MEMORANDUM

TO: City of Austin Mayor, Mayor Pro Tempore, and Council Members

FROM: Awais Azhar, Chair, Project Connect Community Advisory Committee

CC: Spencer Cronk, City Manager, City of Austin
    Rodney Gonzales, Assistant City Manager, City of Austin
    Rosie Truelove, Director Housing and Planning Department, City of Austin

DATE: February 9, 2023

SUBJECT: Project Connect Community Advisory Committee Anti-Displacement Fund Budget Recommendations for 2023 to 2025

The Project Connect Community Advisory Committee (CAC) is tasked with advising the Austin City Council regarding the funds available to address any potential Project Connect transit-induced displacement per the Joint Powers Agreement. Over the next three years, $75 million in funds will become available for this purpose, with $35 million becoming available in 2023.

The recommendations below regarding funding for anti-displacement were created utilizing the Nothing About Us Without Us: Racial Equity Anti-Displacement Tool and other proposals as the foundation and included engagement with impacted communities and city staff. Consideration was also given on how to leverage other funding sources to extend the impact of this work and fill critical gaps in community-wide investments in anti-displacement strategies and affordable housing. While the CAC recommends the adoption of a three-year funding plan for better coordination, staff may revise the funding allocation for 2024 and 2025 in consultation with the CAC and Austin City Council, to better respond to unforeseen challenges and opportunities.

We recommend that the anti-displacement funds for 2023, 2024, and 2025 be committed as following:

3 YEAR TOTAL: Years 2023-2025 (Funding available: $75 million)
- Land acquisition, preservation, and rehabilitation: $43 million
- Affordable housing development: $14 million
- Programs and other strategies addressing immediate needs: $14 million
- Staffing, community engagement, and marketing: $4 million

YEAR 1: 2023 (Funding available: $35 million)
- Land acquisition, preservation, and rehabilitation: $23 million
• Affordable housing development: $10 million
• Programs and other strategies addressing immediate needs: $1 million
• Staffing, community engagement, and marketing: $1 million

YEAR 2: 2024 (Funding available: $20 million)
• Land acquisition, preservation, and rehabilitation: $11 million
• Affordable housing development: $2 million
• Programs and other strategies addressing immediate needs: $5.5 million
• Staffing, community engagement, and marketing: $1.5 million

YEAR 3: 2025 (Funding available: $20 million)
• Land acquisition, preservation, and rehabilitation: $9 million
• Affordable housing development: $2 million
• Programs and other strategies addressing immediate needs: $7.5 million
• Staffing, community engagement, and marketing: $1.5 million

These recommendations reflect the need for land acquisition, preservation of existing market affordable housing, and the creation of income-restricted affordable housing at the earlier stages of the Project Connect programs. More funding for programming should be made available in later years to respond to changing housing market conditions and construction impacts.

We also recommend that the following guidelines be utilized in planning and expending the anti-displacement funding.

• While all funds shall be utilized within one mile of high-capacity Project Connect infrastructure, including the Light Rail, MetroRail, and MetroRapid elements, in areas vulnerable to displacement, staff should prioritize station areas where early infrastructure improvements will be made.
• Staff shall develop detailed plans for utilizing the funds in consultation with the CAC, specifically those dedicated to developing “programs and other strategies addressing immediate needs.”
• In order to maintain flexibility, city staff shall have the ability to move unexpended funds between the “land acquisition, preservation, and rehabilitation” and “affordable housing development” categories, in consultation with the CAC.
• Unexpended funds dedicated for “staffing, community engagement, and marketing” may be utilized to address other priorities, specifically in the development of “programs and other strategies addressing immediate needs,” in consultation with the CAC.

We further recommend that the following suggestions be considered in implementing these anti-displacement strategies and programs.

