

Housing and Community Development Committee Meeting Transcript – 06/06/2016

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>> Renteria: Good afternoon. I'm councilmember Renteria. A quorum is present so I will call this meeting of the housing and community development committee of the city of Austin -- Austin city council to order on Monday, June 6, 2016. The first item on the agenda is to approve the minutes from April 13, 2016 meeting. Do I have a motion to approve. >> So move. >> Renteria: Motion made by councilmember Gallo. Second by councilmember Casar. All those in favor? It passes unanimously with councilmember Ann kitchen off the dais. We will now move into the next item, which is citizens communication. >> Gallo: Councilmember kitchen would be here except there was a death in her family so she's unable to be here, I just wanted the public to know that was the reason why. >> Renteria: Thank you. I don't see anyone signed up for citizens communication on that. >> [Inaudible]. >> Renteria: All right. First speaker is David king. And following David king will be Stuart Hersh. >> Thank you, chair. And the vice-chair is not here, but councilmembers, thank you very much. You know, Austin's [2:12:53 PM] affordable housing crisis must be addressed through multiple strategies so we can stop and reverse the displacement of low and moderate income families from Austin neighborhoods. Rapidly escalating land prices in Austin coupled with low and stagnant incomes are pushing low and moderate income families to the disturbs. The demographyer Ryan Robinson has said we are exporting the poverty to the suburbs. Austin's poverty rate went down, but that's because we're pushing all the low income families to the suburbs. We don't want to be number one on that list. As a result we are are losing socioeconomic diversities in our neighborhoods. We need to focus incentives on small local businesses and chronically employed residents. Urge the Texas legislature to allow the cities to set minimum wages for all employees within their city limits. Require a super majority vote by the council for all zoning and rezoning cases. Up zoning often increases entitlements that have the demolition of older homes and apartments to make way for new homes and apartments that are unaffordable to current residents. Establish a linkage fee that we will hear later on more today. Because the density will push even more of the low and moderate income families to the suburbs and drive up land prices and result in the loss of more single-family homes in the neighborhoods. Implement policies that distribute density in the suburbs and the green fill development sites as well as the regional and town centers identified in imagine Austin comprehensive plan. A 2015 report by an international organizational group focused on urban density policy indicated that virtually every large city, fast-growing city in the world that has implemented urban density policies to contain urban

[2:14:54 PM] sprawl has become an unaffordable to low income families. It concludes that low containment policies push them to the edge of the city where land prices are lower. That's precisely what's happening here in Austin, Texas. The report also said in adopting urban containment policies governments have unwittingly placed a high price on urban design, urban sprawl and mode of transportation. We should improve the standard of living and reduce poverty. Urban containment policies have forced many people into underpaid homes and widened the income gap. It impacts on the standard of living and poverty and renders it both unnecessary and destructive. The consequences fall mostly on younger households and low income families. [Buzzer sounds] Of the anti-sprawl justification is -- drives up housing costs and reduces the standard of living. One last point, urban containment policy has little potential to reduce ghg, greenhouse gas emissions and its costs are prohibitive. These are from experts in the field, not just any layman. Thank you. >> Renteria: Before Stuart Hersh, I want to recognize that councilmember kitchen is here. Ann, -- and I want to welcome mayor pro tem tovo to the meeting. And the community development commission chair Gilbert Rivera. >> Chair and members of the committee, my name is Stewart Harry Hersh and like most in Austin I rent. As we prepare to discuss fair housing in the context of smart housing and housing trust fund policies, adopted for the first time on [2:16:56 PM] April 20th, 2000, I want to remind everyone who wasn't born in 1968 or didn't live in Austin in 1968 or doesn't remember the year the fair housing act first became law what happened that year. Riding in the vantage point in 1971, former president Lyndon Johnson wrote how the fair housing bill was stuck in house committee in early 1968 until after president Johnson announced that he was not seeking reelection and Dr. Martin Luther King, junior was assassinated. I have provided you a copy of president Johnson's description of events leading up to his signing of the omnibus civil rights act of 1968. I'm also providing you a copy of the Austin city council's special meeting of October 21st, 1968 following Austin voter's rejection of a fair housing ordinance that matched the language of the federal law recently signed by president Johnson. This is once again a presidential election year where the topics of fair housing, housing affordability and the role of local government are before us. The easy path once again could be to bottle up good ideas in committees and not do what many of us know needs to be done. Please do not take the easy path. As you take up topics related to smart housing, density bonuses and other incentives, those are not my words, they're the words of former state representative Todd Baxter in his 2005 bill, the housing trust fund geographic dispersion of housing that is safe from reasonably priced and transit oriented and the aspirations of owners whose homes are to return to the neighborhoods where their families have lived for generations, I ask you to move forward on initiatives that address the needs of so many of us here in the most economically segregated city in the country. Your task is daunting. Don't let that dissuade you. [2:18:56 PM] There's a lot of work to be done and it needs to be done sooner rather than later or we will continue to have the problems we have. Thank you very much. >> Renteria: Thank you. I think there's been a double entry for David King unless there's another David King out there. Frank Herron. >> Surely my friend David would not do that. I want to talk about drawing lines this afternoon. In 1928 Austin drew a line through itself that deliberately separated two groups, blacks on one side and whites on the other. Today some of your colleagues are talking about drawing more lines that would further separate our community,

including the very latest kind of lines that would separate us by income and wealth and indeed by race. Lines around the creamy yellow centers of our neighborhoods. People without a lot of money on one side of the line and people with money on the other. And this comes when we're already the worst in America in economic segregation. What's the reason to draw these lines? To preserve our character? The definition of character in imagine Austin is the image and perception of a community as defined by its people, history, built environment and natural features. This is not a static snapshot image in perception. It's an ever-changing perception. And it's a lot more about people than maintaining separation between our dwelling units. It's time to erase the lines that separate us and our neighborhoods, not just move those lines, not just draw more of them. The current zoning map I just gave you shows the lines we've drawn over the last 88 years. You can see where the term [2:20:57 PM] creamy yellow centers comes from. The yellow areas are the sf areas where it's been mostly illegal to build affordable types of housing yet we've been surprised that our neighborhoods have become expensive. As for the politics of your decision on erasing lines, and I don't usually go here, but a couple of very key facts. Anc was the sole major stakeholder to lobby against imagine Austin. The second fact is that ANC and I and most of my colleagues and friends voted for different candidates -- not voted, but supported different candidates in six council races last time around. Anc lost five of the six. Please stop drawing lines through our community. It's wrong, it has caused enormous discrimination, segregation and community infighting and has ruined our city's affordability. It has separated us for 88 years. It's time to stop drawing lines around the neighborhoods and perhaps even more importantly around the creamy yellow centers. My proposed council resolution for changes to the current code, a copy which of I gave you, some of you saw a couple of weeks ago, will help us stop drawing lines around sections of our community. We need to start encouraging all price points in all neighborhoods. The first sentence of our city's official vision statement says that we will be a beacon of social equity and you have a legal and ethical obligation to make that vision happen. Thank you. >> Renteria: Thank you. Next speaker will be Stephanie Webb. Followed by Paula Mullin. >> So obviously I'm Stephanie Webb and I come here not just as myself, but as a state worker. One of many who has been pushed to the's securities, [2:23:00 PM] to address two points. Number one, the government is still the largest employer in the city of Austin, and the real problem, the real reason why traffic has actually gotten so bad is because all of the government workers, most of them, have been pushed to if affordable housing that largely is not in the quote, unquote, city of Austin. Until we find a way to stop forcing people to drive an hour to two hours away to get to their job that begins at 8:00 in the morning and ends at 5:00 in the evening. Most of the time, we won't be able to say that we're a demonstration of social equity or even liberalism because basically these -- we're the people who work here. And if we're the people who work here we should be able to live here. And if we were able to live here, we wouldn't have to drive two hours out, which leads me to my second point, transportation. Housing and transportation are not separate conversations. Now I understand that capital metro is somewhat privatized. I understand that we don't necessarily have the money or the funds to come up with new transportation systems, but the notion that everybody can just get in their car and find a shortcut to drive however far they're going in the city has become irrational and most people making under 40, like most government workers who make under 40, cannot afford a car and so -- but they come up with sometimes unsafe means of doing so, aka, get in cars and driving without insurance or getting -- or walking in the middle of the night to get home or to their job. So again, most of the

[2:25:01 PM] government workers in this city cannot afford to live here. We need to deal with that. And number two, transportation and housing, crucial points. Thank you. >> Renteria: Stephanie, can I ask you a question? Are you willing to live in more density like apartments or. >> I live in an apartment right now and I moved from a great apartment located near five bus lines, three highways, the train and three grocery stores, but I had to move because I could no longer afford it. >> Renteria: Thank you. >> I'm Paul Mullin, I've been an Austin resident since 1992. Prior to that I was advisor to the UK's minister for housing. So the recent trends in Austin housing markets fascinated me and I've been looking into the situation to a great extent. And I have some good news and bad news for you. The good news is that your new strategic draft plan does identify many of the correct solutions. The bad news is that it doesn't go anywhere near far enough because all the reports in front of you today are based on data that severely underestimates the current problem. First the data almost certainly underestimates. There are many homeless people who do not appear in their counts. While the January 2016 count found 2138 homeless, many were missed. My own survey found that only 10% of the unsheltered homeless were counted. So the actual homeless count on that night is almost certainly over 7,500. [2:27:04 PM] That count does not include those couch surfing, living in a hotel room, illegally living in rv's or living in crowded conditions with refusals. Similarly echo has estimated housing need for at least 3700 people. Based on their coordinated housing assessment. Most don't even know what a coordinating housing assessment is. So I believe that the true number is over 10,000 and more likely 15,000. And it gets rapidly increasing. A lot of the data you have today was based on a survey in 2013. R. 2014 an we know how much house prices have changed since then. Judging by my house appraised value it's almost double since 2014. The problems we face are the result of changes to the U.S. And world economy through the internet age. Unlike the 1990's high-tech boom that includes companies like IBM and Texas instruments and was largely concentrated along research boulevard and so generated demand for big homes in that area, the new growth in the economy is from internet companies. And they have tended to concentrate downtown and in areas close to downtown, particularly 78704 and 78702. And this is why we have seen such a huge transformation in this area. [Buzzer sounds] These jobs are for -- well paying and for new college graduates. They have attracted many people from outside Texas, particularly from the two coasts where house prices were expensive. And they have brought the profits from their previous [2:29:04 PM] houses to Austin and have pushed them into house prices. They've led to a big demand in luxury apartments which has caused the demolition of many affordable housing units. And so even the upper income residents with incomes over 180,000 a year, young people cannot afford to buy a new house. Therefore they have to rent and that is pushing the less well off people out of rented accommodations. Thank you. >> Renteria: Thank you. Next is Stephanie Thomas. >> I don't know which one to go to. Sorry. My name is Stephanie Thomas. Stuff on? -- Is it on? My name is Stephanie Thomas, and I'm with the disability rights group adapt of Texas. Adapt has been coming to the city council since about 1985 talking about accessible, affordable, integrated housing. And most for the past maybe 20 years or so we've added without services. Yet as I look at the plans that are part of on the agenda today and as I listen to the discussions, more and more I see the people that I speak for fading away out of the sight of city

government. And it's really disturbing that you can spend 30 years [2:31:06 PM] of your life talking about something and it like a thistle in the wind. We cannot ignore this population. People talk about problems with transportation coming from outside of town. Right on, but all the more so if you are low income and in a wheelchair or have another kind of disability and then there is that so much more and more it's on supportive housing. I'm not against people getting supports they need. I have gone to jail for that purpose many times, but I did not think that it needs to be tied with housing and I do not think we need to be spending houses dollars on that kind of housing. And when more and more of the money that gentleman spoke about drawing lines, I agree with him. And another way we draw lines is you people need to be penned into this type of housing and you people here. And the people that don't fit into those categories get screwed. What we should be doing is building universal sign housing that anybody can move into and subsidizing so they can move in, giving them the services that they need to live there, but doing it on an individual basis so there's these ties and we're not tying up more and more of the truly affordable housing. That's really the main point I wanted to take. >> Renteria: We'll move to the next item now on item 3, discussion and possible action on issues and possible code amendments related to possibly affirming fair housing which include the following elements, increased funding for the affordable housing trust fund, inclusive area zoning and affordable housing generation, stay in [2:33:06 PM] place and small houses in exclusive area. Let me check for speakers. Okay. The first speaker will be David king. Followed by Marian Gough. >> Thank you, chair, vice-chair and councilmembers, mayor pro tem. My name is David king. I live in the zilker neighborhood. I think that this is an important issue. It's one of the most important issues that we're facing. I really appreciate the initiative to really use all of the above strategies that we can to address this problem. So I really thank you for bringing these strategies forward. What I would suggest is that we put another toolkit, and I think it's referenced in the latest materials on these items, called a housing linkage fee. That's where if we can generate -- if we had this fee in effect last year and charged a two dollar per square foot on residential and commercial development it would have generated \$60 million in one year alone. One year alone. And you talk about getting -- breaking through these lines that we have in our city. We could take that money and go buy some of this land and these expensive neighborhoods and own that property and build our affordable housing on that property ourselves. So this will move the needle. If we have this amount of money coming in every year. I say we move in all due haste to get that strategy on the books as soon as possible. We also need to try to slow down the demolition of existing affordable housing units that we have out there. There are thousands of affordable housing units at risk right now on our [2:35:07 PM] corridors, the ones that 24 trying to redevelop and densify. But there is existing housing, affordable housing on those corridors. Thousands of units that are at risk. And so what I've seen in my own neighborhood, the zilker neighborhood, I've seen those affordable units on the corridor being demolished and being replaced with apartments and condos that are not affordable to current residents. And in fact, those new residents, new apartments, are not occupied by families with children. I asked. I checked on it. Two of the newest ones there, they don't have any families with children in them. So we're losing diversity in our neighborhoods. I'm not saying we're doing it willfully, but doing it

