

Regional Affordability Committee Meeting Transcript –4/20/2015

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>> Garza: All right. Good afternoon. I'm going to go ahead -- we're going to go ahead and get started. I'm Delia gaza councilmember representing district 2 and it is 3:06 and I'm going to call our first regional affordability committee to order. The first item on the agenda is the approval of minutes and citizens communication. Since this is our first meeting we don't have any minutes to approve. We'll start with citizen communication. Our first speaker is bill oaky and you have three minutes, Mr. Oaky. >> Thank you, councilmember Garza and I want to thank all of you for serving on this committee. It's critically important. I am bill oaky with the austinaffordability.com blog. It's been dormant since the election but it's beginning to fire up again so be on the lookout for it. What I'm recommending that you do is give serious consideration to preparing and publishing an affordability strategic action plan. This is really, really the best way I can think of to actually solve the affordability problem. Talking about it won't get it solved, and coming up with good ideas won't get it solved unless those ideas are put to paper in a format that actually has milestones, goals and objectives and performance measures so that you and the citizens can actually see the results of your efforts. And so what I wrote down here is really just a very thin start to how to perhaps get something like that going, and I'd like to meet with some of to you talk about this idea further.

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One of the things comes to mind is when you attack a problem like this, the scientific method says that the first step is to define the problem. One of the biggest problems we face is unsustainable property taxes. So I would suggest that you have a demographic study done on the property taxes that are being paid by zip code and what they have -- what has happened to those property taxes by zip code in the last few years. One component of that would be to look at how many taxpayers have reached that --

reached or exceeded the 10% cap in the last few years. Because if all you look at is the average taxpayer impact, then you're not really getting the picture of the number of people that are being severely impacted. Then the final part would be to extend the current trend in property tax increases out to the next five, ten, 15 years, looking at where we've been, where we are today, and where we would be in 5, 10, 15 years if we continue at the rate that we're going by raising taxes and by having increases in home assessments. And I think what you're going to find when you do that study, if you will consider it, is that the state of Texas simply cannot continue with property taxes being the huge funding source that it is right now because at 5% a year, assuming that the state allows an 8% cap -- increase in most property taxes. If you say that we raise taxes 5% every year, it would only take about 15 years with compounding for property taxes to double. So you'd have people who are paying \$10,000 in property taxes today faced with \$20,000 bills in 15 years. [Buzzer sounding] >> That's just not sustainable. So thank you very much, and like I say, I hope to meet with some of you to discuss the proposal

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further. Thank you so much, and thank you again for serving. >> Garza: Thank you. Mr. Oaky, can you send this in electronic format -- to my office? >> I will definitely e-mail it to everyone. Also, I'm going to put this on my blog. >> Garza: Okay. >> So if in the next day or so you go to austinaffordability.com you'll see it on there and I'll clean up the wording a little bit to make it clearer. So thank you. >> Garza: Next speaker is David king. >> Thank you, chair, vice chair. Do call have vice chairs and chairs here? >> Not yet. >> That's on the agenda, I guess. Again I echo bill's comments, thanking you for your service here. In my opinion, this is among the most important committees this this city or this area could have, and I'm so happy to see that this committee is convened to focus on the problem of affordability. And as we speak here right now, just in this next couple of hours of this meeting, how many families in Austin are going to have to make that is decision that they can't afford to live here? How many? Thousands of them are on the brink right now. And this problem that we have didn't happen overnight and we're not going to solve it overnight, but what do we do in the meantime, in the next year, next two years, next three years it's going to take 5, 10 years for to us really get this problem under control because incoming equity is a big sort of the problem and we can't fix that overnight. There are things that we can do now because in our own city, many people have done well and good for them. But many people have not done well. We are the most economically segregated city in the U.S. So we need to reach out and help those people now that are having to make that decision now. So here's what I suggest. Expand free and low-cost transportation services to moderate and middle-income families, provide free toll road

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passes for moderate and low-income families so they can get in the fast lane and get to their jobs to build the city we live in. In expand utility bill assistance programs for them, expand healthcare and food voucher programs, provide free job training and education, target incentives at small and medium-sized businesses that agree to locate in areas where there's chronically high unemployment in our city. Establish a living wage based on the cost of lil' living here in Austin, promote infrastructure projects that create living-wage jobs like building our roads, bridges, dams, water lines, provide grants to help moderate and middle income families repair, remodel and remain in their homes. Enact a 20% exemption as soon as possible, implement neighborhood programs to encourage reuse of existing housing stock and repair programs for moderate and low income families. Let's help the people here today and that will be struggling for the next five, ten years here and these longer term strategies are kick in to help over the long-term but people need help today. Thank you very much. >> Garza: Thank you, Mr. King. Could you send us your comments electronically? >> I will be happy to do that. Thank you. >> Garza: Okay. The next -- do we have any other speakers? I only had those two. Anyone else? Okay. The next item is the bylaws. We posted those last week, and we can take a couple minutes here if members want to look over them or I would entertain -- we can either entertain a motion to postpone or adopt the bylaws. Is there is there a second? >> Second. >> Garza: Okay. Commissioner Gomez has moved to adopt the bylaws and economist Shea secretaried. Any discussion? All those in favor?

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Any opposed? Motion passes. I think they were posted as backup on the agenda. I guess on the city of Austin website. Okay. Yeah. >> Is it under any particular [off mic] >> Garza: We'll move on to item -- did you want to answer that? I guess where future stuff will be posted for the public to know. >> Elaine hart, cfo. There is a website for this committee and I'll make sure that the link to that website gets sent out. On that website will be our agendas, as well as the backup material. In the event that we have a presentation at the meeting that we don't have as backup, we will attach it as backup after -- subsequent to the meeting. So that will be the hub of all the information for this committee once we get up and running, but we'll get that sent out to all the committee members. >> Kitchen: It might be helpful from our perspective, to the extent that y'all can, if each of your organizations can put a link to it, can we enable that? >> Garza: That would be great. >> Kitchen: So that different websites could link to it? >> I think so, yeah. >> Kitchen: Okay. >> Garza: Okay. We're going to move to item 4, which is the election of officers, and the bylaws are written that there be a chair and a vice chair. So I'll entertain a motion for the chair first. >> Kitchen: I'd like to move that councilmember Delia Garza be our chair. >> Can I -- okay, I'll move -- [laughter] >> Garza: Councilmember kitchen moved appointment myself as chair and commissioner Gomez

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seconded. Any discussion in all those in favor. Can I vote for myself? >> Kitchen: Yes, you can vote for yourself. [Laughter] >> Garza: Well, thank you to my colleagues. This is something that I actually -- I thought of with one of the people sitting on this committee, Paul [indiscernible], we had a conversation about the need to address this and the importance of addressing this issue holistically and having all the different taxing entities present so I'm really excited. Thank you for being here. Y'all have busy schedules. The creation of this committee came out of a conversation with Paul, I would like to make the motion to make him the vice chair of this committee. It's been seconded by commissioner, say. Any discussion? All those in favor? Any opposed? Okay, motion passes. Thank you. We're just moving through these items. Good job. Item -- sure. >> Troxclair: So the bylaws say that the term begins November 1 and ends October 31. So would this date until November be one term or does that start next year or was there a reasoning behind that date being chosen? >> Garza: You know, I don't know. Do we have our bylaw person? >> [Off mic] >> Thanks, Jennifer ferry, assistant city attorney. The bylaws do state that the term will be an annual term so you could vote again beginning on November 1 or you can also -- we could amend those bylaws if you would prefer a different

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date. >> Garza: So but does this -- the way it's written, are we okay as we just did it? >> Yes. >> Garza: We could have another election on November 1? >> Absolutely. >> Garza: Okay. >> Troxclair: So I guess my question is for the purposes of a term, because there's also -- it talks about not serving for more than three consecutive terms, I'm curious is this a term from now until November or is the first term November? I don't know that it will matter either way. >> I think that the first term is going to be the full annual term. >> Troxclair: Okay. Is there a reason we chose November? >> These are normally set up to align with the city's fiscal year, but you can choose a different starting date if you'd like. >> Garza: Okay. Do you want to make -- okay. >> Troxclair: I don't think it matters. >> Garza: I only have a two-year term on the council so I might be gone in two years. I'm okay leaving it as-is. >> Troxclair: Okay. >> Garza: Next item is 5, I think, yeah. So we're just going to discuss the priorities and the potential working groups. And from the ordinance that created this body, these were the -- just to read the bullet points, it was so we could have have -- comprehensive packages about bond delivers, elimination of dupe lative services between actions to achieve cost savings and examining best practices of other cities, counties, school districts for promoting affordability. And, you know, we can always leave -- it's a broad range of things that we can discuss to address affordability so I'd like to just open it up to any

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suggestions for what to focus on, what we could do for future agenda items, if anyone has any ideas. >> I think it would be important for us to do what we can as soon as we can. >> Garza: Okay. >> I don't think it takes an awful lot of research and time to determine what people here have been talking about for a good while. And -- here in Austin. And so I know some of the other committees that I've served on have the joint committee, for instance, of the school, the city and the county have talked about, you know, the unaffordability of homes here in Austin. And so, therefore, they're losing families at aid. So, I mean, that's present. And I think that we have sufficient information that we can share with each other to kind of say these are the things that we can do as soon as we can. The 20% homestead exemption certainly is one that we talked about long enough. And the housing, lack of housing. We know, I think, someone said 100,000 units are needed in the city of Austin. We need to determine with the county how many units we need as well. And we can certainly -- we certainly now how many families aid is lose sog that probably says that there's a need for that -- at least that number of housing units. So I think we have enough information to where we might need to have a group that works on what we already know. >> Garza: Okay. So are you suggesting specific subcommittees for the housing gap and homestead exemption? >> Probably the taxing and the bond elections is another thing that we've talked about for a

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while, about kind of coordinating what the bond elections that we have so that we can have a better handle on what those tax increases mean to people. >> Garza: Okay. >> By the different entities. So I don't know how you want to divide that into it, but I think each one of those needs some immediate action. >> Garza: Okay. And so, yeah, part of this item is potential working groups, and so do you want -- do you want us to set up a working group, specific bond working group? >> I guess the bond and the taxes, housing, and then we can -- under each one of those have immediate action and then, you know, what can wait for future -- on future research and, you know, I don't know, five years from now. But I think it -- should it be immediate the next step and then the next step. >> Garza: You mean more like the priorities? >> Mm-hmm. >> Garza: Okay. >> Mm-hmm, in terms of timing. >> Garza: I would agree. Does anybody else have anything? >> Thank you. First of all, councilmember Garza and Paul, my good friend, trustee now at aid, thank you very much for this effort. I'm going to just take a minute to tell you where Austin community college is coming from, as far as affordability and where we think we might be going. First of all, I'm sure we have the biggest tax area here by far. We have 1.6 million -- I have 1.6 million constituents, to give you an idea, and of course we have probably the smallest tax rate of everybody here. And all of you are my constituents. And I'm a constituent of Lisa

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and Bridgette, and that's it. And so it's kind of an interesting MIX here, and I think when we talk about bonds, I think you cannot divorce it from taxes. Our process, as many of you know, we pass the bond election in November, and we're probably not going to go back to the voters probably until 19 at the earliest. We've got plenty of work in our bond package. We are -- we lost our tax cap election and we are coming back with it for sure. We have very little choice about that because state legislature keeps chopping away at us and we are very cognizant of affordability of tuition and I can speak for all nine board members. When you talk about tuition, we want to keep it as low as possible. As a matter of fact we froze it for the last two years, we're not going to raise tuition this coming budget, and so we're very cognizant of that. So I think the only -- so our 400 million -- almost \$400 million bond package, when it is sold, will be about 2 cents on the tax rate. So I think -- I agree with commissioner Gomez, I think we really need to talk about bonds and how that affects the tax rate. I mean, somehow I've always had a feeling in this community that people say, oh, bonds, you know, that's okay, but, yeah, those bonds are costing tax rate, and people don't get it sometimes. And so I think that's very important. As far as the tax rate and the homestead exemptions, I'm pretty sure we give the largest one by far to seniors and seniors about \$125,000.

