

## Public Utilities Committee Meeting Transcript – 12/16/2015

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>> Garza: Good afternoon. My name is Delia Garza. I am the chair of the public utilities committee. I'm calling the meeting to order. It is 3:06. We are in chambers at city hall. The first item is approval of the minutes of last month's public utilities meeting. >> So moved. >> Garza: Seconded -- moved by councilmember kitchen, seconded by councilmember Zimmerman. All those in favor? All opposed? The minutes are approved with councilmember troxclair absent for now. I understand she's on the way. The next item is citizens communication for anyone who wants to speak on an item that's not on the agenda and we have Stuart Hirsch. If there's anybody else that didn't sign up, please let staff know. You have three member. >> Thank you. My name is Harry Hirsch and I'm here to talk about performance issues. Several of us approached you with the last budget that you adopt different performance measures relative to the buyout program. Specifically we want people to be bought out sooner rather than later. And I'm here today to ask you to place on the agenda after the first of the year a measure that all properties that have been identified as part of the buyout program receive offers no later than March 31, 2016, and that I understand that has to be done by ordinance and that there also be an accompanying ordinance that you have not approved yet that allows

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renters who were flood damaged in the latest floods who are eligible for assistance to be able to get assistance -- to participate in the buyout program. Like most in Austin, I rent and all the renters in the Onion Creek and Williamson Creek area now are only able to get assistance for relocation if their landlord participates, which means in their landlord chooses to not participate or delays, they continue to leave, to have less choice about where they live. So please consider both the budget amendment by ordinance after the first of the year and an ordinance providing relief to renters that currently doesn't exist under city policy. Thank you very much. >> Zimmerman: Very quick question for you. There's an old saying that says -- very, very well or very soon or very cheap, pick any two. And so if you want to get it done quicker, how much more should we pay to get it done? >> As someone who has attended briefings from the staff, it is my understanding it costs no more -- they have the resources to get it done. They have been concerned that the property owners who are selling their property can't find comparables in the marketplace. But the amount of resources it takes to get it done by March as opposed to getting it done in all of next year are already allocated as I understand. To get it done sooner rather than later I believe will do two positive things. One, it won't cost you any more money, and secondly, buoy the time the task force completes its report, you will know how much unspent money is there based on the number of offers versus the number of accept answers. To create an opportunity to utilize those leftover funds

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for other priorities at that point. >>>> Garza: It's my understanding that unfortunately they can't operate with a deadline that that within the current funding, that it could cost anywhere from 15 to 20 million more? Or it's a high number. And so we're going to get a presentation in a second, but that is -- if we could get those families out by March 31, 2016 and stay within the current funding, I am all for that. I'm for it if we need more funding, but I don't know where to get that funding just yet. >> I signed up for item 3 so when we get to that and I hear new information that's different from what I've been told up until now I would be happy to listen to that and provide comments. Thank you. >> Garza: The next item is item 3, and I believe Mr. Swearenjen is going to start with the presentation. >> I'm assistant director of the city of Austin office of homeland security and machine management. With the chair's permission, we have a three-part presentation. I'd like to give you and the committee an overview of where we are with the flood relief in that area and then we would ask, we have guests from the federal emergency management agency and the small business administration. I think they may be able to answer some of the detailed questions that the committee may have on that. And then we'll turn to watershed protection and talk about buyouts in that sequence. >> Garza: Do you have an estimate all together will take? >> I'm thinking each segment may take ten minutes. >> Garza: I have to leave at 4:30, but I'll hand the meeting over to councilmember Zimmerman, assuming councilmember troxclair is here by then. Thank you. >> That would be our goal and

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desire. >> Garza: Thank you. >> Very good. So again, I'll begin talking about the recovery as we go through here. Just as a bit of a recap, the flood occurred just before Halloween. Of course we call it the Halloween flood of 2015, occurred on October 30th. The city the [inaudible] Pard, the red cross, our citywide shelter managers came in. We put that together, operated it much like we would our hurricane shelters and that way for those that had no place to go. A local assistance was established at the dove springs to bring the local partners together that could assist in the flood relief. A volunteer resource center was set up near the onion creek neighborhood. The involved areas were secured by law enforcement. Roadways were cleared and the debris removal process began. Subsequent to that, our office, the office of homeland security and emergency management, was working with Austin code to get our -- to

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get our figures together. Federal and -- FEMA and state assessment teams came in. They surveyed the local and residential damage. I'm very pleased to say that Austin code has a new system that they are utilizing to canvas and go door to door on the homes and businesses and FEMA found that worked very well and their Numbers were very much in agreement with the Numbers Austin code had. So that really streamlined our local process. Once that was completed, the assessment figures from our county went to the state of Texas, and that was coupled with the other counties across the state that had similar damage. And those were compiled and the governor, once they realized there was enough damage statewide to request a declaration, he declared a state of disaster and forwarded it on to the president. He did that on November 20th and on November 25th, the day before Thanksgiving, the president declared a disaster declaration for individual assistance in Travis county and several other counties in central Texas. In addition to individual damage, there's damage to city filths, response costs and recovery costs related to the flood. The FEMA and state assessment teams surveyed local government

costs. They looked at damage this past week. It looks pretty clear that you have to meet federal thresholds on a county level and on a state level. On the county level it looks like we have enough damage over the -- about three and a quarter million dollars worth of damage to government facilities to meet that threshold; however, it's still unclear if there is enough statewide damage that totals somewhere around 35, 36 million dollars that's necessary for a public assistance presidential declaration. That is still pending and we hope in the next few days the