accidentally or coincidentally. So we need to try to preserve the existing affordable housing that we do have. I ask that we try to slow down the demolition process and we say if you're going to demolish a residential property, then require that 50% of the materials be recycled. Let's reuse it. Right now it's going to the dump. Most of it is going to the dump. And a lot of these properties are being purchased as -- by investors to flip. So let's slow the process down and say, you will have to wait 90 days so you can figure out if that house can be moved somewhere else and be repurposed. We're not going to let you speed up the clock and demolish these houses left and right. We need to slow down the demolition of apartments and existing affordable housing units. And why don't we require an affordable housing impact statement on the demolition of these existing affordable housing units. Why not? We should find out from our housing department what impact it has on removing that affordable housing from the market. And we need to enforce the code that we have on the books right now to keep that housing from falling into delapidated state -- did he say delapidated state and being demolished. We need to put money for families to remodel their existing affordable housing homes. Everything we can, more into [2:37:07 PM] that those buckets. Thank you very much. >> Good afternoon. My name is Mary Ingall and I'm -- ingall and I'm president of the Austin housing council. This is very ambitious and it's complex. It's like a chopped salad to me. I hope we can get it right. We know if you just increase density you don't get affordability that. Why I'm asking you to be careful about how we approach this. To my mind the core of the problem is the investor community because there has been a lack of commitment from the investor community to providing that affordable housing for our community. The best idea that I've seen so far is the linkage fee proposal, which would be instant money that you could use to buy properties or land for affordable housing. The one thing that's troubling, another speaker today referenced some negativity about ANC, which I don't appreciate so I'm going to just say that here at the podium. I hope that we can just go on and ignore that because I think that that defeats the problem and it defeats our purpose here. The other thing that I wanted to say is high opportunity areas. I actually would really like a definition of what that meant and a map that shows where those areas are because this could get sort of messy if we don't know what we're talking about. And I think the public really deserves to know what [2:39:08 PM] a high opportunity area is. I know this isn't on your purview today, but the density bonus program, which should have provided a lot of affordable housing, it's not providing as many units as we need, so that program needs to be overhauled and combined into one more simplified comprehensive program so that we can have transparency and accountability about how many units we do have and where they are. I think there are other options that aren't on this agenda today, but I've been speaking about saving homes that are up for demolition. We lose thousands of homes every year and that is shameful in an area with an affordability crisis. This should be moved to city land and if we had linkage fees maybe we could move to city land to be relocated. You relocate for 10,000, you build a slab for 10,000. You rehab for then thousand. You have a 30,000-dollar house that's available for somebody and to me that sounds like a great deal. You could also actually configure these houses on a cottage lot situation, which makes a lot of sense and also is great for seniors and also younger populations. So we just have a lot of things to look at. And I really appreciate all that you do. And the fact that you're taking up this challenge. Thank you. >> Renteria: Next speaker is Brad Parson. [2:41:15 PM]

>> Council, committee, chair and vice-chair, I wasn't going to speak today. Actually, my time I was going to donate to Mary, but I do support the linkage fee concept. We saw it presented recently. It's widely used in major cities around the country successfully. So -- I do appreciate this has been rewritten from the prior committee it was at, but the linkage fee concept I think is the most promising in this. And I'll leave it at that, thank you. >> Renteria: Next speaker is Fred Louis. >> Thank you. I wanted to say I appreciate very much you putting additional language in the resolution or the memo, whatever it is, regarding the linkage fees and the studies and analysis that needs to be done. Ed Windler junior, the apartment developer and I, have spent a lot of time looking at linkage fees. They're used at about 30 cities across the United States. Many cities that have tried other things such as inclusionary zoning and haven't gotten the results they want. And we just began putting together support for it in the community from apartment developers, from the neighborhoods, from unions, from faith groups, but it is an idea that I'm very happy y'all will be getting a study on and looking at because it's worked in other places. Since we have a crisis we should look at all options. And I'm down here to support the resolution because I support linkage fees. Thank you. [2:43:24 PM] >> Renteria: Next speaker is Joyce besanio. >> Good afternoon. I'm Ann Teich. I appreciate the opportunity -- I'm just here to say I'm the district three trustee for the Austin independent district. I'm also chair of the housing affordability committee for the restore rundberg revitalization team and I'm here to say thank you for the work that you have already done, the discussions you're going to have today, anything that will increase housing affordability in this town would be greatly appreciated. The district is losing students and parents because of affordability. And we are also losing some of our staff, our teachers and support staff because of housing affordability. So I haven't had a chance to really definitely into the -- delve into the fair housing initiative components but I'm supportive of those, and speaking for myself, of course. I think it's time to take action. We have a tendency to talk and research a lot in this city. It's time to take action. If we can get one of these proposals through I think that would be very helpful. Also, I'm interested to hear about the linkage fee concept and would like to learn more about that. Thank you again. I really appreciate your support for going forward, finding some way to increase our housing affordability stock here in Austin. Thank you. >> Renteria: Thank you. Monica, I see that you can donated your time to Ann. Are you wishing to speak or say anything? [2:45:28 PM] >> Councilmembers Casar and Renteria, Gallo, kitchen and mayor pro tem. Thank you for this unexpected opportunity. I am a resident of the north Lamar neighborhood in the rundberg community. I am also on the restore rundberg revitalization team, co-chair representing north Lamar and Georgian acres and a member of the housing affordability committee. I support everything you're trying to do, what David king has said, what Ann has said, what both stephanies have said. It's all the same. My big deal is after the codenext event I did go to carver. When it comes to codenext and anything affecting affordable housing there needs to be a far reach for outreach. People of color, people who live in apartments, rental housing, people who are juggling families and children. People who are having to decide which bill to pay. For them it's a must. For me, I don't mind it because I don't want a high electric bill. That's my choice. It's not an economic dire straits like other people. We just need to make sure that there is more housing that is truly affordable as defined at the federal level that their housing costs, rent or mortgage or utilities, should not exceed 30% of their monthly income, whether they're minimum wage or somewhere beyond whatever I can possibly imagine. We just need to make sure that we know

they have a voice, they have an opportunity to be heard, whether it's standing here at this podium or at some meeting at a church in their neighborhood. They need to know that they matter. Thank you. >>

Renteria: Thank you. Matthew Cornwall. >> Thank you, city council. I was here last time when discussing this issue and much of the things I will bring up are the same. [2:47:30 PM] I represent the Austin board of realtors, representing over 10,000 realtors in the area. We're heavily supportive of this issue concept for the exclusion area zoning because we don't feel it allows for diversity in our city. People will be moved out to the suburbs if we use exclusionary zoning. This includes creating an abundant supply and variety of housing, and we specifically support the creation of workforce housing that is geographically distributed throughout Austin. In the last seven days, 877 properties went on the market for sale. We're losing about 300 houses in supply every seven days. It's a supply and demand problem. We don't have the housing supply and the demand for housing is too great. I just did a quick search. A one bedroom, one bath condo within a mile of this building is \$1,395 for 564 square feet. Not something a family can live in. It's something for a young 20-year-old who has no family, has no children. And for that reason we are in concept supportive of the fair housing initiative and we look forward to be active participants in the conversation. To give you a little more information, since 2011 the median resident home sales prices has increased 44% in Austin. That's an average increase of 7.6% per year. I got into real estate about three years ago after working for the city. The first house that I sold was to a couple of teachers, one in the pflugerville district, one in the round Rock school district. They just recently sold their home, sold their home and took out the equity to move further out because it would lower their payment. These are teachers of our students. We can't move them close, but we're moving them further out. [2:49:31 PM] Increased sales prices also means increased equity for those selling, but it also means reduced purchase power for those trying to relocate and increased property taxes for those trying to remain in their homes. Our seniors face this issue every single day especially in the 78731, 78751 zip codes, 78 '04, 78703. The property taxes are nearly -- when you add a thousand dollars to somebody's mortgage because of property taxes, it makes an affordability issue. Given the realities of our market we are very adamant that Austin needs both small timely fixes as well as big further reaching changes over a long-term horizon. One concern we offer in regard to deferring changes is to codenext. With the timeline for the project pushed back we can't afford to defer this important information two more years. We would urge you to consider -- [buzzer sounds] -- Any code changes that could be made now and also that you consider to expedite the codenext process. In closing I'll bring up the Austin independent school district. I spend a lot of time in the Austin independent school district as a volunteer and a lot of our schools lack diversity. I was in an elementary during a career fair. 88% of that school is hispanic. Where is the diversity in our schools for our children? Thank you. >>

Renteria: Eric Goff. >>

Good afternoon, councilmembers, I'm a member of the organization AURA. We advocate for abundant housing in Austin and we thank you for putting this item on your agenda today because it's critical to address the housing crisis that we're in. We need more subsidized housing and we need more market rate housing and we [2:51:33 PM] need to see building housing supply as the most important issue for our community in order to avoid the significant economic displacement that's happening in Austin. So therefore we're encouraged to see

that the city council has decided to work on fair housing as an item in that regard. Fair housing is a federal obligation that we refer to as fair housing throughout the city and especially in high opportunity areas. And creating houses where it's demanded so more people who want to live in areas, but can't because our zoning rules don't allow it and are pushing people that currently live there out because they can't afford it can live in those areas. And the only way you can do that is with more supply. It's such a critical issue and I hope that y'all take quick action on these items in order to make sure we add housing supply to address the housing crisis that we're in. Thank you so much. >> Good afternoon, councilmembers, my name is Andre [indiscernible] And I'm here with the Austin board of realtors. And I really-- I'm here to echo the comments that Matthew made that we are in concept supportive of this resolution in that it advances on our affordable housing issues that really threaten the health of our market and displace -- result in so much displacement. One thing I wanted to mention was that I'm really excited to see the housing plan coming out or learn a little more about the housing plan because it seems like there's lots of wheels turning. And it would be nice to try to see if more one big wheel [2:53:35 PM] than a lot of little wheels, which seems to be happening with the work group from the resolution. This resolution, the housing plan and so forth. So one big wheel would be great. I did want to mention we don't have a position on inclusionary zoning at this point and since this is just a conceptual conversation we haven't really looked at it. So we feel comfortable with going forward, so look into it a little more with a nexus study or what have you. So did want to mention generally real estate organizations are opposed to inclusionary zoning proposals due to unintended consequences and basically that based on the concern that if you don't really carefully calibrate things you can end up restricting supply further, which restricting supply generally increases in height and prices due to less -- less supply and constant demand result in height and prices generally speaking. Not always, but generally. So I did want to mention there's a study released in 2010 from the university of Hawaii which I'll be providing to you that outlines some concerns and some unintended consequences that can come out of inclusionary zoning policies: I think that's about all I have on to say. Thank you. >> Renteria: Next speaker is Stephanie Thomas. And following Stephanie is Julie Montgomery. [2:55:52 PM] >> Again, my name is Stephanie Thomas and I'm with adapt of Texas, which is a disability rights group. I want to really support the idea of maintaining the affordable housing that's there. In addition to the ways that were talked about, I would really urge you to look into lengthening the affordability contracts that you have with builders of housing and renegotiating the ones that have been done in the past. Hopefully for longer periods of time. It's really appalling to see apartment buildings that were affordable turning over just hundreds of units. Also the impact statement I think is great that people do it on environmental stuff all the time. I don't see why they can't do it on affordability. And I think you should consider a flipping tax. Just as a way to raise more money for affordable housing. And that there should be a specific focus on 20% and below. And sorry if these are not exactly on this plan, but I really do get confused between all the plans that are out there and so excuse me if this is a little bit off point. >> Renteria: Thank you,. Next is Julie Montgomery. >> Good afternoon, councilmembers. My name is Julie Montgomery and I am a member of aura. It's not often I come before you guys with a new idea that I think everyone will probably like, but I think this might be one of them. Recently I was doing some research to try to -- looking at building permits to try to figure out whether or not increases in density actually do lead to increases in -- or slow down

[2:57:54 PM] price increases or not. Which is an interesting research project, but the thing I discovered while I was doing it is that the housing -- the number of housing units affected by any given project is not actually usually recorded. The permit applications for new construction, whether it's residential or commercial or a demolition, there's no one field that says how many housing units are involved in this. And this seems like a very simple thing we could fix just by adding it to these forms. There is a form for number of units on commercial construction, but it doesn't even specify like housing units, so sometimes if it's like a mixed use commercial development you will end up with some number that you're not sure whether it's office units or residential units or some combination of the two. I think if we care about seeing whether or not all these initiatives make a difference then we need to be measuring whether or not we're adding or removing housing units and where this is happening. So hopefully it's something we could just get done and be able to track this stuff a little better. >> Gallo: Were you finished? I wanted to ask you a question. Thank you for that comment. I think it's really important because one of the thoughts -- one of the metrics that I think would be very helpful in this discussion is when particularly for demolitions or renovations how many units were there initially and how many units do you end up with? Because as we talk about trying to find ways to increase the housing supply, which will address the demand that is greater than our housing supply now and will hopefully address the rapid depreciation and price of both rental prices and for sale prices, I think that information is very helpful. So are you also finding on the tail end of those ferments, not being able to -- of those permits not being able to match? So you have no way of knowing how many units would be taken away, but do you [2:59:54 PM] have the data that shows how many units would be supplied or would be added or would be -- or you would end up with? >> We try to match those up by the address and you can do that sometimes, but it's not always really clear what matches up with what. Sometimes it's residential and sometimes it's commercial. A lot of times apartment complexes will have a commercial permit so you kind of have to look across different datasets. And the housing units field is there on awful these records, but a lot of times the data is either missing or it's clearly wrong or it's just questionable. Like it might be clearly wrong if it says in the description a that sort of thing. So, you know, this data could definitely be better tracked. I think it would just take clarifying it on the forms and making sure that when development services approved these applications, that they make sure it's filled in appropriately. >> I think those are all really good suggestions, my office would be happy to work with you on that. I think that is important information as we talk about ways to creatively, without charging more fees and more expenses to people that are providing housing, can actually make sure we're ending up with more housing and having the metrics would be really important. Thank you for your initial work on that, thanks. >> Thanks. >> Thank you. Next speaker is Cindy Nolan. Following Cindy is Brennan griffin. >> Thank you for having me here, committee members, my name is Cindy Nolan, I'm the founder of faith action for women in need. We take action for needs that women and their children have. Um, I'm here today to speak for myself. I'm sorry for not being familiar with the agenda item, but it occurs to me that maybe [3:01:55 PM] enough of our voices aren't being heard on affordability. The U.S. Catholic bishops stated the economy exists for the people, not the other way around. Yet, in Austin, people are dangled by the economy, the rampant development constantly. I see no indication that the city of Austin has a will to affordable housing. I see they make efforts, I don't see a will. I don't see a will in the citizens of Austin, in the

developers of Austin. There is a lack of a will. I graduated just a few weeks ago with a master's in counseling and I have lived in student housing for three years. You know, to find out that I can no longer afford Austin. As a beginning counselor, I will make between 35 and \$50,000 a year, but there's no place to live in Austin. There is no rent control at all. Rents go up between 100 and \$200 a year. And instead of moving to a new apartment and starting a new career here in Austin, I'm staying with friends and wondering where in the U.S.A. I have to move now. I thought I would be able to spend the rest of my life here. I have lived here since 1981, I will be sad to leave Austin, but it is a necessity. There is people, you know, god help the families out there, you know, the working families out there who the budget just trickles up. Mid-income people cannot afford Austin anymore. It is just not affordable. Thank you.