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And 5,000 -- I think a \$5,000 regular exemption, homestead exemption. So that's where we're coming from. I'm happy to work with whatever group you think I might be able to do, but I've been around this community for 40 years, and I know my way around. Used to live in the city. And I'm very happy that this is happening because I think it's vitally important that we address this in the next five to ten years or else what bill said here, is going to be true. People are just not going to be able to afford to live here. >> Garza: Okay. Thank you. Does anybody else -- priorities, future items? >> First of all, thank you for commencing this. I think it really is a hugely important conversation for us to have as a community. And, secondly, there's water over here if anybody is thirsty. One of the issues that I've felt is really important is the fairness in our property tax appraisal process, and I realize that we can't -- we don't control a lot of it. A lot of it is controlled by the legislature, but I think we can do a better job of tracking some of that information in our community. And so I would love to see this committee consider doing that. I think it would be valuable for people in the community to know what the initial appraised value was for commercial properties when they were first sent their notice and where it ended up after a protest process. And I will just say, for the record, I have been concerned and I know this has been a concern of the council, that

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particularly when companies come and ask for property tax abatements, the whole formula for figuring out the economic value and impact for the community starts to fall apart if -- part of the basis is the property tax that the company will pay, and so if they come in and challenge their appraisal and get it lowered pretty dramatically, then the assumptions that went into the initial formula start to fall apart. So, for instance, some of the companies that have gotten genesis abatements in recent years, I would be interested to know and to have an accounting of that, if you will, so that everybody is aware. Are they challenging their appraisals? Are they getting their appraisals lowered? It can be a chart. It doesn't have to cherry pick or just focus on individual companies, but I think that would be a valuable piece of data for us to have. The other thing that I'm hearing anecdotally is that the skyrocketing property tax appraisals are really falling in a painfully edition disproportionate way in very poor communities, and I think it would be good to have that -- document so we have some indication of -- because I hear it anecdotally, in the African-American, hispanic communities particularly, east Austin, it's having a profound impact, so many families are being forced out. So if we could gather some of that data and have that information, I think it would be really useful for us as an affordability committee to just have that information. So I'd recommend that as one of the projects or the tracking and reporting of the equity of who is paying property taxes or -- based on their initial appraisals and what they end up finally paying. I know some of that is tracked in the aggregate by the appraisal group, but I think it would be valuable for us to have it as a report for this

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committee. >> Garza: My understanding is they don't have to disclose, like, all the -- any of that information, commercial or residential, it just kinds of gets disclosed sometimes. You have more access to it -- to residential, maybe Ellen can speak to this, you know, because what's it called, the mls? And so -- but is there legislation proposed to day right now is this. >> Yeah, legislation to correct the imbalance. >> Garza: Not going anywhere? >> Not going far in the legislature. They do have information about the initial appraisal notice so that's the initial value they place on your property. And then what it ends up being after the protests. That's public information. Both of those, before the and after. And I think those pictures are useful to see. >> Garza: When we would get that from tced, I guess? >> I think, yes. >> Garza: Mr. Mitchell? >> Thank you, councilmember. It would seem to me that during our process that we -- it's not just to me, it seems like it's not just property. It's not property taxes and not just cost of transportation, but it's, you know, what are the underlying issues driving prices and those sorts of things so that we can understand, there's a consistent -- I'm -- notwithstanding my capital metro board membership, I am also in the real estate world and so I think having some folks educate us on what is causing what will help us have some opinions -- I have some opinions but I also think -- I hope I'm smart enough or dumb enough to realize I don't know everything and I want to make sure that we understand what are some of the underlying forces that are happening and will help us better address those things as a policy, if you

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will. And it really applies across the board, I think, you know, there's some consistent themes, just as a part of our committee, making sure we educate -- receive education from folks who would be able to help us understand why things are happening that are causing this. >> Garza: And from a la perspective, are you -- from a real estate perspective are you talking about codenext and how that affects land use, how that -- >> That's some. I think I would probably have -- I mean, you'll get a lot of different opinions, but it's -- you know, there's many, many divergent forces driving up pricing, and every one of us sitting in this metropolitan area, you know, if you own a home, your taxes have gone up. Mine have tripled in 20 years so I know exactly -- I feel everybody's pain just like everyone else does. What's the cause of that? Why is it? And, you know, what are some of our potential solutions, if you will? I mean -- I can explain to folks, if you want, how I changed my business to try to address that, and it means that what I used to work on 15 years ago I don't do any of that today because it results in expensive housing and I have to do something different to try to bring my house prices down to folks where people can reach it. So those kind of discussions I think are important to help so that we can understand and think about it sometimes we'll make decisions that indirectly may raise the cost of housing and I want us to be aware of that. >> Garza: Okay. >> Kitchen: You go first. >> Troxclair: Me. >> Garza: Councilmember troxclair. Speaker2: I wanted to thank Mr. Caplan for bringing up the issue of how bonds and taxes are really interrelated and I hope that's something this committee can help to more clearly articulate to voters because I

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know it's really confusing when we go to the polls and see 2 cents per valuation and half a cent here and 3 cents here its and really hard for us to understand what dollar amount that equates to especially when we have multimultiple bonds in a row. I don't know if that means that our bond and tax working groups can work together on that but it would be nice to be able to produce some really clear and succinct information once we do get closer to elections, we do understand better what bond packages are going to be on the battle. I think that would be helpful. On the homestead exemption issue, I see that Travis county does have a homestead exemption. I would be increased getting more information from the county about how that was implemented, any challenges the county faced, you know, how that process went for Travis county and what we can look forward to in our future discussions at city council level on the homestead exemption issue. And I just thought I would bring up a really interesting point. I know y'all probably saw the results from the poll released recently that talked about, you know, the continuing trend of your opinion of Austin has a lot to do with your age and how the cost of living is also not only -- are we being affected geographically and economically and all these things, but also the

millennials are being affected in different ways than the older population in Austin and overall 66% of austinites were having to limit their personal savings in order to live in the city, which I think affects young people and an older generation in different ways, but of course being part of a younger generation this is the time when my friends and my family are looking to invest in retirement and do all those things, and I'm concerned about the sacrifices that the younger generation of austinites are having to face in order to live here. >> As long as we're on bonds I'll say that's a subcommittee

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that I would be interested in serving on, aisd, as far as school districts go, has a very large a debt with our outstanding interest and principal. Around \$97,000 per student, and so -- and we've used a structure of a kind of bond that defers debt from our generation to the younger generations, and I think there's a number of bills that are pending in the capital, but I think that's something that, you know, you have a system of checks and balances, but if we as an affordability committee could come up with some kind of standards as far as what types of bonds are appropriate for use, that would be beneficial to our community and also perhaps some standards on transparency. When we do refundings of our debt, for example, we take accumulated interest, and that accumulated interest, when we refinance it, is reported to the public as principal, but really it's the cost of money. And so I think it's important that we, as government, give our people -- our constituents a true representation as to what the true cost is, what's actually monies that was received in our construction fund versus the cost of those monies. And that's something we can -- we don't need legislation to do that. We can develop those standards voluntarily, and I think this committee is a good place to work on those issues. >> Thank you, councilmember Garza. Aic is really happy to be at the table. I think this is a conversation we've looked forward to. I've only been on the board a little over 100 days now and counting. One of the things that been particularly frustrating for me as an elected official over at the school district we're often having these conversations by ourselves so I'm glad and have been looking forward to this

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meeting for quite sometime because the cost of living issue is certainly one that has had a significant impact on our district. This is year three that we've lost students and families, and that economic impact to the school district is now over \$45 million and it's projected over the next ten years we will continue to lose more students and families for other reasons, but I think one of the driving factors is certainly the cost of living index as well. And I agree with all the other comments that have been made by my colleagues here. I think certainly it would be helpful to get a schedule sort of what we have here, we have sort of a master list, if you will, of all the adopted budget schedules, so perhaps we can put

together a similar list on our proposed bond elections cycles and schedules. Also, the tax rates and I think that would be helpful. I also think there's an opportunity for us to have conversations about affordable housing opportunities, for example, the school district owns a lot of property, a lot of assets. Some have already been deemed surplus, and it's just sitting there. And so while as a school district we don't participate in the development of affordable housing, we do have land that's owned by the public that we have no future plans on using and to the extent had a it could be utilized to develop affordable housing, I think that's one conversation I think all of us can, do look at the inventory we have and see if there's any opportunity for to us identify land that could be in essence use Ford affordable housing. Along the lines of that, also, I think there's an opportunity for us to look at facility use and joint use in particular. If there's not a heed for us to all go out and build facilities where we can combine those efforts or we have existing facilities for us -- that could be repurposed for other needs, to meet the needs of our community, I think that would be helpful. One of the things I'm really proud of our district and one of the things we're doing now is an equity self-assessment.

