

*City of Austin
U.S. Department of
Housing & Urban Development*

*Allocation of Stimulus Funding
May 14, 2009*



American Recovery
and Reinvestment Act of 2009

- Signed into law February 17, 2009
- Federal Objective – jumpstart the U.S. economy in midst of a global economic downturn
- Eligible entities range from Federal government to states, cities, regions, non-profits and others.



HUD ARRA Funding - Austin Program

- Agenda Item 19: Allocates \$5.1 million available through two HUD- ARRA grants
 - \$3.1 million for Homeless Prevention & Rapid Re-Housing Program (HPRP)
 - \$2.0 million for Community Development Block Grant (CDBG-R)



3



Public Input Process

- **January 1 – March 13:** Public needs assessment related to FY 09-14 Consolidated Plan
- **April 7:** HPRP Stakeholder Meeting
- **April 14:** Community Development Commission (CDC) discusses ARRA HPRP funds & CDBG criteria
- **April 18:** Urban Renewal Board discusses ARRA HPRP funds for African-American Cultural & Heritage Facility
- **April 20 – May 1:** Public Comments (2 libraries, 4 neighborhood centers, ARCH, HACA, NHCD, AIDS Services Austin & online)
- **April 20:** Council Subcommittee on Public Health & Human Services discusses HPRP
- **April 23:** Council Public Hearing
- **April 24 – May 1:** CDBG Survey
- **May 14:** Council action
- **May 8 – 15:** Substantial Amendment public input process



4



Homelessness Prevention & Rapid Re-Housing Program Goals

HPRP has three primary goals:

- PREVENTION: Prevent people from becoming homeless whenever possible
- DIVERSION: Intervene when people enter shelters and divert them into housing (where possible/appropriate)
- RAPID RE-HOUSING: Move people who become homeless into permanent housing as quickly as possible



5



Allocation of \$3.1 M HPRP Funding

- Housing Relocation and Stabilization Services
- \$480,000 for HPRP Specialists
 - Identify, assess and qualify potential clients
 - Expand outreach to key eligible populations
- \$240,000 for Housing Locators/Inspectors
 - Identify and inspect available housing
 - Negotiate with landlords
 - Liaison between landlords and potential eligible tenants
 - Follow-up point of contact for landlords and tenants
- \$120,000 for Mediation/Legal Services
 - Expand current tenant/landlord mediation services
 - Provide services to all HPRP clients, both prevention and re-housing



6



Allocation of \$3.1 M HPRP Funding

Financial Assistance, Data Collection/Evaluation, and Administration

\$1.97 million for Rent & Utilities & Other Direct Financial Assistance

- Short or medium term rent assistance to prevent homelessness or to re-house homeless household (individual or family)
- Replacement of identification, moving expenses, credit reports/credit repair, immediate legal assistance, etc.

\$102,000 for Homeless Management Information System

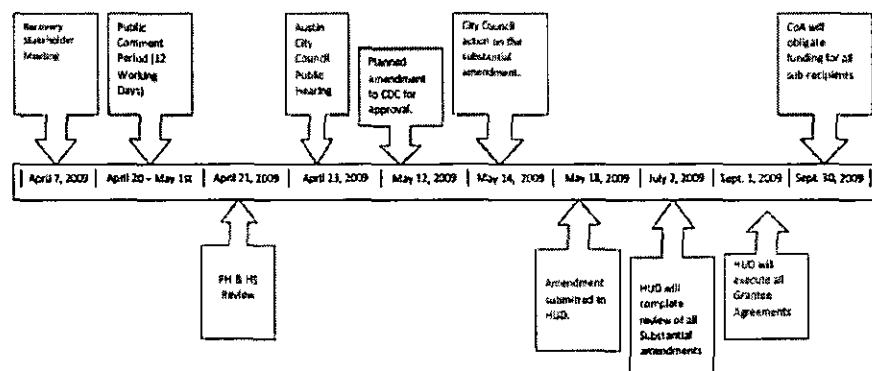
- HMIS must be structured so HPRP recipients are tracked for this program as well as for participation in other homeless prevention or intervention programs

\$153,000 for Administration



7

HPRP Timeline: Substantial Amendment



8

CDBG-R Federal Criteria

- 70% of funds for low to moderate-income residents
- Create/preserve jobs
- Promote economic recovery

"Investing in infrastructure that will create or sustain jobs in the near-term and generate maximum economic benefits in the long-term."

