

# City Council Work Session Transcript – 06/01/2021

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[9:08:34 AM]

Owe on .

>> Mayor Adler: If we're ready. I don't know if we have staff yet. If manager? Staff, are we ready to go?

>> We are, mayor.

>> Mayor Adler: Okay. Then I'm going to go ahead and convene today's meeting of the Austin city council work session. Today is Tuesday, June 1st, 2021. 9:09 A.M. Meeting is being held virtually, consistent with the emergency rules. We have a quorum. Colleagues, we have tons of stuff today on the agenda so we're going to try and work as rapidly as we can.

[9:09:34 AM]

We have a 1:30 Austin energy meeting that we're going to try to keep to 45 minutes today. The homelessness briefings are going to be this afternoon. That's a homelessness briefing that will address I think the problem B response as well as a homelessness briefing separate from that that deals with the arpa dollars which relate to the 3,000 people in three years plus system, plus physical infrastructure, something that would be contingent on partners joining us. So that will be in the afternoon. We have today pulled items that have been given to you. I have also pulled the tax

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items, items 71 and 72, so that we're going to have staff available potentially to talk about those items as well. We've given staff prior notice of that so I think they're ready. The items that we have for us to do here, we have a briefing on healthsouth. We also have a council discussion on council meeting options as we move into July. We also have a council discussion about timelines related to the aedc. And then we have two items to consider in executive session. One of them the purchase, exchange, lease of interest

[9:11:37 AM]

and real property, we'll talk inversion strategy. And then also transfer amount within the Mueller project. All right. So that's our day. I would suggest that let's begin with the healthsouth and then the council meetings and then the aedc, get those done, then pulled items if we can, executive session and the homelessness briefings. We do not have a joint meeting today with the county because the county is not meeting today, but in lieu of the covid briefing so that they didn't have to work over the holiday we're going to get a memo tomorrow from our health department staff that would be the functional equivalent of the briefing so we'll get that memo, which will be public tomorrow. We have a hard stop at

[9:12:40 AM]

5:00 -- we have a hard stop at 5:00. Alison, name sure if we lose you at 4:00 for graduation. Congratulations, Natalie for that, but let us know as we get closer on that. Leslie?

>> Pool: Mayor, with regard to the items that are being pulled for discussion, I think two of them that you are bringing, items 71 and 72, have wanted to be listed as a -- I wanted to be listed as a co-sponsor on both of those.

>> Mayor Adler: Thanks. You will be listed that way. Manager, we'll turn it over to you for the approximate briefings.

>> Thank you, mayor, council and good morning. As the mayor indicated it will be a busy work session so we'll go ahead and get started with the b2 briefing, the update on the aspen heights negotiation F otherwise known as how many. So we do have staff here to present and I will turn it

[9:13:40 AM]

over to our economic development department. I think I believe is Susana going to start us out.

>> Hello, I am Susana with the economic development department. Can you all hear me?

>> Yes, we can hear you.

>> Great. Thank you so much. It is my pleasure to update you on the status of the redevelopment of the former healthsouth property located at 1215 red river and 606 east 12th street. I don't see the presentation for aspen heights.

>> It's coming right up.

>> Next slide next slide. Mayor and council, I'm first going to introduce you to the cross-departmental team that negotiated on behalf of the city. I will then follow with a

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brief background on the solicitation that brought us here today. And share with you some of the major highlights of exclusive negotiating agreement that we entered into with aspen heights and conclude with following next steps. Next slide, please. The cross-departmental team negotiated with the city on aspen heights that included Mandy de mayo from the housing and planning department, Marek from the office single-family real estate services. Ron from the law department. Margaret Shaw and myself from the economic development department. Back in 2018 in October council passed a resolution directing the city manager to do two things, initiate the solicitation for the redevelopment of this site with mixed income housing as an emphasize with

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multi-bedroom housing for households earning 50% or less of city's membership. With that resolution in November of 2019 the purchasing department issued the solicitation. In April of 2020 the rfp closed and we received four proposals. In November of 2020, purchasing announced the proposal rankings with aspen heights receiving the highest total score. Earlier this year in January, council authorized staff to negotiate and execute the exclusive negotiating agreement with aspen heights, including certain community benefits that were addressed or discussed at that meeting. Just a couple of weeks ago the parties, both the city and aspen heights, finalized and reached an agreement and executed the exclusive negotiating agreement that really just basically lays out a framework, the baseline for negotiating the

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detailed terms for the master development agreement. The master agreement agreement will be actually the document that will govern the design and construction for the development. Next slide, please. As a refresher, aspen heights is a local team made up of aspen heights as the developer, stg

design as the architect, civiltude as the engineer and together is a combine nation of 40 years in the area with multi-family as one of their expertise. Some of the highlights of the exclusive negotiating agreement that the city and aspen heights agreed and reached includes providing 25 to 45% of mixed income

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rental housing focused on multi-oriented bedroom, two to three bedrooms for households earning at or below 60% mfi. It will include high quality affordable childcare on site. It will also offer live music and art venue spaces, prioritizing historically disenfranchised sized departments. The sustained aspen heights will also negotiate whether to purchase and/or lease the property from the city. The development will provide source of income protection by accepting housing choice vouchers. The developer is also committed to recruiting and leasing local businesses, including retailers, grossers and restaurants. It will provide public access to the viewing deck as well as open green space which may include an aquatic amenity. The development will have learning spaces, computer labs and other spaces with tech resources. Osha requirements, prevailing wage rates,

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environmental design and rest breaks will also be part of the development. One of the community benefits that the parties could not reach into an agreement is the downtown Austin community court. It will not be a contemplated use as part of the development. Next slide, please. Now that the exclusive negotiating agreement has been finalized and executed, the next steps is for the city team, made up of cross-departmental staff, will continue or commence negotiations with aspen heights for the specific terms that will govern the master development agreement. After finalizing the terms for the mda we will brief the downtown commission, the community development commission, the design commission on the proposed nda terms that the parties reach. We will also seek public feedback on the terms of the mda and then come back to council to present before we

[9:19:53 AM]

execute the master development agreement. This concludes my presentation and I'm happy to answer any questions. Next slide, please.

>> Mayor Adler: Thank you. Colleagues? I think Kathie, you may have asked for this presentation.

>> Tovo: I did and I have some questions, mayor. I was just holding back to see if anybody else had any first.

>> Mayor Adler: Why don't you go ahead and get started.

>> Tovo: Thank you, staff and apologies that we weren't able to take it up the first day it was scheduled here. I'd like to drill down on about the certainty of several of these elements. In read through some of the terms -- in reading through some of the terms of the

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actual exclusive negotiating agreement there was some language that I wanted to get your take on really how the negotiations are going with regard to them. There is language for example on page 4 of the agreement that talks about for the affordable housing management piece, for example. It says to the extent feasible. And then later the community benefits include the same language, to the extent feasible. And so -- but I'd like to get a sense of just at the outset is how feasible does aspen heights believe these are going to be for their project because those are really pretty critical community benefits. And what I'm hoping in having this check-in and others as well is that we can really make sure that the negotiations are on track with what the council passed back in January, but even more so or in addition

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to that back when we first asked you to look at redeveloping this property for affordable housing. And that -- I just want to say that was the primary -- that was designed to be the primary purpose of this tract.

>> Good morning, councilmember tovo. Thank you for your question. So we have not commenced negotiations for the terms of the if master development agreement since we just reached an agreement and finalized the terms for the exclusive negotiating agreement, we wanted to report to council before commencing mda negotiations. The terms and the -- the items and terms and benefits listed in the exclusive negotiating agreement are in there because both parties have in good faith strongly advocated and agreed that this is something that we will be negotiating to make sure that they include in

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the property. To the extent feasible language was included because we acknowledge that these community benefits were not specifically mentioned in the rfp process so we wanted to make sure is that we acknowledged that the proposal did respond specifically to the rfp and after additional council feedback that we included them in the exclusive negotiating agreement so that we insure that we discuss them and ensure that they are part of the mda negotiations. It.

>> Tovo: I guess I'm still trying to get a sense of what the uncertainty is. Let me ask some other questions, but let me say is that I think it's better for all parties if they don't believe they can include affordable childcare or that a portion of the housing on site be affordable.

[9:24:01 AM]

Now rather than at the time or when the mda comes to council for consideration. One other I think I want to note at the outset is there seemed -- maybe this is a question to my colleagues, but we keep talking about it as lease or sale. And I thought that we had at least a strong -- some strong sentiment on council that we were going to lease it and not sell it. And so I'm just -- it seems like that might be a decision easier to make rather than have you continue to balance those possibilities. And then I have some questions about its affordable housing language, but I'll pause it there and just hear from my colleagues or prosecutor staff about why we're -- or from staff about why we're trying to if balance the lease and sale. I know a lot of people want to buy this attractive piece of property and we talked about not only this property, but in the context of others, for the city to

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hold on tho those assets, especially in areas that we know there will be demand for them. It's just in the city's best fiscal interest in my opinion to hold on to those properties. Not only if we want to preserve affordability on site and preserve the community benefits, the best way is to continue to own way is to continue to own property. I'll turn off my camera for just a minute while you answer.

>> Mayor Adler: Kathie, for what it's worth that was my understanding as well. Absent some real exigent circumstance where the staff comes back and says actually that's not a good thing to do or inappropriate or there's a huge loss associated with that, I think the city would really like to get this property back in 99 years or whenever a long-term ground lease would be so that it comes back to the public domain again. That was my understanding as well.

>> Tovo: That was mine too and Shaw confused to we

[9:26:02 AM]

continue to see language in here that supports a sale.

>> Mayor Adler: Ann?

>> Kitchen: I wanted to add may my voice to what both of you are saying, councilmember tovo and.

>> Mayor Adler:. I agree and support the lease and not the sale. I'm hearing what councilmember Flannigan councilmember tovo is asking. And for me the primary reason is if we're going to continue to preserve affordable housing, the best way do that is to lease this property, not to sell it.

>> Mayor Adler: Leslie? Old I'll add my voice to that. I don't want to lose city of Austin property at all. I think we should do the best we can with the molecular K molecular piece because that was a key selling point from my perspective.

[9:27:05 AM]

>> Mayor Adler: Mackenzie and then Pio. Can.

>> Kelly: I support what my colleagues are saying keep the option to lease and not sell. Thanks.

>> Renteria: Mayor, we need to hold on to our property. When I was -- when I joined capital metro as a trustee, we made sure that we went into a long-term lease, but it's very important to keep possession of the land. I wish that Rebekah baines had done the same thing, but they didn't and they sold it and now we are having problems with some of that development that they did in east Austin. So we need to make sure that we can keep control of our land.

>> Mayor Adler: Okay. Anything else on this one? Paige?

>> Ellis: I'm also

[9:28:05 AM]

supportive of pursuing the option to lease. I think we should be keeping the city owned land in the public domain as much as possible.

>> Tovo: And mayor, if I may -- I'm still looking for it. It's my remembering that we actually had that in the direction that we passed. That we were interested in the lease, not the sale. So I'm going to find that here in we need to, but again, I think that that -- it was in the first photograph of my motion -- the first paragraph of my motion sheet on that day so I guess I would just ask our city manager if you would please -- I think that closed that question of lease or sale. Then again, mayor, I do have some other questions when it's appropriate.

>> Mayor Adler: Manager, absent the staff coming back and saying that's a big mistake in some way, I think the sentiment of the council

[9:29:06 AM]

is here on that.

>> Cronk: We hear that. Thank you, mayor.

>> Mayor Adler: Thank you. Kathie, do you have person of color?

>> Tovo: Sure. And I am reminded, thank you to my great staff, that it was also mayor pro tem in your motion sheet as well that we were aligned with that. The housing, the affordable housing piece. So as I look at page 4 of the description of the affordable housing it says the developer shall seek to offer in the range of 25% to 45% mixed income for rent housing with an emphasis on family oriented multi-family housing at or below 60%. Can you please clarify for me are you suggesting that 25 to 45% of the housing on the site would be affordable or just that it would be mixed income? I think that's really important. As I have watched projects, city owned projects, mostly

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as a community member go through the process, that seems to be the thing that with green and with some that when that development meets done it does not meet the city's expectations for affordable housing on site. So can you please be really clear with us about what the exclusive negotiating agreement is asking in terms of the percentage of housing on that site that would be affordable because for me that is just a deal breaker and I think it is for many, many community members as well. And the language seems to be suggesting that that percentage applies only to multi-bedroom.

>> Council member, I would like to defer that question to my colleague K Mandy de mayo from the housing and planning department.

>> Absolutely, thank you, Susana. Mandy de mayo, housing and planning department. And council member, thank you for that question. The Ena establishes the brain work for future discussion and assets up the

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master developer agreement. The conversation and our understanding thus far is this will be mixed income housing and a minimum of 25% will be affordable housing rental housing at or below 60% median family income. And we are in discussion to have at least 25% affordable up to 45% affordable housing. So the expectation is mixed income housing with a minimum of 25% affordable, not just the two and three-bedroom. The expectation is there will be two and three bedroom, but there will be an emphasis on family friendly housing but a minimum of it 25% will be affordable at or below 60% median family up to 45%.

[9:32:11 AM]



>> Tovo: Okay. Thank you, Mandy. That clarifies that sentence. It wasn't clear to me the way it was worded whether that 25 to 45% applied to the affordable units or applied to the multi-bedroom units. And what I'm hearing you say is that it applies to the affordable units. I'll have to give some thought about whether -- I had hoped it would be closer to, say, 50 to 75% is where I wanted to see those percentages come in for a piece of city owned land where we control it and we have the land costs out of that equation. So let me just put that out there and see what the rest of you all think. But if we're ever going to get affordable housing in this area, or frankly in anywhere area near, I think we'll have to mandate that it be more than 25%. I appreciate that it goes up to 45%, but again I had hoped to see is that range a

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little higher.

>> Mayor Adler: Okay. Any further discussion on healthsouth? Okay. Yes, Leslie?

>> Pool: I'll just reiterate what I said a little bit earlier. The provision of affordable housing at the largest percentage possible is a key selling point for me, a key opportunity for us, particularly at this site. So I would just again amplify what councilmember tovo was saying about the percentages of affordable units.

>> Mayor Adler: I also support the greatest amount of affordable housing we can get. I understand that's a balance between having a property return some

[indiscernible] Return so you can do the affordable stuff. So we ultimately there's

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that balance, but obviously we want to get as much affordable as we can. Further discussion? Kathie?

>> Tovo: Yeah, I have a couple of the last questions and I don't know if councilmember Renteria wants to address the dacc piece before we move on from this topic. But I saw some discussion and I don't know if this is standard language or if it was what was going on with it, but on page 7 under the zoning and subdivision it talks about the city coming forward and initiating the zoning but it seems to contemplate subdivision of the tract. Can someone explain to me why that provision is in there? What would be subdivided and why? At this point about the zoning matter has not been determined. So we're just exploring and making sure that we allow

[9:35:16 AM]

for everything that is of possible use. But certainly if there's additional information, I welcome any of my colleagues to provide, but at this point these are just basic starting points for negotiation and discussion for the mda. No specific term has been determined or finalized for mda. So there's no current contemplated use for specific zoning at this time. That will be into the actual mda negotiations.

>> Tovo: Okay. Thanks. I understand that. I think that's true of all the terms, right? It's a kind of basically a direction that we provided in this forum saying to the extent feasible try to incorporate it. So I think it's going to be really important, colleagues, that we get some checkpoints, whether they're in executive session or in full session with our staff to make sure is that we really are progressing and

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that the developer understands how committed we are to making sure that these end up in the final agreement because at this point they're not commitments. It's really just a codification of the direction that we provided. Manager, I noticed that there are some contemplated leases at this space. And I would like to have a conversation in light of the items that we have on our agenda today, I don't have it here, but I do think that if our city owned building is able to be leased out, is in the condition enough to be able to be leased out to other private entities, I would just strongly urge you to consider the many, many uses we have for it currently at the city. So that took me by surprise because every time I suggested a potential use for that property that would meet a need that the city would identify I've been told it's not in good enough shape to do so, but we're going to lease out some of the interior space. So just note that's of

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strong interest to me. And I would like to get back to -- this will probably be my last question unless somebody else asks one that triggers something for me. But mayor, you had added an amendment to explore having a music use there. And I guess I'm still struggling with that. If we want this primarily for this to be family-oriented family, on-site childcare, bulk of it housing, and that does remind me of a question that I wanted to ask about the balance of uses on the site with office, are we sure that this is the right location for a music venue? And I know that you hear tons of feedback from some of our downtown residents who are living above music venues. I know we've got direction in here in response to this suggestion to have a music

[9:38:20 AM]

venue. I add in that we have sound mitigation, but again I would just ask is this really a place where we want to have a music venue if what we're trying to do is encourage family friendly housing on this site?

>> Mayor Adler: I appreciate the question because obviously we want both. The concern about the music venue is that we have a rich history in our red river district. My concern is that those uses will represent something that is able to be sustained, that eventually those places where those relatively small clubs are, that serve as live music venues get torn down and something tall gets built in their place. And if we don't use our land to be able to use that kind of use, I'm afraid we'll lose it.

[9:39:30 AM]

I think a lot of the spaces don't have shared walls so that the sound can be contained. That's what my hope is that between the desire to make sure we still have music and that cultural district, red river cultural district, that with the changes that were also added about noise mitigation that those uses can be compatible. A different outside entrance so that it doesn't enter off of a residential entrance. I think those things should be able to co-exist. I think they kind of need to or we're going to perhaps lose any opportunity to preserve music in that area.

>> Tovo: Okay. It will just be really important that they stick to the strong provisions about sound mitigation. Just again I know you hear lots of -- you hear the same noise complaints I do and so I want to mitigate those. I want to make sure that we're minimizing those for

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future council members and mayors down the road. And having lived above or lived below a skating rink of all things, and that they apparently used 24 hours a day, for about four months, there's a significant toll that hearing sound transmission at all hours of the night really takes on your ability to get up the next day and get to work.

>> Mayor Adler: And I really appreciated the amendment that you had to ensure sound mitigation because unless you're deliberate and conscious about it, it won't happen and improve the problem. Rodney, did you raise your hand.

>> Thank you, mayor. I appreciate it. We'll be glad to follow up with more specific information to council regarding the lease to Waterloo conservancy. It's my understanding that there will be a small portion of lease for some equipment only so no individuals officing from healthsouth, but equipment

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storage only. It was a partnership to of course help them out with equipment storage space needs and of course they're giving us some rent revenue for that. But we'd be glad to follow up with any more specific information to help delineate the small short-term lease with Waterloo conservancy.

