

Austin Housing and Planning Committee (HPC) meeting Transcript – 2/20/2024

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there you have them. >> All right. Looks like we're at critical mass, folks. We're going to get it started. Good afternoon everybody. I am Austin city council member Natasha harper-madison. I'm the chair of the housing and planning committee, and we are meeting today at city hall right here in bright and sunny Austin, Texas, on this 20th day of February, the year of our lord 2024. Mario it is 200 and 3 P.M. And we're going to call the meeting to order. I would like first to have staff call up our speakers. It's my understanding that we have one in-person speaker. Thank you. Zenobia Joseph . >> Thank you, madam chair. Members, I'm Zenobia Joseph. My comments are specifically

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comments are specifically related to item three on your agenda that I belong in Austin. Tennis stabilization fund. I have a few recommendations and just want to preface by saying that there was a briefing on January 9th, 2024 over at the community development commission meeting and Ursula Henderson. The program manager, said, quote, the only other component of that is that we did add the ability for renters to directly apply for rental assistance if they're vulnerable to eviction. And I just wanted to call to your attention the language from treasury and to ask you to amend the rules to pay the tenant directly. If you look at the screen, you'll see that it specifies in cases where a landlord or utility provider does not participate in the program, you must provide assistance directly to the eligible household so simply allowing the tenant to apply but still relying on the landlord is going to mean that they're not able to get those funds. I'll just use myself as an example. I October 12th, 2020 I actually shared that, our 2022 that my

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shared that, our 2022 that my case was nonsuited, and I thank butler snow. I want you to recognize that there is a need to also allow the tenant to pay directly into the court registry and to also use the funds to perfect the appeal within five days. In justice court. And one of the things that I did, and I'm not sure, madam chair, if you received it or not, but I did send it to, chair to your vice chair. Alter is that mark Melton? He's actually an attorney in Dallas that actually has a model where the lawyers actually staffed the docket. And while I certainly appreciate the funding, I just want you to recognize that the this is not sustainable, but 96% of the cases are won in Dallas because they staffed the docket in real time. And so the tenants are able to stay housed. And I would just ask you to call a work session, as I've asked before with the lawyers, Austin tenants council, volunteer legal services, and also Texas Rio grande legal aid. And I would also ask you to invite mark Melton virtually to that meeting

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Melton virtually to that meeting that you have. And specifically, the last thing I'll say is that the backup slides don't specify why the African Americans are six times more likely or over six times more likely to be homeless than their white counterparts. And so I think that simply just throwing the money at the problem without recognizing the disparate impact, that's, impacting African Americans is doing a disservice. So I do appreciate the funding. I appreciate the assistance. Thank doctor Murillo and her team. But there's more that can be done and more efficiently. And lastly, I would just tell you that Travis county, on November 1st, 2022, did award money to Texas, Rio grande legal aid volunteer legal services, and also Austin tenants council. However, it's very opaque. I'm not sure how tenants actually get that funding and the 50 people that are actually in the lottery may not be the best methodology because Austin public health, the neighborhood centers, actually, specify if I could just tell you this one thing, they actually limit the funding that they give for rental

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that they give for rental assistance to the elderly, women with children and disabled. So maybe if you could take those out of the group that, elbow and samaritan sees, then that would give more people an opportunity to get funding. If you have any questions, I'll gladly answer them at this time. >> Thank you for your presentation, miss Joseph. And I also appreciate you, extending your time to add that extra bit about a-p-h, because that offers some context for us. So thank you for that too. >> And I did send you an article, madam chair, if you'll ask your clerk, maybe she could post that. For the general public because it's a really good article. 96% of the people stay housed. Thank you. Thank you. >> Colleagues. Any questions? All right. It looks like we get to, move on now to thank you, staff. By the way, we get to move on now. We have just a few items on the agenda today. One, I'm most especially excited about, but I recommend that we take them up in order. They are, item number one, approving our minutes from last

month. And items number two and three. Number two is a presentation from city staff on the many ways that we can and do finance,

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that we can and do finance, affordable housing. And then item number three is a presentation from our anti-displacement staff. Joining us in chambers today, on the city's tenant stabilization initiative. And I know that we have some questions already Teed up for that presentation as well . So, also, of course, as always, we'll close out the discussion in, with consideration around future items that we'd like to explore, and you'll see that I provided a presentation for you all to peruse, at your convenience now or later. And it's one of the things that will go along with an item that I'd like to present for future items for consideration. So without further ado, item number one, our minutes. Our first item is to approve the minutes of the housing and planning committee meeting of January 23rd, 2024. Yes. No, it is January. It is not January 23rd. So your phone is not in your pocket and it is not January 23rd. January 23rd, 2024. Is there a motion to pass

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2024. Is there a motion to pass the minutes? Motioned by vice chair alter and seconded by the mayor. All in favor, please say aye. Ayes all around. Looks like , item one passes unanimously, in which case we'll move right into the development financing for affordable housing. Item number two. I saw you carrying that chair with one arm. Thank you. Staff, we appreciate you guys. I will say that this topic and the tools that we'll be discussing and hearing about are the ones that I'm super uniquely interested in. So thank you, staff, for putting together this presentation. Ann John is very impressed by this presentation. So apparently you guys did a great job. So no pressure. But I hear it's fantastic. Feel free to introduce yourselves and get on with that.

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on with that. >> We'll just we'll just take off. And with that confidence. Good afternoon, council members. My name is Kim Olivares. I'm deputy cfo and I am joined by Mandy Demayo, interim director at the housing department. And we are pleased to be here this afternoon to talk to you about development financing for affordable housing. And I will, full disclosure, fully admit, did I steal slides from my, the class that I teach in the evenings? Absolutely. No. No point in reinventing the wheel here. So, so as we talk through this topic, there's three main components to this presentation. Ann. First, why does the city provide financing for this kind of work? And then digging into to the variety of tools that we have available to us, which are there's it's fairly extensive. And then Mandy is going to dig deeper into the Austin housing finance corporation and its is how it uses those tools, among

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how it uses those tools, among other things. So just to jump straight into it. So why do we provide financing? Well, quite frankly, when you're talking about real estate development, there's a number of different phases involved that all require different financing mechanisms. To, to make the project pencil out and be and be feasible overall. Namely the pre-development phase, your development, construction and your occupancy and management type of phase, that pre-development stage is the hardest to finance. Because at that point it is often still an idea. It is. There's nothing tangible to it. So securing financing with proper collateral becomes far more challenging to do. As a result, the of trying to access that funding or just if you are able to access funding actually meeting the loan to value standards that the lender might have. This is where entities like the city come into play. Affordable housing developments in particular are

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developments in particular are particularly, affordable housing developments are particularly challenged in that pre-development phase. Because it's when you're not charging market rent on a project, the, the cost and the and penciling it out becomes more challenging because you're charging lower rents or you're charging, lower sales prices. So that capital stack equity gap can be filled through public agencies and nonprofit financing sources. So the we're able to do things like subordinate debt or true equity, like investment. We can look at things of transfer Singh our land, which because site acquisition itself can be incredibly expensive or challenging, we can also look at things like property tax reductions all or also contributing to infrastructure needs. So these these are things that not just the city of Austin does, but cities across the state, across the country and other nonprofit entities do as well to help make these projects

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well to help make these projects come to life. So so the first tool that you're that folks are most often, most often used to the city of Austin utilizing are general obligation bonds. And in this case, we're talking about public improvement bonds. Those are the voter approved bonds. Historically, that's been our largest funding source for affordable housing. And in fact, since 2006, the voters have authorized \$720 million as, of funding towards affordable housing that first program in 2006 was actually historic because it was the first of its kind, in this in Austin and in Texas, I believe, as well. So this is repaid from the debt service portion of the property tax rate, certificates of obligation are also geo bonds, but they cannot be used for affordable housing. These are this is nonvoter proof debt. And non voter approved

debt cannot be used for economic development purposes. And in this case affordable housing under state statute is considered economic development. So if you're looking at geo bonds, the voter

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looking at geo bonds, the voter approved option is all that is available. There's also the housing trust fund. This fund has been in existence for goodness as long as I can remember. 20,000. Yeah. I was like, as long as I've been with the city, and that's been 20 years. So it, madam chair, who was mayor then? >> Oh, nobody remembers. >> So the purpose of this fund is to assist the city in reaching its housing goals that you see in the strategic housing blueprint that, it's critical funding source, but it's funded through a general fund transfer, the general fund transfer, because it is just a pure cash. >> It has its greatest options for uses as long as it's achieving a public purpose. And in the affordable housing is most certainly a public purpose. There are four key policy and program areas that the trust fund, is used for, including rental and housing development assistance, homelessness assistance, renter assistance, and displacement prevention. Ann. And we have in the this