[3:04:02 PM] >> Brennan griffin. >> I'm the director of Texas apple seed. I'm here -- we at Texas apple seed are excited to see this list of policy proposals going forward. We think it is a strong packet, package. Taking an opportunity to purchase is a good way to go. We are -- we wanted to emphasize a couple of things. Fair housing is not the same thing as affordable housing. A lot of this, whether this furthers fair housing will depend on where the investments in public money are made. Where affordable housing is, in other words. Affordable housing, to further fair housing goals needs to be put in areas of high opportunity where -- with access to good schools, access to jobs. Access to quality transportation, so we definitely want to make -- the devil will be in the details as this goes forward and where housing is built is makes a big difference as well. It also goes beyond affordable housing. Fair housing is also about making sure opportunities exist for the protected class, classes, families with children, minorities, people of other nationalities, and a couple few others. We think that it's really important to also look at zoning in general and what barriers are going to be -- what barriers to housing for all these groups exist in the zoning code. Austin is someone that accepts federal H.U.D. Funds, has an obligation to affirmatively fair housing. Thinking about where multifamily is being allowed, whether it is allowed in high-opportunity neighborhoods is definitely an important piece of that, not just where affordable housing is going.

[3:06:05 PM] We also wanted to make a point that fair housing also has interacted with the issue of gentrification that comes up a lot. Gentrification when it becomes recessionification, when areas that have been primarily African-American, Latino, other nationalities, move over to being white-only, that is when we really see a lot of problems. Or if people are being displaced from the communities into areas where they're -- where minority groups are concentrated. So to the degree that gentrification is leading to recessionification, those are areas to think about. Thank you for your time and opportunity to speak, councilmembers, I appreciate it. Thank you. >> Thank you for the opportunity to speak. >> I thank you for allowing me to speak. I'm a student at UT that lives in family in north Austin and also as someone that is a little bit unsure about how to figure out my housing situation.. Whether I rent or something else in the future. This will be determined by this here, it this fair housing initiative, I believe can definitely go a lot to [3:08:05 PM] lift Austin out of the deep hole that it has dug itself in, in the housing crisis. And I feel like it is very much rests on having housing be as accessible and easily accessible for people are all income levels and every background, not just concentrated for people that have the minimum distance to afford central Austin, but anyone to have the means to live wherever they wish as close to where they want to work and

talking specifically in terms of imagine Austin, after looking at the latest words [indiscernible] I feel like that can be done more to move toward the corridors and town centers, to be everywhere in Austin, so people of all income levels and all races, background, what have you, can access. To have their income, that includes housing and for people like me, especially that would absolutely go a long way to have more austinites to live in the city, to not have [indiscernible] That's all I had to say, thank you all, once again, for your time. >> Renteria: Thank you. Next speaker is Rachel stone followed by Ryan Neal. >> Good afternoon, council, thank you for this opportunity to speak. [3:10:05 PM] I wanted to speak in support of this initiative. I'm a former hud attorney in fair housing department in Fort Worth. And I think this is on the right side of history. I think we're moving in a great direction, affirmatively furthering fair housing is a huge issue nationwide and I think it is great for Austin to be taking a deep dive. I do support -- I want to reiterate the comments apple seed made. Fair housing is about housing in high opportunity areas and housing choice. I urge you to take that to the next level and figure out how to break the barriers down. Thank you for all your effort. >> Casar: Ryan Neal is next. >> Thank you, councilmembers, my name is Ryan Neal, I want to tell you how co-ops work. They're a kind of housing type that is in between rental and in between homeownership. When I heard the term missing middle, I thought it applied to the ownership, and not the structure. I think in a co-op. Some you can budget like a rental. The same cost every month. Every budget-making season, you basically make a budget, if you need to raise the rent, you vote by what amount to raise your rent by. It is not rent controlled in the way that we normally know it, it is a way for tenants to control their rent on the homeownership side. It is affordable because the renters take on the responsibility of homeowners. [3:12:06 PM] Yesterday I spent an hour picking weeds in the apartment complex I live in, I make the budgets and do the treasurer stuff. I think co-ops are relevant in this discussion because I think these are great goals, but you need good tools to reach your goals. And a co-op is a good tool to achieve that. For instance, the co-op I live in is mixed income. We have young entrepreneurs like myself, I run a small bookkeeping firm. We have high earning millennials that work in technology. Seniors on fixed income. People on section 8 vouchers and in the service industry. It is many types of people. We're great at keeping people in place when you can expect your rent to only go up between 10 and \$20 every year, which is what I expect my rent to go up this next year. It is really easy to plan for increases and costs like that. Also I think it is a great way to increase density and preserve the housing stock. It is important to preserve the housing stock while increase density. Something similar happened in the Bolden creek area where people live in the coop. I think the rent there is \$375. That is incredible for that neighborhood. That's all I want to say on the topic, thank you very much. >> Renteria: Thank you. [3:14:15 PM] We have one last speaker. >> Thank you for listening to my brief comments, my name is Mandy de-mayo, we are a nonprofit organization and committed to all kinds of hemes -- homes for all kinds of people. There were some proposals from hud. There are things I want to express support for, details embedded in the initiative. One is related to the publicly owned land. I have been in affordable housing now for almost 25 years. About 24 years, it feels like we can actually get something done. Prioritizing the different lands that would be appropriate for affordable housing and really dedicating that to affordable housing. Including having goals for affordability. Any publicly owned land that is being utilized --

redeveloped, if it is being redeveloped for residential purposes, that there would be affordable housing goals embedded within that redevelopment. That is incredibly important. Also express report for affordable housing resources. I'm not telling you anything you don't know, we're in the midst of a huge crisis, a growing one. [3:16:16 PM] Unless we increase development in the regentifying areas, and I appreciate it. >> Before you leave, can I ask you a question. The information you put out is wonderful. The subsidized housing. We are talking about ways to make it for affordable. The geographic support of that, at what point will the new statistics come out? >> We'll release new statistics this summer and it will have updated information on the housing stockmarket, market affordable stock than. That is not something publicly sub-sidised -- subsidized but a class B or C property. This is the third annual report. It will come out late summer is my guess. This year so you know, our focus will be on the connection between housing and health. We will embed some health statistics in addition. >> Gallo: Do you have something that shows the dollars that are geographically dispersed for the subsidized housing? >> We have that if it is locally subsidized. We can dig -- I could get you the data for federally subsidized as well. I'm trying to make sure I don't overpromise, but west of mopac, district 10 is primarily west of mopac, I know all of the properties that are subsidized I could [3:18:17 PM] get a breakdown of the dollars. >> By city council district. >> Gallo: That is helpful, because as we look at the conversation a geographic dispersement, subsidized affordable housing, so it is more workforce housing available throughout the city. As part of that conversation in higher cost area, it is harder to do. It is important to know what is being spent in the communities. >> One thing is including the housing repair coalition. They do repairs for mainly seniors. At this point, unless I'm mistaken slashes gotten home repair in at least every city council district. I can pull out and separate out by city council district any subsidy. That is interesting to look at. >> Thank you so much for the work you do and research you do approximate do. It is helpful will. >> Renteria: Members, that was the last speaker for this item. Do I hear a motion. >> Casar: Chair, thank you for bringing this forward and I [3:20:19 PM] appreciate the folks that supported different parts of it, depending on your interest. What is interesting is this is an all-above approach. Some stuff has been started by the council in the last year an and half or few years, but I believe a lot of this is work that is still left to be done. I appreciate that folks can be supportive of the whole package, even if their interest is in one or two or three of the elements here because as Ms. Guzman mentioned out in the communitiant -- community and not just city hall, there are issues of economic segregation, displacement of middle class, working class, working poor communities and shortage of housing units at all different prices and parts of town is the issue that they hope that I and we can work on at city hall even if they're not able to be here. I think that each of these pieces are parts of the puzzle. They won't be enough but doing less or taking too long is doing less. Many parts were recommended by the planning neighborhoods committee. I hope that we move the initiative as a whole or four parts depending on the major segments, depending on the will of the committee. >> I think it is helpful to take the issues separately. [3:22:27 PM]

>> Kitchen: On the first page under the mixed income developments. I'm not up to speed on the source of economic one. I source of income one. Help me understand. >> Casar: The second and third we move forward because we have been working on it some time as a committee. The state preemption makes it so we can't require it within housing in our city. Within a voluntary program, the owner chooses to participate in and they voluntarily choose to comply with this. >> Kitchen: Ok. The next thing I have comments, one is informational under the larger public investment, first off, let me back up. Thank you for putting this together. I think it's very useful to have a package and to put something together in a way that directs our city manager to move forward on direct areas. I appreciate that. The affordability committee talked last time about an inventory -- I guess that is the right word. About understanding available public lands across all public entities and the importance of creating a central database. In the sense so that we can all understand where there is county land, city land, school district land, cap metro land that could be used for [3:24:27 PM] housing. That is information. I think it dovetails nicely. I wanted to let you know that. On stay in place on the back. I am really concerned about senior housing. And so I assume this would go from this committee to the full council. So I will add an amendment that speaks to senior housing. The commission on seniors has been looking at what it takes to make the city an age-friendly city. Housing is a -- a component. I'm not prepared today to see what it would look like, but hopefully that will be acceptable to you to see what's needed to keep seniors in place. There is a lot of overlap, obviously, but it is important to call out that population. So ... >> Casar: Councilmember, kitchen, I was getting wordy and verbose when I was typing this, my staff did have me shorten some parts up. I had originally called out how important in the process it would be to include no income and moderate income especially seniors to see what they would participate in. I understand from some people that do home repair for seniors, that sometimes it is difficult to comply with the loan programs and covenants that the city puts forward. I want it to look good on paper, but I want it to work. I want a large number of folks that are lower income [3:26:30 PM] homeowners are homes purchased some time ago. I would be very amenable to figuring out that it works and is included. >> Kitchen: Ok. Worn other thing. That relates to the smaller housing and high opportunity areas. I do think it is important to recognize that smaller housing doesn't automatic animal equal affordant affordant ability -- affordability. We talk about achieving the goals for smaller lot houses and -- I would like to add as particularly related to affordability. If we don't pay attention to that nexus, we won't get affordability. We'll get smaller, very expensive homes, particularly in some of the neighborhoods, because that's the problem to begin with. So I think it's important that we, all along the way when we talk about this, that we tie that in. I know that is the goal, I think we need to keep repeating it. >> Casar: If you want to include that here in the language we pass. I think that makes sense. >> Kitchen: Ok. >> Casar: I think as you mentioned, allowing the market to build a smaller home in the expensive area, the home will not be cheap without subsidy or nonprofit partnership. I think that essentially what we're trying to lay out here is for us to see how a smaller home in some new opportunity areas relieves pressure on existing affordable housing stock because they can help in other neighborhoods, can't just look at the neighborhood where the home is built. I think focusing on how this housing policies affect affordability citywide is what we're looking for the manager to help us continue doing for code next. >> Yeah.

[3:28:31 PM] I think that should dovetail with the code next process and particularly the -- I know we have the affordability prescription paper coming to us soon. So all of this is part of those conversations. So I think it aligns with that. So I would just put -- I think it is like one, two, three, four -- when we get to it, the fifth line down allowing for smaller housing and smaller lot size that submits affordability in code - - something like that. >> Renteria: I agree with that. I took advantage of my neighborhood and my neighborhood went for secondary units, I built a garage apartment. That was the only way that I was able to survive. I had to retire when I was 58. It was a struggle trying to survive. If it wasn't for my secondary unit I had in the back, I wouldn't have ever been able to pay the taxes I was having to pay. It was -- I was very fortunate to have that opportunity. >> Casar: Chair, if we could, what I would do is move the first three bullet points, more mixed income development and see if we can knock them out in chunks. And if anyone wants to dissent from any bullet point. Then we don't have to take 11 votes and package them into four and register dissent if it exists. >> Renteria: The first one is more mixed income development? >> Casar: That's correct. >> Kitchen: Let me see if I can aified booid by what -- abide by what you are asking. The first is asking city [3:30:31 PM] manager to direct stakeholders to initiate inclusionary zoning in the homestead district. I would vote against that, because I think the board of realtors representative, there can be unintended consequences. I would like to read the 2010 study that was done that addressed that before I vote one way or the other on this. I do feel like if we're addressing affordability by increasing housing stock, whether it is market rate or subsidized, that the best way to do that is increase the amount of housing being constructed, build and provided. We do that not with providing more fee and restrictions, but by providing more atmosphere for that. I would not support the first bullet point. I second one I did vote on -- I'm sorry upon the allergies are killing me. The second I'm fine with supporting. The third one, the courts have struck down the source of income as being mandated. This is being proposed as a voluntary program but my concern with tying it to smart housing is smart housing is a voluntary program, but I feel like some providers choose not to do the smart housing program because it is now tied specifically to having to do the source of income. And I think that the source of income in itself is not the problem, the problem with source of income is it puts on an additiona will administrative -- additional administrative layer, because it is dealing with a different federal entity, dealing with different leases, dealing with a different process. I think there may be [3:32:33 PM] multifamily providers and management companies that choose not to take on the additional administrative burden and as a result, we may be losing smart housing units in our community. I think that may be an unintended consequence. I would support that if the provisions for the source of income was a voluntary decision within the smart housing program. You can participate in the smart housing program and you can choose whether or not you did the source of income and maybe there were added incentives for doing that. But I think tying the two together may, in the end, result in us getting less smart housing participation. So at this point, I would not support that bullet point. >> Casar: I understand. Is there a second for my motion. Thank you. And to that point, especially around inclusionary zoning, I think that generally, the economists agree that adding a product when it is in high demand can lead to product increases, it doesn't lead us to integrating in neighborhoods we want. That