>> Anybody else? Kathie? Pio?

>> Renteria: Yes, mayor, we had some discussions about the resident community court being located there because we were very concerned because they were using the terraces so library. They were going to move them

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up to Texas one so we were going to get the library back by the end of this month in June. He from there they will have a location downtown, most likely the municipal court, but that will require some cleaning up if that will happen. I just wanted to let my colleagues know that. Know Lori was on the downtown commission for over 23 years and they had discussed where they were going to put a permanent site for the downtown commission and for community court. So -- they are going to be moving out of terrazos library.

>> Mayor Adler: Thank you. Kathie?

>> Tovo: Manager, it wasn't sure to me that was a certainty. And let me make sure that one Texas center we had a resolution to bring forward community housing there.

[9:43:34 AM]

So before the dacc takes up occupancy in one Texas center, I would expect number one some outreach to those surrounding community and two, a real plan for where its permanent location is. The downtown community court belongs in the downtown and one Texas center is not downtown Austin. So if it's the municipal court site going to be the permanent location, then I would expect there to be a firm plan to do so. And one that count has an opportunity to affirm, but we need to make a really strong commitment about what the permanent plan is with regard to the dacc and why -- I've had conversations back and forth about why is healthsouth not being utilized. There are all kinds of ways in which we could have used and could continue to use healthsouth during this period of time where it's not yet designed. I understand it needs some work, but in all of this time while we've been

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leasing hotels and putting money into some repairs at hotels, we could have put some of that into our very own building and used it for some of these purposes. So I remain concerned about that piece, but since one Texas center has come up, can you provide us with some sense of is that a certainty? What is the permanent plan for one Texas center. We've already given you a permanent plan for one Texas center. What is plant for the dacc? And what is the commission making piece and how does it involve council? And then my last question on healthsouth is the conversation we had on the dais about office versus residential, but we'll stick with the dacc here for a moment. >>

>> Council member, so we have a short short-term plan

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for bringing the downtown Austin community court to the first floor at one Texas center. There is also a plan to remodel the old Austin municipal court building for approximately three and a half million dollars, which was provide bid to long-term usage for municipal. And the timeline is approximately 18 months to do that. We believe that we will be able to have dacc at one Texas center within 60 days. There is very minimal work required. And it shouldn't impact the affordable housing on the site of one Texas center because we have one tower, there's also parking garage and there's a surface lot. That surface lot would be used for the affordable housing.

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>> Tovo: So city manager, I woud like a concrete timeline because I would like to provide one to my constituents who live in the immediate vicinity of one Texas center about how long that use is going to be there and what the permanent plan is, when the permanent work starts on the municipal court and when it's intended to conclude.

>> Absolutely, council member. And both you and councilmember Renteria are correct and councilmember Renteria providing that general direction of how we are proceeding, but to your points we do have additional updates that we need to provide council, including actions that we would put before your consideration. So that's on us right now and we will be working to provide those updates to you and I'll have to ask staff on when we would be able to get that to you, but we want to make sure is that we have the appropriate information for you to consider before we move forward.

>> Tovo: Thank you. And especially if healthsouth is proceeding along a tract that does not include the dacc use, because again clearly it

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belongs -- this is a use that belongs in the downtown area. I think it's very appropriate to move it from terrazos library, but downtown has particularly boundaries and one Texas is outside them. Can you address those who are on the negotiating team, can you talk about -- we had some conversation about if the use and whether some of that office use could be converted to residential and whether in today's new decision making about teleworking and other uses, whether the developer is standing firm on if the use or could be persuaded to look at some other uses on that site that might better meet the need for housing. So what is the status of those conversations?

>> So council member, we did add in the exclusive negotiating agreement that developer will look into cross subsidizing

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opportunities in conjunction with commercial office space. So it is a discussion point in the exclusive negotiating agreement that will carry us through the negotiations in the master development agreement to determine what is the need, the demand, as well as the use of the property for office space and/or residential. So that will be part of the discussion and negotiations for the mda.

>> Tovo: Okay, but no change of -- there's no indication at this point that the developer has changed their minds about that use. They're just agreeing to take a look at it, which is what we've asked them to do.

>> Correct.

>> Tovo: All right, thank you all.

>> Mayor Adler: Okay. Anything else before we move to aedc? Mayor pro tem.

>> Harper-madison: Thank you T mayor Adler, for recognizing me. I want to say I appreciate the conversation so far and

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this is an asset in district 1 that we're really looking forward to get asking right as we move -- to getting right as we move forward. A couple of things I wanted to throw out there is as these conversations are ongoing, I look forward to us being closer to assignment so that we can really start thinking through programmatic efforts and some of the other elements. I definitely wanted to speak to my colleagues' concern about a music venue on-site. I don't see anything inherently not family friendly on music venues. I thought that was good to say. And given that programming in a live music venue space is that could be leased to live music venue operators, prioritizing operators representing historically disenfranchised musicians, I wanted to make sure what the rational and intent was there. And if we find ourselves in

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a situation where are the majority of my colleagues don't see is that as a viable programmatic effort moving forward, I certainly hope that we can speak to where else we can put a place for disenfranchised musicians would have priority. And I also look forward to continued conversations about the dacc. I've expressed before and continue to believe that that is not in fact the appropriate place for the downtown Austin community court, but my opposition is not so vehement that I'm not able to really continue to earnestly go through that conversation with my colleagues and our staff.

>> Mayor Adler: Thank you, thank you. Parenthetically just to note that in the development of this site, sound and noise is going to be an issue for for spoke other reason there's an existing outdoor

[9:51:46 AM]

revenue at Waterloo that obviously is going to have to be taken into consideration for residential use on the property. Mitigating against that. Music. Councilmember Casar. Greg.

>> Casar: Two points. One on music and arts. I think it's important for us to raise and remember because I think we brought it up at the very beginning of the pandemic that there is unused space at the bottom of the new planning and development center at the city's new building there that we had talked about for potential arts or theater space for folks that are -- that get priced out of their spaces and are historically marginalized or potentially music. So just something for -- as we have all of the different moving pieces for folks to be aware of, that would be a good space for us to fill. And then as it relates to affordable housing, I agree that we want to try to get as much as we can get. I would be interested in if

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the staff can increase the percentage, great. But also if you can increase just the raw number of units. So if, for example, there's a little bit less office space, then you could potentially get more affordable units that may come with more marketed rate units. It may not improve your percentage as much, but if it increases your overall number of units you have planned, then I think that that would be a strong solution as well. So one thing would be to add 40 affordable units and the percentage goes up. Another thing would be to add 100 units, 50 of them being affordable, so you get more affordability, but your percentage may not improve. So I want us -- I would really like the staff to bring back to us an increase in the affordable number of units the best you can. And then explain to us how that plays with the percentage. But on some properties it might make sense for us to focus on the percentage. On this property I'm more focused on the raw number of affordable units you can

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bring into this part of town because there's such a dearth of them that a -- that I think the number of lower income and working class families you can give an opportunity downtown by gross number is more important to me than the percentage.

>> Councilmember Casar, before I answer and defer to Mandy de mayo to help answer that question, I do want to state is that yes, the parties will continue to discuss opportunities to decrease other space and increase units, housing units. One thing that I do want to make sure is that it is understood that 45% the highest percentage of affordable units that the developer has committed to doing. If it is council's will to hit a percentage higher than 45% as a mandatory requirement for the master

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development agreement and anything else as a mandatory requirement like a downtown Austin community court, I want to make sure that council is aware -- it is certainly council's prerogative to make that new mandatory requirement with a new resolution with a new solicitation. So anything above and beyond what is the framework that is in.

>> Exclusive negotiating agreement with require a resolicitation with council direction. With that I want to defer to Mandy for additional comment on the affordable housing topic.

>> Sure, thank you, Susana. Mandy de mayo, housing and planning department. Councilmember Casar, thank you for that question. We are looking forward to negotiation with aspen heights to increase the affordability. Again, the baseline is 25%

[9:55:49 AM]

of the overall units will be affordable at or below 60% median family income. I am looking forward to discussions with them and digging into various different scenarios with pro Forms that would demonstrate increased numbers of units, overall units, which would of course increase the number of affordable housing units, increased affordability in terms of deeper affordability by less than 60% median family income. We'll of course be playing with the unit sizes, increasing the number of two and three Brooke army three bedroom familyfriendly units. It is really looking at a range of pro normals and seeing the impact in terms of subsidy needed and the trade-offs that we'll be exploring. Will there be subsidy that will be required if we increase the overall number of affordable units or decrease the affordability

[9:56:51 AM]



levels? Will we be looking at that interplay between office and residential? What that impact will be on the developer's bottom line and of course our desire to maximize the amount of affordability on the site. I will say in our preliminary conversations in terms of hammering out the Ena with the developer, one thing that was very clear that if we exceed that the 45% is at the upper end, really going majority affordable housing will require you -- will require a completely different kind of financing and that was something that we could not reach agreement on and thus we have that bandwidth of 25 to 45% bandwidth that we're looking at for the affordable housing. And we hear loud and clear

[9:57:52 AM]

council's desire to maximize affordability, whether it's deeper affordability, more family friendly units, and that's what we'll be working with as we go through the mda process with the developer.

>> Casar: That all makes sense to me. I just want to be clear about what my comment was is if you were choosing to go from 30% to 35% by adding a few affordable units or you are choosing to stay at 30%, you could actually get more affordable units at 30% in one version of a building. You could get more housing at 30% than at 35 percent. I would choose in this building just for me, just speaking as one member here, I would choose the version that brings me more affordable units regardless of whether the percentage is a little bit higher or lower. That's the entirety of my point there.

[9:58:53 AM]

>> Mayor Adler: Leslie?

>> Pool: And just, Greg, some of the points you were saying, I -- I just need to push back a little bit on because if you step away from percentage of units and instead go to the number and you prioritize a higher number than a higher percentage then we might be losing the family friendly units because there by definition should be more square feet. So maybe if we talk about percentage, we also convert that to some kind of a square footage number. I do not want to lose the family friendly aspects of this of this project. For me, that's really important. Studios and one-bedrooms, not so much. We have to be able to attract families with bedrooms for their

[9:59:55 AM]

kiddos in this particular project. So I just -- I don't know that you were intending to sacrifice family-friendly units in order to have higher studio or single-bedroom?

>> Casar: Nothing I said suggested that in my mind.

>> Pool: Okay. That's how that can translate for folks who are doing the development, if we're going to start focusing on how many units versus the percentage of the affordable housing units, they could very easily say we're going to give you 50 instead of 40, but now we've converted a number of multi-bedroom units into single and studios. And I would not be okay with that. I wanted to take this opportunity to elucidate that just in case there's any questions when our staff go back to talking with the aspen heights developers.

>> I know that we got the presentation this morning, but I

[10:00:55 AM]

noticed on the website the presentation is not posted. I was wondering if staff could post that so we could get input from the community.

>> Absolutely, councilmember. Thank you.

>> Mayor Adler: Kathy.

>> Tovo: Just lastly, thank you councilmember Kelly. I haven't had a chance to look at the work session backup, but if it doesn't include the may 17th memo, I would suggest that be there, too, the fuller discussion. So thanks for that suggestion. I just wanted to say, staff, at the time we were talking about the development, services redevelopment of the highland campus, we had talked about having a childcare facility there. And through the years I've gone back and forth with the staff about what happened to that, what happened to that was that the budget they said didn't allow for the creation of childcare, though 44% of flows suggested they would use it.

[10:01:56 AM]

I suspect that's the site you mentioned that's now available for a music venue, the childcare site we might have had, had that been a priority in terms of the budget. I hope that there's still an opportunity to get that right, I think, at some point, at that site, and I hope that we can really make it a priority for healthsouth. We desperately need a high-quality early childhood facility in the downtown area, an additional one.

>> Mayor Adler: All right. Manager, let's move on to the ABC. Staff, thank you.

>> Thank you, mayor and council. This is a council discussion and I believe it was requested by councilmember tovo, but staff is ready to answer any questions. This item is on your June 10th agenda and the backup has been posted along with that consideration last Friday.

[10:02:56 AM]

And so we are here to answer any questions, but want to make sure that you are aware that the abc item is posted on the June 10th agenda and the backup is included.

>> Mayor Adler: Okay. Thank you. Does anybody have any questions on the ABC posted on the June agenda? Councilmember kitchen.

>> Kitchen: So, I take it we're not going to have a presentation? I was thinking that you all were going to present it. I just heard there's no presentation, it's just open for questions, is that what I heard?

>> The council discussion item.

>> Kitchen: Gotcha. Okay. Councilmember tovo may have questions. I will have questions, too. I'm just pulling it up, so.

>> Tovo: Mayor, I can lay out the context. It was of concern to me that we

[10:03:56 AM]

move forward with the economic development corporation as soon as possible. So I posted it for a conversation on Tuesday -- today -- so we would get an update and make sure that we have a concrete timetable for moving forward. In the interim, the manager has posted it now for June 10th, so that resolves that concern. I haven't had an opportunity to review the backup material, but perhaps acm Gonzalez or someone can give us a one-line summary of what we're posted for action on on June 10th, and based on what I know, I think that will alleviate the concern I have that we're not pressing on and getting it up and running as soon as we can.

>> Thank you, councilmember. And we're very excited to have reached this stage. We developed an interlocal agreement between the city of Austin and the Austin economic development corporation. This, of course, follows the previous council action, which was to create the edc through

[10:04:58 AM]

the articles of incorporation and bylaws. We have in front of council for your consideration what we believe is a very good agreement to stand up the aedc. And we've made significant progress along the way with regard to the work of the aedc. Not only have we instituted a board, which council has approved, but we've gotten along in the work components of the aedc. So we're very excited, committed to standing up the aedc. We know there are many programs under way that the council is very concerned with. And we want to get those done as quickly as possible. So once again, we're glad to reach this point and we look forward to council's consideration of the aedc interlocal agreement.

>> Tovo: Thanks, mayor, that answers my concern, then. I'm glad to see us moving forward.

>> Mayor Adler: Okay. Councilmember kitchen, Ann?

>> I haven't had a chance to review the backup either, but I

[10:05:58 AM]

wanted to talk specifically about -- my understanding was that this report would speak specifically to two items related to arts and creative spaces. One of them is the use of the creative space bonds. And the other one is the use of the dollars related to the iconic venue fund. And I'm just skimming it now. And I'm not seeing those. And perhaps they're in here and I'm just not seeing it. But there is a section of the agreement that speaks to initial project services at the aedc. And there's something for the south central waterfront district. And cultural -- I see it here. Cultural trust project. And then cultural trust city facilities project, which is addendum 2 and 3.

[10:06:58 AM]

Is that where those are reflected?

>> That's my understanding, councilmember kitchen. And we'd be glad to have have offline discussions with any of the councilmembers to go in detail about the interlocal agreement, but yes, that's my understanding.

>> Kitchen: Okay. So, let me -- these addenda -- I'm going to ask a quick question and then set up an additional conversation. So, are addendum two and three attached?

>> I'm pulling up the item.

>> Kitchen: It must be attached. Yeah, it is attached. Okay, I'm going to want to dig into the details of what's written here in terms of this agreement. So I would like to request a briefing between now and Tuesday. And then I'm going to need to

[10:07:59 AM]

pull this for next Tuesday also to talk through it. I'm also wanting to understand specific -- I want to understand the details of the scope of the work and also the timelines for accomplishing the work. You know, I'm particularly concerned, of course -- I appreciate the work that's been done to date around the use of the creative space bonds that were passed a couple of years ago now. And I'm really wanting to

get those in play. So if we could schedule a briefing before next Tuesday, I would really appreciate that. And also I want to pull this item for next Tuesday.

>> That sounds good. And once again, we're really excited to reach this stage and we're more than glad to talk with you individually, councilmember kitchen, as well as the other councilmembers about the interlocal. And we will be prepared for next Tuesday's work session.

>> Kitchen: Yeah, that's great. I'm excited about it moving

[10:09:00 AM]

forward, too. Just wanting to make sure the scope is aligned as written with the conversations that we've had, or my understanding of those conversations, and also I really want to look closely at the timeline, because we need to be moving quickly on these projects, so.

>> Mayor Adler: Okay. I think that's all on this item.

>> I think there's a question from councilmember Kelly.

>> Mayor Adler: I see. I'm sorry. Mackenzie, councilmember Kelly. Thank you.

>> Kelly: I understand that there's a lot of history surrounding this item on the June 10th agenda, so I support getting a briefing on it and also pulling it for further discussion, like councilmember kitchen suggested. In the backup there's a 48-page document that I have not fully reviewed. So one of the questions I would like to ask is if you could give us an overview of the history, because I understand it goes

[10:10:02 AM]

back to 2014. Maybe if you could give a high-level overview of that history real quick for us, that would be helpful.

>> We certainly can. And I may rely on some of the staff to also help out with that history in 2015, I was not in those conversations for the aedc. And the conversations about creating an economic development corporation do go back even further from when I was in economic development. An economic development corporation is a tool that can be used to get a lot of different economic development type work done. And it's my understanding that the conversations about creating an economic development corporation go back to also some best practices that we've seen across the country, namely in New York City. Atlanta has an economic development corporation. Others do create economic development corporations as a way of having a body of work do

[10:11:09 AM]

certain projects under an expedient manner and having some authority that municipalities may not as well. And certainly some flexibility. So that's some of the timeline. And I will ask either Susana or someone else to add any more about that historical context going back to 2015.

>> Mayor Adler: Okay. Thank you.

>> Part of the reason -- the timeline.

>> Mayor Adler: Could you speak up, please? Say that again, please.

>> Next week, we will add history -- the start of the conversations to now, along with a timeline of projects.

>> I believe what she said was part of our briefing next week, we will add more context about the timeline for councilmember Kelly's benefit, as well as

[10:12:10 AM]

we're more than glad to have a one-on-one with council for any more specific questions related to this.

>> Thank you very much for that brief overview. I appreciate it. And I'm sure others who are new to the dais may appreciate it as well.

>> Thank you.

>> Mayor Adler: Okay. Thank you. Anything else on this one? If we're set, then, let's have a conversation -- thank you, Seth. What -- let's talk now about council meetings.