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Ann. And we have in the this this last year we had approximately ten or in the current year there's just over \$10 million being transferred from the general fund to this trust fund. Next up are federal funds largely going to be from the housing and urban development department, hud, through its community development block grant, cdbg. So if you're looking at utilizing cdbg funds, it first must meet at least one of hud's national objectives, of which there are three and it includes benefiting low and moderate income persons, prevention, elimination of slums or blight, or addressing community development needs. Those three national objectives are fairly broad. So when I get to the next slide, we'll dig a little bit more into eligible and non-eligible activities. The, the when it comes to cdbg, there's entitlement grants. It the amount that we received is based on a formula that had utilizes and, but it basically

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utilizes and, but it basically helps us provide housing, expand economic opportunities, for low and moderate income persons. Cdbg also has section 108 finance Singh the section 108 loan guarantee program, is limited to cdbg recipients and through that loan program, you're able to leverage additional financing to address things like economic development and housing and the sort. Now when it comes to the eligible and ineligible activities, I'm not going to read through every single one of these. I just want to make sure folks are aware that while those national, objectives for hud are fairly broad when it comes to the eligible and ineligible activities, there are limitations. So it can't just be used freely. It's not like

with the general fund transfer that is a more easily used, funding source. We also have available to us transfer of public lands. The city has a history of utilizing this

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has a history of utilizing this approach by providing the land itself to these developers. That eliminates a massive cost, especially in that pre-development phase. That can kind of make or break a project. So you can see here with Miller, it's 700 acres of property and nearly 1700 units of affordable housing. And Seaholm, 90 acres and 50 units and Saint John, there will be there's 19 acres. And through the agreement, there will be 263 units. And with Colony Park, which were actively negotiating on right now, there's 208 acres and we're anticipating approx. 400 units of affordable housing or less. You can also achieve affordable housing through incentive agreements. We will very often encourage developers to build or set aside affordable rental and ownership opportunities. This might be achieved through the through fee

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achieved through the through fee waivers, through the smart housing development permit program, through density bonuses, of which there are multiple types of density bonus programs and then, as well as through development agreements, whether it's land leases restricted covenants, puds or various other development agreements. So we have but it is very common for us to include affordable housing components in each of those agreements that come before you. And then quite possibly one of the most talked about, funding tools is tax increment financing. So tax increment financing is a regulated by state law. Texas tax code chapter 311. Basically is a tool that we're able to utilize to spur economic development or redevelopment in areas that where wouldn't, occur necessarily in the foreseeable future without our investment. It's important to note that with a tif, it's not a new tax. You're just you're directing or dedicating property tax from a specific geographic area to improvements in that zone. In Texas, only a city or a county can create what is called a tax increment reinvestment

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a tax increment reinvestment zone, a tirz. And when you do create it, you create a baseline value of that property. And then all the tax revenue collected against the value growth over the life of that tirz can be either all or a portion of it can be dedicated to those various improvements that are necessary in the area. This graphic helps often helps folks understand how that works. So you can see in the blue area the that baseline value. We also try to differentiate out the amount of property tax revenue growth that is associated with kind of natural growth. That would occur regardless versus the growth that occurs because of the investments we would be making as the city. And then at the end, the once

the tirm ends, the, the revenue just accrues to the general fund . But there is typically we are we do tirm for 20 years. There are instances where we, there's special cases where we've done

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special cases where we've done more than 20 years. There are statutory requirements, from the Texas tax code, you have to, to, verify a but for criterion, based but for that public investment for development or redevelopment would not occur. That criterion is, is somewhat broad. So it speaks to the, the areas present condition which is where folks will often refer to that as like blight. But it could also be related to deteriorating structures, inadequate sidewalk or street layouts. As well as unsafe conditions. When you create the zone, you must create a termination date. That's where that when I previously mentioned that 20 year time frame. But according to the state statute, it's that is not necessarily the date at which it ends. The date of the tirm ends once all project costs have been paid or the debt has been retired, or it can end on the actual termination date, it's

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actual termination date, it's whichever is the earliest. So an additional layer to the state law around tirm is the council adopted tif policy. So this was there was a resolution in 2018 that triggered the creation of this policy. And each year, as council approves the annual budget, this is included as part of the financial policies, major provisions of this financial policy. Note that that we need to have when it comes to a tirm, there needs to be participation by either another taxing entity or the private sector. It shouldn't just necessarily be the city going it alone. We have to conduct a rigorous but for analysis. And then any housing development that might be part of the project plan for that tif must have at least 20% of the units be affordable, all at or below 60% mfi for rental and 80% mfi for ownership. And then finally bonds issued to fund

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finally bonds issued to fund that tif, we have various coverage tests in their debt service reserve requirement and the sort pretty standard, strong financial policies that you want to have around, any kind of a debt issuance and then finally, if a tif is going to directly fund a housing project, it must be through cash proceeds only as you may recall, in one of my first slides, when it comes to general obligation debt, certificates of obligation cannot be used for affordable housing because it's considered economic development. With tifs, we're able to issue because of the dedicated tax source, we're typically able to issue certificates of obligation for most of the projects being done through that tif. But for affordable housing, you have to use cash proceeds. We can't do the work around with certificates of

obligation. There then there's a smattering of other sources. Project connect anti-disco assessment. As you may recall, in 2020, voters approved project connect

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voters approved project connect that also included \$300 million allocated for anti-displacement efforts. There's also no development. Public improvement districts. So, we have public improvement districts from an operating standpoint, but also from a development. So it's very common for a developer to, apply to have a pid overlaid on their development, which does result in an additional tax to the residents in that area to finance various infrastructure improvements. So the property owner has to, to propose it and it has to be approved by council. And then there is a very extensive process for negotiating and executing a development agreement with the city. But ultimately the that developer who is, who requested to create that pid has the power to levy those assessments on the property owners. And then finally, there's municipal management districts. These are in for the city's purposes, are not something that we're

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not something that we're typically using, but it is an option out there. Again, it must be proposed by the property owners. It actually is a distinct political subdivision. So it, it can do its own legislation. It can has its own powers, but it's still subject to city approval. The other big component is that an mde must be approved by the Texas legislature. Unlike the pid, that is just an agreement between the developer and the city, and mde is involves the state legislature. But but those mds can be fund a variety of things like transportation, housing, economic development, safety and the sort. So it has it has capabilities as well. It can also encompass a large swath of property. So it's you're you've got some some opportunities. There in terms of what kind of geographic area you're looking to cover at this point, I'm going to hand it over to Mandy to talk about the hfc. >> Thanks so much, Kim. So I'm

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>> Thanks so much, Kim. So I'm going to talk a little bit about how hfc Austin housing finance corporation utilizes the financing tools that Kim has so fantastically laid out. Give some examples of our land acquisition and preservation projects and then talk through our community land trust as well. >> And can I interrupt you for just a moment? So as I'm looking at, the presentation, there are some pretty distinct differences in terms of the information that you guys are providing. I just wonder if it might be helpful. And this is just for y'all's perspective, would it be helpful if we were to ask the questions of, Kim now and then you later or or, put our questions together? >> I think other than that, I mean, I'm fine either way. >> You don't have a preference. >> I don't have a preference. So we're going to go through

some examples of things that Kim has already talked about. So it should tie together. >> Okay. Colleagues, do any of y'all have questions now or can they be held to the. Okay. Thank

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they be held to the. Okay. Thank you. Please proceed. Okay. >> Great. Austin housing finance corporation or hfc, was created in 1979, under to interrupt you again, just because I'm just gonna do it. >> My colleagues are asking if you can get the mic closer to your mouth. No. Yeah >> Okay. Is that better? Okay. Fantastic Austin housing finance corporation or hfc was created in 1979 under the Texas local government code. It's a public, nonprofit corporation. Ann. And it is responsible. Its mission is to finance residential development at reasonable prices. So it's a pretty broad mission, but it encompasses just about all of the work that the housing, department undertakes every year. Every year we sign an annual service agreement between ahc and the city of Austin. Typically around budget time, sometimes it's updated throughout the year and it lays out what hfc will do on behalf of the city and how the city

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of the city and how the city will reimburse hfc for the work that it does. The funding sources that hfc deploys includes just about everything that Kim mentioned. So general obligation bonds, as Kim said, is really our largest source of funding for affordable housing. We also administer the project connect anti-displacement dollars. We're going to talk about that a little bit, that 300 million over 13 years. We do have of funding from a tirz. A tax increment reinvestment zone. That's the homestead preservation district that was created under state law. We'll talk about that a little bit. Hud entitlement funds, we actually are responsible for entitlement grants. So that's cdbg home. Hopwa housing opportunities for persons with AIDS and esg emergency solutions grant. The latter two are administered by Austin public health. The former cdbg and home are administered by our department. Cdbg is by far the largest in. Total. Those four