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state will have a clearer picture on that for public assistance. As we've been working on our assistance to individuals, one of our great concerns was making sure that the people knew that they could get assistance. And we tried a [inaudible] System. Some through other traditional and some through some other means. Social media and media were made. News releases were sent out, all the Normal things were done in social media. But more importantly I believe health and human services department, who had already been working with so many of these individuals to assist and begin casework, they attempted to make contact with each and every individual, each and every family that they had worked with to make sure they were aware that FEMA assistance was available. Additionally -- additionally FEMA sent outreach teams into the community. They are still working. They've been going door to door canvassing the neighborhoods, they started on the 4th of December and they are, again, trying to contact with each family and get them to registered on site or make sure they know how to register, answer any questions they have. And if for some reason they are not able to make contact, then they are making sure that they leave a door hanger or similar information both in English and Spanish at each residence to help carry that through. One other thing I would add that we're working on -- >> Garza: I have a question. If a family doesn't have access on the internet, do they have like laptops with them? >> They are doing with tablets right there and there are several ways they can register we'll catch that. Also a thing beer we're working on as we speak, kids

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can help get information out to the parents. So our staff is working with aid to see if we can get information out [inaudible] To take home before the holiday break. Trying to see if we can work together. Two federal disaster recovery centers were established by FEMA in our area, one in the city and one in the county. I'll have that information up in just a minute. They began to operate on the 8th of December. They continue to operate. The purpose of the centers is to, again, register people, but also very importantly provide that face to face contact. When somebody says I heard this wasn't right or how do I do this or I have this problem, to give someone other than an 800 number they can call that they can go face to face, again bilingual, and answer any questions the individuals may have about their eligibility or their assistance or any of those cases. So we're pleased to have those recovery centers available to us. By the way of Numbers, if I may, if you'll recall I indicated we found 700, 716 residents that were affected. On Monday there had been 646 according to FEMA and the state, 646 registrations for assistance. 680 on Tuesday, and as of yesterday at the end of business, 697 registrations are now in for individual assistance. Yes. >> Kitchen: Do you have the Numbers by area? No, I do not. Those are for Travis county. They sort everything by the county. So we had 716 with damage and 697 countywide figures requested information. And I believe FEMA has some information, but I believe they've already authorized

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over \$4 million in assistance coming out of that. We'll let them speak to their programs in a little bit. >> So 716 have been identified as eligible? >> No, there were 700 -- when we did our damage assessment, the county, state and feds, the damage assessment, 700 and some odd -- 716 residences were affected, damaged in some way. So I was trying to parallel from there to the number of people that have registered. Almost 700 families have registered and we did have 700 and some areas that had been identified as being damaged. >> Garza: But that doesn't necessarily mean the 697 are -- >> It may not be the same, that is absolutely correct. There may be people that had insurance and chose not to register. Similarly there may be people that had damage that did. So it could go either way, yes. The take-away for individuals is to register for assistance and get what we know as a FEMA number. Whether they have insurance, whether they don't have insurance, whether they have registered with the city. Call the 800 number, go to the recovery center, get with one of the field teams, go on the internet, however is easiest for the individual, but do register whether they think they qualify and get their name in the hopper and go through the process. The individuals can register again by going to the internet, telephone, the outreach teams or to one of the recovery centers and again in English or Spanish. There is the web address and the phone Numbers. Including the tty number. The recovery centers are located at dove springs

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recreation center, the Elroy, the schedule is noted Monday through Friday and Saturday and closed on Sundays. They will take a short break for Christmas and are coming back right after Christmas to continue. We'll be getting the schedule out and get it to council as soon as we get that finalized the FEMA. They may go away for a couple three days but they will be back. As far as the disaster recovery centers themselves, as of today there were 98 disaster recovery visits in the dove springs center and there were 126 in the Elroy library for a total of 224 visits to that. Now, that doesn't mean all the city people went to the [inaudible] And all the county people went to Elroy. People can go where they want, but we have well over 200 that in addition to registering have sought additional assistance to communicate with FEMA there. With your permission, what you would like to do is now turn it over to John Patterson. He is the individual assistance liaison from the federal emergency management system and also Garth McDonald who is the public information officer for the small business administration, let them talk more directly to the programs and things that are available to our citizens. >> Hello. My name is John Patterson and I kind of want to go a little tag off Scott on what we were talking about because that 700 in Travis county, they have two months. They have 60 days to register and we're just a couple weeks into the registration period. So I would imagine those figures will -- would probably go way up from that. So that's just in a short period of time.