[10:13:19 AM]

[Audio stopped]

>> Mayor, I'm not sure if anyone from the clerk's office can join us, but we have staff from legal, aph, and from cfm. But, again, this is a conversation among the councilmembers to talk about that transition back into hybrid or in-person meetings. And there was a memo that the clerk distributed over the last couple of weeks. So we'll see if anyone from the clerk's office joins, but I'd still encourage the conversation to take place.

>> Mayor Adler: Councilmember pool?

[10:14:19 AM]

>> Pool: Thanks. And thanks to the city manager, and also to our wonderful staff in the city clerk's office for bringing us up a memo with some options on how we can all kind of gently reintegrate, as we continue to move forward in combating the virus and getting back to in-person council meetings. I think that will be a really grand day, when we're able to get back to the way things were before the covid. I wanted to let folks know that I'm willing to be, as we kind of work in sort of a hybrid starting in June, and moving forward as the months proceed, I'm willing to be one of the folks who is either in my office which I have been for some time now, but I'm also looking forward to coming down and being one of the folks who would be on the dais if we adopt the procedure that the city clerk has suggested, which is having the mayor and five of us spaced out on the dais, and then

[10:15:21 AM]

others being able to continue to participate remotely until we're able to get back to where all eleven of us are on the dais. I'm happy to take up one of those slots. I will have a period in September where I will need to be one of the virtuals, but otherwise happy to be the in-person -- among the in-person cohort. And again, thanks to Jannette and myr Na and their wonderful team for helping us glide through the heavy waters. It's been a long year and a half, and a lot of what we were able to accomplish is largely due to the logistical support and the real thoughtfulness from our city clerk and her team. Thanks.

>> Mayor Adler: I'm happy you mentioned that, Leslie, just because the clerk's office has done an incredible job of moving this forward during this period of time, the first time doing it

[10:16:23 AM]

the way we've done it, it's been a logistical achievement that they got that done. I think, colleagues, we're talking primarily about what happens when we come back in July. The anticipation is that we'll do the meeting next week the same as this week. Next week, I think that part of it depends on if the governor maintains the emergency rules or not. The real delta with the emergency rules is whether or not I have to be physically present, which coming back at the end of -- when we come back in July, I plan to be. And the other one is whether or not people in the community, the public speak. Under the emergency rules, they're allowed to speak just by audio. But if the emergency rules go away and somebody who is speaking remotely has to be both visible and audio, which would

[10:17:26 AM]

require someone to go to the library as we had previously provided, if we want to give people that option. Further conversation about council meetings? Councilmember kitchen, and then councilmember Kelly.

>> Kitchen: So, if I'm understanding correctly, the plan is for the July meeting to come back in person, or at least partially in person. I am prepared and would like to be one of the councilmembers that comes back in person in July, as councilmember pool was suggesting. I know that there was some suggestion about the plexiglass being an option. I will share my preferences with the staff. Personally don't think plexiglass is that helpful.

[10:18:27 AM]

The air flow is what's really important. But I can see that those are individual choices. I also think it would be helpful to explore the continued opportunities to be virtual on occasion. I know we did that once or twice in years past, but that can be very helpful for people if they have a conflict. So I'd like to continue to explore that.

>> Mayor Adler: Yes, Mackenzie.

>> Kelly: Thank you, mayor. I have been down to the dais several times in the last few months. I noticed the plexiglass is up. I agree with councilmember kitchen that plexiglass, I don't feel, is necessary. It restricts the air flow. That makes me feel more uncomfortable, given the fact that I'm vaccinated and our air system here is great. I would like to have a seat on the dais as well. I feel that there's a lot to be said for having councilmembers

[10:19:27 AM]

there in person. And I'm looking forward very much to all of us being there.

>> Mayor Adler: Colleagues, the clerk is listening to us, and hoping to walk away with, kind of, direction. Mayor pro tem, then councilmember Fuentes.

>> Harper-madison: Thank you, chair. I look forward to resuming in-person meetings as well.

>> Mayor Adler: Councilmember Fuentes.

>> Fuentes: Thank you. I just wanted to share it's my preference that we do a full-on in-person return in July. You know, I think it will go a long way in our community, especially knowing that just down the street the legislature has been conducting in-person meetings and that we're requesting for city staff to reintegrate. Originally I would have preferred to have done a hybrid approach in June and then done full in-person in July, but I understand we're just now having



[10:20:28 AM]

this conversation. So I just wanted to share my thoughts, that a full in-person approach is what I would like to see for us in July. And also, I do agree with councilmember kitchen about having some sort of virtual component moving forward for those who have conflicts arise as well.

>> Mayor Adler: Councilmember Ellis.

>> Ellis: Thank you, mayor. I'm okay with either option. I'm vaccinated, so I'm comfortable to be on the dais. I do think it's important for people to know they can come communicate with us. But I want to be mindful that we have a lot of staff, too, that you don't always see on the dais. And I want to make sure that people have opportunities to have a little more space if they feel that's necessary, whether that's the clerk's office, our amazing staff members, the council offices. So I do want to make sure that we know a little more about that. But I'm comfortable to be on the dais or virtual, or in my office like I am today.

[10:21:31 AM]

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: I just want to add to what I mentioned before, it's the air flow concerns, as councilmember Kelly mentioned around the plexiglass. And I want to emphasize that at least what I'm seeing from research is that air flow is what's key. And so just for my colleagues, if y'all are interested, I have purchased those air purifiers for my offices and also have an individual one that's about the size of a thermos that I intend to use. And others may not feel like that is necessary to go to that extent, but it does provide an additional level of comfort with air flow. So I'm happy to share, if any of y'all are interested in understanding what we're doing, just let me know and I'll share that with you.

>> Mayor Adler: It sounds like lots of councilmembers want to

[10:22:32 AM]

be in person, which gives rise to the question, can we just go back to full council, and does that work for staff, or present risks for staff that staff's not ready to take? And from a health department, is that something that would be consistent with our rules. Councilmember alter, Alison.

>> Alter: Thank you. A couple of things. I'm comfortable moving back, but I would like to better understand what happens in the broader chamber. You know, it's one thing for all of us -- I believe we're all vaccinated on the dais. You know, we don't know -- not all of our staff may have chosen that. And not everyone who comes into the chamber. And I'm not sure that I would be comfortable with a full

capacity, with everyone -- the room being able to be filled to the same capacity for the safety of, you know, the staff who have to be in different parts who

[10:23:35 AM]

don't have that surety and, you know, possibly requiring masks of folks who are not on the dais if -- since we have no mechanism for assuring vaccination, as I understand it. I did want to make those comments. It's very unusual for us to have a budget presentation on a Friday in July. And I'm wondering if that is movable to the next Monday, if we're going to be moving to in-person. I won't be able to be in person on the 9th. I can do virtual. It was a very unusual timing to have a presentation on a Friday. I'm just wondering if there's some flexibility, if we are moving back in person, and if that is our first in-person meeting, if that can be on the 12th, or later. And I know there are some other colleagues who have a similar situation for that. And that's not a council

[10:24:36 AM]

meeting, that's just a budget presentation.

>> Councilmember, my understanding is that we bookmarked that for July 5th, the Monday. But there certainly can be flexibility depending on how many councilmembers might be able to attend. But we've also had a tradition in the past of having this in venues outside of city hall, which would also allow us to, you know, help mitigate some of the seating and capacity, etc. So we'll work -- we're beginning to work internally on those factors and we'll certainly be including you in any updates that we provide.

>> Alter: That's the first I've heard that date. I look forward to it.

>> Mayor Adler: It's also the first I've heard about meetings the first week of July. I'm not sure I'm available then. And I think that one thing that also I would be willing to consider is if we come back, if

[10:25:37 AM]

there's some staff members that would like to report virtually, in part to keep the number of people down, that's something that I would not object to if we had staff members that wanted to attend virtually. Councilmember Casar, then councilmember pool.

>> Casar: So I'd like to ask your question, mayor, most explicitly of, it seems to me that, you know, I've seen all of us here around the office and largely, potentially -- a large number of folks saying that they are fine being on the dais. So my question to staff would be, because I couldn't tell from the memo,

what are the potential downsides or considerations that we should take into account if that's the way we want to go?

>> Mayor, this is Jannette. I can try to address that question with maybe any assistance from law. We are ready for you to come

[10:26:38 AM]

back in person. You know, for us, logistically, full in-person council meetings reduces our workload and our stress. So we are actually looking forward to having you all back. We can work with Dr. Escott to ensure that depending on the stage that we are at, we limit the number of residents that are in the chamber at any given time to allow for appropriate social distancing for them. If council prefers, we can remove the plexiglass that has been installed on the dais. That is strictly for your preference and your comfort level. But if you prefer it not be there, that can be removed at any time. Oh. The staff that have to be in the

[10:27:38 AM]

chambers, we are all comfortable. I haven't necessarily asked all of them, but I know a number of us are also vaccinated. And so we are good with having you all back in the chambers. The staff that would be here to ask questions could still be virtual and/or be staged through city hall and just come in when their actual agenda item is being discussed, if that's their preference. But we can manage that with the city manager's office to ensure that only the staff that need to be present to answer questions for council are in the chambers at any given time.

>> Casar: Thank you for that. I mean, of course this is a conversation with everyone, but I just express that having a few of us on and a few of us off could be okay, but if there's going to be a few folks on the dais, my sense is that I would want to be there with you all.

[10:28:41 AM]

>> Pool: I think I was next.

>> Mayor Adler: Councilmember pool, then councilmember tovo.

>> Pool: Thanks. City manager, I want to drill down a little bit because I think that first week of July we may be getting a little far afield from what we were advised. The July 9 date, a Friday, is your annual presentation of your city manager's budget. It's not a meeting, per se. It is when you come and present it officially. And it's pretty ceremonial in the sense that we are the audience and there is no -- it's not a

meeting. Am I remembering -- is that how you intend to do it this year? That's how we've done it in the past?

>> Yes. Thank you, councilmember, for letting me make that correction, because after getting the question from councilmember alter, I apologize for getting those dates messed up. July 5 is a holiday. I got my colors mixed up.

[10:29:42 AM]

July 9th is when we have bookmarked for that sole presentation of the proposed budget. We are not looking to have that even within city hall. And so as in the past, we would have that in an alternate location. But I'm hearing there might be some scheduling conflicts. So after this discussion, we might look into other dates that following week if appropriate. But that would be a unique presentation as opposed to a regular council meeting. There wouldn't be testimony from the public, etc.. That would really focus our attention on these in-person meetings that would include public testimony not until that July 29th council meeting.

>> Pool: And maybe send out again that list of dates that had been crafted for our budget process for this year, because it goes into September with the standard three readings in the middle of September, and there is deadlines and stuff. And I'll just reiterate I will be virtual on July 9.

[10:30:44 AM]

And if you push it to the next week, I will also be virtual, because I had made some plans around the July break, fourth of July, but had fully intended to dial in and listen, because I'm very interested in of course the presentation that you will be making. And it may be that others are in a similar circumstance. But having that hour to hour and a half for you to make that presentation -- or I think it's been less than an hour in past years is fine, I think. From my perspective, on July 9th. Thanks.

>> Mayor Adler: Kathy.

>> Tovo: Thank you. The memo we got -- this may get back to something councilmember Casar was asking, but Jannette, you had provided us with scenarios that only accommodate five on the dais. Am I misunderstanding the options?

>> That is correct. We gave you an option, I think

[10:31:47 AM]

option one was in-person, full in-person. Option two was a hybrid that would allow for a number to be on the dais and a number to be virtual. And that was based on conversations that we had had earlier about comfort levels and what stage we might be at, etc. But from what I'm hearing, the majority of council is interested in coming back in person. We are prepared for that. We are also prepared, after this last year and however many months, that if a councilmember needs to occasionally be remote, we have all of that technology and equipment, and everything in place. You're all very familiar with it. And so that is always an option going forward as well. All of that is in place.

>> Tovo: Great. I see option number one would

[10:32:47 AM]

have more than five on the dais. Sorry, my apologies for not understanding that correctly. I guess it sounds like it may be important for us to each provide you with our individual preference with regard to the plexiglass, because if you have councilmembers who do not want plexiglass, they'll need to be situated in such a way that it doesn't impact the choice of the person on another side of them.

>> That would be great, if we could find out that information, then we may kind of move you around on the dais from where you were originally last year so that anyone who wanted to be separated by plexiglass, we have that in place. But for those who are not comfortable with the plexiglass, we have you on the opposite side of the dais type of situation. Just depending on what your preferences would be, we can accommodate any of your preference.

[10:33:47 AM]

>> Tovo: I'd like -- sorry, I had a couple more things I wanted to say. One suggestion that I would like to make is to have -- I think the procedure we've been using of having the agenda office circulate amendments, I'd like to continue that. It cuts down on the number of staff coming in and having to distribute papers across the dais. So that might be something that we want to continue to have the agenda office circulate those for individual councilmembers. And, you know, I've found it a real huge convenience to have my printer right next to my computer. So, to the extent that we're able -- I don't know if other councilmembers are working that way, too, but sometimes when we get an amendment I send it to my printer and that, too, cuts down on our usual practice at city hall where if we need something printed, usually it's our staff members bringing it down to us on the dais. And so I just throw that out

[10:34:48 AM]

there. I don't know whether there's space under our desk for printers for those of us who want them, or it's possible in the back hallway to have a printer where we could send things to. I know there's one a little further afield, but you have to get out and down the hallway to the printer office. But in terms of thinking about some of the solutions that might keep -- just might limit the number of staff who are coming back and forth to the dais maybe useful.

>> Councilmember tovo, I can get with I.T. To see if there is a place either right behind the dais -- I don't know if there would be room under the desk. Plus, that would require a printer for everybody under the desk. But we might be able to put one directly behind the dais, or just on the other side of the door leading to the back area that would be a little easier for the councilmembers to

[10:35:48 AM]

access.

>> Tovo: Yeah, that sounds good to me. I agree. I don't know that there's room. I don't believe there's room under the desks, but behind -- in the hallway, or in that area that you suggest outside the door might be a real good convenience.

>> Mayor Adler: So I think councilmembers are going to contact you about whether they want to be in person. They're going to contact you about the dividers. I think one of the questions for us also is the public. Do we want to -- that assumes the governor keeps the emergency rules in place, or does not keep the emergency rules in place. So how do you handle people physically present, and do we let people participate by audio, if the governor allows it, or certainly at the library, both visibly and audio. What are you thinking in terms

[10:36:49 AM]

of public?

>> If you're asking me, mayor, I think as long as the governor has the exemptions in place that allows us for audio testimony, it would be easy for us to do a hybrid for the residents that allows them to choose audio or in-person testimony, very similar to what we did last year for the budget public hearings that we held. So we could absolutely do that. If the exemptions go away, then we're back to having video testimony. That is logistically more difficult and we would need to rely on the libraries to provide a service. And they are not prepared, from my understanding, to do that starting in July. They need to get some additional

[10:37:51 AM]

equipment and resources in place. And so, again, my recommendation would be, as long as we can do audio, we can easily do a hybrid in-person and audio testimony. If the exemptions go away, then my recommendation would be that we go to in-person testimony only, and then we can work with building services and building security to manage the flow of people here into chambers so that we can accommodate everyone and still allow them to be safe.

>> Mayor Adler: And do some staging in the building. The other question, colleagues, if you want to address it is, while we've been in this mode, we've called all the speakers in the morning. I've heard both people don't like that because they want to speak for their item, but I've also heard people say that they like that because that means that they don't have to wait all, that they get to speak in

[10:38:51 AM]

the morning on their issue and they can move on. So, that's another question for us.

>> So, mayor, if I could, if we're going to do a hybrid of audio and in-person, grouping the in-person and the audio based on agenda item will be much more difficult in that type of environment. And so again, my recommendation would be for convenience, take the audio speakers as a group, like at 10:00 and 2:00 like we have been doing, and then in-person could be -- it's easier to group them by agenda item. And so residents could make that choice, if they wanted to speak at 10:00 because they knew they couldn't wait around at city hall, they would have that option to provide audio testimony. And if they wanted in-person, then they could come and wait for the item to be called up.

[10:39:51 AM]

>> Mayor Adler: So that I understand the question, I can understand how it's easier and better to do the audio remote testimony in blocks. Is it hard to do the speakers in person at the beginning of the day as well?

>> For us it's not harder, it would just be what council's preference would be.

>> Mayor Adler: Right. That would be the same, either at the beginning of the day or by item. In person, it's the same to you. Is that right?

>> Yeah, I think you would have your option. For audio, my recommendation is we would do it in the blocks like we have been doing. 10:00 and 2:00, and/or if there's a specific call-out time for a large item. And then in person, all I'd need to know from council is if you want to take all of the speakers

[10:40:51 AM]

in person also as a block, or if you want more flexibility for the in-person testimony to be managed through the speaker signup system like we had previously where you call them up based on agenda item.

>> Mayor Adler: I understand. And the last question I ask is, historically people have had to come down to a kiosk to sign up. One of the things that we've done here with part of this is people get a chance to be able to go online to sign up. Is that an element we could keep going forward?

>> So, the agenda kiosk is still -- ctm is still working on finding a safe way to post it where people could register remotely through the speaker signup system. We have this past year used an online registration form.

[10:41:53 AM]

My preference would be to rely on the speaker signup system for in-person testimony versus if we do remote audio we could allow them to continue to register remotely. But those forms require a lot of work and prep before a council meeting. And so the quicker we can get away from relying on that system, the happier I definitely will be, because we spend hours going through and confirming which item the speaker is actually wanting to speak on. So, we could figure out how to manage that. But if they're in person, using the kiosk allows us more flexibility, because they could register at any time during the day before the agenda item was

[10:42:55 AM]

taken.

>> Mayor Adler: And I know that's how we've done it historically. Having people sign up ahead of time gives us considerably greater ability to be able to manage the meetings, because we know how many people are going to be speaking. I don't know, colleagues, do people have to sign up ahead of time to speak, that helps us be more efficient and is one of the reasons why we haven't been going really late in our meetings.

>> And if that is council's preference, we can figure out a long-term solution to that problem.

>> Mayor Adler: Councilmember pool, and councilmember Kelly, then councilmember tovo.

>> Pool: Yeah, I like being able to offer the flexibility to the community, but the thing about the kiosk that has been a concern in the past is it did get hacked a few years ago.

