Webinar
Leveraging Federal Infrastructure Investment for Housing and Transportation Opportunities
Date: November 17, 2021

00:00:04 --> 00:00:04: My name is Paul, Angela and I lead you allies,
00:00:06 --> 00:00:09: Curtis Infrastructure initiative. There will be a question and answer
00:00:09 --> 00:00:11: portion of the web and R at the end,
00:00:11 --> 00:00:13: but feel free to add questions in the chat.
00:00:13 --> 00:00:17: Throughout the presentation. The Courtesy Infrastructure Initiative was launched about
00:00:17 --> 00:00:19: 18 months ago with a focus on exploring the link
00:00:19 --> 00:00:20: between real estate,
00:00:20 --> 00:00:24: land use and infrastructure investment to ensure more equitable and
00:00:24 --> 00:00:27: resilient outcomes that enhance long term community value.
00:00:27 --> 00:00:30: This requires building a movement of which are all participants
00:00:30 --> 00:00:33: that grows the table and creates new ones through global
00:00:33 --> 00:00:34: and strategic partnerships.
00:00:34 --> 00:00:38: Provides technical assistance and capacity building at the local level
00:00:38 --> 00:00:40: and then acts as a feedback loop to promote the
00:00:40 --> 00:00:43: most innovative and or effective of best practices.
00:00:43 --> 00:00:46: As part of the developing that feedback loop and to
00:00:46 --> 00:00:49: help set the stage for today’s conversation,
00:00:49 --> 00:00:51: I wanted to let you know about a report that
00:00:51 --> 00:00:54: the Curtis Infrastructure initiative along with the ULI 12%
00:00:54 --> 00:00:58: are for housing recently published that presents ten key themes
00:00:58 --> 00:01:01: discussed as part of a June Shaw Symposium on Urban Community issues.
00:01:01 --> 00:01:03: These key themes were then expanded upon to create a
00:01:03 --> 00:01:05: framework to help guide future investments,
00:01:05 --> 00:01:07: such as the recently passed infrastructure investment and
JOBS Act

in a more equitable way to ensure that shovel weather.
Shovel worthy investments are made not just shovel ready projects.
This report and more can be found at knowledgefinder.org and
I will provide a direct link in the chat.
Now.
I'd like to introduce our moderator for today.
Mike Parker as Americas Ewise Americas Infrastructure leader Mike is
responsible for bringing the full breadth of EY resources and
cutting edge capabilities to serve clients who are developing,
transforming, financing, acquiring. Testing infrastructure this includes all types of
infrastructure from transportation,
energy and environmental, two communications,
social and education with a commitment to sustainability.
Mike also serves as a member of the Curtis Infrastructure Initiative Global Advisory Board.
With that, I'll turn it over to you.
Mike,
thank you and thank you all for joining us.
We've got a great group analyst and just I'm going
to go ahead and introduce them briefly and then share
with you a little bit of context about the IJ.
And sort of the overall state of play for infrastructure
investment in the US and then Sam is going to
take you on a deep dive as well.
Vicki and we'll have a chance to have a little
bit of a dialogue and then to take some questions
as well.
So just to to to share a little bit about
that.
A background about Sam. Sam serves as the director of
strategy for Austin Transit Partnership,
a joint venture of Capital Metro and the City of
Austin entrusted with building the multibillion dollar Project Connect Transit
investment.
Sam previously served as Deputy chief of staff for Capital
Metro in Austin.
Vicki is the managing partner and Co founder of Urban
Atlantic while overseeing development and asset management for urban Atlantic,
Vicki has managed the development of more than $3 billion in real estate projects and overseeing a portfolio in excess of 5 billion in real estate investments. She serves on EU L I told to Williger Center for Housing Board of Advisors. And so I'm looking forward to to their their their perspectives into the conversation. So please do ready your questions too as we as we get into this great pool. If you wouldn't mind advancing, would be great. Uhm so.
One of the things that that as we we all focus on the the signing on Monday and the Presidents. Now with signature now wet, or rather now dry, the wet signature now dry there. There's there's much to do, and one of the things that that is important to understand is the broader context in which the the new spending will occur, and so in EU S very different than many countries. Of course the the public sector infrastructure base is largely owned by States and localities. The federal share. As you can see in the chart is relatively small compared to. Depending on what accounting treatment uses, they tend to trillion 10 to $12 trillion asset based that that is owned by the public sector primarily States and localities, public authorities. And when it comes to funding roughly the federal government, typically a third or less relative to the states pre COVID COVID obviously scrambled a number of things and so a really important intuition when this new incremental spending happens. It's about $1.2 trillion of total authorization. $550 billion of which is new spending and. Marginally new spending is the extent to which that spending leverage is in attracts rather than displaces state and local government capital as well as private investment,
and so again just to put in context the overall size of the bill compared to our how our country has had has invested historically.

If you look at one measure of of investment, the amount of construction that is put in place delivered into service each year, and so it's really excluding.

Real estate focused on UM or government buildings or government owned housing as well as in here, but not not say affordable housing.

That's its market or commercial.

There's roughly, you know, just in the in the order of $500 billion that are put in place annually.

So if we have $550 billion of incremental new IT is significant.

It's not. It's not the same.

Doubling that you might think of when you think about one point.

The relationship between 5:50 and 1.2 trillion and at the same time.

