



APPROVED APRIL 29, 2015

MEETING MINUTES

Wednesday, January 28, 2015

BOND OVERSIGHT COMMITTEE

Regular Meeting

The Bond Oversight Committee convened in a regular meeting on Wednesday, January 28, 2015, at 8:30 a.m. in City Hall Boards and Commission Room #1101, 301 West 2nd Street, Austin, Texas.

Chair Moses Garcia called the Committee Meeting to order at 8:35 a.m.

Committee Members in Attendance:

Moses Garcia (Chair), Karen Friese (Vice Chair)

Tyler Anderson, Jennifer McPhail, Beverly Silas and Dave Sullivan

Committee Member Paige Oliverio was not in attendance.

Staff in Attendance:

Mike Trimble, Susan Daniels (Liaison) and staff presenters listed in Agenda item 3 below.

1. APPROVAL OF MINUTES

The Minutes from the October 15, 2014 meeting were approved on consent with Committee Member Oliverio absent and Committee Member Silas arriving after the vote occurred.

2. CITIZEN COMMUNICATION: GENERAL

No one signed up to speak.

3. NEW BUSINESS - BRIEFINGS

A. General Obligation Bond Programs – Proposition/Project updates:

- i. **Presentation by the Health and Human Services Department on related bond propositions and project updates:** Kymberley Maddox, Health and Human Services Department, presented an overview of the Department's 2012 Bond Proposition 17 projects. The four projects include the Betty Dunkerley Campus Infrastructure project, Parking Lot Expansion project at two locations, the Montopolis Recreation and Community Center project and the Women and Children's Shelter Expansion project. The Betty Dunkerley Campus project is being combined with the Animal Center Expansion project for greater efficiencies and cost savings and is expected to be completed in 2017 and will address drainage issues and road, sidewalk and parking on site. The Parking lot Expansion projects will create 20 new parking spaces at the Far South Center and 12 new parking spaces at the Montopolis Center with construction anticipated

to start in late 2015. The Montopolis Recreation and Community Center is a joint-use project between Health and Human Services Department (HHSD) and the Parks and Recreation Department. The HHSD portion of the project is funded at \$3.7 and is currently in the preliminary design and community engagement phase. The City is currently developing an RFQ to hire a consultant team for professional services related to the design of the facility. The Women and Children's Shelter Expansion project is in the final design phase and is expected to go out for bidding in late 2015. The project is being designed to accommodate a 2-phase expansion. The first phase is funded through the 2012 Bond Program. A second phase will also add capacity and is expected to be brought forward at a future bond development cycle for consideration for funding.

- ii. **Presentation by the Neighborhood Housing and Community Development Department on related bond propositions and project updates:** Betsy Spencer and Rebecca Giello, Neighborhood Housing and Community Development Department, presented an overview of the 2013 Affordable Housing Bond Program and the programs and projects receiving funds. Ms. Giello gave an overview of the importance of affordable housing bond program by sharing housing market data, the increase in poverty over the past decade and the decline in middle income households in Austin. She discussed the availability of housing and stated that there is a gap of 48,000 units of affordable rental housing and a small percentage of ownership housing units that households earning less than \$50K and \$75K can currently afford in Austin. Both the 2006 Bond Proposition 5 and the 2013 Affordable Housing Bond target three main investment areas: Rental Housing Development Assistance, Home Ownership Programs, Home Repair Programs. While implementation of the 2006 Bond Prop. 5 is complete, the newer bond funds have already begun to fund projects that serve the key populations the bond program is designed to serve, including veterans, seniors, chronically homeless, families with children and persons with disabilities. She stated that this year's priorities are aid with as much as \$2.25 million in GO! Repair Program and Architectural Barrier Removal, as much as \$11 million in rental housing development and \$1.75 in acquisitions and development for ownership. These efforts support the City's core values of deep affordability, long-term affordability and geographic dispersion. She reviewed the FY15 project application scoring criteria as well as committed funds for housing development including four projects being designed and constructed. She highlighted the City's recent request for qualifications solicitation to support the creation of permanent supportive housing (PSH) units. This targeted tool was developed to encourage projects that would house people experiencing homelessness. The first ever housing-first development, the Austin Travis County Integral Care Permanent Supportive Housing facility, will receive \$3 million in bond funds toward a \$12.6 million estimated budget. Social services funding will be committed at a later date through a Health and Human Services Department social services contract. Committee Member McPhail asked if the next bond program would take on a different approach to affordable housing since much success has been seen from current efforts. Director Betsy Spencer stated that any future bond programs for affordable housing would be driven by demand, but she would expect a balanced approach. Committee Member Anderson discussed the desire for seniors to be able to stay in their homes and questioned what the City is doing to address this growing problem. Ms. Giello and Ms. Spencer discussed the various ways City's like Austin can provide assistance that involve tax breaks, utility bill assistance, community land trusts and green healthy homes initiative, which includes

