Housing and Planning Committee Meeting Transcript – 04/28/2017

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>> Casar: I'm Greg Casar, chair of the housing and planning committee. It is 11:38 A.M. And I am calling this meeting to order. We're at Austin city hall. It is April 28th, and I am joined by vice-chair alter and councilmember Flannigan. Our first item is citizens communication. And we have one speaker signed up, Aubry Smith. Aubry, are you here? We'll move on to the second item and if Aubry comes back maybe we will call her up. So the second item is a staff briefing on existing tools and programs the city uses to create and preserve affordable housing. I appreciate the staff putting together just a brief overview of this to set us up for the conversations the committee might want to have over the course of the year. My understanding is this presentation has a bunch of slides, from looking at it, so if you will run us through them quickly. And councilmembers, after the 20th slide it looks like that's the end of the general overview, if we could hold questions until then, that would be great about the overview section. And then at the end of the slide show there is sort of a pending question section, which is where I think we would have our most interesting conversations. So if you all could hold your questions through the first 20 slides, that would be great and then we can talk about halfway through the presentation. And we're joined by councilmember Renteria for our inaugural meeting of the year, so we're all here. >> Very good. Thank you. Rosie truelove, the interim director of neighborhood housing and community development. And I'm joined today by Erica leak, our policy and planning and outreach manager. Rebecca couldn'ting here today. What we have is a quick presentation. It seemed formidable in the number of slides, but we wanted to provide you guys a

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solid overview of what we're doing in the arena of affordable housing, kind of a 101 so to speak. We have a slide that shows how we produce housing, our housing continuum. We have some information about who we're serving. We've got information about our programs and we're hoping that it will be a beneficial way to kind of set the stage for where the committee might want to take future discussions. So outlined, as councilmember Casar was mentioning, we have some information about satisfiesing needs, tools and revenue. We'll talk about the Austin strategic housing blueprint and our future initiatives. >> Good morning, Erica leak. So this will look affordable to you. We just wanted to give you a quick reminder that affordable housing is defined by H.U.D. As a household spending no more than 30% of their monthly income for rent, mortgage payments and utilities. Household affordability also defined in the imagine Austin comprehensive plan as including housing utilities, taxes and transportation. We included the 2017 median family income information. We have noted that the incomes have increased in Austin over this past year and so the median family incomes have obviously increased with that. In terms of ways to achieve affordable housing, we talk about different kinds of affordable housing. We talk about market rate housing, which is housing available in the open market and it's more affordable due to a variety of conditions, including location, age, et cetera.

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There's also income restricted affordable housing and those have some sort of restriction that limits the -- limits the amount of income someone can make and still qualify to be able to live in that housing. We achieve income -- we in the city of Austin generally receive income restricted affordable housing either through regulations or incentives such as density bonus programs or through subsidy. In terms of who needs housing that's affordable, this is a visual that comes to us from housing works Austin. But I think it's important to think about the fact that a whole range of people need affordable housing, including households below the poverty level, low wage workers, low income families as well as moderate and low income families. >> So I'll spend some time going through our programs and activities. Specifically wanting to highlight the home repair that we have for housing. For empowerment housing we have our community land trust program and for home repair we have lead in healthy homes, architectural barrier removal, home repair loans and private lateral pipeline grants. So our housing smart program is a free home buyer education training that teaches first time home buyers and others how to manage their credit and finances, how to obtain a mortgage, shop for a home and protect their investment. A housing smart graduation certificate satisfies many home buyer education requirements, eligibility is living within the Austin speed limits, at or below median family income and all city employees are eligible. And housing smart is also the name for a be in of other programs we have. Such as down payment assistance. Down payment assistance

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is what you would think it would be based on the name and that's assistance with closing on a home. You can use it for down payment eligible closing costs and prepayments depending on the housing need. We have three types, one is what we call our down payment payment assistance and that is $20,141,000 and $14,999. It is a zero% interest loan with a five-year term. So they maintain-- stay in the house for knife years and the loan is forgiven. The next is a larger amount, 15,000 to 40,000. It's a deferred interest loan, but a 10 year note and 30 year lien and shared equity at the outcome. So when you do veteran sell that house depending upon the schedule associated with that there is some shared equity that comes back to the city or the Austin housing finance corporation, which helps to fund future programs. Eligibility at or below 80% median family income. First time homeowner and completion of housing smarts. They must be approved from a mortgage loan from a participating lender and we do have processes for lenders to be able to participate in the program. And the sales price must not exceed fha limits, which is 217,000 for existing and newly built homes. For our community land trust program this is where we as Austin housing finance corporation maintain title to the land and we sell the home. And then the home buyer leases the land from us in a long-term ground lease. This is a great program because it takes the cost of the land out of the real estate transaction and makes more homes affordable on the open real estate market. We typically look at a 99 year ground lease with the clt for use of the land. And these are some examples of the homes we currently have in our

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land trust right now. We call these our juniper and olive homes. So for home repair, we have -- the first is the lead in healthy homes program. We know homes built before 1978 may contain lead which may have potentially negative effects on children. The lead in healthy homes offers money for services for folks who qualify and it includes lead poisoning testing for children, home inspections for lead, lead removal, risk assessment, lead abatement, location of occupants and storage of contents of the home. For the lead healthy home specifically they must have a child under age six living in or visiting the home six or more hours a week to qualify. We have a number of homes that we have that we think might have lead, but they don't qualify for this program because there isn't the presence of a small child in the home. Here are some pictures of things we were able to accomplish through the lead program. For architectural removal, up to a 15,000-dollar grant to modify or retrofit the homes to increase self sufficient six mobility and safety for persons with disabilities. This can include handrails, door widening, buzzing or flashing devices for folks with hearing impairment or vision impairment, doing accessible door handles, shower handles, Wands, accessible toilets and sinks and showers. Again the requirement is 80% mfi and within city limits and the applicant or household member must be at least age 62 or severely disabled. And this is some examples of some of the work that we're able to accomplish with our architectural bearial removal program. Then we have the home repair program which provides general repairs to bring homes up to a

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minimum property maintenance standard and make them safe and sanitary. This can include foundation work, roof work, plumbing, hvac, electrical work and other major exterior and interior repairs. Two flavors of hlrp so to speak. One is a rehab program, which is a zero interest 15 year deferred forgivable loan and that's assistance in the amount of 15 to 75,000. And then the help reconstruction which has a longer time period, it's a 20 year forgivable loan with 25% shared equity and a 30 year term. And I believe that one goes up to 130,000. Program requirements, clear property title and ownership interest solely in applicant's name and it must be a single-family detached home. And before and after. So the last one I'm going to talk about is our private lateral pipeline grant. This is one of our projects that we do in partnership with the Austin water utility. And it's available for folks that are at 100% and below of mfi and they must be an Austin water utility customer and it completely covers the cost of the customer lateral line and this helps to explain what that lateral line is, which is from the easement or property line going into the house where the city would normally be responsible for the piece going into the street and connecting with the main collection main. Mostly we get our referrals for this program through the Austin water utility so if folks are watching at home and they have questions, then they can call 311 or contact the Austin water utility. I'm going to turn it over to Erica to talk about revenue. >> Casar: And Ms. Leak, before you get started, I just wanted to check in with the committee members and see if you have any questions on that set of slides. I think it's 'impressive overview of how much you do. I didn't know about the pipeline program for example. I probably knew about the others. >> We do a lot of good stuff.

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This is just the main stuff. >> Casar: So I'm going to defer my questions until the end, billed like to open it up in case committee members have questions. >> Renteria: On the [indiscernible] Program do you have limitation on that? >> Yes. There are limitations on go repair. >> What are those. >> Let's see if I can look it up real quick because I want to make sure I am seeing the right thing. Go repair is 80% mileka and that's up to 15% for the services that we contract with. >> Casar: Do you have a question. >> Alter: I have a couple of questions here. Do you have the budget information about how much we're spending on each. Do you have any of those numbers handy? >> I don't have them handy but I can -- I don't have any materials organized that way. So I can certainly provide that information and I can provide you information about prior year number of people that we've served and so on. >> Alter: That I would like to understand is how we spend our money and how we do it most efficiently. If home repair costs $10,000 and someone gets do stay in their home and otherwise we have to spend $250,000 to get them an apartment elsewhere, I would rather fix time homes. So I'd like to get to point where we can understand what those trade-offs are so that we can be allocating our funding most efficiently to help the most people stay in their homes. So that's definitely information that I would like to see. >> Yeah. >> Alter: Great. Thank you. And the other thing that I was wondering about was to what degree are you coordinating with existing non-profits that are doing a similar kind of program.

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Obviously with the housing smarts program there is a reason for the city to be running that and if you are providing that through the downtown payment assistance and there may be non-profits who are doing some of those things as well, but I know for instance with the home repair program we just heard the other week during our housing blueprint discussion about a non-profit that was working there and I know there are several others that are doing that, are there ways that we could be leveraging those non-profits and doing more repair and helping more people with the city involved in a slightly different way. >> So the programs that we talked about today are the programs that we are are the provider of. We coordinate with the construction contractor and so on. It doesn't come into play with programs like our G.O. Bond repair, which is the general obligation home repair program, and that's a contract that we use two million dollars roughly of general obligation bonds per year and we put that out as a notice and notification of funding availability. And we let our non-profit partners respond to that rfp. And on our current G.O. Bond program we have -- I want to get themmite, Easter seals, meals and wheels and more, Austin habitat for humanity, American youth works, and interfaith action of central Texas. Maybe? They're giving me the thumb's up. So we do leverage our non-profit partners. We also have a number of programs where we offer funding through our rental housing developer assistance to -- for folks that provide applications to us to

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partner with them and provide funding they can use to get leverage to other funding. We have a couple of folks behind us that we can use later today that will tell you more about how that process works. >> Alter: I wanted to get -- >> I wanted to give a little background on part of the reason why we invited them is understanding how we can work better with them. So if I can get the list of the non-profits that you're working with, and I would like to understand the different buckets where we're working with them so that then when we have those conversations and continue them, we can really make sure that we're getting the most money -- the most bang for our buck. >> And I'll also share -- when I do get back to you guys I'll also share some great statistics that we've got about how much we've been able to leverage our 2016 general obligation bonds and how successful we were in 2006 to see how with working with our community partners we can make our money go a little further than what we could do on our own. >> Casar: And inch the spreadsheet of how many folks were served and how much money went into each program might be worth having in the intro section for the next committee meeting for questions, especially for the public gets it. So if you can provide it, it may be good for us to post that as backup for the next meeting so that people can look at it and communicate with us about it. So thank you. >> Happy to do it. >> Casar: That's a good question, good point. Councilmember Flannigan. >> Flannigan: On the community land trust program I assume we're going to hear from the money comes from, but how much that program is costing and how many people are being searched by it, can you give me some rough numbers? >> I don't know that I could give you a rough number on that because I'm not -- those -- a lot of those houses there that you see have been in the works for awhile and I know it's not inclusive of everything that we have. So rather than guessing I'd like to get you some