In some categories though, this this will be definitive investment that that where we may not have been investing significantly or or at all.

Yeah, there's gonna be there.

There are myriad diagrams, and on our website at the white.com you can find as well.

Ways to click through and and down into the program level,

but really at the headline level,

part of what we want to point out is is where some of that incremental new is is going to be focused,

and there's some areas where we might have only been spending $20 billion they pre pandemic before really the zoom boom and otherwise in on an annual basis, putting communications infrastructure into service in EU.

S and now as that pushes towards 65 billion, these are really transformative investments.

Same thing if even within formula or within areas like transit or roads and bridges.
What you can start to see is that as you if you were to click into these bubbles that that there are nested within them, programs that that are. Still might be either new or different and or new uses of these funds, and so I think one of the things for all of us to have an intuition about is we think. Think think more closely about how the bill will impact given areas is to recognize that across programs there's really almost a built in framework to encourage collaboration, and so if you think about if, for example, if you were interested in EV and carbon reduction funding, and then the the new build back, better bill may also have quite quite a considerable level investment there, but you might look within the Federal Highway program and see there's a carbon reduction program. By formula might look and see OK. There's also $2.5 billion charging and refueling grants program within that that's distinct from the EPA. $5 billion school buses and an electric ferries grants or charging stations that that even in this graphic we've broken out. There's formula grants, you know, as I mentioned, 5 billion of those from FHWA by state, and then within the FDA. Funding in addition to school bus funding, which is sort of called out, there's $5.3 billion of competitive grants for low end and no emission buses, and in general then stepping even further back grants for bus and bus facilities will now require a 0 emission fleet transition plan addressing the technical and financial requirements to to make that, and, you know, layered on this, there's the the funding that's available for electric transmission and even the creation of a SIFI alone program for CO2 pipelines.
And so I just wanted to give that context as we see these numbers at you. On the one hand, what we should take to take care the fact that that much of these funds can be flexible or can be used to really achieve a larger purpose, but at the same time to realize that if we don’t mobilize the state and local and private sector funding and investment focus as well will lose the the the magnitude and the the distinct. Opportunity that’s arising from this this generational level of investment.

So with that you know an amazing example of. A local and regional uh communities coming together to decide to invest in infrastructure ahead of the bill passing. It’s we’re very fortunate to have Sam here with us to talk through and to share what’s happening in Austin and I think to some of the dialogue that we can get into is is how that plays out, both with respect to real estate into the broader UI communities, participation there and into future federal spending and support as well.

That’s so Sam, please if you could bring us up to speed on what’s happening Austin that would be amazing. Absolutely thank you, Mike, and thank you to you lie and everybody who joined us here today. If you don’t mind, I’m going to share my screen real quick and walk through a couple of slides that I hope we’re going to give you a nice overview of what we have been up to here in Austin. It’s been very busy and exciting year not only on the transit front, but also on the development and affordable housing front as well so.

Just to start off, I’m sure that a lot of people who are participating today are somewhat familiar, maybe with Project Connect who are familiar with Austin but just important to mention just from the outset, that project Connect is a multi billion dollar investment in brand new public transportation in Austin,
which is a city of a million people.
And outside of San Antonio is really the largest city
in the United States that is not invested heavily in
hard transit infrastructure.
And there have been a couple of failed ballot initiatives
here in.
Austin, both in 2000 and 2014,
but fortunately for my purposes,
and I think for the City of Austin voters,
approved a property tax to fund project connect 57% to 43% in November. And so now we are moving
forward with implementation and the way that that's occurring in
Austin is that capital metro,
which is the FTA direct recipient and the City of Austin,
where most of this infrastructure light rail especially is going
to be built in their right of way.
Have come together to form a brand new local government
corporation called the Austin Transit Partnership and the purpose of
the Austin Transit Partnership is really to construct the newest
and most complex and most expensive parts of the system.
And it's also a place that federal funds and local
funds can be pulled,
and it's also going to be a vehicle that not
only issues debt but is also the principal entity issuing
construction contracts over the course of the next decade and
beyond for Project Connect. And I serve as director of
strategy for the Austin Transit Partnership having been at Capital
Metro for six years prior to that,
just at a high level.
And you can see more information at projectconnect.com or atptx.org,
but you can see here in the right.
We've got our project connect, initial investment map, and this is what voters said yes
to,
and it's a fairly complex map and I think that
that is ultimately part of the reason why project connect
one of the day in November.
Is that some of the previous efforts were really.
Single lines on a map.
They were a little bit more isolated and it was
a little bit more difficult to see.
How is this going to work as a system?
And ultimately, how is this going to benefit me,
the taxpayer or the voter?
And so I think that this map spoke to that.
I also think that Austin hit a tipping point in
terms of congestion and affordability and concerns over
sustainability and
people finally said Austin is a large city.
Let's invest that way and so project connect includes light
rail,
additional regional rail, a brand new transit.
Panel additional Bertie and other enhanced bus services.
Parking rides on demand. Circulator's Equitable Transit
oriented development or
E Tod anti displacement investments,
which I think is a really interesting part of this
multibillion dollar program,
which is $300 million that is specifically set aside.
In effect to fund land banking,
affordable housing development. Really anything that's in the
affordability toolbox
and we're working most closely with the city of Austin
on identifying the best ways to spend and triage that
money right now, as well as many opportunities for
placement
'cause that's got to be a huge part of what
we do is that one of the goals of this
program is for Austin by 2039,
which would be after light rail is up and running,
and new commuter services are up and running.
But by 2039. To hit a 5050 mode split.
Between single occupancy vehicles and non and within the
none
would be 16%
transit. We expect that to be somewhere between 325,
maybe 375,000 transit trips per day,
which would be a tripling of where we were right
before the pandemic,
but all of that being said it means that 84%
of people experiencing the system are going to be experiencing
it in other ways.
They might be experiencing it because they now live in
a development that was made possible.
Through the anti displacement investment or they just live near
that station and they may not use it every day,
but we've got to build a system and guideways and
transitways and stations and tunnel entrances that reflect the community
around it and create value and every sense of the
term you can see here in this box how we have divvied up a lot of the work.
The Austin Transit partnership. Again,
like I said, is really focus on the things that are brand new to Austin Capital Metro,
working on things that are improving existing.
Transit services and the City of Austin are most important partner.
I would say helping us prioritize those anti displacement investments
but also doing work on utility relocations right of way permitting things of that nature.
Now you can see the program just through time.
I won't hang on this slide for too long,
but you can see the orange in the blue line.
Light rail investments are being done in parallel over the course of the coming decade.
We are currently working on improvements to our existing and
I would say successful Red Line commuter rail operation that'seen up and running since March 2010 with an additional commuter rail line anticipated in the later part of this decade.
Metro Rapid, which is our bus rapid transit service.
We are breaking ground. Actually,
ext month on the first of our new lines and
this is also going to be an opportunity not only
to provide more BRT,
but to provide our first all electric BRT line.
We've just signed a deal for 200 additional electric buses, which will greatly expand our electric bus fleet and transition S away from our diesel fleet. Then down below you can see additional parking, right opportunities, improvements to our bus system and those anti-displacement investments. That you can see they're fairly front loaded, and they may ultimately become even more front loaded because like many of you, depending on what city you're living in, but I would say probably most cities right now. If we don't act now, we're not going to be able to lock in affordability along these corridors in the way that we would like. There's also going to be a lot of upside to land banking so that we can use some of this land for construction, lay down, and then eventually transition into affordable housing park space.