weatherization and other cost reducing measures. In addition, they mentioned the city's Density Bonus Program that developers can take advantage as a great tool for moving affordable housing forward. Discussion also touched on the natural loss of existing affordable housing units over time and best practices to increase supply.

B. General Obligation Bond Programs – GO Bond Implementation Progress:

- i. **Presentation by the Capital Planning Office on GO Bond implementation progress:** Susan Daniels, Capital Planning Office, presented an overview of the progress made in implementing our active bond programs. The City's goal is to deliver on GO Bond Program scope, schedule and budget as outlined in voter information brochures and election proposition language. We currently have four active programs including the 2006, 2010, 2012 and 2013 GO Bond programs. Additional information regarding implementation of these programs can be found in the quarterly Bond Programs Report. Ms. Daniels reviewed the current spending status of each bond program and explained that the City has tracked fairly closely over the past few years in actual vs. planned expenditures. She stated that over the past 8 years, the City has averaged approx. \$90 million in bond spending each year. While spending varies each year, we anticipate dipping below this average spending rate in fiscal year 2017. She explained that while the key drivers for investment in the projects lead to the creation of the bond programs, the City regularly revisits these during bond program implementation in order to find cross-departmental overlap and coordination opportunities that will allow for better community outcomes and efficiencies in delivery. She highlighted three factors affecting program implementation, including economic and market conditions, community priorities and unforeseen conditions. These are only a handful of factors that must be taken into considerations during implementation. To better illustrate the typical project life cycle, she showed two diagrams that explain how value and cost implications, as well as project budgets and accuracy of estimates, change over the life of a project in a fairly predictable way. She went on to give updates for each active bond program including overall status in meeting program substantial completion goals, expended and obligated funds and a highlight of significant project activities currently underway. She concluded by highlighting communications and reporting efforts of the Capital Planning Office and the resources available to the public for more information. Committee Member McPhail discussed her desire for more robust conversation with the public to educate citizens about the need for project contingency funds and voiced her desire for the Bond Oversight Committee to assist in helping to inform policy around this matter in future bond development.

C. Boards and Commissions Transition:

- i. **Presentation by the Office of the City Clerk on City Boards and Commissions Transition:** Deena Estrada, Office of the City Clerk, presented information related to the transition of Boards and Commissions to a new system set up for the City's new 11 member Mayor/Council. City Council took action in December to adopt changes to Chapter 2-1 of the City of Austin Code which provides guidelines for Boards and Commissions, including changes to the Bond Oversight Committee. The current Committee will expire when the new Economic and Capital Budget Joint Committee is created in July 2015. Current members of the Bond Oversight Committee can apply for the new joint committee, which will consist of four members of the Planning Commission, three members from the Zoning and Planning Commission and four at

large members to be appointed by the City Council Audit and Finance Committee. Committee Member Sullivan pointed out that the Boards and Commissions Task Force had stated their recommendations for City Manager, via the Capital Planning Office, to appoint the four at large positions and voiced his desire for the Capital Planning Office to provide input and help inform the Council Audit and Finance Committee regarding those at large appointments. Mike Trimble, Capital Planning Officer, pointed out that the Council is considering revamping their Committee Structure and it has yet to be determined which committee will be doing the appointments.

4. FUTURE AGENDA ITEMS

Committee Member Silas requested that items A, B and C listed below (Public Safety, Cultural Arts and Mobility) be accommodated in the April 29, 2015 meeting agenda so that the June 2015 meeting could focus on items D and E below, as well as the annual Proposed Bond Appropriation and Sales Schedule presentation and discussion.

- A.** Public Safety proposition and project updates
- B.** Cultural Arts Bond proposition and project updates
- C.** Mobility Bond propositions and project updates
- D.** Operations and Maintenance impacts of Bond program implementation
- E.** Bond Program impact on the debt service portion of the City's tax rate

6. ADJOURN

- Chair Garcia adjourned the meeting at 10:15 a.m. without objection.