



Neighborhood Housing and Community Development



City
of
Austin
Action
Plan
2008-09

**Presentation to City Council
July 24, 2008**



Overview of Process

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- Federal statute requires submission of grants plan by August 15 each year
- City of Austin is considered a “**best practice**” for including all funding sources in the Action Plan
- Local amounts are subject to change with final budget adoption



Stakeholder Process

Public Input for Plan Development

- Two Public Hearings in March before City Council & Community Development Commission (CDC)
- Economic Development Stakeholder Meeting in April

Public Response to HUD Annual Action Plan

- 30-day written comment period (June 2-July 2)
- Two Public Hearings in June before City Council & CDC
- Community Development Commission July 8th Meeting
- Four stakeholder meetings with City Staff in June & July

Public Participation in Annual Action Plan Process

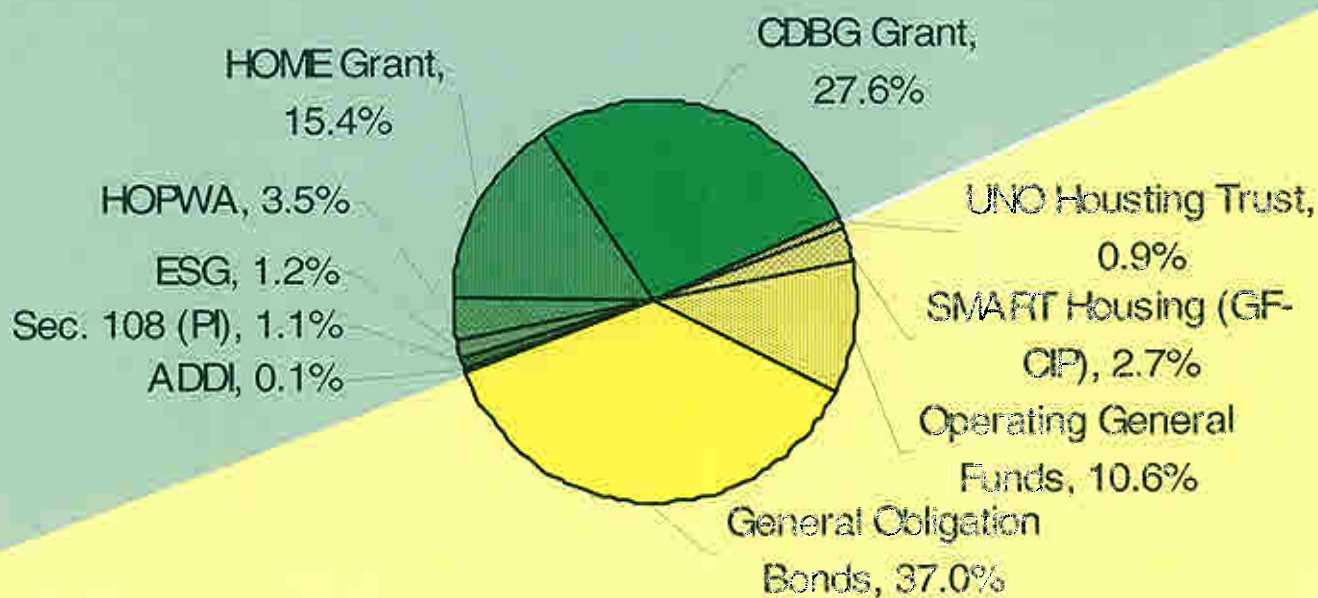
- 77 citizen participants

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New Funding \$28.4 Million

Federal \$13.9M (49%)