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largest in. Total. Those four entitlement grants equate to about 14 or \$15 million a year. Cdbg represents roughly half of that housing trust fund. As Kim mentioned, that's a general fund transfer in our focus right now is on homelessness primarily. Our local housing vouchers for permanent supportive housing. And also our anti-displacement program. We also within the housing trust fund, house our various fee in lieu programs. So those include uno, the university neighborhood overlay our downtown density bonus program, plaza saltillo tod, north burnet gateway and others. When we collect a fee in lieu per ordinance, it goes into the housing trust fund. We segregate it within the housing trust fund,

and we deploy it according to the mandates of the ordinance . As an example, downtown density bonus. Currently we have about. \$5.2 million in the downtown density bonus that is

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downtown density bonus that is unencumbered. Although we will be coming to you as the ahc board on February 29th with a recommendation for using those funds for a permanent supportive housing project. But the downtown density bonus dollars per ordinance are restricted to low barrier, permanent supportive housing. We also have \$5.6 million currently unencumbered Ed in the HPD tirz and in uno. We have about 2.8 million unencumbered Ed, so we manage a whole lot of funds. Kim mentioned the 720 million, which represents four different, tranche of geo bonds, 2006, 2013, 2018. And of course, our most current, which is 2022, the 2022 geo bonds representing 350 million, were all appropriated by you all as city council, in April of 2023. However, we have a. Six year spend plan. So we're working through those dollars

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working through those dollars very methodically. We have already budgeted for last fiscal year, and this current fiscal year, \$120 million. And we deploy our geo bonds through four different programs. One is rental housing development assistance or Roda. The other is ownership housing development assistance or oda. Go repair and land acquisition, rental housing development assistance, or Roda and oda are both a quarterly application process. We. Accept applications from nonprofit and for profit developers of affordable housing, and we deploy those funds on a quarterly basis. As I mentioned, on February 29th, we'll be coming to the ahc board with our recommendations. For funding for Roda and oda projects representing q3. Those projects represent. About \$50 million in investment from multiple. Funding sources. Geo bonds is only one of those funding sources. This fiscal year, Roda has or last fiscal and this

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has or last fiscal and this fiscal 73 million, 17 million was allocated. For oda. Go repair is currently a program we administer. It's a contract we have with seven different nonprofits to provide home repair to low and moderate income folks, primarily households with a senior or elderly person in the household. And. We provide up to \$20,000 in direct assistance for those home repairs, as well as \$5,000 for an ministrative, fee for the nonprofit. They are currently spending down the. 2018 bond allocation, and then they will move over to the 2022 bond allocation for land acquisition out of the 120 million that has been appropriated or that has been, budgeted through this fiscal year, we dedicated \$30 million in land acquisition. I had mentioned previously the project connect anti-displacement funds that represents. \$300 million. That has a 13 year spend plan. It's

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has a 13 year spend plan. It's guided by a group of volunteers, the project connect community advisory committee. We work very collaborative with the cac and community members and all stakeholders that are informing our budget priorities over the years. We are currently in year four for, of a 13 year spend plan. Our investment areas include land acquisition and preservation of affordable housing, rehab of affordable housing, affordable housing development. Programs, and other strategies to prevent displacement. And then administrative costs, which include staffing, community engagement and marketing. Here is the funding that has been allocated to date 120 million to date. As I mentioned, we're in year four of a 13 year spend plan. Approximately two thirds of the funds have either been, encumbered, which is the largest portion, about \$45.8 million or already expended approximately \$30 million. We have remaining and available balance. Of. \$44 million as. So we talked a

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million as. So we talked a little bit about acquisition and how our department or ahrq has approached acquisition in the 2018 affordable housing bond. This was the first time that ahrq explicitly had access to geo bonds for acquisition. That was \$100 million, and we used that \$100 million to acquire three hotels for a conversion to permanent supportive housing. About 60 acres of vacant. Land. And I'm going to talk through some of those pieces of land and what we've done with them, existing properties, including nine multifamily properties that we preserved and two existing partnerships and then a portfolio of 20 single family homes. That we purchased from the housing authority of the city of Austin, rehabbed them and have put them into the community land trust, \$100 million, as I mentioned, was allocated by the ahrq board. Currently we have about \$75,000 remaining. That has not been committed. So what did we do

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committed. So what did we do with those dollars? I'm going to give a couple of examples. One is Seabrook square. Some of you may have been at the Seabrook square grand opening, with both 2018 geo bonds and housing trust fund. We purchased two parcels of land and we assembled them and put them out for solicitation. The rfp or request for proposals was in 2022. I am pleased to say that, I think it was last month. I think it was last month, within the last month, we just did the groundbreaking, the award added entity was nhp foundation, a national nonprofit developer. Capital a local affordable housing developer. They proposed and were awarded funds to build 202 multifamily units. It's a really exciting project. Phase two is with integral. Care. And they are going to be building 60 permanent supportive housing

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permanent supportive housing units. That again, much needed by the community that we have multiple, pieces of investment in. We are bringing forward on February 29th the recommendation for additional funding for the integral care piece. The 60 units of psh. And I will say that funding is recommended to come from the downtown density bonus, which is dedicated to low barrier, permanent supportive housing for the chronically homeless. So that is one example of a project that we saw through from acquisition of the land to solicitation to now we are seeing the development. At another one 5900 south pleasant valley and 5901 drowsy willow. We used a little over \$2 million in geo bonds to purchase this. This is in, d2 and it's in total a little over five acres. We issued a solicitation, a request for qualifications in April 2023 and awarded that. To structure development and jcm ventures.

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development and jcm ventures. The result is going to be a 74 unit, affordable multifamily rental property. We worked closely with the neighborhood and, including the adjacent school, Mendez middle school, the council offices to really determine what the community wanted to see there and how it could complement, the project connect line that is going to be adjacent to the property. We also in August of 2023, did a companion solicitation drowsy willow request for qualifications. And the the recommended Ed developer. Is industry atx. We are currently working with them, and we're going to realize between 30 and 50 units, of ownership. That will be put into our community land trust at grove boulevard. This was a property almost a little over 18 acres. That was owned by Austin energy. It's right on the blue line on Riverside side. It is currently vacant. We purchased it from

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vacant. We purchased it from Austin energy using 3.6 million in 2018. Geo bonds. We are getting ready in the near future to do a solicitation for a master developer there. And really exploring and will continue to explore with the community in the area what is the best use of that 18 plus acres? Anticipating that it will be mixed use, mixed income, and include Ed, a lot of amenities that will complement the blue line chair. >> Can I ask a quick question on that? >> Absolutely. Oh is that, the land that we purchased on the, grove there, is that to the west or to the east of grove and Riverside? >> It is to the west. Okay so our, it's not quite a square. It's kind of a it's to the east of grove, south of, Riverside. >> Got it. We have that small

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>> Got it. We have that small piece of frontage there on, on on east Riverside and then opening up into the larger property behind it. >> That is correct. >> Okay. Thank you. >> Finally, I wanted to provide a couple of examples of some preservation work that we have done as a team. Midtown flats, is in d4. Of course, it's at saint John's. And Lamar. Right at the what will be the Orange line and really the red line intersection? We use \$7.7 million from project connect to anti-displacement dollars to acquire this 40 unit property. It's naturally occurring affordable housing and will continue to provide housing for folks primarily at 60% and below median family income. City view at the park. On Woodward street is on the, a high frequency route. The number seven. We use \$2.6 million in project connect anti-displacement funds to buy out the housing authority of Travis county preserve the long time affordability. This is a

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time affordability. This is a low income housing tax credit project. Primarily for seniors. And it consists of right now 70 units but adjacent to the property was some vacant land that we knew could be developed. And that is phase, phase two. And that will be 100 permanent supportive housing units. It was awarded low income, 9% competitive low income housing tax credits. Last year. We're looking forward to that development. Soko 121 is right on the Orange line. Again. We use project connect dollars. The acquisition was almost. \$10.7 million. It's an existing Singh. Class B apartment complex right next to saint Edward's university. 52 units there, potentially. Are some assemblage opportunity houses in the area, but, we knew that because of its proximity to the Orange line and saint Ed's, that it would be a good investment for, preservation of naturally occurring affordable housing. And then also, in keeping with

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And then also, in keeping with preservation of naturally occurring, affordable. Housing, we acquired a portfolio of properties from a local Austin family. It includes a variety of different locations, very central, in Hyde park. And other surrounding areas. It's a partnership with affordable central Texas, which is a nonprofit, investment. It manages an investment fund for preservation of affordable housing. We used almost \$15 million in geo bonds. And three of the properties are either right on the Orange line or within 0.5 miles of the Orange line. With respect to future, acquisitions, we always have our eyes open. We are looking at assemblage opportunities, the possibility. Of taking some small, smaller parcels and assemble them so that we can create deeply affordable and mixed income opportunities primarily focused on project connect at, we, of course, are always looking at preservation