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We're looking at the experiences of the individuals that we serve, and we're looking at things like equitable access to high-quality educational programs, we're looking at equitable access to outside and private resources, the allocation of highly qualified and effective teachers, the allocation of facilities, technologies, materials, those types of things, and so we're starting that process now. Hopefully we will have some formal action maybe by June, but that could be something that we look at, and it's -- while we're talking about equitable -- equity, those things, but the direct correlation when there's obviously some overlap is the issues of affordability because they all play into that. Of the 85,000 students we serve, over 62% of those are families, students that qualify for free and reduced lunch and we're seeing that number increase. We have now 77 title 1 schools out of the 129 campuses that we have. So perhaps this could be a future presentation that we give to the committee here to give you a little bit more in-depth information about the equity equals self-assessment issue that we're undertaking. >> Can I ask you to repeat that number. Did you say out of 129 campuses in aisd, 77 of them are title 1, meaning a-- remind me what the definition. >> Title 1 is over 50% of the students we serve qualify for free/reduced lunch, high percentage of low social economic families we serve. To put that in perspective 15 years ago we had 50 title 1 schools and today we have 77. >> Growing. >> Kitchen: I agree with all the areas that people have, you know, brought up so far. I think these are all very important. And my thought would be that -- two things. First off, I want to also encourage to us look at seniors

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and aging in place. Because as our population grows, that's going to be a huge issue, and there's very little -- you know, it's best for seniors' health to stay in their homes and it's also a lot less costly, and we don't have a lot of good options these days. So that's one thing. The other thing is I think we could -- I would like to see us wrap up the kinds of things we're talking about that the kind of strategic planning that Mr. Oaky spoke about. Because I think that that would be helpful for us to set direction for the future. And so I'm not talking in terms of slowing down our work to take a long time to build a long, drawn-out strategic planning process, but what I am saying is I think it would be helpful for us to set some direction for all of our bodies to, you know, work together to set some direction for all of us, and I think a strategic plan would be a good way to do that. >> Thank you. [Laughter] >> Garza: Does anybody else have any -- we're kind of going to -- when we get to the last item, future agenda items, we'll see where we can fit all these specific things in because I do have some recommendations for upcoming meetings. >> Just a couple of other items. I was really struck by the creative proposal that the mayor made about Austin bonds. We look for ways that people can literally invest in the community. And I think that we're all challenged to be as creative as we can be, and I'm really struck by what Ann just said about our increasingly aging population. I delivered meals on wheels for seven years and one of the things that was such a powerful lesson from that is that there are a tremendous number of people who are trying to age in place, who need help, they need

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meals and it's a simple thing to do to provide them the meals. But then I'm thinking about all the people who need more affordable housing, and the most common complaint from all of the people that I brought meals to was the worst thing they suffered was loneliness. They really wanted company. And I'm thinking, maybe there's a way to marry the two. Maybe there's a way to do an aging in place partnership program, where families that need housing can work out some kind of an arrangement to help elderly people age in place. Because most of them have large houses and a lot of extra space and want the company. So it's just something to think about, an idea to place out there. I did want to say, too, we're working on a couple of different initiatives at the county that might be something to report back to this committee on. One of them in particular is to look at how we can better coordinate with central health, with the mental health initiatives in the community, with Seton and with our criminal justice system to provide more efficient, less costly healthcare for inmates because it's an area where there's a pretty dramatic increase in cost, and I think when you talk about, you know, what are the drivers, what are the factors that are affecting the cost of living, the growing cost of providing essential government services I think is one area we should look and to look and see if there are initiatives for finding greater efficiency and working together and being smarter through collaboration in saving, saving on costs. So I think we might have something to report back to the committee if there's a role for that in this committee. >> Garza: Okay. Does anybody else -- we're going to move on to the next item unless anybody else? That's just our meeting structure, and I just wanted to

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get input on how -- where we will be meeting. We can meet here all the time, but I also thought it was -- to be fair and we could change -- we could change locations as well, so I wanted to open that up for discussion, if everybody is fine coming -- of course I would love to be able to come here every time. >> So would I. >> Garza: But other options would be maybe quarterly having a meeting in Leander and quarterly del valle. Does anybody suggestions? >> I think this is a good central location and it's broadcast, which I think is important, so that people can follow the work of this committee. >> Garza: I was going to add that, that here we can -- add that, here, it can be televised here, which is not -- it's not a -- we can still have a meeting and not have it televised but that adds a -- kind of an important part that here we can have it broadcast to the public. >> I'm probably one of the farthest away so the northern end and I don't mind coming down. So we certainly would always be willing to host. And we do audio record, but I don't mind driving down. >> Garza: Okay. Do you mind driving? >> No. >> Garza: Does anybody mind? >> The college would obviously be happy to host and televise it, do anything else. The problem might be is third Mondays might be problematic because we have -- generally have work sessions, this is not one of them. But three or four Mondays, third Mondays, maybe five. We will likely have a work session and that could become problematic at 5:00.

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If we are a third Monday without a board meeting we'd be happy to televise, do whatever, take you over to the mall. So we're open to that and that's just a question of looking at the calendar. >> Garza: Okay. >> Is this a monthly meeting? >> Garza: Yes. We can kind of leave this open and for now we'll meet here and then if anybody has any desire to meet at another location, we can discuss that as those issues come up. Does that sound good? Okay. And so we're going to move on to the briefings. The first one is presentation on demographics within the city limits and beyond and factors impacting factor. It's going to be given by our demographer Ryan Robinson. Mr. Robinson, can you come up? Oh, he's already there. >>] Off mic [. >> I wasn't sure what to show you guys. And this is -- now that I'm face-to-face with you, what I brought -- bless you -- is really foundational, but a couple of things, you know, given your discussion to pick up on, I think we can dig into it. Before I start I want to echo something commissioner Shea said, this might sound like I'm disparaging T cad, because there is such an alteration in the assessments after the protest it really does make you wonder what goes into the front end of that equation. Based on personal and professional experience, even though I love the people at tcad, the way they go about assessing property in Travis county is like putting on a big thick oven mitt and trying to tie a shoe. Then when you ask them why did you do that? They can't really even tell you why they did what they did. Anyway, so you're on to something. Even the ability for us to get

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data from tcad, it's so hard for to us get information. It really does affect how much analysis we can do with it. Anyway, it's an old saw of mine. So a couple of simple take-aways, I'm the captain of the obvious, the long-term job and population growth in central Texas is indeed driving a collapse in overall affordability, especially within the central city. I'm oozing new language, I used to talk about the erosion of affordability or some kind of -- no, it's not on erosion, it's a full on collapse of affordability. Again, as commissioner Gomez says it's something we've been talking about so I can't imagine what we would show to you convince you but that's of course what's happening Austin is still relatively affordable from a national perspective but much less so than in the past. This is worth mention being because even though affordability to us is collapsing, affordability from a northeast United States or even in some California markets, it's still, you know, almost cheap. It's certainly not like it was 15 years ago. Historically, that differential has been one of our biggest growth drivers and that differential is lessening but that doesn't do anything for us here who are feeling the effects of that affordability. Simply to say is that we're going to continue to have households coming here for our affordability when that's one of the things that we're so hurting from. Relatively stagnant wages coupled with steep increases in housing costs are the main forces driving our affordability collapse. And I mention this because certainly social sciences today are really trying to expand the scope what have they mean by affordability, and I'm all for that, but I'm here to say it's house that's really giving us the run. Healthcare is expensive, transportation is expensive, also very sensitive to the aging aging in place because nothing set up for aging in place. But it's housing. That's the thing that's really,

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really -- not that it's the only thing, but in our case it is housing. And I think that helps focus what it is we're dealing with. Strong dichotomy of affordability between the city and remainder of the metro area is emerging. Mr. Oaky said it, I believe, or it was Brian, Austin is one of the most economically segregated metros in the country. So I guess the reason I bring that up is that while this is a regional committee, you know, we're dealing with something that other American cities have been dealing with, to where the core becomes just crazy expensive and then, you know, this sort of diminishing curve since then. In our case there are will be wrinkles to that. Finally changes in affordability are influencing demographic landscapes. You know, Duh, okay? That's the first take-away to simply show you a population graph, we're now by my own estimate above 900,000. We're going to get information in two months from the consensus bureau on city growth. We got information about a month ago on metropolitan growth and the surprise pour me at the metro area we actually accelerated. That's bad news. I thought we would be down shifting. We're not. When we get information 234 about two months

I would imagine the city of Austin will be at or near the top of fastest growing cities in the country. Sort of my I guess sound bite is -- but I think it's meaningful is that, you know, maybe we don't want to be the fastest growing city in the country year after year after year. I mean, on the one hand it validates how fabulous we are because we know how fabulous we are, but that's at the core. That repeatedly, not just population or the job growths that what's driving us. Yeah, we're the fastest growing city in the country. Skip that. I want to make a point that has come up before in the briefings and I don't think was dealt with adequately. That's a map of the city, couple of months old, limited purposes in that Orange area.

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Limited purpose is nothing more than a placeholder for us. We can by state law annex those folks into full purpose but they're annexed anyway and they can vote, but that map I want to drive home the magnitude of how important annexation has been. You can measure that and say, well, you know, we're going to count the effects of annexation at the point of annexation but here is my problem with that. When we annexed circle C in 1997 there were maybe 3,000 people there. Well, two years later, when census 2000 came along, they counted twice as many people. So my simple point is had we not have moved them into the city, we captured -- wouldn't use those terms out there, 3,000 people but you see my point of the subsequent growth from the big housing production areas, and to put this all into perspective when you look at that map, the western suburbs we have annexed I think become much, much more expensive than they were when we annexed them, politically more conservative and potentially antagonistic to city-led initiatives. The reason I bring this up, I think we are seeing our city become an even more divided city but in new ways. That's how we fit within the metropolitan area. I don't know if we have representation on this group from all of that, but it might be something that you guys think about, you know, are we really truly covering the region, and I don't know if we are or not. The city of Austin now has territory in Williamson, Travis, Hayes county. At some point I think we'll probably be the second largest city in Williamson. We won't ever be as big as Round Rock, Robinson, unfortunately no relation, you're going to have a lot of Austinites up in Williamson county. That's the way we look

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ethnically right now, but that's the total population for me much more important is to look at how that breaks out by age. I think a couple of you have seen this. It's pretty amazing. Again, total we're 36.5% Hispanic, Latino, but as you move down those age cohorts by the time you reach zero to 9 you're a clear majority. So one of my points is with diversity you get a strong age differential and that's affecting affordability, aging, everything that we do. When we talk about affordability in Austin, because we are

such a diverse community, I think it's important for us to realize it's going to track along racial -- ethnic lines. Austin is relatively affordable. First I want to talk about -- this is one of the slides I think would be meaningful really based on what you've talked about. Yes, we're a city of renters, okay, but when we say that that means we're looking at occupied housing units. Almost 55% of those units out there are occupied by renters, 45 occupied by owners. When you look at overall population it's almost exactly even because the household size of owner occupied is a little higher. For me when I made this graph and I sort I thought I would know what it looked like, it really impressed me, the simple point is that if you're way up there in an income bracket, you can choose, right, you literally can choose if you own or rent. As you move down those income brackets you can see you go from being heavily owner occupied to being heavily renter occupied so any decision that we make regarding a property tax cut is going to have this variation in it. Then you put the ten district variation into that, and it's going to be, you know, profoundly variant from district to district and will affect households of income. So it's going to be tough. This is going to be I think one of the toughest things we'll do as a city over the next year., again, I think we really need the relief, I think we really have to try and shift the burden from our homeowners to

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commercial interest. But that comes with so many consequences that are going to be difficult to measure and predict. So we have the ninth most expensive rent in the country as a city, right, look we're sitting just below Seattle there, sort of that next step up. At the regional level, we look a lot better. We drop from nine to 14. Bestill have a expensive rental market. One thing you don't get a whole lot of movement from nine to 14 is because so much of that rental stock in the region sits within the city of Austin. Now, from a homeowner standpoint it gets a little bit better. We have the 11th most expensive median home value at the city level just behind Denver. I track Denver quite a bit, I think of them as our older brother, older sister, about 15 years ahead of us, but the day we but the day we become more expensive than Denver is the day it really will be holy moley, look at that. I spend a lot of time looking at Denver, but from a homeowner standpoint at the metropolitan level we look better. We ranked one way when you look at cities and another way in a more favorable way when you compare metropolitan areas. Really stagnant wages coupled with steep increases in housing costs. >> Can I ask you -- >> Yes. >> The differentiation between the metro and the city. Is it because as you go out into the suburb rung, the cost living in our metro area is less expensive. Does that drop us down from the higher ranking as a city to the lower agency a metro area. >> That's well put. In the metro you have data from all the other counties and that are in the msa so in a sense, it's diluting our expensive housing. That's a great point. >> That's exactly right.