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And there might be some people that -- that have insurance that might end up not registering because their insurance meets their needs, but we suggest that everybody register. And I was just going to kind of go over the basic flow of our sequence of delivery and how to get information to the people. Basically the first step now that it's declared is for people to register. I just wanted to let you know too that we have a couple of American sign language interpreters that we brought with us and if anybody needs to talk privately, if they have a need, they can use our sign language interpreters. >> [Inaudible]. >> Oh, and a Spanish interpreter as well. There's several ways people can register with FEMA. They can register by calling our help line number which is 800-621-3362. And go online and they can register at the [www.disasterassistance.gov](http://www.disasterassistance.gov) and also register if they have a smart phone at [m.fema.gov](http://m.fema.gov). With we do have our disaster assistance teams out in the field that Scott was mentioning before and they have an iPad with

them and they can register people and answer basic questions too out in the field. And usually when they register people in the field with the iPads, then we have disaster recovery centers, two in Travis county and one inside the city limits. And they use -- will refer

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them to the disaster recovery center for any other questions. When they come to the disaster recovery center, we can actually look their case up on the computer and we can advise them on specifics to do with their application. And so that is available. And then in the sequence of delivery is when people have insurance, they need to file with their insurance company. And then when they get a settlement, they need to be sure and provide us with that settlement so we can see if there is anything initial didn't pay that we might be able to assist with. We definitely want to get people to file with their insurance company and then send us the settlement. Once they are registered, they will get a registration number. And then from there they will get a call probably I'm going to say three to five days later from an inspector, and the inspector will come out and inspect the damages. And right now the inspections are [inaudible] Complete. We've had I think 4400 inspections issued and out of those 4400, 93% of those are completed. The next [inaudible] Sba process they will find out if they are going to be accepted for a loan, which they are not under obligation to take, but they may be also declined, would refer them

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back to FEMA. Then there's help with personal property, transportation and moving and storage expenses. >> Garza: Could I ask you a question? You said there were 4400 inspections? >> 4400 inspections that have been issued so far. Statewide. >> Garza: Oh, statewide. >> Statewide. Sorry about that. [Laughter] But, you know, 93% of those statewide are already completed. Also, FEMA has -- FEMA has like a maximum cap of assistance that we can give and that this year is \$33,000. So with FEMA we're trying to make sure that people are -- that things are habitable for people that had damages, but the sba and insurance are more capable of making people whole again. So I just wanted to put that in. And then some people are going to -- may get a denial from FEMA, which sometimes it seems like it's a big thing, but sometimes it's very easily cleared up. We have, like we check the identification, ever since Katrina, we match up the name and social security number. If they fail that identification for any reason, it could be that they got married or just a different spelling of the name or something and they can clear that up easily with the social security if they go down there. They give them a statement and that will clear the identification up. Or they could get a denial because they have insurance [inaudible]

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Personal property items. So if you would like that telephone number, I can give it to you. It's 800-582-5233. Then we have bilingual staff almost everywhere we go that -- English and Spanish, as well as the -- as well as the sign language. There are a lot of undocumented in this area and we like to get the word out that just because you are undocumented doesn't necessarily mean that the household is not -- that they are not -- stones is -- assistance is not available. There are voluntary agency we can refer them to. [Inaudible] Would be a citizen and they can register in the child's name and that takes care of the whole -- for the household. I just wanted to add that. If you have any questions, I would be glad to try and answer them. >> Garza: I don't have any. Does anybody have any questions? >> Troxclair: Of the 716 that were identified, I assume that when you are doing the door to door, you go to those specific 716, and then if -- if they weren't identified -- do you go door to door in the entire area? >> The disaster assistance teams, there's a different team in each section. They kind of divide up. And they try to hit the

hardest hit areas and they try to hit everybody that they can hit there. And like at our disaster recovery

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public information officer with sba's office of disaster assistance. I'll just take a few minutes. Thank you, chair Garza, and councilmembers for having us here. I just want to give you guys a quick overview of the federal assistance that's available through the small business administration. When the president made the major declaration before Thanksgiving, that was for individual assistance and that automatically makes sba's programs available in the form of low interest disaster loans to all the designated counties that were declared. So Travis county, of course, and the city of Austin is included. We have -- [inaudible] And private nonprofit organizations such as homeowners associations or churches or chambers of commerce, things like that. So as John mentioned from FEMA, the individual assistance is sort of a sequence of federal delivery of programs. And FEMA makes some emergency assistance available for folks to get into housing, get safe and secure, and so they -- their grants are funds that are made for specific purposes, and our loans are the same. They are low interest loans

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that are made for specific purposes. The three

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when we talk about this project, we talk about the the real estate start --