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firm numbers. >> No problem. I don't need to guess right now. My other question really is when we're talking about the costs of this program, are we just talking about the cost of purchasing the land or are we accounting for the loss of property tax revenues over time? >> When you talk about the cost for the community land trust program? >> Unless I'm misunderstanding how the program works, the city buys the land. >> Correct. >> Flannigan: And then we don't collect that portion of the property tax anymore. >> Correct. >> Flannigan: So are we accounting for the loss of those revenues to the general fund over so many years? >> We can see if we have that information available. >> Flannigan: Okay, thank you. >> Absolutely. >> >> Casar: Okay. I think we can move on with the presentation. >> Okay. In terms of funding for those programs, one of the large sources for the funding of the programs include our general obligation bonds. As you may remember, 55 million was passed for affordable housing in 2006 and then 65 million was passed by voters in 2013. The main investment areas for those funds are the rental housing developer assistance program, the home ownership programs and home repair programs. As Rosie mentioned, the general obligation G.O. Home repair program. We have been doing analysis along the way in terms of the return on investment of those general obligation funds from the 2006 general obligation funds. There's an estimate that those 55 million had a -- had an 865 million return on investment. As we've moved into the 2013 bonds, this map

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shows just a few of the new 2013 developments as well as the 2006 funded developments. Those are the rental housing developer assistance developments. We have already begun analysis of the return on investment for the 2013 bonds of the 2,007,000,000 that was invested at the time of this analysis. It had a return on investment of 180 million over 10 years, so we will continue to do this type of analysis looking at the jobs created, people employed, et cetera, relating to the general obligation funds. Low income housing tax credits, that is a program that's run by the Texas department of housing and community affairs and they have both nine percent and four percent tax credits. This is a source of funding that is incredibly important for us as a city to be able to leverage. And just a quick map of those, we are able to leverage those tax credit funds with our funding to be able to get affordable housing in a wide number of council districts. As you can see on this map. And as we've mentioned in previous presentations, the scoring criteria for those funds do change over time, but they're -- they have in the last few years been focused on higher opportunity areas which -- which is defined slightly differently each year,

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but it does -- it is providing more dispersion of affordable housing. And we do -- when we bring back additional information we can talk about how much -- we have information about how much our funds leverage through the rental housing developer assistance program and a lot of that is due to the low income housing tax credits. We also wanted to mention the homestead preservation tool. This is a tool that enables us to provide affordable housing. And I'm really focused on neighborhoods that are starting to gentrify. So there was a basically leveraging the increase increment, the increased development in homestead preservation district. For the first year that created in 200,000 for affordable housing just from homestead preservation district a, but there's an estimate that over 10 years approximately 7.2

million of the increased tax increment related to development in that area could go for affordable housing focused in that area. We know that there is a desire for additional districts. There has been some legislation that has made that challenging, but it's currently in the legislature to try and fix that. So I'm sure we'll be talking about that over the next few months. We also wanted to make sure that the committee

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is aware of housing choice vouchers, which were previously called section 8 vouchers. So the vouchers are something that were actually administered by the housing authority of the city of Austin. So obviously not us. But it is a program that's essential in our community for providing basically rental assistance to very low income families. And one of the benefits of the housing choice voucher program is that they can be used in market rate development around the community. So the voucher is used to pay for rent. And I don't know if we want to get too much into this. The city of Austin actually made voucher holders a protected class in Austin a few years ago and then two years ago the state legislature determined that they would not keep that except for veterans. So that certainly is something that we -- that continues to be in our mind related to legislative changes. Because there are -- there are a number of apartment complexes that don't accept vouchers. So it is a great tool, but it also has limitations. Another local source that we have is the housing trust fund. It was established in 2000 and it was initially funded with 40% of the incremental tax from previously city owned land went into the housing trust fund. There was a resolution -- actually two resolutions in 2016 -- one resolution in 2016 and one in 2015

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to add additional funding to the housing trust fund. As we mentioned during the department briefing, that has not occurred. That change hasn't been made as part of the budget because of conflicting budgetary needs. So we just wanted to flag that, that there has been direction to increase the funding to the housing trust fund, but that has not fully occurred. We also wanted to mention that there is a -- what's called the strike fund which is generally a fund that is being created from private sources where they will be buying market rate affordable units and rehabbing, but keeping them affordable to people. So it's something where it is mostly a private fund so that it doesn't have the red tape that goes along with city funding, but it's a great tool and it is being used -- something similar is being used in other cities for affordable housing. Still me? I wanted to go a little bit into the policy tools and incentives that we do have, limited though there are in Texas. One of the few tools that we have to create income restricted affordable units is through density bonus programs. And a density bonus is one where you can grant additional entitlements to a developer if they will provide community benefits in exchange and often those community benefits are affordable housing. That is obviously something that is being discussed as part of the codenext land

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development code revision, and that analysis for updated and expanded density bonus programs is underway and that may be something that this committee would like to review at some point. >> So we're all very appreciative and excited about having a strategic housing blueprint that was approved by council. This is going to help set the stage for what we'll be doing over the next 10 years to help achieve the goals of the strategic housing blueprint. When we come into implementation, you can click it for me -- thank you. When we come into implementation we wanted to give some thoughts. We have been tasked with creating a robust implementation plan for the strategic housing blueprint and we are looking forward to digging into that more and more everyday. But we did want to throw up some -- I'm sorry, you wanted to do questions. >> Casar: That's totally fine. I just saw that some folks jotted down a note or two. Before we get into the final two slides, which are really interesting, I wanted to see if anybody had any questions. Councilmember Flannigan? >> Flannigan: Can you roughly again go over the homestead preservation district and how that works again? >> Yes. So a homestead preservation district is basically it's allowed by state law and it's an area in which you can have specific tools and basically a type of a tif, tax increment financing district, that enables the increased tax revenue because of redevelopment to be captured and spent specifically on affordable housing. And it's really the only

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mechanism that we have that's kind of a legislative mechanism in some ways that specifically sets aside funding for affordable housing. North Texas the city could decide to actually create a tif policy or a tif program where you could decide to use those funds for affordable housing, but the homestead preservation district is one of the few place where's it says that money has to be used for affordable housing. And then there's some other tools that are embedded in it as well. There are income limitations that goes along with it. What other sorts of detail? >> Flannigan: I mean, a tif situation is -- we're just handcuffing ourselves. If that's all it does we could not have it and still decide to put the increased tax revenues from those areas into the housing trust fund or whatever we chose to do. So are there other components to this? >> There are. I don't know which -- >> I'm going to ask Gina copek, our division manager to come because she is one of the homestead preservation experts and she had the fun of going to the legislature to speak on this issue. >> So what the district does is allows for those funds to be used. For example, as land trusts, to pay for land trust properties. That's one of the big benefits. >> I wouldn't necessarily be there if it it was just a tif, does that make sense? That wouldn't necessarily be something we would do if we had just created a tif in the area. We have legislation that enables us to use that incremental tax revenue to add to our community land trust. >> So there are limitations on what funds can be allowed in

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the land trust program? >> Only to -- so you have to designate certain entities to be land trusts and then they can access those funds? >> But we could put money from the general fund into that? >> Yes. >> Flannigan: So what is it about a homestead preservation district that gives us more tools than we would have otherwise? >> Renteria: I can tell you that. It's -- it's designated to at an area that's being gentrified very quickly and this area here, including five other tracts that were being gentrified and the city wasn't capable or didn't have the funding to reinvest in this area to keep the low income people from having to move out. So it was established by representative Eddie Rodriguez through our housing committee -- our CDC we figured out a solution from having these people being displaced -- it's been about 13, 14 years now. But when we have the opportunity, but it took so long because the county refused to participate and it was supposed to be a partnership between the city and the county. The county said no. We had to go back and reamend. And by that time we lost a lot of opportunity in this district here, but it was recaptured and intended to recapture at least 25% of all the new growth in this area and reinvest it into affordable housing. And because we weren't able to do it in time we lost a lot of opportunity, a lot of people had to be displaced, but it was-- the negotiation was to once this place started getting gentrified and development going on we were going to recapture some of that fund and dedicate that money to affordable housing that can't be used for anything. If you rely on general fund then you will most likely never get

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anything. >> Flannigan: You said something about county. Is there a county component to it? >> No. They turned it down. It was -- >> Flannigan: Okay. So it was just city -- >> Correct. >> Flannigan: Okay. I'll think about that later then. >> And councilmember, we have more materials we can provide to you, just general briefing materials on homestead preservation districts if that's helpful. >> Flannigan: I know it's helpful. My colleagues have worked on that a long time. I have worked on that concept, but it's nowhere near district 6 that you are doing that. >> We'll provide to to everyone. >> Casar: And before you go into your next question, the part I think that needs to be mentioned is to provides an organizing principle about where some investments will go. And we did -- the city owned lands and public lands resolution that this committee in prior iterations have passed dedicates roughly half of the new tax revenue to high opportunity areas and roughly half of it to homestead preservation districts that have been designated by the council to show how the new tax revenue from some of the private lands could be both help deal with our issues in gentrified areas, which is something we hear a lot about, and areas with economic segregation. So I think it's worth it offline to go through some of the list of tools because some of them are things we already have access to and some it's a little different, but separate from the tools portion, I think that the organizing principle of some of these gentrifying neighborhoods getting the investment is a helpful part that's not clear in the legislation and I think it's a little more clear from a political perspective. >> And ultimately it's not about the goals. I'm just trying to understand what it is that the Lege wouldn't allow us to do otherwise, be it not for these homestead preservation districts that we can just do on

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our own. >> Casar: I think I asked these exact questions three years ago. >> I think we have them from three years ago. [Laughter]. >> Casar: I didn't mean to disagree at all. I'm just saying that you're not the only one -- >> Alter: Make I make a comment before you go on? I think another answer it ties our hands as a council to know we're making that investment. I think if we could on a year in, year out basis, allocate that money from the general fund, but it ties the hands of future councils so that they don't have to make that decision when they have to make tough budget decisions like we're going to have to make this year. So it's -- it's useful for setting the priorities over a longer time horizon as well. >> And can I just say one more thing? Establishing the district itself doesn't create the tif. Council has to take an additional action to create that tif. >> I am looking forward -- >> Flannigan: I am looking forward to reading more about it. >> We're looking forward to providing you the information. >> Flannigan: A question on slide 30, the map of the housing choice vouchers. It's pretty fuzzy here. This is one dot is 20 subsidized rentals. It's -- I have some questions about the accuracy of this map because I see dots on my district where there is no housing and I see areas that I know have vouchered housing with no dots. >> So this was from 2012, a couple of caveats. It is from 2012 and the dots are in the -- probably in the -- I can't remember if it's by zip code. It's either by zip code or by census tract. So where the dot is may not actually be where -- exactly where the housing unit is. >> It's my zip code. >> Yeah. Basically -- >> Flannigan: That's a