[10:43:55 AM]



And so we had to bring additional controls onto it to make sure that the link wasn't shared to the general public, and have people signing up who -- back in those days -- were not actually intending -- and some of them maybe weren't even in Austin. So I remember, kind of, just the vague outlines of what happened. And so I would say with regard to the kiosk, we have to make sure that that is a secure interface. And I would rely on our I.T. Folks and our city clerk folks to make sure those assurances are in place, because we don't want that to fall prey to hackers. And then I think we are in an adjustment period, but I don't expect the -- and I think that there are some things that we pioneered over the last 18

[10:44:57 AM]

months that we will carry forward with us into the new normal, but I also am really keenly aware that we are in another adjustment period, and so some of these things will take us over a period of months, maybe, but won't necessarily be long term. So I know in my mind, I'm kind of framing our reintegration as how we get to that -- back to the normality that we're all anxious for. So it helps me kind of -- even if it's still a little bit awkward, it helps me get over that awkwardness, because I know that eventually we will be past that and get back to where we recognize our protocols and become comfortable again with them.

>> Mayor Adler: Councilmember Kelly.

>> Kelly: Thank you. You know, one of the biggest things for me in this role is the education and outreach on how to get people in our community involved in local

[10:45:58 AM]

government. And so I would hope that whatever we do determine, my office and other offices can get a clear outline of the new procedures that we have so that we can start that education and outreach to get people involved in speaking and coming to meetings, and having their voices heard. I will say that one of the biggest complaints that I get when I do talk to groups of people in the community about participating in council meetings is the amount of time that it used to take to be able to speak and how they would have to put their entire day away or take off work or have to find childcare in order to speak at meetings. So I would be more amenable -- it would be my preference if we had those speakers in blocks of time so that it was more predictable about when people would speak. And I believe it would encourage more participation in our meetings, so we could have a more diverse perspective of what is going on in the community and what their thoughts and feelings are related to our agenda items. Thank you.

>> Mayor Adler: Councilmember

[10:46:58 AM]

tovo was next.

>> Tovo: Thank you. So, I had a couple -- some of the questions that the clerk raised. So I'm going to backtrack a little bit here. With regard to speaker signup and speaker testimony, I hope that we can be flexible. I'm agreeing with councilmember Kelly in that providing points of access for people to the council meeting, I think has happened in new ways during this pandemic. And I hope that we can continue those. So personally, I find as a community member, testifying in front of boards, as well as as a councilmember, I find it most helpful to have the testimony that relates to an item happen in close proximity to that council conversation and decision. And so I hope that whatever system we land on will continue to preserve the opportunity for people to provide testimony right before the council takes

[10:47:58 AM]

up an item. You know, there are multiple times when we're in in-person sessions where we've asked a community member to come back and address -- answer a question. And that can't happen if that person is gone or off the telephone. So I definitely want, for those community members who have the ability to invest the time and stay or come down to council and participate at the time where their issue is being taken up, I want to make sure that we have that opportunity for them to do so. Now, that being said, you know, I'm fine if there are community members -- and I know we've done this for the last few years -- if there are community members who want to provide their testimony at the beginning of the day or of an issue and then not be there for the council discussion, that's fine, too. I think we can accommodate both. But I do want to have, as much as possible, slots for people to talk right before that issue is taken up again, so that we have an opportunity to have a dialogue if we need to with

[10:48:59 AM]

those community members. And I think the community member -- I've seen a greater impact from that testimony when the information is conveyed to those decision-makers at the time that they are about to have that conversation. So, there's that. I hope that our decision-makers at the state, the governor primarily, really see some of the advantages of the flexibility that we've had through this pandemic. It has certainly allowed people to participate in our council meetings and in our bodies of government who would not otherwise have that opportunity, because they can -- it's not easy. They have to stay on the phone a long time. But the fact is they can be at their job and pop on at lunchtime if they're signed up for citizens communication. They don't need to come down and physically be present at city hall or physically present as a

[10:50:02 AM]

public library and it is a great advantage and I think it really makes city hall accessible to more people to have that opportunity persist. And so I really just want to call on the leadership of this state to preserve that opportunity. I've also soon -- I serve on the sobering board and we have a 5:00 or 5:30 in-person meeting. It is really challenging, even coming from downtown going to another place in downtown, it is super hard to get there on time. And we have, sometimes, challenges with other board members who are coming from different places -- hospitals and other places to downtown getting there on time. We have had great attendance and great start rates throughout the pandemic because everybody can join via zoom. I know that's true. I'm just giving that example that that's certainly been true of other boards and other things I'm part of. It has been an efficiency that I hope we don't lose. And so to the extent that we can preserve some of that opportunity -- or a lot of that

[10:51:03 AM]

flexibility, both for our members of the public as well as for bodies that need to meet, including our boards and commissions, I think that would be dynamite, with the understanding that live, in-person meetings, live in-person public communication, I think is still better in so many ways. But having that flexibility does make all of those processes more open to our public.

>> Alter: All right. Further discussion? I think it's probably something we all need to think about, these elements. Maybe I can work with the clerk to identify the outstanding issues and get that to the clerk, or post something to the message board. You know, I like how we did a little bit -- we've been a

[10:52:04 AM]

little bit more able to set the meetings to work efficiently. I've always been bothered when we have meetings that run really late, because I think that unfortunately limits people's ability to be able to participate. So there are some elements that we've used over the last year that I think have made meetings more predictable and timely, and help us avoid the awkwardness at 10:00 P.M. When some folks continue and some don't. All right. Any other discussion here? Jannette, do you need anything else from us right now?

>> I don't think so. I think we have a good understanding of where you want to go, and I will send you a list of the things that I do need, like if you want to be on

[10:53:05 AM]

the dais, your preference for plexiglass, etc.

>> Mayor Adler: Okay. That sounds good. Thank you. Colleagues, let's go to pulled items, then. Let's see how many of these we can handle. The pulled items today are 6, 7, 14, 40, 71, and 72. Councilmember alter, you pulled item 6.

>> Alter: Yes. Thank you. Is Mr. Venino on the line?

>> Just one minute to get them moved over.

[10:54:05 AM]

>> We have staff here, councilmember.

>> Alter: Thank you. Mr. Venino or Ms. Lang, I'm not -- I didn't see you on there for a second -- if either of you could please help us understand what item 6 does, and why we're being asked to determine this at this point in time.

>> Good morning, councilmember, Kerry Lang, interim budget officer for the city. Yes, thank you for the question. So, we are presenting this item at this time because when the state legislature changed the law back in 2019, they required that the -- in order for the tax approval rate to be calculated, we needed to come to council before June 30th. And this is only to calculate the rate. This does not mean the rate will be approved. This is just the process the

[10:55:05 AM]

state legislature has required in order for a higher tax rate to be considered.

>> Alter: So, I was under the impression that this is to set the rate at which we would have to go to the voters to have -- to need a tax rate election in order to raise taxes above a certain rate. So that if today we say we calculate it at 3.5%, if we decide during budget we want to go up to 5%, we would then have to go and ask the voters to approve it. If we set it at 8% we are setting what the voter approval rate is. We are not setting the tax rate. Is that correct?

>> That is correct. What we have to do is, because the governor actually declared a disaster, it allows us to go up to this rate without doing an actual tax rate election.

>> Alter: Okay. So the choice before us is what we want to provide direction to

[10:56:07 AM]

the staff as to how to calculate the voter approval rate, which will be the threshold over which if we go above that as a council during our budget deliberations, or the city manager, we have to get a tax rate

election if we go above that? Because of the declaration, we have the opportunity to choose to go as far as 8% without having to have voter approval. Approval.

>> That is correct.

>> Alter: Okay. I would like to understand when if we have an option to set that somewhere between 3.5 and 8 because I am never going to be comfortable going to 8 at this point, from what I understand. Or I'm very comfortable going up to 8%. So I'm just curious if we're able to, you know, set that voter approval rate above which we would have to go to a tax

[10:57:07 AM]

rate at somewhere in between.

>> Councilmember, this is the chief financial officer. You don't have the ability to choose the specific rate here today. You only have the ability under state statute to set the calculation of the voter approval rate at the 3.5% level, or as Carrie mentioned, because of the disaster declaration, you could direct staff to calculate it -- the language is as a special district would calculate it. Special districts, voter approval rates are set at 8%. So there's not discretion today to pick a specific percentage. You're simply directing staff to calculate it at 8% and then your decision about the specific tax rate you want to set would occur in August.

>> Alter: Okay. So, again, I'm still trying to work through how I feel about this, because I'm very

[10:58:07 AM]

uncomfortable with that higher range of where we could land under this scenario. But just to reiterate so that we have -- you know, I just want to make sure that there's clarity that all we would be doing is setting the rate at which we would have to go out to the public for a tax rate election. We are not setting what the tax rate is. And by approving this item should we vote for it, we are not committing to go up to that rate. We are leaving the option open as we see how the budget unfolds, given what the legislature has decreed during the legislature. Is that correct?

>> That's all correct.

>> Alter: Okay. Thank you. I'll let my colleagues ask their questions.

>> Mayor Adler: Councilmember.

>> Mayor Adler: Councilmember alter, I think it's helpful that you pulled this item to focus on this. Because all we're doing is

[10:59:08 AM]

asking staff to calculate a number for us. The danger is not in the public knowing what we did, but in the public thinking that we did something we didn't do. Understands and it's reported and understood, we're just asking for a calculation, we're not setting a rate, not predicting a rate. Any of those things. All we're asking for is the calculation that's required by the law in order to maintain some measure of flexibility as we move forward. So thank you for pulling this item to make that clear. Councilmember kitchen and thin councilmember pool.

>> Kitchen: Yes, thank you for pulling this, councilmember alter, because this can be very confusing for the public and I appreciate your questions to get this clarified for people. So just to reiterate what I heard to make sure I heard it correctly, we don't have an option to calculate some

[11:00:09 AM]

number between 3.5 and eight percent. So even if we only felt like we were going to go to four percent or four and a half or something like that, we can't do that today. We can't calculate that today so we're not making a decision at all. It's got to be either the 3.5 or the eight percent. Did I hear you correctly, Ed?

>> That's correct, council member. And if it helps for those of you who have been on count for several years, we used to bring an item to you under the old tax regime prior to sb2 to assess the maximum tax rate. You never had to go up to that max rate, but you as council were required to set the maximum tax rate. That is ostensibly the same thing we need to do. Because of the disaster declaration you have the ability to direct us to calculate the voter approval rate at the eight percent level which will then become the maximum that you could go to without voter approval. When you set that rate in August.

>> Mayor Adler: Thank you. Councilmember pool and then

[11:01:10 AM]

councilmember Kelly.

>> Pool: Thanks. Setting the max tax rate is what historically we have done and this year there is different rhetoric surrounding it. We haven't yet seen what the city manager's draft budget is going to be, so in fairness to staff, I would appreciate that flexibility that we can have this year because the disaster de la ration because we don't know how our it revenues will be and the clearer picture that we'll get on our tax -- our sales tax collections and we'll be getting all of that inc. A nice package in -- of of that in a nice package in about a month.

>> Mayor Adler: I'm sorry, councilmember Kelly.

>> Kelly: Thank you. I'm glad to hear that some of the concerns I've heard

[11:02:10 AM]

in the community others have heard as well about being concerned that we are automatically going to vote for the tax increase, however we are just calculating it. That said, for those of us at home watching who may not understand, can staff talk at a sort of high level of how this would be calculated? If we were to vote in favor of this item, what types of factors contribute to its calculation? And then I have one other question after that.

>> I'm happy to speak to that and Eric Nelson is also on the line, our city's tax experiment. At the highest level the tax rate is -- the rate that we calculate is in terms of this percent calculation is the percent of additional revenue that we would receive for operations and maintenance purposes from properties that are taxed both in the current fiscal

[11:03:11 AM]

year and-- I'm sorry, in the current tax year and in the next tax year. A 3.5% increase means the city receives 3 and a half percent more revenue from operations and maintenance for that year and then eight percent more revenue. This is not setting the rate. This is simply setting what the voter approval rate should be calculated at.

>> Kelly: That's helpful, thank you. And also, once the rate is calculated, whatever percent staff comes up with, does council have an option to change that based on what recommendation you come back with before it's put on the ballot for voter approval?

>> Well, you would only go to the ballot for voter approval if the tax rate that you were to adopt would exceed the voter approval rate. You do have the ability -- you will set the actual rate in August, but once you take the action today to direct

[11:04:11 AM]

us to calculate the voter approval rate at the eight percent level or three and a half percent level, you would not be able to change that once you've given that direction.

>> Kelly: Thank you.

>> Mayor Adler: Okay. Councilmember alter.

>> Alter: Thank you. I just want to -- what Ed just said was that we're voting on this to set the voter approval level. So we're setting a level at which we would have to go to the voters for any increase above that. We are not setting the tax rate, but because there is this declared emergency we have that option of having the voter approval be what is the new default of 3.5 percent or going up to the old default, which is eight percent, because of the disaster. But we would then determine during the budget process

[11:05:12 AM]

what tax rate we think is appropriate given what we see as the expenses and the whole picture that we have at that point in time to see what we really think the needs are. If we don't move forward with this at eight percent, we will be stuck at 3.5% and unable to move an increase to four percent or five percent. Also be unable to go up to eight percent. If we set it at eight percent, we have that flexibility anywhere in there F we wanted to, which I don't foresee any situation that we want to go above eight percent, we have to then go to the voters. If we set at 3.5% we have to go to the voters if we have to do it at five percent. It is unfortunate that we can't set this at somewhere in between. It would be a lot more comfortable with that because this is one of the

[11:06:12 AM]

quirks of the way that it's laid out by the legislature but I think it's really important that we have that clarity on what we are pointing on. So thank you.

>> Mayor Adler: Thank you. Anything else on this item? All right. While we have Mr. Van eenoo here, Mr. Nelson here and Mr. Lange here -- actually, mayor pro tem? You had your hand raised?

>> Harper-madison: I think I'm about to do what you were about to do. Last budget cycle was different than the one prior to. The one prior to we did a lot in the way of public engagement and really educating our constituents. My office did probably four or five budget events. So I just want to know this time around since it's a little different than 2020, 2021, we may able be able to do some in-person events again.

[11:07:12 AM]

Ed, you helped us with a lot of those by attending and walking through people some of the more technical components. Would that be Ms. Lange this time? Would that be a combination? I'm not sure that that looks like this time around?



>> Thank you, council member. I'll take lead on this, Ed. I will be available to participate in any town hall meetings and walking the constituents through the budget process to help them better understand.

>> Harper-Madison: Thank you very much. It's so important that they understand exactly what is happening especially with something as important as the budget. So thank you, I appreciate it. Looking forward to reaching out.

>> Mayor Adler: Okay. Colleagues, while we have these three budget people here, I'm going to call up items 71 and 72, exceptions. I pulled these items.

[11:08:14 AM]

When we have done and considered exemptions in the past, when the council chose to do them they came at the expense of potentially spending money on social services and the like. So we had to make that kind of choice. My understanding from the memo that was circulated from Ms. Lange indicated that the comptroller now handles these differently so -- the comptroller now handles these differently so we don't have to make the forced choices now in giving exemptions, is that correct?

>> That is correct.

>> So it's a very different consideration than what we had in the past. 71 and 72, 71 would increase the homeowners' exemption up to the same 20% that Travis County has. And 72 would increase the senior exemption from 88 you up to 113 or additional 25.

[11:09:16 AM]

Do you know in the memo that came out if we were to do the homeowner's exemption at the 20%, if we were to do three and a half percent tax rate increase for about the typical homeowner median homeowner, what's the reduction in taxes that would be achieved versus being at that same taxpayer if we were at three and a half percent without the homeowner's exemption?

>> I'm going to defer to our deputy budget officer, Eric Nelson.

>> So comparing fy'22 projected tax bill at three and a half percent without the increase to that same scenario with the increase, the typical homeowner would save \$141.06 per year.

>> Mayor Adler: Okay. And similarly Mr. Nelson,

[11:10:18 AM]

the question if we increase the senior exemption, how much would the senior or disabled person get in tax savings also at the same typical if we were at three and a half percent, what would the savings be?

>> A senior -- from the

[indiscernible] General homestead they would save a bit more. I'm showing them at \$150.87.

>> Mayor Adler: Is that both of them combined?

>> That would include the existing senior exemption of approximately

[indiscernible].

>> Mayor Adler: Somewhat the tax savings if we went from the 88,000 up to the 113 for the typical senior disabled homeowner? What would the savings be at the 300?

>> If you did a 25,000-dollar increase in

[11:11:19 AM]

the senior exemption, they would save \$121.88 per year versus my current

[inaudible]. After that.

>> Mayor Adler: And so if there was 141.06 for the general. It was 121.88 for seniority/disabled. Is someone entitled to get both of those exemptions if they were both passed?

>> Yes. And you apply them in the order that's most favorable to the taxpayer.

>> Mayor Adler: Okay. Colleagues, I have a couple of things I want to say quickly, but before I do I want to give everybody a chance to ask questions of the staff here with us. Yes, councilmember Kelly.

>> Kelly: I don't exactly have a question, but I want to make a statement. After reading these two

[11:12:20 AM]

items, I believe that we should have everything at our disposal for particularly older individuals and people with disabilities to stay in their homes. The people in Austin are what makes our city wonderful and our most precious resource he. As such I would like to be added as a co-sponsor on item 71 and 72.

>> Mayor Adler: So noted. Thank you. Councilmember kitchen.

>> Kitchen: Thank you, mayor. I'm pleased to be a co-sponsor of those. I think both of those continue our pledge to the city with regard to increasing our levels of homestead exemption and also using all the tools that are available for us for seniors and people with disabilities. So I think that adjusting our exemption for seniors is really critical at this time.

>> Mayor Adler: Thank you.

[11:13:21 AM]

Councilmember Ellis.

>> Mayor Adler: Thank you, mayor. I very much appreciate being a co-sponsor on these items. District 8 has many folks if those were not to pass they don't know what their next move would be. There are many neighborhoods in my district that people are on fixed incomes or their home prices have skyrocketed over the years, include this past year in particular. And there are many, many folks that need this particular type of relief. As we've been able to provide a lot of relief for rental payment assistance, building affordable housing, eviction moratoriums over the past year have really helped a lot of people stay in their homes. So there are many constituents of mine that have reached out and they're glad to see this on the agenda to stay in place, age in place, with their social networks, doctors. I appreciate you bringing

[11:14:22 AM]

these items.

>> Mayor Adler: Okay, thank you. Councilmember alter.