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[inaudible] All nine of them in the 100-year project area because it was just kicked off over the summer. It has been a little slower to progress but we have several properties in addition to the 19 that have been acquired, as of last week we have several properties that have had their initial interview with staff or had appraisals done [inaudible]. This is the same map you saw before. This time all the properties shown in gray are the ones that the city owns, and then just showing you -- kind of look where the properties that we don't own are. Shown another way, I like putting graphs together, this shows by fiscal year the progress that staff has made on this buyout project starting with kind of everything that was done by the city before fiscal year 2007, and then >> Last week we have spent [inaudible] If everybody participates and the seven property owners -- we will be on budget. There is not any additional money that we will need. However, if we assume that out of those 17, let's say 14 do

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not want to participate 10%, we will have \$4 million in the budget available. Let's go now to the 1 100-year buyout project, the certificates of obligation approved by council. We have spent as today \$13.1 million and we have a balance of 47.9. If 100% of those 232 property owners participate and we are getting the FEMA grant reimbursed, we will have a need of \$2 million. If 90% making just the same projection that we have for the 25-year area, then we will have available \$4 million. So now I would like to tell you a little about a core project just to see how we are doing with the funding on that project. Like Pam presented it before, the core estimated of project costs and this is based on an estimate they did during 2013 which is part of the project agreement we signed with them on August of 2014. The project has three cone it's. It has the buyouts, the [inaudible] And on each of those boxes give you the

total estimated costs for each of those components N the buyout, 65% is reimbursed by the corps, we have already paid our share of 21.7 so now we are getting reimbursed for everything that we have done above 21.7. On recreation facility is a 50%, 50%. You see a difference there because -- some basketball fields maybe they were being incorporated that the corps will not be paying for it so it's not 50/50. In the echo system restoration, about -- they are going to be planting trees and

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shrubs and, you know, for the ecosystem, then 65%, 35%. The corps will be giving us 35 upon \$6 million. So as of today, we can get, according to the statement that we have, the corps federal cost share is \$40.3 million. We've had -- submit reimbursement to the court even before we signed the agreement so they could be advance and review our data and doing an audit. As of today we have received from the corps [inaudible] This money we need to keep it in order to continue with the offer and assistance we are providing to the properties. So if you make the math and gave it 40.3 minus 23.6 you get a potential reimbursement in the future of \$16.7 million. We are continue spending money on the corps project, continue sending reimbursement and they will continue giving back to us. Now, 16.7 is the maximum because it's based and that the cost project is going to be -- 65% of the corps will be 40.3. If the project costs less money it will give us less money but definitely they will reimburse everything we have spent as of today on this project and until we close the project. And I'm going to let it to

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real estate to tell what you are we doing now with the policy amendments that council passed in November. >> Hello, Alex Gail, assistant director with the office of real estate services. I want to touch quickly on the post-flood policy amendments that you all know you passed following the floods and are part of November. What was passed was applied only to 100% of the city funded buyouts in the onion creek area, not the U.S. Army corps of engineer area. The first major thing passed was we're doing the pre-flood appraisals of the properties for those homes. The second thing is that we're waiving the occupancy requirement for individuals that occupy the property as of October 29, 2015. And that's definitely helped the individuals out because, you know, we know due to damage of the homes they may not want to return to their properties, so knowing that, passing that has definitely helped people out. The third item is the exclusion of the deduction of any structural insurance proceeds up to 15,000 without receipts for life and safety items and repairs. For some beyond the 15,000, the landowner needs the receipts and obtain prior city approval of expenditures with us. That's definitely something that we're working with the landowners and explaining to them and it's been a little bit of a learning process for the people there, but, you know, during our interviews we're explaining that process and working through the process when they file their insurance claims and make sure that they are keeping any receipts for their life safety items and any repairs that they do make. The next thing I wanted to touch on is some of the constraints we're working against. There's been a lot of talk about expediting the buyout and we are working with the

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consultant in the buyout office to try and move things -- progress things along. The one thing on this slide is the available housing in Austin is what our major constraint is. As you can see, anything below \$220,000 as of December 8th December 8th -- it's about a week old, but there was nine homes basically within the city within aid under \$220,000. So it's a definite constraint that we're working against. And just a caveat, these are three bed, two bath, 1,000 square feet homes and in the in a 100 year flood

plain. And there's been talk. What this slide is is about some of the impacts of possibly accelerating or expanding relocation search. Because there's been a lot of talk about that and we just wanted to provide some of the impacts to think about in doing that. So the current time line is to have our offers out within 12 months. We are expediting and we think we are going to be ahead of that schedule, but that was based on the original time line, you know, before the flood even happened. One option is the accelerated time line to get the offers out within six months. And what we see is that would be an increased project cost due to the limited availability of homes in the Austin area. So what we foresee is if we start making offers to all these people, those eight homes that are listed at 220 will be gone off the market and we're going to have to start compensating people higher costs, which they are going to be eligible for a higher supplement based on that available housing out there. The increased project costs that we project is 6 to 10 million in all properties participate. If it's 90% participation, 5.5 to 9.5 million. And that's -- that is strictly

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based on the housing market. We've worked closely with the consultant. They've said they could keep up with the pace and not have any additional costs to our contract with the consultant. The next thing to consider, if we do accelerate the time line and make people eligible for these higher replacement homes is their affordability. That's something we try to take into consideration is when we're finding a comparable for them, we don't want to place them into a situation where they are not going to be successful in owning that home. And so what the example on whenever we do the interviews with people, we do ask them, where would you want to move.