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always looking at preservation opportunities, including naturally occurring, affordable housing, where we can acquire it and put, land use restrictions on it to preserve the affordability for perpetuity. But we're also looking at properties that have expiring tax. Credits, where a developer may be thinking of exiting the program. And we would lose the affordability. We also are always open to multi-phase development, where we may acquire a property and then redevelop down the road. Finally . I did want to touch briefly because there were some questions about our community land trust, and I wanted to talk a little bit about Austin community land trust or act, which we have had had some community land trust homes for over a decade. But with the 2018 affordable housing bonds, we were able to more than double, our portfolio of community land trust homes. For those of you who don't know, a community land trust is where a nonprofit or a public entity owns the land underneath the home and then leases the improvements out, to

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leases the improvements out, to an income qualified homeowner. In our case, the income qualified homeowner cannot exceed 80. Median family income. Although we target lower income than that. We currently have 23 community land trust homes that are occupied. They're all over the city. We have 21 clt homes that are in the pipeline. Our first eight of those new homes closed in spring of 2023, and it represents rented. The launch of our preference policy. And for those of you who are not aware, the city instituted a preference policy, which we were pilot on our community land trust homes, where we would do effectively a lottery to ensure that, folks, households. That had, commonly referred. To as generational ties to areas experiencing gentrification and displacement, tying back to the, uproot Ed report, would have a preference

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report, would have a preference for some of the community land trust homes. We also rightsized our homes so that depending on the unit size, we want to make sure that we are serving families. And then a preference for people with disabilities and fully accessible homes. We had six closings in in fy 23, which is pretty exciting. We had our first closing in 2024, and we have one clt home under contract. We just opened up the lottery and had almost 400 applications for the three. I think we have three homes currently available. We provide recognized that homeownership is an expensive undertaking. We. Provide up to \$40,000 in down payment assistance. That is a companion piece to our community land trust homes. Our clt homes are affordable, effectively in perpetuity, but for 99 years via the ground lease. We are happy to answer any questions. That

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to answer any questions. That was a lot dramatic pause. It was was a lot. >> I took my questions. Colleagues I think this is the part where vice chair. Didn't cover this. >> Exactly. You touched on it a little bit, but I think as we look at financing mechanisms, a discussion that I'd like to have broader is where our hfc versus the strategic housing finance corp over the county and even hakka hatzi how everyone Andy views their role regionally, you know, is it is it only by geography or, you know, do we do something maybe that the strategic housing finance corp does not, in terms of serving a certain population, Asian, you know, targeting our efforts at a certain mfi or some? I don't

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certain mfi or some? I don't know what the answer is, but I know in conversations, you know, some have had that there are even different rules between hatzi and hakka. And so you get people who go to one or the other because it's, you know, they might not have as stringent in one regard for their project versus a different. So this is just to say that as we think about how we achieve our our larger goals, you know, how we can figure out the broader. Scheme and. Roles to play within all those entities, both at the city and the county? Not exactly a question, but just wanted to kind of bring that up and get your thoughts. >> Yeah. >> So I will provide my thoughts and then I will also say, stay tuned for March fifth, which is going to be our deep dive into public facility corporations versus, housing finance corporations. And how those tools can be are used differently. And to get some

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differently. And to get some policy guidance from city council that will be at the March fifth, city council work session. Ann in general, strategic, which is a current a subsidiary of hatzi, the housing authority of Travis county, and hakka, the housing authority of the city of Austin, Patsy and hakka are public housing authority. So of course, their mission is deeply affordable housing and they have different financing mechanisms for their public housing Lang. But outside of that, they have subsidiary corporations that focus more on what we would call workforce housing. So high potential, higher income restricted, but higher income levels. Same with strategic housing finance corporation. Strategic is currently. In the process. My understanding of being spun off, and it will be a standalone housing finance corporation. The advantage of ahc is, is when we started this conversation, it was about tools that we have primarily financing tools for affordable housing. We use those

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affordable housing. We use those to do deeper affordability. So an hfc deal is going to focus on 30% and 50% mfi units, which necessarily other organizations that do not have access to public subsidy can not focus on. So. It makes us unique. In this realm, because of our focus and our mission driven focus. But I

will say it's also because we have the resources to do that. There may be situations in which which this is the. Stay tuned for March fifth. There may be situations in which we would be interested in under taking a public facility corporation like . Structure. And those would be less of the deeply affordable while, still income restricted, but no public subsidy. So we're going to talk through that so we can kind of tease out from you

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can kind of tease out from you all where your interests lie. And, and where we can kind of target our, our focus. >> Great. I think that's all I got. Thank you. >> Thank you. I appreciate it. Any other questions, councilmember Alice I do. >> I wanted. To talk about the fee in lieu that was mentioned earlier. I know every few years we seem to get some information where people think that fee in lieu means folks are paying their way out of doing affordable housing. So we know that we have conversations on the dais commonly around whether the affordable housing units are built there on site in a new zoning case or a new project that's being built and. You touched on the fee in lieu dollars going into the housing trust fund, as the mayor had mentioned, was developed about 20 years ago. Can you talk a bit about the process? Once someone pays the fee in lieu? You know, we know that it goes into housing trust fund. But beyond that, how are those projects

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that, how are those projects planned out and monitored, and how do those units come online? >> So the fee in lieu dollars. And I I'm trying to get to my cheat sheet here. >> The examples I gave were uno. So university neighborhood overlay downtown density bonus plaza saltillo and north burnet gateway. And typically. As a department, our priority is for on site housing that is that's our goal. We think it makes the most sense from a policy perspective of, and I know it sometimes can be challenging for developers with with the downtown density bonus because of the structure of the type of housing that we're looking at downtown, which is still structure. Incredibly expensive to build. Thus higher rents. We agreed that a fee in lieu, would be acceptable. Administratively. And so we have been collecting those dollars. We collect them at certificate of occupancy. So when a developer, let's just say

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when a developer, let's just say downtown pulls a permit out and they're going to be tapping into the downtown density bonus, we tag the system. We put a hold on their co on their certificate of occupancy until they can prove up the affordable housing, and we can put the restrictive well, in this case, it wouldn't be a restrictive. Covenant until we can collect the fee in lieu. From the property. And then we release the certificate of occupancy. So downtown is almost exclusively fee in lieu. However, it is

restricted per ordinance to low barrier permanent supportive housing for the chronically homeless. Other examples would be I mentioned plaza saltillo. We have agreed to admit narratively to fee in lieu and plaza saltillo and situations in which there are commercial. It's 100% commercial. They're taking advantage of the plaza saltillo regulating plan, but they can't provide on site affordable because it's not a residential project. It's. All commercial. And so we have subsequent agreed

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And so we have subsequent agreed to it. We have similarly, we put a hold on their certificate of occupancy until they actually pay the fee in lieu. We collect the fee in lieu. We put it into a segregated account and then we disperse it according to the ordinance, the underlying ordinance is, uno also requires there's on both on site and fee in lieu. So we're getting the on site housing in uno, but we're also collecting fee in lieu. Historically there are two major co-ops, student cooperatives, that provide. On site affordable housing. And that's typically been where we have deployed the funds or have in the past. But but we currently, as I mentioned, have about \$2.8 million in unencumbered funds in uno. For the. On site affordable housing. So let's say whether it's in plaza saltillo or a vertical mixed use or in uno, the on site in uno, it goes into our affordable housing inventory or our ahi, which is on the open

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our ahi, which is on the open data portal. Anybody can search it. It will tell you what density bonus program. That the developer tapped into. How many affordable units at what mfi level where it's located. Latitude. Longitude. The whole thing. It goes into our portfolio for monitoring purposes. So we have a contract with a third party monitor. And we take our properties, get monitored about once every three years. It's like on a rotation schedule. And then we pull a portion of the units and we do tenant income certification, to ensure that the folks who in fact, are supposed to be living there, whatever the mfi is, that they are, in fact, leasing to income qualified households and they have the correct number of units on site. Does that answer it? >> Does it does very thoroughly. And thank you. I just know some some folks think it's either on site or someone is, you know, sending money elsewhere. And so I appreciate you breaking down

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I appreciate you breaking down all the different ways that this is being tracked, where it's being applied, how it's being collected, that it does turn into affordable housing. And, you know, giving a place for people to have a roof over their head in, in different parts of town. Absolutely >> And February 29th, the ahc board meeting will be a good example. As I mentioned, we're bringing about \$50 million of recommended actions from multiple funding sources, including several of our fee and Lu downtown

density bonus. 211 south Lamar snooty pud funds that we collected and were deploying accordingly. So you'll see that on February 29th. >> That's great. Thank you. >> Any other questions? Council member Vella thank. You. >> Chair. A couple of the life cycle again, just out of curiosity, like something like the midtown flats, which I'm familiar with right there on saint Johns in district four. It's probably a, what, 40, 50 year old, complex, you know, how long is an apartment complex