Small business incubators. Who knows? The anti displacement investment again I just want to talk about it because it's a wonderful intersection of land use and affordability and transit and I believe that if this was a standalone bond initiative for pure affordable housing, this would be the third or fourth largest single investment approved by voters in the country's history. And so it was packaged within a multi billion dollar program. So maybe it gets a little bit lost, but I think it's a really critical part of the story and honestly it's part of a. Good faith effort to try anything and everything to keep the people who are going to need this transit system the most close to the services as possible. So working with the City of Austin's new Project, Connect office on an equity assessment tool again to prioritize or call it rehashing some of this money so that
we can make sure that we're investing it properly and equitably and also making these investments in development that will be sustainable as well.

And the city is also separately. Created a racial equity anti displacement tool and so these two are going to work in parallel over the course of the coming year. The city is going to release a report along with the tool itself and a significant amount of community engagement. Finalizing Grant awards for the $300 million in anti displacement investments and then launching a new program of rapid land acquisition again so that we can lock in affordability along these corridors. Capital Metro runs a great transit system. I'm incredibly proud to have been a part of that system.

It is very heavy on bus we have a lot of 15 minute high frequency bus routes. We also have 132 mile commuter rail route that's on an existing freight line that capital Metro owns, but it's only recently that we've really started to come into our own and start. Acting like a lot of our larger city or more established peers, and one of those things is becoming more of a developer and finding good opportunities for TO D. And this is really Plaza Saltillo. You can see a couple of images here. This was really capital Metro's first foray into this type of thing, and I would say prior to this we had parking rides.