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horrible way to do it. I've got really different types of neighborhoods in the same zip code. And this is the type of map that would give people the wrong impression about where things are. >> Casar: And councilmember Flannigan, that is like the third item on our agenda is to go over the monitoring and tracking part. So you just keep on going -- >> He's setting the stage for us to talk about our needs in about 20 minutes or however long it takes us to get to that point. [Laughter] >> Casar: Any other questions on these slides? Councilmember alter. >> Alter: So on slide 23 you talk about the return on investment from the 2006 general obligation bond. And I think this is really good and it sets the stage as we move forward to think about our next bond and the inclusion of affordable housing in it. One thing that again -- it echos what I said earlier, I'm really interested in understanding across the programs how much it costs to help one person or one family stay in a house or get a house. So that we're putting our money where we're having the most value. All of these programs obviously help and move us in that direction, but we have limited resources and I want to know if $10,000 to help somebody repair their house and giving them another 5,000 to help them through something does more than that 200,000, I can help a lot more people. And I'd like to have the data that allows us to understand that across the programs. And obviously there may be -- there are roles for all of them because they would target different people. But I think that's information that we need to have. And then on the 2013 on slide 25 I just want to make sure I'm understanding the 558 million over 10 years versus the one 80 million, can you help me understand those? >> I think -- >> I'm sorry, Erica? >> I'm fairly certain that they're estimating once the full 65 million have been leveraging that that would be the

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558. So the 180 million is the leveraging of the 27 million that's been invested so far. >> Alter: So the 558 is the goal once it's all been conducted? >> Both of these slides were provided to us by housing works Austin and this assessment is based on that the point in time when they were doing this. And they presented this information to our bond review committee or -- not our housing bond review committee, but the general bond citizen committee on just a status update of just some metrics they've captured on the efficiency of the 2013 bond a the that point they had 27 million investment, which they were estimating to be 100 million over 10 years if you factored in the 65 million they were estimating it to grow to 558. >> Alter: I had one last question on number 31 with the revenue that's dedicated from the city, state owned lands, do we have any estimates of how much money -- and at what point in time some of these will be kicking in so that as we're think being the resources we have over time to implement the strategic housing blueprint that we understand how much -- it's great to say that we're doing this, but I would like to understand the magnitudes and timing for when that will kick in. >> We can see if there's any ability to focus from our financial services department. I know this amount is something that we get on an annual basis based on the tax revenue that's coming in at the time. So we'll see if they have any forward looking data that they're comfortable with us sharing. >> Alter: Thank you. >> Casar: And I know we did when we vetted on that -- vote odd that had the data from the existing developments that were being built, namely the ones here in the central library Seaholm district. So I know those are on hand for you to have, but I think the bigger question, which is what you were pointing towards, is if predict

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that some of these llano county will be developed on a particular timeline if we have the information on those. We didn't have the prediction at the time and I didn't ask for those. So maybe that would be a second document helpful at the last meeting. I think the last two slides are the ones of most super to me. >> Clicking away. Okay. So knowing that we're going to put together a big implementation as the full council has directed, we wanted to tee up what we think are some key things that are of interest to us that we wanted to mention right now. So first, you know, looking specifically at things that policies that can help us increase our private sector partnerships, Erica has talked about codenext, about the density bonus analysis. Our smart housing program, which is kind of our cornerstone housing development policy, is in need of some revision and some review with some of the findings that have happened as a result of recent lawsuits, the teeth of it have been knocked out a little bit, so we would highly recommend that we as staff are already under review on that and I think that's a good point to-- that we want to see advancing through the process. As we finished Austin oaks I know there were a number of councilmembers that desired a higher look at the development process, kind of soup to nuts. So that's one that we're keenly interested in as well. We think it's also important to take a multipronged approach to getting diversified funding. Obviously it's critical to us that we get some compliance with the policies around the housing trust fund transfers. We think that there's potential to look at how the city is using tax increment financing and how that can benefit affordable housing. We're not using it to the greatest extent that we can. And I think as we look

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at policies that might help us affect that 60,000 number that that's one of them that we can look at. And also the potential for dedicated revenue or fees for affordable housing that would help us expand our revenue source and grow the trust fund. Obviously a future general obligation bond funding program. When we're looking at our needs assessment, we're proposing that we expand an approach to include some funds to land bank because what we hear continually from our partners in the community is there's some access to land. They can bring capital for the construction, but they don't have the property itself to kind of have that come together. And also some dedicated funding for affordable housing along our core transit corridors and all of that is in addition to the programs that we have and we would like to maintain through a potential future bond. >> We're also looking at what we're calling growing our partnership base for implementation of the blueprint. Some of that is legislative partners. We would like to as we get through this legislative session set some potential goals to work on during the interim. We think we might be able to have some time for some headway on some issues that have -- we've been scratching our head over for awhile and that would allow us the ability to coordinate with larger cities that are also experiencing affordability challenges in Texas. We'd like to glow our financial -- grow our financial partners. Erica talked about the strike fund for preservation and community development finance institutions. Looking for private sector development partners. And development incentive programs. We want to continue to work with our fantastic non-profit affordable housing partnerships that we have in Austin, two of which are sitting behind me. We think it's really

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important to have a balanced approach with targeted procurements in maintaining our application process that we have to help continue to grow that. And then working with our governmental entities, recognizing that the use of public lands for community benefits with states school districts, recognizing there are more than one school district in the city of Austin, and counties, transit agencies, housing authorities and other corporations. I heard you, councilmember Flannigan. So those are just some of our initial thoughts on things that I think are going to be kind of pivotal to be working on. >> Casar: Thank you. I think that these couple of slides really sum up really well all the questions that I think we'll face the council as we try to begin implementing parts of the blueprint. I think that this committee has, just like all of our council committees, have the opportunity to move things forward, especially if the council is comfortable with the small group of folks implementing -- implementing or providing some work on some things that they feel comfortable delegate to go a smaller group and we all want to be involved in, and that may not apply to every single one of these, did you but I do think that some of these are the greater group, if we spoke to them at a work session, might say do you know what? It might be great to have a small delegation of y'all work on that. So thank you for putting this list together. Before I ask any questions myself I want to know if there are questions that our committee members want to pursue on these slides? Vice-chair at officer. >> Alter: Thank you. So for the smart housing lawsuits, I don't think councilmember Flannigan and I have necessarily been briefed on those. So I think we would like some information on that. >> We'll set up some time. >> Alter: I know some of those are executive session items and some may have already been resolved as well.

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So we would like that. And then can you explain this balanced approach with targeted procurement instruments aligned with blueprint goals under the non-profit affordable housing partnership, what you mean by that? >> So there are a couple of things there. Based on -- based on the potential for a future bond where we might have land that we acquire that we then would put out an rfp for to have a developer come with leveraged financing and all that. So that's part of that. Part of that is looking at going through, recognizing that we want to continue to maintain our current application process for dollars that we have that are general obligation bond. Where we have a set of criteria where we have to evaluate against. And if they meet threshold then we have to try to find some funding either through bond dollars, entitlement dollars. We want to make sure that the criteria that we have there is aligned with what we're trying to achieve through the housing blueprint so some of that may mean tweaking our criteria a little bit. And that's something that we would be working with our partners collaboratively when we're not -- we want to make sure that we're not -- that we're being reasonable in what we're looking at. I think that process that's been developed was developed with stakeholder input and we would do the same here. But we recognize that if we want to start affecting the change and seeing the geographic disbursement and seeing things more aligned along corridors or transit, that we might -- it would probably be beneficial to signal that that is important to us in our scoring criteria. So that's what I'm talking about. >> Alter: >> Alter: Thank you. >> Casar: Any more questions? So I do think that I've put down here for following up for the meeting to make sure the legal department can brief all the councilmembers and in

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particular y'all two who weren't here for executive session on those smart housing issues because clearly that's a cornerstone program and us making that whole would be great. As far as tifs for affordable housing programs, you don't just mean homestead preservation districts. If you can give us really briefly because I think we're over time on this item, how model cities might be doing tifs on affordable housing. >> I'm going to let Jonathan come >> Jonathan T omco. As you know, tifs are a public financing mechanism that utilizes future gains and tax revenue to pay for infrastructure improvements today. The city of Austin currently has four tif tifs, city hall, waller street and Seaholm. Today with the tif funding city of Austin -- that has gone towards affordable housing directly. Tifs are use by every other major city in Texas, Houston, Dallas and San Antonio. For example, Dallas has 18 active tifs that have helped consolidate their plan and earmarked $30 million for affordable housing. So the opportunities that a tif presents along, say, major corridors like with the mobility bond are pretty phenominal because you are able to take what will be increased revenue from that infrastructure investment the city is about to make and capture a percent of that to invest in preserving affordable housing within that corridor, maybe preserving local businesses or other things we would like to see preserved in that corridor even though the property values and other things could go up as a result of that infrastructure improvement. So it's a very targeted tool that can help get affordable

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housing in areas where there is deeper levels of affordability available because of transportation choices and other things. >> Casar: For example, something I face in my district is folks saying I want to safely live near a vibrant corridor, Lamar is a very dangerous street to cross right now, so we can make the investment to fix Lamar, but that may not mean they get to live next to a vibrant corridor, we may not have fixed that problem because somebody else gets to live to a more vibrant corridor. So the tif tool seems to be one step we actually can achieve that goal of having a variety of people and variety of incomes not have to live next to aging ordaining reduce infrastructure. >> Certainly. And the city of Austin has a self-imposed rule, it's no more than 5% of the assessed valuation of property. Currently estimates are somewhere that we're about 3%. That's a very conservative rule as far as 5%. Even the state recommends 10%. So we've kind of tied our hands as far as being able to utilize this tool that could result in affordable housing and achieve a lot of numerous council priorities and objectives. >> Casar: My understanding from our -- from a former cfo who is here when we set that 5% cap is at the time the state law was a 5% cap and so that's when that -- that that is the history behind that and so that may be something for us as a committee to look at. >> Can you just walk through that rule, the cap on how much -- >> Total assessed value of property within the city limits. >> Alter: Max 5% of that can be involved in a tif? >> Correct. >> Casar: And I think what's important for us to consider is the rule is assessed value. And so it does not reflect

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what percentage -- which I think is more important to the finance office and the banks that make loans to us, if we put a huge city block, a downtown city block that would if we put a downtown city block at .1%, our policy would say you've reached the assessed value under a tif significantly. If we put that entire block at 100%, our cap does not recognize which percentage of the assessed value we've dedicated. It just recognizes the total assessed value. So when we designated hpda, there's a lot of value in the whole tract that's only at [inaudible] Percent. So I think the rule might need a little more nuance. I'm not sure that's clear the difference on that, but it doesn't say what percentage of our revenue is dedicated to affordable housing, it just says how much city land, at what value is inside the boundaries of a tif. >> Yes. Important to be responsible. If you were to tif too much that could have an impact on credit rating and other cities have made that mistake. Chicago is an example. Over 75% of the city lives within a tif. I think another kind of metaphor, think about a student that has to take out loans to go to college to pursue something. If you are too afraid that might have an impact on your credit score to go to college, that may impact you over the longer term future. >> Casar: And I notice also here you include pids, which I think is a partner part of the equation where landords and landowners choose to tax themselves generally. And as we consider the corridors, I think that's another helpful thing is you have to choose which corridors to do first or which ones to do at all. There may be landowners who want those corridors and might

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set aside funding to help cover the gaps in infrastructure improvements or might set aside funding for affordable housing. And so I think that's also something for us to take about as the consultants start to gather which corridor. >> Certainly state law does allow affordable housing as an investment for public improvement district, a pid. >> Casar: Housing staff and the folks in tifs and pids talking to those consultants at transportation. >> Meeting with them this week. >> So we've been working tightly with them and we are excited to -- to have the blueprint approved so we can start working even more collaboratively. I would say our financial services department is working on reviewing our pid policy. That's an ongoing -- I don't know if they have a time line or time frame when they are going to complete that review, but I know a review of the pid policy is underway right now. >> Casar: And if the housing staff suspects that tifs and pids will be a part of the corridor prioritization matrix or won't be a part of it, it will let us know at a committee hearing sort of how that's going at some point? I don't know what the time line is for that prioritization to come forward, but it would be good to know before it's over. >> Yes, it would be, but it would be premature to say anything about timing but the folks working on those initiatives with Mike and rob spiller on when we can bring something back. >> Casar: And my last question, I'm not sure if you are able to let us know at this point, sort of what your needs assessment is going to be for the future G.O. Bond program. >> We're looking at 150 million -- is that right? Roughly, is what we have put forward and that's going -- working through the process.

