

# Late Backup

Item #46

BUDGET

## Neighborhood Housing & Community Development Office

**Proposed Adoption of the  
2009-14 Consolidated Plan**

**Fiscal Year 2009-10  
Budget / Action Plan Presentation**

*Presented by:  
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## Purpose of Presentation

1. Seek approval of Five-year Strategic Plan (Consolidated Plan)
2. Seek approval Annual Funding Plan (Action Plan)
3. Provide overview of budgetary process and community input.
4. Discuss Housing Department Challenges and Unmet Needs
5. Provide update on FY 08-09 Accomplishments and Best Managed Initiatives

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## Approval of the Consolidated Plan

Planning document required by HUD for jurisdictions that receive federal grants directly. Two Components to the Plan:

1. **Five-year Strategic Plan** (Consolidated Plan – Fiscal Years 2010 – 2014)
  - ☐ Housing Market Study (released March 2009)
  - ☐ Sets funding priorities for five years
  - ☐ Analysis of Impediments to Fair Housing
  - ☐ Requires public participation
2. **Annual Funding Plan** (Action Plan)
  - ☐ Allocates funding for a fiscal year
  - ☐ Requires separate public input process
3. Available at <http://www.ci.austin.tx.us/housing>

## Community Input Process

- ☐ **7 Public Hearings** (105 participants)
  - ☐ Community Action Network – Jan. 27, 2009
  - ☐ Community Development Commission – February 5, March 9, 2009, and June 29, 2009
  - ☐ HIV Planning Council – Feb. 10, 2009
  - ☐ Austin City Council – March 5 and May 14, 2009
- ☐ **9 Stakeholder Meetings** coordinated with HHSD (214 participants)
- ☐ **Survey in English/Spanish** made available at all libraries, neighborhood centers, online (370 participants)
- ☐ **30-day Comment Period** (37 participants)
- ☐ Community Development Commission recommended modifications on July 14, 2009

## Key Stakeholder Feedback

1. Increase rental housing assistance for households making less than \$20K
2. Fund supportive housing and services for the homeless & vulnerable populations
3. Expand home rehabilitation and repair assistance
4. Continue sustainability fund contribution to Housing Trust Fund, committing majority to rental housing
5. Shift funds from homeownership to rental housing development
6. Concerns that proposal weakens commitment to accessibility
7. Increase transparency

## Response to Stakeholders Feedback

### Rental Housing

- ✓ The majority of funding for rental housing serves 50 percent median family income and below
- ✓ \$15.6M dedicated to rental assistance – an increase of \$3.6M which is projected to serve an additional 50 households (175 to 225).

### Supportive housing and services for the homeless & vulnerable populations

- ✓ Fully funded all public services (\$225K)
- ✓ Continue to encourage supportive services for funding.

### Rehabilitation and Repair Assistance

- ✓ \$2M GO Bond Home Repair Program with stakeholder input on design
- ✓ Maintaining programs: Emergency Home Repair, Home Rehabilitation Loans, Architectural Barrier Removal
- ✓ Reassess current rehabilitation loan program

## Response to Stakeholders Feedback

### Housing Trust Fund

- ✓ \$8.8M dedicated since 2000
- ✓ 40 percent property tax dedication offers revenue in perpetuity (Domain, Robertson Hill, Block 21, Green)
- ✓ 60% of funding for rental and 40% to home owner

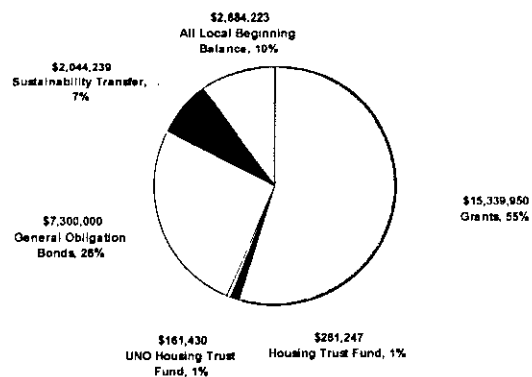
### Accessibility

- ✓ Completed legal commitment under Voluntary Compliance Agreement (1,950 multi-family units inspected by third party consultant)
- ✓ WPDR oversees inspections; SMART Housing program ensures all NHCD exceeds accessibility requirements

### Increased Transparency

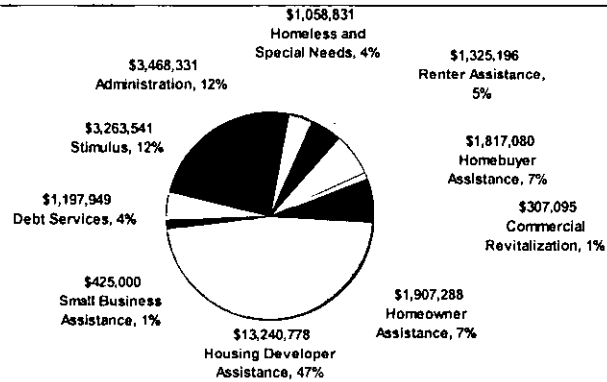
- ✓ Online enhancements for all development applications
- ✓ Assessing resources to mirror TDHCA's application process