• Coordinate across different City of Austin departments and divisions, and if possible, across other public entities to better align and leverage different resources.
• Wherever possible, align work with existing planning and programming to support community efforts and stretch limited resources.
• For the “land acquisition, preservation, and rehabilitation” and “affordable housing development” categories:
• prioritize the preservation of existing market affordable multifamily housing or income-restricted housing with expiring affordability requirements;
• prioritize the creation of deeply affordable housing, that serves residents earning 30 percent of median family income or less.
• explore opportunities for collective apartment purchasing by existing tenants and cooperative housing models;
• create opportunities for displaced residents to access temporary housing in their neighborhoods as they transition to another permanent housing situation;
• encourage partnerships between different community organizations, with a focus on advancing stability for residents; and
• explore opportunities to make minimal critical investments in preserving spaces for small businesses impacted by potential transit-induced displacement pressures.

• For the “programs and other strategies addressing immediate needs”
  • category:
    • create a small grant program that is focused on opportunities for community-based and place-based organizations to provide services and programs, while building organizational capacity;
    • advance strategic solicitations for programs such as rental assistance, legal assistance, tenant organizing, home repair, down payment assistance, financial counseling, and utility assistance;
    • provide limited funding extensions to current Community Initiated Solutions grant recipients based on performance to maintain continuity of existing services, while advancing targeted anti-displacement strategies through solicitations; and
    • offer minimal spending to fill critical gaps in relocation for undocumented residential tenants in partnership with the Austin Transit Partnership, if necessary.

These recommendations build on the success of the previously expended Project Connect anti-displacement funds, while creating opportunities for strategically expanding existing programs and exploring additional strategies.

If you should have any questions, I can be reached at bc-awais.azhar@austintexas.gov.

Date of Approval: February 9, 2023

Record of the vote: Approved on a X-X-X vote (Committee Members X and X absent)

Attest: [Signature], Project Connect Community Advisory Committee Chair
Agenda

- Project Background
- Timeline
- Engagement
- Service Standards and Guidelines Outline
- Transit Design Guide and Technical Specs Outline
Project Background

New Document: Technical Specifications
# Timeline

<table>
<thead>
<tr>
<th>Tasks</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
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Public Engagement

- Focus groups occurred Oct. 25 – Nov. 5
  - 8 Focus Groups

- Public survey Nov. 2 – Dec. 9
  - Emailed CBO Contact List
  - Sent MetroAlert text
  - At-Stop Surveys
  - Message Center Flyer
  - Received 1000+ responses
Public Survey Highlights
What matters to surveyed riders when changing service and stops

Better access to:
- Grocery stores
- Health services/clinics
- Job centers
- Schools
- Surrounding areas

Factors for bus stop amenities:
- Transfer points
- Comfort and safety
- Trips with longer wait times need more amenities
- Proximity to services for people in need

“Who needs it the most. Expanded resources to everyone. Everyone should at least have a shelter.”

“All stops should have seating. All stops without shade should have shelters. Regardless of ridership, regardless of frequency.”
Service Standards and Guidelines

Overview
Project Background

• What are the Service Standards and Guidelines?

A document that guides all planning processes

Provides performance measures used when reporting to the FTA

Updated every 5 years
What types of evaluation and changes does planning conduct and when?

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Type</th>
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<tbody>
<tr>
<td>Every year</td>
<td>Service Change</td>
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<tr>
<td>(up to 3x a year)</td>
<td>(Major &amp; Minor)</td>
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<tr>
<td>Every 3 years</td>
<td>Service Monitoring</td>
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<td>Every 10 years</td>
<td>Transit Plan</td>
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<tr>
<td>Dynamic</td>
<td>Stop &amp; Station Evaluation and Changes</td>
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<td>(as needed)</td>
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<tr>
<td>Every 5 years</td>
<td>Standards &amp; Guidelines Update</td>
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<td>Origins &amp; Destinations Study Update</td>
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# Service Standards Document Outline

