

AGENDA



Thursday, February 11, 2010

Item(s) to Set Public Hearing(s)
RECOMMENDATION FOR COUNCIL ACTION
Item No. 22

Subject: Set a public hearing to receive public comment on the City's spending priorities for affordable housing using General Obligation Bonds and federal funds. (Suggested date and time: February 25, 2010, 4:00 p.m., at Austin City Hall, 301 W. Second Street, Austin, TX).

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Margaret R. Shaw, Director, Neighborhood Housing and Community Development, 974-3100.

This public hearing marks the conclusion of a three-month process to collect information from citizens, stakeholders, advocates, and the Community Development Commission on key areas to invest limited federal and local monies, including General Obligation (GO) housing bond funds, in affordable housing.

In the November 2006 General Obligation Bond election, Austin citizens approved Proposition 5 to allocate \$55 million for the creation, rehabilitation, and retention of affordable home rental and ownership opportunities. In spring 2007, Neighborhood Housing and Community Development (NHCD) staff responding to Austin City Council direction, made recommendations with input from a diverse group of stakeholders and Boards/Commissions to establish a program to administer the \$55 million.

At that time, Council established that 60% of the monies (\$33 million) would be allocated for rental housing serving up to 50% of Median Family Income (MFI) with a target of 30% MFI, and 40% (\$22 million) would be allocated for homeownership serving up to 80% MFI with a target of 65% MFI. For purposes of awards, the funding was also divided between a competitive process (75% of funds), a "fast-track" for nonprofit acquisitions (5%) and reservation for Council-priority projects (20%). Other administrative actions with regard to reporting and oversight were also established. At that time, the expectation was funds would be committed over a period of seven years.

The first year of the program was slow because this was the first time GO bonds were to be used by Austin for affordable housing, and review and approvals were needed from the Texas Attorney General and the Internal Revenue Service on program specifics. However, by December 2009, 76 percent of Austin's \$55 million in GO bonds were expended or committed, and the FY 2009-10 allocation exhausted. These funds support the creation or retention of 1,783 affordable homes and apartments for a variety of low-income populations. To ensure that the last of these precious resources serve the community's highest priority needs, staff recommended, and the CDC supported, a pause in processing GO Bond applications from December 15, 2009, through March 1, 2010. This was done to gather feedback from the public and program customers. In addition, since the time the affordable housing GO bond program was implemented in the spring of 2007, new information on Austin's housing gaps was made available in 2009 through the City's comprehensive housing market study.

Staff initiated a public input process from December 14, 2009 thru January 11, 2010 that included a four-week written comment period, an online survey that was also available in all public libraries, and the CDC conducted a public hearing on the issue. The CDC discussed the initiative at their December and January meetings and plans to make recommendations to Council at their February 9, 2010 meeting.

This hearing invites members of the public to share their views directly with Austin City Council.