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Again, it's in three buckets. One that is comparably sized but a little bit bigger than what we currently have right now for the 2013 bonds to recognize that we continue to ask from our general obligation bond repair coalition members about making more funds available there so we want to see if we can work to make more funds available there. And then a bucket specifically for transit corridor investments to help improve affordability in those as we recognize that, you know, like Jonathan was talking about, we're about to invest a significant amount of money in our transportation network, we want to make sure we're not missing the boat to participate in what we can -- in the long term. And a bucket of funds for land acquisition, specifically for affordable housing in the future. >> Casar: Are you putting that number up based on what the perceived need might be to achieve the housing blueprint? I mean obviously I know our G.O. Bonds aren't going to cover it all, but is that how you are putting that number together? >> Yes and no. I think if -- I think this is just a piece and we feel like it's perhaps an achiefable piece and if we were -- it might be a lot bigger. And I'm confident that for some of those buckets that we could probably spend in that time period, but we were looking at, you know, trying to find a balance there. >> Casar: So 150 is a more moderated ask, more or less, which is fine. >> From my perspective. >> Casar: I understand. And I appreciate that you guys have to -- we have to work on capital renewal and parks and flooding and all these issues, but it's good for us to know that 150, 150 million is the needs assessment that you all will be presenting to that citizens committee. >> Yeah, the one that I feel very strongly about is the land acquisition piece because we continue to hear from folks

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there's just not land available. And where land is available, it's, you know, as we all heard from councilmember Houston, it's along that crest went and that's where we continue to see a lot of investments going on. We find ourselves in position where land is made available to us as the city of Austin and we don't have funds to acquire it. And it would help us go a long way towards achieving the goals of the blueprint if we were able to start to think in the future about where we can -- where we can move affordable housing into Austin. >> Casar: I for one hope that -- 150 and council is there for that. So thanks. Any other questions? >> Alter: I just wanted to comment for future meetings if it would be possible for the presentations to be made available a little bit more in advance so if the public wanted to come and comment they would be able to understand what we're looking at. One of the things we're going to be trying to do is we've requested time on Tuesday's work session was to do a real brief report out and if you could have presentations for our colleagues so everyone is aware of what we've been talking about and can refer to it and be up to speed since affordable housing is one of our council goals. And then also maybe thinking towards a future -- I know our nonprofit guests are waiting patiently, but maybe in the future we can have that go first or have a time certain when we talk since their time is valuable and our staff have to be here regardless for all of it. Just thinking -- >> I just want to ask one clarifying question. When you say on Tuesday, do you mean this coming Tuesday that you are going to be doing kind of a debrief with the full council or is that going to be a regularly occurring thing after? >>>> Alter: Councilmember

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Casar -- when I mentioned this, I mentioned it as having a report out to council just really to say, you know, five minutes, this is what we'll -- covers the material that's there, these are the conversations we're having, come join us if these are of interest to you. I was not anticipating it as being a deep dive since we've just done the boost, I think people probably are not necessarily interested in doing a deeper dive, but come and talk to councilmember Casar or I and it can be expressed either in the work session or just -- having a mechanism to do that. >> And we do commit to providing the materials in advance and with the agenda. I think we all know this one was not scheduled as far ahead as we would need to normally do that, but we're anxious to hear the conversation about meeting schedules so we can plan accordingly. >> Casar: Great. Okay. We really appreciate it. Now our next item, a presentation from Mr. Rogers from -- unless you all want to swap order. I think vice chair alter wants to mention something. >> Alter: I just wanted to mention kind of one of the things we're trying to do as a committee is to hear from some things we could be doing, the needle on things we care about and providing an opportunity for our nonprofit partners and -- to share with us some [inaudible] And I think we had anticipated we might be in the boards and commission room which would make this feel less of a conversation but we appreciate your coming and we will be inviting for profit

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affordable housing folks and additional nonprofit as long as we find this -- it allows us and allows more people to hear what that is so that we don't have to have just a one a one conversation and that councilmembers can ask questions each of us have about how we might be able to work better together. Thank you for being here and thank you for your time. >> Thank you for inviting us. >> Casar: And vice chair alter, I really appreciate this idea. I think it's a good unwithen a Mr. Rogers, welcome to being first in the barrel. >> Thank you. I want to be respectful of your time. If you just want to kick into questions, I was going to give a background and what the Guadalupe neighborhood group is. We do just about everything. We're kind of unusual in that we don't focus on homeownerships or mostly on 4% or 9% tax credits or ads as the Austin design and development center does. We have a community land trust program, ongoing homeownership program, ongoing rental program. Supportive housing, multi-family project we just plated with Jeremiah out of Minnesota. It can get complicated and messy. Buteo we do have a target area or service area, basically 78702.

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We've dune projects at montopolis and so on. That's our target service area. And we prioritize. We prioritize people who have what we call generational ties to those neighborhoods. In many cases -- they want to come back to that area. Our nine member board consists of eight members who have to either live in or own property within our area. So the board also is neighborhood based. We did the first -- we focused primarily on single-family housing for the first [inaudible]. Homeownership and rental, we did a homeownership program in 1985, a version project and the renters there in seven homes into homeowners. And we're about to start eight more houses in a community land trust and we've evolved from a simple rate of first refusal to a shared equity approach and then in 2009 and now we did the first community [inaudible] Home state of Texas in we learned along with other groups as the city ex spored community land trust in with 2005 or 4 and it wasn't until 2012, 2011 that legislation went through that enabled community land trusts. That very year when it was even available in -- enabled we first -- built the first home. 2014, I'll give a shout out, Casandra Ramirez in our office making cold calls got a lender in California that was very willing, said we would love to do them. Sure if you have that panned

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out and we got the first mortgage for a community land trust home in 2014. That sort of opened up the door. The city of Austin had been waiting with really neat project on juniper street, historic district, for a lender to come in. That changes the whole dynamics of things. Up till then we pretty much had to use our own money, city funds to finance the entire land trust home. So for example the first one we used $122,500 of city funds on a property that we had owned and we carry a mortgage on that property because there was no lender. If you look at that, community land trust is a 99-year ground lease. It basically puts a 99-year affordability term. It gets renewed if you get a new buyer. The idea beautiful about clts, you basically get a property that's affordable in perpetuity. 99 years, that's the maximum put you can renew that when you get a new buyer. Just a 100 year look at $122,500 investment is $3.36 a day to have an affordable unit of housing for a homeowner in very much in central Austin several blocks from downtown. For a household that's low-to-moderate income. That's in my mind a really good investment. We've got -- working with the city of Austin, they've been a partner with us, Austin housing finance corporation, neighborhood housing since day one, they usually have some sort of skin or money in the game that whatever we're doing. We just refurbished designated historic landmark, city of Austin landmark at the end of 9th street overlooking I-35 and downtown. And in that case we used about $130,000 of our own money and $50,000 of the city money. So it's a relatively small investment that enabled us to do a very good job I think on a house that is a rental home,

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serves as household below 50% mfi but put it in a land trust so city taxes get removed. What I've handed out gives you an idea who we serve. 68% of our tenants, this is a little old, are below 50% mfi. Almost 70% are below 50% of the median family income. What you have that's sort of the pretty version is a subdivision we're working on, the Guadalupe Saldana. The last is of the entire 11-acre subdivision. This is seven acres of it. Eventually we'll have 125 units. We just finished the 35-unit Jeremiah program moody campus. That's supportive services. Not a low-income housing tax credit project. We used G.O. Bond money and leveraged $5 million of private donations to finish that project. A lot of fundraising went into that. And the G.O. Bonds leveraged it. All will be single parents with school aged kids. There's a classroom development center in that building and all the tenants will be below 30% mfi. It's getting them through their college education while giving the kids a good start on pre-school education. So there's lots of different ways we do things. On that last piece that shows the full subdivision, what would be the lower right as you look at it is 29 lots, 30 houses. That's all community land trust, all ownership, so 30 homeownership units in the works. The first four that are there were homes we brought from Rainey street, moved them out of Rainey street, built between 1890s and 1920 or so. And refurbished those and sold

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those to first time home buyers. Three for $100,000 and one for 125,000. The next eight homes that we're about to start, new construction, they are designed to be net zero energy, solar panels and everything and it's a more typical scenario if you want to understand, the housing units are going to cost between 165 and a little over $200,000 depending on size. We have private funds, private lender, horizon bank, that's providing $100,000 per home and the city of Austin is putting in a little over $100,000 per home. Horizon bank gets paid back with the mortgages that come in. We're sort of doing -- the first doing this so we're being conservative and safe. In community land trusts in the legislation we have to serve one out of four families has to be below 60% mfi. I can guarantee the mortgage is going to be fairly low. Rarely get over $100,000. We can go up -- especially in a case like this subdivision where it's contiguous property, we can go up to 120% mfi or one out of five of those homes. 80% household, three or four person household can afford a mortgage just about $200,000. In that case the city subsidy assistance in that would be very small because we could almost borrow the entire cost of the house and pay it back through the mortgage. So -- so it's a work in progress as far as community land trust, but I think it's one of the most promising things we have in this city as far as long-term, super long-term, forever. I can't do the math on forever or I would have told you what it would have come out to. Less than $3.36. It's very promising in a lot of cases. Public land, we actually have a partnership where we're working together, foundation

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communities and gn DC. For an aisd property we would do the homeownership unit and 80 to 120% could serve teachers, entry level teachers and other aisd employees and we would offer to do that. It offers a great component in other projects. As well. Putting clt into the mix. So I sort of rambled on there but hopefully that gives you some idea who we are. We've got about 60 units of single-family and duplex rental housing and about 58 units the multi-family housing right now. And as I mentioned we've got six community land trust homes with eight in the works and actually eight in the immediate works and another 50 something long term in this subdivision you've got in front of you. >> Casar: Thank you. I think the hope is to have some conversation. Councilmember Renteria, you can go first. >> Renteria: Mark, do you still have those vacant lots on 7th street in? >> We have two homes that we built in 1984, single-family homes, one block basically from the central business district I think maybe what you are thinking of. That first block past I-35 heading east we have two properties there. Which is in the plaza saltillo T.O.D. Boundaries. We got a grant from bank of America that enabled us to do the conceptual work on putting in town homes there. I don't know with the new maps and codenext whether we can put a lot more there, but it would cost a lot more. Anyway we've got I think nine units planned on that where there's now two houses. We're constantly diagnose that looking at -- doing that, where we have one house and could put two. Four houses where we can now put two, that would be great.