is something we have to balance if we initiate inclusionary zoning to make sure we get the balance we need. Councilmember Gallo, I understand your concerns, since you did vote for the second bullet point in the past, I think -- your opinions are registered here. So thank you. >> I'm confused in how I should vote. I would be voting for the second bullet, I would be voting against the other two. >> I think you can vote against my motion and indicate you are for the second bullet and have voted for it. Or vote on all three, right now, we're trying to save time, I think, get these folks [3:34:34 PM] to the strategic housing plan. >> I think it will save less time to vote on them individually than to make sure that I'm representing part of it. The minutes are going to be complicated. >> Casar: Ok. >> Renteria: We'll go bullet by bullet. The first one is direct the city manager to meet with stakeholders and provide a plan to initiate inclusionary zoning in the homestead district. All of those in favor? Opposed. Kitchen, Renteria and yeah. And Gallo, no. Second bullet, in order to evaluate and provide recommendation to enhance affordable housing by the city existing smart housing policy and new change to the city density program in code next. All of those in favor. Pass unanimous. The third one, direct the city manager to initiate an amendment to require nondiscrimination based on source of income as part of the voluntary smart housing and density bonus program. All of those for, against. Pass 3-1. With councilmember Gallo opposed. Now, we're on to large public investment. Do I hear a motion? >> Casar: I will move all three of them and we can break them up if there is a request to do so. >> Renteria: Do I hear a second? Second by councilmember Ann Kitchen. Discussion? >> Gallo: I would respect you break these -- I appreciate all your hard work on this. I think you laid out a lot of [3:36:35 PM] good ideas. Some I hope we can work on in different areas, but it is not any lack of respect for the work you have done. I think you have done a great job here. Thank you. >> Renteria: I do have a question on the first one. Because I heard it is come you go up for -- coming up on vote for discussion. >> Kitchen: Again, I don't want to slow it down. There will be three of us not here on Thursday. If is something amenable to postpone. That is helpful. >> Casar: I think this is not coming up this Thursday's council but the next council meeting. >> Kitchen: Ok. >> Reporter: We're taking these one -- >> Renteria: We'll taking these one by one. The housing -- >> . >> Gallo: Can I make a comment? Directing taxes, this piece is a piece I have a concern about. This comment was made during the budget cycle, the council could vote to redirect it somewhere else. The reality is that would have to be voted on. This would continue forward unless the majority of the council changed it. I think it ties the hands of future councils from the ability to direct funds to a variety of different needs in the community that will change from year-to-year. Those are needs like [3:38:36 PM] neighborhood parks, neighborhood libraries, health and human services and all of us support funding for affordable housing, we have done that in a variety of way, including bonds that the entire community votes on. That's my resistance to this is that I feel like it is tying the hands of future councils to take a huge amount of money. One of the properties included is the development in district 10, which right now, as vacant land is worth 40-plus million, that is developed, it is probably going to be \$500 million practical. That is a lot of tax dollars we're saying we're going to take in the entire tax amount that comes from that property is going to go to affordable housing. I just think that it's better left in the general fund where we, as policymakers and the city departments can determine the best needs for those on a

year-to-year basis. >> Renteria: I'm going to support this, because every time we put money in the general fund, it has gone -- we also know that there is a very active group of lobbyist groups especially nonprofits and other organizations, there is a big need in transportation, healthcare, but we have a dedicated fund for parks, about \$900 go to dedicated park fund. But we don't have anything that actually dedicating for affordable housing. There is a big need for that for affordable housing. And workforce housing. I mean, we're just constantly reading about it, hearing [3:40:37 PM] about it. I have my people there, in my neighborhood constantly reminding me that we need more affordable housing. I always tell people, I say we also need to, you know, spread this time of affordable housing around throughout the city. I will be supporting this. Housing trust fund. Anybody else? >> Kitchen: If I'm understanding, this is the same resolution that mayor pro tem Kathie Tovo brought forward? Right? It was on our council agenda before but it was postponed, but there is no difference, right? Ok. And it's limited to former county-owned and state-owned land, which I certainly respect the concerns that councilmember Gallo has. But what -- the reason I can support this is because it is focused on county owned and state-owned land, which I think is appropriate. So ... >> Renteria: Any other comments? Let's take a vote. All those for say aye. Those opposed. It passed 3-1, with Gallo opposed. The second bullet is direct the city manager to provide a recommendation to how to redevelop any city-owned land including property with existing facility for affordable housing. Any comment? All those for, raise your hand. Pass unanimously. >> Casar: We can call this one the Lincoln speed one. So you don't have to read it. >> Renteria: All of those for? Comment? [3:42:37 PM] I'm sorry. >> Gallo: This one has changed from our discussion in our other committee. Do we have staff here that can discuss the linkage fee either housing or legal? >> Pet see Spencer, director neighborhood housing. I apologize, I cannot speak to legality of it. I have heard a variety of things, I do not want to go on record if I'm not entirely sure. I don't know if law is here or not. >> Gallo: We don't have anyone from legal here. >> We can get an answer for you, but I don't have an accurate answer for you. >> Gallo: Based on that, I would be uncomfortable voting for this. At this point, I abstain until we get a legal determination on that. >> Casar: I'm happy to request an executive session for us if this does come to council. >> Renteria: All right. All those for this. Opposed. Abstained? It passed 3-1, with Gallo abstaining. Now the next item is stay in place. >> Casar: Can we move these as a whole or break them up? >> Gallo: I know at our meeting, prayer pro tem Tovo suggested wordage for the first -- wait. Let me see. >> Casar: She asked for specificity around what the code amendments would do. So we have added that specificity so that it is more [3:44:41 PM] clear what stakeholder issues they could talk about. >> Casar: I think she was directing the city manager to provide a report with recommendations instead of starting code amendments. I'm trying to read the new version. >> Casar: She said that as well. I stated I prefer that we wait more and more folks get pushed out and the real estate market for people to leverage land and assets into income-restricted housing. My hope is to get smart minds together with a similar focus OND realize we should have just gotten it going. >> Renteria: Councilmember kitchen. >> Kitchen: How do you envision code amendments working with code next? >> Casar: I had a conversation with the code next team and affordability consultant. As it stands the affordability sub consultant will be present when it comes to

council because they will be here for the southcentral waterfront project. Some people continuously told me this sort of work was being done in code next, so I sat on it for several months. When I decided to ask how it was going, it was brought to my attention that it is not within the existing scope of code next to come up with ways to have homeowners stay in place in this way or income-restricted housing to be developed in this way. This would be something that would be an extension of what is being done or in my view for us to at least explore. [3:46:48 PM] Employ I think the idea is a great idea. Why would you separate out the lower income and anyone. Why not allow anyone of any level. >> Casar: That idea was brought up. We modify a lower or rot rate income because we don't tie our property taxes, in Texas, like many places to income. They have an opportunity to create a lower income unit for themselves to stay there. If they're somebody that does not fall into that council, they can utilize these tools to create a lower-income unit on their property while also potentially reaping some financial benefit to explain the program. I understand it didn't explain that so well. So I will try it again. The challenge is there are so many people we know of that have an expensive piece of land that they did not pay that much for the piece of land. In Texas, unlike other states, we have no economic tax we have bit on a large Pete of asset and they can't do anything but sell and move into another neighborhood. The original idea was -- I will get to your question in a second. First, provide those people the option of doing even more -- potentially more than an Adu, if it gets them to provide an opportunity to stay. While adding more to the property. The question was asked what if it was something not a lower income person. It creates an opportunity to create workforce housing and more expensive areas because those folks, if we come up with a tool for higher-income people to create income [3:48:50 PM] restricted, affordable units on their property because they exist. If it is a low-income person they get a chance to stay and get financial benefit from from it. If it is a higher income person they get financial because they can do more with their property and create a housing unit in neighborhoods that often don't have many. >> Gallo: I will keep asking questions. >> Casar: Please do. It is not sketched out to have the answer built in, we're trying to lay out the goal. The goal is to help folks stay in place and integrate neighborhoods, instead of tick take, let's leave it up to folks in the community to come up with potential plans. >> Gallo: My concern is, I think this is a process that is really open-ended at this point. And we're talking about code amendments that are coming back, which are very specific app so I'm concerned it is a vague point a to a specific point B to figure out what is going on in between. My question would be, are we talking about something different? I mean, to me, even the nonlow or moderate income people are facing the exact same thing. So when you talk about somebody that is living in a property that is low-income and all of a sudden the value of the property has gone up substantially, I think that is no different from any of the other situations in any of the other areas in Austin. Even if they don't qualify as low or moderate income, they're people whose property values have exploded. And the cost of maintaining that house that they've lived in and raised their family in, even though it may be an expensive house, if we talk about the goal of trying to be [3:50:50 PM] able to let them stay in their housing, it is exactly the same situation, so I guess I'm a little concerned that we're separating out. That is what I am trying to understand, are we really talking about a different

process for low to moderate as we are the nonlow to moderate? Because those people that have -- I mean, you're right. We don't have a senior tax phrase on property taxes like the school district does. Those continue to go up and up, utility bills continue to go up and up and cost to maintain houses goes up and up. Doesn't make a difference whether their house is worth 100,000 or 300,000 they're facing the dilemma with the incomes not able to afford to stay in the property. >> Casar: The way they're parallel is a lower economic person would create a lower income unit that lower income folks could inhabit. To your point, I only ING a higher end person would participate in that program unless it is financially beneficial to them. Can we create more income and rental income streams for those upper middle class or higher income people while creating the same income unit. I understand, but I don't understand why we shouldn't make both options available. >> Casar: My intent is for both to be available. >> Gallo: And not restrictive. [Inaudible, multiple people speaking] >> Casar: Let me answer in another way. I think that granting the higher levels of -- lower levels of housing restrictions on people's property, some of it, I think it is going to be a natural part of what we work on in code next to get more housing supply and diversity of housing types. [3:52:51 PM] I think what I am talking about is, is there a way that we can create lower and moderate income housing out of that, too? That goes beyond what it is that is currently existing. Something beyond what folks are ready to do, but we're getting affordable housing out of it. If you are getting a benefit above and beyond what other folks are getting, let's see if in the current market we can get an income-restricted unit out of it. >> Kitchen: I have a related question. And it just gets down to the difficulty of determining who is lower income and who is moderate income. You are saying what people can do with their property. I don't know that you can set up classes like that. I want to understand, if we can. It is a good idea to explore that. I am cautioning that you know, where that line is, to the extent that we're talking about reducing actual ways in which you can build your house, I'm not sure how legal that is. So that would be one of my questions. I really like the idea, we need to explore it, we need a stakeholder process. I'm hesitant to go over that without seeing objections first because it can G can go to the long process, get to us, say we don't want to do that. And then turn it all the way around. I'm concerned that it would be -- it would take longer that way. So I'm wondering if you could consider keeping it this way, but then adding in a report [3:54:53 PM] back to the council, not to slow down the code amendment process, but to report back to the council so the council could provide some feedback and then add a sentence or something to the effect that the results of the stakeholder process are reported back to the council, something like that. >> Casar: I think that makes good sense to get a report back during the process to see how it is going. To address your earlier issue, I think the only place to restrict based on income or class is just like other affordable housing programs, where at a particular level of mfi you report your income and get access because of your lower income. The hope would be it would be just like the other affordable housing income programs and that lower income homeowners can access increased sort of more liberal tools to add things to their property if they indeed are creating a lower or moderate income unit so they can stay in it. There is things like building height. I would be concerned and wondering whether that meant that someone who fell into a moderate income could then, on their property build something taller than their other neighbors, but those are the kinds of questions that we need to -- those are policy questions. We may say yeah, that's fine. But maybe it's not. I like the idea of getting this down the road. If you could build in, that after the stakeholder process it could come back to us. Just to understand where it is

at, not to slow down the staff. >> Casar: I'm happy to include that as a friendly deal. [3:56:53 PM] >> Kitchen: Ok. >> Gallo: May I make a suggestion, too, because I think as we talk about stay in place, the portion -- the portion that is really important on this also is the ability to help our seniors stay in place. And there may be some components of this that neighborhoods are more likely to accept if it is a component that is applicable to seniors. And so, you know, as we come back and talk about the different ways to do this, and I think councilmember kitchen mentioned some concerns about what's going to come back and what it will look like, it may be more agreeable and neighborhoods to talk about giving added incentives and abilities to the senior population over just anyone. Not to say there are certain low and moderate income people that should be entitled, I think as we talk about a balance and try to do this, there may be some things we want to target even more advanced to the seniors so they have more of an ability to stay in place. >> Casar: If you two want to coconspire or include me in the conspiracy on how to include seniors. I'm happy to work with y'all or bring whatever you want to council. >> Gallo: We're just looking at the horizon, this end is. [Chuckling]. >> Casar: Have we reached consensus to support it knowing we want to include more focus on seniors when it comes back to council and include a report back to council during the stakeholder process? >> Gallo: Can you remind us how you're changing the language and report back? >> Casar: I think the motion was to initiate the amendment and report back during the process to make sure it is [3:58:54 PM] heading in the right direction. >> Gallo: Prior to the process. >> Kitchen: That we would be briefed on the recommendations, in other words, it wouldn't require us to act before the staff could go forward. >> Gallo: So the. It could come back to the council for a briefing and that would be an opportunity if we had concerns to address those concerns and actually make the changes before it started the public process of the code ordinance change. >> Kitchen: That's right. But it wouldn't -- it wouldn't hold it up if we didn't act. >> Casar: You wouldn't be able to read my handwriting. >> What does it say. >> Provide a briefing to council and [inaudible]. >> Renteria: This is just for this item. >> Right. >> Renteria: Anything else? All those in favor? It passes unanimously. The next one is -- do we act on both or just that one? The second one? Okay. Let's go to [indiscernible] And high opportunity area? >> Casar: I would move both of those bullet points and include the language provided by councilmember kitchen. I almost upgraded you to mayor pro tem there. >> Gallo: Can I just ask one quick question? The second bullet point in stay in place? That's just directing city manager to provide recommendations. That's not part of the code amendment stakeholder process from above, correct? >> Casar: That's right. >> Gallo: I just wanted a clarification on that. Thank you. >> Casar: So I would move [4:00:56 PM] the next two bullets, but it include the language from councilmember kitchen that states that we want -- that these policy recommendations to achieve these goals could include, but not be limited to smaller housing and smaller house sizes in codenext in support of affordability, especially -- >> Gallo: My aide was asking if we took a vote on the second bullet point? Was it clear that we were voting on both? >> Renteria: I just asked that. >> Gallo: And they said yes? >> Renteria: Yes. >> Gallo: Okay, thank you. >> Renteria: We were on small housing and we've just taken the first bullet? >> Casar: I -- okay, I'll move the first one. >> Renteria: Okay. The first one is to direct the city manager to create goals for increasing economic and integration in high opportunity areas and slowing displacement in more vulnerable