<table>
<thead>
<tr>
<th>Chapter 1</th>
<th>Chapter 2</th>
<th>Chapter 3</th>
<th>Chapter 4</th>
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<tbody>
<tr>
<td>Introduction</td>
<td>Guidelines and Best Practices</td>
<td>Service Standards</td>
<td>Service Changes and Evaluation</td>
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<tr>
<td>• Org Structure</td>
<td>• CapMetro Service Types</td>
<td>• Service Quality</td>
<td>• Reasons for a Service Change</td>
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<tr>
<td>• How to Use this Document</td>
<td>• Network Design Guidelines*</td>
<td>• Service Effectiveness</td>
<td>• Responding to Requests for a Service Change</td>
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<tr>
<td>• Goals for this Document</td>
<td>• Route Design Guidelines</td>
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<td>• Service Change Process**</td>
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<td></td>
<td>• Schedule Design Guidelines</td>
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<td>• Identify the Issues</td>
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<td>• Stop and Station Design Guidelines</td>
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<td>• Develop Proposals</td>
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<td>• Evaluate Proposals</td>
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<td>• Conduct Outreach</td>
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<td>• Implement Changes</td>
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*Appendices I – Coordination with partner agencies
**Appendices II – Detailed Service Evaluation Process
Best Practices

Network Design  Route Design  Schedule Design  Stop and Station Design
Best Practices: Network Design

Transit and land use are fundamentally connected.

Transit should prioritize serving people who need it most.

Fast is better than slow.
Transit and land use are fundamentally connected.

Transit should prioritize serving people who need it most.

Fast is better than slow.

Best Practices:

Network Design

- Mixed use and density
- Well-defined markets
- Supported by infrastructure
- Considers the whole network

Low-income households
- People without access to a car
- People of color
- Seniors
- Youth
- Individuals with disabilities
- Low-income households
- People without access to a car
- People of color
- Seniors
- Youth
- Individuals with disabilities

Appropriate stop spacing
- Transit priority treatments when possible
- Appropriate stop placement and design
Best Practices: Route Design

Routes can serve different purposes, such as to maximize ridership or increase coverage.

Simple routes are better than complex ones.

Routes should be planned within the context of the network.
Routes can serve different purposes, such as to maximize ridership or increase coverage. Simple routes are better than complex ones. Routes should be planned within the context of the network.

**Best Practices:**

**Route Design**

- Frequency vs coverage
- Simple routes are better than complex ones.
- Routes should be planned within the context of the network.
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Best Practices: Schedule Design

Schedules should be predictable and easy to remember.
Best Practices: Schedule Design

Schedules should be predictable and easy to remember.

- Service levels should match demand
- Timepoints keep buses on schedule
Best Practices:
Transit Stop and Station Design

Transit stop and station design standards guide the configuration of each stop or station, as well as the level of amenities at each stop and station.
Best Practices: Transit Stop and Station Design

Transit stop and station design standards guide the configuration of each stop or station, as well as the level of amenities at each stop and station.

Reference to the updated Stop and Station Design Guide will be included in the Service Standards and Guidelines.
Service Standards

Service Quality

Service Effectiveness
### Standards: Service Quality

<table>
<thead>
<tr>
<th>Transit should be convenient and reliable for riders</th>
<th>Riding the bus doesn’t need to be uncomfortable</th>
<th>People should feel safe using transit</th>
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<tbody>
<tr>
<td>On time performance</td>
<td>Overcrowding and Load Maximums</td>
<td>Collisions</td>
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<tr>
<td>Speed and Delay</td>
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<td>Stop and Station Amenities</td>
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<tr>
<td>Incidents of mechanical failure</td>
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<td>Accessibility</td>
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</tbody>
</table>

*Public Safety Program, Customer Support, traditional law enforcement*
Standards: Service Effectiveness

CapMetro should be good stewards of their limited resources

Productivity

Cost Effectiveness
Types of Changes

Small Scale Changes Can Include:
- Route Alignment
- Frequency
- Service Span

Small Scale (Changes evaluated up to 3 times a year)

Large Scale Changes Can Include:
- Service Comparison
- Route Alignment
- Adding Services
- Frequency
- Network Redesign
- Service Span

Large Scale (Changes evaluated every 5 years)

Service Changes are typically a group of changes that could be small or large scale in nature.
Service Evaluation Process

**Identify the Issues**
1. Review Feedback
   - From the community, board of directors and operators
2. Evaluate New Streets & Key Destinations
3. Analyze KPIs
   - Starting with productivity, speed, overcrowding and OTP

**Develop Proposals**
1. Review Issues & Opportunities
2. Create Proposal or Proposal Options

**Evaluate Proposals**
1. Origin & Destination Survey Results
2. Equity Analysis
   - Incorporate demographic data on target transit riders
3. Cost Feasibility
4. Is it a major service change?

