Special Called Council Meeting Transcript – 10/08/2019

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>> Good morning, the mayor is out on city business, I'm calling a special called work session to order at 9:30. We're in the boards and commissions room. The plan is if staff wants to make their way up to the seats right here, for the staff to go through their entire presentation, and we're hoping it's 50 minutes or less, 5-0. And then we will use the remaining time. Like I said, on the message board, I hope everyone was able to see it. I was trying to find a way to make sure that everyone had

[9:39:41 AM]

equal opportunity to ask questions at this first session, so, what I'm going to do is divide the remaining time by 10. And then just start going back and forth on the dais. First council member Harper Madison, tovo, alter and back and forth like that. Because we started late, I'm still hoping each person gets at least five minutes so I will make sure each person gets five minutes. That will take us. Council member Flannigan may have to leave. He's going be emsee the event. So, maybe if you could go earlier, if necessary, to make sure that each of us gets our five minutes. But that's the plan, and now I will hand it over to -- unless you wanted -- do you want to say something? >> I do.

[9:40:42 AM]

Rodney Gonzales, assistant city manager. I'm filling in for city manager cronk who is out this week. In front of you is the land development code leadership team who drafteded the code along with our consultants. Before we begin I want to give a thank you to all of the staff that participated in this process. This was a cross departmental, cross functional effort by a team of folks who started, since may 2nd council policy direction. They worked nights, weekends and tireless hours to get to this point and we've reached a milestone in this entire process. It's one of many that we've achieved. Today they'll present to you the staff report card which is how staff met the council policy direction and land

development revised code which was, of course, published Friday. With that I'll turn it over to annike bodet. >> Thank you, city of Austin.

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Our agenda is quickly go over our time line for you all, mayor pro tem and council, as well as the public, and then assistant city manager Gonzales pointed out, we'll be going over the performance of the code. The code was released, the text, the map and 50-page executive summary staff report. Was out on Friday. And spokes are getting oriented to it, reading through it. And so we wanted to wait a few days before we reported on the housing capacity performance, affordable unit capacity performance. A bit about what's different in the code related to the affordable housing bonus program itself, and also, deep live a bit into how the code is performing by district. And then, pretty soon, you will have the first page of a multiple page report card on the performance of the code that is going to focus on housing capacity. In two week, the rest of the report card will be released

[9:42:43 AM]

with much more data on how the code performs in other areas, with regards to the environment, transportation and other community goals that we have. So, this is our time line. To report, we have, in October, our two open houses that will happen on Saturday the 9th and Wednesday the 23rd. I'll go over more details at the end O the presentation on that, and we have public testing October 18th that will be here at city hall from 1:00 P.M. To 8:00 P.M. On the third floor of city hall. In October, we have office hours as well. We already have -- today we have our first office hours in district 1. We have folks lined up already and that is an opportunity for to sign up for 30 minutes to have undivided attention from city staff related to any portion of the code, their property, their neighborhood, and we can have that one-on-one explanation of what's going on

[9:43:44 AM]

with the code. So, with that, we're going to go right into the presentation on capacity. On may 2nd, you asked us to deliver a new code that should allow for housing capacity equivalent to at least three times the Austin strategic housing blueprint goal of 135,000 new housing units over ten year. You also asked us to look at that housing to be within activity centers, along activity corridors and along the transit network. In transition areas and additional entitlements should only be provided to supply missing housing the multi unit house scale type housing which we'll get into detail how the code is performing on that. As well as through the density bonus program. You also asked us to be careful on the granting of new entitlements and areas currently

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or susceptible to gentrification, that we should be limited so as to reduce displacement and disincentivize the multi family residential development. You know in the past work sessions we talked about how we have not upzoned and we have data on where that affordable existing market rate, affordable housing exists, and we did not upzone those properties per the direction. Also, that unless substantial increases in long-term affordable housing will be otherwise achieved, we looked at existing market rate, affordable multi family. Again, not to be upzoned, so that was a strong direction that we followed. Lastly, Steph staff will consider mapping high opportunity areas identified by the property 360 index. You'll see as we work through the data we were able to also

[9:45:46 AM]

apply that criteria. The current code allows for capacity or nearest equivalency of 145,000 units. What we delivered on Friday with the ldc revision increases capacity for missing housing. House scale unit in transition areas and high opportunity areas. It increases capacity through the inclusion of the affordable housing bonus program in more Zones, new Zones, that are in the current revision, and areas of the city. The revision also maintains comparable base zoning, except in transition areas where you have new Zones that have been created for that missing middle house scale multiunit product. And then what we're achieing with the land development code, your direction asked for 405,000 units, capacity of 405,000 units. We are -- we deliver 397,000

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total unit capacity. So, the effect of the change is that we got very close to the 135,000 times 3, 405,000 units. And with that, I'm going to turn the presentation over to Peter park to talk about how those units look spatially throughout the city. >> Thank you, Peter park, sut ant with the staff. So, I'll talk about where, where are these units, and this additional capacity found. This first map shows, in gold, areas that have been identified as high opportunity, and at council directed, look into these areas in terms of more opportunity for missing middle and added capacity as well as the rest of the city. So, on the map in gold is areas of high opportunity. The purple areas on the map

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describe transition areas as per city council direction of where to map transition areas, as well as where missing middle housing is mapped in high opportunity areas. In general, if you look at the map, there are some areas that are a little bit thicker and areas that are thinner. The thinner lines describe where transition areas were mapped more shallow per council direction in areas vulnerable to displacement. Now, so that covers transition areas, and missing middle mapped and high opportunity areas. When we look at where multi unit development is allowed today, and under the proposed code is continued to be allowed, you can see that combined with areas, transition areas that are mapped and missing middle mapped and high opportunity areas, we get a

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greater distribution of opportunities for multi unit housing, as well as missing middle housing across the city. So it provides a much broader opportunity and more distributed opportunity for multi unit development, missing middle housing, which is the most efficient way of using land, and delivering capacity, and meeting capacity goals. So, when we then look at the bonus program, and we're going to be getting into the bonus in more detail, this gives you sort of a high level picture of it. The areas in fuchsia are areas today where there's a bonus available. All right? Under the new code, per council direction, the areas in the darker purple represent where bonuses, affordable housing bonus incentives, are available. And you can see how much more expanded the bonus opportunity

[9:49:48 AM]

is throughout the city per council direction. Until quantitative terms under your current code you have about 5600 acres of land that offer the bonus. Under the land development code revision as proposed, over 30,000 acres of land now have the bonus option available to them. And with that, I'm going to hand it over to Alex steinburger from cascadia partners and he'll give us details about the process modeling, the housing capacity. >> Thank you, Peter. I'm Alex steinburger, good morning, council members. I'm here to share numbers with you. I know you've an been hungry for numbers. Before we start, a quick referrer on the direction you gave back in may. You asked staff to analyze the capacity that their proposed map could deliver. And you also asked them to do

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that using the envision tomorrow model you asked them to introduce overall capacity. Cascadia partners, we're well versed in the vision tomorrow model. We ran that on each iteration of the code. So what go noose that into THA /* /* into that model. We talked about that last time. We do not consider every acre of land is building. We exclude floodplain, steep lobe, conservation land. Critical water quality

Zones and more. But does include primarily development on vacant buildable land and development to a lesser extend on existing developed land and major extinction between a traditional buildout

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analysis, here we're looking at what is actually feasible, not what the maximum density of the code could deliver. This is rational economically constrained estimate of capacity. A little more detail. As staff worked it was iterative. We get a map from staff that tells us every partialle what the proposed zoning designation is. Based on that zone designation, we then program what is called a pro Forma feasibility test. Where we try to figure out, could a building that typically gets build in a zone like this, get build on this location. Give market considerations and cost of land. If yes that gets included in the capacity estimate. If no, it's not included in the Cass capacity estimate. That's how using vision tomorrow, we come up with what we think is a rational and

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likely outcome from the code. So, we have graduated from tables and are now in the world of charts. So, more detail here. A couple of things to orient you on, when we go through these charts, you'll see a couple things repeated. First, on the left, you see nearest equivalency. So, what does that mean? Well, it's as close as we could get to modeling your current code. In fact your current code is nearly impossible to model because of the unique come pilations of overlays, base Zones, et cetera. During the modeling process we found there's several thousand unique combinations. S it's a very difficult thing to model. The term nearest equivalency highlights the fact we used a rational set of Zones and tried to match them as closely as possible to what your current code allow us. Revised ldc, that is the current