neighborhood, achieve those goals that could include, but should not be limited to allowing small housing and smaller lot size in codenext, especially in the less vulnerable and set an aggressive target for economic integration as part of the statistic housing plan. >> Kitchen: Did you get supports affordability? >> Yes. >> Kitchen: Okay. >> Gallo: So just a question. This has changed from what we took up in the other committee. Can you tell us where the other changes came from? >> Casar: Yes. In conversation during the [4:02:57 PM] committee with the mayor pro tem, she asked for some more specificity around what it is that we were talking about. So ultimately this is providing some direction to the codenext process and talking with the codenext team and consultant they've clearly stated that they want to hear from this council what our priorities in codenext are. And for me while many parts of what the comprehensive plan lays out are important to me and to the council, I think that this continued emphasis on housing that is more affordable, but also housing that is integrated as possible, that furthers these fair housing principles is important to us. So this is trying to lay out what those metrics are, integration. And that's integration in high opportunity areas. I think some of our speakers asked how we determine what those high opportunity areas are. The clear one institute actually did a mapping of Austin and we have a high opportunities map that actually I think we have some copies available down there, but they're also accessible on the city website. So this is continuing to very specifically ask for real targets for economic integration. And then also for policy recommendations during codenext that can help us get there. Long story short, it's a little bit more specific than what we had listed before. So I'll move it. >> Kitchen: I'm sorry -- >> Casar: On the second to last bullet point. >> Renteria: Are we ready to take a vote? Any other comment? We're going to vote -- we're [4:04:58 PM] going to vote the first bullet? All those in favor? It's unanimous. And the second one is to direct the city manager to present option to the city council to create -- to take housing communities area where deed restriction and other private covenants by having disparate to low and moderate income communities and communities of colors. >> Gallo: So I have a question on this one because I'm not really understanding what we're trying to accomplish. Are we trying to accomplish the city manager to present options to circumvent deed restrictions and other private covenants? >> I think the answer to that is we want to provide -- for the city manager to give us a path on how to make sure that we meet our fair housing goals, not just through policy change, but also how we address issues of economic segregation when it's listed -- when there may be disparate impacts based on a private covenant. This has been brought up by Dr. Liz Mueller on the code advisory group, as well as others, that even if we make policy changes up here on the dais that sometimes private deed restrictions can in many ways overrule our privacy policies. So to ask the city manager what sort of options we have to integrate housing when the deed restrictions exist. If we -- if there's ways to circumvent things. I think that the city manager could list as an option, an option for getting around things if it is our -- if it is our goal, but it also might mean that the city manager presents ways for us to cooperate and to communicate with and do outreach to communities where our city staff has determined that certain land restrictions have disparate impact. [4:06:59 PM] And could also -- the city manager could also potentially provide legal remedies that community members or -- the recent ruling in Dallas, inclusive communities in Dallas, showed that even if racial and

economic results in segregation that that is still a violation of our civil rights laws. So I think that this is trying to take that to the next step and look at what ways that private covenants along with existing policies have disparate impacts on economic and racial integration. >> Kitchen: The way I read this and the reason I can support it because I'm thinking of cooperate and collaborate. I'm not thinking of undermining or getting around. But I'm also not thinking of the kinds of covenants. Obviously the kinds of covenants that say that red line and those kinds of things are illegal now, so I think we need this information to understand maybe what's still out there. And so I think it's important to move forward to get the information about -- I mean, there's a lot of gray here, but I think we need to understand the whole range of what we're dealing with in terms of private covenants. >> Casar: I would assume that a cooperative route would be better than different routes. But I want those reported and mentioned because the city manager is not currently working on such a project. >> Kitchen: I would be thinking of a cooperative route, but if I came across a covenant that was, you know, just blatant red lining then I would say how do we get around that. So I need to know what's existing in the market right [4:09:01 PM] now. And this is designed to help us find that out, right? >> Renteria: I believe it does, will give us all the options. >> Gallo: I'm uncomfortable supporting this because I think there's too much gray here. I think that in a situation where our resources are limited and we need to direct those resources best, in the best, most cost effective way to provide housing, looking at potential legal battles to increase opportunities when we have plenty of other opportunities around the community to supply the housing, I'm just uncomfortable with. And I think it's reaching into personal property rights. I'm just concerned we're looking at situations where people have bought or they rent in a place and understand the deed restrictions and private covenants. We constantly get calls from people that say our deed restrictions say this. Will the city help us take this lawsuit? And our answer is no because that is a private agreement between the property owner and their neighbors. So I'm just really concerned that there's too much 48 area here and I think rather than spending our money on legal fees and trying to fight some of this, we're better out there building and providing affordable units where we can build and provide affordable housing units. >> Renteria: Any other comments? >> Kitchen: I'm going to support this now. I may be thinking in terms of tighter language when it gets to the council. >> Renteria: Okay all those in favor raise your hand? Opposed? It passes 3-1 with Gallo voting no. [4:11:01 PM] >> Gallo: I want to say thank you again to councilmember Gallo. >> Casar: Don't give me all the credit. >> Gallo: Both of you. There are a lot of moving pieces. Obviously I have voted against some of this, but it's not the concept. I think we've got a lot of great areas that we can work with and work with our community to try to find as much and find as much affordable housing as we can on really limited funds. We have so many needs in these community and we are pulled from all different directions to try to spend that money. Thank you for both of you for bringing this forward. >> Renteria: All right, councilmembers. This concludes this item and we'll move on to the next one. The next one is number 4, item 4, discussion and possible action on a resolution directing the city manager to explore the feasibility of the city completing the Jain lane capital improvement project and prepare an item for council consideration during the fiscal year 2016-2017 budget process. And also an update on tenant relocation assistant policy development process. We have one person on citizens communication that's wishing to speak. And that's Robert sum you summer, and then we'll proceed on with the presentation. >> Committee members, my name is Robert Summers. I'm one of the [indiscernible] And owners of the think east. Think east is a 24-acre pud development in central east Austin. [Inaudible - no mic]. We've

been working on this since about 2011 to bring this back into the fabric of the city. And to provide affordable housing. We're here to request your support for this resolution to fund the correction of a dangerous public safety issue that is unbelievably existed in this neighborhood [4:13:02 PM] for almost 30 years and also to get us on the road toward building some immediate and real and affordable housing for this neighborhood. This first map just tells you where we are. We're in this neighborhood node identified by the imagine Austin growth concept map as the Springdale station, a future high density development. We have undergone a planning process to study the 24 acres that we own and a larger 100-acre area, the canopy studios that is listed also in that note. And again this is the future Springdale station of the green line that think east abuts. And up until 1986 this neighborhood suffered being underserved and still does today. In 1984 there was a bond that was passed to construct, reconstruct streets and drainage improvements in this neighborhood and this is the cover sheet of that 1986 cip project with the addition of the red that indicates a portion of the roadway, what we call Jain lane, that was left incomplete in 1986. And how that happened is a long story. The very short version is that the city of Austin's contractor hit a live gas pipeline, gas transmission pipeline where 1988 fuel spill arrows are indicated. And that essentially led to the entire tank farm saga remediation over the next 13 years, shut down of the tank farm and again bringing this land, valuable land back into the neighborhood. So what we are left with today is still what we had in 1986 and that is this uncompleted portion of the roadway that goes right through the development. Here it is from Google Earth today and you can see the issue is that on either side of the think east property the cip was completed where [4:15:02 PM] there is a 60-foot easement with 44-foot roadways and then through the property this next done to the original 1930's size of roadway, which is a 30-foot easement and there's a 16-foot roadway there. It dangerous, been dangerous for years. Thankfully there has been no fatalities there. There's been numerous accidents on the road only since we've bought the property in 2012. Here's another shot book looking back up shady lane at the 16-foot wide roadway. [Buzzer sounds] I'll just conclude by saying we have a number of items in the packet to demonstrate that this is a safety hazard. We're bringing affordable units online in the next two years. We have an agreement with haca where they have purchased six acres of think east to provide 182 units all at 60% mfi, 100% of them, and also the Cesar Chavez foundation we've just contracted with them to provide 145 units and 80% of those will be between 30 and 80% mfi. The point is that those two developments, our initiative with the Dell medical clinic for an innovative clinic here and our innovative on the arts anchor are part of what should have been completed years ago. In 2013 we agreed that we would not accept any developer bonuses of any nature and we would simply ask the city to complete the roadway. That was an agreement we made with the city. Originally the city found funding for that project out of the 2012 bond, abandoned project in tarrytown and that money was lost or not identified any further. So this resolution I believe is simply asking the city manager to begin funding this in the next bond cycle. I'm happy to answer any questions. >> Renteria: Any questions? [4:17:10 PM] >> Gallo: What's the amount of the roadwork that you're asking the city to do? >> There's two parts that were left out of the initial cip. One was the Jain lane part that goes through the think east property. And our initial estimate on that for the roadway that was approved as a part -- preliminarily approved as part

of the pud was about \$2.8 million. There's another portion of the cip that was unfinished. If you remember the map, if I went back there's a little red piece down at that weird intersection of airport, shady and bottom and that's where the city did not complete the cip to its own plan specification. And there's a piece of that roadway left out that needs to be complete. So to answer your question directly, the initial estimate was about \$2.8 million for the roadway brought up to current standards, the pud standards. The piece down in the intersection that we've also identified, we haven't engineered that or priced that yet. That needs to be part of that process. >> Gallo: We're being asked to move it forward without any idea of cost estimate. Has the city indicated to you what that would be? >> We have not had an indication of what that would be because the intersection has not been engineered to see if completing that one piece of the roadway that the city left out in 1986 is sufficient currently for the traffic load on that intersection. And also in light of the fact that we're bringing, you know, 300, 400 apartments into the area in the next four years. The haca apartments, they will close their financing and begin construction this fall and deliver in 2018. And the Cesar Chavez units will close the following year and deliver in 2019 or early 2020. And that's a total of 300 units affordable and probably -- I think we're allowed 333 in the total pud. We'll be putting a lot of people on the roadway. And the important projects, the medical clinic, the new entrance to the park that we've dedicated the parkland [4:19:12 PM] for, all those things to be done with the placement of the road. We need to move on with the community benefits. >> Gallo: So typically with pud's there's a traffic mitigation fee that the city pays to the city. Where is all of that in this discussion? >> That was not part of our pud. We did a part of the traffic study and that was not part of the pud agreement. >> Gallo: The zoning has already been agreed as the pud, but there was no traffic mitigation fee that was required as part of that approval? >> Negative. >> Gallo: When was that done? >> This was approved in 2013. In July of 2013, unanimously by the council. >> Gallo: I'm trying to understand in the process when we talk about pud's also the traffic mitigation fee that's part of the discussion. We don't have anyone here from traffic? I'm just curious when things differ from the process that we normally see. >> Sure. This is the first pud under the new statute and this was also a complicated issue because it had this unfinished roadway and the development department was trying to deal with the other departments at the same time and it was a complicated process, but that was not dealt with and not required in this pud. >> Gallo: Okay. So at this point there's no -- let me make sure I understand. There's no traffic mitigation fee that the pud is paying into the city. But instead we're looking at the reverse where the pud is asking the city to complete or upgrade the roadway. >> We're asking the city to upgrade its roadway, correct. We're providing a dedication probably valued at half a million dollars of property for you to do that. Currently you have a 30-foot easement and a 16-foot road. You need a 60-foot easement and a 40-foot road and part of the pud was that we would donate that, I believe it's 1.3 acres, for you to have that roadway. Now you have an easement that you're going to abandon and move to this new roadway. >> So part of your agreement was to dedicate the [4:21:13 PM] right-of-way for that. >> Yes, ma'am. The right-of-way for the roadway and the parkland dedication that abuts the new street that provides an entrance to Govalle Park, the community. >> Gallo: Thank you for that clarification. >> Renteria: Can you also clarify about the housing and the medical center? >> Sure. What we have done, it was our commitment to the community and to the neighborhood to begin with to have a focus on affordable housing, obviously. And there's all this talk about it today. We're actually doing it and how we did that is to kind of curate our tenants in think east. So we found people that were

not necessarily market buyers, that were not necessarily ready to pay market price, but who had the ability through their entities and their structure to provide affordable housing. So we did that in two ways. The first is we sold six acres over 25% of the development to the affordable housing finance corporation of haca. And there will be a partnership between haca and two private developers, financing and closing in September of '16. Delivering in 2018. And there will be 182 units of all types, efficiencies up to family units. 100% of them affordable at 60% mfi or less. And that's the haca project. And that's for 30 years. Both of these are for 30 years. The Cesar Chavez project that we've just gone under contract with Cesar Chavez is for them to build abutting the roadway another 145 units and 80% of those units will be affordable between roughly 30 and 80% mfi with the largest percent of those at the 50 and 60% mfi. So we have essentially 200 affordable units, 300 affordable units coming online in the next three years all in the 50 to 60 age with some at 60 and some at 30. The real affordable housing coming and abutting that roadway. And the next question was about the health clinic? >> Renteria: Yes. [4:23:13 PM] >> We were approached by the design institute for health, which is partnering with the UT fine arts department to come up with design solutions for the new medical school and community health. And they're looking for places in town to test different concepts of moving health care into the community and out of the medical school and out of the hospital. And we are ground zero for the incidents of disease and obesity and all the type of things that are involved in population health that they're dealing with. So we're in discussions with them right now to test some things. The first one discussed was bilingual health care navigation. There's also conversation around a redesign of the whole ob-gyn process because those women, off times that's their first touch with the health care system is when they're pregnant, whether they wanted to be or not in this neighborhood. Those are the types of things they're working on. They've identified think east as a place where -- whatever that ultimate I ends up to being, to exist on this property. We're very excited about that. >> I had one question. How is the response of the neighborhoods around the area been to this project. I know it's real big and how the impact of it would be in the park right across the street and so forth. >> Right. When we started the project and really before we bought the property in 2012 we started with the neighborhood govalle Johnson terrace was one of the first plans in this as far as the industrial facilities. We built the think east essentially to the neighborhood plan. And because of that we have enjoyed consistent support throughout the zoning process from the neighborhood contact team, from our neighborhood association, Springdale airport or Sana, the rsa round table supports this project. And I'm authorized to tell you that the mayor's office particularly, we've been in extensive discussions with them about whether this project should be included in whatever the spirit of [4:25:14 PM] east Austin initiative ultimately ends up being. And I'm authorized to tell you that they consider this roadway and this revision of the cip a high priority project, a low-hanging fruit that provides the biggest bang for this development. And so ultimately whatever that means, we're on their list and they support this. >> Kitchen: Well, at the right time I just want to say that I support moving forward with this, but I also think that this could be an option in the bond package. And right now it's in the higher end bond package, but that's not a necessity. It could be included in -- you know, if the council goes forward with a 300 million bond project, there's nothing that prevents including this in that. And it's certainly something I would favor. >> Renteria: I would also support that. You know, this is a great opportunity to also provide affordable housing to our artists, especially our artists of color. And there's a big need and we have made a commitment to go and help as many of our artists here in Austin. And this is a great

