under current law (50% of units below 80% MFI) as well as the just-passed HB 2071 (40% of units below 80% MFI, 10% below 60% MFI).
- Each development will contain at least 20% of its units as permanent supportive housing for individuals exiting homelessness as part of the coordinated entry system.
- All projects will be enrolled in Austin's Affordability Unlocked program, which ensures that affordable rents are set by unit/household size and do not exceed 30% of a household's income. Other requirements include tenant right-to-organize, income non-discrimination, and other requirements normally passed through as part of the city's Rental Housing Development Assistance program.
- As part of both state statute and Affordability Unlocked requirements, the developments may not have more market-rate units rented at any time than affordable units - affordable units may not be delayed.

Financial Benefits to the Non-Profit Supportive Housing Providers:

- Each developer partner will donate the land to the non-profit for the PSH building, at values from \$1.5-\$5.7 million, which is money that does not need to be raised from public or philanthropic sources.
- Each developer partner is donating most of the sales tax exemption for building materials in their building to the Travis County Supportive Housing Collaborative for their costs in building and maintaining the supportive housing - a one-time payment of about \$1 million per project.
- The annual fee to the public facility corporation sponsor is typically about 15-25% of what the tax bill would be on a full market-rate apartment project. HATC has agreed to forgo its portion of the fee - an estimated \$300,000 per project - to the Travis County Supportive Housing Collaborative.
- All together, the developer-partners will donate \$10.9 million in land, \$3.2 million in one-time fees, and about \$1 million annually to the members of the Collaborative for their costs, reducing their reliance on city affordable housing bond dollars as well as ongoing services contracts.
- The developer-partners are receiving no capital subsidy for their mixed-income buildings.

Fees to HATC PFC:

HATC's fees are in-line with those used statewide, except the largest typical fee is being pass-through donated to the Collaborative. HATC is not also not charging the non-profits any fees. HATC's other fees include:

- One-time construction administration fee of \$1,500 per unit in the mixed-income building.
- 2% commission on any sale of the site-partners buildings.
- Annual administration fee of \$10,000, and a one-time structuring fee of \$250,000.

Public Investments:

Organization	County	City Bonds	Pending State Award	Planned Philanthropic	Land Donation	Total Budget
Urban League	\$8,503,016	\$4,000,000		\$4,340,323	\$1,555,092	\$18,398,431
Family Eldercare	\$4,474,947	\$3,400,000	\$3,809,725*	\$608,436	\$3,600,000	\$15,893,108
LifeWorks	\$12,992,103	\$8,000,000*	\$5,500,000*	\$1,481,198	\$5,749,920	\$33,723,221
Totals	\$25,970,066	\$15,400,000	\$9,309,725	\$6,429,957	\$10,905,012	\$68,014,760

Notes: LifeWork's \$8M city award is on the June 1 AHFC agenda. State awards are listed as currently budgeted.

Contact: Conor Kenny, Capital A Housing / Conor@CapitalAHousing.com / 512-968-3050. Revised 05/30/2023



Council Question and Answer

Related To

Item #48

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution initiating code amendments to City Code Title 25 related to dwelling unit occupancy limits.

COUNCIL MEMBER ALISON ALTER'S OFFICE

1. *If we adopted this resolution and followed only the property maintenance code, how would we calculate occupancy limits?*

Section 404.4.1 of the City of Austin Property Maintenance Code would establish occupancy limits for residential dwelling units.

2. *What would be the maximum occupancy allowed in a 3 bedroom 1200 sq foot dwelling unit should this resolution pass? Assume each bedroom meets the minimum property maintenance code requirement.*

If all 3 bedrooms are the minimum sleeping room size of 70 sq ft, each bedroom would allow for 2 adult occupants per bedroom, resulting in a total allowance of 6 adults in the dwelling.

3. *Please describe how occupancy is currently regulated for STRs and how, if at all, this resolution would impact STRs.*

STR occupancy limits are regulated under the Property Maintenance Code. Therefore, this resolution would not impact occupancy limits for STRs.



Council Question and Answer

Related To

Item #48

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution initiating code amendments to City Code Title 25 related to dwelling unit occupancy limits.

COUNCIL MEMBER QADRI'S OFFICE

1. *Do you know if it would be possible to pull the 311 complaints and subsequent enforcement for occupancy limits?*
In the last 2 years, there have been 30 complaints filed that included over-occupancy. Three (3) of the cases resulted in notices of violations being sent to the property owner. However, none of the notices include §25-2-511 as a violation.



Council Question and Answer

Related To

Item #48

Meeting Date

June 1, 2023

Additional Answer Information

Approve a resolution initiating code amendments to City Code Title 25 related to dwelling unit occupancy limits.

COUNCIL MEMBER VELA'S OFFICE

1. *How many times have people been cited for violating the occupancy limits?*

In the last 2 years, no legal actions have been filed through Municipal Court in relation to occupancy limits established by §25-2-511.