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Subdividing lots where you have 13,000 feet and two houses on it. We got involved with secondary apartments before it was actually in the code. It went through two zoning changes, cure and sf-6 up zoning in order to do one secondary apartment and got told by the permitting folks you aren't allowed to do that in Austin and got to build that in 1999 and it was put into the code as in fill option. I was pleased to see when council expand that 5750 square feet for two units citywide. There's a lot more that could be done in that way. And we've got plans, but it comes down to where do we get the funds to follow through on the rest of the architectural and engineering work. That's probably 100 to $200,000. We've got other Irons in the fire so it's always a balancing act. We have a staff of three so -- full-time staff of three. >> Renteria: Let's hope that the money that the fee in lieu and stuff that we approved during the saltillo will -- when it gets done, will make sure try to get these projects going. >> That would be wonderful. You know, I look at that, a lot of the efforts to put affordable housing into market rate projects, I think we have to do if we're going to hit the numbers that we want. But at the same time we often are looking at efficiencies and one bedroom apartments which there's a demand, a need for that. But I think when you get a nonprofit involved, habitat, you are much more likely to bring families with kids into the urban core which is something we're losing so we need to work on that too. >> Renteria: Thank you. >> Casar: I have a couple particular questions for you that I know are probably more specific to you, and then potentially after Walter gives his presentation there may be questions that folks have for both of you, so don't get away

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unless you really have to. But a couple questions that I have that are particular to the work I know you all do, I know you do things beyond homeownership, but on the homeownership side there has been some discussion in the community and on the dais about how income restrictions work when people -- and what the best practices might be to make sure our homeownership units are getting to people who need them the most. Obviously you can be low-income but high economic power and be somebody who happens to be making less than 60 or 70 or -- mfi at the time you are a first time home buyer but are someone who most likely would be making much more in the future. Wasn't long ago I was community organizing making less than 50% mfi, but obviously I'm someone with -- that was going to be making more than that soon thereafter and so how have you all worked and how can we work better to make sure that the homeownership units are going to folks who aren't going to be making 150% or 180% mfi only several years after they buy the home? I know it's hard, but I imagine it's something you think about. >> No, it's actually not that hard. That's part of what a community land trust does. In the documents, the deed restrictions as well as the ground lease it's spelled out clearly that the house must be sold to an income eligible household meaning below 80% mfi. In our model, which is fairly typical, gndc will be the buyer when it gets sold because there's a fixed resale price. Most of our houses there's a 2% appreciation each year, so simple example, $100,000 house after year 1 can be sold for 102. Year 2, 104 and so on. It's capped at 30 years. So the most that house is going to be sold for 30 years, 40 years, $160,000. We have basically have a waiting list, we have people wanting to buy those homes at

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those prices or less. So we would buy the home and we basically vet who the next person going in is and that would be true of a city program. Even if someone were to put a sign in front and not tell anybody, the title company, it's in the deed, it's just like any other property as far as insuring things happen the way you want them to. It's going to say this is a restricted property, you need to certify that person buying the house is -- based on hud limits case I understand that somebody has to be median income restrictions in order to buy it. The point is that somebody could start -- you don't kick somebody out, you can't take somebody's home away they've purchased if they make more. There's some people re predict based on economic power and education levels that they soon will be making much more. I don't know how to crack -- >> That's a tough thing. >> Casar: You make a good point that if a person predicts they will be making much more, perhaps they won't invest in a home where their return on the home is going to be higher than 2%. And so that may weed out some number of people, but I just wonder how many folks -- and I think you hear the anecdotes and I don't know how often it is someone early on in their career and going to be making much more happens to be incomible at the time and ultimately is in an affordable house making less than 80% mfi for their entire life can't get into and is on a waiting list. >> We sold probably 50 homes over the 30 years we've been around and it's pretty rare.

Most of the folks we sold folks to, most -- I'd say 90% of they can, the only way -- the first ambulance out front. There have been cases -- one

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that was heart breaking in a lot of ways will be sold in 2000 and appraised value -- she had downpayment assistance and had a mortgage of 50, 51,000. Because of its location was offered $900,000 for that property. So I mean cashes out and there's nothing you can do about that. But if we had it in a land trust we would have been in good shape. There's pretty rare cases and in fact I can think of one where it was that kind of situation where there's one of the households, the spouse was a student about to finish graduate school. Husband had already gotten his job. They were incomible a year whatever later. She's now got a good job. They did exactly what you kind of referred to, they a few years later sold that home and bought a house somewhere elsewhere they can build full equity. It's a little bit of an issue. As I mentioned, the clt, if you are really following the legislation and law, you are getting one house below 60% median family income and that's tough. That's a challenge in itself. Somebody that's mortgage worthy in terms of the mortgage lenders point of view. And it's tougher a. As you go down and the amount of mortgage they get decreases significantly as their income level goes down. So that means a lot more assistance from the city, which at a certain point even I, who am not shy bit, get sweep issue about asking for that much assistance on a home buyer. Serving below 50% mfi household we've done it, but that was when we could build a house for $90,000 and it's tough now. So it gets to be -- really is the economics worth serving really low what would be called very low income households in homeownership. >> Casar: Thank you.

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>> Alter: I'm going to ask one question and I have several questions more general about how the city could be helping nonprofits help us achieve our goals and the role of codenext and how we acquire land for these kinds of projects. For your organization specifically, obviously you've talked about a lot of ways you are already partnering successfully with the city, and I'm not asking you to say negative things about that. What I want is this to be an opportunity for us to dream about things we could be doing or not doing or things we are doing we should be doing more of. Could you tell me specifically for your organization how the city could be partnering more to support more affordable housing work? >> I don't know if this is the right thing to say, but city staff -- they follow directive from council. So there can be examples. Like the subdivision outline in front of you. It's got a site plan, permit in place for another nine years. But to do the site work on that, it's 2 point something million dollars. Even though we have plans, building plans ready for permit, we could put 51 more units on the ground relatively quickly if the funds were directed towards that. But what I believe staff over the years, go back to 2009 or 2010, it was permanent supportive housing which is a very worthy, important cause that was needed. Then we find high opportunity areas. And you all have to balance those things and staff has to follow the direction. So it's really tough because we can get geared up, we can get a the look of support at one point in time that actually got us through the planning process and most of the site work done, but it stopped in 2010 because funds were out and permanent supportive housing became a really high priority and high opportunity areas became high priority and then the focus turns away from something that

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we basically have ready to go in terms of putting housing on. So it gets tough. I mean, like I say, we have a staff of three. I could come and lobby you guys all the time and say please let us get the rest of this project going, but that's tough to do all the time. We move on to smaller fish and try to do that. There used to be an operating grant program that was in place and the way the regulations or the requirements work, as soon as you have, I believe it's $2 million in equity, net equity as an organization, you are not eligible for those anymore, which is kind of -- I don't know if that's a city imposed -- city staff or whether that came from or a federal thing, but it basically ruled us out on getting operating support where we could bring in staff and work or if we could have funds that could get us through pre-development -- pre-development is one of the toughest things especially for a small organization. You could put 100,000, 200,000 into just the architectural engineering work. To borrow that money and start accruing debt is unappealing when you have a couple years before you build and pay back that debt. That's a tough challenge. If we had money or resources to get pre-development work accomplished, that would be great. Constantly changing rules, you know, at the city. If things seem arbitrary or how would I put it. For instance now there is expediting fees you can pay for everything. What we seem to see in the field that will be five to eight weeks to get around to it or you can pay the fee. That's the same for us as it is for a market rate developer who can pay the fee and absorb it into the costs. We don't -- we can't do that. Expanding a smart housing program that waives those fees and expedites service, it was really helpful. Lots of fees have been added since then that we get hit

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with. And then policies get changed. We used to have the city come out and hook up taps and waterline and they had the design, but now we do the design and we get our own plumber to install. That can add 15, $20,000 to a single-family home. Those are some of the things. I keep talking about replacing smart housing with smarter or genius housing. If we could get a program in place, and they've talked about the challenges that could really treat affordable housing projects, developments as if they were important and willing to sacrifice some of those fees, give expedited service and ideally buy infrastructure work. You need to upgrade the waterline, $250,000 for a 22 unit apartment that the for profit developer can come in two years later and tap into that waterline we had to pay for. That's some of the things that come to mind. >> Alter: I just want to -- thank you, that was really helpful because that gives us concrete things that maybe we can work towards and if the first one is probably harder in terms of shifting time horizons and the fact you as any developer has a longer time horizon than council does as we shift over that horizon and you get into different periods, that's an important perspective for us to keep in mind. So you mentioned, investments in the pre-development phase. The development -- expedited permitting, that would be something that we could be looking at. You know, maybe we can do expedited permitting if it's a certain portion affordable housing, and I think there is some efforts to kind of do that, but that would be something that would certainly be worth looking into. Fee waivers on infrastructure as a different -- slightly different way of funding stuff because we may -- we may be able to look into that. These are great concrete ideas

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of things that we can think about that you being in there doing the development and we being council and not actually having to build the structure don't always think about. So as we have our conversation today, this is kind of some of the things that we want to daylight and maybe my colleagues already knew all that, but I think it's helpful to have those kinds of ideas and I'll have some other more general questions when Mr. Mauro is done speaking. >> Casar: Any other questions specifically for you? We might call you back up in a second. I do hope -- I do believe that the expedited permitting process should be up and running with those teams and my expectation is that smart hosing should make it so folks providing affordable housing don't have to pay for that service and so I would be real interested in hearing from y'all when you first try it how it goes. And, of course, I know smart housing has to become genius housing and that's something for us to work on. Mr. Mauro. >> I'm Walter Mauro, director of foundation communities. Thanks for inviting me to come and share about our work and I'll try to address your questions, councilmember alter, as well. First I need to say thank you, I want to say thank you. We could not do the work we do without the city. The investment of funds, especially G.O. Housing bonds, permits, inspections, zoning, entitlements, I think we work at some point with every city department whether that's transportation, parks, the health department, fire department, Austin energy. Overall I would say that we've really been embraced by the city and that's allowed us to grow. We have 19 communities. We have about 6,000 residents. Most of our residents are very low income. They are in that 20 to $50,000 income range.