-HUD Secretary Shaun Donovan, May 5th Letter to Grantees



9



CDBG-R Local Criteria

- Sustainable, well-financed, established efforts
- Significant results for the Community
- Tangible results for Residents
 - Benefits low to moderate-income persons
 - Benefits underserved neighborhoods and populations



10



CDBG-R: Staff Recommendations

- \$500,000 for Lifeworks' East Austin Youth and Family Resource Center
- \$500,000 for PeopleFund's Center for Economic Opportunity
- \$550,000 for creation of African-American Cultural and Heritage Facility
- \$250,000 for new sidewalks in central East Austin
- \$200,000 for Administration



11



Expanded Home Repair Program

- \$2M in G.O. Bonds to expand home repair program
 - -Flexible funding source
 - -Enhances current programs: Emergency Home Repair & Architectural Barrier
 - -Alleviates concerns of "Buy America" federal guideline requirement
- June stakeholder meeting for input on program design
- Funds available in current year



12



Informational Resources

- www.hud.gov/recovery
- www.cityofaustin.org/stimulus
- www.cityofaustin.org/housing
(see News & Events)





Community Development Commission

P.O. Box 1088, Austin, TX 78767

www.cityofaustin.org/housing

Commissioners

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Karen Paup
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Myron Smith
Commissioner

Algie Williams
Commissioner

Sandy Beattise
Commissioner

Date: May 13, 2009

To: Mayor and Council Members

From: Karen Paup, Vice Chair
Community Development Commission

Subject: Community Development Commission Action on American Recovery and Reinvestment Act Funding

The Community Development Commission (CDC) discussed and took action on staff recommendations for the American Recovery and Reinvestment Act (ARRA) during its meeting on Tuesday, May 12, 2009.

The CDC voted unanimously (11-0-0) to support staff recommendations for the expenditure of ARRA funds for a Homeless Prevention and Rapid Re-Housing Program that will be administered by the Health and Human Services Department (HHSD).

The CDC voted (8-3-0) to recommend that \$1.55 million in CDBG-R funds be used by the Austin Area Urban League and NHCD programs including Emergency Home Repair, Architectural Barrier Removal and other homeowner rehabilitation activities; \$250,000 for the staff's recommendation to fund critical new sidewalks in central East Austin with the amendment to staff's recommendation that would support sidewalk infrastructure as identified in neighborhood plans; and, 10% of CDBG-R funds for administration. CDC did not support allocating funds to public facilities projects.

The majority of the CDC felt that the City should use CDBG-R funds to remain focused on the priorities identified in the City's Consolidated Plan which makes housing (owner-occupied, rental, assisted, and homebuyer assistance) a high priority for housing and community development dollars.

Please let me know if you have any questions or require additional information.

CC: Marc Ott, City Manager
Anthony Snipes, Chief of Staff
Margaret Shaw, Director of Neighborhood Housing & Community Development

Guidance from HUD on CDBG-R Stimulus funds

1. Are home repair and home rehabilitation activities eligible uses of CDBG-R funds?

According to page 4 of HUD's May 4 Notice of Program Requirements for Community Development Block Grant Program:

...HUD strongly urges grantees to use CDBG-R funds for *hard development costs* associated with infrastructure activities that *provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings*. While the full range of CDBG activities is available to grantees, the Department strongly suggests that grantees incorporate consideration of the public perception of the intent of the Recovery Act in identifying and selecting projects for CDBG-R funding.¹

2. Can CDBG-R stimulus fund organizations or activities that already receive CDBG?

- a. Again according the HUD's May 4 Notice of Program Requirements

Grantees are cautioned against commingling regular CDBG and CDBG-R funds. However, *this does not prevent a grantee from using CDBG-R funding in conjunction with an existing activity funded with regular CDBG funds*, where the additional funding will be covered under a new contract or subrecipient agreement.²

- b. In today's HUD Webinar on the use CDBG-R, HUD offered the analogy of a bucket of water to explain that they encourage cities to fund activities in which CDBG-R expenditures can be easily distinguished from other CDBG activities. Hence, if CDBG-R funds go into a single building already receiving CDBG, then funds will be indistinguishable. The CDC's recommendation for home rehabilitation and repair activities conforms to the HUD's recommendations in that CDBG-R would fund discrete homes.

¹ DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, [Docket No. FR-5309-N-01], Notice of Program Requirements for Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009 <http://www.hud.gov/recovery/cdbg-r-0504.pdf>

² Ibid.

CDBG-R funding will be tracked separately from a grantee's regular CDBG funding in the Integrated Disbursement and Information System (IDIS), will have separate funding contract language, and will have a different grant number from a grantee's regular CDBG funding. Grantees are cautioned against commingling regular CDBG and CDBG-R funds. However, this does not prevent a grantee from using CDBG-R funding in conjunction with an existing activity funded with regular CDBG funds, where the additional funding will be covered under a new contract or subrecipient agreement. Grantees will need to set up this additional increment of funding as a separate activity in IDIS.