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We have those conversations. Most of the time, Austin. Property [inaudible] Present information and possibly comp and they still end up appealing and say well, that comp isn't comparable to my home in Austin. That's their right as part of the uniform act is they are able to appeal a relocation benefit that we made them eligible for. We get into a cycle with a lot of people that if we do comp them out, they start appealing that and say that's not a comparable property to my home and are unhappy with that determination. >> Zimmerman: Help me understand the idea of a comparable. I guess the idea is to get them out of a home in a flood plain, to a home out of a flood plain. By definition, it's not comparable, right? You're moving from inside the flood plain, that is potentially dangerous, to outside the flood plain. So we're already not comparable. What sense does that make when they say your home isn't comparable? The whole idea is it's not comparable. >> Our retirement is equal to or better. We need to find an equal to or better neighborhood and location, but also take into consideration the needs of the family. So, if they have children that are in school, we try to keep them within school. If they're an elderly person that have hospitals nearby, or a bus route, we try to find them a bus route and hospitals -- or keep them within the same area. The same as work. Because people work in Austin, we try -- we want to try and stay in Austin to keep them in the same area. >> Zimmerman: Okay. But it just seems like an impossible task to do. I mean, when -- starting from

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day one, it's just common sense that if I'm in an area prone to flooding, my property is worth less. For a comparable property, it's worth less than an area that's not in a flood zone. So I need -- I can't get the same square footage. Can I? I'm still struggling with this. >> When you're talking about comparable, it's not necessarily comparable value. It's comparable amenities. >> As the characteristics of the home.



Square footage, bedrooms, bathrooms. We need to make sure it's decent, safe, and sanitary for the number of people in the home. All those sorts of things we have to take into consideration. >> Zimmerman: It would be impossible to find a comparable in those respects in Austin. What it's saying is, my home is in the flood plain so it's worth less. So if I'm going to replace that with the same square footage, bathrooms, it's going to cost very significantly more than where they were. >> And that's what we're run ugh running into, is the available housing in Austin. We try to find equal to or better square footage, we want to make sure there's the same number of bedrooms and bathrooms. That's what we're up against, is finding those comparables for them. >> Zimmerman: One other quick question. I think I heard some time back that in spite of the fact that these properties are in kind of a dangerous flooding area, I'm hearing that the property values have been escalating. I mean, is that the case now, or is that not true? I mean, in other words, from the original Halloween flood several years ago, in spite of the that account that we know this area floods and those properties have been under water, some of them are selling for more than four years ago? >> In the onion creek area, they have gone up a bit over the years since 2008. Home values have gone up, Haas

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what the market shows between private seller, private buyers. Private buyers are still willing to pay a value for that home. >> Zimmerman: Even when they know it's in this area that flooded. Okay. >> And the last bullet there is just saying, there's a possibility of an impact of lower acceptance rate of the offers. There's a possibility, because it is voluntary, people might not be happy that we've now comped them outside of Austin. You know, we want to keep people say. -- Safe, but there may end up being more people there as that. >> Are you done with your presentation? >> Yes. That's the last slide. >> I have a quick question. I'm a little behind the curve. Were there any efforts -- I had heard there might be efforts to work with local nonprofits that were building affordable housing or had particular projects coming up? >> I know there is talks with the city manager's office and neighborhood housing working with those nonprofits, and working with developers in the area to try to speed up that process to get construction going. So, yes. There are -- there is programs with habitat for humanity that we present to the people in the area at the office. We hand out flyers and give out information, and then also there's down payment assistance with the Austin finance information, for people to get additional assistance. >> Kitchen: I didn't mean that. I meant in terms of the homes we're -- offering to people. Are we looking at the homes offered through those kinds of programs? >> Typically we don't as a comparable, only because with

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habitat, the homes aren't built yet. In order for it to be a comparable, it has to be available as of that day. We make the offer to the homeowner. But that being said, there's, like -- there's Westgate grove, that's a partner. Because it's a shared equity program, it's different than the home -- they have fee simple ownership. And so we can't comp them with a home that they don't have full hundred percent ownership of that home, because that's what they have now. In order to do that, we would be comping them with a lesser home, basically. It's a shared equity. If they were to sell that home, they wouldn't get full equity of what they put into that home. >> Kitchen: Even if they wanted that, even if it offered them certain advantages and they were able to stay in Austin, we can't do that? >> It's a requirement by the federal regulations that we follow. It's not to say that we don't give them the opportunity to purchase those properties. But as far as us comping them and calculating that supplement, we can't calculate on a home that is a lesser home, almost like -- if it were a mobile home, we can't comp a single family dwelling based on a mobile home dwelling, or something like that, along those lines. >> That makes

sense. It can't be a comp, but that doesn't mean they can't buy it. >> Correct. They can purchase whatever they want. >> Kitchen: Can they use the assistance to purchase it? >> It's a spend to get program. Say we offered 150 for your home, comp 200, eligible for a \$50,000 comp. If you only buy a home for 125 and didn't spend over the 150, you're not going to get that \$50,000 relocation supplement. You still got the \$150,000 from us purchasing your property, but not the relocation supplement. >> Kitchen: Thank you.