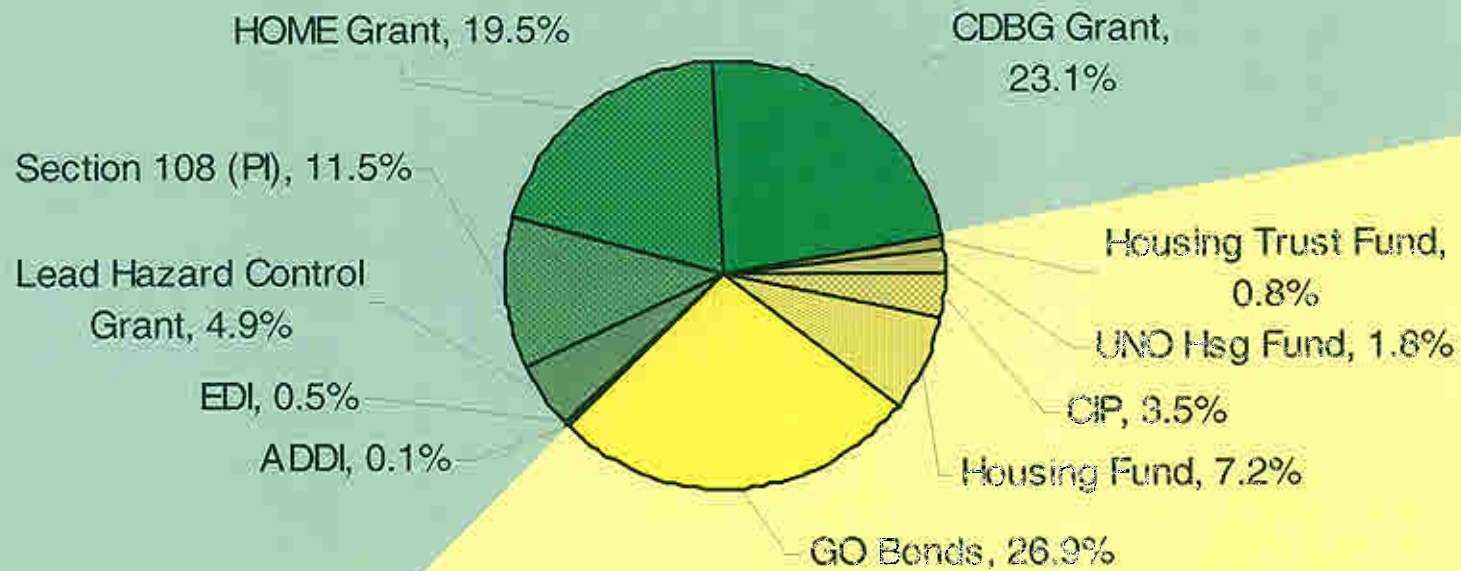


Local \$14.5M (51%)



Total Funding \$48.8 Million

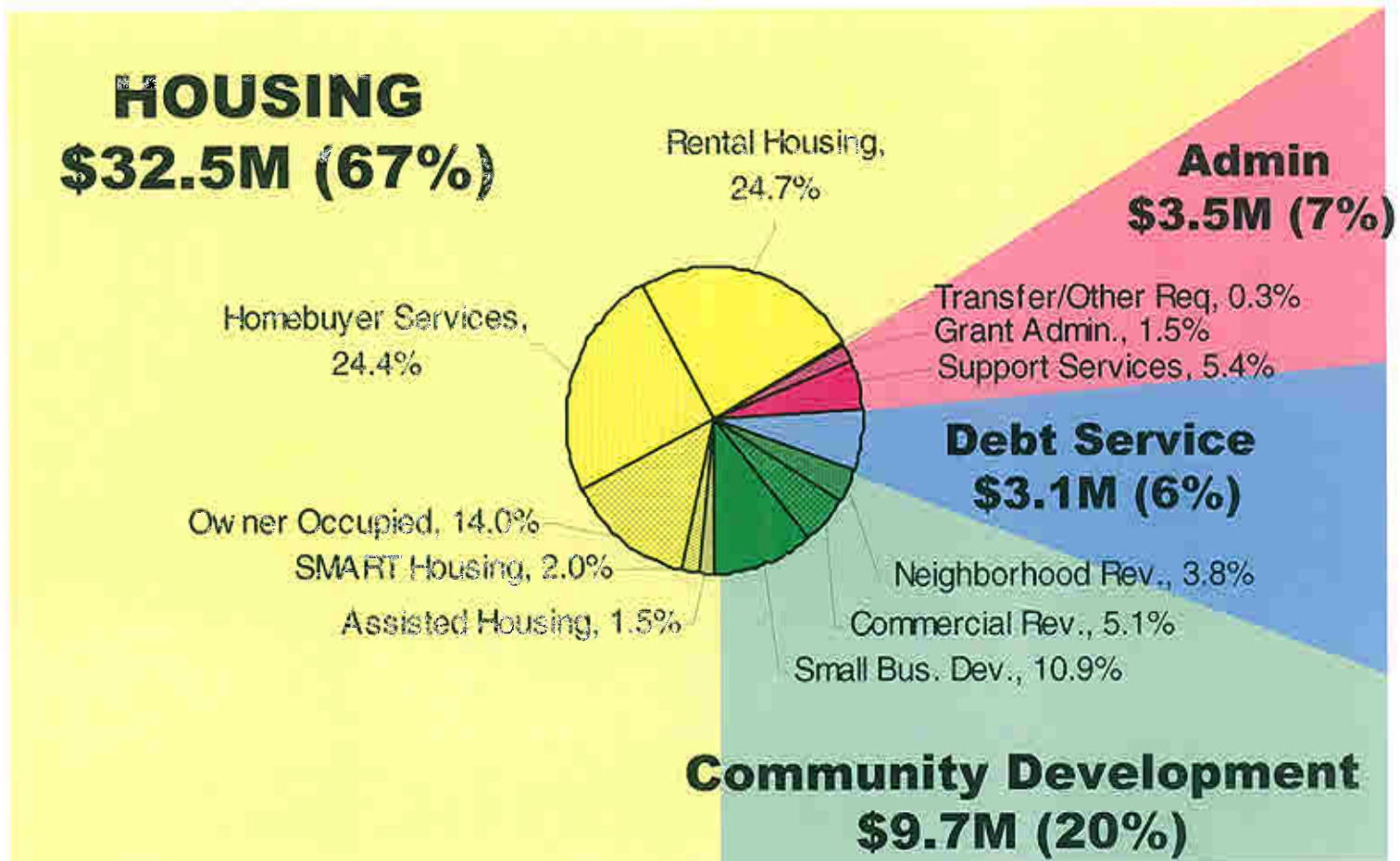
Federal \$29.1M (60%)