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Then we have about 1,000 residents that are formerly homeless S and what we call supportive housing programs. Everything we do, our model is housing and services. We really believe if we can put education programs on site, health programs on site, financial programs, it really -- if those things are right out your door step, people take advantage of them. I thought I would share a story. We're currently building our cardinal point apartments, which are on river place, four points drive, in councilmember councilman you're Flannigan's district. We got a R rsvp from a woman, it's her dream home. Her realtor disclosed affordable housing was being built next door. She was alarmed. She rsvp ad to our open house. I knew who she was. She sat in the front row with arms crossed. At our open house we explained the work we do. We take people on a tour of the community. They see the learning center, meet the kids, hear and see residents' stories. It's a moving opportunity firsthand for people to see what we do. At the end, she found me in the back of the room and came over and she said, do you allow people to volunteer in your learning centers? And I said yeah, that's really important to us. She goes, well, I'm really excited because I'm going to live across the street and I'm bilingual and would love to be able to help out. After that she wrote a letter to the editor in the four points news and said, you know, my realtor warned me about this. I decided to look for myself firsthand. It was nothing like I expected. It was beautiful, well

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maintained, served people that look like me and now I have a place I can volunteer. I wish every realtor would be required to go to an open house and see what affordable housing can look like. So I sharehat for a lot of reasons. We've been -- I've been in ten nimby battles. We've already been in some here and there will be many more. People have in mind affordable housing is ugly. The best counter to that is if I can get people to see firsthand our properties, I can usually change people's minds. Our properties don't look like affordable housing. If you drive by trails at the park or capital studios or vintage creek or M station or crossroads and you had no idea it was affordable, it's perfect. People also -- the second thing in nimby battles, people think it's high crimes and drugs and not the kind of place you want to live. I counter that by trying to show people the services we offer. Our education programs, we have 1,000 kids a day now in free after-school programs. Our kids have a 3.52 GPA last semester. We have a whole range of health programs from Zumba and cooking classes and walking clubs. Supportive housing for folks that are homeless. There's more intensive services, physical and behavioral services, psychiatric, nursing, substance abuse counseling. We have all of our financial programs. We do income taxes for this year over 19,000 folks, health insurance enrollment for over 6,000 folks. So folks, we have waiting lists at all of our properties. People want to live there. Crime rates are really low. They are communities of opportunity. The third thing I've

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identified -- I've talked to a lot of neighborhood groups. Often people will either say this sometimes or just think it, but they don't want affordable housing in their backyard because it's for those people. That's what bothers me the most. What I try to do in neighborhood group is ask people if they know somebody who needs affordable housing because everybody does. If you live in Austin, it's somebody from school, somebody you bump into at the grocery store, you know them from work, church. Very often it's a friend or member of your family. My phone rings every week with volunteers and donors and people that hear about us and they know somebody that needs a place. And sometimes there are people from neighborhoods that opposed us when we were going to go build affordable housing. That's okay. We need more affordable housing, not for those people, we need it for all of us. I thought a lot about what I could share with you if I was in your shoes and what I would want you to know in this work. I've already talked about nimby. You probably have your own stories to share. I would say, and especially councilmember Flannigan, we just opened the learning center, it's our 12th building learning center and it's the greenest building we've ever built. Any time you want to host a town hall, invite people to come out, it's there. We have affordable housing, I'm proud to say, in eight of the ten districts. We've applied for a 9% tax credit to build at Mueller so hopefully we'll be in Kathy's district, actually capital studios, we're one block from

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Kathy's. The only one I'm short is in councilmember alter. Maybe there will be land opportunity in the future. That will be our biggest challenge in district 10. Land is hard to find. We have nimby battles, permits are challenging, but the number one constraint is capital. And not debt but equity. If you are going to keep the rents low, you just can't borrow that much. Affordable housing is capital intensive. The most money available to build new rental housing are tax credits. 4% credits, 9% credits. Take time to learn about those programs. Not now. The 9% credits, Texas gets 600 million, the Austin region gets 40 to 45 million, expecting per year. -- Depending per year. That's a lot of dollars that go into the Austin msa. The rules change every year. Last year it favored suburbs and Georgetown got 45 million. This year the rules were tweaked, you got extra points if you are four miles from the front door of city hall and, knock on wood, it looks like the money this year will go to three projects in Austin. I hate to pit it as Austin versus suburbs, but we need affordable housing in the urban core. So one piece of advice is that you play the 9% credit game. Learn it and play it really well. Listen to the developers and staff that was the rules and scoring gets tweaked and formulated every fall and then oftentimes it involves city council action on applications that come before you in January and February. But those funds are incredible opportunity to leverage. That is the big pot of money

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for affordable rental housing. In my experience, you are going to have developers come knock on your door seeking capital. To me they need to pass the I would live here test. If you -- if they built something nearby, if you can go see what their track record is and if the property is nice enough you would live here, support them. It's not whether it's nonprofit or for profit. It's really about that track record. Also I'm a huge believer in transparency. These are capital intensive. You know, it's 2 million, 3 million, $4 million going into projects. I'm going back 10, 20 years at the state and city. Where there have been some not great projects there was often not sunshine and transparency on the competition for funds. So I'm a big proponent that sunshine and transparency needs to be built into every funding system. Two contrary thoughts, in theory, you should build affordable housing that's well transit connected. In practice, you can't pay attention to that. The cap metro bus lines, there's only three bus line that run west of mopac and one of them is being cut back. If you want geographic dispersion and want to build affordable housing in all parts of town but you have other criteria that links everything to transit corridors, you have a mismatch between those two goals. Second contrarian thought, I like the idea some housing bonds might be set aside and available for land, but if you want to play the 9% tax credit gain and win that 45 million every year, it's very hard to land bank. I think the land banking should be developed with very

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strategically. You've got a piece of land that hits the market that could not be replaced. I think your offices will get -- you probably get a lot of constituent calls, people that need affordable housing. Send them to our website our challenge is we have a waiting list everywhere. We're trying to come up with a better way people can go to the website and apply one time for all the properties. We're not there yet. We do have a housing counselor on our staff so if somebody calls our office and asks for the housing counselor, Valerie is phenominal at working with folks one on one to figure out what housing options work for them. We are not the housing option of last resort. We don't do emergency housing. We do not follow a housing first model where we don't turn anybody away. So that's a challenge and I'm glad oak springs is being built and we need some housing first models out there. And I think the last thought is -- it already came up, ways the city can help. Expedited permitting is now make or break. When we win -- if we win the credits on Mueller, for example, at the end of July, we must open the doors two and a half years later at the end of December -- December 31st at midnight, 2019. If it takes me a year to get permits, three to six months to design, a year to get permits, I then do not have enough time to actually build it. If I don't build it by that date, I lose $15 million like that. So we have been -- the last five projects we've built were finished more or less in December of the month in which we would lose all the funds. I can't do this anymore.

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Maybe the new review process is now set up and primed and we can get permits in six months instead of 12. And likewise, we -- because of this time crunch, it puts us in situations where, for example, on bluebonnet studios, Austin energy really wants those above ground power lines underground, we have to spend $300,000 to do it and there's no time to find relief to get that work done. We need fire float tests from the fire department by -- you know, and they are scheduling a month out. It impacts -- every department is really busy, and when we get down to the wire on projects, both money and time, there's -- we need help in a lot of cases. I think I'm rambling. Thank you. We couldn't do it without you. >> Casar: Thanks so much. If there are questions specific for Mr. Morrow, we could start with them and then questions for both of them. Councilmember Flannigan. >> Flannigan: I wanted to thank you and you've told me that story about cardinal point and I like repeating that story in my district. It reinforces my belief I have the best constituents. But also to your point about building housing that looks like somewhere people would want to live, I've had that experience near the lake line development station where some of the neighborhoods actually pretty far away but in sue Bauer ban areas far away is still close to them. Not like it is in central Austin. I had some neighborhood folks very up in arms about projects being built. Projects in this part of town. And they couldn't even tell me which one that it was. When I told them when affordable housing development it was, at first they did not believe me. Then when I explained the services plus housing stuff,

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they were almost incredulous. So it's working very, very well in my suburban areas and I'm hopeful that the four-mile limitation is not permanent because there's a the look of opportunity still yet in district 6 for more. >> Casar: Councilmember alter. >> Alter: Including land costs and without land costs how much per unit does the cost you to provide, you know, one bedroom housing not including the wrap-around services or -- >> We mostly build -- have been building two and three-bedroom units for family properties. Studios. And I don't have the numbers separated without learning centers and other amenities. Ballpark, it's costing 175,000 a unit. The tax credits generally -- a 9% tax credit may pay for two-thirds of that. A family property, I can borrow a little bit. So where the city money comes in is usually that last, that 2 to 4 million-dollar gap when you add up the layers, capital layers, capital stack. It's a great use of G.O. Bonds because it -- you get almost ten to one leverage. Put in $2 million on a $20 million project. >> Alter: If we do that math, we've had other projects where we're paying developers $300,000 essentially to do a unit and you are telling me you can get -- if the city were paying it, we get a whole lot more units from that even if we were paying full amount. I just want us to keep in mind sort of how we get the most housing to the most people understanding that there's an issue of getting it in multiple places across the city. But those dollars, how we spend those dollars and where we spend them matters.

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And if we were doing it with you, we would be able to leverage it and we would be able to get a whole lot more. Housing. >> I think >> And I think to extend your analysis as well, you have to look at it over time. New construction, with affordability requirements for 99 years, that subsidy spread over time is -- impacts a lot of folks, versus rehab. I think that, you know, if you can invest in a project that has on-site services, that's even more value. >> I completely -- I completely agree, and I was only asking it without the services, just to compare the number, apples to apples, but I would completely agree with you that there's extreme value with having those services, and that helps to make everyone more at home, where they're living. Thank you. My other questions are kind of generic ones, if people will humor me. So this would be for both gentlemen. In the context of codenext, we have not yet seen the affordability tools that are intending to accompany the zoning changes. Do you have particular methods that you're hoping will be included in that, that you think will help us to incentivize more affordable housing? The reason I'm asking is, I'm worried that we are setting up all of our incentives to get for-profit housing that's just going to make the cost of living more expensive, and so I would really like to hear from you the kinds of tools that you might want to see in codenext as we see that affordability component and as we -- as it gets modified through the process. >> I'm not an expert on codenext. >> Few people are. >> My understanding is the density bonuses are the mary tool. I think your new strategic

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housing plan has 50 recommendations and -- and that's wise. There's no silver bullet. The idea of linkage fees would generate a lot more capital and be more evenly and fairly distributed across all real estate development. That may or may not be allowed by the legislature if that -- if the bill that prevents that. So my understanding is, in codenext, if -- if linkage fees are off the table, density bonuses may be the only tool there, and it will produce some affordable housing, but it'll be limited. >> Flannigan: I think there is -- there's a possibility, I keep pointing to the section of a land development code that currently exists, I think it's 22.2.1406-147-1407. It's a component of the land development code and what it does, it gives even greater entitlements to affordable housing projects with certain built-in affordability periods and income levels that it serves and so on. So I suppose there could be a code -- you know, affordability component of codenext which does the same thing. In other words, you, market rate developers, and affordable housing developers good it these density bonuses if you do X. And those of you doing affordable hugs also get these, but it's only for you guys. Now, it might be unpalatable, but I don't really care. It could do things like allow a secondary apartment on less than 5750, or down to 2500, so you could do a 350-square-foot unit, that kind of thing. That's what's in there now, and you can do a duplex on a smaller lot than is allowed for anybody else. Sir, you can almost get variances administratively up to a certain tolerance, 10% in height or set back, without having to go through the board of adjustment. Those kinds of things might help. It's only allowed for affordable housing projects, I think would be good, but it may get pushed back just like anything else works why did they get to do

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10 feet higher or four feet higher, that kind of thing. It's in the code, it has to be adoptedded neighborhood by neighborhood, which is a section of the code which no neighborhood has adopted it yet. >> Casar: And councilmember, and Mr. Rogers, I think you bring up a good point. My understanding, the study for the density bonus program largely will be looking at what your everyday, private developer and private landlord would do in the market, as being, you know, recalibrated, but they probably aren't assuming that you might be getting millions of dollars in donations or leveraging significant federal dollars, and so there may be openings there for us to do, to have another tier that your organizations might participate am that could give us more bang for our buck, and that would be something interesting for us to take a look at. >> And we mentioned, there's always infrastructure, if the city were willing to buy into infrastructure costs on affordable housing projects, that can be really helpful. I think Walter has run into it and I've run into it. It usually is a surprise sort of late in the process, the permitting process, where you're