>> Alter: Thank you. I'm also pleased to be a co-sponsor of these items. I think it's important that we provide relief to our taxpayers when we can. Given some recent changes at the state level and calculations of homestead this became feasible in a way it wasn't feasible in the past. And I'm excited that we are bringing it up to the maximum 20% for the general homestead, which I think is really important and where our constituents are asking us to be. We have provided something around \$50 million in relief for renters through the pandemic, but have been unable to find ways to be able to do the same for our homeowners. So I think this is an important step for us to be able to provide some of that

[11:15:22 AM]

relief to our homeowners. So thank you, mayor, for bringing these forward and I'm proud to co-sponsor them.

>> Mayor Adler: Councilmember pool. And then councilmember Renteria.

>> Pool: Thanks, I just wanted to reiterate that I had earlier requested to be one as a co-sponsor just to make sure the city clerk had gotten that addition. Thanks. I appreciate these two items too. Thank you.

>> Mayor Adler: Councilmember Renteria.

>> Renteria: Thank you mailbox. I want to really thank you for bringing this forward. I am also proud that I'm a co-sponsor on this item. No neighborhood has hit the hardest as in east Austin with the house prices increasing, and land value, we're getting hit extra with the value of the property

[11:16:22 AM]

and the land of the house has gone up significantly. So this is going to be really for not only the constituents here in east Austin. I'm really proud to be a co-sponsor. Thank you.

>> Mayor Adler: Thank you. Councilmember Casar.

>> Casar: One question and then some comments for staff. In the past under the old way developmentally disabled this there was sort -- in the old ways in the past there was a sort of cost. Now there is no cost. What is the amount of shift? Ultimately this is voting on a shift from non-homestead properties to homestead. So what is the dollar figure of the shift?

>> That's a good question. The way I calculate it is it's actually easier to translate it into the impacts to the specific

[11:17:24 AM]

homeowner based on their value. I don't have the aggregate number. I could try to work to back into it for you.

>> Casar: That would be great. That would be really useful for me. If you could get us that it would be helpful. You don't have to do it on the fly.

>> No, I wouldn't dare.

>> Mayor Adler: But to that end, Mr. Nelson, I think what you told me was it was about \$20 per 100,000-dollar valuation.

>> That's correct. \$20.80 per \$100,000 valuation of property.

>> Casar: Understood. That backed in number would be helpful to me. I want to make it really clear, I think that this change at the state level is good and it addresses what has been I think by far for me the most significant

[11:18:27 AM]

challenge with the homestead exemption the way we are allowed to do it. The second biggest challenge is that we have to do it percentage based rather than a flat rate. I have stated lots of times that I think it would be really good if it were a flat rate. I think that would make it much more easier for people across the city to be increasing it, like the senior exemption, which is why we've very often voted to increase that senior exemption and I already feel very settled on supporting that senior flat exemption increase. On the percentage based exemption, now that the most troublesome part of it is gone, the continued troublesome issue is that there is that the folks that are struggling the most that are homeowners get the least relief most likely because it's percentage based rather than flat. But the fact of the matter is if you want to get -- if we want to get some reduction for people with a lower value home then you've

[11:19:27 AM]

got to do the -- you've got to do the percentage based exemption. So I'm going to consider how to do it under the new circumstances. Ultimately as I can tell this is a shift from higher value commercial property -- from higher value homes to higher value commercial properties is the primary thing this vote does now because of the change, while unfortunately providing probably too little reduction for lower value homes compared to what we want, and potentially some impact on smaller landlords and small businesses. So I want to sort of be considering that part as we head into Thursday. I do appreciate what we've done for renters and rental relief I still worry that we don't have enough to address the potential threat of evictions through the year, but I know we'll be working on that. I also want to make sure that it's clear that we have

[11:20:28 AM]

done some really important work in the fiend homeowners as well. Many of the recipients of the rise fund, example, in my district I know we're low income and struggling homeowners and I appreciate the mayor and the county judge having put a moratorium in on foreclosures for a significant part of the pandemic for homeowners. So I think it's really important wins we all represent -- since we all represent homeowners and renters for ways to help both. Whether I consider how it is that we can best handle this under new conditions, I want to figure out how we both really try to target relief to the homeowners who are struggling the most as well as the renters struggling the most. That information for you, Mr. Nelson, would be helpful for me as we wind up for our decision here today. I appreciate that a part of the homestead exemption debate that gave me the most heartburn is that we would lose funding that we could use to target the people most in need and that it

[11:21:29 AM]

could potentially cause fiscal problems for keeping our services going and keeping our employees paid that that has largely been addressed and now we're just grappling with the inefficiencies on a percentage-based system without a flat system and I think that's what I have to sort out in my head between here and Thursday and how we take care of both -- keep renters in the conversation as well.

>> Mayor Adler: Councilmember tovo.

>> Tovo: I want to ask our staff a question. There was some language included in our memo and cited here today. Is this actually -- was this new interpretation a decision of the Stacy comptroller's office directly in response is to the work that our city staff did? There was some reference to work of our budget office in communicating with them.

>> Yes, this was the work of

[11:22:32 AM]

department budget office Eric Nelson along with Lela fireside. They worked very hard to address these concerns with the comptroller's office.

>> Tovo: I wanted to appreciate that. I wanted to make sure I understood that that it came as a result of our city staff. This is a really important change and I too am going to be considering my past concerns with increasing the homestead exemption against this really substantial shift that you've just described, but thank you to our city staff who worked on that. That really is great. And every time we talk about homestead exemptions we send to get a flurry of emails asking for just the thing that councilmember Casar just talked about, a flat rate versus a percentage and just know -- I know we all know this, but it's worth saying in public, we don't have the ability to do that here in the state of Texas. It has been a legislative

[11:23:34 AM]

priority for our city. It's in our legislative agenda, we way back continue to push for it and I know our city staff continue to push for it. We just don't have the ability in this state to do flat rate exceptions.

-- Exemptions.

>> Mayor Adler: I think that's good and helpful and I also want to thank Mr. Nelson and our legal staff for that work. And it's been like six years and that's just my time here. You guys may have been working on it earlier than that. But I know this issue has been brought up each of the past six years as we wrestle with the homestead issues. A couple of things I would like to note about it, councilmember Casar, I think the issues you raised about it were accurate, both pros and cons. It would be great if we could do flat as

[11:24:35 AM]

councilmember tovo said, but the legislature you R. -- it's been hard to get the legislature to do that over the last few years. It's been brought before the legislature and they have not been able to get that done. What that means I think as you correctly point out is that in absolute terms the rate is absolute dollars from an exception like the general homestead exemption will go to higher income or higher home value owners if you aggregate all of the dollars. I think you're also right that the burden as the tax gets reallocated will fall to higher income owners and users of the large buildings that we have downtown and industrial properties. I think that is the main impact. There would be an impact and I think a lot of questions have been raised about

[11:25:39 AM]

tenants. And I agree that we need to address that. We have been given a lot of relief to tenants. Some of that has been available to landlords as well and up hope that we continue to give additional money to tenants as part of the arpa dollars and the dollars [inaudible]. But I think we do need to also really help the homeowners on the eastside of time that have lived in their homes for a really long period of time and now their tax payment is rivalling their mortgage payment. The city tax portion of the tax bill son-in-law about 20% so we're a small portion past overall tax bill but we need to use all the tools that we do have in order to be able to help. And while the aggregate

[11:26:39 AM]

total dollars doesn't go to lower income folks the percentage of income that lower income people have to use to pay their property tax is a higher percentage of their income than is the property tax component that higher income people pay. So when you look at the ability to pay it hurts lower income people more. That's the idea 6:00 Progressive versus reegress sieve. So in this instance even the percentage tax that we're doing is giving relief to people who would have to pay a high percentage of their income to pay property taxes which is why this relief is so important. It's also really small if you take a 1,400-dollar rent apartment, rent an apartment at \$1,400 a month is

[11:27:40 AM]

probably worth about \$200,000, which means that the additional tax if it were just focused on that apartment, work about 3.40 some-odd cents. I think if you gave an apartment owner a tax break of \$3.40 on that 1,400-dollar a month apartment, the property owner is not going to cut the rent to \$1,396.60. It's just not going to happen in the marketplace, nor do I think that this additional \$3.40 is

going to result in rents going up to 1400 -- from 1400 to 1403.40. If they could charge that in the market they would already be doing that and I think that's drives the rent. All things being considered this is not perfect.

[11:28:47 AM]

There are some people not getting the benefit that we would want them to get, but on balance I think this is providing really important relief to people that are needing that relief. Councilmember alter?

>> Alter: Thank you. I too wanted to acknowledge Mr. Nelson and the great work that he and his team did in getting the clarifications at the state level and I appreciate the state seeing how this is allowing many cities and counties to increase the homestead exemption and really great ways to provide relief. Austinites who live in Williamson county, I believe that Williamson county has already voted to increase their homestead to the maximum this year. I don't know what Travis county is planning. So there's work that our staff did in trying to impact how things were set up really does have an

[11:29:47 AM]

impact to reduce taxes not just from the city of Austin, but also from other entities that are in the ability to use a homestead exemption. So I think it's just really worth noting so at the very least the Williamson county folks will have that relief coming as well. I think it would be interesting as we move forward with our next legislative agenda and to be thinking about how does the fact that we would be at the maximum rate impact our ability to advocate for further relief for homeowners who have homes that are at lower levels. So that the law right now is set up as a 20% max and the resistance to the flat rate is a fear that you wouldn't be providing relief to the homes that are at the higher level.

[11:30:48 AM]

But I believe we could now that we are at the higher level if this passes is we would then be in a position to have our legislative delegation go in and say hey, can we get lower levels of relief where it's X amount or percentage, wherever it's higher, that you get the choice to use. And that might be a mechanism that we could use that might resonate in the state that absent being at the 20% rate we could not argue for. So I think whichever is higher might be an option for us to move forward under these new rules. And I don't know. I'd like if somebody can tell me at some point whether we have to change the legislative agenda to think about that.

>> Mayor Adler: Okay. We can ask that question in



[11:31:51 AM]

the brief willing. Councilmember Casar.

>> Casar: I'll actually save the question for the arp discussion.

>> Mayor Adler: Anything else on these items? Let's move on. Next pulled item is councilmember tovo, you pulled item 7.

>> Tovo: I did, thanks. This will be pretty quick, I think. What I really wanted to ensure is we have very little information in the backup other than the awarding of the proposed awarding of the bid to the proposed vendor and so I want to ask staff whether they are still -- whether whoever we award the contract too is still proceeding along the same renovation process that we talked about with the same purpose around the same attention to historic preservation. So my guess is that this would be most appropriately directed to director Mcneeley who I see is now on the call. Director Mcneeley, I believe you're muted.

[11:33:10 AM]

>> While director Mcneeley gets dialed in, I don't know if director [indiscernible] If you want to provide some context on this? You're muted as well.

>> How is that there? Better. Good morning, mayor and council, city manager chronic. Rolando Fernandez. I don't know specifically the direction that was given to staff regarding the historic preservation. I will say there was a lot of attention given to the scope of work and the evaluation process where we in fact looked at the experience of the contractors who were going to be bidding this contract to provide us their experience on historic window preservation, for example, and other areas of historic preservation scope of work. And so that was certainly an area of responsibility that we looked at in terms of the scope of work. I don't remember the specific details, but certainly we put a lot of emphasis on that historic preservation and experience

[11:34:11 AM]

on our evaluation criteria and the evaluation tool where the expert panel of members drove the evaluation based on competency of working on historic preservation projects.

>> Thank you. It's been awhile --

>> Hi. The person you've reached is using a screening purpose Google and will get a transcript of this call.

>> Tovo: That's not me. So I don't remember if we approved a comprehensive plan for seaholme intake. If we approved the contractor, which I'm thrilled we're at that step,

[11:35:12 AM]

to renovate for the purposes that we discussed, that goes back to the studio gong's design of a flexible open space that is also historic preservation and designing a space that can be used for public programming. And I say that in part because we had -- we had a couple of different paths that we were taking on this project and I want to be sure that we're really clear as a community on which path we're taking in this stage.

>> Yes, ma'am. We can work with parks on that information. When council considers this item on Thursday on would be then for us to negotiate the contract and get that work going in place. We can certainly provide that information beforehand.

>> Let me pause one second to see if director Mcneeley has joined us see I can't phone. Director Mcneeley? You're still on mute.

[11:36:13 AM]

>> Yes? Yay. So to answer your question, councilmember tovo, we are following -- the council will approve a Seaholm vision plan. Yes, we are following the very first phase of this is being able to make ready. So to be able to make ready the particular space in order for us to leverage other funding from other partners or other funding from concession airs. And we can provide the link from the original document that the council has approved so that you can view that prior to your vote on Thursday. If I miss something else if you reask the question I think I can answer it.

>> Tovo: No, that's helpful. If you can include the vision plan in the backup and we can make that and I'll make a motion to embed

[11:37:14 AM]

in the action that we take on Thursday the expectation that it is following the vision plan.

>> Will do.

>> Tovo: Thank you so much.

>> Thank you.

>> Okay. Anything else on this, Kathie?

>> Tovo: No, mayor.

>> Mayor Adler: Okay. Let's go to the next pulled item. That would be item number 14. Councilmember alter, you pulled this one?

>> Alter: The one from dsd here.

>> Mayor Adler: Thank you. Parks staff.

>> They are and they're getting moved over, council member.

>> Alter: Thank you. So this is an item that would increase the number of authorized staff by 41 full-time equivalent positions to support further staff and dsd. This is coming from the budget. So I do have some questions,

[11:38:15 AM]

I want to get some clarity on the situation that dsd is experiencing as well as some of the financial plane indications of this item -- financial implications of this item.

>> Thank you, city manager. Assistant is city manager Rodney Gonzalez here.

>> Whoever is appropriate please respond. So in 2018 we added I think around 50 positions to the department in the budget. At the time we were told that the permit volume had increased between 2013 and 2017, which justified the positions. There were a lot of fee increases that went along with that and I supported that ask. We're now being asked to increase by another 41 positions. The department is outside of the budget cycle. Soiled like to understand better what is provided in the rca why this ask is

[11:39:17 AM]

coming now.

>> Absolutely. And I can start before dsd districter Denise Lucas. First I want to acknowledge and appreciate council's support for the positions in 2018 as they were sorely needed and they have helped us of course get right sized to our commitment for permitting, review and inspection time. So we greatly appreciate that. More recently we've experienced a significant increase in housing in permit applications. We're not alone. In this is in the Austin region. So other cities in the region have experienced it. And other regions in the country have experienced it as well. It's a phenomenon that is catching a lot of us by surprise post-pandemic. It is of concern to us and that's why we view it as an emergency and are coming forth into your budget adjustment. But I do want to turn it over to dsd director Denise

[11:40:18 AM]

Lucas who can also talk about not just the need for the resources, but what we've done in an interim to become more efficient in the work that we do, which is always a continual process for us.

>> Thank you. Councilmember alter, we're experiencing a tremendous amount of growth in our residential and commercial areas. Keeping in mind that any project that has three or more residences is considered commercial. We have a lot of multi-family, but we also have a lot single-family remodels and additions that are also happening in our area. We are at our maximum throughput in reviewing and permitting those projects so that we're not able to meet our forecasted review times with the current staff that we have. We've made several changes to bring some improvements. For example, on residential review we take everyday and

[11:41:18 AM]

work on clearing comments to get those projects out and back to the developers faster. We enjoyed the two-week reduction and review time that only lasted two weeks because then volume accuse is sell rated again so we're now back out to the extended review time which was unacceptable to our customers. Other things that we've done is we've implemented combination inspectors so one inspector can go to a site and perform multiple inspections. This is a great time saver for our customers as well as an efficiency and it helps contribute to reducing the carbon footprint as well. We've looked at adding temporary staff to help with the spikes in volume, but we've realized it's not spikes, but a continuous constant growth and we need another strategy in order to have a sustained response to the increased construction in our area.

>> Alter: Thank you. I appreciate the additional

[11:42:19 AM]

information. Part of what I'm struggling with is that as chair of finance we have conversations on a pretty regular basis and we've had several audits where we're working to improve what's going on in dsd. And it seems rather surprising that we hearing of this just now and it hasn't been raised to council as an issue earlier. So so I would like for you to provide in the q&a, assuming you don't have some of it now some of the data on the response times and on the ways for us to better understand the situation that you are going through and what's going on. We need to be able to understand and see what is happening and how this is affecting things. And then I'd also like to have some of that information for before and

[11:43:20 AM]

after the 50 positions were added before so that we can see that those made a difference. You know, I'm not questioning that we don't have to add additional positions to meet this particular demand, but the challenges in dsd have been an ongoing frustration in the community and we need to make sure that we have transparency about what's going on and that we're not only using the number of staff as our only tool to get us to the right space. The other question that I have is how do we anticipate this action will impact the fee schedule and the cost to consumers.

>> We believe that it will have a neutral impact. As we understand how the fee calculator works, the greater our volumes that we generate we are able to cover the cost of service for dsd. So from our calculations we believe that we can add these positions now and pay

[11:44:21 AM]

for them in fy22 without having a negative impact on our fee.

>> And councilmember alter, just to respond to some of your concerns as well, Denise does have a fairly great presentation that's lengthy to give context for council as far as some of the metrics that we track. It's about a 20 to 25 minute presentation. We could certainly spend some time going through that presentation or we could provide it to council as backup fanned you have any more questions about the item we can certainly then answer them in between now and Thursday or at Thursday's council meeting as well. We were prepared to provide council as much information as possible and I want to acknowledge your concern about this coming up relatively quickly. This is a phenomenon that has hit just about every city very recently been the last four to six months. What we want to do is get a head of the concern. What we don't want to do is come to council with a severe

[11:45:22 AM]

backlog and Shea oh, we have a bag -- say oh, we have a backlog, we need the positions. That's why we're coming to council for the positions. And ahead of that as Denise has mentioned, we've done a number of efficiency improvements to try to address this without having to go to reduces as a first step.

>> Alter: I understand that. But I want to make sure we have an understanding that we're not going toned up having more fees. You're not going to come back in August and say we have to increase our fees in order to cover the cost of those additional positions which we're also hearing from folks that there's a lot of complaints about the fees. If in fact the volume is increased and there's additional fee increases that are happening and this is leading to efficiencies, that is one scenario. But we have also seen in the past where we've then had to pick up the cost. So that's what I'm trying to get some transparency here and better understand. I'm not going to be comfortable raising fees in August to cover costs that

[11:46:23 AM]

I'm told are a value function. And so that's what I want to make sure that we have some more data and information for us to see that this is in fact what's going on, which I believe that it is, but I think in terms of transparency we need to have that. The other thing that I wanted to ask and then I'll let my colleagues go is can you please explain the fiscal note reference to \$20,000.