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long is an apartment complex like that? I mean, what's the lifespan of an apartment complex like that? Because on the one hand, I think we are doing the right thing by purchasing the apartments and kind of preserving them at an affordable, you know, below market rate. On the other hand, to a certain extent, where land, banking, where, you know, councils decades from now will have decisions to make about what they want to build and where they want to build it. I'm just kind of curious what the time life cycle is on, on those types of apartments. >> Each project is unique. I will say, both midtown flats and soho. 121 and the family portfolio. They're all in. They're in good shape. Mhm. They're functioning right now as, as you know, naturally occurring affordable housing. They're providing reduced rents on their own. So we would consider for the foreseeable future that all of these properties would continue to function as is with some with the portfolio. There was some

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the portfolio. There was some deferred maintenance, and we are scheduling, some. Capital improvements. And have done some, some roof repairs, roof replacement. Accessibility things like that. But in general, we're interested in properties that, that don't have an immediate dire, deferred maintenance. That we would have to address immediately. And that provides us a little more time to think about the long term and when it makes the most sense. No property lasts forever. You know, when it makes the most sense to either expand, redevelop, or really provide an infusion of capital. >> And with regard to the tirz. Or the tif, policies? >> You know, my office has been looking at this especially with regard to achieving deeper levels of affordability along the lightrillionail along the

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the lightrillionail along the project connect, route. Because we kind of get that, that double whammy, for those projects, not only are they below market housing, but there is a cheap and environmentally friendly form of transportation in close proximity to that. So, you know, again, you're working class people. Can not only have good low rents, but then don't need a car. And so there's a lot of, I think, social, and public benefits that that come from that. And Ed, what I know that Houston and Dallas choices are very common in Houston and Dallas. And it seems to me, again, just from visiting places

where they're like, oh, this is a tourist area. How how are Houston and Dallas using their, their tizr again, as far as you all know? >> I. Will admit, I'm not an expert on how. Houston and

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expert on how. Houston and Dallas are applying their tizr, but I can say that each city kind of just has a strategy that they will typically use. >> And for the city of Austin, our tizr have it's generally been focused on, a large scale redevelopment that includes partnerships. As you can see that at Miller, the, the Seaholm, which was recently completed, and with colony park that we're working towards right now. So so and then. There's just kind of some special instances like the waller creek tizr, which was originally originally created to address a major flood control safety issue. So I think that's what drove, our, the council policy, the tiff financial policy and why there's an inclusion of, of housing requirement and partnerships. That was just that was the direction, that was coming from council. In terms of

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coming from council. In terms of what Dallas and Houston are doing, I can definitely look into that more. And we can be looking at, how our policy, can be applied moving forward and to, to complement priorities of council. >> Yeah. And one of the, the, the items that I've seen in looking at this was there is a, a provision that I believe that the Dallas. Area rapid transit got put in where, where basically it eliminates the. But the way I'm reading it is that it eliminates a but for test. And it just says that if you've got a rail you can do a tizr period. No kind of, you know, tests or, or analysis is required and then use that money for the range of purposes allowed so that one in particular kind of caught my attention. And will be, will be excited to, to, to hopefully be coming forward with something in the relatively, you know, near future. >> Yeah. There is a transit component in the Texas tax code. And. We can absolutely look into that option.

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that option. >> Yeah. Thank you. Chair >> You bet. Any other questions folks? I do have a few questions. One includes a tongue twister. Capital stack, equity gap. I'd like for you to really just sort of speak to that. I think I have a general idea of what you mean by that, but I would say, this is a really. Great opportunity. It's 3 P.M. We started at a few minutes after two, and this relatively, you know, condensed presentation took us an hour. Basically. That's how hefty this subject matter is. And I'd like, you know, moving forward for us to be able to use a body like this committee to be able to have these conversations, because those are I think, you know, I asked, excuse me at some point for us to consider putting together some programmatic effort on our part to do the language of land use for our

constituents. But you know, in all honesty, it's for us, you know, council members, it's for community advocates and

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community advocates and activists. This is so hefty and weighty and meaty. And there were so many things that we've discussed just in this short amount of time that really give clearer insight into how to advocate for affordable housing. That was one of the things that stood out to me, though in recent weeks, I had a conversation with somebody about how, the consideration around commercial real estate have to be considered. It's like, if there's a this here, then you need that here, and then this other thing to make it all make sense. It's the retail stack, right. But I think those sorts of things are so abstract that unless you have a real good example of that housing wise, then it's difficult to understand what your part is when you're trying to contribute substantively to the discussion. Ann. And so if you could just kind of speak to what that means, the capital stack equity gap, and then, you moved right into some considerations like around, property tax reductions and other things. I just if you

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other things. I just if you could just give a real quick snapshot of what all of that meant in that moment in time and why they were so close in terms of proximity. >> Right? So real estate financing can get very complicated, very quickly. I opened up talking about there's the different phases of, of a real estate deal, or in development and your, your funding sources. I mean, you might be utilizing interest only loans with a balloon payment. Or you might be using equity investors, you might be using, bridge loans or there's a big mix of tools. Now ultimately you're layering all. Those, those funding sources as to meet your financing needs for whatever phase you're in. So that stack of funding sources can that capital stack, could have multiple pieces and will shift over time. So, so you might be doing an interest only,

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might be doing an interest only, construction loan that you ultimately refinance, into a permanent it like a mortgage type of, of loan. Once you're in that occupancy management phase. So but ultimately with amongst all those different funding sources, when you're especially dealing with affordable housing because of those reduced price rent or sales prices. Is meeting the full capital stack becomes harder. And so that's where that's that's that gap. So that's where entities like the city of Austin or like nonprofits come in and have their funding sources, whether it be bonds, whether it be cdbg or fill in the blank to help. Fill that equity gap. For the capital stack. So we're we're essentially it's we're an important partner, but and you can even see it with the variety of examples that Mandy provided,

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of examples that Mandy provided, like there are some cases where it was an individual funding sources, but then some others, there was a combination. So we're even doing stacks of our own. But the partnerships to, to make these projects come to life often involves bringing dollars to the table or bringing land to the table. There's a definite value in that. Or bringing property tax reductions, things like that. So there's ways you can meet that. Capital stack that is not necessarily a direct cash infusion, but it's through these other mechanisms. >> I really appreciate that and I appreciate that as you were closing out, you sort of made reference to the affordable housing component. And you also said something about the, how we have our own stacks within our stacks, stacks on stacks on stacks. Right. It makes me think about that. I think, council member Vila, I think it might have been you that or. I'm sorry. No, it was vice chair alter who asked about the affordable housing ecosystem. He talked about, you know, hakka and then the Travis county iteration, and then, you know,

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iteration, and then, you know, all of those and how they work together. And I think getting a clearer picture of how all of our accessible mechanisms work together would be so helpful. I mean, and when I say picture, I mean it very like literally the most remedial image you can think of, graphic that connects all the things and, and just something that's easier to follow along would be very helpful. So I'm just putting that out there as a, as a statement of something that I might be asking for assistance on how to develop that, because that's a part of my deep desire to be able to bring the community into these relatively complex conversations. I mean. Despite your best effort to lead with integrity once you work on this side of the curtain, you're the man you know, and you have to beg people to trust you before you can even get them to follow along long enough for you to be sharing complex subject matter. So it's a fight to fight you know, it's a fight just to fight for people. And so I, I'm

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fight for people. And so I, I'm just laying that frustration. Oh, that was me this time laying that frustration out. >> Yeah. >> I'm, I'm sorry. >> But keeping everybody awake. The way you jumped, it's so loud in here. Sorry, y'all. >> But you see what I'm saying, though, around at some point we have to acknowledge that this is an impossible, impenetrable conversation for lay people to participate in, and we cannot expect for them to follow along or participate if it's always this complex. And so I'll stop there. There was something else that came up for me that I had a quick question about, and then I'm happy to move on and ask my question later. We talked about municipal management districts. And then almost immediately after talked about community land trust and land banking. I just want to be

clear that a community land trust or land banking as tools could be included in a municipal management district, but they're not necessarily. Directly connected. It was it was the

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connected. It was it was the order in which we discussed them that had me itching my head. I want to make certain that my understanding of what a municipal management district is clear. They don't they're not connected. >> No, they're not connected. Not to say that an MD couldn't be looking to acquire land and or to or within an area to use for a specific purpose, but it's not community land trust and MD are not one and the same. And an MD, I mean, that's something when it comes to mds and in affordable housing, there's been a lot of conversation about that in the last legislative session. So that's something pardon me. Something that we would need to be very conscious of. But it is still an option that's out there. There's just rules and just kind of some nuances that we would need to be aware of. But again, also, we would we the city would not be creating the MD. We would have a could have a partnership with an MD, but, it, it's, it's an option. It's one of the many tools that we have available to us. And that was