## Sources of Funds (\$28M)



## BUDGET

### Uses of Funds (\$28M)



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### Challenges & Unmet Needs

- ☐ **Affordable Homes & Apartments in Short Supply**
  - ☐ 2009 Austin Housing Market Study determined:
    - ☐ Renters earning below \$20,000/year are most at risk. By 2020, Austin needs 16,500 (1,370/year) of apartments renting below \$425 to modestly meet gap.
    - ☐ Moderate income residents (\$35-75,000/year) have few homeownership choices priced between \$113,000 - \$240,000
- ☐ **Additional Housing Policies & Financing Tools Needed**
  - ☐ 2006 bond funds will likely be exhausted 2012
  - ☐ Federal grant funds could decline due to other national objectives (deficit, health care reform, etc.)
  - ☐ Preservation strategy & citywide Comprehensive Plan key to closing gap
- ☐ **Home Repair Programs do not meet community needs as currently structured**

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## Challenges & Unmet Needs

- ☐ **Vibrant small businesses** are essential to growing local economy. Evaluating current programs and financing to improve service
- ☐ **Debt Service payments** on HUD loans rising in 2015, reducing funds available for programs/services
- ☐ **Organizational Change** underway to improve production, customer service and tap broader expertise in real estate transactions to protect public investment while ensuring long-term community priorities

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## FY 09-10 Budget Guiding Principles

- ☐ No adverse impact on service delivery
- ☐ Focus on critical community needs during economic downturn
  - ☐ Emergency Home Repairs
  - ☐ Rental and Utility Assistance
- ☐ No elimination of filled FTEs

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**FY 09-10 Budget Highlights**

- ☐ Maintains funding for core services including:
  - creation & retention of affordable housing
  - public services
- ☐ Drawing down \$7.3M in 2006 General Obligation Housing Bond Program
- ☐ Replaces \$1.9 million of general fund support with \$2 million in funding from Sustainability Fund
- ☐ \$15.3M in "new" Federal HUD grants
  - \$547K for commercial revitalization & small business assistance
  - \$1.3M for seniors, youth, childcare & landlord/tenants' rights services
  - \$3.2M in ARRA (stimulus) monies
    - \$2 million in CDBG
    - \$1.2 million in Neighborhood Stabilization

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**Savings \$697K****Personnel savings**

- ☐ Eliminates 5 vacant positions in support services (ex., Buyer; Accountant, Contract Compliance Specialists)
- ☐ Funds three bond program positions with bond proceeds interest

**Program savings**

- ☐ Restructures Community Preservation and Revitalization Program for savings of \$75,000
- ☐ Removes earmarks in Housing Trust Fund (ex., Homebuyer Counseling)

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## Housing: Major Accomplishments

### Industry Highlights

- ☐ Hosted national affordable rental housing development training for regional nonprofits (sponsored local nonprofits)
- ☐ Among top 20 finalist for national grant award for housing preservation (One of 2 cities in Southwest United States to be considered)
- ☐ Active on State Legislative issues (Presence on state housing finance board)

### Community Highlights

- ☐ Comprehensive Housing Market Study provides first time gap analysis / housing needs for 2 decades
- ☐ Educational Outreach - Affordable Housing Forums, Joint Commission Meetings
- ☐ Stimulus monies – launched online site, public hearings, selection committee for \$5M award in 45 days

### Departmental Highlights

- ☐ Interdepartmental collaboration on policy issues (TODs, DAP, CLT,)
- ☐ Outreach to more than 2,000 for Consolidated Plan – maps housing strategies for the next 5 years
- ☐ Management Leadership Training
- ☐ Streamline operations with reorganization implementation

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## Housing: Major Accomplishments

### Enhanced Business Practice by engaging partners:

- ☐ *Policy stakeholders:* Community Development Commission, HousingWorks, CAN, ECHO
- ☐ *Nonprofits/public sector:* housing developers, HACA, MHMR
- ☐ *Interdepartmental:* HHSD, NPZD, AE, Watershed, Public Works, OCLM, EGRSO

### Program/production responsive to customer needs

- ☐ Program re-designs meet market demands (Examples: Holly Good Neighbor, Down Payment Assistance)
- ☐ East 11/12<sup>th</sup> Street Projects Underway (Blocks 16, 17; Juniper Olive, African American Cultural Heritage Facility)

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## Housing: Best Managed Initiatives

### Initiatives Underway

- ☐ Enhancing customer service through online tools, client-driven reorganization, stakeholder communications
- ☐ Investing in staff through monthly all staff meetings, monthly trainings, retreats and job coaching
- ☐ Increasing production through programs designed to respond to market conditions (examples: Acquisition and Development, Rental Housing, Economic Development)

### Planned Initiatives

- ☐ Affordable Housing Preservation Strategy. Planned stakeholder meeting in FY 09-10.
- ☐ Ongoing focus on financial partnerships / endeavors