>> This is a nab we submitted in may of 20. And at that time all our research said that construction would slow down and almost stop. So we based our budget on that research information. In realty that stoppage or slowdown did not happen and construction continued to go on from June to currently now at record volumes. So when we talked about the 2.8 deficit it was a very conserve number based on

[11:47:24 AM]

what webbed was happening in the marketed place from research. What we're experiencing now is just the opposite, which is why we won't have that definite, we don't need owe dove sit, we won't need the fees to pay the resources and we also believe that will be true in 2022. So should this be approved, our budget reflects that we will be cost of service, we will not be asking for any increase in fees to cover this ask.

>> So if our -- I'm not finding the document right now, but if we can get that physical note then updated to see not just what was in the budget, but where we're at now, because I would be concerned if reading that we are in that deficit situation where we are year to date as opposed to that just being what you predicted with the pandemic. I think those are two different scenarios to have this under.

[11:48:25 AM]

If we could get this updated appropriately or having some writing to address that 2.8 million if I'm not asking the question appropriately since I don't have the fiscal note easily accessible.

>> I believe that we can update it in the document. I think that the if fiscal note is tied directly to what we submitted as our budget. So.

>> Alter: That's why I was asking if you could do a column that's year to date so that we have that sense as opposed to just the budget. I understand that you cannot change the number in budget, but you tell us what that deficiency is at this point in time.

>> Absolutely.

>> Alter: Thank you for the clarifications. I look forward to that additional information in the q&a.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: Thank you very much. I have a couple of questions

[11:49:27 AM]

here. So my first question has to do with the relationship -- really, as you raise this need and as I'm reading the thinking behind it is one of the things that you're trying to do is impact and our goals of the strategic blueprint in our ability to move more quickly if I'm understanding correctly. Is that one of the goals?

>> That is correct. The housing blueprint has some target numbers and the permit applications come through dsd and we don't want to impede or slow down our review because of the volume that's come through. So what we want to do is right size our resources to match the volume that we see coming through.

>> Kitchen: Okay. So my question relates to the staffing that we need

[11:50:27 AM]

for our affordable housing which I think is now part of this new housing and planning department be, if I'm remembering correctly that dsd is now part of if I understand correctly. So I'm wondering if this staffing includes staff to assist with the development of affordable housing. I believe that's an area that Mandy de mayo heads up or at least she's the one that's talked to us about it. I'm not sure what her staffing is. But do do these 41 staff contribute to the efforts that happen in this department around developing affordable housing?

>> So if I could maybe answer that first question. Dsd is not part of that department. That department is the housing that was previously --

>> Kitchen: It was planning, you're right. I apologize.

>> Thank you. Exactly. So that group has the separate set of departments that works on of course the various affordable housing bonds to implement those. So of course we did have

[11:51:28 AM]

some staffing increases I believe last year or the year before and we continue to look at our resources that are needed, especially in light of the 300-million-dollar recent bond approval. So we're always continuously looking at the resources that we have in that area and if it seems like we need more

resources we'll go through the budget process and ensure that we've got the right resources allocated towards that.

>> Kitchen: Is there additional staff being requested for -- to assist and help us move faster in developing affordable housing and that's not just resilienced to bonds. There are several aspects of the affordable housing, including another aspect -- this is not the same thing, but sort of related, which is the 300 million anti-displacement dollars. So I want to understand the extent to which these 41 positions help with that and/or if there's another

[11:52:28 AM]

request in is the city manager's budget that we're going to see that relates to additional staffing for more quickly developing affordable housing.

>> Yes. So in particular there are a number of staff that are added to bring forward a third expedited review team and we have a number of affordable housing projects that avail themselves of that service. They love the service. It gives them the requisite building permit approval very quickly and so we're pleased to add a third team as part of this request.

>> Kitchen: That's a third team for expedited development of -- strictly focused on affordable housing?

>> So just to be clear, we don't have any city team in dsd that is focused on affordable housing. We have what's called an expedited review team and we have a number of affordable housing projects that avail themselves of that. But we don't have a specific

[11:53:31 AM]

team dedicated only to affordable housing projects themselves. And we never have.

>> Kitchen: Has that been considered as part -- have you reviewed the possibility of doing that and whether that would be helpful and if that would be helpful? Have you looked at that?

>> It's something that we certainly could take a look at. It would take some time. Of course, one, we want to of course look at it because of course we would want to get a good understanding from council do you mean the traditional non-profit affordable housing projects? Do you mean perhaps even some private development projects that have an affordability component to them? It could mean a number of different things and we just want to be clear with council's understanding of the types of projects that you would want the teams to look at.

>> Kitchen: Well, I will look at the backup information for the addition of 41 additional staff.

[11:54:32 AM]



I am very reluctant to just add 41 additional staff if we're not doing something to dedicate staff for affordable housing and improving that process. I think Ms. Truelove wanted to say something because -- there was one question and we got off of that. Let me hear what she had wanted to say. E good morning, mayor and council. Rosie Truelove, director of the housing and planning department. As Rodney mentioned, we are in the process of working with the development of the equity tool and then through that once we have that fully developed that will help advise and guide how we might need to staff ourselves appropriately to be able to deploy those dollars effectively. We do anticipate the need for more resources, but we are wanting to be cognizant of the recommendations that will be coming forward through the equity tool before we bring any staffing requests to the full council.

>> Do you expect staffing requests in time for this

[11:55:34 AM]

budget?

>> I think actually we're potentially targeted maybe the July 29th council meeting. Depending on how things progress with the equity tool and with our work there. We just don't want to be pre-councilmember Casar and based on assumptions on what we think we need without the guidance of the equity tool.

>> Kitchen: I understand that. I don't want to lose this budget cycle because I think -- I recognize the importance of a permitting process of course that helps us move expeditiously and that helps us to reach our housing goals, but I also think we need to focus in specifically on our goals for affordable housing, housing for homelessness individuals and housing for lower income folks. I want to be sure as part of approving additional staffing we're thinking about that so I could talk

[11:56:36 AM]

to you after this, but I do want to know how the 41 individuals can help with that. I want to know what we can do in permitting process to specifically help with affordable housing. And then Ms. Truelove I'll be looking forward to y'all's thinking in terms of are additional staffing for -- if I'm hearing you right, I think I'm hearing you say that's beyond just what's needed for the 300 million for anti-displacement. You're talking about affordable housing across the board, is that what you mean?

>> Right now the additional -- the staffing request that we would potentially be bringing forward either in advance of the budget process or through the budget would specifically be looking at deployment of the 300 million anti-displacement dollars. We always have higher needs and could utilize more staff effectively, but we recognize the budgetary constraints that we have as a city right now and want to be mindful of that.

[11:57:37 AM]

So we're having judicious with our ask for resources.

>> Kitchen: Well, I think that because housing is a top priority for us, I hear what you're saying, but that's not where I'm at as a council member. I would like to see -- understand what staffing you need to move, affordable housing, beyond the -- the 300 million definitely, but affordable housing we need to move more quickly and I would like to understand what staff is needed for that and I want to have that conversation rather than that not be brought forward. So I'm getting far afield of our item, but while we're here I so identify you could, so Ms. Truelove, I will be looking for that too, not just the staffing or the anti-displacement dollars. And then so those are the three things I am looking for, the staffing for affordable housing, staffing related to the anti-displacement dollars and how the staffing for dsd and the

[11:58:39 AM]

permitting process can have those 41 individuals can at least in part be focused -- well, in part, not totally, but in part be focused on more quickly moving our affordable housing projects. >>

>> Mayor Adler: You are raising your hand.

>> Councilmember, thank you, we are always concerned with affordable housing, not just only the housing shortage but affordable housing. In general. I don't want to lose sight we do have a prioritized permitting review for smart housing projects. And so maybe what we talk about are that prioritization that would provide to those affordable housing projects when they run through the permitting system. And how we might of course continue to prioritize those as well as any other projects affordable housing projects that are of concern to council so that way they get a priority when they do go to the permitting system.

[11:59:40 AM]

The concern of course that myself and dsd director Lucas have for the ftes needed now are that as time progresses the number of volumes or the number of placings that we receive continues to increase a and we do forecast a backlog situation inevitably without these resources. And so we are timing this request to bring on board the ftes and to train those touched, by the end of the year, we will have every available resource to address the increase in permit applications. But we do forecast that without the additional resources that we will have a general back backlog not just for affordable housing project but every single housing project across the city. I hear what kitchen kitchen I hear what you are up against but I still want to hear the three items I spoke to.

>> Absolutely.

>> Mayor Adler: Councilmember Renteria. >>

>> Renteria: Yes.

[12:00:44 PM]

Also when they request a first

-- development service department, there was an argument brought up that we are having today about the costs and the -- and it didn't do that and what happened is when we turned down that request the first time, what happened was that you couldn't get enough permitting and inspection to come by to our developments and a lot of these smaller affordable nonprofit corporations were hurting because they had deadlines they had to meet. You know, you have two years to do a development, a low-income apartment, especially a tax credit you required to do it in two years, if you don't then you lose it. So we turned around and then rehired, we hired the needed personnel at that time and which you know, there were a lot of complaints from builders and

[12:01:45 PM]

developedders and low-income about not being able to meet that deadline so we -- and it really helped out. It got our units inspected and on time, being able to build on time so that we could have more of them. So, you know, this is really crucial for people that are -- for nonprofit corporations that are building affordable units, because they need to get that -- meet that deadline that they always required, and then if you don't, if you assign them funding they have to go through the whole budget process again, you know. So you know,, this is really, really helps out a lot for -- it didn't cost us anything.

>> Mayor Adler: Okay.

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>> Thank you, I didn't know if I was blending in over here.

>> Ellis: I am in alignment with Rodney on this one. I think it is very important

[12:02:45 PM]

that we make sure that affordable housing projects are not getting hung up in the pipeline but I think sooner we can get all housing through the permitting process the better we get all housing through permitting process, so I look forward to supporting this item. It is an interesting conversation to try to

make sure we are moving appropriate projects through in a good timeline, but I do want to make sure the longer every single permit takes to get through for any type of housing the more it slows down things that are market rate affordable or capital a affordable housing so I just want to see all of the housing permit gets through quickly.

>> Mayor Adler: Okay. Thank you. I think it is remarkable we can add 41 people based on the volume without any increase in fees. I mean, that is a real -- number. Colleagues it is afternoon, we have one more pulled item, which is item number 40, I am going suggest we take our lunch break, we come back at 1:00 o'clock.

[12:03:46 PM]

We handle this pulled item number 40 that gets us to 1:30, and go into the Austin energy meeting at 2:15, we will do the executive session at 2:15 and then come back out and have all of the conversation. Council will discuss that. And then I will do the prop B response conversation. All right? So 1:00 o'clock. I will recess the meeting now at 12:04. See you guys. >>

[Lunch recess]

[1:00:27 PM]

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[1:04:54 PM]

>> Mayor Adler: So we're going to reconvene here on Tuesday, June 1st, 2021, social security 04, the -- 1:04, the Austin city council work session. Council, we've done all the briefings except for

[1:06:10 PM]

the arpa.

>> Kitchen: Mayor, we haven't done item 40.

>> Mayor Adler: And the two briefings, arpa and B, but before we do those two briefings we'll do the executive session. Before we do the executive session we're going to finish item number 40. Pulled by councilmember kitchen and councilmember tovo, did you have questions about the council meeting?

>> It's not -- it's related to the conversation we will this morning and it's not a question to which I expect answers today.

[1:07:34 PM]

, Maybe councilmember alter, asked us and maybe she can speak to that. I don't remember any response to that. I'll step out and see if councilmember alter has something she wants to add. I know the county has used this to expand their teleworking and I think that we should look at doing the same.

>> Mayor Adler: Councilmember alter, do you want to address this?

>> Sure, I'll be happy to. Thank you for raising this, councilmember tovo. I think it's really an important opportunity that we should not let go easily. In the resolution where we established the Austin civil conservation corps because it was an environmentally focused resolution we did provide direction for revising the teleworking policies and looking at them long-term in terms of what we could improve in terms ever opportunities telecommute and savings. I don't have the exact language in front of me, but that language was in there.

[1:08:34 PM]

I've had several conversations over the course of the last year with various staff and I too would very much like us to not let this period slip as we transition back. I know that some departments have updated kind of what they're doing and the policy has generally been department by department-wide approach, but I think that the county's example is one that we should be following where we have the goal of the percentage that can telecommute. We probably have a broader array of types of workers than the county does just because of the scope of the city so it wouldn't be easy to translate it. They have a 75% goal or something like that for telecommuting. So I think that we -- my hope when we set that out in the original resolution was to get enough information so that we could set a goal.

[1:09:34 PM]

I do not yet have that and I do know that I've spoken with our mobility leadership about that and looked at different ways to that effect and would very much welcome the additional information that you have requested. There are also I will point out potential enormous space savings that happen. We had already done some facilitate planning to move from leased space to owned space that was going to save about \$30 million a year once we made that operational on o&m, but the savings can be much larger if we can take advantage of the telecommuting and incorporate that into our space planning.

>> Thank you, council members. As you mentioned there are a lot of lessons learned from the past year and a half and we are absolutely taking advantage of the things that have benefited our environment and our workplace. So as you referenced, there have been more specific

[1:10:35 PM]

discussions at the apartment level around -- department level around how they might be looking at their telework policies, but we have that at the enterprise level as well because we know we need some standardization of those policies across the board for the entire city organization. I'll look to that resolution and make sure we provide an update to you and your colleagues in the short-term, but know that this has been a priority of not only myself, the cmo team, hr, our focus that are really working to make this adjustment back into the workforce, not just going back to what we had been doing, but really taking advantage of the lessons that we learned and the efficiencies that have been gained through that time as well. So thank you for raising this and we'll follow up with you. You.

>> Alter: Did you call on me?

>> Mayor Adler: Yes.

>> Alter: Thank you, city

[1:11:36 PM]

manager. I hope we'll get some of that information soon. I had held off from setting a very specific goal because of the understanding that we had a lot of variety and it would be extremely helpful in thinking about fashioning a specific goal for us to have that really basic information so that we can be informed as we set that target, but the longer we wait and the longer it takes to get to that target, the more we miss this window. So I hope we can have that information sooner rather than later.

>> Mayor Adler: Great, thank you. Let's move on to the pulled item number 40, pulled by the mayor pro tem and also by councilmember kitchen. Mayor pro tem, do you want to address it?

>> Thank you, moisture. I appreciate that. I wanted to take the opportunity to lay it out, sort of talk through some of

[1:12:37 PM]

the rationale and I guess open it up to councilmember kitchen's questions and then I suspect that there will be some further discussion after. So this resolution is intended to do primarily four things. Direct our staff to coordinate with cap metro on its etod studies and community engagement efforts, augment

those community outreach efforts so that we're being as intentional as possible about centering the focus on people who historically haven't been at the table during these types of discussions. Ask staff to provide us with a policy plan of any recommendations including any revisions to our tod processes and ordinances. And then finally, including any potential funding needs to execute this resolution in the fi 22 budget. So based -- the fy22 budget. So based on conversations

[1:13:38 PM]

I've had it's critical to keep our conversation as broad as we can to keep our coordination as broad as possible. It is intended to be a flexible, long range plan that can apply not only to the current study area, but its southern portion of the Orange line and all future high-capacity transit projects. Allowing staff the flexibility to coordinate with cap metro, to provide recommendations that will create equitable processes and equitable structures will be key to developing on long range plan that will create questionable outcomes for all tod projects. It does not supersede cap metro's processes or preempt decisions about how to spend our anti-displacement fund. This really just ensures that we don't waste time by stacking duplicative processes against each other. I believe we're able to

[1:14:39 PM]

incorporate the vast majority of proposed amendments and/or the intent proposed amendments, the intent rather of proposed amendments into the draft. So while keeping in line with the resolution's intent and updated draft and response to councilmember kitchen's post that was posted to the message board this morning.

>> Mayor Adler: Okay, thank you. Councilmember kitchen.

>> Kitchen: Okay. Thank you. That is very helpful, mayor pro tem. I think we're aligned on the intent that the four items that you mentioned in terms of the intent of this resolution, in terms of coordinating with cap metro and augmenting outreach to folks who have not been included traditionally in the past, the policy plan for tod, updating that, as well as potentially updating

[1:15:40 PM]

our ordinance, our tod ordinance that's in the land development code right now, including the funding needs. So I'm aligned with that. I appreciate the amendments that you've been able to incorporate so at this point next slide look a at those further but I just need a question or two. I thought I would surface those questions right now and then we can give this some thought. And thank you for speaking to the urgency and the importance of aligning with cap metro processes. My concern has been, and I think we're on the same page here too as you articulated it, I don't want our land use policies to lag behind

cap metro's processes for planning for project connect. As they need to be, they're moving fast, which is appropriate and necessary, but at the same time it feels to me like we may be moving a bit slower on the

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city side. Some of that just because of the way our processes work. So for example, we can't make any zoning changes or specific land use changes just based on a tod policy or just based on a study that cap metro does. If we're going to do that, then our current process anyway is the station area planning and the regulating plans for areas after they're identified as tods. I'm certainly open to and I know that this process will perhaps proposal some changes to our tod processes, but they're not there yet. And so I'm really concerned about being behind on some of these things. So one of my questions is for staff and then one is for you with your intent, mayor pro tem. So first I'll ask that question of staff and then I'll turn to the other question. So my question for staff is I've been wanting to see

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something that shows me how the planning processes are aligned. I've seen the timelines for the -- cap metro's etod project that they're working on right now for north Lamar or the northern part of the orange line. I know that they're applying to do that kind of planning for the southern part of the Orange line. So there's that process. They've also got their processes that they're going through right now for community engagement just for those specific project connect lines in the order in which they'll be implemented. So there's two timelines that atp is pursuing for project connect. And I've seen how those are aligning, but we also have a process that's on the land use side and specific to our development from neighborhood level --

[1:18:43 PM]

neighborhood level strategies related to the anti-displacement funds. And so that doesn't cover every area. It's a subset of the areas that atp is focusing on. But I haven't seen and what I'd like to see from staff is something that shows me the timeline because my worry is that by the time we get to working with the community on the neighborhood level strategies for whatever areas are identified as that risk for gentrification and important to include, that will be after atp finishes their processes that they're engaged in right now for planning where the stations are and what the stations might look like. So I just need a visual from our staff. And if you guys don't have that ready today, that's okay. I sent an email asking for that visual, but I really



[1:19:45 PM]

want to make sure they're aligned. And I think the language that you now have, mayor pro tem, in your resolution, the language I suggested and the language that you've been developing around aligning with the contract with the voters and the neighborhood level strategies, I think it's in there now so I think it's in this resolution. So I'm not concerned about that. So this question just for staff. I want to make sure that those timelines are aligned. So are you all at the -- can you provide a visual that shows me how those processes align from a timing perspective? I think Erica Igbtq is leak is raising her hand.