We have our rail stations and some of them are quite constrained. Just because that line has been there since. 1882 in the city has grown up around it, so we didn't have the luxury of having a lot of properties, especially properties that capital Metro owned to redevelop, and so with our partners at Endeavor Real estate here
in Austin as well as community members,
we are able to redevelop a former Southern Pacific freight
yard that also has the second Red Line commuter rail
station right in the middle into a fairly sizable mixed
use development. And you can see some of the images
here with the local architect Michael Hsu,
who. Provided most of the design for this and it's
really been a success,
and there's also affordable housing units,
there are senior affordable housing units.
There is public art. There is new paseos and small
pocket park spaces,
and it really showed our community what transit oriented
development
can be and how you do good engagement and good
design in the context of that existing Community.
Working with the city of Austin since Capital Metro does
not have control over the Land Development code,
so we work with our city partners both on the
staff side and certainly with City Council,
but working with them to develop an equitable tool
that serves a purpose, but in a growing region they
may not serve the community in the way that
we would like to.
So some of the challenges is that we have had
a very large influx of population that is strained city
services and certainly infrastructure and our black and Latin
households have not been able to keep pace with this
growth from an income standpoint and many of the people
who are being displaced from Austin.
Are being displaced out in areas with even less services
even less infrastructure and because of the way that capital,
metro and metropolitan transportation agencies are set up in
Texas,
oftentimes they find themselves outside of our service area,
meaning that we're not even able to serve them with transit, whether that be bust, para transit or rail. And so we're working through. How do we keep people as close to these vital services as humanly possible? Austin is one of the few large cities and possibly be only large city, at least of our size. That has seen a decrease in our black population between 1980 and 2016, and I think that that trend is continuing right now. We also have a large gap between supply and demand, just like you see in cities all across the United States. But we've got an enormous opportunity here to not only create jobs through the actual construction of project Connect. But creation of new development opportunities, new small businesses, new places for people to live up and down these lines, and the $300 million is going to be a large part of that. But I think that the private sector and our city partners through various incentives as well as the federal government are going to create a lot of new ways to create value and create new homes and new places for small businesses to thrive around our transit system. And then just in terms of transitioning from our traditional teody, and I would say that the pauses alteo development was probably right there on the cusp, considering when we first started talking about doing that development all the way up until the present, but moving beyond just pure market supported developments along transit corridors, but finding ways to mitigate any displacement or negative externalities from new development, including new transit investments, which kind of turns some
of
the thinking about transit investments.
From you know, call it now 20 or 25 years
ago where a transit investment would not have sparked the
amount of private development that you see today and now.
When a line is on the map,
sometimes it can be hard for government and people in
the affordable housing game to keep up,
and so I think that that's what this episode and
equity tool is going to really help with so that
we can create new opportunities and create a far more
resilient community as we grow.
And then just in terms of the of the Shaw
framework,
I think it's important to note that everything that came
out there really spoke to me and the rest of
the project Connect team because it speaks to what our
values are for Project Connect.
It's what we put out there to the community before
Proposition 8 passed,
and it's what we will talk about for the life
of this projects in this program's implementation is ensuring
equitable
access to everything that we're building.
Improving access to affordability for both.
Moderate and low income households doing everything that we can
to reconnect because there is a lot of disconnection here
in Austin.
As is probably the case across the country and certainly
a lot of sunbelt and southern cities.
But trying to reconnect the fabric of this city both
from a human standpoint and a physical infrastructure
standpoint and
reinvigorate those neighborhoods doing our best to address
historical disparities
in investment. Especially based on race.
Austin, like many other places,
but Austin had the 1927 master plan.
1928 master plan, but that drew a fine red line
through the city and the effects of that.
We are still feeling today and this is a generational
opportunity to correct that wrong and then improving health
and

enhancing environmental sustainability and reducing climate risks for our growing region and all of these things.

Have been put out there by you lie and it's already what project connect and the folks here in Austin have been thinking about for some time.

And so I think that we're just in a really great place where with the infrastructure bill and this renewed focus on both equity and sustainability is all coming together so that people in the development side of the House, transit and everything else in between are able to come together for some common goals that are really important for the communities that we live on.

And with that I will hand it back over to Mike.

Grab believe is going to hand it off to Vicki.

You I didn't even have my moderation job to do here.

This is great but and Sam likewise, I know I've got some questions.

I know the audience will two for you, but it really is amazing.

Both what Austin is doing but with the intention ality and then the thoughtfulness by which it's happening.

And so Vicki I think to to hear from your perspective as a as a developer would be great.

And so please please take it away.

Wow are you guys a hard act to follow up on that is really actually very inspirational to me and it got me thinking about my my own portfolio and things were working on and and.

Whole idea of bringing transit in.

I just want to start there and say.

I have a project where I'm harvesting the land.

It was a lay down yard for transit and highways 40 years ago and in DC,

and it's the one project that I missed him bringing into this presentation.