Local \$19.7M (40%)



Total Uses: \$48.8 Million





Change Dynamics

Increasing demand

- Austin is 8th fastest-growing City in U.S.
- 44% of area residents could not afford fair market rent (\$836/month for two-bedroom) (2006)
- 18% of Austin residents live in poverty compared to 13% nationally – many are families with children (2006)

Continued decrease in federal funding

- CDBG – decrease of 3% for FY09
- HOME – decrease of 5% for FY09
- 18% reduction in CDBG over last 5 years

Strong Local Commitment

- \$8.8M to Housing Trust Fund since 2000
- Received an additional \$3.5 million over two fiscal years to address federal cuts and to fund a housing project with MHMR



Departmental Initiatives

Seek New Solutions

- MacArthur Foundation \$5M request for affordable housing preservation
- Innovative Policy Solutions (Density Bonuses; Shared Equity/Community Land Trust; Affordable Housing Preservation)
- Housing market study

Continued Local Commitment

- General Obligation Bond funds \$10.5M, a \$2M increase from FY07-08
- Dedicated income source from Property Tax Proceeds (40% from redeveloped city sites)
- \$2.5M for departmental support and programs



FY08-09 Highlights

Housing

- 67% of funding supports new affordable housing opportunities
- Maintain a total \$33 million commitment to affordable housing
- Minimum of \$10M in new funds serve people earning less than 50% median family income
- Funding included for Foreclosure Prevention Program

Community Development

- \$3M in new Section 108 dollars, estimated to leverage \$18M
- 20% of funding supports community development, such as tenants' rights, youth services, and child care

Planning

- Strategic Plan (Consolidated Plan) 2010-15 underway 2009
- Implementation of Affordable Housing Preservation Initiatives

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Action Plan Feedback

Program	Issue	Staff Response	Status
Architectural Barrier Removal	Propose budget serves fewer clients.	Funds were reallocated to provide an additional \$400,000 in order to to serve same number of households compared to FY07-08 (450 households).	Resolved
Public Services (Elderly, Youth Tenants, Child Care)	Federal cuts in CDBG funding were passed onto partner agencies	Funds were reallocated to provide level funding for public services.	Resolved
Emergency Home Repair	Household served reflected cuts in services	Draft Plan included typographical error in households served. Urban League has \$1M to serve 475 households as in FY07-08.	Resolved



Housing Trust Fund History

Policy

- Purpose: To create an endowed fund for addressing the affordable housing needs of the citizens of Austin
- Approved by Council Resolution – Sept 2000

Action

- FY2000-08, Council authorized \$8.8 million from the General Fund to the Housing Trust Fund.

Accomplishments

- Created 984 affordable rental housing units in 14 properties
- Leveraged \$85 million in private funding with \$8M in local funding
- All renters served earn between 30-60% of median income

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FY09 Housing Trust Fund Staff Recommendation

Property Tax Proceeds (40%)	\$202,000
Reallocation from S.M.A.R.T. CIP project funds	\$798,000

Subtotal, New Funds	\$1,000,000
 Estimated fund balance Sept. 30th	 \$413,900

Total, Housing Trust Fund	\$1,413,900

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- Supported by Community Development Commission
- Dedicated funding source for Trust Fund
- Guidelines mirror General Obligation Bond program
- FY08-09 Solution

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Questions/Comments