Grantees who wish to use CDBG-R funds to expand an ongoing or already-under-construction project should keep the following additional considerations in mind.

Environmental review procedures: HUD legislation and regulations (24 CFR 58.22) prohibit CDBG grantees and any party to the development process from committing HUD or non-HUD assistance to a project until the environmental compliance review process has been successfully completed. In adding CDBG-R funds to an existing project, grantees must carefully consider the implications of the Part 58 definition of a commitment of federal funds. No new environmental review is required when a CDBG-R project has been reviewed previously by the same responsible entity, no change to the project activities or location or size results from additional funding, and no new environmental conditions have been discovered. HUD regulations and law prohibit the commitment of HUD and non HUD assistance to a project until the environmental compliance review is successfully completed. Therefore, because Recovery Act projects must expend their CDBG-R funds in such a short timeframe, it is very important to begin and complete your environmental compliance review as soon as possible. Grantees are urged to contact their Field Environmental Officer, and to

19
5-14-09

**AMERICAN RECOVERY & REINVESTMENT ACT OF 2009
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
Community Development Block Grants
Staff Recommendations**

Community Development Block Grants (CDBG-R)

NHCD organized a panel of senior interdepartmental representatives to rank the projects/programs submitted for CDBG-R award. Given the high precedent set by these funds nationally, the City will face heightened oversight and monitoring from the Federal government, the public and media. Staff also considered the capacity of potential project partners, leveraging for the project/program, and set minimum award at \$250,000 in order to minimize City administrative burdens and to maximize impact. Local criteria for award fall into three major categories: (1) sustainable, well-financed, established efforts; (2) yield significant results for the community; and (3) tangible results for the residents, especially low to moderate-income populations and neighborhoods. CDBG-R guidelines issued May 5th set clear overall priorities to "maximize job creation and economic benefit;" specific direction includes:

- 70 percent of the funding is to benefit low to moderate-income residents
- creating/preserving jobs and promoting economic recovery;
- assisting those most impacted by the recession;
- providing investment to promote economic efficiency;
- transportation, environmental protection or other infrastructure that provides long-term economic benefits;
- energy efficiency/independence;
- *minimizing/avoiding reductions in essential services;*
- efforts begin swiftly ("shovel ready"); and
- "discrete, stand-alone activities."

In addition, the federal guidelines include a "Buy America" clause that requires all iron, steel, and manufactured goods used in projects funded by CDBG-Recovery be produced in the United States. This will impact all projects proposed to some degree; staff will work with the successful candidates to ensure compliance. Using the Federal and local criteria, staff recommends awarding the \$2.0 million in CDBG-R funds, as follows:

- \$500,000 for Lifeworks' East Austin Youth and Family Resource Center to purchase land to construct a green-building Resource Center at to expand critical workforce, education and mental health services to low-income populations. Significant leverage is included with corporate, public and nonprofit partners, including Capital Idea, Central Texas Literacy Coalition, Austin Community College and Casey Family Programs. The project has secured the majority of funding, and meets job creation and long-term economic development needs.
- \$500,000 for PeopleFund's Center for Economic Opportunity will be LEED Silver certified and provide comprehensive services for local businesses and homebuyers as well as affordable office space for local businesses. Key criteria met are job creation/preservation, long-term economic development, and sustainable operations as most project financing has been secured.
- \$550,000 for African-American Cultural and Heritage Facility, located at 912 East 11st Street in the historic Hamilton-Dietrich House, will house ProArts Collective, a Visitors Bureau, and the Capital City Chamber of Commerce. Providing arts and assistance for small businesses while educating visitors on the cultural richness of the area is a community and

Council priority project, with \$1.5 million included in the 2006 Bond election. Key criteria met are job creation/preservation and long-term economic development.

- \$250,000 to fund critical sidewalks in central East Austin. Many of the “Top 25” sidewalks on Public Works’ list developed with community input are in historically disadvantaged neighborhoods of central East Austin. This funding will allow new sidewalks in key areas to be completed. Sidewalks are an essential component of public transit, which is used primarily by low to moderate-income Austin residents and also will enhance the lifestyles of thousands of residents and visitors and business environment while ensuring the safety of pedestrians and people with disabilities.
- \$200,000 for administration of CDBR-R.