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available to us. And that was kind of my one of my main, goals of going all through all those different financing tools and, and other kind of organized type things is to just demonstrate that we have a whole suite of, of options in front of us. And it's very common for us to, to sometimes jump to a certain tool because that's what we're comfortable with. But I really want us to be able to step back. What is it that we're trying to achieve in terms of affordable housing or any other development priorities? And be able to look at that full suite of tools to understand what tool or tools among them would be the best use case, for that particular situation, so that we're getting as much value as we can out of those those funding sources or other mechanisms. >> I appreciate that you went straight to the legislative component, because that's the first thing that I thought about. There you know, if we have a difficult time on our own as a policy making body to get things moving, if you add an additional layer like the legislative component. So, you know, when I started thinking

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know, when I started thinking about the order of, you know, which tool I would attempt to access, the one that adds that additional layer would definitely, you know, have some considerations. So then, there was one last thing. That I had a question about, about. You said something, I think, Mandy, you said something about expiring tax credit projects. I'm just curious, how do we go about about is there a watch list or a, you know, as they're falling off? Yeah. How do we watch expiring tax credit? >> We have

created our very own watch list. But for those folks who don't know tax credits, low-income housing tax credit program administered by the state to hca, typically has a 30 year affordable period. The minimum is 15 years. For the federal purposes, extended is 30

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federal purposes, extended is 30 years, which is what the state goes by. And we do have because the tax credit program was created in 1986, we are coming up on, some expiring tax credits . And so we are watching those, we are in conversation with some of the developers, and we also, I will say the state tdhca, puts out to everybody on their listserv when some property is coming up for sale. We'd like to get there before it becomes public. But yes, we are. We are monitoring that. >> Thank you. I appreciate that clarification. Ann. That was all of my questions. Did anybody else have any other questions? All right. Thank you very much for your presentation. We really appreciate it. All right. So I think we're going to move on to oh, maybe we won't we'll wait

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oh, maybe we won't we'll wait for you. >> Are we waiting. >> We are if you okay. Yeah. I suppose in theory I could. I appreciate y'all's patience. It was, council member Vella who encouraged us to put this item on, so I don't want to move forward with the discussion without him present. Maybe I'll take the opportunity now. I

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take the opportunity now. I think my staff was attempting to provide, CMT with some, photograph S to. Okay, so you have those for later. Thank you. Appreciate it. No worries. All right. Thank you, Mr. Chairman. >> Do you want me? >> Okay, so we're gonna, move into item number three now. Tenant stabilization. Where we will hear from the housing department and our amazing anti-displacement officer on tenant stabilization programs. This item was a special request from our most honorable, unofficial, ex-officio member of the committee. Council member Vella council member Vella, would you like to introduce the topic before staff presents or

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topic before staff presents or the other way around? Okay okay. >> Hello. Thank you, thank you. Council member Harper Madison. My name is nefertiti Jackman, and I do serve in the housing department as the city's community displacement prevention officer. And we are here to provide an update on one of our tenants stabilization services program. I belong in Austin, which is our emergency rent assistance and eviction prevention program. Briefly, I'll provide an overview of some of the ongoing Singh and growing challenges with housing affordability. I'll talk briefly about the program services, the benefits, and the selection process, and then where we are to date with the program expenditures and financial projections. And we are sort of here because we close the application portal as of this past Friday. I'll go into

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past Friday. I'll go into further details. We have more applications than we can provide assistance for. As many of you know, we are seeing a crisis in affordable housing, not only in Austin but across the nation. This is beyond the covid 19 pandemic. There were a lot of safety nets that protect noted many vulnerable households with the eviction moratoriums, which we had here in Austin as well as the unprecedented and, millions of dollars, billions of dollars in federal assistance. That was, available there has been, continued research to look at the effectiveness of emergency rent assistance programs and services and there was a report that just came out from the joint center for housing studies at Harvard, university that showed for the first time in

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showed for the first time in U.S. History, qadri more than half of all U.S. Renters are cost burdened. And this is across all economic levels. So I think this is a very important for us to understand what's going on and what's unique here. And then some of the, what we are seeing, which is occurring across the nation. So the report shared, shared that more than 50% of housing holds were rent burdened. And that means that households are paying more than 30% of their income, of their monthly income on housing, housing and related housing costs, which includes, utility assistance. And that is an increase from 2019. And this information shows that that, rent burdened households, just as I'm saying, rose across all income levels. We typically

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income levels. We typically think of low income households that are facing these as housing burdens. But this is across, economic levels and income levels. So, as you can see, I sort of highlight cited that households earning between 30 and 45, roughly 45,000, they saw an increase in their housing costs, 2.6 percentage points. And those households between 45, making between 45,000 and 75,000, saw Shaw a

5.4, percentage point. And this increase and this can be, traumatic and a very destabilizing housing factor in many households as they're living from paycheck to paycheck . And then here's some information that is more specific to our area, providing statistics on the number of

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statistics on the number of renter households that are cost burdened within the Austin round Rock and Georgetown area. I'm going to go to, now briefly into the program services. The benefits and the selection process. I will say the I belong in Austin program is a program that is funded by, funds, local dollars. These are we no longer have access to federal dollars. So the federal guidelines that we use, where we have our local, program guidelines and which allows us a level of flexibility in terms of how the dollars are deployed. I belong in Austin. Includes three key, core areas, which includes the negotiated settlements, the negotiated settlements allows us we work closely with our partners. Tirz,

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closely with our partners. Tirz, Texas, Rio grande legal aid, as well as volunteer legal services. And there are other partners, but these are partners that are working in the courts. And they are representing clients. If household goals are if they're able to reach a settlement in court and agree upon the amount of rent or fees that are due to a landlord, they tap in to. I belong in Austin and they are able to, negotiate the agreed upon amount that a tenant owes to the landlord. Ed. This is a critical, step in making sure that households do not face eviction. And so we really seek to be pro, proactive with this program. And Ed. So I just want to say that is something I know there was a reference to some other programs throughout the state of Texas, and we are looking at best

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and we are looking at best practices in other cities, and we have found that this collaboration between our partners. Between trella and vls, has been very successful in keeping evictions off of individual households. Records there's also the tenant rental assistance, which includes money for rent, deposit and storage, and moving and you might say, why are we including, storage and moving their are times when the negotiated settlements are not successful. And so the only outcome for a household it might actually be eviction. That might be, the outcome and it might not be a formal eviction, but it could be the fees that they owe or more than the \$6,000 that we allow annually through this program. And what what we don't want to do is, catapult families into, deeper levels of poverty

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into, deeper levels of poverty by putting them on the street without access to being able to, receive a benefit or assistance with moving in storage. So that is another program benefit. And then also there is the emergency rental assistance. So those are the three primary components tenants of this program. The maximum amount of assistance per year is \$6,000. We have seen through our current iteration of this program that that the average assistance has been roughly about \$4,200. We seek to make sure that the program is accessible so applicants can apply online via the phone or, or, as a walk in one. One of the things that we learned through to our rent program, which was federally funded, is we sought to design a program that was

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to design a program that was equitable. And one of the key reasons Texas housers put out information on what are some of the key criteria of an equitable, equitable, designed rent assistance program? And one of the those criteria was making sure that you had a randomized selection process. It's not about first come, first serve. And I know a lot of people like that, but we recognize the various barriers that people have to, getting transportation to come to fill out an application or call, access to technology. So we have a randomized selection process. And we pool approximately 50 names, that are randomly selected and that does that does mean that they have to income qualify and be within the city of Austin's full purpose, jurisdiction to be eligible. Some of the priorities we seek

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Some of the priorities we seek to serve those who are at the lowest levels, am amphoe, we look at 30% amf. I am below and, then we have the other. We go 31 to 60 and then 61 to 80. And briefly I'll just highlight the program allocations and really why we are here today. Because because we are basically the program is about to the funds are about to be expended or all allocated in fiscal year 23. Council approved. \$8 million as part of the budget amendment process to be allocated to this program. And fy 24 during the budget process and additional 1.6 million was added. So we're looking at roughly \$9.6 million. That has been added to this program. And the calculations that you see here, look at how

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that you see here, look at how many households have been served to date with this funding. Roughly 328. And that includes a roughly 900 people, households total who have been served now, this dollar amount, it might appear low in terms of we're saying the program is closing when you see that the dollars out the door right now are roughly \$1.6 million. And I do apologize. The average assistance per

household is roughly \$4,900. So one of the reasons why we, shared the information as we were asked to share in terms of where we are with the dollars spent to date, is that we have I'll go to the next slide. You'll see that we had to close the application portal because we currently have . Over 7500 applications in the portal, which would Ed, the

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portal, which would Ed, the total dollar amount to serve of those households would be roughly \$32 million. And we have \$9.6 million. So there's a huge variance in terms of applications that are in the portal and total households that we can serve. And also keeping in mind we have approximately \$1 million that we set aside for the negotiated settlement. So we don't include that in the calculation in terms of what we have remaining remaining. And then I go to the and these. Yeah. So. So basically, it has taken this much time to get the because our program has started and stopped to get us to this point where we are today. And so , so we wanted to make sure that you were aware that, you know, in terms of how many dollars we

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in terms of how many dollars we have remaining and how many households we think we can serve , with what remain. So we don't want to catch anyone off guard and what we also found out is that, we saw about. One apartment complex once, or management company had over 7000 evictions throughout the state of Texas. Or notices, late notices that went out in February. And so we dug a little bit deeper and we found that out that they were looking at 1000 people who were going to be late with their rent in the month of February. So these are some things that sort of cause us to dig deeper and wanted to share this information. With this body so we could decide as a city what we wanted to do next, what next steps. And that's all I have. >> Thank you very much.