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proposal before you. You'll see that as we go through these charts. You notice here, we came very close, just within striking distance of that 405,000 housing unit goal, came in at 397. But the composition of those units is very different between nearest equivalency and revised ldc. Notice that red bar and blue bar on top of it are quite a bit bigger in the revised ldc than nearest equivalency. That's because as Peter showed, there are more bonuses available in more parts of the city. More multi family Zones throughout the city, and it's important to know that red bar that's your engine for producing income restricted affordable housing. That's the bonus. The more unit Weise have the more we're likely to get income restricted units as part of that bonus. That's the key thing we were responding to in council

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direction. You notice that almost three quarters of additional capacity over nearest equivalency was from the bonus units. That was the goal. We're not trying to upzone the city, instead we're trying to make people work for the additional density. It should be used in service of additional accordable housing. That's what you should take away from this chart here and that was the intent. There were additional targets beyond the 405,000 that we got from council. I'll list them here. 75 percent of new housing capacity should be within one half mile of transit priority networks identified in the strategic mobility plan and imagine Austin corridors and centers. Aft least 25 percent of new housing units -- income restricted affordable housing units should be within high opportunity area, and at least 30 percent of new housing should be in the form of missing middle

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housing. So we'll go through each one of those and how the code performed. On the direction to put 75 percent of total capacity within the key transit served areas, either current or future, the nearest equivalency to current code does not meet the goal. It provides only 75 percent. It's close but doesn't quite get there. The revised ldc provides 30 percent in the key Arias. So, another thing to highlight here, the slice of the pie that's in those areas is not getting bigger, the pie itself is getting bigger. We're putting three times as much capacity in these key areas where density does the most good as compared to current code. On the second point, at least 25 percent of income restricted housing in high opportunity areas, those are the areas Peter

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showed in gold on his map. The current code only provides 9 percent of the very small number of affordable units we think it would produce in those key areas. The revised ldc provides over 40 percent of income restricted capacity in those key areas. Again not only is the pie slice getting bigger but the pie itself is getting bigger. We're putting many, many more units in these key Arias. On the third point of providing at least 30 percent of new capacity in missing middle housing, the story is that in the existing code under nearest equivalency, you're meeting this goal. 36 percent of capacity could be within small lot single family or missing middle housing. In the revised ldc, the whole pie, again, gets bigger. So, if you consider the entire pie, including the bonus units, that percentage is 18 percent.

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However the bonus units will be by and large multi family because that's where bonuses make the most sense. If you just take into consideration the base, then the new code meets the target set by council at

32 percent. So, again, not only are we meeting that target, but also we're increasing the capacity of these key housing types by 30 percent over the current code. So, pie getting bigger, slice about the same. With that I'll person it over to Eric who will talk about the housing department. >> Good morning, in terms of council direction in terms of affordable unit capacity, one of the items at council's direction was to be able to meet the affordable housing blue print goal of 60,000 affordable units

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and preservation of 10,000 affordable units with the new code. As Ian has already mentioned, the income restricted unit capacity is 9,000 income restricted units that are part of that bonus program. But an important thing to note, is that the code itself will allow multi family housing throughout the city that will enable the construction of income restricted affordable units through other tools and funding. So, it was never expected that the code is testify would be able to create 60,000 affordable units. We knew that would really be all tools that we have, and in reality, a lot of tool that is we don't have. So, it's a -- which I'll talk more about in a moment. The steps that were taken to help to preserve existing

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affordable units include maintaining comparable base zoning for properties that had been identified as having market rate affordable units and I think we talked about this at a previous work session. So, the exciting thing about this information is that the 9,000 income restricted unit capacity through the bonus program is obviously significantly larger than the current code. And it does have that capacity for multi family affordable units throughout the city that could be subsidized, or created in some other way. This is just a reminder, mainly for the public, because I know council has seen this multiple times. I just wanted to stress that different tools and different funding sources will be needed for units at different levels of median family income. So, units that are affordable to

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people at very low income ranges are usually subsidized, because they require a lot of subsidy to be able to reach those steep levels of affordability. Once you get into higher mfi levels, 60 percent to 80 percent of median family income, that's where it starts to make sense to have the density bonus program create some of those units. And then at higher mfi levels, then, then the market can provide those, if there are the zoning -- zoning tools available to do that. So, that's where having a range of housing types in the code will help to meet the housing needs at higher mfi levels. And in terms of the tools themselves to try to meet the affordable housing goals, this stack, and again, I know council has seen this multiple times,

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but for anyone in the public who hasn't, this stack was included in the affordable housing blueprint and basically shows the tools and funding that we have identified to help create affordable units. So, the really thin slices at the bottom, those are the ones that we had identified in 2017 when the blueprint was adopted. So, that includes federal funding, it includes bond funding. It included our existing affordable housing bonus program at the time. It included what is now called the affordable housing conservancy, which is trying to preserve market rate affordable housing. So, those are all of the thin slices at the bottom. And then the dark green slice at the top, that's basically the gap, and what we would need to try and fill in some way to

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reach the 60,000 unit goal. However, we also estimated that to subsidize those units, it would cost between 6 and $11 billion. So, the code is obviously an important tool to try and reach those goals. But, it will take really a lot more tools, some of which are illegal in Texas. And so I just wanted to point out that the code is doing its part. And we're just going to have to continue to be creative to think about ways to build, subsidize and preserve affordable units moving forward. Okay. In terms of the development of the affordable housing bonus program itself, we want to make sure everyone understood how we

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got to the calibrations that are included in the affordable housing bonus program. Obviously we started with council direction. Our consultants eco-northwest have gathered data really over the last few years to make sure they have a solid understanding of the development economics in the city. They've gotten input on the methodology really over the last few year, and had multiple iterations to gather feedback and really refine the methodology. The Zones were Cal rate operated as part of this land development code revision process. By -- through an iterative process, as we've described in previous work sessions. Basically, there were proposed Zones. Eco-northwest did some modeling

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to try and see how much potential production could there be with those Zones. We made changes to the Zones to try and make the affordable housing bonus programs be as effective ABC possible. And so that's been a very iterative process. . And we were able to make improvements to the code to have it be more productive in producing income restricted affordable units. The Zones themselves, some of the

changes that were made through this process included incorporating bonuses into more Zones. Maximizing the scale of the bonuses relative to the base capacity, and what that basically means is, in most instances, we tried to keep the base zoning comparable to existing zoning, so that the bonus could be as large as possible. Because you do need a significant number of bonus

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units to be able to cross subsidize the affordable units and Ian will talk about this a little later. As I mentioned in previous work session tgs takes somewhere between three and 20 market rate bonus units to be able to cross subsidize an affordable unit. So, we just have to keep that in mind. In terms of the mapping of the units, as you've heard previously, the transition Zones were mapped less deeply and with less intensity in areas that are vulnerable to displacement and that's, again, to try and make sure that we don't exacerbate displacement. And then, as I mentioned a little earlier, we did maintain comparable base zoning for properties that have market rate affordable multi family housing at present. And just as another quick

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reminder of how the bonus works, and I put up two examples here, because we have two variations of the bonus program, so, if a parcel had existing entitlements for residential use, then the example on the left is the appropriate example, because basically, there would be base housing entitlements through the bonus program. You'd have market rate bonus units. And then some percentage of those bonus -- of those bonus unit was need to be affordable. That's if a property already had residential entitlements. However, within the code, there are -- there is also a variant called dash a. Dash a comes into play when a

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property did not have residential units -- well, does not have residential entitlements at present. So, it would be like a commercially zoned property. So, in that case, the residential entitle miss. Is non-existent and therefore all of the residential units in the entire building are bonus units, and therefore, the affordable units are a percentage of the bonus units which happen to be all of the units in a property. And this is intended to try to recreate vertical mixed use to the largest extent possible through this new code. And I'd be happy to chat about that more. And now, Ian Carlton will get into more details. >> Great, thank you, Erica. Ian Carlton echo northwest

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consultant on the ldc process. I want to reiterate this is a market driven approach to delivering income restricted affordable units. So, we are asking developers who are delivering housing to the city, to consider an option where they build more housing, in exchange for delivering income restricted units that very much match other income restricted affordable units that the city is pursuing through other programs. So, these units in the dark blue here are being delivered by the market, according to this program, with the same 60 percent depth of affordability for 40 years for rental, and at 80 percent of area median income for 99 years for ownership units. But the difference between these units coming from the affordable housing bonus Fram and others that might be occurring in the city, is that these are occurring through across

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subsidy. From the light blue bonus units to the dark blue bonus units and do not require a cash subsidy from the city. So, we're asking developers to provide this without any subsidy, any cash subsidy from the city. So, this program provides many opportunities for the city to have affordable units throughout the city. We've calibrated the policy so that it is -- we have calibrated it so that anyone with a bonus opportunity can go to the nhcd guidance, and see how many units would be required of them. Now, because this is it a market-driven policy where the city of Austin has many diverse markets where there are distinct building scales with different construction costs and different land costs, we have calibrated it to those market realities.