So sucks on that, but but I wanted to first of all,

tell you how grateful I am to be here.
I work with urban Atlantic. We've been doing, uh urban and transit oriented development and urban infrastructure for the last 24 years and. And I have an amazing team that I work with at our company and we work on the in the Mid Atlantic area down to Florida and up up through Connecticut. So this slide is shamelessly borrowed from the Internet. And you might say, well, why does this matter and. This is a by ranking of by income. You know the lowest income tier to the highest income tier in 20th 20 percentiles. And what you should see is that housing and transportation are always at least 45 to 55% or a little bit higher of of household expenditures that makes this. Very, very important, and particularly if you can. Gains synergy between transportation and housing and and so I want to just say this. Transportation on average in the United States cost $12,000 for a household of two. But if that same household use transit and use it every day of the work and each person use transit every day of the week, all year long. That transportation costs could likely be cut by about 40%, and that's that's really a very, very big impact. And so I wanted to share that with you. As to why this matters. In the big picture at the bottom you see a section of town in DC called the Capitol Riverfront, and it's bordered by a river. It used to be where are our shipyards? Were they made ships for the Second World War so quite some time ago, it's bordered by a raised highway and and then another highway,
so it's quite cut off.
You can see the raised highway.
It's that white thing on the left and then you can see that this was public housing.
And it was public housing that started out as army barracks.
So it's really very special.
It's it's 30 acres on and it was a very, very distressed portion of the city.
The Capitol riverfront is the area outlined in blue.
The map with the yellow area pointing at it is right under the white part of Capitol riverfront.
The label. It's not the most sophisticated slide, but it's it's a it's 21 acres inside of the Capitol riverfront.
so quite a large portion of it.
Product on the left is product that's been built here.
It ranges from a public park with a splash park in summer and then ice skating rink in winter and very big art feature of a lit up white box there and you can see that the children in the neighborhood are really enjoying it.
This this neighbor actually neighborhood has two parks.
One is Canal Park which used to be full of school buses.
Every school bus for the city is to be parked here very yellow and and and then the other part which was the riverfront, which was. Part of a closed federal center where the shipyard was the houses that you see that look like townhouses there actually.
They serve three income ranges, market rate where the homes are $1,000,000.
Public housing where people pay 30% of their income towards you.
And workforce housing where the home prices were brought down so that people in the workforce, typically government level employee salaries, could afford to buy a home in the top.
In the middle is a seniors building its red brick and then the other two buildings are mixed income buildings.
in the community.
This is just inside of Arthur Capper itself, so it was a hope 6 development.
There was $35 million of funding that went with this and it was used to help people relocate both on site and off-site.
We housed our seniors first so they never had to leave.
One for one replacement, so no displacement of any residents of public housing here.
That's very, very critical to us as a company for inclusiveness and and what we did is we took a community.
That had 700 units in it, of which 300 were true box efficiencies inside of a warehouse for it that our seniors lived in.
And we've created a 1.7 million square feet.
Of mixed use development and you might notice in the picture on the right that there is a baseball stadium there.
The City made that investment.
The City made an investment in infrastructure.
And for the investment in infrastructure in this area.
Over the past 20 years.
What they have gotten in return.
25 million square feet of development.
Pretty unbelievable, it's a, it's a.
Tim thousand new households are housed here.
There's 7,000,000 square feet of office space.
It's enormous. There are hotels.
There's retail. There's three grocery stores, and all of the things that you know communities could hope for two public parks.
And there are birthday parties in the park, and there are festivities there.
And the tax income to the city compared to the very small upfront but sizable investment.
In infrastructure is paid back multiple multiple fold in terms of quality of life,
income taxes, real estate taxes,
sales, taxes and growth of the city.
So very interesting. The value proposition of the small upfront catalytic investment in infrastructure always hardest to do for developers ‘cause there’s no direct return on it to what we have now at full buildout, it'll be 37 million square feet. And it is. Underway next please. An example and what I hope to do is give you examples. There is a picture of what it looks like today up in the upper right hand corner, and those blue things on the map. Those are all the restaurants I'm interested in restaurants and so I thought you would be too, but it gives you a sense of all of the restaurants in the community and let me just say before before the City made this investment, it was one of the highest crime areas. There was no investment here. There were no hotels. There was less than a million square feet of office. One of the catalytic office investments was the Federal Department of Transportation who came to this area and created an office building. Here, another catalytic investment was the green line for Metro and I'm just going to say this. Green line in DC runs through some of the poorest neighborhoods. And it was the last line of the metro built. It had the largest amount of economic development and inclusivity as part of its development, and so it's something not to lose track of for public investments, is really where you can make that benefit. It was the last one built as part of the core system next. This is the parks at Walter Reed. Many people have family members who were in the military. This was one of the main military hospitals for the
You see a big square box there. That was a two and a half million square foot hospital it treated a lot of people from Desert Storm and the Iraq wars and it. That building was quite obsolete by the time it was built. And so we've torn it down.

And the plan on the right is a plan that the Community actually came together around. It's a historic campus. All of the pink buildings are historic, and all of the yellow ones are new buildings. We're halfway through our program.

We started development in 2016, so in five years. And I think I have another slide that shows you how far we are, but what's really important here is a piece on the left 'cause one of the reasons our firm was awarded this opportunity is because we had the highest commitment to affordable housing at different income levels.

30% of median means a household of 1 under $27,000 in DC, our median income is $130,000. A 149 two. Uh. Maybe I'll come back to the question. 149 is targeted to 50% of median and then 178 nine units is targeted to 80% of median which we consider workforce go to the. So it's about community and it's about creating places. Why do people live in cities? Why do people live anywhere? What are people looking for? I, I think I've been building housing for a very long time, probably 35 years and and it we, you know, we talked about units built in homes built in homes sold in homes, rented an apartment. But really, I think what people are looking for.
Explicitly Knowledgeably today is connections my favorite picture of all.

Of these is the one with our lawn and gazebo in the back.

And it's a community event.

It is a jazz. Concert and we have done unbelievable numbers of events this year because it's out of doors for COVID and so people have been able to spread out and we've had thousands of people at people on the the community.

The overall timeline for this particular project which it came up in the chat was 15 years.

I'm five years in and I'm halfway done and we produced our affordable housing for us.

It's very important to us.

It's very important to our community.

It's very important to our surrounding community.

To be inclusive in all facets.

So we have formerly homeless housing.

And we have market rate housing and we have $1,000,000 condos and we have condos that are targeted to people earning 50% of median. So it is.

It is a very inclusive.

We also have a charter school which is I I grew up in DC.

I'm a fourth generation Washingtonian.

Our Charter school is an International Baccalaureate total Immersion,

Chinese, Spanish and French. Not exist.

Remarkable what the city has.

The thing on the far right is a groundbreaking next Lee.

Oh, and I forgot to mention children hospital.

Oh my goodness, children hospital started a Research Center together with Johnson and Johnson for research and development of pediatric innovations and they also brought a clinic to the site.

Up next slide, please. Uhm?

Kondro we started this project in 1999.

It was built in oh in 2010.

What's important about it? It's a transit oriented development
It exists, it's been in existence for 10 years.

It functions very, very well.

