

How do we balance the need for City financial investment in infrastructure with the need to maintain affordability*?

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Bond Oversight Committee

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* Affordability is a function of housing, transportation, utilities, and other costs

Keeping cost under control

- Capital Planning Office (CPO) est. 2010 to create a more robust, comprehensive, & integrated Capital Improvement Program (CIP) to support CoA goals & priorities.
 - Better coordination among departments to reduce redundancy, make sure left hand knows what the right hand is doing.
 - Lowers costs using economies of scale, shared resources, best practices
 - Provides monitoring progress, reporting results
 - Production of a Long-Range CIP Strategic Plan
- General Obligation (GO) Bond program operates under a policy of sizing bond packages such that tax impacts are flat.

Watchdogging

- CIVIC GIS database website shows where CIP projects are and links to info.
- Council appointed Bond Election Advisory Committees est. to develop GO Bond proposals since 1997.
- Bond Oversight Committee appointed by Council to track GO Bond spending and outcomes.
- CPO produces quarterly report on GO Bond program status.
- City Council and Planning Commission hold public hearings and adopt 5-year CIP and Long-Range CIP Strategic Plan each year.

Smart Growth Policies

- Evidence points to lower CIP & O&M infrastructure costs with infill development vs green-field development around City's outlying areas, all else held equal.
- Example : More persons living along a roadway means more rate-payers per mile, with lower per capita costs.
 - Total bill for road maintenance & rebuilding = \$89.8M/year over a 7,618 lane-miles (L-M) roadway system → cost/L-M = \$11,787/year = \$982/month.
 - Austin's average dedicated residential user fee (SFR) is \$5.85/month = to raise \$982 needs 168 rate payers / L-M.
 - Low density suburban areas average 43 rate payers / L-M
 - Higher density urban SF can provide 85 rate payers / L-M
 - Medium density MF block can provide ~ 545 rate payers/L-M.

IACP Infrastructure, O&M & Service Cost Comparison Preferred Growth & Trend Growth Scenarios

- Chan & Partners Engineering, LLC provided City with May 2012 report that concluded:
 - General cost estimates for infrastructure and services determined that the costs of the IACP scenarios were up to 15% less than the costs of the trend scenario, in which development occurs in lower density, more dispersed patterns.
 - Preliminary estimates project CoA costs of providing public infrastructure and services under trend growth scenario between \$4.8 billion and \$21.5 billion higher than the preferred growth scenario over 30-year planning period.

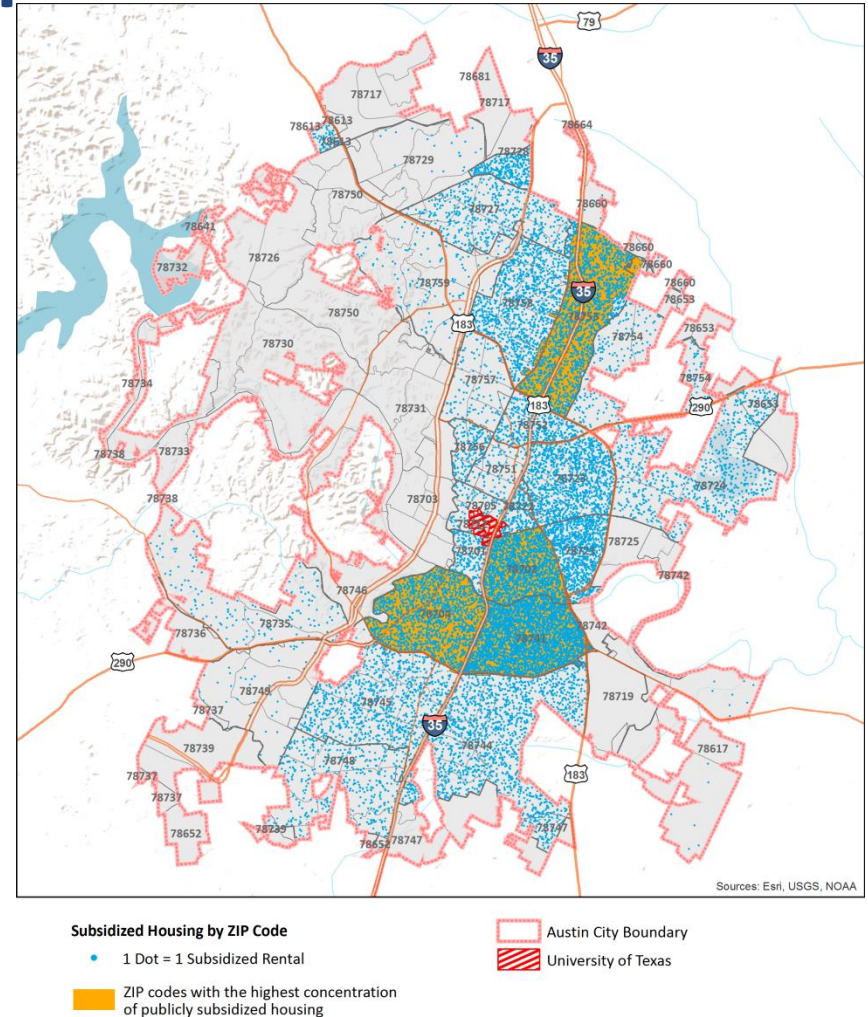
Long-Range CIP Strategic Plan

- Long-Range CIP Strategic Plan is a new tool to aid decision-makers with CIP project and program selections
- Fulfills Planning Commission City Charter requirement to annually recommend CIP projects to the City Manager that implement the City comprehensive plan
- Is a mechanism for transparency with regard to the City's infrastructure needs

Affordable Housing Bond Program: Under CoA policy, approved by Texas AG, housing is part of CIP