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So you see a variability today where nhcd is going to subsidize units. It varies how much it kill be depending on the project. In this case we're calibrating depending on the type of project, the type of zone in each of these geographies. So, we worked with the city staff to define market geographies to reflect the ability of the developer to cross subsidize affordable units in different parts of the city. We settled on this set of geography, sort of balancing the fact that too many geographies would be too complex to administer and too few geographies would not maximize the affordable bonus opportunities. So, by right sizing the geographies, we are hoping we can calibrate the policy sort of just right. Now, that calibration, as Erica noted, plays out. Because a certain number of affordable units are required to cross -- a certain number of

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market rate units are available to cross subsidize an affordable unit, that varies by geography in the city and also by the zone, each zone has a different base and bonus and therefore different construction costs. Each bonus varies by whether or not the housing would be rental or for sale housing. And so what you see in this map is an example of one zone where we've calibrated it so that across the geography, we've right sized that requirement to maximize the number of affordable units that the developer could deliver within the bonus, and make sure that across the city, there's still an incentive for them to take the bonus, because the developer always has the option to not take the bonus and to work within the base entitlements. So, in the lightest color here, the yellow, where it says that a developer would be required to provide 5 percent of the units as affordable within the bonus,

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that means that approximately 19 units of market rate housing would be required to offset one affordable unit. And we can go down the line here. In areas in the light green, we're really talking about a situation where we estimate -- it would take about 12 market rate units to cross subsidize one affordable unit and make it attractive to developers to deliver the bonus. In the darker green, that would be an area with approximately 7 market rate units to cross subsidize one affordable unit and in the light blue, if you had the zone mu-3-a in the light blue area, we estimate it would take about six units to cross subsidize one affordable unit and make it attractive to developers to take that bonus instead of delivering the base -- working within the base entitlements. We want developers to work

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within the bonus. Now, all developers are different to ensure highest participation in a particularly voluntary program, the program offers options for developers to deliver affordability in the city. There are options for building affordable units nearby, providing land for affordable housing development, and the opportunity, in some instances, for paying an in lieu fee instead of delivering a unit. That fee, we calibrated, as you can see here, specific to each type of unit that they would be required to build as affordable. If they were required to build a two bedroom affordable unit, they could take the option of paying it in lieu to the city of $335,000. Instead of delivering that unit. That $335,000. We calibrated to be

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approximately the cost that would be incurred by nacd to deliver a similar unit in central Austin. So, what we're saying is that the developer has the option to not deliver it on site, but nhcd would receive funding so they could deliver the same number of units elsewhere. So, this -- these options really speak to the fact that this a completely optional program, where we have to provide adequate bonus to

incentivize the delivery of the affordable units, and we have to provide opportunities for developers to deliver affordability in a number of ways to really maximize the amount of bonus uptake throughout the city. So, I'll pass it off to Alex at this time. >> Thanks, Ian. So, I hope it's clear from what

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Ian just told you how much calibration went into the bonus program. I think you can be assured we're leaving as little on the table as possible when it comes to the bonus. That's why it you take one thing away from today, that that red bar right there on this chart, it's required. It's the engine that gets us the blue bar on top. It's key. I can't underscore that enough. We've taken this information that you see here presented at the citywide scale, and we've brought it down to the council district level so we get a little more geographic granulator. As you can see from this map, where we have these circles that are roughly scaled to the numbers you see there the number in terms of total capacity that we found to be feasible within each district it's not the same, even they each represents

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current population. There's consideration with this district that's is higher or lower cross the city. Here's another way to look at it. You can see the clear differences across the ten districts, but there are a few things that influence why these numbers are higher or lower across all of these districts. One is district size. Simply the geographic size of the district influences how much available land there is for future development. The availability of that land and buildability of it is also a factor. The amount of constraints is another factor. Some areas have the Edwards aquifer recharge zone, they have floodways, they have steep slopes. That's going to influence what the capacity are in those areas. Nally corridors. Those are not equally directed throughout the city. Some have more than others and that's the major criteria for mapping. Now if we take these numbers and take the first point I

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mentioned, district size, if we normalize by area, we take the total capacity by district. Divide it by the total amount of land in the district. You can see things start to even out. The only two major spikes we see are district 1 and district 9 both of which have portions of downtown within them where intense zoning tends to pre dominate. It's not surprising those would be higher. But I think what you'll see, once we dig into some of the factors underlying this. You can see it's actually a rather equal split and staff has gone to great pains to make sure that multi family zoning and bonuses are available in every part of the city. The last thing I'll leave you with, is that as part of this process, we're able to quantify the amount of affordable housing capacity by district. And we understand that you have district level goals for that, that add up to that 60,000 unit

goal. It's a lofty goal. It's going to take a lot to achieve it. And the ldc is one tool that you have to achieve it. It's a very strong tool. It's an important tool. But it won't get you all of the way there there are other things like your capital programs, your housing bond, for instance, that are going to help, as well as non-profit developers who aren't considered as part of this analysis. They have different set of criteria for how they build, and this code is a non-profit developer friendly code. It helps them build more densely and more economically. So, as we go forward, I think the work that remains to be done is largely in trying to tee up the funding and the programs to make these goals a reality. So, annike is going to finish off with the next steps and what we can expect in the coming weeks. >> Thanks, Alex. I mentioned at the beginning of the presentation, office hours

start today where community members can signed up for 30 minutes with a planner who has worked on the code and get some specific information that they might be looking for. We'll be having office hours in each district. I said we had public testing planned for city hall from 1 to 8:00 P.M. On the third floor October 18th, where design professionals within the community have been busy using the new code, and creating renderings of what could be produced and what does this house scale multi unit really look like on certain size lots. I think that will be a very important part of the process as we move forward is visualizing the product, the new missing metal product that can come out of the code. And two open houses Saturday, October 18th, 10:00 to 20:00 at the Connelly again Guerrero senior activity center and Wednesday object 23rd, at the

central library. There will be one stop shop from all Arias of the code from environment to transportation to land use and zoning and to process. We'll have the whole team there to ask questions and it will be a come and go asphobes please, so as convenient for them and lastly, we want community input on the maps. This is an iterative process. This was, as we were producing and leading up to the release Friday and it will continue to be until we work through council deliberations, so, we have guidelines on the community on the website currently. By the end of next week we have a process which folks can hand deliver a hard copy about ideas about the zoning map or electronically. I encourage folks in the community if they have ideas on the maps they can start doodling around on some maps in preparation to submit them to us for review. And with that, we'll be happy to take your questions.

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Thank you for your attention. >> Thank you, that was almost perfectly timed. Let's do six minutes each council member, if you don't use your time the first round it will be added to the remaining time at the end where I will just take any follow everyone questions. Council member Harper Madison. I'll start my timer >> We first? >> Yeah. Thank you for that presentation. I have a couple questions that you didn't already answer, and I suspect that as you answer the questions it will help inspire continuation of some of the questions. I like to start by saying, would you mind saying where in district 1 the office hours will be this evening, just for public record so folks know where to go to ask those questions? >> I'm going to pull that up and then circle back at the end of

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your questions. >> The next question will staff provide options on changes we can make to meet our housing goals? I know we got close. How are you meeting them and are you providing options and recommendations? >> As I mentioned, they are very ambitious, affordable housing goals. At the time they were adopted we were very clear they were ambitious, basically, there's no way that an optional incentive program will ever be able to produce a sufficient number of income restricted units. It really does require subsidy. It requires other tools, but unfortunately the state of Texas prohibits the use of tools available in other cities. So, our tool kit is somewhat

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limited. There might be minor tweaks in the code that might be made but following council direction this is the greatest number of affordable units we think it could provide. >> For some of my colleagues in the room that have been doing this for a while and last here for the last iteration of the process, they are considerably more familiar with the land use discussions but I have the great fortune of learning alongside my constituents. In which case, when you limb takes and referring to the tool kit and things that are illegal. I don't want to waste too much of the six minutes that's taken away. Moving forward if you could not be so vague, let he people know what our limitations are as a state. What it is other cities and states can do. Because I think it will offer them an opportunity to dive into this discussion from a place that feels considerably less rigid, and then, so -- >>ky mention two super quick. >> So, I'll read my next question, I think you're

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probably going to answer it. As you were speaking I'll sort of jot them down. What tools don't we have, what tools do we have and what tools are illegal in Texas is the next question. >> Probably the two main tools that are not available to us in Texas, because they are illegal are inclusionary zoning where you could require some percentage of affordable units in any new development and it wouldn't have to just be an incentive program. So, that tool is not available to us. Another tool that is not available to us, is requiring impact fees where we could charge a fee, for affordable housing, on new development. So, the tools that are available, obviously, we can -- we can ask voters if they are willing to pass general obligation ponds. We can have voluntary incentive-based affordable housing bonus programs, like the ones that are included in the