It has retail. We dedicated 20% of the units to 50% of median income at this site.

We did that without any subsidy and we did it through a public private partnership,

which I think is very similar to what Sam talked about.

Or Austin and I. It's an inclusive community,

and so I put it on here because it is older and because it is a proven model.

And I thought it would be helpful to see both a smaller scale and a larger scale of development where you can see infrastructure that happened on this particular site.

The city gave us a pilot so that we could move the buses around to be able to build anything.

We had 23 buses per hour plus every two minutes circling through their constructive site the entire time.

And so they helped us with that and it was a catalyst for bringing 274 units here.

it's. Paid back in many multiples to the city and what our city has done with that in Washington as an example is they have dedicated more and more money to their affordable housing gaps.

Announcing fund called Housing Production, Trust Fund and so every year they spend $100 million.

I think this year that number goes up to $400 million for a city of 800,000 people.

It's quite remarkable and it's a true commitment to inclusiveness.

And I think that's a big part of creating communities.

The other thing I will say is I think cities are very vibrant.

I think they are changing.

I think it's much less auto focused.

A lot of streets have been shut down in our area for outdoor eateries and play areas and community areas.

And I can see already the next generation of cities coming along.
And I think it's going to be a nationwide trend.

I'm totally totally excited about it.

So thank you for the opportunity to share today.

Vicki, thank you so much and on behalf of all the audience and to Sam as well.

And if both you and Sam want to turn your video on.

We've we've got some questions coming in.

I've got a few few questions prepared and and that that we've had the chance to talk a little bit about ahead of time too.

And and both of you have given presentations that are in some ways are so comprehensive that that you know with this audience,

I think we can get to the, you know, maybe we've already gotten to the level 201, but we will have to go to level 301 here.

'cause I think so. Some of the high level points,

you know, we were already way past.

I did see one question from from Evan and the chat around.

Where to get lists of transportation projects that are seeking federal funding,

and I think you know each major region has a metropolitan planning organization.

There are transferred transportation improvement plans and long range plans at those regions,

put out long range plans,

will have both funded and unfunded and and the improvement plans will will roll up to a state transportation improvement plans or colloquially called the the tip and the step.

So those are good places.

If you're looking at any particular region to to get an idea.

Of both, what is is is funded in over the next period of time and then longer term.

And of course that'll that'll evolve as more funds are there.

But but uhm salmon Vicki,
you know I wanted to dive in first, is really a long following. Deep into the theme of this report and and both of you already covered it in your remarks a lot about the intrinsic links between transportation and housing. And I think a really in in the spirit of that.

Even spending a little bit more time with both of you in dialogue around how we create more equitable and inclusive communities. And so Sam, I'm going to ask you to go first if you're you're amenable, but one of the things that really, I think Austin is is remarkably grappled with is the perceived concerns that transit investments can create displacement, when in fact we're building transit to address where there may be historic. Underinvestment or or lack of mobility and access, and I think just to to add, you know, I think when those of us step back and study even the subprime mortgage crisis, one of the things that we saw happening at that time was fuel prices rising very rapidly, and people who had had moved into areas where they they did not have transit access were very car dependent. That that some of their household expenses became very volatile. As fuel prices went up and in ways that people didn't even expect. But I think we could you talk a little bit. More SIM first just within Austin about the process of really reaching the consensus to use the frameworks that you're applying and and how you know. Sort of a diverse set of communities came together to really agree and understand those and, and I guess also concurrence. Or how do you address the timing gap too? You know, as as transit comes on and and Vicki, that's the part that I'd love for you to explore a bit more too is that sometimes the development is front running the infrastructure.
Sometimes it's behind it, but how do we both avoid the displacement and increased production as as these as the project goes forward and so Sam, if you? If you could pick up. And some of those themes that that would be great and just, you know, I, I think, take us even a little deeper into into the how. Sure, yeah, I think that a lot of. Being able to talk about ways to as we've put it here, lock and affordability, and not just along these specific light rail corridors, but all around Austin. It really starts with an honest conversation and it admission that there is a problem and I think that Austin for some time, Kind of struggled to put its finger on what the problem was, and I think that that went to transportation that probably went to land use. It probably went to water and power and a lot of other conversations that are going on here. But now that we finally hit this point I would say over the past, maybe five years, and it may be a product of our of our pretty incredible growth rate, especially for a city of our size, but also a regional growth rate that's off the charts. Is that people finally said. We are large. It is time to invest. We do have major issues with congestion. We have major issues with production of new housing. We have major issues with affordability that you know not only impacts low income folks and middle income folks, but I would say upper middle income folks who are who are trying to figure out where is my place in this exciting fast growing place. Do I still have a home here both physically and metaphorically? And so I think that as we talked about that it became easier for people to.
To feel like government in particular, but also our partners in the private sector. We're coming at this in good faith and we're saying we are attempting to solve a problem and we are. We are aware that increasingly, when transit infrastructure investments are put onto a map, it tends to trigger a lot of private development interest and that will ultimately have market forces that may not be fully aligned with with our goals for affordable housing. But creating the right policy framework and the right. Regulatory framework we can get there.

We can get there in a way that's going to be mutually beneficial for everybody, and it's going to create a far more economically and hopefully racially balanced neighborhoods and developments and things like that.