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We're a city of about 900,000. Our rents are pretty high. Our house prices are high. The metro area is over 1.9 million and much, much lower. >> But it's funny, I hadn't thought about that. You throw new data on, it dilutes it, it's not two separate things. This is a graph made by my colleague. Andre, of the board of realtors. And I would imagine Paul is the brainchild behind it and you can see the two number yous over time, medium family income, which is one way of measuring wages. Thank you, sir. And then looking at house prices. That, Terry just hand me the same thing [inaudible] >> Testifying to the legislature today to, hopefully, make it easier in our state to pass -- to allow condos to be built because of exactly that. And it's happening in all of our major cities, where house prices are far exceeding the growth in income and density is one of the ways you can lower the house price. Put two or three on a lot and there's a -- the burdens at the state legislature that make that harder, but it's becoming a statewide issue. >> We think of our problems as being unique and, of course, they're not. In every American city that's experiencing vibrancy you're having this squeeze, but ours is more profound. >> I think it is. Definitely. In 2013, I had the privilege of being on a -- at a fellowship where we traveled to eight cities trying to solve issues and housing was part of my issue. And most of the cities that I went to, with the exception of

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Denver, with the exception of some of the western cities, the issue was how to redevelop areas that were deteriorating. All of the cities had the same exact issue of flat wages and increasing in pricing and the middle incomes seemed to have vanished. And the example that sticks in my brain is Indianapolis where they have a pretty vibrant downtown, but less than five minutes from downtown they were wanting to redevelop an old manufacturing site that had been vacant for 20 years. RCA color TV made before 1985 it was made there and they wanted to do mixed use and try to revitalize it, but because there was no demand for jobs, the house prices were selling for \$35,000. But there was no demand and so on the one hand we have huge challenges, on the other hand, thank goodness we have some jobs, it's a difficult issue, but everybody is facing this flat wages with increased house prices and there's nationwide, we have created our own issues in the late 1980s when the housing bubble burst, the homebuilding industry shut down and even though we're not -- we're still not where we were in 2006 or '70, it feels like you're on fire because there's much less capacity. I've been told there were several million dollars lost that used to work in the industry and now they're not here and what happens when there's a tightness in the market, costs go up. I just finished a condo project in 7847 and over the 22 month construction cycle or costs rose 32%. And we were buying, you know, the plumber would start to walk off the job and we would say, what does it take to keep you

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and we'd have to pay him. That translates into higher pricing and it's leveling out, but not going down. It's a tremendous issue in Austin. >> Is that the Dennison? >> Yes. >> Which is a great project, by the way. Strong dichotomy notion, let's jump into that. I guess terry, you said your property tax had tripled in a certain period of time. I can make this map from a percentage increase or an absolute. It's a percentage standpoint. Commissioner Gomez, you may have mention mentioned the squeeze. It's disproportionately affecting communities of color. Because we're still such a segregated city and the notion that I can make this map two ways. Not that there hasn't been affordability pressure in 7873. But exceeded a million which happened half the week in Santa Fran. So I don't want to diminish that affordability is, in fact, pressuring all of our families. But I do think we have to be pretty direct and deliberate when we map and measure it that it's affecting or communities of color and lower income households in a far greater way. This seven-year period, terry was talking about cities around the country, they were experiencing a looded pop of the a housing bubble that we never had. That's one of the reasons our housing is so expensive now. We didn't have the 278% correction that Denver had or 37% correction that Reno had. That's a heat map of apartments under construction. There's been an enormous amount under construction. As a piece of data that talks

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about how much momentum is out there in terms of population growth, we delivered over 10,000 units to the apartment market and theory over all occupancy barely budged. Dropped half a percentage point. So to have that many units delivered and just have a barely stagger in the city wide occupancy tells me that the flow of households continues to be really, really strong. And that's something else we deal with in our work with colleagues is just how much mount much momentum is in this boom. It's an very broad based boom and different than in the '80s. It reminds me of what we had in the '90s, a few changes, but so much momentum in it. That's a heat map of permits regionally. This is what will begin to change as construction in the suburban markets has been conconstained by money -- constrained by money issueis. And they're finally -- help me out here, somebody. If they can say it in a complete sentence. Those detached suburban family markets will heat back up in earnest because that financing is finally back in place. It's going to heat up a lot more from here on. >> Yeah, in terms of suburban. Both the differential. My fear. We're about to have this three or four years of super-sprawl because of the collapse in the affordability in the central city and cheap gas and because the single family market is back to where it was in '04 and '05, we could be creating this footprint we're going to be unhappy with, to put it mildly. I think we've been deliberate in our emphasis or downtown and I think it's paid off.

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Contrary to what some may say. Downtown is the atm machine. We're using to subsidize across the city. We have more population since 1940 and we've creating a bubble of liveability that's really, really expensive. So I want to talk about something that I don't have formalized, but in a quick conservation.org conservation I had earlier. This is a photograph from Ben white to ladybird lake. This is the example of a luxury rental market. It's happening across the country. The one little sort of weakness you see in the overall market is in the luxury rental market. Occupancy not as high. But the point I want us to talk about, how much is regulation responsible for our affordability crunch. And so I mean, regulations that we're imposing as a city and that developers have to go through. I think there's a sentiment there's substantial and significant enough to chase and do something about, I agree with that, but I would put them at the end of the line. I don't think they're nearly as influential as good old-fashioned organic market forces. Not to say we ignore the cost of regulation, but oftentimes people go to that too quickly and say, it's your fault because you require a high quality building and that's why the stuff is so expensive. It's in there, but I'm going to push back against that, I think from a quantitative standpoint, it's down at the end of the line. We'll see. And we talk about densities -- >> We want to say more about that. Maybe it's a term of art, but I'm not sure I would call these luxury, particularly, not the

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ones further south. On the southeastern part of south Lamar. It's an example of popping up all along south Lamar. Not much relationship to the city's planning. We're in the process of doing a south Lamar corridor plan, but that's happening after the fact. >> Yeah. >> You know -- >> I agree, it's not the tippy top, but I think -- I think again, someone else help me if they can. Renting will start at \$1.80 a square foot. >> They don't look like luxury when you when you look on the inside and outside, they're not -- >> I have not been in there. >> That may be an example of what is driving the market up. The pricing. You're saying they're going to be priced at luxury, but not actual -- >> They're not lumpy. They're -- they're not luxury. >> Italian marshal in the -- marble in the kitchen? >> No. >> In my humble opinion, we're not aggressively been implementing our comp plan. We haven't changed one single thing about the way we approve land use plans and this is the type of development you have all over the city which again, it's good and bad, but it has steer relation to the comprehensive man we passed two and a half years ago. >> I would agree, it didn't take into account the transportation needs or any of that. >> I hear you, councilmember. >> I wanted to comment on -- I feel the same way when I feel the overregulation is what is causing the pricing to go up. And going off what you said a little while ago, I would love to sit and talk with you how that works. I have thought if the market says this house can sell for

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\$200,000, if it costs \$150,000, if the market says it's going to sell for \$200,000, that is what it will for. That's not the most accurate argument sometimes by developers, this overregulation is causing the affordability. >> It creeps into ideology in a hurry. >> Yeah. To me, the housing market is almost a perfect expression of the market. If you put a price on your house and someone buys it, that's what the market -- but there are -- yeah, feel free to chip in there. >> I was going to ask, and I don't see this in here. Perhaps it's another conversation, one of the things I haven't seen is your response to the gentrification in America. The governing report that ranked Austin number eight and believe it was based on census tract data and median income and households and bottom half of the median households, I guess the home value. And specifically it mentioned the number of tracts that had flipped. As a result of that. Do you have any data that shows that? >> Well, we were tracking the same issue. And the data points that were behind that series, that story series, are a couple of years old and so -- I mean, to me, when I read something on gentrification, you should see it if you had right now data. I'm surprised we were only eighth. We have sort of the scope and the pace of gentrification is always what we're concerned with and I would think that the scope and pace are bigger today than before. >> That was sort of my point. The report only calculates data up to 2010 and we're at 2015 and I'm wondering if we should look at that particular data. >> Absolutely. >> And I'm sure we'll end up unfortunately being at the top.

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>> It's easy to say, but famous planners say that gentrification itself is not the problem, displacement is and that's to artificially separating the two. And there are neighborhoods like east Austin in every big American city and they're either gentrifying or blighting and I'll take the headaches and challenges from gentrifying any day over the blighting. I know it's a problem, but it's a tough one because -- you know, does that make sense. >> I think the gentrification shows in this particular map. Where, you know, gosh. You know, 200% plus. Those are families that have been there a long time. They aged in place, but they're being displaced. >> You make a good point. We talk a lot about gentrification occurring in '02, but don't talk about that which occurs in '04, over a period of decades. This map is a way to highlight the notion, yes, we're economically segregated. The map's stretched out. This is by census tract. And the number one highest median income hit so high that the census bureau says 250 plus. For 010 points where is the highest tract. It's in a new location. >> [Inaudible] >> Where is our highest income census tract. >> A new location, did you say? >> Yes, really new. >> I'm going to guess downtown. >> It is downtown. It's census tract 11 -- census tract 11. Historically, the peak was in east Austin and migrated into the hills, but jumped back into the city in downtown. All right, to drive home the

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point that when we talk about income, we need to talk about race and ethnicity and this is a pretty alarming way to look at the differential between medium family income by race and ethnicity. I'll let the data speak for themselves. Most would say this is the tip of the iceberg. We'll talking about wealth different -- excuse me, this is income differential and we should be talking about wealth differential and differences that you see here when you look at wealth differential are that much bigger. Changes in affordability of a couple of slides and I'll close and get out of the way. The way to talk about this is to look at overall poverty. 17.8. Poverty rates for young hispanic children, almost at 52 and 53. That rate for hispanic children last year was 44%. So it's dropping. And I'll use that as a placeholder. >> Say that again. >> The poverty rate for young hispanic children last year was 44%. It's dropped significantly, but I'll show you why in a slide or two. Compare that to the poverty rate for non-hispanic white children. And Asian children. If I were to be able to show one graphic and try and make the point that we have this large socioeconomic gap in the city, this is what I would use. Even though poverty rates don't take into account the cost of living, when you try to compare to Brooklyn and hunting ton beach, they're great for looking at it now. Back to the dropping rate and why it's an Oman in the -- an omen. This is the way to look at poverty, 18-24 cohort, a high poverty rate, a lot of them are

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in college or they have less than great paying jobs and so the combination of that, it's real, but in our case because we have so many college students that's innatured a little bit, but the poverty rates of children, that's the same as looking at the poverty rates for families. It came in about eight weeks ago, the poverty rate dropped to 17.8%. It was output outside of the margin of error. I got excited and almost picked up the phone and was going to call the mayor, man we've got good news. Wait a minute. I looked at the poverty rates of the neighboring jurisdictions and the one that shows it the best is the poverty way in bastrop county, from 10% to 22% in one year. So the lesson for me is we're not just displaying our poorest, but we're pushing them way out. They're now outside the service area of the capital metro and they're in a harsher food desert than before, contrary to what our friend Gardner thinks of what food deserts are. I'm not talking about buying fruit at a gas station. It's the full-on thing. So this time, next year we're going to get another poverty rate and more than likely see a continuation. Not because we're making our citizens more prosperous, but because the stunning school number, I'd be surprised it doesn't move the other way, but I don't know. So -- >> Seven out of 129. >> Good, thank you. >> Worse. >> Worse than I was thinking. >> That's not a good way to reduce or poverty rate. >> Exactly. >> Drive people away. >> I'll close with awe couple of maps and take the poverty rate, a family of four, it's \$23,800. Can you imagine raising a family of four on that kind of level. So it's a deep level of