>> Yes, council members, Erica leak with planning. We don't have a visual at this time largely because of

[1:20:45 PM]

the timeline related to the anti-displacement funds that director truelove mentioned this morning. So the group that has been working on the equity tool has been finalizing that. And then as that is finalized we'll be able to cave the timeline related to the neighborhood level anti-displacement strategies. So that is very much on our minds, but we really need the quote tool to be completed to guide those neighborhood level anti-displacement strategies.

>> Kitchen: Okay. Is that timeline -- I think we were talking earlier today about a mid July or end of July. I can't remember the timeline. Is that when it is anticipated that you would be able to show us a timeline for the conversations about the

[1:21:45 PM]

communities to start -- the process for the neighborhood level strategies. Is that when you think you will have it ready?

>> Yes.

>> All right, that's fine. That works for me. As you all -- does it make sense what I'm asking? Because there's not a one for one overlap, but if we -- if atp has already done their planning before we start that, then those people that are living along the lines that have the opportunity to benefit from the anti-displacement funds will -- a lot of the decision will have already been made.

>> No, it absolutely makes sense and we're very cognizant of the need to try and align those as much as possible. He.

>> Then I will look for a graphic or a visual that shows how those timelines align in mid to late July.

[1:22:46 PM]

Okay. So the second thing I wanted to bring up then was -- this is a question for the mayor pro tem. I wanted to make sure we understand the wording. We both have been proposing different words and I don't know if we have a difference of approach or are just using different words. And that has to do with where we're talking about the TOD policy and the TOD ordinances apply? Because TODs have applied -- they applied to station areas because they're a tool to look at the land use as well as the actual rail line or whatever around stations because that's around where people can get on and we want to get the level of density that's important to support the transit and vice versa.

[1:23:46 PM]

So the term that I'm not clear about is the term high-capacity transit areas, which I think is a term that you had -- so you've got in my amendment 1 and my amendment 2, you're using high-capacity transit areas and then you're saying near transit corridors. So I'm wanting to understand what those mean because the words I've been using are a bit more specific than that or at least I'm trying to get more specific because I've talked in terms of areas designated as TODs. I've also talked about along projected light rail commuter and rapid metro corridors. I want to make sure we're on the same page and staff intends what we intend when we're talking about the areas. So I guess my question, mayor pro tem, is what's your thought and what are you thinking about when you're talking about high-capacity transit areas and also the term transit

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corridors? So can you help me understand that?

>> Harper-Madison: The terminology that we have present in this resolution are aligned with definitions in our ASMP.

>> Kitchen: Okay. Well, the ASMP uses transit priority network. Is that-- the transit priority network is the term that I think the ASMP uses. Is that -- the ASMP, if I'm remembering correctly and I'm sorry, I don't have it in front of me, but they use a couple of different terms. But the one I'm most familiar with transit priority network, which is the same as the high frequency transit routes, which is the term that Cap Metro uses. So are you thinking something beyond project

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connect? Is that something you were thinking, mayor pro tem?

>> I'm thinking we want to support transit throughout the city. I don't know that the terminology is intended to intend anything beyond that.

>> Kitchen: Okay. Well, I would like to be more specific and so -- because I don't think that tods are appropriate for all bus lines so that's why I'm wanting to be more specific. And that's why I've been thinking in terms of using the language that ties specifically to the same language that cap metro uses for project connect. I'll let others ask questions if they have about that. So your intent, mayor pro tem, is to kind of-- I'm saying I don't think it's appropriate for all bus lines. So can you help me understand what you're thinking?

>> Harper-madison: First I'll ask you a question. So the two that you've said

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were transit priority network and then high frequency -- I'm sorry, what was the --

>> Yeah, there's a term -- the asmp and, you know, staff can correct me if I've not got it wrong. The asmp uses the term transit priority network and that map for the transit priority network is the same as what cap metro uses for the term high frequency transit routes. What that means is every bus line runs at 15 minutes. That's a lot of bus lines, some of which are appropriate for tod and some of which are not. That's why I was trying to narrow it and that's why I was also thinking through our process right now. We designate areas that are important for tods and that way we can be specific for which of these high capacity -- which of these -- which of these

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high-capacity transit routes are appropriate for tod and which ones are more bus lines that aren't really -- I don't think are within the scope of a tod. So does that make sense, the language I'm using? Harmed I think I understand --

>> Harper-madison: I think I understand what you're saying and my response to that is for different levels of tods, different levels of service. District one lost several bus routes because of low ridership.

>> Kitchen: Okay. I understand that, but tods are a tool for -- bus lines change, which you're pointing out. But tods are about how you build around station areas that typically don't change because there are routes

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that are more specific routes. So I think we may be trying to push together two different kinds of processes. We do need to talk about density along corridors, but that's not the same as a tod. To me a tod is very specific to density along our highest capacity or high-capacity transit lines, not every bus line. So that's why I'm just trying to make sure we're clear on what we're talking about there. We may need to think about this a little bit more. I don't expect you to answer today, but I'm trying to explain what my thinking is.

>> Harper-madison: As we get clear on that, I want to make certain. What I'm hearing you say sounds like transit oriented district as opposed to transit oriented development. I just want to make sure that we're saying the same thing. As we continue to think through that, I want to make certain that we're saying the same thing.

>> Kitchen: Well, I'm talking about the tod

[1:29:54 PM]

ordinance and our tod processes. And I don't remember if that's district or development, you know. I'm talking about the -- what we're talking about doing here is updating and revising our tod ordinances, processes and policies. I mean, it all is a package, you know? Which needs updating. And that's what I'm focusing on here, not other things that we might also decide to do. The thing about it from my perspective, and then I'll stop and let others talk, is that tod planning is very context sensitive and specific to what's going on in that particular -- from my perspective that's how I understand you can get the best density and the best use of the space in those areas because it's specific. So we can learn from the pd

[1:30:56 PM]

policy and we can learn from what atp is doing from the tod study. But that can only trait up to other areas to a -- translate up to other areas. You can only go through the specific planning process that includes stakeholders in those areas to get specific land use changes along a tod. And that's why these -- that's why the ordinance is set up the way it is. It could certainly use streamlining and use changes to go faster, but that's why it includes a stakeholder process that includes businesses, it includes neighborhood organizations and contact teams. And every other stakeholder. So it's not limited to -- I understand that there's a lot of differences across the city in terms of how neighborhoods engage. And I'm not attempting to say that it should be one way or the other because every neighborhood is different. But the point is that people

[1:31:57 PM]

living in neighborhoods -- not the structure there, but people living in neighborhoods need to have an opportunity to participate. So anyway, I don't know if others want to weigh in. I'm just trying to -- I'm just trying to make sure that we define the areas we're talking about.

>> Mayor Adler: We do have some other people with hands raised. Councilmember pool and then councilmember tovo I think had her hand raised.

>> Pool: I think what's also important too is to recognize that the way cap metro handles the way we get project connect on the ground, those rail lines will be permanent. So it makes sense to think in terms of housing and commercial development are in a tod, which is adjacent to a transit station. An example in my district is

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crestview. We're working on a development at the Ryan drive and Justin lane side which is the old lay-down yard for Austin energy, pull-down yard. So there are specific elements about that development that relate to the fact that there's a train station like literally there. And I know from my years in Austin that predate having a bus and now and then listening to folks who are concerned when bus routes are added or subtracted from their neighborhoods or from their daily -- their daily routines is there's an impermanency about the routes, the bus routes. And they move around based on different criteria, and that's what cap metro spends a lot of time working on is what their trip maps look like and what their routing looks like. So it makes sense to me that we would have transit oriented development design is in a transit type district aren't the permanance of a station, for

[1:34:00 PM]

example. Or the confluence of a number of bus stops, but that is maybe in a commercial district. That makes sense to me. But expanding that all the way across the city everywhere we have routes makes less sense because we don't know this year what kind of route system capital metro will analyze and determine after evaluation that we will need 15 years from now. So that's a piece as far as the policy-making puzzle that I think we -- that is important to keep at top of mind. I did want to reup an ask that I had made of our staff and I think that Mr. Rusthoven was the one that was going to come and give us a briefing. The crestview tod was in place before I came on council and we haven't done a tod in the six and a half years that I've been on council so I imagine that

[1:35:02 PM]

all of us could benefit from a sort of high level similarities and differences kind of comparison between tods and puds. There are some aspects of them with regard to design and development that may be

similar and then I think that there are other criteria that may make them unique. So I was hoping that -- I submitted that as a q&a, which has been postponed because this item has been proposed. I think the time is really ripe for us to get maybe a five or six minute or less -- Mr. Rusthoven is very adept at giving us a lot of information in a short period of time, no today, but I think -- I would appreciate and I think my constituents would very much benefit from hearing similarities and differences between puds and tods to help kind of frame this conversation that we will be having.

>> Mayor Adler: Thank you. Kathie? Is Kathie with must.

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>> Tovo: I am here. I don't have a question at this point. Thank you.

>> Mayor Adler: Any other things on this? Yes, Pio and then Mackenzie.

>> Renteria: No, I don't remember if we ever got a briefing on the right to return. I know that we were trying to implement that. And there was something either in the federal law or state law that kept us from doing that because I'm assuming that was because of federal dollars, and since this is our local dollar I would like to find out more about how that's going to work. I'm very interested in that because some future projects that we have going in east Austin we want to be able to use that tool. So I would like to also get a quick briefing on where we're at on that right to turn.

[1:37:10 PM]

>> Mayor Adler: Okay. If staff would note that, please?

>> Tovo: Mayor?

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>> Mayor Adler: I'm sorry, Mackenzie was next.

>> Kelly: That's okay. Councilmember tovo can speak and then I'll go.

>> Tovo: Thank you, councilmember Kelly. I was going to say, councilmember Renteria, that I believe our staff took the resolution that I think you co-sponsored and we're going to do the right to return policy with our ahfc properties. And it was a pilot program that I think started last summer. So it would be really -- I echo that request that it would be really interesting to see how it's on working out in our ahfc policies and whether it's appropriate to extend beyond those.

>> Mayor Adler: Okay.

>> Kelly: Thank you. My analysis of this from talking with stakeholders about this resolution is that they want to be involved in the process.

[1:38:10 PM]

I too would support councilmember kitchen's amendments in narrowing this resolution. My biggest concern here is that we are going to develop along non-fixed rail lines and bus routes can change again based on demand so my concern is that if we were to do that then ridership would change and it wouldn't get us to that goal in the best way. So I'd be interested to narrow this resolution and again find a way to get stakeholders involved in the process.

>> Mayor Adler: Okay. Anything else on this item? Councilmember alter?

>> Alter: Thank you. Mayor pro tem, I thought I heard -- wife been talking about this off and on for several weeks so I apologize if I have this wrong. But I thought I had heard that cap metro had supported you in drafting this and I was wondering who at cap

[1:39:12 PM]

metro was engaged with this?

>> Harper-madison: Eric and Cheyenne.

>> Alter: Okay. And I think it might be helpful if they're able to be present on Thursday or somebody from cap metro if we have specific questions. Again, I do -- I share some of the concerns that have been raised about how broad this resolution is. I think there's definitely value in our transit-oriented development process and taking into consideration project connect, but I am concerned about how broad this could go.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: Yes. Thank you, mayor pro tem. I think I'm understanding better now what you are

[1:40:13 PM]

wanting to do with this. And like I said before, I do appreciate you bringing it. I think it's important to do. So we just both need to give some thought to how we might -- what terms we might use for the scope of it. And unless there's anything else you would like to say right now that's what I'll be doing. I appreciate you taking the other amendments. I think that the amendments that you took will really help -- really helps me clarify and understand it better. So thank you for that.

>> Mayor Adler: All right. We ready to go to Austin energy? After that we would go to executive session and then back out to conclude. All right. If you're ready, madam chair, I'm going to here at 1:40 recess the Austin city council meeting and I'll turn the gavel over to you.

>> Pool: Thanks, mayor.

**[WORK SESSION RECESSED; AUSTIN ENERGY UTILITY OVERSIGHT COMMITTEE MEETING CONVENED]**

>> Mayor Adler: Thank you. Council, I think that Mr. Dombrowski's report is the backup for item 3 on the agenda.

>> Tovo: Is it item 3 for the work session agenda, mayor?

>> Mayor Adler: Yes. Not the work session -- for the Austin energy committee.

>> Tovo: Okay.

[2:28:14 PM]

So is that material --

>> Mayor Adler: That is not in the general manager's report.

>> Tovo: Okay. So that is more up-to-date than the information that we received this morning? Which included -- I think that it included all of the other.

>> I will try to track it down, thanks.

>> Check with rob going make sure you have everything.

>> Mayor Adler: Chair, thank you very much for doing that. Colleagues, we are going reconvened Austin city council work session here on June 1st, 2:28 P.M., we are going to go ahead and go into closed session to take up two items. Pursuant to 551071 and 072 of the government code we are going discuss legal issues and real estate matters related to items E 2, which is the purchase exchange lease of real estate. We are in E 4, transfer of land within the Mueller project, aid. Without objection we will now go

[2:29:15 PM]

into executive session. Let's go straight on over and I will see you guys there. >>

[Executive session]



[4:23:51 PM]

>> We are out of closed session. In closed session we discussed legal matters to e2 and e4, it is 4:23. And we have a little over half an hour before we get to our hard stop at 5:00. With that, manager and staff are joining us. Manager, I think that we have two last presentations. The first one is concerning arpa funding and the second one I think concerns the camp areas and the proposition B response.

>> Mayor and council, in our last briefing today which does as the mayor described cover two topics that are really continuation from our previous work session on may 18th. As the mayor mentioned both the resolution with sanctioned encampments and then the recommendations that staff provided regarding the American rescue plan funding specifically

[4:24:51 PM]

related to homelessness services. So we do have our team prepared for this. We will be kicked off and then Kimberly Mcneely and Dianna grey to finish the presentation. I think that Hayden -- A.C.M. Hayden Howard is now with us, so I'll turn it over to her to introduce this presentation.

>> Good afternoon, mayor and council. Stephanie Hayden, assistant city manager. We would like to come back today to provide an update to the resolution. As several of you are aware, we have held some meetings with each of you just to discuss and -- the initial list that we propose. Today we are coming back to really ask for policy direction

[4:25:52 PM]

about the criteria. Staff is also going to provide recommendations about the American rescue plan act funds -- which will kind of tee us up for the June 10th agenda. At this time I will transition over to Dianna grey and Kimberly Mcneely.

>> Good afternoon, mayor and councilmembers. So today we will, as A.C.M. Howard said, be giving two separate presentations and they are related now in some ways but we'll start actually with the presentation on the resolution, related to sanctioned encampments. So if we're able to bring that up. Thank you. So let's go ahead and I think that we can go two slides in.

[4:26:54 PM]

So let's go to the next slide. So, of course, the resolution directing city manager and staff to explore the feasibility of designated encampments was passed by council on may 6th. We came back with a memo

on may 14th and subsequently briefed on the 18th the next requested feedback was for June 1st. We have distributed a memo to mayor and council today as well, but I wanted to take this opportunity to speak both to what we have learned and the work so far related to designated encampments, as well as some potential complementary efforts that we think that may be important as we move toward our goal, which is providing alternatives for some of the people who may be impacted directly by proposition B. So with that, we'll go to the next slide.

[4:27:54 PM]

And I am going to turn it over to director Kimberly Mcneely of parks and recreation department. And she will talk through the criteria that we've been utilizing and the outcome of that analysis.

>> Councilmembers, are you able to hear me?

>> Mayor Adler: Yes.

>> Okay, thank you. I readjusted. So, thank you. So I wanted to just be able to share with you the base criteria that was originally with you. And that base criteria, when we came to the council the last time included the space being available for approximately two years, up to two years temporary use. A piece of land being a minimum of two acres that would be acceptable or available for approximately 50 individuals with 10 -- I'm sorry, four acres being more acceptable for up to a hundred people. We also applied the criterium

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that there was access to public transportation, or that there was a way to mitigate the lack of access, that we had a willing partner perhaps that could help us with transportation issues. We also looked at access to amenities like grocery stores or convenience stores to allow people who would be staying at the encampment to be able to access that service. And we looked at whether -- we looked at the wildfire risk associated or the fire risk associated with that piece of land and also whether or not that fire risk, if it were high, could be minimal, with minimal effort to be mitigated. And then we also took a look and made sure that those pieces of land were outside of the floodplain and that left with us a number of properties that were up for consideration, which is we received an abundance of feedback with those properties. In the second set of criteria, I added some qualifier --

[4:29:56 PM]

disqualifier -- so items that I believe that would disqualify if, indeed, this were the direction of the council, would disqualify the pieces of land. And that includes environmental sensitivity. So by way of

example, if it was a preserve, if there was an endangered species there, that there was a certain water quality issue on that piece of land that we were at risk of spreading invasive species from people moving in and out of that particular piece of land. And if there was a wildlife habitat that we were concerned about, that would be a disqualifying -- a disqualifying criteria. Let me just go back. I applied these two as

[4:30:56 PM]

disqualifiers. One restricts public access and the other access to public utilities. In the feedback we received some individuals let us know that investing in a lot of infrastructure to bring utility infrastructure to a particular space was something beyond what they thought would be an investment that a particular council office might want to make. But on the other hand if we were to utilize spaces that already had access to utilities those spaces may restrict public use of that restricted space. So I created a map that allowed me to toggle back and forth through those particular criteria, which would mean we would get a different set of criteria and then -- I'm sorry -- proximity to school. How close? Approximately 300 feet.