And so I wouldn't say that we've gotten to the point where we have come up with a perfect framework yet. In fact, this is really going to be Austin's first attempt at coming up with a comprehensive framework for transit oriented development and also affordable housing. And you'll start seeing some of this rolling out. Actually this month and next, and so it encourage folks to continue going to project connect.

Com where we linked to a lot of the city's engagement efforts as well as their equity tool and the EOD report that's being worked on. But now we, we're really saying we're going to go for it, and along with the $300 million that voters approved, and that I think was one of probably called the top five things that put Proposition 8 over over the finish line. Was that we were making that upfront investment in affordability and you mentioned that timing gap once it being a huge issue and and to be perfectly honest we see that timing gap also becoming an issue with our ability to be competitive for certain federal funds. So for instance we have one line,
the green line which is a future commuter rail line.

It heads out into what's essentially a Greenfield and in a perfect world you would be able to compete well for federal.

Funds for for new starts.

With that blank canvas, knowing full well that there's a lot of opportunity out there, but it also means that our ability to prove ridership is really limited, so we may need to fund that one locally, but it it is that chicken in the egg situation where we're going to have a lot of development on these light rail corridors now.

Well before we ever open for service. And then we've got areas that we would love to see developed that might lag a little bit, and so. At the end of the day, it winds up being. Conversations it winds up being creating relationships.

It winds up creating partnerships so that we can each see each others perspective. Whether you're a developer, whether you're a long term, multi general resident of the neighborhood, and you're very concerned about being displaced or you're in my position, you're with the transit operation and coming together and identifying the problem and hopefully coming to some kind of informed consent.

Not everyone is going to be 100% behind what you put out there, but just informed consent that we are earnestly trying to. Solve a problem. But I think that we're going to. We're going to get there and I I feel very confident that the tools that we put out there are going to work and hopefully, along with the city of Austin taking another try at updating our land development code, I think that we're going to have a much better toolbox for Austin to grow over the next 10 to 20 years.

And it's a partnership.
It's extraordinarily well said and Vicki, as we extrapolate also out to two national contexts and certainly DC among them. Do you wanna share a little bit of your perspective on this and even just how we increase production too? With relative this timing gap with infrastructure?

It starts with intentionality. And a plan. Setting goals. We, as developers and the money that we invest. Go where it's wanted and where it's treated well. Very important, right? Do you see said plan and it was an ambitious one. It was to grow by 50,000 people a year. A lot, right? That's a lot for anywhere and and they focus their resources. On that, and that's so that's what makes them a national model. They also focused on inclusivity, and they used just about every tool in the box. So inclusionary, zoning, financial incentives, infrastructure incentives, all of those things. But you know what? There's lots of other. Areas of the country that are doing it. We're working in Charlotte right now. We're doing the first. Mixed income building in downtown Charlotte.

It's 2021. It's a very ambitious goal, but it is very important and perhaps a precedent setter because it is a more integrated approach than what maybe has been done in the past in terms of approach. to affordable housing really being in the center of town being right down on Tryon St with all the very best residences in town, right right where the corporate headquarters are because it gives you proximity to jobs. And to transit, and to shopping and to the things, and to parks and two entertainment. And to the beautiful library that they're planning there that make quality of life great. And. And so it happens in a lot of locations.
But really, it's about putting together the toolbox and knowing what helps achieve it and so if I say to an investor, oh, we're going to build this wonderful. Road in our community and it's going to be great because we can put all kinds of buildings and they're like, well, well. Vicki. What kind of returning my make it on the road? And I say it road, but it might just as well be a transit station. It could be, you know, could be bike share. It could be anything and and it's it's a more indirect connection and that's why I think this bill in particular is this very critical because it helps bridge the things that are otherwise very difficult for developers to do because they have to be done at scale. Yeah look that's great and and I I think Sam, I'm gonna come to you first. Like in in a moment for a little bit more about of commentary around the bill. But before we do that, I want to ask both of you just to give a quick perspective on the planning these projects and going forward and and Vicki and making investments in the context of the pandemic. Now a couple years in and I think you know we, we've seen our clients in the market go through different phases seeing the streets now. In some cases be more filled with with people in different ways too, but in some sense you're. You're both making investments that look ahead and and you know a quick commentary on how you've done that and how you're approaching that. Given where we are. Vicki, you wanna go first? OK so uhm. We use our company has a background both in market rate development and in affordable development,
and we have also courtesy of large public private partnerships that we've done. We have a tremendous amount of experience in financing infrastructure and working with public partners to do that. And So what we do that is our special sauce is we combine those resources. In non traditional ways, my poor finance partners like how much harder you gonna make it for me, uh but uh but she knows she pulls together all these different resources in a very graceful way. We liken it to stone soup. You start with the stone, but by the time the whole community puts in all of the ingredients to the stone soup, you have a very wonderful and rich meal for everybody. And that's another part. Of our development that you will find a lot of developers who are like this is what I'm doing and I'm going here and I'm building this product 'cause that's my thing. And we don't do that we we work with communities. And we listen. We listen to what people have to say. And you know, I was on a community meeting until 11:00 o'clock last night and the people live in one of the wealthiest areas. We are. Mike grew up in the city and on and they all. Want affordable housing? In their community. Directly and it's been challenging to make that happen, and we're working on it right now, but I found it very interesting that if you listen to people they are all interested in being inclusive, and I think that's a very significant change in our times that has happened. During COVID and maybe a little bit before, but I think the inclusiveness that I'm seeing is the first time that it's this level in my lifetime, and I think it's a great way to go, because it harvests the power of the community in its entirety, and that's very powerful for growth for our nation.
And and I love that pink eye. At first I was trying to see connection, and I think you've nailed this as to what all of us are experiencing. Sort of in this time and.