opportunity for us to do that. You know, we have affordable land and it's -- all that's holding it back is -- doing this major street improvement. And the intersection of shady and airport, it all meets together there, that little section there, that is also part of the mayor's corridor -- doing that whole airport from Lamar all the way to 183. So it's in the bond package. [4:27:15 PM] So I'm very supportive of this project. I think that it will be a big plus for not only east Austin, but for all of Austin that we will be in a major road there on airport. Any other -- >> I just wanted to add a couple of little things here. I happen to live real close by. And I use shady lane a lot. Jain lane to Johnston high school or memorial high and govalle park. And I know for a fact for all the years that I've lived in the neighborhood that this particular streets that you talk about. And this is the first person speaking here, that you literally have to stop if a car is coming the other direction and pull off the road. And if the other person is courteous to pull off the road. Sometimes you end up with cars facing each other and somebody has to yell chicken to pull out. It's a very dangerous spot. All year-round, during the school year a lot of the kids when I was in high school I used to drive through there and a lot of the kids use their cars to drive through. And a lot of teenagers were not as cognizant of the size of the road when we make those turns. And today we have a lot of new activity going on at govalle park. And one of the more important things is that Jain lane is a major bike area that bikers use now to get to the trail down by southwest keys to the bike trail. So I don't know if -- this is my opinion, if waiting for a bond package is really [4:29:15 PM] the way to go. I personally think that getting this off the table as soon as possible and ready for development is very important. We just heard that in 2018 haca's development is going to come in and in 2020 the Cesar Chavez foundation is going to come in. And it's also an opportunity to build a safe route for kids that are walking through the trails at the back of the development to get to school in a safer manner. So it's a big major importance as far as safety is concerned. Thank you. >> Renteria: Any other comment before we take a vote? >> Like I said, I'm going to support moving this forward. My preference would be to include this in a bond package. You know, we still have a lot of conversation to decide if we're did even going to do a bond package, but I'm probably going to support a 300 million or so bond package that includes this in it. But I would like to move it forward because we don't know yet what's happening with the bond package. >> Gallo: I have a question of housing staff. I'm looking at the memo from November 25th, 2014. >> Yes, ma'am. >> Gallo: From your department. And it said -- it's the response to the initial resolution to evaluate this. And it says -- I'm just trying to understand one -- a little bit further explanation. It says staff has reviewed the think east project. At this time it says it lacks funding readiness among other developments that are ready to go, which is a key priority. Mentioned that you have about 20 million in funding requests and only 10 million in funding. So just if you could explain why you feel like -- at that point why you felt like it lacked the project [4:31:16 PM] readiness? >> I believe now they've come a long way since they were at 2014. At that point in time it was very conceptual. I think they're further along now, the developers. So when it was very conceptual and they applied, we often look for projects that are a lot more shovel ready. So at the time, we often every year get about 20 million dollars' worth of requests. One of the things that we often look at when making those hard decisions is how close they are to construction. So two years ago they were not close

enough to construction where it put them over the edge of another project. >> Gallo: So where would they be a year and a half later? >> I don't think we've gotten an application recently, have we? I apologize, the staff that reviews the applications is not here. I'm not aware that we've gotten a recently new application. >> Gallo: Okay. So we're -- we think we're in the same place we were in November of 2014 with this? >> I couldn't say that because I don't think we've gotten a current application. Where they were two years ago may be very different from where they are now. I don't think they've revised their application to give us the updated information. >> Gallo: Thank you. >> Sure. >> Renteria: Any other questions before we vote? >> Gallo: Although it sounds like a wonderful, really good project, but I'm little concerned with what housing is saying at this point, which is this is not -- I think we're being asked to spend money on a road. I agree with councilmember kitchen, I think the appropriate place for this road funding would be within the bonds and I would support the 300, the lower bond amount with this in there. But I'm a little concerned that we're approving financing for a road with perhaps a project that's not the top of the priority list, unless I misunderstood you there. I'm just wanting to make sure. >> I just want to be clear. It wasn't that ready in 2014. It may be closer now. They have a lot of partners [4:33:17 PM] and potential projects in this development that I don't think were there two years ago. They may be more project ready than they were before. I just don't have that information in front of me. So I want to make sure that -- I can't answer specifically if they are or are not. The data we have is two years old. >> Gallo: Can the project move forward if they were to submit another application and it was approved, could the project move forward without the construction of the road? That would probably be a developer question. Thank you. >> In terms of the application, to answer your question, it's my understanding that haca and Cesar Chavez are currently amending and will refile the smart housing application. So that is in progress. To answer your question specifically, I think the answer is no. I believe from a design perspective that the Cesar Chavez which is just south of that roadway would be functionally limited by the roadway if it's not completed. Aside from that even if they can squeeze the 145 units in there, everyone is happy about that, about the affordability. But if they can't squeeze it in there, then that's going to be a constraint and a taken for that project. And also for all of them you cannot put that many new people on this street. It's dangerous right now. If you went out there right now you would say this is a dangerous roadway. Hows this this existed for 30 years? So projects aside you can't put any more people on this roadway. On this project and others as Mr. Rivera mentioned around the neighborhood, we have a lot more people on this roadway. And we're ready to go, the haca in 2016 and the other in 2018. >> Gallo: And the applications will be in when? >> It's my understanding that they're going in now. Haca is finishing its financing and application. And Cesar Chavez we just [4:35:17 PM] finalized our agreement with them within the last month and they're putting a team in Austin to start the process with the city and I'm sure to upgrade the applications for smart housing. But they are now the owners of those properties. >> Gallo: And how long would it take staff to review the applications to figure out where that application would fall as far as approval from the other department? >> I believe the applications are more than just smart housing. I'm pretty sure they will be for funding. How fast it takes us to review depending upon how ready the application is or if all the information is in there. So it's difficult for me to tell you how long it will take us. The first step is just to see if everything that we need in there is in there. And then normally it doesn't take more than 30 days to review once we have everything. Because of where we are timing in the middle of our budget cycle, we're almost -- we're in the summer so I don't know that we have that much money left to commit this year. It may not be until

October. Again, I don't have the budget information in front of me and how much money we have left in the rental housing developer assistance program. If there's money in there we could commit it. If not we might have to wait until October. Again, the answer really is assuming all the information that we need is in the application. Probably not more than 30 days. >> Gallo: Okay, thank you. >> Renteria: Any other questions? >> Casar: Chair, I'll move approval. I moved for us to recommend your resolution. >> Renteria: Okay. The motion has been made and seconded. All those in favor? Opposed? Abstain? Okay. It passed 3-1 with councilmember Gallo abstaining. Thank you. Now we're moving on to to a briefing. On the ending community [4:37:18 PM] homelessness coalition report, the homelessness in Austin: Current needs and gaps. Are the presenters here? >> Yes, sir. >> Renteria: I think everybody needs to stand and stretch a little bit, it's so cold in here, they're frozen and we need to pep it up a little bit. [Laughter] My name is Ann Howard. I'm the executive director at echo, the ending community homelessness coalition. And thank you. I believe councilmember kitchen arranged for us to present today on our latest report about needs and gaps. I found the last, you know, two and a half, three hours interesting. I think we're doing a lot of amazing things. I have not heard the word homelessness yet today. And so I'll try not to use that word a whole bunch of times, but I think everything you're doing will have an impact on affordable housing and we will have to be infection national to make sure that there is housing pushed down to those most in need, those lacking resources to compete in the market today. And that's the group I want to talk to you about. We are fortunate that over the last three, four years the non-profit community has worked side by side with local government to really knit our service providers and housing providers together to build a system that responds to homelessness. So it doesn't matter where you present in our community with homeless issues, you can either call in or be seen downtown or by folks out in the field and have an assessment done that helps identify the intervention you need to end your homelessness. The graph in front of us shows those yellow boxes are where we're typically doing this assessment. The middle shows what the [4:39:20 PM] assessment desires to accomplish. It first identifies the housing intervention that this individual or family needs to end their homelessness. And then we look for prioritizing that individual's need against others. And that's a really hard thing to do. That's different. We're talking about looking at limited resources and identifying extremely vulnerable people and having to pit one person's need against another. It's horrible. But with limited resources we're trying to find the folks who are, you know, in dire straits on the street and really it's a vulnerability index based on death if left unhoused. The third part of that assessment then -- this is all done in an electronic database, allows us to sort the individuals based on invulnerability, in prioritization against all the housing programs so that we have sort of realtime prioritized lists -- I hate that word, but of clients who need and are eligible for services across the community. And then the non-profit community can work from the realtime data to find the client in the community. So it doesn't matter where you're presenting. We have an open and shared database and looking at client need based on the vulnerability index to serve the next most vulnerable client. Lastly then we get them enrolled in a program that has the opening for the service that client needs. The challenge with this beautiful system is it's busting at the seams. Right? It's full. Every step of the way the agencies, the housing providers are very full with clients. And so what I'm about to show you as we dig a little

[4:41:21 PM] deeper in what we're learning from this assessment really then gets to the gaps in our services. We've done about 5,000 of those assessments over the last year and a half. But -- I wanted you to see this slide of the point in time count and then the clients looking for services so you get a feel for the scale. And a gentleman who started your meeting today talked about the undercount that this data really reflects an undercount. He is probably right. You know, we do the best we can with volunteers and with clients looking for help, and with outreach, but there is probably need out there that we are still unaware of. That's true across the country. So you see that in January the 2016 count was indeed up. Y'all have heard that before. That's consistent with the sort of term of people using services, those bars at the bottom, the large number of assessments we are able to do and look at who is really literally homeless versus looking at prevention help. So we know the need is great and it seems to be rising. I shouldn't say rising. I should say it's up. I don't know if next year it will again be up or if this was a one-time reflection of the great need, which is consistent with the C.A.N. Indicators release last week. It's consistent with what we're seeing and feeling and with this affordability housing crisis you're addressing. From this -- the cool thing about doing these assessments and sharing them is that we're now able to know we know who our homeless population is. We have their name, we have an assessment attached to that name and we know based on what we have to offer in this community what that client needs and where he or she or that family is eligible for services. [4:43:22 PM] I also can tell you they're waiting because there are people ahead of them also waiting for services. So it's R. It's another underscore that we need to scale up what's working in this community if we want to house more people more quickly. You see up here that only about a third of the homeless population is sleeping in shelter. The rest are sleeping in places not meant for human sleeping. Here's other information we know from assessing clients. 80% are unemployed. 80% are living as individuals, not in families. About 60% are men. You can read they report -- which is again probably underreporting, mental health challenges, trouble with drugs and alcohol, chronic homelessness. And yet we also know that some are indeed young children. Another interesting point I think that you've talked about not worrying about, but the aging of the population and you can see here that our biggest swell of folks in dealing with homelessness are between the ages of 45 and 65. The next slide compares that to Travis county residents, and you can see our homeless population is a little bit older than the rest of the population. We're also, you know, very aware of the data that says that African-Americans are experiencing homelessness at a much greater rate than we see African-Americans in our community. The health problems of the homeless population are somewhat similar to that of the rest of the community, but they do report, you know, problems with drug and alcohol, just like the rest of the community. They have mental illness and chronic conditions of heart disease and cancer and [4:45:25 PM] hepatitis. They do go to the emergency room, as you would imagine, with lacking health homes, go to the emergency room more often than others. 40% report having gone to the hospital by ambulance in the last six months, and a little over 32% talk about having been hospitalized. Where do most homeless individuals get their care? Obviously, it's at the hospital, which is not to be, you know, goofy, that's where we care for sick people, but I haven't been to the hospital in a long time. Right? I go to my doctor. We're working on that, mirroring housing and health care. We know dollars will be spent much more smartly if the patient has housing and folks who need housing will need less expensive health care. The

last green bit is important. Over half of the folks say they really lack anything in their life that brings them happiness or fulfillment. I think that's the side to homelessness that we don't think about. We think about, oh, my god, where are we going to house these folks, but most people experiencing homelessness are quite miserable. It's not the way to live, and Austin can do better than that. It's expensive to have people on the streets. HUD -- HUD estimated years ago, before I started doing this work, it was about 40 to \$50,000 here person on the street to the cost to your local community, and there we've identified average daily public costs for people who are -- for everybody, but for folks -- these are common experiences if you're living on the street. We're doing a lot of work looking at the -- the frequent users of health care and criminal justice and working on a pay-for-success deal, using social impact funding where we'll be raising private dollars [4:47:26 PM] to help house individuals and get them connected to the services they need. And then when the community reaps quite a bit of cost avoidance, we'll use quite a bit of that to give a return on investment. That will be a very exciting program for this community. What are the challenges to getting folks housed? Well, you've heard all afternoon here about the shortage of housing, and so I'm trying to, you know, get our clients so they can compete with others for that very limited housing, and yet if you're stuck on the feet street for a long time, you end up, if you didn't have it before, some kind of criminal history and you're also often, you know, lacking income if housing requires -- I want to see twice the income of rent, you know, somebody who's just getting back on their feet doesn't have a savings of two to three times the income -- or have an income of two to three times the rent. So we have a lot of barriers to housing. The challenges ahead, I think, need to be sort of framed with a lot of success. We have housed, gosh, in the last, about seven weeks, about 50 veterans. We've housed over 500 veterans in the last year, and 78 of the veterans we've housed had the same challenge as this slide right here. And the way we've done that is talking to property owners and working with landlords to really sort of figure out who can you take in your housing, what do you need from the non-profit, what assurance do you need, and help house folks that otherwise, without our advocacy, could not have gotten housing. So that same process is what we want to build on to house more people more quickly. And this just shows the breakout of what we know about family [4:49:26 PM] household composition and the need for one-bedroom units, versus two-bedroom units, and three- to four-bedroom units. It also breaks out what we know about sort of the most intense interventions versus less -- less intensive work that would need to be done with given a family to end their homelessness. We do still -- are still trying to tackle folks who have been homeless for a very long time, the chronically homeless. These are folks, based on their own history, have proven they cannot maintain housing alone, and so we need to offer intensive supports. And most of the time that looks like a rental subsidy, combined with some health care treatment that can get them stabilized. Just another slide about the need for households, this one, about the 300 households we know of, who have children and need housing. This slide talks about, okay, so we've got unemployed people, so we need jobs. We've got people who lack primary health care. We've got to connect them to health homes. Councilmember Gallo went with us to a conference, learning about housing first psh, and I know she already knew this, but it was underscored the a that conference, this is a lot of very complicated systems work, learning about housing and health care, not just primary health care but behavioral health. We're talking about jobs, we're talking about the criminal justice system. And I just can't -- it's weird for me to be in front of you at a time when we're seeing this increase in homelessness because we're also doing all these strategies. I