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code, we do have a homestead preservation district that does set aside a portion of increased property revenues to be set aside for affordable housing, which is similar to a tax increment financing district, and that is actually another tool that can be used, but it is setting aside part of the city's property taxes for affordable housing. So, again, it is a type of subsidy, or using funds that are available to us for affordable housing. Those are really the main tools. There are some other little one, but in terms of having significant production, that's -- that's what we have, and kind of what we don't have. >> So, you saw district one on this chart, right. So I'd like to please implore you when you're having discussions with members of the district 1 community, to be very clear about those tools,

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limitations, et cetera, so they really understand what is happening, what can happen, what can't happen, under what circumstances they can be more active, and sort of moving us forward, so when you say voters can vote, when can they vote, November, may? Just if you could just please be very clear. And the last question I had was, you said, and I think you have expanded on it already, but you said, the ability of a developer to, and I think what you're making reference to is the fact that, when we're talking about development, we're talking about a business that needs to pencil out to where you cover your cost, pay your employees, pay for materials, et cetera, et cetera. That's one. I could just beg you guys to be very clear when you're talking about these things to folks, because if you're not in the industry, if this isn't what you do, you're not taking those things into consideration. You really don't get it. But the other thing I was going to say, you said the ability to and I think you may have touched

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on it by way of saying what we can and can't do. But is there really no other way for us to do it as opposed to making it a voluntary program? Like when you talked about fees in lieu. There's no way to

increase the fees in lieu. And I want to be fair to everybody, including the development community, have absolutely no animosity there. I'm just trying to figure out how we can -- never mind. >> The answer to the question is office hours, university hills library, 4:00 to 8:00 P.M. In district 1 today. >> I'm happy to let you finish your question and answer. Is there a different answer it that? >> So, the question was basically, when we say developers can't -- or, developers -- >> The ability to. >> The ability to. So, basically the comparison is, the question of whether the developer would just build to

[10:29:49 AM]

their base entitlements, or whether they would choose to participate in the voluntary incentive program. So, basically, if you required too many fees or too many affordable units, then they would just choose not to participate in the bonus program and it does have to be voluntary in Texas. That is not true in some other states but in Texas it must be volunteer and must make economic sense. If it doesn't make economic sense to a developer to participate, basically, if they don't have a monetary incentive, to participate in the voluntary bonus program, then they won't. And so it does have to be calibrated in such a way that they will want to provide affordable units and it will still make business sense. >> Okay. Thank you. Council member tovo? >> Tovo: Thanks very much. I appreciate the staff who have been working so hard and so many long hours to get this completed in time. I know it couldn't have been

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easy. I wanted to start by mentioning my district will have a town hall at city hall Thursday from 6:00 to 9:00. I know the staff largely will be asking questions of our city staff. I know we're doing our best to get the word out between now and Thursday. That -- that that open house is happening. We will also have child care for individuals in the community who would like to come and have young children they'd like to come. I think I'm going to start with one quick question. Last time we did have an estimate for the expected level of redevelopment, based on different zoning categories. And I know t-4, which is really equivalent to the lower intensity of the transition Zones, was expected to redevelop at a rate of 25 percent based on the envision tomorrow tool, and I wondered if you have done that calculation for the higher level of transition zone here, which

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is rm-1. >> So, I'm going to have to reach way, way back into my memory to answer this question, but it is a good one. So, I believe that the approach that you're referencing is not the same approach that we are currently using to estimate development feasibility. So, that was the approach that we took during the first phase of the previous land development code process. Now the way that we do it is, as described in the chart, or the graphic earlier in the presentation, we look at each individual parcel, and

the unique considerations that go along with each parcel, the land cost, local market conditions, site constraints. And do a feasibility test on that parcel and we do it for each parcel in the entire city. We iterate through. So, the percent of parcels

[10:32:52 AM]

within each zone that are expected to redevelop is really a function of the location of those parcels each time the new map is produced and the value assumed for those parcels. >> Tovo: So, I guess to avoid using up all of my time on this question it sounds like it's something we need to talk about outside of this conversation. I just want to note that there were concerns the first time through and people saw the t-4 zoning in their areas, that 25 percent of that was expected to redevelop, and rm-1 is significantly more intense. You would think it's even more likely. I think the best way of getting at this information is for me to submit a particular question about my district, because, you know, one of the things that I note, that we all note looking at the map at 31, on page 31, is that with the exception of district 1 and I haven't been able to look at the map. So I don't know if this is a factor of redevelopment, the capacity numbers in district 1

[10:33:54 AM]

are coming to a large extent from redevelopment or from vacant land or what that balance is, but I know that district 9, I'm pretty sure, I don't have the numbers in front of me, but I think we also have the lowest amount of vacant land, so the capacity which far exceeds the capacity for other areas here is largely coming from redevelopment. So as people in district 9 analyze the proposed changes and how they'll impact district 9, a large amount of the increased capacity is being Bourne by district 9 and that will be redevelopment, not new development, so that's the -- really the rezoning and transformation of existing structures. So, I think that's a very significant, a very significant factor for district 9. I haven't had an opportunity to look at the maps really closely in other areas during the draft map I did see there were areas outside of activity corridors,

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and activity centers that seemed mapped much less intensely than I would have expected, and so those are some of the things that I'm -- that I hope we can all take a look at to make sure that as we're undertaking this, we're doing so in a way of really trying to make sure that we're adding housing to those activity centers in parts of the city, outside of downtown, outside of the central city. I think this is a -- if this is a good path, it's a good path for all of our districts to take, to increase density in that area. And I also note, and again, it's -- we've only had a couple day was these maps and no days really with the print code, which is what I'm going to need to really review it, but one of the assurances given in the

month since the policy direction is that the transition zone would not exceed 50 percent. I'm not sure that it -- I'm not sure where that lands. A lot of neighborhoods I represent are right at that

[10:35:55 AM]

mark, I would suspect, though I haven't gone through and counted lots. So you're looking at about 50 percent of some of these neighborhoods being rezoned for transition zone, going, in some cases, from, in many cases, from two family properties to as many as ten I'm not sure that will feel like a house scale but a ten unit development will feel like a house scale, given what's there, but I do notice again and again and again an exceeding of the two to five lots. Duvall along 41st street from the golf course up to Duvall looks like it has 16 units in the transition zone. These are just a couple examples from 51st street to 50th. You've got 16 units -- at some point I would like to better understand, and I think the public will, especially on Thursday, why -- I understand

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there are multiple corridors, some of these, at least in the case of Duvall, which is currently a two-lane residential street to, have a 12 lot back transition zone, seems to me just entirely beyond what is reasonable, and in fact, I think from looking at some other places like William Canon, that it's a more intense transition zone that exists elsewhere in the city at places that are actually corridors. Anyway, thank you. I have lots more questions to come. Council member alter? >> Alter: Thank you, I have appreciate the work. I also have areas that have two or three lots and transition zone Zones and I want to understand better how that

[10:37:58 AM]

happened. My first question, we were at 135,000 now 140,000 in terms of capacity of the existing code. Now we're the 210,000 without the bonus. Would it be accurate to say we increased capacity by over 50 percent? >> By one interpretation, yes but the reason why that occurred is because the availability of the bonus makes it feasible in more locations. >> Alter: I'm not asking about the bonus, I'm asking if we compare the 135,000, ignore the bonus, take that 135,000, according to the chart on page 12, it says we have base units of 210,000. >> Uh-huh. >> Alter: If I compare the two bases, is it accurate to say we have increased by right capacity over 50 percent. >> Yes, but it's impossible to

[10:38:59 AM]

completely separate the conversation about the bonus from those units, because those units exist because the bonus is available. So, it assumes the bonus would be taken in those instances. >> Alter: So there's another step to this proses he that says the fact you could get the bonus, allows you to actually get the base units? Okay. I will not take up my time on that clarifying, I'll think about that. And I want to talk with you more about that. For an existing single family lot proposed to become r-4ly I understand can now do four units by right plus four unit was a bonus. How did you determine the feasibility in this case where a structure was already built out? >> I'm sorry. Can you repeat that? >> Alter: In the transition Zones there are four zoning you can do up to eight units with the bonus, perhaps there's a preservation thing on top of that. How do you -- do you determine the feasibility -- how feasible

[10:40:00 AM]

it would be to build out in that case. As I understand it, your feasibility numbers taken into consideration calculations about the feasibility of development and I'm trying to understand, in those transition Zones what were the factors you used to determine whether it was feasible to be four units, eight units, nine units. What did you use? >> So, for each zone, we have a redevelopment test that we perform. So, using the highest and best building use within that zone, we have a pro Forma for that building type, and we test based on the land value of that parcel in the transition zone, and the achievable rents or sales prices in that transition area. And if those criteria are met, and the parcel is assumed to be redevelopable, then we assume the build-out density is actually a more conservative estimate from the full capacity