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>> Thank you very much. Councilmember qadri. >> Okay. Thank you. Chair. I appreciate the presentation. I just have a lot of questions. Just number of questions. Honestly I guess the first question I have is what is the impact on administrative costs when we start and stop this tenant? The when we start and stop the program. >> Absolutely. That's a good question. And there are huge impacts when we start and stop the programs, as I shared with you, Texas housers put out about, a program that highlighted, key aspects of developing an equity focus, rent assistance program. And one of the things that was also on there, was sustainability. Like a program that's sustained when we start and stop a program. The impact to households are numerous, and it is beyond just we think about rent assistance

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we think about rent assistance just as housing. But there are impacts on health outcomes. There are impact on on, on, especially for young children on school, on families with jobs and a parent being able to keep their job. And there there are reports on this and which speak about that. So if we're able to keep families, stably housed, it can go a long way in preventing homelessness and so one of the things this program is seeking to go upstream instead of downstream and deal with the aftermath. And the other thing I'd like to say is it does not allow us to really collect the robust data that we need to be able to show the effectiveness of the program. When we stop and start it. Yeah. >> So thank you. On slide 14, it mentions a unique household served 328, and the unique individual served 908. I guess my question is, is this from and this is totals as of February

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this is totals as of February 8th, 2024. So are these the numbers from, January 1st to February 8th or does does it from the program start? >> Yeah. Until until that date okay. >> So and that that program start date would just be January 1st right. No it was October. October. October 2023 okay. Got it. Great. Thank you for clarifying that. And then what is the barrier of getting the dollars out of the door faster? >> Well, I think also that that also goes to the start and stopping whenever we start a program, stop a program once it ends, you have a ramp up time. You have to you all the staff. And we saw this with the, rent program that we had with kvrx. Once there, the program ends and we would have many discussions to decide, do we keep are we getting additional dollars? Do we keep our staff and we don't have a program to maintain? So

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have a program to maintain? So we would have long conversations and that is, why where we are now, this is a totally new program that we've set up with alboin. They'd have to set up, hire for their staff, set up, call centers. So all of those things, things, have been critical to setting up this new program. If we start, we're going to see this same very slow start up process. If you will. >> Yes. >> Council members, if I could just jump in. Veronica Briseno, Briseno, assistant city manager. We are having these conversations in the city manager's office, with the budget office, with housing staff. So I want to make sure you are aware this is a discussion that's not lost on us. And something that is an ongoing discussion. >> I appreciate that. Thank you very much. And I think you're, you're clarifying that might be helpful when council member vela gets the opportunity to present sort of some of his more granular concerns here. But, councilman Burt qadri were you? >> I got, I have one more question then. Just a quick

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question then. Just a quick remark. When do we expect to reach the expected household? So I forgot what what, potential household served. 1013 current applications. 7534. So when do we when do we expect to reach the expected households and exhaust funding? We expect that the funds will be exhausted in may of this year. >> We will not be able to serve all applicants in the pool just to be clear. Yeah, yeah. Great >> Yeah. >> Yeah. I mean, I just think it's really important to make sure we have a, you know, consistent funding, for rental assistance. There's a lot of folks in the city that if they lose their job or there's one big, bad medical bill. You know, that's the difference between them having a roof over their head and being on the, you know, on the streets. And I think it's important to make sure that folks who are, give so much to the city can still, you know,

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the city can still, you know, live in and stay in the city that's it. Thank you. >> Thank you very much. I appreciate it. Council member vela. >> Thank you, chair. And, I know that that I see doctor Murillo and Luis Garcia from el Buen samaritano back there. I didn't know if, maybe they have any comments or thoughts on. They're the ones that are actually administering a lot of the program, but. I think he was telling you to come to the podium, but she doesn't have a specific question. >> Yes, I invited them to come and join us. >> Okay. And I don't is there a specific question or was there anything in particular that you were hoping that they could share with us? And then if you could, maybe as they're making their way up, maybe you could share, what your thoughts were with having this item come before the committee for consideration before we you know, potentially bring it before the body. >> Yeah. >> Thank you. Chair. You know, in the budget discussions last year, the my original amendment was I honestly, I can't remember the exact amount right now, but, you know, we ended up giving them the \$1.8 million of staff,

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them the \$1.8 million of staff, laid out, but the original amendment was actually for a much larger amount of money. And again, the budget, you know, process, things get trimmed down . But we had talked about about a mid-year, you know, looking back at this and saying, hey, how did we do on the funding? Let's see what happens when the program, you know, starts, and as council member qadri mentioned, the start and stop nature of the, of the program is, is troubling. I mean, I don't think we're going to be able to obviously fund, you know, everybody that that's not an option. And I think down the road we should probably talk about filters for how to, you know, kind of narrow potentially eligibility to those in most critical need. But and I'm not ready to throw out a number or a recommendation or anything like that, but this is something that maybe we should consider. And

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maybe we should consider. And maybe in the next, housing committee meeting, there could be a recommendation from the committee to the full council to say, hey, you know what? We want to put that X amount or we, you know, again, something along those lines just to make sure that this program can continue through the end of the budget year in, you know, the end of September. So thank you. >> I appreciate that. And anything you'd like to add, please feel free to do so. >> Is it on? Oh great. Good afternoon. Thank you for having us. Volunteering us to come and share with you. You know, when to the issue of start and stop. Erp, a program. We are very grateful to the city for the first round. Of funding, which allowed us to build an infrastructure that could respond at the level that we're responding now. So we now have the staff that is trained and

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the staff that is trained and qualified to do the eligibility and do the processing. We have the technology to be able to receive thousands of applications and also random guys. The information and we have the data a very robust data that can tell you to the address, where the funds are being invested. And so that all is an infrastructure that the city has invested in that is allowing us to do this work. So, so while the two might not appear to have started slow, it would have started even slower if the infrastructure was not at, was not in place. >> So thank you very much. I appreciate that and thank you. Council member, I appreciate you bringing this item forward. It's certainly something that we need to take into consideration. I like how, miss Jackman, I like how you said, you know, not just Austin, like, really driving

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Austin, like, really driving home that and I, I really appreciate I'm in these housing forums and national housing forums there talking about this in Dubai and Spain and Portugal, AI and Morocco. We're really not unique. But over the course of the week and I heard multiple things that, you know, coming into this meeting had the wheels turn and they were talking about two things. You know, and one, as he's opening the show, he goes, are our antiquated land use practices a part of why people I was, due to let's talk about it. But then the additional part was agency. It was, you know, basically saying, folks don't want a permanent subsidy. They want fair wages, and they want the opportunity and the ability to support themselves and cover the cost of rising rents. But they don't have it, in which case, if people just don't have it, what's next? And that was kind of they were teeing up that conversation. And I really I, I would love for it to come before the body for us to have a real

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the body for us to have a real robust discussion about the reality that from a pragmatic perspective, we have a limited amount of resources. They are finite dollars. And, you know, like you were saying, you know about it, not being first come, first serve for a lot of reasons . It shouldn't be first come first serve. It should be, you know, more, dynamic considerations. That said, though, if you have that many more applicants than you do, capacity and but then there's still folks who need help to your point about potentially doing filters or something. Those are those are those hard conversations that we clearly are going to have to have as we approach budget discussions. So you know, I will in a lot of ways, follow your lead and follow y'all's lead on what it is that council needs to be able to do to address the questions that my colleagues have brought forward around this super important subject matter. So thank you very much for your presentation, and thank you all for, answering some questions. Did you have further questions, councilmember? >> Just a couple a chair. >> On on how is because I know