**Public Feedback**
1. CapMetro Advisory Committees
2. Public Feedback
3. Board of Directors
   - Does it need further review?

**Implement Change**
1. Update Operating & Marketing Materials
2. At-Stop Outreach & Rider Education

*Step requires data analysis*
Stop and Station Design Guide

Overview
## Stop and Station Design Guide and Technical Design Specs

### Transit Stop and Station Design Guide

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Evaluation</th>
<th>Technical Design Specs</th>
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<tr>
<td>• Stop Spacing and Placement</td>
<td>• Process for bus stop amenities distribution</td>
<td>• Operational Considerations</td>
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<td>• Bus Stop Configurations</td>
<td>• Process for making changes at bus stops.</td>
<td>• Bus Stops</td>
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<td>• Stop Types</td>
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<td>• Rail Stations</td>
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<td>• Stop Amenities</td>
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<td>• Transit Supportive Infrastructure Configurations</td>
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<td>• Universal Accessibility</td>
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<td>• Electric Charging Infrastructure</td>
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Public Engagement

• Upcoming:
  • Committee Workshop
  • Board Workshop
  • Virtual Public Webinar in March
  • Draft Document Published Online

• To Board for adoption in May 2023
AUSTIN TRANSIT PARTNERSHIP

Briefing for the Community Advisory Committee:

*Financing Austin Light Rail*
The Idea

Tax Rate Election

Annual Property Tax Revenue

Local Government Corporation

Revenue Bonds + Grants
City of Austin, November 3rd Election, Proposition A:

“Approving the ad valorem tax rate of...for the purpose of providing funds for a citywide traffic-easing rapid transit system known as Project Connect... the additional revenue raised by the tax rate is to be dedicated by the City to an independent board [ATP] to oversee and finance the acquisition, construction, equipping, and operations and maintenance of the rapid transit system by providing funds for loans and grants to develop or expand transportation within the City.”

Highlights

• Independent board created by City of Austin and CapMetro
• Dedicated property tax revenue transferred to ATP
• Oversee and finance Project Connect
• Authority to issued bonds, obtain loans and grants
Property Tax Revenue & Calculation

• State limits the amount of tax revenue that can be collected for day-to-day operations (M&O) to what was collected the previous year plus an extra 3.5%

• Tax rate counter-balances changes in property values

• There is an allowance for additional revenue from new property added to the tax roll; factored into model

STEP 1
Determine Allowable Revenue

• Increase base year revenue by 3.5%

STEP 2
Get Assessed Valuation

• Amounts determined by appraisal districts

STEP 3
Calculate Tax Rate

• Divide allowable revenue by assessed valuation/100

3.5% Revenue Growth

As values increase...
The rate per $100 of assessed value decreases
Prop A Funds & Projections

INTERLOCAL AGREEMENT BETWEEN CITY OF AUSTIN AND THE AUSTIN TRANSIT PARTNERSHIP

FOR TERMS OF JOINT POWERS AGREEMENT ON TRANSFER OF

"NOVEMBER 2020 PROPOSITION A" PROPERTY TAX REVENUE

The purpose of this Interlocal Agreement Between City of Austin and the Austin Transit Partnership for Terms of Joint Powers Agreement on Transfer of "November 2020 Proposition A" Property Tax Revenue ("Agreement") is to define the process and procedures for the allocation and distribution of November 2020 Proposition A property tax revenue collected by the City of Austin ("City"), to the Austin Transit Partnership ("ATP"). This Agreement is consistent with the direction from City Council in the Contract with the Voters, shall satisfy the requirement of the Contract with Voters to include such process and procedures, and shall be referenced as such when the full Joint Powers Agreement is approved.