[10:41:00 AM]

of the zone. Because we don't want to overstate the zone's ability to produce, for instance, an eight flex, when in fact the lot may be too skinny or not deep enough, or there may be surrounding uses that make that more difficult to achieve. So, we kind of throttle back the build-out density assumption. >> Alter: I understand that. I'm trying to understand under what conditions it would be feasible to get on that, by the numbers you gave, it was confusing to me to understand under what conditions you would get eight units, under what conditions for rm1 you actually get ten units. What are the conditions that need to be there and where it did you say that's feasible or not? >> So, it depends on the locations within the city. We have different market areas. >> Alter: So I think I might need to have you actually, you know, write this out or provide me the documentation of where you see this. I would like to see that capacity gis mapped where I

[10:42:01 AM]

could look at code next to look at particular properties to see where it is but also need to understand what assumptions went into that. Because my quick translation of your numbers on the percentages

doesn't get me that happening very often and I would like to understand that better. I also want to understand why the number of income restrictive bonus units is only 5 percent of the number of bonus market rate units but some places we have 5 percent of bonus units are affordable. Some places we have 7 percent. Some place we have 15 percent. Shounts shouldn't that be higher than 5 percent? And you can get back to us on that point. And I would also like you to please follow up with helping us understand how you normalized the numbers with the acres. I think that's a really helpful way of thinking about things but I think I need to explain that to my constituents so I would like to know that. Can you tell us how much of the capacity, non-bonus and bonus

[10:43:03 AM]

respectively, comes from the transition Zones? >> I can follow up right now with you on the exact number but it's a very small portion, proportionally. >> Alter: I would like to see those numbers, as council member tovo asked the numbers by zone would be helpful even if it it varies across the city, we should be able to add up those numbers by zone to understand where things are happening. Could you also tell me how you added capacity to the regional centers? I saw in the document that there was information about what was going on in downtown. There was additional direction that said we should be building it up in regional centers. [Timer] >> That's a question for staff who did most of the mapping and criteria for that. >> We'll follow up with the answers to all of those

[10:44:04 AM]

questions. >> Alter: Okay. Thank you. >> Council member pool? >> Pool: Thanks. I wanted to thanks our staff for all of the work done in a short period of time to get us to this point today. And then let everybody in the community who is in district 7 or wants to come to the town hall for district 7 it's Thursday October 24th from 6:00 to 8:00 in the Lamar middle schooling L school which is on Winona. I'm looking at page 27, calibraing the blueprint where we have fees in lieu for onsite affordable units listed for studio up to three bedrooms and I just wanted a quick question here. Are these in the -- would these be in the fee schedule and will they be -- are they anticipated to be updated annually? >> So, they would be in the fee schedule and they would be updated as need be, which might or might not be annually. >> Pool: What criteria would you

[10:45:04 AM]

use for the updates? >> So, we would look at basically whether the market has changed significantly. Because the development cycle is -- takes a long time for people to get through the process, what we have heard is you often don't want to change the -- these more than maybe every three years or so, because there's uncertainly. >> Pool: That's good. I don't want to get into too much of the weeds I want

to make sure staff is not anticipating these are staff mums. That's what got us in trouble with the school finance legislation. There's a lot of static numbness there. Because the economy flexes we have to make sure these numbers also flex. I wanted to make a note, Erica, you were talking about the different tools that are not available to us, and I think that was in answer too one of the first questions we had. I just wanted to make note of a couple of things that have

[10:46:05 AM]

happened in the last two sessions and maybe we look to add items to our legislative agenda for 2021. First off, the impact fees, we're preempted by the state legislature in 2017. I supported those impact fees. They were brought by members of our community. It was a great idea. The folks who brought it were a mix of housing advocates and non-profit and affordable housing developers. It was a shame that was preempted at the legislature and we need to do something about that. And then I worked with state rep Gina hinosa on the inclusionary zoning changes. She and I worked to get -- to overturn what was considered the Baxter law, which outlawed inclusionary zoning which took that tool out of our tool box back in the early 2000s.

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Unfortunately that bill Sha that she and I worked on didn't get a hearing, so often at the legislature you have to do things multiple times in order to make any inroads but that's another item we need to put on our legislative agenda. So, we're not without recourse. It may be, and that's for us as policymakers, it may be state law says we can't do things and we've been preempted on a number of things in the past that doesn't mean we can't keep trying. I wanted to get that out into the public as well. Let's see. A lot of existing affordable multi family housing in district 7 looks like it was upzoned. And I understand that the multi family real estate information, I think it's called co-star, is that right? May not be broken down exactly into rental rates. I would like you to explain how you identified existing

[10:48:07 AM]

affordable and I have a followup question on that, because I'm concerned we're going to trigger redevelopment in parts of the town where it otherwise might not happen for a while and these are valuable properties. I want to make sure we're protecting existing affordable toss housing, what housing we have now. >> The process we have, we did pull co-star data. We looked at the rents for different bedroom count units and if it was affordable -- deemed to be affordable at 60 percent of the median family income for that bedroom count unit, then it was included in the properties that were kept with their existing base zoning entitlements. You know, we could talk about other ways to do it, but that was the process. >> Then, did you give that

[10:49:10 AM]

information to whichever staffer was actually drawing lines and putting the colors on the map? >> Correct. >> So if we have some issues with how those lines were drawn, and where the transition Zones are and how the various levels are categorization were applied to the maps, we should talk with you, but then we also need to make sure they were applied correctly to the maps. >> Yes. I mean, so, we would have the list of properties and then you can see on the zoning maps how the base -- how the -- what zone was applied. >> And I completely understand how fast you guys were working, and you were crunching numbers like crazy. And it is not surprising that there are errors on the map. So, I think we are all willing to work together to get them fixed and I appreciate that. Have we identified how many illegal str-2s and 3s are taking

[10:50:12 AM]

units out of our housing market? [Timer] >> I'm not -- I don't have the -- >> We don't have that data with us today. >> Pool: Okay. Let's put that on the list. I think we need to be looking at those policies as well, if we are looking to increase the number of affordable units, any unit that's being taken off for str especially in the larger str3 category, we should definitely be looking at and the last question I want to get into the hopper, are affordable units under affordability unlocked that are paid with bond dollars eligible to be considered an str-3? If we are using city tax bond dollars for development, and then that development is turned into an str-3, is that legal? And if not, what are we going to do about it? >> Yeah. Certainly the units that we

[10:51:14 AM]

subsidize would not. There are >> Pool: Those would be the bond dollars. >> Right. What I'm saying, when we subsidize developments that have affordable units, not all of the units in the development have to be affordable. In fact, developers will often want some of the units to be market rate to help cross subsidize the affordable units. So, the affordable units, I'm sure could not be used as short-term rentals. The other units, I don't know. >> Pool: Okay. We did have that conversation, and I wanted to revisit it and I wanted to make sure we are really clear on what that policy is, and if we have an sdr-3 apartment complex, we should identify which units are actually receiving the subsidies, and then we can go back and crossmatch and make sure those are the units that are actually housing austinites

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and not being rented for profit. Thanks. >> Council member kitchen? >> Kitchen: Again, let me also say thank you. I know you all have been running like mad and you look amazingly well-rested for all of the work that you've been doing. [Laughter] >> Kitchen: So, I'm going to note three things, not to ask a question about, but some things that others said for follow-up later in order to stay within my time. I also noted issues with the two to five lots in several areas in district five, particularly in vulnerable areas which are supposed to be closer to the two lots. I also wanted to just flag -- I asked this question offline, but I understand that you just answered that you looked at 60 percent for the affordability for preserving multi-family and I'm curious why we department look at 80 percent also.

[10:53:17 AM]

Those are all below market rate. I have a question about that, too. I'm concerned we may be losing market affordable housing. So, and then the last question, when the council member tovo asked, that I'll just mark and we can talk about later and that is -- I think you referred to it, too, when you talked about some constraints and there not being corridors in all parts of the city, there was one of the -- one of the policy directions, it was numbered N under transition Zones where we talked about locating missing middle throughout the city in areas where there weren't environmental constraints and that was, from my perspective, I thought that was designed to get us beyond the constraint about where corridors and buses in transit were located I thought that was later in records to the policy. Regards to specifics I have two questions to focus on quickly.