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I understand. >> Was there an estimate of 15 to 20 million given, shortening the timeframe? I don't know why I have that. >> I don't -- did we ever give any number? Maybe after the flood. >> Yes. In the days immediately following the flood, we ran some really quick Numbers based on what we had been seeing and thought the flood insurance rate was going to be, and not factoring if we had individual assistance. We were asked to give a very rough number. That's what that comes from, but that's been refined since then. >> Garza: As of now, to expedite to six months, that's -- where is it? >> It's six to ten if all properties participate. >> Garza: Okay. And does that assume that every single one of those in that six months would be an Austin home, so that's why you'd have to pay the extra? The market is higher here. The number could be lower if 75% of whoever is left buys outside of Austin. Or a large portion. >> We might not spend it all. But they would be eligible for it. So whenever we comp them the Austin home, and they buy in butte or Kyle, if they don't spend the full amount, we would have a cost savings in that case. >> Garza: Okay. Are there any incentives for -- or part of the -- so landlords don't get any relocation benefits? >> They do get a relocation benefit that's separate from what an owner/occupant would get. As a landlord business, they would be eligible for up to \$25,000 to reestablish their landlord business in another property. >> Garza: Okay. And aside from that, is there -- I'm worried about landlords not

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wanting more of a benefit, and then just deciding to decline the city offer and rent their property and put people in harm's way, because they don't feel like they got a fair -- is there any other thing that could be done to incentivize landlords to sell? >> No. And that's what we've seen on the 25-year -- or the -- I would say, half of those last, I think, 17 that are left are landlords that they just want the income stream, so they've held out the longest, basically, because they see it as an income stream. >> Garza: Okay. >> You know. >> Garza: Let me see if I had another question. Okay. Does anybody else have any questions? No? Okay. Thank you. >> Thank you. >> Garza: Mr. Hirsch, do you want to speak? >> Chair, members of the committee, I'm still Stewart Harry Hirsch, still renting. And the information I'm going to provide you is different than the staff gave you. First of all, I want to tell you the Travis Austin recovery group education committee is going to do a session for Travis county and Austin residents about the issues related to this buyout. And we're going to call it, how to recover from the flood. It's tentatively scheduled for January 9th, hopefully one session in the city and one in the county. A couple of you attended the sessions the group did last year about the buyout program, where we had candid conversations of, what does it mean if you participate or don't participate in something other than regulatory language. We have an opportunity with city dollars to do something different than the uniform relocation act. The staff has never supported doing that, but it only makes business sense for both reducing

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our cost as a city, and reducing the risk, and getting people out of harm's way sooner rather than later. If we follow the federal model, we will continue to spend more money than we need to. And we will also be reimbursing people who have bought property after the Halloween flood in 2013, which makes no sense to me at all, to be compensating them the same way as owners. So we have a basic policy decision to make, as you all well, know from the Sunday we spent together on this topic a few weeks ago. We have an opportunity to get people out of harm's way sooner than later, to cost less money, to create seed money to help people in other flood plains as the task force winds up its work. It doesn't appear we're heading there. We have the ability to strategically use the general obligation bond money for expediting the production of affordable housing so that people who want to stay in the city and not have a comparable could get that at a cost that's sustainable based on their income level. But it does not appear to me that we have all of those systems aligned, and we could have a development review process that expedited for those that are doing that. But we're not planning to do that, either. So, I think what this committee faces -- and the housing committee, maybe the planning committee -- is a different approach after the 1st of the year where we talk about what councilmember Zimmerman talked about, which was what is a comparable? And getting out of the high-risk area and getting to someplace that is safe that you could actually afford things better than comparable, having those choices. And most of us who are renters who aspire to homeownership recognize that we won't be able to buy inside the city limits because our -- income is not going up sufficiently. It's expanding the geographic