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impoverishment. Impoverishment the red and purple, I want you to sort of watch what happens when we go from 2011 to 2013, almost no movement on the west. Just a little bit, but big infill movement on the east. As we continue to make this map series I think that because we're looking at lagged data, as we begin to have information that's more reflective what's happening currently, you'll see a continuation. >> That's in a two-year time frame. Two-year period. I talked about repeat iness of I -- repetitiveness of this. I will close with this map, it's complicated because it reflects a complicated reality. I've got this eight, nine regional school districts shown there. And then the city limit, that crazy amoeba of a polygon on top, we have seven different school districts that touch our city. One of the data requests I got from your office, councilmember Garza, how much is in mew valley, it's significant. If our city has become a centrifuge and we're displacing our poorest and pushing our middle income families too, we're pushing them into an regional school landscape that's already differentiated by quality, real and perceived and we're reaching out and amplifying that difference. When we talk about the school finance and the hard decisions ahead, the reality where this hits the ground, these districts are very different from each other and we're helping them to Tennessee to be. Because of that big

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affordability gap. This is important stuff. Thank you very much. >> This is fabulous. Any questions? >> I have a comment. Add wages to our list? >> We need to address. I do have a question. I hope it's quick for Mr. Robertson, is there a way to do an overlay on these maps when you look at water available? >> It depends on what the data source is. But anything that's spatial, either from a point or polygon, we can overlay that. So I'm going to say, yes without fully understanding where the water bill data comes from. Not to glibly say yes, because I know that's one of your areas of specialties. Certainly give it a try. Thank you. >> One question. When I see this tremendous growth in the poverty level moving to the outside, I think I can understand the market forces causing that. But every time we disperse our folks further and further out, we're adding to our transportation issues. >> Absolutely. >> So it's not just a housing issue. It's a transportation issue as well. >> Transportation costs. >> And conversely, they were saying this during the last bond election for the affordable housing bonds if you make a tax credited project or affordable project close in the city, it's not just housing improvement, it's a transportation improvement because you're taking them off the overburdened mopacs and I-35s that can't take any more traffic. It's a daunting challenge. Makes it hard for capital metro because the last thing you want is to be dispersed out into the hinterlands. >> I failed to say one of big long-term solutions to spikey

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affordability is high capacity transit. How does New York work? Because they have high capacity transit. >> Not more room. >> That's a perfect segue to our cap metro presentation. We'll skip eight and go to cap metro and ISD. My understanding, they need to try and get out of here soon. Good. >> , Thank you, Mr. Robertson for your presentation. I didn't think I said that earlier. >> Thank you.

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>> Just a second here. >> Thank you all for having us. My name is martin, I'm the accessible transportation specialist for capital metro. >> I'm the diversity specialist for capital metro. We want to thank you for inviting us, we were invited by councilmember Garza's office for what we do for seniors and people with disabilities and individuals who are low income as well as talk about our basic transportation needs fund and talk U touch a little bit about next steps and some of the capital metro's future plans. Let me see. Is it up? >> Yeah, you're on the first slide. >> And -- did I just move. >> Yes >> Our discussion of accessibility. We'll. [Speaking simultaneously] About our fixed modes. We offer local bus service, express commuter service and we have our metro rapid service, our new high-frequency bus rapid transit system, it's been in place for just over a year, and metro rail. In terms of our accessible services, we were the first agency in Texas to operate a 100% accessible fleet. The first to have all of our buses equipped with low floor ramp and lifts. So that our buses were fully

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accessible to any individuals with a disability. And we have our buses equipped with a kneeling capacity so our vehicles kneel in order for folks to be able to board and alight easier. That's a federal requirement. Anyone who needs a ramp to be deployed you can ask that to happen and you don't have to have a disability in order for the operator to do that. With priority seating in front of our buses in the front section, those are side-facing sections at the front of our 35 and 40-foot buses and our operators are trained and equipped to make sure that we can clear a space for individuals with wheelchairs. People with disabilities that are not mobility related and then seniors who need those areas. We offer stop announcements in English and Spanish. Automated and man W. Those are part of our operational system. They run on gps and we have stop announcements upon request. If an individual in particular someone perhaps with a visual impairment needs to know where to get off, the operator provide that is stop upon request. We offer braille at all of our bus stops. We're the only transit agencies in the country to do this. What we have on our braille signage is what folks in the disability community refer to as the Austin model. We do it in a particular kind of way. And we offer free travel training for people with disabilities and seniors to help them orient take the them, for planning and to make a trip and basic how to -- basically how to ride. We have three -- free yellow

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tether straps for securement. We've been doing this for about a year. We'll provide a person with a wheelchair with tether straps on the four corners of their mayor-elect device so it's easier and safer to -- of their security device. We have an app that's real time and it's accessible to individuals who use assistive devices. And it's designed in a way to be used with something like voice over on the iPhone or the options for android phones for people with disabilities. And we offer online schedules and reasonable accommodations upon request. In the metro rail side of the house, we have level boarding which is a little different than some of types of things you'll see in the older cities in the northeast. So you can just move right into the vehicle and we have tactile markings along the edge of a platform that are both a point of orientation aa matter of safety for our passengers. We have lower level priority seating in our metro rail vehicles as well and the securement area, for the wheelchair priority section doesn't require securement, it's an section where an individual can simply back in and they'll be protected by a modesty panel. We have visual and spoken announcements at all of our stations and our ticket vending machines offer audio and braille instructions for purchase. Now, turning over to our dared paratransit services, metro access. >> , This was a service established in 1990 with the development and enactment of the Ada. Even though we have an paratransit stop system in place prior to that. It's a shared ride or a --

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origin destination service. We'll pick up up and take you to the destination, whether it's curb to curb or door-to-door. It's a service for people who have a disability prevented from using our fixed modes based on how they function with that disability. It's an advanced reservation are system, that is, you have to make a trip -- book a trip at least a day in advance. And the operational -- the times of service, the times we operate service and the areas in which we operate service mirror or complementary to our fixed modes, our fixed bus routes. When I use the term fixed bus routes I just mean city buses which you see on the street. The eligibility process is based on a person's functional abilities. It's not based on any sort of medical decision. We just look at how those individuals function in regard to trying to use transit. It's a process that includes an application. And an in-person process, looking at folks on an one-on-one basis and they'll come to our facility and offer them a service upon request free of charge. We have a citizen advisory committee. It's a nine-member committee that has the focus on accessible transportation. They provide advice and recommendations to our board for issues that deal with individuals who have disabilities, individuals with limited English language proficiency, seniors and others who have barriers to the Normal riding experience. They meet once a month on the first Wednesday of every month. And it's open to the public. Turning our attention to fares,

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we offer a reduced fare pass to folks whoever a disability. Our seniors over 65. Medicare cardholders and students under the age of 18. 6-18 and it's accompanied with a photo I.D. So, you know, each -- each reduced fare is specific on the individual. And that gets people a half-price fare on any of our services that's bus and rail. We have metro access monthly pass in addition to booklets like an one-way pass. We have a monthly pass and that monthly pass is an all-access pass. If you're an individual who is Ada paratransit eligible, that's good on any of our service, bus or rail. And then the last piece I wanted to present here is we call the accessible touch pass. In -- it's a pass and process that we initiated after hearing from citizens and individuals with issues of manual dexterity they couldn't reach the fare box or swipe the pass. What I have in my hand looks like a yellow stretch band and you hold it up to the target area. Or tap against the fare box and you don't have to swipe it and it's everybody pays your fare the and available in three different forms. You can get it downtown at our transit store, 209 west ninth street and folks can purchase up to six months of service on this pass. It's the only pass that allows you to do that. But, of course, you have to be careful because cap metro is not able to recuperate any additional time if the pass is damaged or destroyed. At this point, I'm going to turn

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it over to my colleague. >> I'm the diversity specialist for cap metro. I'll talk about the basic transportation needs fund. Founded in 2011 as a partnership between the Austin community foundation and cap metro to address the needs of low-income E low-income transit riders by providing support to the local services organizations that serve them. In 2011, cap metro gave \$250,000 to the fund. In 2014 fiscal year they increased that to \$350,000 to help mitigate the first phase of the fare increases of that year. Since 2011, capital metro invested \$1.2 million into the basic transportation needs fund and the passes utilized with that funding has enabled 37,000 boardings each month and this past September, the fund reached a milestone of one million trips provided. In addition, the fund is also -- had two special projects to look at creative ways of addressing the transit needs in that community. Every year, the fund puts out requests for applications. That allows organizations to apply for the passes. For that year. 52 local social service organizations have received passes from the fund since its inception of the eligibility 150% or below the federal poverty line and the target population for the fund are seniors over 65. People with a qualifying disability, youth under the age of 18 years, medicare cardholders, and refugees and individuals who are homeless.

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Here's a list of all of the organizations that have received funding from the basic transportation needs fund to help benefit the community. I'll point out eye couple names here. Good will. Catholic charities and meals on wheels and more, are some of the organizations who benefited from the fund. This is just one component of the safety net for capital metro. We have a discount pass program. Which is a program where eligibility nonprofits can come every month and bypasses -- all of our passes at half off. And just last year, that resulted in \$1.2 million revenue for those passes. Or, I shouldn't say revenue, what I mean \$1.2 million worth of passes were given out through that program. The next thing I would like to talk to you guys about, or, the next steps for capital metro, you know we have great challenges in the community right now, and these are the next steps going forward and that I'm going to talk about that capital metro is going to be doing in the future to address some of those challenges. The first one you see there is the metro rail buildout. We're working to double the capacity and improve the level of service on the red line. We partnered with txdot to purchase additional rail cars the federal transit administration to expand park-and-rides along the line. Number two is the metro rapid are upgrades and expansion. We're continuing to partner with the city and suburban community through project connect to optimize exists rout routes and take steps to protect the service from increased congestion. Express lanes and

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park-and-rides, we're planning being tcra and expand park-and-rides along major corridors. Number four, actually additional service in high-use areas, the first phase will be implemented with our June service changes, part of our high-frequency network. This June, five routes will see increase in frequency. The majority of them will see about a 15-minute frequency. Number six there, next project connect corridors will be partnering with the north corridor communities to develop three-year development programs, provide a strategy for high capacity projects. And working with community partners to seek funding for the southwest corridor and northwest corridor studies. Mobility in central Austin. Looking at innovative approaches to enter and exit the city. We'll be working with the city and other stakeholders to make transit easier in the central core. Number eight, the first and last mile connections. Capital metro is going to be expanding our partnerships, a couple of them, including car to go and b-cycle. But looking at other mobility provider connections to combine and give the public more ways to minimize auto dependence. Number nine, our technology solutions. We're continuing -- looking to improve our mobile app which has been out almost a year now, I believe. With that, expanding real time bus arrival information and partnering with the tech community in Austin to make transit easier and more

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accessible. And last, but certainly not least, increased community engagement. Capital metro recognizes our customers in the community can be great sources of ideas to further improve public transportation services. >> There's another item that didn't make it into the presentation, but it's a critical part of what we're doing. Capital metro, with the city and we have partnerships with other partners in the community to improve the state of our bus, our bus improvement program. It's a process we've been engaged in to ensure all of our bus stops and to the extent feasible, barring geographic challenges, etc., are accessible to anyone using a mobility device or folks of all abilities and, of course, that just improves the pedestrian infrastructure for all folks who want to use our services. >> And with that, we'll take your questions. >> Will you go back to the last slide when talking about the core -- the corridors. Do you know what the timeline is for expanding bus service to the more suburban areas that don't have extensive public transit. >> I can't speak to the specific timeline. I think we could hold a briefing with our planning department specifically to get into that issue, but unfortunately I don't have the answer today. >> No worry, I met with cap metro the other day and talked about that, but didn't ask that particular question. And the last slide here, I have chrisy, our government relations manager, she's the point of contact if you want to schedule a briefing with anyone from our planning department. They'd be happy to give you the details. >> Thank you.