[10:54:17 AM]

One has to do with the mcmansions. One of the concerns that we raised in the policy was that affordability, and not so much the large affordable, but the affordability of market rate. A lot of this, our neighborhoods, the way mcmansions was working, was resulting in incentive us to tear down smaller, older homes that are more affordable and replacing them with larger, more expensive homes. In looking at preservation incentives in the mcmansion section which is 23-330-50d. It doesn't appear to do that for me. This may be a longer conversation but is it possible to quickly speak what the thinking there was on how what was written into that section will actually disinnocent building mcmansions and

[10:55:19 AM]

incentivizing keeping smaller older homes and not adding additional structures so we may have more units with smaller older locals and not one large expensive single family house. >> Council member, with the preservation incentive, you're right, it doesn't require income restricted units on the lot, just preservation of existing dwelling unit. The thinking there was the 30-year time period for that -- for how old that willing unit has to be, is about how long it takes for a property to filter down and become more

affordable more likely to be market rate affordable. But there's nothing specific about, you know, how much -- what mfi, for instance, has to meet or anything like that. It's just based on the age of the structure. &That's one I would like to talk

[10:56:19 AM]

about more. I'm concerned that perhaps the way that's set up, it's not going to actually result in -- because there is such a market demand, you know, for the larger more expensive single family homes that I'm not concerned we hit the mark. Insendty phasing that and keeping older homes and adding an additional unit. That's what we talked about when talking about priorities. We want that kept with existing older homes. Was there any kind of analysis you all did. That lead you all to believe that may impact the market demand? >> Well, it does give the property owner additional options, so, by using the preservation incentive it gives them another pathway to get additional far as opposed to affordable housing bonus

[10:57:20 AM]

program. >> Kitchen: But did you do any market analysis, financial analysis, marketing analysis, anything like that? I'm trying to understand if there was particular data that backed up those assumptions. >> It was really looking at the age of the structure. We did try to find similar programs in other cities and frankly it was difficult to find any comparable program. >> Kitchen: Okay. That's an area we want to talk about more. Second question relates to vmu and existing vmu and the concern I wanted to express, or the question really is the way those were rezoned in such a way that they put maximum on affordable housing instead of minimum and they don't account for the amount of commercial that's allowed. You may end up in circumstances where there's really, more

[10:58:22 AM]

financially feasible for the developer to use more commercial space and not even take advantage of the housing. So, for example, right now, if I'm understanding correctly the mu5a zoning category, which is being used for some of those vmu properties [timer. >> Derek: >> Kitchen: Can I finish the property. It doeses a maximum of 40 acre units per acre. And 60 limit height limit. It's being applied to vmu properties where the standard is no limit on the number of units no limit on F.A.R. And 60 foot height limit. If I'm understanding correctly, these kind of vmu properties are yielding an average of 80 units per acre. In other words more than that 48 max. I'm wanting to understand why we're putting the maximum number of units right now when you don't have the maximum for vmu.

[10:59:24 AM]

Why there's no commercial for commercial space. And why the maximum is lower than the average of what we might be getting on the vmu properties. That's a longer discussion but I wanted to bring that to you all's attention. >> Council member Ellis? >> Thank you so much for all of the work that you've been doing. I know there's a lot of work that's gone into this. I approach grate how much you all have been able to translate showing your work along the way. For those following along at home, the staff report clouds a link to the spread sheet how you all have interpreted our council direction from may 2nd and really tried to make sure in every single one of your presentations you're showing us where in the approved direction you got the information from. I think that helps us understand what this new land development process has been like. This is a new council. There's two of us that did not participate in code next. It's really helpful to see you used the things that did work

[11:00:25 AM]

and incorporated all of the public involvement along the way into something that I think really does stick to our Kuhn sill direction. It hasn't been easy. I appreciate the work you put into that. I think it's important -- one of the things I've seen about this is your awareness in watershed protection and flood risk mitigation. If there's been a really keen awareness of understanding we can find ways to make sure they are improving our stormwater infrastructure to make sure no matter where you are in relation to watersheds that you're able to present flooding for your neighborhood or neighborhoods that may be down stream from yours. I was wondering, because you've been able to show me how imagine Austin centers and corridors and transit priority network has played into some of the zoning in my district. If that's a player, I know you

[11:01:27 AM]

have it. I don't want to slow down the mapping, but I think did it could be a really interesting visual if there's a way to demonstrate that with the proposed zoning and current zoning side by side. I know you have the information in there via text when you click on each lot. I think it can help people understand why a certain zone may be where it is, because you've got, you know, it's in a circle that's a center, a corridor. It's in a transit priority network to try to understand where you're going to see the heat map of missile middle housing and other sources of mixed use projects that may come your way. Let me see if I got everything. Also, I really appreciate seeing information about the affordable housing bonus program. I was really impressed to see district 8 show so high on our ability to reach our housing blueprint goals. I had a concern about how is this going to work in my

[11:02:28 AM]

district when we don't have access to public transportation and we've got sensitive environmental features and have been impressed district 8 is able to step it up and to provide not only market rate units but affordable units for us moving forward. So, I just really wanted to kind of point that out. And in my last remaining time our office hours will be Monday October 28th at the Hampton branch library which is finally going to be able to be open to the public and I'm really excited to have my constituents come meet with you and ask the questions that are on their minds. That's from 4:00 to 8:00 P.M. Monday October 28th at the Hampton branch library. So, thanks. Gonzalez. >> Council member Renteria. >> Renteria: Thank you for all of this work that you've done. My concern is that our meeting is scheduled -- town hall meeting is scheduled for Saturday the 12th and from 10:00

[11:03:30 AM]

to 2:00 and I'm very concerned about that. Because I don't know if you all guys are football fan or not, but I do have a lot of football fans, especially Texas longhorn fans in my district and they start playing at 11:30 on Saturday, and I feel like you're going to leave a lot of people without the opportunity to have a meeting and a discussion with you all guys, because it's at -- so early in the morning, October 10th -- I mean, 12th, which is Saturday, and it's a game day. So, I'm really concerned about that timing that you all set up for our town hall meeting. But for you that are not watching the game and want to go out there and set up a meeting, it's sat ranch library from 2:00 to 10:00 P.M. Go out and attend that meeting.

[11:04:30 AM]

I also want to know how you calibrated affordable housing on f25. I have a lot of f25 zoning in my district, especially along the Riverside area. I also like to know about how you all calibrated that, the affordability there. And when you all say 5 percent, what level affordable are you talking about on the district? >> So, for the affordable housing bonus program, the MMI level for rental is at 60 percent of the median family income, and for ownership, is 80 percent of the median family income. Whereas our affordable housing bonds reach 50 percent of the median family income and below. Your question about f25, I don't -- so, there -- the places where we have a majority of our existing density bonus programs are in the regulating plan

[11:05:30 AM]

areas, such as the transit-oriented development Arias, north gateway. East river side. So, those areas are not being rezoned as part of this process. We are in the process of recalibrating the density bonus

programs in those areas, but that is a separate process from this. So, there aren't any changes to those areas as part of this process. >> Renteria: Are we going to wait until they are actually -- how long are we going to wait before we do calibration. Is it up to the developer, they are going to comment come /* and present what they want to offer? >> We hope the recap celebration will be done by the end of this year and we will figure out the timing of when we can get the changes made. When you say if developers come,

[11:06:32 AM]

they would be subject to the current requirements. >> Renteria: Current requirement. And that's 10 percent right now? >> It depends on the program. So, there are -- the city has over ten different density bonus programs at present. Many of them have different requirements. So they have different additional entitlements and different affordability requirements. So, we'd really have to look at the specific area that you're talking about and the requirements for that particular program. There is not consistency across the existing density bonus programs. >> Renteria: Okay. All right. And I also -- if you could provide more detail how you implemented council's policy direction to produce the link of entitlement in the area that's identified in the study to gentrification displacement, I would appreciate that also. >> So, I can give a short version and if someone else

[11:07:33 AM]

wants to add, they can. Basically in areas that were vulnerable to displacement as defined by the uprooted study, they only mapped transition areas general two parcels deep. Rather than the two to five parcels deep in other areas of the city. >> Renteria: And with the lower? >> And with the lower zone. Thank you. >> Renteria: Thank you. >> And can I clarify, I just confirmed that as part of the co-star, gathering co-star data for the existing market rate affordable. We used 80 percent MMI not 60 percent. Sorry for that confusion, we did use 80 percent. Gonzalez you're done council member? Council member Flannigan? >> Flannigan: Thank you. This is very exciting. I also have a town hall scheduled. I do a monthly town hall and I

[11:08:35 AM]

decided in February to place a bet on your ability to get this done on time and for a year, I've been talking about doing an October town hall on zoning. We'll be able to do it. Thank you all for sticking to the schedule and getting it done and not forcing me to change the topic of my town hall that's at 4:30 at spicewood springs library. We've only had this a couple of days, so there's a lot more to dig into. The calibration of the unit set asides is something I want more information on. It's surprising to see so little of the city exceed 5 percent as the set-aside. So, it kill be good to know the thought process around that.