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>> On on how is because I know Texas Rio grande legal aid as, miss Jackson mentioned, is the kind of integral part. >> How is that relationship, working, you know, how is the processing there, working? >> I.I'm going to defer to doctor Mario, I think and again, the, the one of the things we sought to do is really have a comprehensive program. >> We did start out the partnership the first time around, and there were some hiccups, right. But the more you work together, look at where the gaps are. Build that relationship. I think we're in a really great spot and I think doctor Mario could speak to that . >> And not because you're here, but it has been a very, collaborative, relationship where where we're both learning from each other and building an infrastructure that is responding to thousands of, of

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responding to thousands of, of individuals. >> And that trailer portion of it is just so critical, too, because those are for people who have gotten an eviction notice. And I think that eviction prevention is just such an important part of what we're trying to do. I mean, obviously we want to help people that are extremely cost burdened by their housing and are really struggling. But the ones that actually have a date where you got to get out. I think that, you know, to me immediately kind of comes to the, the, the, the top of the list. And, and I know we had talked about this a little bit before, but in other sources of funding do have some kind of filters where it's not just an open application, but there would be more referrals, for example, if the trala is a good example where, you know, you go to trala and tell trala, hey, I'm facing an eviction and trala will then talk to the, Elton and Abilene and Austin to how how how do y'all see those

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how how how do y'all see those types of, of filters in in helping kind of manage the program? >> One of the things that is very helpful in this partnership with trala is that that by the time they refer somebody to us, trala has already secured all the required eligibility documentation. Right? So that is very that, helps us to process things fast. Sure. They have, negotiated with the landlord. The landlords are more likely to say yes. And so that that partnership Erp as well as the volunteer legal services is very helpful for, for the families that are in need of it, that support right there and then and for the eviction cases, you know, once you all fund a deal like that, what is happening down the road with that? >> You know, in other words, are we avoiding the eviction for a couple of months or is this a

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couple of months or is this a situation where you know they're able to maintain their residency down the road? >> I think that that will be a critical piece that we are able to announce. If we have a sustained program right. So we're able to look at the success of these families over a longer time frame. And that's the information that we will be we will need and we want to collect. But when you only have a program for finite period of time, we don't have the infrastructure or the resources to then track the, the, families over time. And I think that could be very useful data. >> Definitely. So we have right now we have data from a previous, funds to do similar work. And we found that 80% of the families that we supported were still in house. After six months. Another component that is critical is part of financial assistance is that, assessing

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assistance is that, assessing what are other needs that the client the families have and connecting them to those to those services? Right. So it's not just, not funding for the rent, but also connections to other resources that are going to increase the likelihood that families will stay housed. >> And I know samaritano does provides additional services, food support and other, you know, get people into the medical assistance program and different things like that. So it really does become an opportunity for additional support services. That, that, that are at their fingertips. So, so again, it just goes to the kind of this we gotta keep it rolled Singh, you know, so, so, so that this continues to happen and those connections continue to be made. Thank you chair. Can I just add one thing. >> Chair with that. Because el Buen has other services with the food, with the health. These are all of the things that are, critical to making sure a family

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critical to making sure a family is able to stay housed and, and job services or referrals and, and some of the people are asking for other organizations who could provide emergency rent assistance right now, we don't have enough organized burns. There are others, but we don't have enough organizations with the wide range and scope of programs and the infrastructure that el Buen has and we did do this through an open, solicited nation, a competitive solicitation, and we certainly welcome other organizations. But it is critical to have all of those pieces to have an effective program. >> And if I may just I mean, the reports again, we've we've met with, with doctor Murillo and, and Luis Garcia about this, but very geographic and equitably distributed. I mean, the funds right now seem to be getting to

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right now seem to be getting to where they're supposed to get and who they're supposed to get. Which again, a preciate, all of y'all's work on that. >> Thank you very much. I appreciate that. And I when you said those numbers, officer Jackman, you said 7000 notices of 1000 people that have already been identified as folks who are going to have a difficult time covering the cost of their rent. And it got me thinking. Today's the 20th, right? You got nine days to figure it out, you know, and I think that's one of the beautiful things about a body like this one is, you know, we, we get to bring our diversity of lived experience and I know what nine days looks like. You know, counting down and you know, it. You don't got it. And you know you don't. Right. And so I really appreciate, you making, presenting the numbers like that to make it so stark. And I also think, council member vela, this might be a good opportunity for us to propose a joint meeting

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us to propose a joint meeting with our public health body as well, in order to just sort of think about some of those adjacent considerations. I think if for no other reason, considering we do have those finite resources being able to kind of bundle the need because the needs are bundled, you know, there are it's triage. If you're not doing all the things all at once, which I fully recognize how complex it is. But if it doesn't happen like that, then you're fixing one thing today that'll break tomorrow. So thank you all for your presentation and for your impromptu presentation. Colleagues, are there any additional questions for our presenters? Thank you very much. We appreciate you. All right, folks, so this is where we get to do some more fun stuff. If, we get to highlight any future items that we'd like for the committee to discuss, I think we might have, just accepted one, and I'll, you know, offer you the opportunity

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know, offer you the opportunity to sort of elaborate and, you know, maybe put some, some walls around. Exactly what it is that we're hoping to bring to the body. But I have a general idea it's around tenant protections. Yeah >> I mean, my sense and again, I think we've got to see where the budget is at and funds available and all those kinds of questions. But we, the if we could get to, additional funding into the program where we're able to keep it open through the rest of 2024. I just think that puts everybody, you know, a much better situation. Again I don't know exactly what that number would be, right. But it would be, I think, very helpful over the next month to, to kind of try and suss that out and pick a , a number that, that we can fund and that will, you know, continue to provide the, the assistance that our, our folks need. And, you know, and again, we've been talking about that internally in my office, with, el Buen samaritano and with the

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el Buen samaritano and with the housing staff, as well. And again, I'm happy to, to continue to, to, to work with, you know, you and your staff on, on trying to, trying to get a number and of course, city manager's office to something that, that we can be happy with. >> I look forward to it. >> Thank you colleagues, anything else we'd like to bring forward at future meetings? >> Council member Ellis, this one is not necessarily housing and planning committee specific, but early voting is open today. >> So I wanted to take the opportunity. While the microphones are on, to remind people that the polls are open from today until Friday, March 1st, and then Tuesday, March 5th is election day and city hall is one of the voting locations. So if you're here for any of the committee meetings, you can stop on in and make sure that you cast your vote for the primaries . >> Good reminder. And turns out you just happen to be in the right spot. If you haven't done it yet, you can walk right on over or walk right on over and get it done. For myself, I'd like to recommend, that we ask staff to come back next month

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staff to come back next month with updates on several of the previous, initiatives that council kicked off over the last two years. As it relates to site plans, missing middle housing and other development services reform. Basically, we'd like to have a better understanding of how we are designing affordability. In our city to, specifically address our processes and our services. And then, if you wouldn't mind throwing up the photographs that the team d1 brought for you all, another one that I'm very interested in exploring and discussing further is the concept of what they call agrihood as and so my colleagues are taking, flipping through a presentation that I presented. It's a project out of Houston on, super, comprehensive packet talking about the conception to the realization of an agrihood

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the realization of an agrihood developed at called harvest green. But some of these photos that you're seeing really gives you the opportunity to kind of dial into the potential around agrihood. Essentially, this is, residential development, primarily residential development, community development with housing at the core surrounding agriculture. So we're talking about an active, functioning farm as the center piece for our community development. So we're talking about a community school and healthcare. And, you know, some of the other complete community components that we look for, in complete communities, green spaces and parks and walkable bikeable, multimodal transit options within, a complete community that is, tight knit and connected but not, not stuck. And so I wanted to be real clear about that. You know,

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real clear about that. You know, this is, one of many potential opportunities. But now that I'm watching the development community really embrace the concept of agrihood as an and, you know, the home builders association is even talking about, you know, just how viable this is as a product. Not even just that it provides the housing, but as it adjacently addresses food security and getting folks outdoors and accessing, organic food, is something that I'd really like to dig into and just talk about viability, you know, what are what are the barriers potentially by way of our processes, speaking of our processes, what are some potential process barriers and then what are, what are the opportunities? And so, so I, I think I'll just sort of holler it into the ethers and wait for folks to raise their hand and say, no, that's that's the thing that I work on. That's the thing that I do because I see it being housing. I see it being public

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housing. I see it being public health. I see it, you know, as it relates to, complete communities. I see it, you know, talking about mobility, maybe something I could we could bring to the mobility committee as well. So that's the one that I'd love to do some digging around in. I don't know if any of y'all have any questions so far. If you want to link when we discuss it moving forward. All right. Well, with that, I think we are prepared to adjourn. It is 3:51 P.M, and the housing and planning committee meeting is adjourned. Thank you all. This is a-t-x-n