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level%-@overview of our team. We have a financial manager, myself. We're pretty die verse across the board. We have an internal auditor, a new reclassification in our department, that should be able to add some strong structure and processes and internal testing of controls understand a stuff to our department that I think will be very beneficial. What we do, kind of like I said, high level -- our accounting team conducts just general accounting and reconciliations across the board. It's fundamental in our understanding of what our affordable projects are and the dollars related to those projects. Our finance team is more on the budget side and answering council questions, tracking performance for management and production performance, and also handles our federal grant reporting, federal dollars. Our audit team, our team is the liaison for all audits, internal, external, hud audits, design and test internal controls and audit controls. We most important conduct risk assessments and desk reviews so we can kind of identify key areas of risks in our inventories of affordable housing. And we design and compliment business processes and procedures related to that, and addressing those risks. Most important is, related to this presentation, is the monitoring piece. We oversee clients of federal and local regulations. We monitor subrelationship agencies, multifamily units and single-family projects, and we provide technical assistance and research along the way for regulatory compliance, as well as just general questions that we get from our -- from our client base and from our

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customers. This is kind of just a quick overview, breakdown of the different types of monitoring we do related to our projects. The first is subrecipient projects. These are grant services. These are agencies where we get federal dollars and we turn around and we are kind of the conduit of those federal dollars to other agencies who provide services on our behalf. Then there's our funded multifamily projects. These projects where there are -- they're actually receiving federal and/or local dollars. Those are kind of in tandem with our incentive based multiple family projects and these are projects through zoning or incentive action. Lastly is our single-family projects. These are kind of as you would think, home buyer, homeowner assistance type programs that are for individuals to help them either get into homes or maintain ownership in those homes. Just a kind of breakdown of the scale of what our subrecipient monitoring looks like, we have 12 subrecipients currently that are receiving funded dollars through formula grants or hud grants. These come in different ways and forms, renter assistance, homeowner or business assistance, and public service assistance. Our methodology or approach to monitoring those subrecipients is to run an annual risk assessment on those different programs, or those different subrecipients. We take a step back and evaluate that risk assessment based on a lot of different factors, you know, on the amount of dollars they receive, their type of production that they're providing to us, their financial statements. You know, different -- different investigators of variations of things we look at, depending the type of subrecipient. We review their contract files. We kind of look at hud checklists that are provided

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and kind of check boxes to make sure that these -- these subrecipients are spending these dollars in accordance with what hud expects and what our contracts expect of them. Annually, we go out and we do -- we conduct on-site reviews, our subrecipient monitoring staff, she goes out and does on-site reviews of each of these projects annually, reviews files, you know, does random sampling of files, similar to what an audit would look like if someone was coming in and auditing the city of Austin. So we kind of do a similar approach for these subrecipients and obviously provide technical guidance along the way, to answer any questions they may have along the way. Next is our funded multifamily monitoring, just to give you an idea of the scale and population of these projects, currently, we have 78 development projects. These are stored in our affordable housing inventory, which I'll get to in a second for our system of record. Of those 78 projects, we have 3,506 affordable units. Our methodology for monthing those units is -- and you're going to see a common theme for the next three sides, is, we run our annual risk assessment. We, you know, rely on prior year information to identify key risk areas. We randomly select 10% of our units to monitor, whenever we go out on site. For our funded projects, there is two components to those monitoring events. One, we call on-site monitoring, is essentially the going out and doing rent and income certifications on these projects to make sure that the individuals being served are [indiscernible] And income compliant -- I'm sorry, they're income

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compliant and being charged the appropriate rents based on the contracts and based on mfi tables. There's also a second -- secondary piece to those monitorings, a physical inspection, where we're going out and making sure that these projects -- that these projects are actually meeting physical standards as a safe place to live. That is actually currently being contracted out to a third party. Their name is blueprint housing solutions. We just began this contract with them this last year. They -- the history in this field of work it's kind of a spinoff of -- a lot of these individuals came from haca and southwest housing corporation, so they're kind of subject experts in the field and they have a long history of providing these types of consulting services. And then, lastly, obviously, we provide technical assistance, again, along the way to any of these projects who have received funding and are asking, hey, what -- what are our income levels, what are our income levels, what are we charging? Do we have the right charge, technical type information like that. Similarly to that is the incentive based monitoring. It's 75 projects, 2,751 affordable units out of those projects, it's the same process, we do the annual risk assessment. We identify key risk areas to kind of target our approach. And the difference between these and the funded projects is, there's not the physical inspection component. These just have rent and income certifications, which is also being done by blueprint housing solutions. And then, lastly is our single family monitoring. This is a pretty large portfolio. The majority of this entire population is made up of down payment assistance to help people get into homes

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for homeowner rehabilitation programs where we're helping people rehab their home or reconstruct their home. Similar methodology to everything else, we run our risk assessment. We send out monitoring letters every year to make sure that most people will reply back to us and say, yes, I'm still -- there's certain requirements to live in the home to carry insurance on the home, and it needs to be your primary residence. So we get a lot of self-certifications back and we also do a desk review of tax records, code compliance. We run reports out of tcad and utility records to kind of verify that these individuals are still living in the homes and we're providing service to the people that we think we're providing service to. There's also a pretty heavy workload related to -- managing kind of the release of liens and loan modifications and something where if someone wanted refinancing or they wanted to sell their home or they want -- or more important, met the terms of their affordability period and we're releasing the lien we've had on that property, we manage any kind of repayment process, if there was a repayment or a forgiveness of these types of loans. And, obviously, again, we provide technical assistance along the way to -- to a large -- you know, a large population of our portfolio. >> Casar: Before you get into the system you use -- >> Sure. >> Casar: -- I wanted to see if folks had any questions about the information that was provided in the first half of this presentation. All good? All right. Go on. >> Okay. >> Casar: Oh, one point is that I suspect that even though you only randomly check 10% of the units, that if you find issues of non-compliance, you expand on that in your monitoring of that project. >> Certainly. When we do 10%, that's assuming that everything is going to be fine; right? So we go out, we inspect 10%. If there's issues, depending on the severity of those

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issues, it could involve someone providing more paper documentation, it could involve a reinspection, and we're going back on site to verify that x,-y and Z has actually been met and done and, you know, they've met the terms of our findings. And additionally, you know, I think looking forward, that plays a factor into our future risk assessments; right? So if a project was 100% compliant for the last three times we went and looked at them, whenever we run our risk assessment for the current year, we're going to take that into consideration, if a project has had, you know, a couple of findings or a couple of follow-up, or they weren't as -- weren't as compliant as you would think, or you would hope, that's going to play a factor into our risk assessment and involve a higher percentage of units being looked at or higher presentation frequency of us paying visits to the properties. Does that answer your question? Any other questions? Our systems of record -- essentially, all of our multifamily projects are being tracked in the affordable housing inventory. This is an access database that was developed in-house by nhcd. It's a great tool that we're using now. It provided us the ability to get our arms around what our entire population was so that we could provide numbers to you guys and we could be transparent to the public on the number of affordable units that we have in stock, in stock. I mean that we have provided services through funding for incentive capacity. It is our system of record, it tracks a lot of other things that -- you know, I'm looking at it from a monitoring and auditing standpoint, so I kind of see that functionality of it, and I'll show you in a couple of slides, but it also does a lot of other things that, you know, some of our real estate staff use

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that kind of tracks more of the incentive side of these types of projects, and I guess I can just show you guys in a second. The middle application there is application management and data automation. Travis, do you want to speak to Amanda? I don't know if you're prepared to step up and talk. >> Amanda is the system that we use to handle our development process, permitting and inspection. For us, it's kind of our portal into knowing what projects are potentially coming down the path, and it's the system that Rodney Gonzales talks about every time he comes up and is in front of you. It's his child and we're kind of a branch off of Amanda. >> And then lastly is [indiscernible] System, this is our system of record for our single-family monitoring. Anytime we, you know, issue a new loan, new down payment assistance, new home repair loan, it flows through that system. It is linked to our accounting system and has been audited by the external auditors. We use that system to run all of our reports for our single-family monitoring, and it is what it is. It's just -- I have an accounting mind, so I like it. The next slide is -- this is a screen print of our affordable housing inventory that speaks to our multifamily monitoring. It might look like just a bunch of numbers up there, but this is really what drives our actual monitoring efforts for those types of projects. On the left side, you'll see all our contracts, so this is each contract we have with a developer. On the right side is the specific project, so you could have one contract that has multiple projects, so

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pointed out there at the bottom, it's highlighted in red that id number 11, that was just one specific contract that we had with gndc. They're not here anymore. But that's one contract. You can see that's four duplexes, so each one of those is providing two affordable units. 10% of those units get looked at as that one unit, and you can see we're looking at that unit in 2017. So to drill down a little bit further, once you were to drill into that actual project, you can see this is kind of the project details related to that. You can see up at the top, the different tabs with profile locations and notes, our references, units, and mfi data. You know, it's pretty detailed information down in the weeds, just to kind of show you the process of what we use to kind of drill down on each one of these specific monitoring events. And then there's a specific tab for monitoring that's highlighted, so this is the project that we went and the looked at. There's -- you know, you can see the project status is compliant, and there's an attachment complaining what we went and did that specific day on that monitoring event. And to drill down a little bit further, this is the actual details of that monitoring event, who did the on-site inspection, that was us. Who did the physical inspection, that's just blueprint. And it even -- you know, you're able to identify the dates we went out and did this. And then on the previous tab, you can see down at the bottom, highlighted in gray, that once that was highlighted and completed, then it tells you -- automatically generates your next monitoring event, not counting the fact that you could potentially look at it more frequently, based on your risk assessment. So if there was a higher risks you could change that date to look at it more frequently. Lastly, our challenges. >> Yep. So, you know, as chase went through, we've got -- you know, we've got a system, a plan in place to monitor all of the -- for multifamily, all of our properties on a rolling, three-year basis.