I think it's -- as others have said, the -- looking at the analysis by district is very difficult. The districts were obviously not drawn as planning areas. They were drawn for other reasons, voting rights act,

[11:09:36 AM]

et cetera, as council member alter and I often have to remind folks we have huge preserve areas that make those calculations very odd. It can be an interesting indicator but I don't think it's necessarily a planning tool. We heard in a previous session that only 2 percent or 3 percent of the city got mapped as transition. Is that right? >> That's correct. 2 percent. >> Flannigan: But those aren't the only areas that had their entitlements increased, right? >> We applied transition area in high opportunity areas as well. We use the r4 zone mostly and looked for opportunities per the council direction in those high opportunity areas. You know, in, far southwest. South, northwest. Your district. >> Flannigan: So part of the entitlement increase that I've seen are areas that only were allowed one unit, now get to

[11:10:36 AM]

have two, which was not true under the current code. I don't see that as much outside transition areas and other parts of town. It's an interesting data point to dig into. It speaks to the capacity question. I'm glad to hear the fees act element are part of that restriction. Deed restriction is a challenge in most of our neighborhoods to account for that change over time. But entire neighborhoods being deed restricted to single units how that impacts the capacity analysis. I don't know that those are going to be feasible and I'm just curious if that's going to be something we'll learn more about. I know we don't enforce deed restrictions which is a real challenge for the community. If we do capacity analysis, it should probably be part of the thought process. The -- but for the public to understand that units set aside percentage, as it's been

[11:11:36 AM]

explained to me, is really a ratio, or ability of the market rate to subsidize the non-market rate. So, when you have lower market rents in the outer areas like you have in district 6, you can't get them to subsidize the other units because there's not enough difference between the cost of construction and the rent you're charging. Is that a fair assessment? >> Yeah, it's -- that's generally a fair assessment. The thing that you will find in places where there is not a lot of high density development at present is that, you know, the rents aren't sufficiently high to really demand that higher density development. And so, in those cases, it's likely that the developers will develop under base entitles, and so, that's taken into account as part of the capacity.

[11:12:37 AM]

Even though there is capacity analysis, so even though there are bonus programs, in Zones that are mapped throughout the city, there is absolutely acknowledgment that those bonuses may not be -- may not be used in the immediate future, but trying to make sure they are baked into the code so that as market conditions change, that they might be used. >> Flannigan: Thank you. The other question, this is -- I'm curious to have the longer answer to later, is the feasibility of the commercial redevelopment to have commercial adding housing. Certainly my district, and I think other suburban areas developed in a very segregated use environment. You have huge sections that are all residential and human sections, huge sections that are all commercial. Like my mall in my district for example, that parking lot is

[11:13:37 AM]

never full. These were parking lots build for Black Friday in the '90s. What do we think the feasibility is of those turned into mixed use developments, the old strip malls, that type of thing. Do we think those are feasible or is that a five year, ten year, 20 year feasibility question? That's a hard question to answer in my remaining time. >> If those areas were zoned where mixed use was possible it was certainly tested. We pull that out and look if possible. Generally speaking if there's a lot of retail in the area already, it's difficult just for a developer to justify additional retail space. It's typically a loss leader in areas like that. The coverage will cost the retail. The retail will drive the feasibility. It's dragging the feasibility down a bit. I would say it's a challenge -- [timer]

[11:14:39 AM]

>> -- As brick and >> I'm wanting to understand the page -- I think it's 15 where you talked about the envision tomorrow's, the process and providing the economically constrained capacity. And so then on page -- for example, 12. Was that -- is that economically constrained capacity estimate part of these numbers on page 12? >> Yes. >> Okay. And so is part of these numbers -- I'm not going to ask this. Are there properties in transition Zones, I guess lots in transition Zones right now, that while generally -- let's say they could put four units now, they're not included in

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these numbers because they're not economically -- because they're economically constrained? Does that make sense? >> I think I understand the question. So the zoning would allow them -- >> The zoning would allow it but they wouldn't be in these numbers because it's not economically possible. >> It's possible, yeah. That is possible. >> So is it accurate to be able to say, even though something is zoned

something, the market would probably not allow that to be built out to the full zoning capacity? >> That's right. >> Okay. Quickly about my town hall. I liked how everybody was explaining theirs. Mine is going to be office hours with our southeast contact team at the southeast branch library October 4 from 6: 30 to 8:00. I wanted to second what council member harper-madison suggested. I agree, in having conversations

[11:16:43 AM]

with my constituents, for example when they see the 9,000 affordable housing number, the first question is going to be why only 9,000. And I think it's very helpful for them to understand the constraints as far as state law, what we can require, what we can't require. I really think we need to start our presentations with that when we're talking to the community. Because, you know, land use is an incredibly complicated topic and I think for many of them they're like why wouldn't we shoot for 100,000 affordable units? I have found, when I'm able to explain the constraints that we face and that kind of thing, we can't do rent control. I also talk about that. Rent control is not an option for us. They're able to, you know, understand why, you know, understand the situation that we face. With regards to what is allowed and the fee in lieu requirement, I just want to make sure. I know it has to be on a

[11:17:45 AM]

voluntary basis, but we can say there's not going to be a fee in lieu. You have to put it on, is that right? If they're using the bonus. >> So the expectation is that most of the affordable units would be on site. We are developing criteria that I think I referenced in an earlier work session for some instances where it may not make sense to have on-site units. Obviously, if development is only commercial, then they would be paying the fee in lieu. Another couple of criteria where we may want to allow a fee in lieu instead of on-site units include ownership units in condos where the condo fees or the homeowner association fees may make the long-term viability

[11:18:49 AM]

of those units difficult. And we are working with an entity that is doing research exactly on this to see if there are best practices. But it's, to our understanding thus far, there is not a way we can require the homeowner fees or the condo fees to stay affordable in the long term. So if they continue to escalate, it could price people out. So that may be one -- >> Okay. Got it. Got it. I got one minute left. In the policy of direction about the existing market rate affordable multifamily shall not be mapped to be zoned. We don't have to answer this now, because I have one more question after this. I would like to understand are we talking about market rate for that specific area? Because my assumption would mean if we are talking about market rate for the entire city, every apartment in my area would be

considered below market rate. Is it by district? By city? >> It's citywide. If they are at 80% of the median -- if the units have to be -- well, if the units are affordable to people at 80% of the median income. >> I don't remember who asked the question about why some transition zone areas are deeper and more intention than others. My understanding is when you overlay the vulnerable to displacement or gentrification, that is why, for example, we in Canon it does not go as deep and it's not as intense because they're in the overlay of vulnerable to displacement. That being said, I would like to have a conversation about front-facing lots and back-facing lots. Because, you know, I think this is a great process for us to have this discussion where my --

when I was thinking about corridors and transition Zones and how deep we went, I envisioned it, the first example where these are homes where their front yard faces south. And I can see why, in that part of my district, lots may go back a little bit further. But in Canon, those are people's backwards. They're not front-facing lots. It's a different thing on Stasny and Terry road. Those are front facing, so I also want to have the discussion. I don't think we got into that -- kind of we did but we think we need to talk more about that. But I'll get into those questions later. Council member Casar. >> Casar: Thank y'all, again. I know you got thanked by everybody, but you deserve it. I think today's report card shows what important strides this code takes for affordability. One, you guys got basically to

the housing capacity goal that was set out by the council. And I think a lot of us didn't know if we were going to get there, but be able to get to that housing capacity goal is really important. Not just because you hit the goal but because it means we are not planning for exclusion of a large number of folks from the city that we anticipate will be born or move to the city. And it means we're not planning for, in the short term, that lots of people that should live in the city have to be either displaced or have a long commute in. So I think that's really important. Number two, you know, even though it's a thin blue slice on the top of your bar chart, compared to the status quo, compared to today, you're saying you're increasing the affordable housing bonus capacity for low-income units by six times, which is also really significant. And even if only a small portion of those affordable units end up getting built, you're still talking about one or two big

housing bonds worth of low-income housing units. So I think that's a really important step that's being taken here as well. So thank you, guys for that hard work on those two fronts. I want to concur with some of the remarks from my colleagues, like council member Flannigan and council member kitchen, continuing to work on sections to ensure that we are not incentivizing smaller homes that are being torn down and being replaced with one big home. And instead if there is going to be redevelopment for us to get the more modest missing middle housing types, which we know attached housing and smaller housing on smaller lots is more affordable relative to big new house on big lot housing construction. I am interested in making sure that if the preservation bonus can work that we get it to a place where it works.