[4:31:57 PM]

We did schools within 300 feet of a piece of land and a thousand feet of a piece of land. The other things we heard that needed to be considered or that we needed to -- were that we needed to talk about the capital investment required. I touched on that earlier. We needed to think of the financial risk, how that land was acquired to begin with. Was there outstanding debt? Was it using fees -- so user fees. And there would need to be consideration of the amount of risk that it wasn't originally intended for. Even though it was temporary we would have to mitigate the risks or talk about if the city of Austin was willing to move forward with.

[4:32:58 PM]

Other considerations, if there was an ordinance or regulations that needed to be changed to use the piece of property and there were zoning considerations we would have to look at. So if I were to apply all of the base criteria and all the secondary criteria, it would severely limit the opgs available for city-owned land. And honestly, with the feedback I heard it could go either way. Whether he had access to utilities were whether there wasn't access to utilities, but either way we didn't have pieces of land that met all the criteria we had in the feedback which eliminated almost all pieces of land except maybe two pieces of land that could be available, neither of which were parkland. I think there's one added item that we don't have that that's part of this particular

[4:34:00 PM]

presentation because it was just recently passed but that's the passage of house bill 1925, which I believe the governor is signaling that he will sign, and that particular bill talks about sanction encampments and removes parkland all together. If you remove parkland from the conversation there's only one piece of land that seems viable and it would require some mitigation for that piece of public land to be used. With your input because you may be able to give us some feedback and some input that would allow me to more appropriately apply the criteria to this mapping system that the staff had created for us, I could come back with other alternatives based upon that refined criteria. We could certainly share that

[4:35:01 PM]

information with you, and if indeed there were some direction as to how we want to apply the criteria and pieces of land as deemed appropriate we would need to conduct community engagement associated with those pieces of land and come back to council with a recommendation. With that I'm available to take questions and we can move on to the next slide.

>> Thank you, director.

>> Mayor Adler: I'm sorry. Kelly, did you have a question?

>> I have a question. This is council member Kelly. I know we just got this presentation. Can staff put it on our website with the back-up information? So that it can be shared with the community.

>> Mayor Adler: Yes. Please post it

>> Thanks

[4:36:02 PM]

>> Mayor Adler: Please continue.

>> So acknowledging the complexity of -- and challenge we've experienced thus far identifying city property that is clearly appropriate for this use, we would intend to continue as the director indicated whether some of the challenges are resolveable but because we're cognizant of the sense of urgency around the unsheltered population and the need to provide alternatives for folks to go if and when they are asked to move or simply needed a shelter, we are proposing to council we move forward on a couple of other tracts as well, with the goal of overall increasing our crisis capacity, if you will, in the short term

[4:37:06 PM]

to create some resource while we also work of course to increase our permanent housing capacity and rehouse people permanently in short fashion. And so in terms of designated encampments we'll continue to look at city property, but we also will begin to assemble information that we have received from different parties regarding vendors that might be interested in providing whether it's equipment or social services or operations. But in addition, over the next month, we would look and work with our health authority carefully to understand whether we might be in a position to restore some of our diminished shelter capacity under covid-19. So we have recently entered into stage two so certainly at a

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lower risk than we were when we dedense field our sheltered, reducing occupancy guidelines so would seek to get new guidelines as to what would be appropriate and understand what that time line might look like, what we would need to do and what protocols would be for decreasing capacity again if we needed to. So a bit more of a dynamic look at our shelter capacity in our existing shelters such as the arch or Salvation Army. Third, because of the decreased covid risk we are in the process of demobilizing our protective lodges as a public health intervention, and so we actually have a -- in one of the hotels -- it has been vacated and we propose utilizing or seeking to utilize more and more

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of those hotels as shelter during this time should we be able to secure -- those contracts will be pending but we would seek over the next month to identify what we could continue there

>> If I could please add to what Diana has stated, I want to ensure you I have been working with other departments to run down other leads we have been given -- other partners, other pieces of land that many of you have brought forward or that we have seen related to the e-mail address that people could provide feedback for, private land leads and working with some faith-based partners to consider whether or not that might be an option. I wanted to ensure you we haven't ignored the additional

[4:40:12 PM]

information we received. It's just we were working on a little shorter time line. But we continue to work through that process.

>> Exactly. I apologize. It's time for the mailman to be here, so the dog is barking. Yes to Kimberly's point, we have been working to explore the properties we know about and the vendors we're aware of so we're building our understanding of what some of those options might be. As we look at the possibility of needing to match make, if you will, between property operator and equipment vendors we'd like to invite the partners to tell us what it is they're interesting in doing or offering and we think that's important as a potential source of leverage for city dollars so we are not

[4:41:12 PM]

only counting on city land as, you know -- and money for city operations, et cetera. And that way that process is more public. We are ensured that we are aware of the folks that are in the environment and might want to work with us. For congregate shelters we would hope -- in terms of covid risks we could if not before then expand capacity and in July we would formulate any agreements or extended leases that would be needed to convert one of our previous lodges into a bridge shelter, targeting if possible occupancy of that first hotel by July 15th, which is relevant I think because you may recall that the first date of anticipated enforcement for

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Austin public -- police department under prop B camp ordinance is August 8th. Next slide. So in August we would hope to -- if we can identify viable options for creating designated encampments, that we would solidify those agreements for up to two years and with the hope of operationalizing at least one of those sites so that we have that as an option for people who are not at that time willing to come indoors and so we understand better the costs and operational considerations. Congregate shelter continues as before. Late in summer if feasible and consistent with staff recommendation around funding and efficacy we might consider operating or opening -- excuse me -- an additional bridge shelter conversion from one of

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our existing pro lodges. Next slide. So this will have a cost and of course we are facing a period in which council will be off for some time so in order to move forward staff is recommending a budget adjustment of 4.7 million that would set aside 4.2 million to allow for a year of operations at that one hotel. Now we would not execute contracts without council authorization but the budget would allow for that process to move forward. We again would come to council with any specific funding requests. In addition to the 4.2 million dollars which is in immediate response to providing additional shelter options we would request

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\$500,000 as an early down payment on investment in the work related to scaling up our system around the goals that came out of the summit to address unsheltered homelessness. One of the primary issues we identified there is that in order to scale up we really need to invest in the capacity of some of our existing nonprofit providers as well as begin building the organizational capacity and technical skills of some providers who have not been in that space previously. We would like over the course of the summer to have a procurement or a process that would allow us to target some of those funds toward the needs of nonprofits we would anticipate being a key part of our overall work going forward. So that budget amendment would come to council consideration on June 10th. We'll go to the next slide.

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So this is -- I'm not going to go into this detail but this is essentially the break down based on operation of a hotel as a protective lodge. We anticipate we would be able to find some cost savings here because it is not as critical, for example, that people be in their rooms all the time as it was with the protective lodges with social distancing, et cetera, but this is what that 4.2 is based on so that we know that there is adequacy there to accommodate the number of people in hotels to date. We would look to vaccines to increase the occupancy in such a hotel from one person to two. Next slide. So I think I'd like to stop here and allow for discussion of this topic and then time allowing we will go into a very brief

[4:46:20 PM]

overview of some recommendations around the alp funding generally.

>> Mayor Adler: Mayor pro tem?

>> Thank you, chair. I appreciate it. Thank you for the presentation. Just a couple of questions that I'd like to ask in this forum. But I have a lot of questions I'll ask outside of this, including for the director, around how hard is responding when folks ask why on Earth did you put out this list if you're going to whittle it down to two and scare everybody? I'd like to be able to have a really good answer for why we engaged in that exercise. That said, I'm really curious to know what our thoughts are around capacity building. I mean, what that looks like, who oversees that, what points of proficiency are we looking

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for these organizations to establish to be, you know, qualified operators. I don't know that I'm asking you to answer any of those questions right now but that's information I would like to have. I think it's totally necessary and it's something that, you know, in the national league of large cities, council presidents meeting that I attend that's one of the things other cities point to as problematic -- you know, having enough in the way of capacity around operators. Just curious about that. And you said something else about the pro-lodges. You said if we can extend the leases and then if we can secure operators -- if we're talking about the need to build capacity to secure operators, I wonder sort of what the likelihood of being able to find operators are and if it's not ideal, how do we

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increase the capacity in the short term? And what challenges are we facing to potentially get operators to run those pro-lodges?

>> So let me speak first to the capacity building question. Around capacity building, yes, I think one of the reasons it's so important is not only are we looking to scale up in terms of the assistance provided by U that we really very much need to improve our diversity and presentation amongst our service providers. So that means looking at the organizational development across the board we have to be realistic and understand that growth does require some resources but also that we might be asking organizations that are very good at a lot of the

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programs that they do already but who really have a mission that's consistent with this work and need to support them as they come into a space that does have some specificity around -- regulatory specificity with HUD, et cetera and program standards. So it is overall training and capacity building and then sort of strengthening the organizations and bringing new organizations in. Our health equity and community engagement unit within Austin public health already does some of this work so I think they would be in partnership with Echo to determine the shape of that. I've lost your second question. What was it

>> It was about -- I was talking about pro-lodges and I said --

>> Yes. Thank you. I apologize. So because the pro-lodges were

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stood up so quickly in the face of the pandemic, in a heroic effort, I would say, we have a combination of operators at the different hotels. Those include nonprofit partners, temporary staff resources, even city



of Austin staff that cannot have that as their job description long term. It was not intended at this point to continue long into the future, so it's not that there aren't operators but we would need to vet the ability of some of those to continue and what those agreements might be look like going forward. Is that helpful?

>> It is. I think I'll maybe try to bend your ear in a separate meeting to really get the full breadth of what it is we need to do to

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increase capacity in the operator space. I suspect as we continue to go, just like other cities, our folks experiencing extreme poverty and teetering on the edge is only going to continue. So just making sure that we're, you know, prepared for the future. And then I had another question about -- you talked about being able to operationalize. Is there a time line attached to --

>> For the hotels, council member? Or -- yes. So we would hope -- if we can put the slide deck up again. I believe that we were hoping that in July if here -- if we have in the next week or so a positive response from hotel owners and managers that they would like to renew or extend a lease and we have operators who

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are interested in continuing that work and we can put that together quickly we could conceivably operationalize as soon as July 15th or be ready to do that. So that was the first one. I mean, so we would love to be able to operationalize one of the hotels in July. That's a pretty aggressive timeline but of course we have an environment in which there is urgency around the changing of the ordinances.

>> Mayor pro tem, I want to address your first question. This was based on a resolution that staff had been responding to so in quick order we were asked to come up with a list of possible sites. We knew we would only be able to vet so much around the sites given the short turn-around. We have learned some lessons from the process but I want to make sure that this was really a

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response to a resolution and as the sites get continued to vet and the criteria continues to establish we will continue to engage with council on how to best respond to the resolution that was presented.

>> I appreciate that and since you brought it up, I really do hope that some lessons were learned about the execution there, including -- it's always very frustrating -- I don't know if my council colleagues feel

the same sense of frustration, especially some of us who are newer. I'm less than three year and I have colleagues that are even less than that. It's discouraging to feel like I don't have an appropriate response to our constituents who say why does it feel like you also just found out? And the response in all honesty is because sometimes I just did find out. I don't think it offers our constituents much in the way of the ability to be confident that

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we are representing them well when it's pretty clear that we don't have the kind of clear communication with the city manager's office that we should have. I shouldn't find the day before because even if, you know -- even if there are lessons that were learned, I think to pre-empt some of the follow-up -- I would have liked to have the opportunity to get in front of it and really point out, highlight this is just following council's direction to produce X and so. The chances of any of these -- you know, I really would have liked to get in front of it because I don't know that, like -- that y'all fully recognize that once the damage is done it's too late to go back. I can't retroactively assuage people's fears. What's the expression about putting toothpaste back in the tube -- you can't do it.

[4:55:36 PM]

I would like to feel like we're on the same page before we present information for the general public to consume.

>> Mayor Adler: Colleagues, I want to get to the presentation. We have literally five minutes left. We're going to take a look at the agenda that we have on Thursday and see how liberally we can open up debate on things like the Texas bungalow contract with interval care since that plays into these other items. We may have to be moving some of this conversation up to the message board on these, but let's finish this presentation before we ask any questions so that we get it out and then we'll come back with questions. Diana?

>> Very quickly, this is a very important conversation and we have to find a time that we can really talk about it. So this week -- it needs to be

[4:56:38 PM]

Thursday

>> Mayor Adler: I don't know how we notice it on Thursday but at the very at least special call on Friday. I think legal should take a look at that. We have to have this conversation if we hope to take action next

week. So we have to figure out how to do that. Diana, why don't you go ahead and give us the second presentation

>> Yes, mayor. I believe I have four slides. I'll try to do it in three minutes. At the may 18th session, they recommended dedicating efforts -- to efforts around homelessness. One of the requests that council had was that we had some detail of the overall budget as well as uses of funds. We're going to show you high

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investment categories for the total projected costs around the summit to address unsheltered homelessness, a summary of our projected, commit and anticipated funding and a place holder of the recommended dollars, acknowledging it would be critical to have 209 million to fill the remaining gaps. Let's go to the next slide. The overall budget for activities related to the goal of rehousing an additional 3,000 people over the next three years are in five categories. One is crisis services. In this case this does not include shelter but diversion which is keeping someone from falling into homelessness really at the door of the shelter, if you will, and street outreach. Core housing programs which is really where the rubber hits the

[4:58:41 PM]

road -- this is rapid housing, which is medium term services and rent subsidies, permanent supportive houses which we know is key for those experiencing chronic homelessness and housing support. Other things are substance abuse, employment, et cetera. That may not be part of the core housing package but we know support people stability, capacity building we talked about a little bit and capital investment to create some of the units that we would need to rehouse that number of people. So you see here the break down between those categories for the total projected costs, and then the committed or anticipated amount that we are projecting based on what we know is already budgeted, committed, or in revenue streams. We are confident about -- so that's 220 million, leaving a

[4:59:42 PM]

gap of about \$293 million. What we are showing in the last column is simply spreading the proposed \$84 million of city funds across these categories proportionally and the reason for that at this time is we think it's really important to emphasize that these funds are really going forward a much larger effort overall and where the funds are expended explicitly may shift over time, but of course that would be subject to -- and related to the commitments that come from other funders. I will stop there and take questions.

>> Mayor Adler: Okay. And is this posted into back-up, this powerpoint you just

[5:00:42 PM]

presented?

>> It should be, sir. We'll confirm

>> Mayor Adler: Please make sure it is. With respect to the first part of your presentation, on the encampments, obviously with prop B passing and with the call to move forward on tenting, the manager is going through his four scenarios -- four phases, raet Eric -- rather and in relatively short order people are going to be asked to move without adequate places for everyone to go so we're going to be returning to a degree to a where we were a couple of years ago. I like that you're trying to find emergency sheltering or encampments. I hope that we prioritize the people so that those who are least able to fend for themselves are the first we help, specifically in terms of

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women so that they're kept in as safe as place as possible. You know, when we're trying to do the balancing obviously we have some programs council has initiated like heal, which I think dollars are identified in scaling that. Hopefully as funding -- the goal is to house 3,000 people as we scale the work. Some emergency work where we take people off the streets -- we had set that goal. You indicated some numbers, several hundred. Want to make sure we meet those goals. In any event we're not going to reach to the 2 or 3,000 people that are on the street and I'm not sure that we take all the available funding we have and put it to emergency use.

[5:02:46 PM]

If we do that we won't have money to set up the system at the same time that holds as well. So I hope we keep the arp fund ING, that we hold off on that and don't take out of that money for the emergency response, that we find a way -- an appropriate level to do proposition B so we're still making that 3,000 three year -- building that system and physical capacity and as the mayor pro tem raised the capacity building which is a big part of that. Other comments

>> Did you have a suggestion for where the money designated encampments would come from

>> Mayor Adler: I think maybe

[5:03:47 PM]

from the arp. I need to take a look at the overall aarp funding that we have -- the \$190 million -- whatever we have on that. I know there were several other things we were looking at too. But it's going -- if there were other funds that were available it would be interesting -- helpful to bring those forward but obviously we're dealing with a limited -- Kathie, a very limited universe of funds

>> Tovo: And we have to have immediate places for people to go so I don't see that as an option really at this point. It would be interesting --

>> I can't quite hear you. Can you -- yeah.

>> Tovo: I've concluded my thoughts for the moment.

>> Mayor Adler: Colleagues?

[5:04:48 PM]

Anything else? I think if we can't -- we should look at the meeting on Friday. We need to talk to legal. It's 72 hours. That would set us late on Friday. I think we need to take a look at Monday so that, you know, we bring that into play here as well. We want to make a decision sometime next week. We're going to need time to talk together and ask a lot more questions. My hope, Diana, is that you're able to get more detail associated with the roll-up slides you showed us and council members -- present questions so as to help moving this ball forward. Go ahead

>> I want to express if there continues to be trouble finding

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land as you look for it I think extending the lease on one of the pro-lodges makes good sense to me.

>> Mayor Adler: Yeah. Kathie?

>> Tovo: I will just say, you know, the fact of the matter is the pro-lodges have already -- even with the pro-lodges -- I support that as a step forward and as an immediate place to provide individual shelter. We'll need more options, though, for those people who will ask us where can they go once enforcement is starting to take place and we just simply I think are going to need to have the designated camping areas too. So I'm going to continue to ask our community to help identify some of the spaces, privately or publicly owned where we can set up designated camping areas for

[5:06:51 PM]

people to go. Absence of she would Eric -- absence of shelter, absence of housing. We don't have enough of either

>> Mayor Adler: If we try to set up emergency shelters for people in the city that don't have a place to go, we could spend all the money we have for a temporary solution that doesn't bring us any long term capacity or system. We've seen what happens in other cities that try to do that. They don't make any ground on dealing with the challenge and they end up spending all their money on something that basically preserves and watches their challenge grow over time. We have to be careful not to do that here. We've seen examples of that.

>> Thank you, mayor. I wanted to say that also. I think we've got to keep our focus on -- you know, on

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changing our system, revising -- reforming our system -- "Reforming" is not the right word. Building up the infrastructure needed in our system. We can't continue to just watch the problem grow. We have to get to a point where we can better help people get connected to housing. You said it better than I did, but I just wanted to reiterate that. I am not interested in putting a lot of resources -- diverting a lot of resources into campgrounds that is not going to get us on the road to better responding to providing housing for people

>> Mayor Adler: Okay. Colleagues, if we don't have anything else, we'll adjourn today's work session. All right. At 5:08. We'll go ahead and adjourn.

[5:08:57 PM]

See you all on Thursday.