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area to 20 miles. That's more real and can get people out of the flood plain into the comparably sized houses. [ Beeping ] >> And be at no risk, and we, locally, could call that a comp and be in our full rights. That doesn't appear to be the way we're heading, but, it's the way we need to head to reduce the risk and give people housing that is safe and that they can afford for the long term. And it doesn't appear to me that we're heading that way. Thank you very much. >> Garza: Okay. I guess I don't -- if you don't mind having a conversation about that. Nothing stops them from moving to -- even if an Austin comp is given to them, nothing stops them from moving elsewhere and taking less of what they could've gotten in a relocation benefit. >> If I understand the methodology correctly, what happens is my house flooded. I come in to -- I'm on the buyout list. I come into real estate and I say to real estate, what are my benefits going to be? And based on a certain radius and the size of my house, and the age of my house, and all of that stuff, they tell me, in this narrow radius, here's what your benefit's going to be. Let's say \$275,000, or \$300,000. What they don't say to me is, if you want to move out to someplace that you can afford more easily, that's a greater distance away, here's what your benefit will be. So there's no -- the conversation occurs within the ten-mile radiuses they discussed in their bullet, rather than here's what we'll give you if you're in Kyle, or butte, or manor, or whenever might be a further distance away so that people know that they have a choice between having a more expensive house closer in that

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they probably can't -- unless their income rises, can't afford in the long term -- or something further away which they could afford, but it will be the city paying them less money. So, the purchase transaction is framed based on what you have to do with federal dollars rather than what we could do with local dollars. So, for example, if the Guadeloupe neighborhood development corporation, or habitat for humanity, or any of the other not-for-profits that build affordable housing -- if they were ramped up faster and can produce that, they could say in the next two years, we expect to have a hundred more units that are much more affordable available to you. And so you could choose to rent. You could move out of the flood plain. You could choose to rent and we'll help you relocate, and when

that stuff comes online, you get a right of first refusal. So if we increase our production goals in our affordable housing programs to hit the price points that these people can really afford from a tax point of view in the long term, then they have the ability to move from the flood plain they are to some safe location that they might rent and ultimately cash in their dollars to do the homeownership once that housing is actually on the ground. But that doesn't appear to be the way that we're running the program at the moment. But we could run it, because it's our dollars and we're not constrained by the federal things that you can't do these kinds of things with, with core money. And so we're artificially constraining ourselves in ways that make no sense at all. >> Garza: And I understand that we don't have to work within the constraints of that, but that assumes that somebody wants to buy a home that is -- I guess, the financial model that the Guadeloupe -- which means they only own the home, and not the land. It's a different ownership model. >> If that's community land trust, but that isn't all that the not-for-profits do.

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Some of them do that, some of them don't do that. So you'd have a variety of options, and people would have choices. If they wanted to remain in town, whether they would get less money from the city, but they could have something that's sustainable. As an old certified home buyer --counselor, I wouldn't advise someone to go to a \$300,000 house when their income isn't rising and suggest that's sustainable in the long term. That makes no sense at all. >> Garza: I guess the Austin comp just gives them the upper upper -- level of what they could get. Let's say in that package, the relocation benefits are \$50,000. If they find something in butte and they don't need the 50, they can buy the lower-priced home, and the 50 stays in the program. >> If you have a conversation about what people really can afford, that becomes a different conversation with, then, how much maximum can you get under the city program versus what happens if you buy something you can really afford. That's not the dialogue that takes place. It's a dialogue that takes place like it would with federal dollars, whereas we have to offer you this because this is our deal with the corps of engineers, or something like that. So, people -- the product isn't available at the price point inside the city limits that they truly can afford. And it's really not a conversation about that, because the supply isn't there yet. But it could be if you allow them two years to try and access it with the idea that they might have -- they could still choose not to take it and buy the house in butte, which makes sense. Or they could choose to buy the house in butte and try to come back to the city, when something at their price range is more available. But we're not doing that at the moment. >> Kitchen: And I imagine when they are considering

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sustainability in their cost and everything, they have to think about transportation. So, this computation that we're looking at right now in terms of comparable doesn't account for that, I'm sure. I mean, it's just accounting for the house value, etc. >> The way that we compute affordability is gross income times percentage of gross income based on rent. It doesn't take into account the transportation element, but it could. >> Kitchen: Yeah. So a person that's having to move out of the -- more -- we're just talking about what are our options for more choices within the city, is really what we're talking about. And ways in which to, perhaps, open up those options for people, I guess. That's what you're getting at, right? >> Or in the region. Because when most of us move from rent to homeownership, we look at the region, because we recognize that for what we're paying in rent, we probably can't buy something in the neighborhood we live in. That's why we're renting. [ Chuckling ] We can't afford to live in the neighborhoods that we rent in. >> Garza: Okay. Thank you. >> Thank you. >> Garza: Does staff want to speak to any of that? I mean, is part of the process educating the homeowner that, you know, if you end

up in this \$300,000 home, you will be, you know, responsible for taxes at this higher rate? Is that part of the conversation? >> It is. >> Garza: And also, if you could speak to -- nothing precludes them from taking any of the choices that have been discussed, like the affordable housing option, the house outside in another area. They have the same choices. >> Correct. >> Garza: Okay. >> And so what we do in that initial interview, when we go over all that information, you know, we talk about how you don't have to collect the home that we select at the comp. You can move to Utah. You know, you don't have to stay within Austin in order to be eligible for those relocation