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>> Curious to know the passes you're providing to young people under the age of 18, do you ever that demographic profile. I'm looking to see how many are aid kids. >> Unfortunately, I can't give you a specific number. Because these passes go through social service organizations and it's the makeup of their clients. For instance, the boys and girls club. While we know a lot of are going to be in the core, aid students are good will partners and probably satellite campus that is outside of aid that also give passes, but I can't give you a specific number only aid, but I would imagine it's the vast majority. >> I'll ask staff for the same information, but this is an example where we can demonstrate, regional cooperation. One of channelings with the school district, we receive no money from the state for transportation. We have an open transfer policy, but that doesn't come with bus transportation. Our low-income families and students in particular don't get to take advantage of those transfer policies and that means they're stuck in the schools they're going to. Which means they have to walk to school or sometimes take public transportation. That would be helpful data. What I'm hinting, to the extent we could potentially increase the number of passes or discounted fares we're offering our students and families I think would be helpful. >> And the other issue there to keep in mind is that the majority of students are getting our reduced pass and the people eligible for that pass are again, people over 65, people with a qualify disability as well as students so we'll delve we'll take that back to the manning department, but it's a challenge in terms of ride areship, to pinpoint, but we can take it back and see if there's a creative way to find that

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data. >> And an unrelated question, do you guys quantify or measure your service by the number of cars you're getting off the road by having people take the bus instead of driving. There are formulas that our planning department uses and I can take that back, sorry to say that again, I can definitely take that back, because I don't have the specific number, but I do know we've used formulas to calculate that. Martin, did you want to add to that? >> Yeah, it was to touch on your question about the students. Through the btnf, and this is Eric's area here, I believe communities and schools has been one of the larger recipients of passes and things. And so they're our focus area. But because it's just a photo I.D. That doesn't have any identifying characteristics attached to it, with the reduced fare, we can't segment out how many of students or seniors or folks with a visual impairment, we can only count the round number of reduced fare riders. >> Thank you. >> So are those three categories you listed the only ones able to access the reduced fare options. The seniors and disabled and students? >> No, it's persons with disabilities, and that's, obviously, a range of individuals. Folks who are over 65. Medicare cardholders and students 6-18 years old. >> So the medicare is the partially the income -- it's one of the tools for lower income families to document they are at that lower income level and could access the assistance through the bus passes? >> Exactly, I'd like to add to

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that, that's just for retaining a reduced fare pass. Through, those folks that may not fall into that category, but low-income transit depend. Can get passes through that safety net mechanism. While they may not qualify for a reduced pass, there's an outlet for them to get a discounted pass, if not a free pass from the social services organizations. >> The reduced fare is an actual I.D. Card. So once you're approved and eligible, it's an I.D. Card that you carry with you and when you pass the fare box, it cases that you're only to be charged half the price of the fare. For any of those other issues that fall outside of the reduced fare program, that goes to Eric's programs and the discount pass program and basic transportation needs fund. >> Austin community college in partnership with capital metro runs a green pass program. Where we're picking up the reduced fare of the colleges. I think it's -- we're up to \$600,000 a year now. And our students and faculty and staff ride for free. And, of course, we're paying the reduced fare, the college is, it's part of our budget and I think we're in our fourth or fifth year in that program. And had one cycle. The thing about that is we have -- we were told at the end of last fiscal year, that we have over a million boardings of students and faculty and staff at the college. So we're, hopefully, taking a lot -- and the students pay for this through a \$1 sustainability fee that we tack on every college credit. So whether you use it or not. Doesn't matter.

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But there's a dollar sustainability fee that goes into our sustainability fund. Most of that goes to capital metro and a lot goes to our other sustainability efforts. So we are in cooperation with capital metro getting a lot of with students and faculty and staff out of their cars. Good. >> Great. Anyone else have any questions? Thank you all so much for that presentation. >> Thank you. >> Garza: Next, we're going to do the item 10, the presentation by Austin ISD providing an overview of state school finance and populations and demographickings for participating school districts. Demographics for participating school districts and our presenters are Nicole Conley and Paul and Beth. >> And as they're walking up, I want to boast about our terrific staff we have here and Mr. Turner knows this, but Mr. Turner was my high school principal. [Laughter] So blame him. >> Which school was it? >> Lanier high school, go vikings. >> Thank you, good afternoon. I'm Nicole, the chief financial officer for Austin ISD. I prepared a presentation. I was told I was going to cover the state education finance and some of the school district challenges, certainly Mr. Turner and Ms. Wilson can speak to the demographic information, resonating with the experiences we're having as far as our economic challenge in the district which will be

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highlighted as I move through the presentation and I'm sure that the rest -- the district counterparts can opine as necessary. Just starting off the bat -- there are strings tamped to almost every dollar we receive. There's hardly any little discretion how we spend dollars. Property taxes are the primary source of revenue. Up like other taxing jurisdictions there's not a lot of variety in terms of how to generate revenue. It also includes complex formulas for how funds are object allocated. We're highly regulated and oftentimes there are constitutional requirements how we have to provide for the provision of services. Finances are publicly administered. It's like living in a fish bowl. Every transaction we have to post on the web and ensure everything is competitively spent and we're under a lot of microscopes in terms of how we intend our dollars. And politics have high relevance, almost every level of education finance. You can see it at the federal level, the state -- with the reauthorization of no child left behind. The state level as they contemplate issues like vouchers and property tax relief and the local level as we look at considerations like school consolidations or closures or boundary changes even. There's a lot of interest in school district finance with, you know, obviously for a lot of reasons. We know that education, there's clear evidence that education is a major determiner in -- of income. So as we think about affordability, you can't get there with affordability without having an education. In general, school districts are doing more with less. Overall, the state of Texas over the last 10 years, you've probably seen in your own districts, increase in student enrollment. It's increased about 20% over the last 10 years.

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Albeit, the last few years in Austin ISD, we've seen a decline in student enrollment, as with the affordability issues as discussed earlier. Matriculating through the system and seeing families who can't forward live in the city's core move out into the outlying areas and as we lose enrollment, our counterparts are gaining and we're losing market share as we see increased competition from charters and private options. But as we see, more and more students, we know that the number of economically disadvantaged -- seeing more struggling families and students. And seeing a growth, anywhere from 15% to 20% and the percentage of economically disadvantaged students in our school district. A number of students have limited English proficiency. Bilingual programs, seeing a constant growth in students with needs for language acquisition. We see students with characteristics and needs that need more support in order to meet more rigorous standards. >> On that note, in ISD, over 90 languages are spoken in our schools. >> Correcter, nearly a third are considered limited English proficiency and two out of three qualify under federal poverty guidelines and that's pretty substantial when you think of the kinds of programming and wrap around support we have to offer our most vulnerable students. We do it with less funding. 2000 four dollars, we have basically less funding than 2000 4. Under a higher accountability system. Student performance and expectations risen dramatically

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and you can see there's a wide performance gap when you look at our economically disadvantaged students compared to our non-economically disadvantaged students. We -- not only facing higher, steeper standards, but our most vulnerable students who needs most support, there's eye huge performance gap and less money to serve those populations of students. Just a quick overview of the state finance. This slide says it all. We've made better progress. We used to be 44 out of all of the state student spending in the state. We moved up a bit to 41 in spending per student. This is a very la con -- we're living off the most recent one. Which put into place property tax are relief in 2006. There was a 2013 lawsuit that is currently being appealed by the state and probably won't see the results of that lawsuit, that finding until sometime in the spring, maybe 2016 or 2017. It has to go through an appeals process, but you can see the lawsuit nature, where the school district has to sue the state in order to get financial relief. The ruling, the most recent by the judge says the school finance system was inadequate and inequity and and that school districts don't have meaningful discretion over the tax rate to ensure general diffusion of knowledge. >> The state constitutional the other tier of funding program is supposed to be an enrichment tier to go beyond the employment. We made the case with our former superintendent, even

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if we increase the tax rate, maximum under law, we wouldn't generate enough resources to restore the cuts made to us in 2011 when state made cuts to education. So we're living under the 2006 property tax relief. It was supposed to be a temporary solution, partially funded by the margins tax which never really performed, generated the revenue that it was anticipated. So, in response to that. The state utilized stimulus dollars to patch up that structural deficit, in absence of federal stimulus dollars in 2011, the state cut \$5 billion to education. The school districts are varying levels of recovery. So central Texas districts like Austin, who bore the highest level of cuts, we experienced almost an 8.6% cut in 2011, we weren't restored like many school districts in the last legislative session. We got about 18% restoration, while on average most school districts got about 77% restoration. So we're still reeling from those 2011 cuts. Leaving us with a \$50 million permanent hole. So some school districts aren't bearing levels of restoration. Now we're in the next legislative session and there's wide speculation as to what school districts may get out of this session. The funding formula itself is based on sort of a two-layered system. I spoke about the first layer, which is basically the foundation formula, which takes into account the basic students, their characteristics, it's -- you know, you'll hear things like average daily attendance. There's a target revenue system, the deal, the snapshot that was put into place in 2006 that was supposed to hold school districts harmless to property tax relief. Now the legislature has actually back pedaled on a deal a bit and wrote into law the expiration of that target revenue system that is supposed to happen in