Housing Market Data

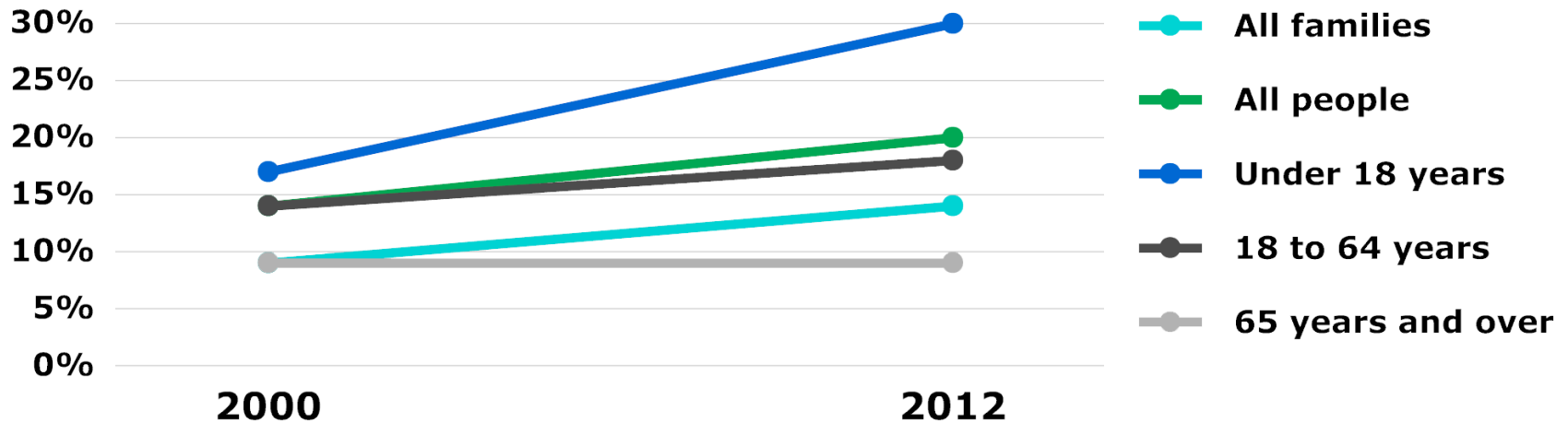
- Overall, renter incomes have not kept up with increased rents.
- Publicly subsidized rental units are concentrated in a handful of ZIP codes—(78741=18%, 78753=10%, 78702=9%, 78704=9%)



Importance of Affordable Housing Bond Program

Increase in poverty

Rise in child poverty
2000 → 2012
17% → 30%



Affordable Rental Housing Needs



55% Renters

(183,000 households)



33% earn <\$25,000

(60,000 households)



10% of rental units are affordable

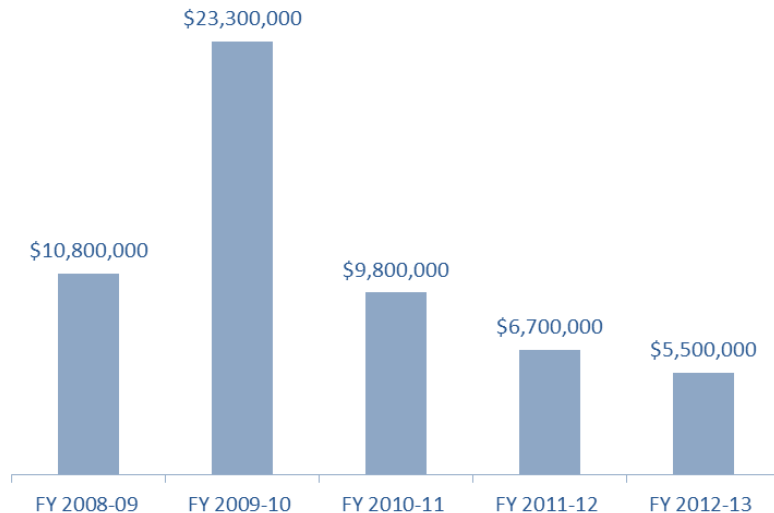
(19,000 units)



**GAP of 48,000 units
for households
earning < \$25k**

2006 Bond Proposition 5 Highlights

**2006 G.O. Housing Bond
Spending by Fiscal Year**



Rental	Amount	Units
Very Low Income Persons/Families	\$21.5	869
Workforce/ Family Housing	\$11.2	529
Persons with Mental Disabilities	\$3.3	61
Senior Housing	\$3.0	108
Children	\$1.9	42
Mobility Disability	\$0.8	70
<i>Subtotal: Rental</i>	<i>\$41.7</i>	<i>1,679</i>
Homeownership	Amount	Units
\$4.6M – Repairs; \$8.7M – Buyers	\$13.3	914
<i>Subtotal: Affordable Units</i>	<i>\$55.0</i>	<i>2,593</i>
TOTAL – All Units		3,417
Balance Remaining from \$55.0M	\$0.0	

2013 GO \$65M AH Implementation Planning

- January 2014, Council approved a Capital Budget Amendment to appropriate \$15M to begin implementation in FY13-14.
- Appropriation of \$10M/year from FY2015-FY2019
- Populations served through the Bond Program include:
 - Veterans
 - Seniors
 - Chronically Homeless
 - Families with Children
 - Persons with Disabilities

Prioritization Process for Projects

- FY2014-15 Priorities:
 - \$2.25M in home repair (GO! Repair Program and ABR)
 - \$11M in rental housing development (RHDA)
 - \$1.75M in acquisition and development for ownership (A&D)
- City's Core Values:
 - Deep Affordability
 - Long-Term Affordability
 - Geographic Dispersion



Wildflower Terrace
2006 GO Bond Affordable Housing - Mueller

Questions?