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benefits. You just have to purchase and occupy that replacement home. But part of our services are to give advisory services to the owners to explain to them, you know, we are making you eligible for this comparable, and this supplement, but we also are trying to take into their affordability as part of that, as well. So that's where the slide kind of came up. If we are coming this higher comparable, we're pushing on that limit of their affordability. And that's a little bit of a concern for us, as we want people to be successful. We work with the owners to, you know, explain. If they have bad credit and they're going to take a higher interest rate, we explain, you know, what that means and how your payment's going to be higher with this higher interest rate, because your credit isn't very good. And maybe you just need to become a renter at this point. We give them those options and explain the benefits and the affordability issues for them as well. >> Garza: Okay. Does anybody else have any questions? >> Zimmerman: I have a question. >> Garza: Okay. >> Zimmerman: I'm a little bit confused about the idea of the comparable. I thought, when I voted on this and had it explained, that we were looking at -- to Mr. Hirsch's point, we were looking at the appraisal value of the property, because that's what their tax bill is based on. Their property tax bill is based on whatever the appraised value is of their home in the flood plain. I think we should agree that it's going to be less because, obviously, if your house is in a flood risk plain, it's going to be less than one a mile away that's not in the flood plain. And so, I thought this discussion was based on, you know, that appraisal value, whatever that appraisal value is. And the reality is, that once I get the money for that home that's going to be bought out, I already know I'm not going to be able to get something of that

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comparable size. So, I have a choice to either get something smaller in my budget -- you know, for the amount of money that's involved -- or I could go further out in the suburbs, out in butte. And there I could get the same number of bedrooms, same square footage, and I could meet the target price, whatever it is. >> So I'm confused as to what we're trying to do. Are we trying to stay on budget, or get the same square footage and same space that you had in the flood plain, and get it out of the flood plain? >> For those comparables, we look at the appraised value, not necessarily the tax value. But, the appraised value of the home based on private to private sales. The comparable, we look outside the flood plain. It is going to be a higher price than what we're offering for your home. In addition to that, we do make sure that it is equal to or better square footage, same number of bedrooms and bathrooms. >> Zimmerman: So comparable means square footage, bedrooms and bathrooms. It doesn't mean the price that we bought you out at. >> Correct. >> Zimmerman: I'm really confused. We have a budget -- you know, we're looking at the value of the home in the flood plain. We want to buy that. And we want to do the best job we can do to get you relocated, realizing we have a budget to meet and that it's impossible for us to satisfy the same size and configuration of your house. It's impossible to do that outside the flood plain, by definition. [ Chuckling ] So I thought we were doing this based on a budget, not on trying to do something that's impossible. So. >> We did budget that relocation comparable as

part of the budget, but what we're seeing is as the market gets tighter and tighter, those comps that are available in order to comp those people are going higher. >> Garza: Okay. I'm happy to work with -- if you have suggestions on how we can

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expedite this, and funding options, I'm very interested in all of that, because, you know, I want to get these folks out of harm's way as soon as possible. So, thank you for, you know, your work. And my office will reach out and see if there's ways we can come up with a creative solution. I guess I'd be concerned about any legal implications of changing the deal halfway through. And I don't know if there is any liability the city might face, you know, from people who already were bought out, and then the deal changes. But if the deal's getting, in fact, smaller, maybe that wouldn't be an issue. But, anyway, thank you, everybody, for being here, for your presentations. And I'm going to go ahead -- unless there's -- unless there's any objection, I'll adjourn the meeting as of 4:20. I'm sorry. >> Zimmerman: Very quickly, the next agenda item. So, looking at the 1.7 million-acre feet that we have in lakeview cannon and lake Travis, because of the rains, the Lakes are dramatically more full than they were a year ago. So I wanted to put on the agenda an item to talk about the stage two, stage one watering restrictions for our next meeting. >> Do you have -- >> Kitchen: I have something else. >> Garza: Okay, sure. >> Kitchen: I have a different item. And we will need to be talking about the upper onion creek. And if I'm remembering correctly, the results of the engineering study is February, is that right? So, if we could put on our agenda a briefing on the results of the engineering study, and then we'll just have to work with the water she had shed department for when that will be ready and which meeting it's appropriate for. Y'all may remember they are doing an engineering study to see if there's an engineering solution for the problems of the upper onion creek flooding area. And if not, we may need to talk about buyouts. Hopefully the engineering

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solution will work, but we need to bring that back to us at the appropriate time. >> Garza: I believe the new FEMA maps are coming out sometime. That's what I plan to have on the following agenda. My office will see what the agenda looks like, and then we'll talk to your officers. >> Kitchen: That's fine. >> Garza: Go ahead, councilmember troxclair. >> Troxclair: I see the director in the audience. I expect that we would -- were expecting to have the results from the water audits done before the next meeting, right? >> Yes. We would expect by January we'd have the meter audit results completed. >> Troxclair: Okay. So, I'll just plan on reviewing those, and then we can put it back on the agenda if we need to. >> Sure. >> Garza: Anything else? All right. We are adjourned at 4:27. Thank you.