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2017. Under the state's lending formula, school districts have to bear the cost of inflation; right? We're basically held to one provision of time, based -- that was basically eight years ago. The state benefits from increases in property tax values so while takes Paris more in property tax bills, it's not benefiting the local schools, it's benefiting the state. The formula themselves, and indexes, are over 20 to 30 years old so they're outdated. They don't reflect the cost of provision of services today. I spoke about the legislature took steps to add equity in the formula and eliminated the additional state aid for tax relief, so they did not honor the deal for property tax relief from 2016, so many school districts are facing an additional funding cliff. For Austin we lost \$48 million as a result of that, school districts are the only entities that are subject to equalization. For every tax, they want to equalize to a dollar per student level across the state. If you're considered property wealthy, they will so forth equalize to say dollars and distribute them to property poor districts. So there are only a few ways that school districts can increase their revenue, and then that's primarily by if the legislature takes action to put more money into the funding formula, if the school district increases their student Ada, right, so it's not just a matter of

students enrolling, they have to be average daily attendance, or you can increase your tax rate, which, in some regards, you can increase your tax rate but that has varying levels of revenue generation, depending upon whether -- where you're at in terms of your recapture rate or your recapture district. I spoke about the two tiers. I'm going to go through this pretty briefly. They take a basically allotment against the wada. These are 20-30 years old. There's nothing that denotes how outdated how the system is, other than the cei. The cei of Austin is one of

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the lowest in the state. You heard we have some of the highest medium home rental costs and home -- and incomes across the state, and so that diversity affects Austin in the formula. Adjusting that can bring anywhere from two to twelve million to Austin ISD. There are two taxes the school districts can levy, the maintenance and operations tax which pays for day-to-day operations and interest and safety which basically supports your debt service for the bonds issue. And that goes up to a 50 cents cap, which many school districts are facing a debt ceiling, just because they're growing fast and they're facing those -- and there's no new facilities monies in the funding formulas. This sort of illustrates the maximum tax rate on m&o school districts can levy. It's 1.17. There's ways that we talk about the tax rate, there's golden pennies, copper pennies. The golden pennies are the first six cents over the dollar compressed rate and it's not subject to recapture. All else is subject to recapture by the state. The 11 cents above the 1.06 is what referred to as copper pennies. That's subject to varying levels of equalization, depending where you're at in terms of recapture. So it's very difficult for school districts sometimes to make the case to voters, to say we want a tax ratification election, because school districts for 25 years, like all the other taxing jurisdictions, only had to do a TRE if their tax rate exceeded the roll back calculation. When property tax relief was put into place in 2006. Anything above the tax rate of 1.04 required a tax ratification election. So now you have to convince voters to approve a higher tax rate, knowing that sometimes 56% -- 50%, 60%, or even 70% in some cases of what they pay in local property taxes will not benefit their local school

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districts. So a district like Austin is now subject to a 55% rate of recapture that it would of to send to the state at our level of recapture. So you don't really have much discretion in terms of tax rate. So property tax values are on the rise, which you would think would be a good thing, but not necessarily for school districts since it only benefits the state under the current recapture laws. While recapture is a good thing, we understand the need to equalize wealth across the district because we know there are property poor districts across the state. I think one of the issues with the funding formula is that the

outdated weights that are 20 to 30 years old that don't account for the provision of services leaves school districts like Austin in a vulnerable position where they're not able to maintain continuity of services like full-day pre-k and are parent supports specialists for most vulnerable students. So for Austin ISD, we're looking at paying about 175.5 million this year in recapture. It's expected to exceed 300 million by the time we reach 2018. We've paid 1.5 billion in the last ten years, about a billion in the next five. Austin represents 11% of what the state collected last year. The central Texas area represents 20% of all collections of recapture. The 1.2 billion the state collects, the state is probably going to collect about 1.6 billion in future years. It collects more in recapture than it does from the lottery. But look at how, you know, a school district like Austin, the largest payer, where two-thirds of its families are economically disadvantaged, it doesn't look like you would -- the demographics don't look like what you would consider a property wealthy school district. So that's one of the issues in the funding formula, is that the weights haven't kept pace with the provision of needs that certain students need, which is sort of undermined the district's ability to ensure that those performance gaps are closed. We're actually ensuring that those performance gaps persist under this current

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funding formula. Just to wrap it all up, there's uncertainty isn't the state budget. The senate budget sort of prioritizes tax relief and they're considering voucher proposals where you have -- on the house side, you have chairman acock who's come out with a bold proposal to look at the financing formulas in advance of what the court ruling is going to be, then you have the court ruling which is currently under appeal by the state so we don't know how we're going to fare at the end of this. School districts are facing mandated cost increase. Trs retirement cost requirements are going up for school districts. School districts that participate in trs care are going to see the health rate requirements go up. We're experiencing increased cost from hb 5 with limitation that requires every student to have a graduation plan. We don't benefit from the property values. Most taxpayers, it's hard for them to understand that. Their bills are going up. We're the beast on the tax bill, but when I tell them that we're only funded at 2006 levels and we're absorbing -- we're absorbing the cost of inflation requiring us to cut every year, it's difficult for them to understand that. Salary costs are enormous pressure for school districts. Every year they try to -- every school district's cfo grapples with trying to keep pace with the cost of health plan increases. Retention and quality of teachers become keenly important. Austin teachers rate -- salaries rank dead last when we compare ourselves with urban and local counterparts. So keeping high quality teachers in the classroom is something that we're losing ground on if we don't find additional revenue capacity. There's no new monies for facilities, which are going to hurt some of our fast growth districts who are actually experiencing enrollment growth. Again, many of the school districts haven't been restored. Some of them are facing steep funding cliffs from the additional elimination of additional state aid for tax relief. Fluctuating enrollment.

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It assumes you're right sizing every year. We all know how difficult it is to close a school. You can't just right size every year. Things aren't neatly placed the way that the formula suggests that school districts are to operate. We're suffering from affordable housing issues, and we're seeing some decline, and obviously, the proliferation of some of these potential proportion from the allergy could even more affect us in the out years. School districts, many of the school districts that I know of have used their reserves to balance their budgets but we know that's not the perennial solution. Since we've been cutting the last few years, most districts have already implemented the low hanging fruit, now we're cutting programs that is actually meaningful for our communities and our students. Also, the federal reauthorization will impact school districts, not only on accountability side, but it could affect funding. There have been issues out there that we're watching in terms of title 1 portability and how they redistribute title 1 money. Outside of state issues there are federal issues that impact budget challenges. And that concludes my presentation. They said a few minutes. Usually it takes a few days to go through these issues, so I apologize for being brief, but I didn't want to overwhelm you. >> So on that note, my suggestion was going to be that we do trade who wants to be trustee for a day and we'll switch with you guys. >> Does anybody have any questions? >> I have an observation but I'd like your thoughts on it. I mean, this almost looks to me like it's been designed to undermine public education, at every level, this is harmful to support for public schools, and it might be too political for you, but I mean a lot of this data came from the lawsuit that's underway. So hopefully this will result in a good ruling.

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Judge Dietz has been very thoughtful, and I think very wise jurist on all of this. But I just -- I can only imagine that this looks to me like a plan to undermine public education to the point where they're successful in trying to dismantle it. It looks to me like that's clearly what they're doing. >> And that's been the challenge that our board has been having. If you look at the way it's set up, we will have more students project over the next 40 areas in public education, but as we see the funding for public education in Texas will continue to go down. So our annual budget is one billion dollars. As Nicole mentioned, 86% plays for 12000 commode employees we have. I think we're the fourth largest employer in the city of Austin. If we were to go to the tax -- to the voters for tax ratification election while that would yield about \$68 million, about 30 million would go back to the state. So starting a budget process for next year, our deficit is already over \$32 million and is continuing to increase. >> I think it's time to really get creative about how we fund our schools, particularly if we can't get relief from the legislature. They're not able to recapture tax money if it comes from another taxing entity. Right? I mean isn't that part of what San Antonio did? The mayor of San Antonio looked at a tax increase to the city? >> It was different, it was sales tax, they had a percentage of unallocated sales tax. Unfortunately we wouldn't be able to do that here in Austin. >> I'm thinking if this is part of what we're

working on an affordable committee, if there's a way to avoid recapture -- I understand Robin Hood. I mean there are school districts that have hardly any resources. But I get also why people in the community are like, really, why should I raise taxes on myself already, which are already too high, only to see that money taken away and not benefiting the

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community? So I'd be very interested in exploring creative ways of maybe getting this revenue to the school district through another means that wouldn't trigger such a huge recapture loss. >> One of the things the city has done is to, you know, partner with the school district just in terms of what we pay for, to use city dollars to pay for some things that fall within, you know, city responsibility, but also help out at schools, like the parent support specialists. So that's a way to leverage dollars in a way that the city dollars aren't recaptured, plus it's -- there's no point in -- there's no point in duplicating efforts, so ... >> From the county's perspective, we're in charge of the criminal justice system, we'd rather not see kids going to the criminal justice system, and, instead, graduate and, you know, get a job and make a future. What we're doing is also partnering with you all and addressing the after school activities to kind of help with mentoring and tutoring and that kind of thing. So yeah. >> My office had a meeting with trustee Saldaña and Dr. Cruz and president Hinojosa, and apparently there's restrictions to what the city -- it has to be like very defined as a city purpose, and you can't give anything that you're not receiving. Somehow if aid is not giving you a benefit back somehow, there's all these rules. But I think that would be a good conversation to have, to see within those rules, how we can, you know, supplement the school district's budget. >> And Dr. Cruz and president Hinojosa mentioned that we have an updated legal opinion on that. That may offer more flexibility. Another thing we talked about, councilmember Garza, was the gator issue, related

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to our emergency management plan, that under federal regulations, the city is required to put together and manage, but the impact that it has to us on a local level is that we're required to have X number of radios, and to the tune, to our budget, it's and I think over \$700,000, but yet we're not responsible for really managing that per se, so I know we're looking at coming to you and maybe having a conversation how perhaps the city could help us either supplement that through a federal grant, or granting opportunities, I don't know, sort of think outside the box, if you will. But clearly, it's a constant challenge that we're seeing at the school district. >> And then, of course, there's the challenge of the other ISDs as well, you know, from. >> From leaders' perspective, the fact they give no new money for schools. So if we're growing and we grow a thousand students, our elementary schools have a capacity of 800

students. They're not necessarily all in elementary, but behaving adding a school every year. And at some point, your debt capacity to fund that is exhausted. So something has to be done to figure out how we -- how we build facilities for the students who are coming and the policies that are promoting, you know -- Austin is a great place to live; we're affordable. But we've got to have buildings to put these kids in. So some -- some relief on finding ways to build schools. From our perspective, as relook at overlapping tax jurisdictions, I would hope that we make building schools a priority as we look at what projects, you know, are most important in trying to keep Austin affordable. We have to build a school, if you're going to put in --

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I think there's a new affordable housing project that's coming, and I don't know how many kids are in that school, but our schools are at capacity there. So we put in a new building; the kids have got to go somewhere. You know, are we going to put them in portables, or how do we address that? These are some of the questions that, working together, home, we can come up with some better solutions. >> And I know I'm being biased, but to follow up those points, hopefully it's an investment in public education. I mentioned the equity equal, one of the reasons we're doing that, we're seeing middle income students fly. Pretty soon we're going to be left with a hundred percent of low income families that we're serving in our public schools. When we talk about quality of life and all of those things, this is a quality of life issue that impacts all of us, not just low income, not just minority students and families, but it really impacts all of us. And I know that in Austin, Texas, that's not who we are, so I think we've done a good job over the years in addressing these issues and I'm hoping that this will be one of them that we can take on. >> I have a quick question for in the Miller. Are you all seeing a substantial loss of local tax dollars through recapture as well? Laws I'm assuming reader would be considered a property rich school district. >> We -- it depends on where our assessments come in. We're right at the edge of some years we are and some years we aren't, whether next year -- it looks like our -- we will be because our property values are going to go up again. We had -- we went over the cap last year, so we may go over again this year. >> And in that case, are you losing much of your budget? >> It's not a -- it's not -- we're -- our tax rate is 1.04 on the maintenance and operations side so we haven't gone into -- we

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haven't had a TRE. But we have had conversations about that, and as we look at how to continue to build schools, some of the ways that we've done constructionwise, make our schools more expensive on the construction, but less expensive on the maintenance. And if that capacity gets exhausted, then you may have to look at different construction techniques that put the maintenance back on the

maintenance and then raise the maintenance tax rate. We have a new bond visor, so we've been doing reconstruction to provide relief there, and that is looking very promising, so -- it's one solution. >> Yeah, we just actually had a work session with our bond houses, and their score card of us. And so as a district, we have a policy also, 20% reserves policy, if you will, of our budget, and we are actually below that. And so part of the conversation we're having as a board is, do we risk going below that 20% threshold, which then has an impact on future bond elections and bond ratings, which ends up costing tax wears more money, so it's a challenge all the way around. >> Yeah. >> Did you all have any further -- thank you so much. Thank you, and good luck. [Laughter] We're going to go back to item 8, the presentation of the budget process calendar highlighting the budget process of taxing -- of each taxing entity represented on the committee and current tax rates.