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And I think continue to look at the existing multifamily issues that have been raised by my colleagues, I think are all important, all really important issues for us to work on and we'll figure out how, as a body, we start working on that together. But it sounds like from this work session that there actually is a lot of consensus on some of the key issues that are left to be worked out. But frankly they're pretty small issues compared to when we were in the code next process. So, thank you. Affordability unlocked was mentioned. I want to be really clear, just for the folks listening, that units that are considered affordable units -- I know you said it, but units considered affordable units are not allowed to be short-term short-term rentals, which isn't true and I don't think anybody said that. I don't want the message to be construed that way. We did have a discussion that if somebody has a short-term rental unit but provides a couple of low-income housing units, one

[11:24:53 AM]

for somebody transitioning out of homelessness, that that was a trade we were willing to make, and I think that was a discussion on the dais. And I don't -- of course this is still in the land development code but I'm not really interested in going and trying to re-litigate affordability on lots because I think we would like to see some projects come out of the ground and there are half a dozen applications for it, so that will be real exciting to see. Since everybody has talked about their office hours, for district 4 folks, it is on October 16 from 4:00 to 8:00 P.M. At the little walnut creek library. Thank you to the staff for setting that up. >> I was told I accidentally said October 4 for my office hours. It's October 14. Thank you for helping me correct that. And then I also wanted to recognize if anybody else wasn't able to give their office or town hall hours, to go ahead and do that. Did you want to do that? >> Yes, please.

[11:25:55 AM]

So ours is the 15th from 6:00 to 8:00 at the millennium. And on the 6th of November from 6: 30 to 8:30 at turner Roberts rec center. And we are also holding office hours here at city hall from 12:00 to 2:00 most Fridays until this thing is done. Thank you. >> Council member alter. >> Alter: I announced my town hall at the last session, but it's October 21 at highland park Baptist from 7:00 to 9:00. And we have district 10 office hours, not with staff, on Friday the 25th. I believe it's from 10:00 to 12 at magnolia cafe, but check my newsletter for details. >> Council member kitchen. >> Kitchen: The ldc office hours is tomorrow from 4:00 to 8:00 at manchaca library. People can sign up online. We are in the process of setting up our town hall. We don't have the date yet but we will put that in our

[11:26:56 AM]

newsletter. >> Actually, I had the wrong location. It's from 9:00 to 11:00 at beeterman's deli. We had the other ones last month at that location. 9:00 to 11:00 at beeterman's deli. >> Can staff speak to what's next as far as future work sessions for the council? Just so we can prepare. And I know we had discussed coming back today and I don't think that's the plan anymore. But as part of this discussion on future work sessions, I would suggest that we try to be open to the whole day, having as much of the day open as possible for those work sessions. So can you talk about what's coming up for our council work sessions? >> Yes. We anticipate we do feel that we should have multiple work sessions coming in -- if we can fit them in October, but

[11:27:58 AM]

certainly in November. And, if needed, in December as well. So we'll have our team staff work with your offices. We have identified multiple questions that we'll get back to y'all on, which also can feed into not only our faqs that are on the website, but also topics that we might want to tee up for future work sessions. So we will work on having several scheduled through December. >> Okay. And I think that's a good idea for everybody who kind of parked, you know, we had a parking lot of the questions. I know you all wrote them down, but I think it would be helpful to have those be topics in our future work session. What council member kitchen and council member tovo asked would be helpful for me to know that response as well. Maybe the next work session could be hitting those topics that, you know, we didn't have time to dive into. >> I also had one comment. Council member Ellis mentioned

[11:29:00 AM]

the links and the staff report. There's also a link to responses to all the boards and commissions' recommendations from the last process and how they are not included in this process now, in the revision. So if anyone would like to look at a specific commission, board or commission of interest, we do have that available and it's in a spreadsheet form and easy to search. >> Okay. So we're a little bit

past our hard stop but does anybody have anything, council member kitchen. >> Kitchen: I think you said you would post by the end of the week, the process for people to submit maps. >> Yes. >> One quick thing. I would suggest that one of the criteria you have on there is a little unclear for people, and that's the criteria where you speak about not reducing the number of units. I would suggest that that might apply by district, for example,

[11:30:00 AM]

or by area. But you may have neighborhoods, multiple neighborhoods that are going together, where an area may have been mapped in error, for example, vulnerable areas going deeper than the available lots. And there also might be areas that were not mapped that could be mapped. So I think the way that that's written right now is confusing for people and it makes it sound like if they're in a smaller neighborhood and things were done in error, that they're stuck with that, as opposed to if they're looking at something in a larger area where it makes sense to shift it around. Anyway, I just think that that -- it sounds kind of arbitrary. I think the intent was -- and I agree with the intent -- that we've reached a certain, you know, goal in terms of affordable units and we don't want to go backwards on that. But, at the same time, I don't think it should be applied arbitrarily to people when they're trying to submit maps.

[11:31:03 AM]

>> We'll look at the language and see if we can make it more clear. >> Council member tovo. >> Tovo: Two things quickly. Just on that note, it looked to me like the language in the manager's report actually suggested the same number of properties versus the same number of units. I don't know whether that's been clarified. >> It's parcels, yeah. It should be lots. >> Tovo: I'm not sure why it would be parcels versus units. If what we're trying to do is get to a certain capacity, I'm not sure why it would be significant that the same number of parcels be impacted. If you can find other ways of achieving the same number of units. >> With regards to the direction input on the maps, is that what you're saying? >> Tovo: Right. >> We were trying to make it as simple for a layman, who is not a planner, to look at lots and generally eye ball them for size. But we'll look at how I might make that clearer. >> Tovo: I would ask you to

[11:32:03 AM]

rethink that a bit. As I said, most of the areas I represent have half of their area mapped into a transition zone. Any alternative map would simply pick the other parcel. It's not a meaningful -- it wouldn't be a meaningful change. It does allow them to identify, which many of them have started to do, identify larger tracts where more might be possible. And my other quick question is where the staff -- I just want

to encourage -- I think it's really useful some of the questions other people asked. I'm really curious about the answers too and I would just ask those to get submitted through the portal. I know you said that was going to be up and operational. I haven't had a chance to circle back if the council questions are operational. >> We're still working on the portal for that but we will go ahead and type these up and make sure they are available to you all. >> Tovo: One last thing on the maps. You know, some of the questions I'm going to submit ask for some more information about streets. You know, when we did the

[11:33:06 AM]

transit priority corridor, some of those were identified -- I think in one case I have a transit priority corridor that runs along Hancock course because it was a bike route. Duvall has a bus every 15 minutes. It's not a corridor. It was never identified as an imagine Austin corridor. I hope as people look at their areas and we encourage them to provide alternate maps that we'll do a little questioning about that. We didn't identify transit priority corridors at the same time we were doing land use. I mean, they are wildly different corridors now, what we're calling corridors. And I think that we identified them for one purpose, applied them to a completely other purpose. And so I think the alternatives we're asking people to come back with should take that into account as well. >> Could I speak to that? >> Sure. >> I know that part of rationale

[11:34:06 AM]

for that was to try to provide more opportunities for missing middle housing in high opportunity areas. So it was really trying to figure out ways to help address that other aspect of council direction. So, you know, we know that having more affordable opportunities in high-opportunity areas is important. So I think this question about, you know, how we do that is a great question, but I do know that's part of the reason they were mapped. >> It wasn't mapped because it was a corridor. It was something else. >> It was trying to find criteria that made some sense to us in terms of ways to get more missing middle housing in high-opportunity areas. >> Council member tovo, do you want to continue? >> Tovo: Again, just quickly looking at the numbers. It looks to me like about 5% of the units of the existing capacity units that are being

[11:35:08 AM]

projected are affordable. And in areas where -- such as Hyde park where you have 70% of the renters, we will be redeveloping properties that are currently providing housing to renters to create market rate housing. So I think that that also -- we need to have that conversation as well. If we're looking at areas that are largely going to be increasing their capacity through market rate housing, I think we need to think about what housing we're replacing. >> Last question. Council member kitchen. >> Kitchen: I won't

ask a question then. I have some concerns about how that subsection N was interpreted. And so that's what council member tovo is speaking to. So that might be something for -- mayor pro tem, that might be something for another work session, because I would like to

[11:36:11 AM]

explore the intent behind that amendment, which is an amendment that I brought and I don't think it was interpreted the way I was thinking it would be. Okay. >> I think that's a good topic to talk about is the criteria for that. But also -- yeah. The understanding that it was important for us to find something else in high opportunity areas. I said last question. Sorry. I just want to thank my colleagues for being open to this different process. I just wanted to give everybody the equal opportunity to ask questions during this limited time. Thank you to staff. And if there's no -- how can I think of the word? We're adjourned at 11:36.