think they're lining up and they're starting to work. We're now doing assessments of the county jail. We're leaving no stone unturned for how we can address this very complicated challenge in our community. Then I want to talk a little bit -- there's just too many [4:51:27 PM] details to go over quickly because I know we've got another thing, but this summarizes it all, as far as the gap, you know. We need to identify the apartments, we need the housing subsidies to help fill in those apartments. We currently need additional shelter space. And that's a big deal that I'm standing in front of you saying we need some shelter space, because we -- we can't spend federal dollars on shelter. They want us to focus on housing, and we -- we, too, in Austin, our strategy is housing. But in the short-term, it seems like it will help us get folks to housing if we can get them off the street and sort of work with them more intensely, and that requires some additional shelter. So I talked about the household that need housing, the fact that some of this housing, as I showed you, the barriers, we have to really connect with our hogs stock and the property owners to see who can reduce some screening criteria and take folks who have -- who the current screening criteria really creates barriers to housing. And I think the last one is just talking to you about, you know, again, sort of the need -- sort of a multifaceted package, based on sort of what we've learned with veterans, where we need to work with the property owner, we need to back them up with a mitigation fund that helps support the property owners who have, indeed, housed folks, and work on reducing housing barriers. If anybody has any questions, y'all mostly know where to find me. But I can take some now if you had any. >> Renteria: Councilmember kitchen. >> Kitchen: Could you go back to the slide, the projected 2016 gap? >> Sure. >> Kitchen: What I'm [4:53:27 PM] understanding, based on the assessments you guys have done, this is what you're seeing as the gap. >> Right. >> Kitchen: Certainly. On the medically recuperative, this is the program for people recall discharged from hospitals. Right? >> Yes, ma'am. >> Kitchen: So right now, there's only placement for six. >> Yes. Front steps has a contract, and they have six beds. >> Kitchen: Okay. This program is very near and dear to my heart because I helped start it, so -- years ago, and I won't go into the details about how hard it was to start such a very basic and small program. But anyway, it's good to know where it's at, and I'll probably want to talk to you more, and also -- >> I think central health is negotiating a contract for like three more beds with them, you know, but it's -- and that is -- you're just -- the point of all of this -- >> Kitchen: Uh-huh. >> -- Is, this community is doing amazing work and getting people off the street every day, but if we want to relieve some of the pressure that we're all seeing and feeling, we've got to do more of it. >> Kitchen: Well, the thing about this program, the medical recuperative bed program, it reduces readmission to the hospital. >> Right. >> Kitchen: Which is a huge return on investment. So, anyway, I just highlight that as one that I think that we really can do better as a community, so ... >> Thank you. >> Thank you, guys. >> Casar: Thank you so much for coming, and I think as we keep making larger investments into the regular budget and into the housing trust fund, we obviously need to be looking at permanent supportive housing, and housing work you're talking about, so thanks for -- >> I know the city manager talked to you guys last week or so about the success with permanent supportive housing and really trying to look for some investments to scale that up and to, you know, sort of speed up the process of getting more of these great strategies on the ground. >> Kitchen: You know, and I [4:55:28 PM]

would say as we talk about collaborations, which I think is really important, we are very lucky to be in a community where we have a lot of good public/private collaborations, particularly for the homeless situation, we talk about the [inaudible] In the community village, and I think most of the funding for that, if not all, was private funding, so we just -- we have some good opportunities for the city to help build those collaborations and not necessarily always think that we need to fund all of it because we've got some great private partners out in our community that are come it had to helping with this. >> And I think the private partnership that mayor Adler helped kick off with the veterans, in not only getting housers to the table but also a funding hot we can use to help some mitigation and sort of some flexible funding that we need to replicate that and grow that. >> Gallo: I agree with you there. And the apartment association stepped up and found communities that would provide housing, and I think the -- the innovative ideas to counteract or to address the concerns, which that fund did do, was just really innovative and it was a situation and showed how, when we all work together to do something, that we can come up with the solutions that make it happen. >> And we just have to do more of it. >> Gallo: We do, absolutely, and thank you for what you do. >> Thank you. >> Kitchen: I have one more question. It may be a question for our next presentation. I'm hoping that this information has been incorporated into our -- our hogs -- our housing plan and I'm hoping that our housing plan addresses -- our strategic housing plan addresses how we might get at this population also. I don't know if you've been involved with the house diagnosed. >> We work together quite readily. I haven't read the most current thing off the press, but we're a pretty good team. >> Kitchen: Okay. Great. So that will be one of my questions for the next [4:57:28 PM] presentation about where we can see approaches for this population, so thank you. >> [Off mic] >> Kitchen: Oh, that's right. Where did he go? All right. Any more questions? All right. Let's have our next presentation. And thank you very much. >> And I'm sorry, I'm going to have to get ready for a campo meeting this evening so I'm going to scoot out, and it is not an indication at all -- I promise to read everything that is in this binder, this is what you're getting ready to talk about, so I apologize for having to leave. >> Okay. Good afternoon. We are very, very excited to present this opportunity to you. I hope -- I absolutely hope it meets your expectations. We're going to tag team this presentation because the two people next to me really are the ones who did a great deal of this work. I would be remiss in not recognizing them, thanking them and everyone else on their team. So we're going to tag team some of these slides, but I definitely want to thank [inaudible] Because they did a bulk of the work on this work. Okay. So today we're going to talk about a variety of things. Number one is aligning resources. You've obviously heard for the last three hours that resources is a huge part of this. Our resources are a tiny piece of the overall initiative that we all have before us. Ensuring a unified strategic direction, so a lot of this has to do with regulations. We need to make sure that our regulations align and are not conflicting, so hopefully with the code process and all the other process, we can align our regulations to make sure that we don't have barriers. And then community partnerships, and you've heard a lot about this today and you'll hear a lot more about it. Deploys way that we can do [4:59:28 PM] ever -- there is no way we can do this on our own. It requires a lot of partnerships, some of which are non-profits. Some need to be for-profits. We need to grow in all capacities and be as attractive as we can so we can get folks who want to work in the city of Austin. So this just gives you a little bit about how we got here so far. Originally, over the last several years, we were focused on goals and targets for

our department. In hcd, the money that we had, we've been working a lot with the community, our non-profit partners, on having a five- to ten-year strategic plan for the resources that we had. Last year we were challenged after we'd received an audit, actually -- we were a little surprised about, because we plan a lot, but one of the findings was, we did not have one singular strategic plan. So we were a little caught off guard by that because, again, we plan -- we plan, pbo does a lot of planning, so we have lots of plans. We thought we were doing pretty good at that. But we recognize all of that doesn't come into one strategic comprehensive plan that is way bigger than neighborhood housing. It includes a lot of different stuff. So we started the process back in the fall of 2015 when these ideas were brought to our attention. The last five to six months -- Jonathan will give you a lot more information on that -- has been a very rich community engagement process, hopefully to get a lot of different feedback from a lot of different people. Today we're doing the presentation for you, this is our first unveiling of the plan. After today, we expect to get a lot more feedback over the summer. We have an additional public engagement strategy. We're always looking for feedback. If you've got any suggestions or places where you want us to go or folks you want us to talk to, please let us know, either today or in the future. We want as many people to get their eyes on this as possible. We hope to bring back to you another draft -- I mean hopefully a final plan in the fall, and then it would be our desire to have this [5:01:31 PM] finalized in the winter so it can be an amendment to the imagine Austin comprehensive plan. So that's our sort of timeline. Now I'm going to turn it over to Jonathan so he can talk to you about community engagement. I need to give you this. >> Thank you. We had a really rich engagement process as part of this plan. It was a lot of fun. We had a lot of different meetings, all the council districts throughout the city of Austin. We had an online survey. We had over 22 community meetings. A lot of media exposure. And we were even invited to a fourth grade class, which we didn't turn down an opportunity to talk about the plan, whether it came from a neighborhood group or any other organization, we were there. And I thought it was really a great experience to get feedback from all these different groups. And I thought it spoke volumes to hear from a fourth grade elementary teacher that students were being impacted by what's going on with the housing situation here in Austin and get their input on some of the tools that we're discussing in the plan. So what we heard as far -- as part of the stakeholder and community engagement, there's a lot of concern in all parts of Austin, a lot of folks that are no longer able to afford to live in Austin, but those that are concerned about being priced out of Austin, whether it's through property taxes or rising rents, there's overall an understanding of a need for a greater affordability, but questions about how to potentially fund it or which tools -- and there's also this strong understanding of the connection between transportation and housing. As you get further outside the city, housing may get less expensive, but you're spending more on transportation costs, and a lot of folks throughout the city understood that correlation and that need for greater affordable options near those choices. we also heard longer term [5:03:33 PM] solutions as far as continuing to utilize affordable land trusts and also longer term legislative changes that folks think would be things that the city should undertake and are outlined in the plan. This next one go see back to Betsy. >> All right. I want to talk to you a little bit about need, around I don't think I'm going to tell you anything you don't already know. The greatest need is families 630% and below. The last market study demonstrated that probably 40,000-plus units need to be created. You again have heard a lot of folks talk today about the individuals, households, and families that are at that income price. Geographically limited -- again, this is no big surprise -- the cost of land in high opportunity areas

is significantly higher, and that's a big contribution to why we have so few affordable units in those areas. Rising housing costs, you spoke to those during your fair housing resolution, households who are being squeezed out of the homes that they have owned for a very long time, rapidly increasing property values really are forcing folks out, creating additional gentrification. Then affordable housing near transit. If we can reduce -- I think you've heard this before, too -- average cost of an automobile is about \$6,000 a year, all with insurance. If we can eliminate the expense by having folks live closer to transportation, that's a tremendous impact on their disposable income. So, again, no shock here, income has been basically flat since 2009. The red -- the red number indicates the increase in mortgage, the home price, or [5:05:34 PM] monthly mortgage, and then the blue is the increase in median rent. So rents have gone up dramatically as have mortgage payments over six years. This is an interesting one, and I want to explain it because we've been challenged on the data in the housing market study for units between 50% and 80% of what folks can afford. So this will show you, the dark Orange shows you the number of households that need to be able to have unit at the price point -- and I'll show you what those are. The very first -- the very first one, roughly 20% median family income. The 15 to 35 is 45% median family income. The 35 to 50 is 65%. The next one is a hundred, 75 to a hundred is 128. And then 100 to 150 is 200% median family income. So the dark Orange shows you how many people need to live in an affordable unit. The Orange shows you the actual number of folks that are living within their means or paying no more than 30% of their income on rent. So this shows you -- again, the first one, there's about 30,000 families who live at 20% or below median family income. And a little over 5,000 of those folks are able to live in a unit where they're only paying 30% of their income. So, again, the next one shows you that there's more households at the price of that income, versus the number have been units that are affordable to them. But as you see the arrows that are jumping over, what's really happened is that the majority of folks in those very low income brackets are paying 50%, 60% [5:07:37 PM] of their income. They are desperately cost-burdened, short of the individuals that Ann was talking about, these are folks that actually are in a housing unit, but paying significantly more than they can afford. So then -- so what happens is, we actually have enough units that are in the 65 to a hundred -- everything to the right, actually, there's enough units, but the folks at the lower income are renting in those units. Therefore, it looks like we don't have enough units; they're just being occupied by folks in much lower income. The other interesting thing about that is that where we also have enough units at that rent, sometimes it has to do with location. There are units that are affordable at that price point, but they're not necessarily where people want to live. A lot of times folks want to live, obviously, where there's a really good school, close to jobs, close to amenities. Those, we have very few opportunities in the higher areas. So this supports the fact that we need 40-plus thousand units for folks at 30% and below. And I'm sure you want to come back and ask questions. >> Kitchen: Yes. You're going to have to run through that again. -- >> We'll get to this, then answer your questions. This is just the ownership side. This is the housing market study slide. What this really speaks to on home ownership is what folks can afford. So a household at 50% and below -- I mean I'm sorry, \$50,000 annually, 65% median family income, only 20% of the detached units are affordable to that income, and 42% of the attached units are affordable at that income. [5:09:37 PM]

So it's demonstrating to you that attached product is far more affordable than the detached. Same thing for households earning 75,000 a year or less. That's roughly a hundred percent median family income. Again, 47% of the detached units are affordable to them, and 66% of the attached units are available, just the price point. Doesn't mean they're mortgage-ready, doesn't mean all the other stuff, it's just giving you an indication, part of the code rewrite would be beneficial if we can encourage attached units. All right. Let me turn it back over to Jonathan for future housing. >> Thank you. So these figures that Betsy was quoting, this is where we're at today as a community. What's important about the analysis is, we also looked at where we're headed as a community in projecting future housing demand. So there would be an additional 400,000 people expected to live in and you know by 2025, which means we have a need for an additional over 200,000 affordable housing units over that time period. There's a increase in the percentage of millennials and boomers that we're seeing in Austin, and these households generally have fewer people, which is spurring an increase in demand for smaller housing options. This graphic comes from Arthur Nelson -- Arthur Nelson's research from the university of Utah, and these are national trends as far as housing stock. And what it indicates is that there is a decrease in demand over time -- or through 2020, for larger lot development. You're seeing an increase in demand for small lot, which is about less than 7,000 square feet of land, and also attached products, apartments and townhomes. So when we look at -- here [5:11:38 PM] locally in Austin, this is future demand, and I'm going to walk you through all the different colors on this. This graph shows three different bars at varying income levels, the same income levels that were on Betsy's graph. The first gray bar shows current occupied housing that is affordable. This means that the occupants are spending no more than 30% of their income on housing. The second light Orange bar shows the number of households at the income level today, if that bar is higher than the first, that means that there's not enough housing that is affordable. The third dark Orange bar indicates the number of households Austin is expected to have at each income level in the year 2040. A red bar indicates a gap, and a green bar indicates an excess. So as you can see, there's not enough housing product for all people with both very low and very high incomes, and these households are being forced to compete for a limited housing supply in the middle. New luxury product has been added in the last few years, but new housing affordable to low income households has been limited to a few thousand subsidized units, while market rate units that used to be affordable have become more expensive. I think Erica is going to take this next slide. >> Okay. So the question is, we have this huge gap, especially at the lower income levels. You know, what would it take to make some progress on that front? If we had the ability and the money, we could potentially create 40,000-plus affordable units that would be deeply subsidized for a cost of [5:13:41 PM] approximately \$6.48 billion today. However, that does not include the price of the land, and so if we wanted these units in higher opportunity areas, the cost would go up tremendously. If we weren't able to build those 40,000-plus units today, if we were looking to close the gap in approximately 2025, it would cost over 11 billion, and again, that does not factor in the cost of the land. So, I think we can safely say that it's unlikely that we are going to be able to justify our way out of this problem. Therefore, we need to think about what's at risk and what could be done. So when we think about all of the things that we've heard throughout today and, you know, what we've been hearing in Austin in general is that we are losing what makes Austin, Austin. And I would say that's the people. And I think we really need to

focus on the people, and probably prioritize that over potentially -- potentially over other things. We are at risk at becoming even more economically segregated, even though we are number one already in the country, so that's pretty depressing. We're at risk of, even worse, traffic congestion as more people are forced to move out of the city, and we are very much at risk of becoming a city that is only affordable to the rich. So the question we have to ask ourselves is, is that the type of city we want to be? If not, then we need to come together as a community to adopt a plan to really make headway on this issue.