Homeless Prevention & Rapid Re-housing Program (HPRP)

HPRP has three primary goals:

Prevention: Prevent people from becoming homeless whenever possible

Diversions: Intervene when people enter shelters and divert them into housing

Rapid Re-Housing: Move people who become homeless into permanent housing as quickly as possible

The City of Austin’s goal is to expend 100% of the \$3.1 million within 2 years, ahead of the Federal schedule, in the following areas:

- **\$480,000 for HPRP Specialists**
To identify, assess and qualify potential clients and to expand outreach to key eligible populations
- **\$240,000 for Housing Locators/Inspectors**
To identify and inspect available housing; negotiate with landlords; liaison between landlords and potential eligible tenants; and follow-up point of contact for landlords and tenants
- **\$120,000 for Mediation/Legal Services**
To expand current tenant/landlord mediation services and to provide services to all HPRP clients
- **\$1,970,000 for Rent & Utilities and Other Direct Financial Assistance**
To provide short or medium term rent assistance to prevent homelessness or to re-house homeless household; replacement of identification, moving expenses, credit reports/credit repair, immediate legal assistance
- **\$102,000 for Homeless Management Information System**
- **\$153,000 for Administration**

These services will be provided by agencies currently under contract with the City and/or new agencies that respond to RFPs. This effort must be completed by September, in order to be obligated by September 30th.

The Substantial Amendment is due to HUD on May 18th. All interested parties are invited to make comments:

- **Thursday, May 14, 2009** before the Austin City Council at Austin City Hall, City Council Chambers, 301 W. Second St.

The public may also review the substantial amendment from May 9 through 15, 2009 at:

1. Austin Central Public Library, 800 Guadalupe (Central)
2. East Austin Neighborhood Center, 211 Comal (East)
3. Housing Authority of the City of Austin, 1124 S IH 35 (Housing Authority)
4. Rosewood-Zaragosa Neighborhood Center, 2800 Webberville Road (East)
5. St. John's Neighborhood Center, 7500 Blessing (North East)
6. South Austin Neighborhood Center, 2508 Durwood (South)
7. Pleasant Hill Library Branch, 211 East William Cannon (South)
8. Austin Resource Center for the Homeless, 500 East 7th Street (Central)
9. AIDS Services of Austin, 7215 Cameron Road (North)
10. Neighborhood Housing and Community Development Department, 1000 East 11th Street, Suite 200 (East)

The public is encouraged to submit written comment, including name, address, and phone number to:

Neighborhood Housing and Community Development Department

Attn: Kate Moore

PO Box 1088


Austin, Texas 78767

Email: kate.moore@ci.austin.tx.us

All comments must be received at the NHCD office by 4:45 p.m. on May 15, 2009.

For more information concerning the substantial amendment and public hearing, NHCD staff may be reached at 974-3100 (voice) or 974-3102 (TDD) Monday through Friday 7:45 a.m. to 4:45 p.m. or visit www.cityofaustin.org/housing.

*The City of Austin is committed to compliance with the Americans with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.*

 For assistance please call 974-2210 OR 974-2445 TDD.

To: Mayor and City Council Members

From: Susana Almanza, Member-Community Development Commission

Date: May 14, 2009

Subject: CDC Action on American Recovery & Reinvestment Act Funding
\$1.55 million CDBG-R funds to be used by the Austin Area Urban League & NHCD programs including Emergency Home Repair, Architectural Barrier Removal & other Homeowner rehabilitation activities; \$250,000 to fund new sidewalks identified in neighborhood plans.

The CDC's recommendation meets the City's goal of making Austin energy efficient. It is the older homes, especially those in which low-income people live, that need assistance to make their homes energy efficient. Low-income residents can't afford to get a loan are submit proposals to foundations and various government institutions for funding.

Several studies such as the City of Austin Consolidated Plan, Comprehensive Housing Market Study (2008) and the St. David's survey of the elderly all list housing and housing rehabilitation as the number one priority and need. The CDC recognizes this need and understands the tremendous amount of funding that is needed for building affordable housing and for maintenance of current housing.

Assisting over three hundred people with homes repairs will provide basic services to residents and promote energy efficiency and conservation through rehabilitation. Using CDBG-R monies to purchase land will not serve the need of providing sustainability, energy efficiency and the creation to green jobs.

Many non-profits can advocate for themselves, some of them even have grant writers – the poor, the low-income only has one commission the CDC whose goal is to advocate for programs designed to serve the poor with an emphasis on federally funded programs. Let's make sure that we serve the poor, which have never received their fair of City services even though they too have paid taxes.

Last year the City told the East Austin Southwest Key Program, which was requesting funds to seek a low-interest loan through the City of Austin's program - let's be fair and instruct others to do the same.

The CDC's recommendation represents the projects that most closely align with the Federal and local criteria, notably job creation/economic benefit and "shovel ready."

Sincerely,

Susana Almanza

Susana Almanza,
Member- Community Development Commission