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Greg cannily. >> I'm deputy chief financial officer with the city of Austin. I think as a good wrap up, to talk about the regional partnerships we do have and look at it from a context of two things, tax rates and budget calendars. This is not a deep dive into the tax rates. I think the discussions that you all have been having this afternoon about different sides of the tax rates, the operations and maintenance cost, the debt service, are all very kind of full conversations in themselves, but just to give some context to what we see with as the conversations that have already started at, each entity have started their budget process. The city is going to kick it off more formally this week. So just to kind of look at that in the big picture. So we just wanted to first show a different picture of how we look. We obviously are a community that has multiple taxing jurisdictions. The city and county each have -- the city of Austin has a tax rate. Travis account, Williamson county, you'll be in one of those, we do have some in hays county as well. There are a variety of ISDs in the area that Austin touches. They all have a tax rate, and I think Nicole just walked you through the complexities of ISD taxing is very -- a very complex and continues to be more so as we continue to look forward. The other taxing entities, ACC, as vice chair Kaplan talked about, they have a very large constituency in tax rate, then the newest entity that has been created, I want to bring up a representative from central health staff who's going to talk about their role in this committee as well, then transit agency as well. So just some context to that, I think chair Garza as you move forward on this process, we're certainly happy to come back and delve more into some of the topics that you guys have talked about, about taxes and funding and some of the issues regarding how we work together. I can tell you that the finance staff is around

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certainly with Travis county and cap metro and central health and and I had, we have a lot of conversations. Many times we see each other and we're trying to keep in touch with what's happening. So I think one of the requests, and this is very tiny, and so what you have in front of you is kind of a more traditional calendar that shows, just trying to take kind of a first look at -- I think the first time we've tally done something like this, trying to show a combined calendar for what each entity will be going through, and actually not going through, but actually have already started most of the entities. As a former budget officer here at the city of Austin, I can tell you it's really -- it's about an eleven and a half month process. You get about two weeks off at some time during the year, but it's a year-round process. I think as elected officials, you know that as well, it kind of is at the base of many of the issues that you have to deal with week in and week out. So -- because I will not be able to read that myself, that's for sure, I'll have to look at this, but in essence, AISD, Austin ISD has already started their process, with meetings with their trustees. Everyone else, I think, in the background, the staff has begun their budget development. Really, I think what you could see, I think the idea of having this as a combined calendar to use, and what I'll say is this, along with all the information, will be up on our website. We will get that out to everyone as well as Elaine mentioned so you can have it, then we'll work with your staff to make sure there are links back to that page. And we can just grow this document over the course of the summer as more items get added. Certainly you can see a lot of the work begins in April -- >> Excuse me. Did this get posted publicly? >> We will -- this will be -- all the items you saw today, both the agenda items, the powerpoints and all of this will be posted to the website and we'll get that all out as well to everyone to have. I think a lot of the work begins in April and may with different entities providing updates to their boards to start off the forecastings

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pro. Many of the ISDs are different budget calendars, have to be by July. >> Adopt their budgets and tax rates, then into August, on the last page, most of the entities actually adopt their budgets. I think the point of this is, I think each entity will have a lot more information about the public hearing process, the engagement process, speaking for the city of Austin, I know that Ed, the other deputy CFO, along with Elaine, will be kicking off -- formally kicking off the city's financial forecast to give the council and community a look at what the upcoming years look like to start our process, and that actually happens this Wednesday. So we'll get that all up there, and again, this dinged councilmember Garza, this could not remember a basis for growing this over time. And with that I would like to just quickly invite up an Marie Price with central health, she's with government relations, just to talk about central health and their role and tell you where they are. >> Thank you all very much. Central health really appreciates the opportunity to be part of this. This is a fantastic effort to, I think, coordinate a lot of very important work that's happening across the city and the county. Unfortunately, we weren't able to have a representative join you today for your first meeting. Our board of managers will be taking up this item on May 6th, and they'll be appointing someone at that time so hopefully they'll be able to join you your next third Monday. I want to tell you that our budget process really begins around June, and we really

don't finalize that until we get that blessing from the commissioners court, both our tax rate and budget must be approved by the Travis county commissioners court that concludes in September. Thank you. >> Thank you. And thank you for -- this is very helpful. Flow chart. Does anybody have any questions? All right. Thank you. Mr. Canales. >> I'll sit here just to listen -- >> Before you leave, I do

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have a question. >> Yes. >> Do you have any sessions that you conduct with budget officers for any of the overlapping governmental entities? I mean, do you -- do you in your office ever confer with Travis county budget officials or the various ISDs in central health? >> Certainly. Ed is the deputy cfo, over the budget area. And part of our dialogue, we also participate in other -- there's a joint committee between the county and the school district and there's a formal process to look at that as well. And you will see, I think during our discussions, we try to always show where other entities are in terms of both the process and any potential rates that they'll be bringing forward. We certainly don't want -- we can't get ahead of where your staff is at the county in terms of proposing tax rates, but when we come through it over our entire budget season, we are certainly -- we try to present the most up to date information we have from our colleagues around the entities because we think -- and that's really a story we've been doing here in Austin for the last -- again, when I was budget officer, we always tried to present not only the city of Austin piece of a tax bill and a tax burden, but how -- again, understanding that there are other taxing jurisdictions, how they all fit together so our residents can see as full picture as they be, knowing there's many our factors as well. >> So you're already doing some level of collaboration with the other entities. >> Certainly from a conversation discussion with finance officials, we talk about where we are. I can -- when things were -- during the down turn, we used to have a monthly meeting to talk about taxing, where the taxes were, where the appraisals were, where taxpayers were in terms of delinquencies. It was a very big issue for us. So I think because of the relationships that we've had over time, we can formally -- we all -- we can be in touch very quickly. In addition to that, many of us also work on other kind

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of non-finance issues. I think trustee saldaña talked about some of the interlocal agreements that we have regarding to existing facilities, how we look at those, and also just interlocal agreements, so we're kind of plugged in as that, on those issues as well to make sure that we can, where feasible and where allowed, we can look at kind of joining forces together to provide services. As finance folks, we think that's important as well. >> Absolutely. What would be useful to hear kind of a wish list from you all, if you are already working together and doing some level of collaboration, it would be interesting to see

where the gaps are, where there are opportunities for us to do even more and improve that process. >> Absolutely. >> For the central health representative, we thought Katrina Daniel had -- is that not the case? Okay. >> That issue -- that issue is still outstanding. >> Okay. >> However, I believe that another representative from our board will be nominated for that position. >> Obtain. Position. >> On being. >> And we'll see who they decide on the sixth. >> So it will be somebody from the board. Okay. Thank you. >> And the last agenda item we're supposed to talk about, future agenda items, en I know we kind of touched on this in 5, and these are just some ideas I came up with, and of course you know we can change that. But for may -- and I really like the idea of the strategic plan, so I think we will add that in there and we will get that information from Mr. Oaky, his suggestions on strategic plan. I think that's a grade idea. Also, we were looking to a presentation from tcad so that kind of goes along with lines of what the commissioner was talking about. Then a presentation from housing works. And we kind of wanted to get a feel for how much time --

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you know, the time we had to fill here, so those were the ideas for may's agenda. June -- and all of this can change, of course, but we were talking maybe a discussion about existing interlocal agreements and facility use so we could did the we can all start working on that now if we can reach out to our particular entities and say what interlocal agreements to we have so we can see all of that, kind of like in this great chart that Mr. Canales gave us, if we can come up with something like this for interlocal agreements. And July, we could take a break in July, like a summer -- not have a meeting in July, and then August would be -- let's see -- talk about the missing middle, affordability housing crisis, which we might be able to address the housing works conversation. So those are just some on the horizon. What I -- just to get the brainstorming, does that sound good for now with everybody? >> I would love to add to the agenda, and I don't know who it would be, I don't know if it would be somebody like dick ravine at the Texas center for public policy priorities, but I would really love to explore what we could do as, you know, neighboring entities to help out with the school district. I'm just so appalled that the legislature is basically strangling school districts and putting taxpayers in a position where they're feeling increasingly, you know, angry about the size of the tax burden, and yet in so many communities, or at least in Austin, it's not providing as much direct benefit. We have neighboring school districts that really need additional funding. So I just -- I don't know what it would look like, but I would love to have -- I mean ideas.

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I think it's time for us to really think outside the box and get creative about what might be possible. And I don't know how they structured it in San Antonio. I don't think we have much if any flexibility in our sales tax, but I'd love to know more about how they did that. >> I think San Antonio did it because they had room in their sales tax and we're capped at our sales tax. But I wonder if that's something we should take up after the leg to see what happened. >> Yeah, I think let them leave town, and then we can look at how to repair the damage. But I'd really like to have that on a future agenda, to dive deep and bring in some creative people who understand more about the whole tax structure and tax codes than I do. >> Yeah. It would be interesting to understand what other places have done, too, because we're going to have to get creative, obviously. So it would be nice to understand what our parameters are, so if we understand our parameters, it will be -- then we can start brainstorming. >> Uh-huh. >> Anybody else have anything? >> Well, in terms of the strategic plan, I don't know how -- are we thinking at some point we might want to start work groups, or do we want to do some briefings for a while, or have you thought about that? >> I think maybe we should share a strategic plan, like an e-mail, then everybody kind of give their input for the next meeting, and then we can propose subcommittees. >> Okay. >> For the next meeting. Does that sound good? >> Okay. That sounds good. There might be other -- there may be other cities, it would be interesting to see if there are other cities that had -- you know, when we were talking about building our city, our council committees, we did some looking in terms of other cities to see what they had from the standpoint of affordability committees, and nothing was directly comparable. But there was at least one

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or two that had waded into the issue so we could go back and look at that and see if we have anything to draw from. >> Okay. All right. If nobody has anything else, I'll adjourn the meeting at -- I don't know what time it is -- 5:36. Thank you. >> Thanks again.