[5:15:43 PM] The housing plan proposes a goal of 75,000 new housing units in the next ten years, with 35,000 of those units being affordable at 80% of the median family income or below, and 40,000 market rate units. This is based on the figures that Jonathan noted related to the fact that we will need 200,000 new housing units in the next three decades, so dividing 200,000 by three decades, you get to a little under 75,000, but we're providing a little program there. And additionally, we recommend that some percentage, preferably a fairly large percentage, of that new housing should be in imagine Austin's centers and corridors. We're still working on what that percentage should be, talking with codenext folks about how much capacity there is, thinking that through, but I think it's really important to set a goal of how much of that new housing should be along transit corridors to connect people with transit jobs. In addition, each zip code should have 10% of rental housing be affordable at 30% median family income and below, and let me tell you, that is a very aggressive goal. We have a number of zip codes that have no housing at that income level, so this is -- this is a very aggressive goal. In addition, we recommend that the city council set a [5:17:45 PM] goal that at least 25% of ownership housing in each zip code be affordable to households earning at or below 120% of median family income. Goals for neighborhood housing and community development, we have some very specific targets for our department based on the funding that is available to us. That includes serving at least 20 unduplicated people at 20% median family income and below without a voucher, 50% of new affordable housing units be adaptable, and 25% be accessible, that [inaudible] Support 50 permanent supportive housing units each year, half of those being housing first. That 25% of the units that we produce should have two or more bedrooms, and that at least 25% of the units created should be within a quarter mile of high frequency transit. This slide shows how we can reach this goal of 35,000 affordable units. You will note there are parts of this graph actually related to current funding, are the very slim slices at the bottom, so those include federal funds, the [inaudible] Programs, the trust fund, then we're also assuming that there could potentially be a new bond election in the future that would provide some units. [5:19:45 PM] However, that is basically amounts to 11,000 units over the coming decade. Significant changes will be necessary to move the needle to make Austin be a more inclusive and equitable city. It will require new funding, new regulations, new programs, legislative changes, land development code changes, and significantly participation from the private sector that we've never really seen before. It will also require redirecting funds from other uses toward affordable housing. So if the community is serious about affordability, it will require a change. >> Kitchen: Can I ask a quick question? The -- how much is assumed for that new affordable housing bond program? >> It's assumed that it would be about 65 million. >> Kitchen: Okay. >> So -- though -- adjusted for inflation so -- >> Kitchen: Okay. >> -- Whatever

that would be. >> Kitchen: Thank you. >> I'll turn it back over to Jonathan for how we would get there. >> So, basically, the red bar on the top of this is other tools and strategies that we're going to talk about in the plan that are not dedicated resources, and we're to acquire some of those changes that Erica was mentioning. So we have five key categories in the plan that we group the different strategies and tools and requirement of policies to cover, and I'm going to go into those five categories. The first is preventing households from being priced out of Austin. These programs would prevent displacement of lower income [5:21:45 PM] homeowners and be geared towards households at 80 to 120% mfi. Some of these strategies include preservation of home ownership and creation of new opportunities, as well as expanded use of community land trusts. I'm not going to go into all these strategies, they're all outlined in the plan but it's just giving you an overview of the different strategies outlined in the plan. If you have any questions, we can answer those. The second category is fostering equitable communities which promote strategic investments and creates protections for low income renters. One of the biggest tools in this category is the development of a strike fund or preservation fund. This fund would work towards preserving market rate affordable rental units, particularly along transit corridors and where we know displacement is occurring as units are filtering up and becoming renovated and more expensive, rather than staying affordable, as well as implementing tenant relocation plan, which is something that's also being considered by council. Some of the other things in this category include legislation exchanges, strategic land banking, and developing additional preservation strategies, utilizing homestead districts is also in this category. >> Kitchen: Just a quick question, the small scale preservation, can you explain what you mean by that? >> Certainly. A lot of the market rate affordable in Austin is in smaller apartment complexes. These may range from anywhere to three to twelve units, something small like that. They're older, missing middle housing stock that we don't see a lot in Austin, but when we do see it, it's typically older and in cases, disrepair. It may be owned by smaller landlords that may be local, rather than your kind of larger rental companies that are based outside of Austin. [5:23:47 PM] Other cities have developed programs that help those landlords maybe make the necessary repairs to their complex, in exchange for making it affordable or retaining affordability periods to offer that scale of affordability in our neighborhoods. The next category is investing in housing for those most in need. This includes low income workers, seniors, persons with disabilities, and folks that were mentioned earlier experiencing homelessness. This includes general obligation bonds, which we talked about, includes utilization of tifs or task increment financing for affordable housing, maximizing opportunities with public/private partnerships, and utilizing some new tools for receiving the national housing trust fund. There's a lot of other strategies here as well. The next category is creating new and affordable housing choices for all -- in all parts of Austin. This is geographic dispersion and trying to get more affordable units in higher opportunity areas. The goals that are outlined in the plan, it's being recommended that they should be adopted as policy. We mentioned that are utilizing publicly and just land in general for affordable housing, one of the programs we look at utilized a capital improvement program that, if a new library or any other public facility is being developed, that it be evaluated for affordable housing, maybe being built on site with that development. The bonus programs are another big part of this category, making sure that they're consistent and aligned, implementing the bonus program for the missing middle, which is something that was talked about in the codenext prescription for affordability, as well as

[5:25:47 PM] relaxing regulations to make affordable housing available in all parts of Austin. Then the last category is really tying to transportation costs. It encourages development in a compact manner, to households of all incomes, to get access to their daily needs, access to jobs, educational opportunities, and public services, all while traveling shorter distances. One of the things I hear also in capital metro, if you're able to reduce the distance where someone is required to travel, you kind of relax the burden on capital metro because you're not requiring folks to be traveling clear across town and changing buses two or three times to get to a destination. So if they're closer to daily needs, that can help with affordability, but it can also help our infrastructure function more efficiently and effectively. So some of the strategies here are, of course, minimizing the displacement of core transit riders and linking housing choices with transportation choices and funding things like the bicycle master plan and increasing walkability. Those are the recommendations. >> Thank you. Wrapping up on the presentation, this demonstrates we are trying to align as best we can with the codenext process, so we've just walked you through our whole process. We're going to go through public input, again, the draft plan for the fall, and then hopefully the implementation and adoption, and then at the top it shows you the codenext process. We're all hoping to see a draft of that early in 2017, and so this just gives you a visual of how we're trying to align the two as best we can. And we're available for questions, but if people have specific questions, contact Erica because I will mess it up if you send it straight to me. [5:27:48 PM] >> Renteria: I want to really thank you for this report. It's just really going to help us out on finding our future housing -- affordable housing. >> Kitchen: Do you want to go first? I had a question on the spot about helping austinites reduce their transportation cost. You know we're in the middle right now, trying to think about whether we go forward with the transportation bond now or whether we do something in 2018. And some of our conversation is around the corridors. The seven major corridors. I'm just wondering, is there any information available right now about those corridors in particular, and the opportunities for affordable housing along those corridors? I don't expect you to answer it right now. I'm just trying to understand if the data is available. So, for example, north -- north Lamar, burnet, south Lamar, airport -- I forget all the corridors, but -- >> So we've worked with Liz Mueller at the university of Texas, who's had a couple of classes that have studied some of these major corridors -- >> Kitchen: Okay. >> -- And looked at market rate affordable, so older, multifamily housing stock that exists around those corridors. Some of that information might help inform if the city was to develop a strike fund, so those could kind of be aligned in some way. >> Kitchen: Uh-huh. >> So really, I think the analysis exists on analyzing existing older housing stock, not as much opportunities for new affordable housing development. >> Kitchen: Okay. >> But that would be determined based on where there's available land and where there's opportunities for development. >> Kitchen: Okay. So if I'm understanding correctly, the data might be there to see where the older properties are, so that would be interesting to see in terms of where future opportunities are, maybe the data is not there right now for that. Is that right? >> As far as future opportunities, I know capital metro is working on what 24th call a tod technology tool. [5:29:48 PM] >> Kitchen: Okay. >> And with that they're looking at particularly the 801 and 803 metro rapid lines and evaluating where opportunities for redevelopment might exist in those stationary areas, so that might be a source of information to potentially look for new development. >> Kitchen: Okay. The first data you

mentioned, maybe y'all could send that to us, about the data about -- that could help us see the corridors and the relationship with the older units, that would be helpful. >> Certainly. >> Kitchen: Okay. >> And I guess I would add that we could certainly map the proposed core -- mobility corridors, along with the affordable housing, especially the income-restricted affordable housing that we have. If that would be of use. >> Kitchen: Well, it could, but I'm looking for future opportunities. >> Okay. >> Kitchen: So I don't know if that would inform us on future opportunities or not. >> Okay. >> Casar: I had a question related to the goals at the zip code level. I think that that's obviously really important for us to be able to work with all parts of the community to reach towards a goal, and I do understand that our data does show that serious gap, that really, really difficult gap at 30% and below. Is there a reason why we aren't setting the goals for -- for non-subsidized housing at levels higher than 30% mfi, being in those zip codes? And I don't mean that to be a leading question. I really want to know, we're setting -- we're setting a goal at 30% mfi, but is there good reason to not include other -- other levels of rent per zip code? >> I don't think there's not a good reason not to. One of the reasons we highlighted this was in the housing market study, this was something that was highlighted. It lends itself to a healthy community. >> Do you recall if they -- did they slice and dice on [5:31:49 PM] all income levels? >> No, I don't think they did. And again, this goes back to the issue of where the gap is, and the gap is really at that 30% mfi and below level. And so while there isn't affordable housing at all the different levels throughout the city, this is sort of based on that concept of trying to focus on those most in need. >> Casar: And that's also an analysis of saying if we're not going to have \$6 billion to invest over the course of the next few years, where do we choose to make the specific investments that we have. And your recommendation is let's invest at the 30% level and get us in all neighborhoods. >> That's -- sounds like a good summary. >> Casar: Okay. Thank you. >> Renteria: Any other questions? >> Kitchen: I just want to give you some feedback. This is very, very helpful information, and I know we've talked before about what we wanted to see. This is getting there for me, you know, so I'll be wanting to think about, okay, so how do we figure out where, you know, is one of our next questions. But this is really great information. Thank you very much. >> Renteria: And I really will -- if this bond election, the transportation bond election passed, we really should be focusing on these corridors because with -- you know, we're getting a lot of push-back from residents there, and one of the reasons they're always stating they don't want this type of density development is because of traffic. So if we could -- this is all going to go hand in hand, so I really want to [5:33:52 PM] thank for our staff and all the hard work you did in bringing this information forward. Thank you. >> Kitchen: Yeah. I think that we have to look at, you know, traffic improvements, plus housing improvements, you know, hand in hand. I think that that's really important. >> Renteria: All right. I want to thank you for the briefing and move on to item 7 for future items. And let me see here. And we do have a speaker that wants to speak on item -- future item. David King. >> So I'll be very brief here because it's been a long meeting and I respect your time, and it's getting close to -- well, traffic is already occurring right now, so -- extremely bad traffic, so -- I'm just here to advocate that at a future meeting, you consider an agenda item to look at creating a department of neighborhoods for the city of Austin. The city of Seattle has that, such a department, and they've consolidated all their neighborhood-related services into one department, and a big component of that is a planning -- a planning component. And the ideas that we talked about earlier today, and just now, about achieving our fair housing and affordable housing goals and getting into the areas of the city that have been difficult to get into, we -- with the neighborhood planning department that's got the sufficient resources, we could create this department, create a template for the neighborhoods to use, and in [5:35:53 PM] that template, it could be these fair housing and affordable housing strategies that we want them to include in their plans. And then if we can have this housing linkage fee, some money, then we could actually make some of these things happen in these areas of high opportunity that we want to look at. So I think -- and in addition to these strategies that could be facilitated by this department of neighborhoods, I think it would help

codenext, the code that comes from codenext, out of that process. If we had this neighborhood planning department in place, it could help us map this new code and have the infrastructure in place. We've seen -- I've been here and we've seen concerns about the current hodgepodge of planning that we have in our neighborhoods. You know, it's a checkered -- you know, like a checkered pattern here of different -- some neighborhoods are well advanced in their planning. Others are not even there yet or don't have plans. I think if we had a more consistent planning process and resources there, that would really help us out. It would pay us dividends and help us achieve some of these goals. And it would help us with consolidation. There's a resolution economic up I think on the 16th about streamlining and consolidating our departments. What if we looked at consolidating these neighborhood related services and functions into one department and providing more resources and helping that about being the start of this neighborhood department for the city of Austin, and then grow it, as I've said, for the longer term benefits and strategies that we're working so hard right now to achieve. So I really think it's important and it's a strategic thing, we can't do it all overnight, but if we could get started in that direction I think that would really help us out and benefit our city over the long run. Thank you very much. >> Renteria: Thank you. Any other discussion on other items that you might want to put onto our next meeting? You can always contact my staff and we'll submit it for -- and I believe our next meeting is not until [5:37:55 PM] August? Okay. So with no one here to complain about us adjourning, the meeting is adjourned.