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We're using hud standards as we're going through our risk assessment, as we're identifying the 10%. What chase won't tell you is that we -- we hired him on specifically to help him improve our monitoring program. He came to us, he used to actually audit us from deloitte, and so to be able to have someone who's been able to come in and work with our existing staff to help us to develop this monitoring program and going get it to the point it's at has been a tremendous accomplishment in a relatively short time frame of about a year he's been with the city. The affordable housing inventory, this kind of brings us into our challenges. The affordable housing inventory is very much a home grown system, kind of started in the head of Travis back there -- wave, Travis. Hi! And our chief administrative officer, Alex zamora has built it to be what it is today, which is a tremendously robust access database that allows us to do kind of core functions that we couldn't do before, consistently and effectively. I don't know if you recall, during discussions, of -- of the blueprint and we were adopting the blueprint, there was a question asked about, you know, a number of units that were in high opportunity areas, something along those lines. That kind of question, before we had the affordable housing inventory, would have taken us probably a week or two to compile. By going and talking to all the individual staff members that work on their individual monitoring plans, what we were able to do was access the affordable housing inventory, while you guys were talking, back in the bull pen, to access the affordable housing inventory, pull out information out, and answer the question in about 20 minutes, which, for those of us that had been working and have heard about the challenges that we faced with getting our arms around the data, is just amazing. So I just have to say that because I think it's terrific. But I would say that as we're faced with

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implementing with blueprint, that we're going to continue to pursue changes, to integrate and automate our business system and our efficiency in tracking and reporting. When I say that we have a couple of bullets up there about Amanda, and we're working with our friends in dsd to get plugged into that, but it's -- the access that we have and our abilities that we have to be integrated into that right now does not meet our business needs, so we find ourselves working around the processes and, you know, bootstrapping things together to get our needs met. We continue to want to improve our monitoring systems and processes to allow for increased volume and improved productivity. With what we have right now, you know, we're really kind of at a launching point to -- to have an effective program, to be able to go out and continue to work with the entities that we are monitoring. But tracking our strategic housing blueprints' accomplishments is going to be big, and it's going to require some technology that we just don't have, that we are actively working with ctm to try to get, but we are not there right now. But we do look forward to increased reporting opportunities. We're looking forward to being able to lift the data that we do have, provide annual reports on the number of units that we've monitored and high level information on any issues that we may have found or have resolved. All of that is -- right now it's the land of opportunity for data, for housing, and we're just kind of at the tip of that iceberg. >> Casar: Thank you for your work and for your honest assessment. Any question, members? Councilmember Renteria. >> Renteria: I can tell you that it does work, if my daughter -- she's a first time home buyer, she bought about seven years ago, then she refinanced it because the interest rates went so

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low, that y'all caught that and said, hey, are you selling your house? Because we want our money back. >> Well, it's -- you know, that tells me that our systems are working, and that's a good thing. >>

Renteria: Yes. >> And we're really proud to be able to have as much data as we have out on the open data portal. It's not quite as live as we would like it to be. There's always a little bit of lag, and we're not to the point where I think we would all like to be, which would be to where if you were a homeowner and you wanted to find out what multifamily facilities across Austin have income-restricted units, you know, we can get to that data, but it's a process, and it's labor intensive and not something the average citizen could probably do on their own, and we would like to be able to get to that point. >> Casar: And I would say I have heard from lots of folks, maybe not lots, but several people, and some of whom are just day-to-day citizens, that don't believe that we have a system to monitor and track this at all, and so it's helpful for us to lay out in daylight that we do have this system, and I appreciate all of y'all's work on that. But I think that because the average everyday person can't pull up a map and say, hey, I need an income restricted unit for a friend who's lost their apartment, where can I call, where are those affordable housing developments where the incentive programs are funded, and where are the ones nearby their school so the child doesn't have to change schools, they couldn't find that. And I think getting there is really important. One of the steps -- are there steps necessary sort of for you guys to get from this kind of system to the world where somebody can pull up a map and track and see what it is that's going on in the city so that we can know whether we're hitting our goals or not? >> Well, I think, you know, even though we have done a tremendous job at making something ourselves that

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works to meet certain needs, and Travis can tell you, he can give you a map of where all those things are he just , hejust has to quickly update it. We're still very much in a manual physical kind of world for that. I mean, we need to look into some -- some off-the-shelf type software packages. And I know they exist. And we're looking at that right now and we're working with ctm. But, you know, as we're going into this -- this critical time period of launching on implementation of the blueprint, that's a big piece that's lacking in what we have in our portfolio right now. >> Casar: Are there model cities that you guys are looking at that have good systems already in place? >> Yes, there are. I know we actually -- we've seen the city of San Francisco has -- they have a nice system, where you can go in and you can drill down to, you know, some fairly finite detail there. And I'm sure that there are others, but that's one that comes to mind off the top of my head. >> Renteria: Have you looked into -- you know the Austin tenant council -- they print out a little catalog of all the affordable housing here in Austin. Is there any way that they could actually go online with map around it? >> Do you know, Travis? Or Jonathan? Erica, about what Austin tenant council is doing? I will say while Eric is coming up, I think there's a strong desire from nhcd's part, to, as we're building our more robust system, we recognize for our 60,000 affordable units over ten years, those are not all going to be city of Austin units, that they're going to be units that are being produced by other folks, and we would love to have the capacity in whatever system we're going to move to that would allow us to fold them in and have that be part of, you know, one big display

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for the residents, because I don't know that it matters to them if it's, you know, a city of Austin unit or if it's a unit that's offered by, you know, another entity. >> I was just going to add that the Austin tenant's council list is available online, but it's not mapped. >> Okay. >> Casar: It's not what? Oh, not mapped. >> Not mapped. >> Casar: I'm trying to see if I can find San Francisco's, but maybe I'm not googling it right. But it may be something helpful for us to compare. >> Sure. >> For some future meeting, what our system looks like. Maybe even up on the screen, if we can get a computer live and maybe what some model cities look like, so we can get an understanding of where we're at. >> And what's a possibility. I don't want to be limiting just to the city of San Francisco, that's just one that comes to mind. We'll see what we can do along those lines. >> Casar: I think being able to map the private ones would be -- councilmember alter? >> Alter: I totally would love to see best practices from other cities with respect to that as well, and would appreciate also us moving to this public side, if someone wants to find it, there's the monitoring side to make sure things are happening, and then there's that other part of the data, so I'm excited that we're moving towards that. I am wondering, you know, you kind of mentioned that there is off-the-shelf software, and -- is that true? One of the things I was going to say, if there's not, this is Austin, Texas, we have all of these programmers maybe we could be helping them to develop some software along these lines, and we could try to make some of those connections happen, you know, to meet that, if it doesn't already exist. >> I know of one, and we're looking to explore kind of what the field looks like. >> Alter: Okay. Well, if at any point you want some introductions then I'd be happy to --

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>> Thank you,. >> Alter: -- Happy to help with that then not to drag in a bad ghost here, but I just wanted to walk through, say, the case where we just had with Austin oaks where we've passed there should be affordable housing. How does that get walked through this process to make sure it's happening? Like what is the monitoring process in the case of pods, which seems to be one of the key ways of getting affordable housing in my district, how do we know that's happening? >> I'm going to let Travis come up. >> Alter: I know those around [indiscernible] Yet, but I'm wondering what the process is. >> I'm going to have Travis come up, he's with our real estate group, and he'll kind of take the first mean, then chase will jump in. >> I'm Travis with neighborhood housing. Essentially, once an agreement is executed, we populate with that data. In the Austin oaks case, they've said they're going to provide a minimum amount of units, but they don't have a concrete number on the number that they're building out. It may be more. So they may be -- they may be required to provide more affordable housing. But essentially, we have a record, and right now we're setting that number at 27 units, since that's the minimum amount. And sir, throughout, as that -- as that pud gets developed, we basically run queries in the Amanda, the inspection and permitting system, and update the status of that project throughout the development of that project. And then as they move to getting ready to lease and sell units, in the case of Austin oaks, lease units, we reach out to those developers to execute restrictive covenants and come to the property and make sure that we give them the documentation necessary for affordability compliance. >> Alter: So then is there another stage that wasn't mentioned on this slide of

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kind of when it comes on board, as opposed to like it's already in existence and you're monitoring it, the slides seemed more focused on that, but for coming on board, there's like a separate or extra step? >> Yeah. That's a whole process that -- that Travis was just walking through, that we're, you know -- as things are developing, and until they're actually being inhabited, then it's kind of on this side of the fence, and then once we've got folks in there -- >> Alter: Okay. >> -- Then it jumps over to chase's side. >> I can speak to that I didn't get too much into the details on this, but whenever a new project comes on board, it gets -- as Travis pointed out, it gets populated into our affordable housing inventory. Then we automatically get updated that there's a new project, and then we have guidelines that say we're going to look at every new project within the first 12 months, and then every three years, assuming that everything is compliant, and the risk assessment is strong on them. We look at everything on a rolling three-year basis after that. So -- in this instance, once the tenant income certifications were finalized or whatever the type project may be, once they hit that finalized stage, they get input into the affordable housing inventory, and they get automatically uploaded to our monitoring plan for the year. Then that keys us to say, hey, you have 12 months to go and look at this place during the, you know, initial leaseout or the beginning inception of the project. And then they would fall in line with kind of what you saw on the other slide, with kind of the rolling effect. >> Alter: Okay. Thank you. That clarifies that then one last little detail defensive question,when you say it's 10%, is that 10% of the project or overall units? >> 10% of the affordable units. >> Alter: But the example you had given, you'd look at one at that particular project. So I'm just trying to understand -- >> Oh, I'm sorry. Yes, the 10% is on a contract basis, so if there was one contract for the -- that example we had earlier,

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on that one contract, there was four duplexes. We count all eight of those units as affordable units for that contract, and we would look at 10% of those -- of those units. So when you go out, there's four -- four duplexes, when you get there, you would look at one unit out of those -- those eight units. >> Alter: But is that 10% of the contracts you're looking at each year, and of those, it's -- >> We look at 100% of the contracts over a rolling three-year basis. >> Alter: So it's about 33%. >> Give or take, 33%. >> Then it's 10% of -- >> Then 10% of the units at that point, plus anything new that comes on throughout the previous 12 months. >> So if you have an apartment excel ex that has 400 units, a hundred of those are affordable, we're looking at 10% of those 100 on a rolling three-year basis. >> Alter: Okay. Thank you. >> Casar: Thank y'all very much. Are there any further questions? I guess my last question is that you think it's accurate to characterize that y'all are working hard, you're monitoring the units on those three-year rolling bases, doing that, but given department's goals and the city's goals, and the blueprints, the current system is not adequate to get to your satisfaction, to get those goals tracked, and monitored? >> Yeah. I think there is definitely room for improvement, that we can operate more efficiently and provide better service than what we're able to do with our systems right now. >> Casar: Well, thank y'all for your hard work and candid assessment, and coming forward today, I think it would be helpful maybe even at our next session, to compare what we've got to where it is you guys want to head. Thank you. >> Sounds good. >> Casar: Thanks. Our last item, members, is trying to put together the calendar year for the oncoming schedule, but I would sort of rather our staff talk to each other and figure out a calendar so we don't have to make that here on the dais. I would indicate, though, if y'all think it's all right, I do think it would be

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important for us to meet once before the budget is finally developed. For me, a couple of things stood out today. The housing trust fund resolutions, that iterations of our committee have put together, you know, we were close to honoring it last budget, but not quite there, and it seems like I want to get us closer, or at least have a discussion of it before the budget is put together. That's the money that we put into the high opportunity areas and the HPDs, and we'd really like to think that through. Also, if there are going to be any budget requests, as far as making sure this monitoring system is adequate, that may just be something for us to think about. Those just seem to be two of potentially several questions that may be helpful for us to think about before the budget and this committee. So I think at least one meeting between now and then would make sense, but we can have our staff get together. Are there any items that y'all are interested in seeing on the next agenda? We can always talk about them offline, but -- great. Well, then we'll adjourn the meeting, and I really appreciate our staff working so hard, as well as our -- as well as our technical staff who supported this. I appreciate it. The meeting is adjourned.