And ideally bring out the best of ourselves as well as reflecting more carefully on ourselves. Sam, maybe just a if you want to give a quick comment,

then I'll have a follow up for you as well. Sure, I think that I completely agree with with Vicki. I think that this has proven in our engagement efforts and the fact that vote 237,000 voters said yes to this was that a lot of people. Maybe it's because they weren't feeling a lot of agency in their life. Or maybe they felt a call to make a change in their community.

Said yes to this investment because it was not only the right one, but it was right out in front of them. And it the way that we've done our engagement has allowed people to take ownership over. Not only the system of today, but the future system and solutions to try to fix some of the wrongs that have happened over the past century.

Here in Austin and your your question Mike towards the start where you were,

you know you mentioned the infrastructure bill and and and also talking about you know both current and future solutions. I think one of the wonderful things from a transit standpoint is that the bipartisan infrastructure bill not only is going to have enormous benefits for project connect, not only. In terms of you know, seating more CIGS funds, finding hopefully new and creative ways to to access the IG funds, whether they be new, start small, start core capacity which doesn't really impact Austin so we don't.

We don't have a cord to grow yet,
but we will eventually but also increases in 53 or 7 formula funds.
‘cause while I've been so focused on Project Connect and the growth of this new system I always have to remind people in Austin that underlying that.
He's a fantastic local bus, high frequency bus and commuter rail system and so this build not only is going to help us.
Continue to put great service on the street for the people who are using it today,
but hopefully give us enough runway that we can plan for a future community in 2030 that is not only more affordable and equitable and works for more people.
Because the bill does have a lot of different buckets of funds and a lot of different timelines associated with it,
so I am very excited about that part of it.
I want to be mindful of time.
Mike. What was your follow up question?
You already? Just you've got there.
I was gonna I was gonna ask you to widen out to the federal side.
I think obviously we've we've had the chance to talk a little bit ahead of time too.
So sure, part of it.
But if if you and Vicki wanted to collect your thoughts and and and maybe if there's 30 seconds, just did. If each of you wanted to.
To share some parting thoughts are areas that we didn't cover that would be great,
and I'm filibustering now hopefully give me a second there too,
not, but Vicki. If I could put you on the spot and then Sam if that's OK,
I think that'd be great and will everybody end on time here.
Son, I'm leaning to the side.
This behind me is the historic building at Walter Reed and the people behind me are doing a Easter egg roll and and to me this is about community.
The people are diverse, their diverse economically,
they're diverse. Racially, their diverse by heritage,
their women and men and children and old people and its community and community drives us and I do and I think about my own children who are in their 20s. Right and and and then I think about my husband and myself and we're older and we all are looking for community and I think to the degree that we, as developers and public officials and transit agencies and consultants and consumers. And uhm, can achieve that and build that into what we do. It's going to make us all really, really happy and and and productive, and I think that's very important to me. In two it's well said Sam. I just think that we're in a great place and I think that we have a great group of like minded people here today who are focused on our ability to give more people access to the great things that we do and build in our professional lives. Giving people more access to great developments to great place making to great transit and also giving people more access to the conversation because I think that one of the most important things for any development, whether it be on the public. The private side is giving the people whose neighborhood it's in, or who will ultimately use it. That sense of ownership that only comes from really being consulted and having that seat at the table and the three A's that I always note. Having done a lot of public meetings is you oftentimes find the angry the articulate in the affluent are the ones who get the greatest seat and the permanent seat at the table, and I think that we are in an era where we can move far beyond that because we've got better technology, we've got better. Tools we've got ways to get to people who we just haven't heard from. Enough, it's not that we haven't been listening. Some places we might not have been listening,
but I would say that most of us have probably wanted to hear these voices and just haven’t gotten a chance.

So I think making sure that we keep the door open and have the table large means that every one of these developments that we do will meet less resistance and also work for more people.

So I know that that’s what Vicki is done in with her projects and, and that’s certainly what we’re trying to do here in Austin.

I love zoom meetings for community meetings. A great great Palliser, and it’s the great include are.

I was on one we started talking at 9:45 last night. We’ve been waiting since 7 OK and we talked till 11 and there were 60 people on the call. But they’re not usually up that late with 60 people and UM, and usually if you go to an in person community meeting, it’s only somebody who couldn’t spare those three, four or five hours that they’re going to sit there and wait for a turn and listen and talk.

And and that ends up being a very polarized group. And so I love zoom for that.

I think it’s been a tremendous equalizer and very important to community development. Boston I think it’s not just that we have less less resistance. Others were actually better projects, right? Better program. Absolutely we’re getting hearing that, and so that’s the spirit of you alliance.

So, Paul, Chris, Rosie thank you all for bringing us together. And Sam and Vicki and you know, a round of applause virtually from myself in the audience.

Thank you. This is great and we look forward to all of us continuing the dialogue locally and and and nationals.

Thank you all and we will.
Let's everybody sign off from here.

Cheers.