Background

On November 3, 2020, voters approved Proposition A ("Prop A") Tax Rate Election, which dedicated $0.0875 of the approved $0.5335 City tax year 2020 property tax rate for the current Fiscal Year (FY) 2020-21 for the investment in Project Connect. The FY 2020-21 property tax revenue associated with this $0.0875 tax rate, and property tax revenue in future years calculated in accordance with a formula defined below, is:

"to be dedicated by the City to an independent board (ATP) to oversee and finance the acquisition, construction, equipping, and operations of the rapid transit system."

B: Apportionment Formula

The apportionment of the annual property tax revenue collected, beginning in FY2020-21 shall be calculated using the following formulas. It is based on the first-year (Tax Year 2020 and City fiscal year 2020-21) voter-approved M&O ad valorem rate of $0.4209 per $100 of taxable valuation, with $0.0875 dedicated to Project Connect. All future property tax revenue shall be apportioned using this formula until use of the formula is superseded by subsequent voter action (such as another Tax Rate Election for any purpose) or amendment to this agreement (see 4D for amendment process) or the dissolution of ATP (consistent with the Contract with the Voters).

City Share of Maintenance and Operations Property Tax Revenue = 0.3334/0.4209 = 79.211%

Austin Transit Partnership Share of Maintenance and Operations Property Tax Revenue = 0.0875/0.4209 = 20.789%
Plan of Finance: Why ATP?

• Plan of Finance elements are intricately tied to the other aspects of the light rail program delivery and the management of Prop A revenues
• Thoughtful integration of Plan of Finance with other ATP functions is critical

Key Takeaway: Plan of Finance integrates Technical with Financial
Financing: Securitizing Prop A Funds

- Prop A Funds
  - Light Rail O&M
  - "Pay-Go"
  - Security for ATP Debt (Light Rail Funding)
  - Administration Cost
  - Local Match for New Starts Grant
  - ATP Contract Revenue Bonds
  - ATP TIFIA Loans
  - ATP Short Term Financing Obligations
  - ATP Grant Anticipation Notes

Expenditures vs Revenues With Debt

- Debt Proceeds Fund Construction Expenditures.
- Expenditures vs Revenues With Debt
- Local Funding
- Federal Grants
- Debt Proceeds
- Expenditures
**Bond Financing: The Indenture**

- ATP Bond Holders will require a **Master Indenture**
  - Defines how debt gets repaid
  - Metrics for bondholder compliance

- Securitization of FTA Grant Revenues are also a critical component to plan of finance

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**Key Takeaway:** Master Indenture will provide assurance of flow of funds

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**ATP Revenue:**
- Prop A / Federal Grants

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**Master Indenture for ATP Debt**

- Senior Lien
- Senior Subordinate Lien
- Junior Lien
- O&M Fund
**ATP Financing: Objectives**

- Align program scope and program sequencing with the available funding
  - On track to deliver updated light rail implementation plan late spring

- Optimize and leverage the annual Prop A Property Tax revenue stream

- Continue working towards establishing a simplified credit structure to help mitigate risk from the perspectives of credit rating agencies and bond holders
  - Complexity results in higher borrowing costs
THANK YOU!

AUSTIN TRANSIT PARTNERSHIP
SCOPE OF WORK [Phase 1]

• Create the region’s first Workforce Mobility Industry Sector Partnership

• Analyze the mobility and infrastructure workforce ecosystem

• Education on critical nature of infrastructure workforce training and value of training local workers

• Identify and recommend available resources for workforce development

• Create a Workforce Infrastructure Action Plan
ATP Staff Updates

Austin Transit Partnership Community Forums: An invitation for community input as the ATP Board considers sole candidacy for ATP Executive Director

**ATP Community Forum**
Date: Thursday, February 16, 2023
Time: 6 to 8 pm
Location: Austin Transit Partnership, 203 Colorado St.

**ATP Community Forum**
Wednesday, February 22, 2023
Time: 5:30 to 7:30 pm
Location: Mendez Recreation Center, 2407 Canterbury St.
*Multi-Purpose Room*
Board of Directors Meeting [New Date and Time]

Wednesday, March 01, 2023 @ 9:00 AM
ATP Board Room
203 Colorado St.
Austin, TX 78701