

Chapter 2

Funding and Resources

City of Austin Fiscal Year 2012-13 Action Plan

Chapter 2 Funding and Resources

The following Chapter outlines the funding sources in the FY 2012-13 Action Plan budget:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ENTITLEMENT FUNDING

Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974 as amended. The primary objective of CDBG is the development of viable communities by:

- Providing decent housing.
- Providing a suitable living environment.
- Expanding economic opportunities.

To achieve these goals, any activity funded with CDBG must meet one of three national objectives:

- Benefit low- and moderate-income persons.
- Aid in the prevention of slums or blight.
- Meet a particular urgent need.

Revolving Loan Fund

A Revolving Loan Fund (CDBG – Rev. Loan) is a dedicated source of funds to a particular activity from which loans are made for housing or small business development projects. Once loans are repaid to the City, the funds revolve back into the original activity as available new funding.

HOME Investment Partnerships Program

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA), and has been amended several times by subsequent legislation. The three objectives of the HOME Program are:

- Expand the supply of decent, safe, sanitary, and affordable housing to very low- and low-income individuals.
- Mobilize and strengthen the ability of state and local governments to provide decent, safe, sanitary, and affordable housing to very low- and low-income individuals.
- Leverage private sector participation and expand the capacity of non-profit housing providers.

HOME CHDO

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves, and meets the definition of 24 CFR 92.2. The City of Austin must set aside a minimum of 15 percent of the HOME allocation for housing development activities in which qualified CHDOs are the owners, developers, and/or sponsors of the housing.

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HOME CHDO Operating Expenses Grants

HOME CHDO Operating (HOME CO) funds are provided as grants based on need and are used for reasonable and necessary operational costs of a CHDO. These funds are not part of the 15 percent set aside for CHDOs.

Emergency Solutions Grant (ESG)

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) became law on May 20, 2009, and consolidated several homeless assistance programs administered by the U.S. Department of Housing and Urban Development (HUD). It also renamed the Emergency Shelter Grants program to the Emergency Solutions Grants (ESG) program. The ESG program is designed to be the first step in a continuum of assistance to help clients quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

Housing Opportunity for Persons with AIDS (HOPWA)

The Housing Opportunity for Persons with AIDS (HOPWA) Program was established by the U.S. Department of Housing and Urban Development (HUD) to address the specific needs of low-income persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, states, and non-profit organizations. HOPWA funds provide housing assistance and related supportive services in partnership with communities and neighborhoods.

Program Income

CDBG Program Income

CDBG Program Income (CDBG PI) is the gross income received by the City of Austin directly generated by the use of CDBG funds. Program income is available to activities that do not have established revolving loan funds.

HOME Program Income

HOME Program Income (HOME PI) is the gross income received by the City of Austin directly generated by the use of HOME funds.

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ADDITIONAL GRANT FUNDING SOURCES

Amy Young Barrier Removal Program

In August 2011, the Texas Department of Housing and Community Affairs released \$4 million in funding through its Texas Housing Trust Fund (HTF) for the Amy Young Barrier Removal Program. The program provides one-time grants of up to \$20,000 to persons with disabilities, for home modifications necessary for accessibility and the elimination of hazardous conditions. Program beneficiaries may be tenants or homeowners and their household members with disabilities. TDHCD began accepting applications to access the Reservation System starting on August 12, 2011 and will grant access on an ongoing basis until all program funds are reserved, or until August 31, 2012.

Sustainable Communities Initiative

The City of Austin received \$3,000,000 in grant funds from HUD to be used to conduct a master plan for the Colony Park tract. The Colony Park Sustainable Communities Initiative is a proposed Master Planned, 208-acre development that will incorporate best practice strategies for energy-efficient building design, water conservation and zero-waste technology and standards to create a model sustainable and livable mixed-use, mixed-income community. The proposed project will support and further six "Livability Principles" outlined by HUD: provide more transportation choices; promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate policies and leverage investment; and value communities and neighborhoods. The project will also provide a platform for collaboration between the City of Austin and other local entities with national reputations for excellence in sustainable initiatives.

Lead Hazard Reduction Demonstration Grant Program

The City of Austin received an award of \$2.5 million through HUD's Lead Hazard Reduction Demonstration Grant Program. The program awards funds to local governments to develop lead-based paint awareness and inspection programs for homes built prior to 1978. Even though lead-based paint was banned for residential use in 1978, HUD estimates approximately 24 million homes still have significant lead-based paint hazards. NHCD will use the grant funding to evaluation 180 homes for the presence of lead and will conduct extensive outreach and education.

National Assets for Independence Demonstration Grant for Individual Development Accounts

The City of Austin received \$250,000 in grant funds from the U.S. Department of Health and Human Services, Administration for Children and Families, for a National Assets for Independence demonstration Grant for Individual Development Accounts (IDA). IDAs are special savings accounts designed to assist low-income individuals and families move toward asset ownership through matched savings and financial education. An IDA can be used to buy a first home, pay for college or other training, and start or expand a small business. NHCD will use these funds to administer projects that provide IDAs and related services to low-income individuals and families. Because the participants' deposits are matched, the account can grow substantially in proportion to the amount deposited on a regular basis.

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Section 108 Loan Guarantee Program

The Section 108 Loan Guarantee Program offers local governments a source of financing for economic development, stimulating job growth, large-scale public facility projects, and public infrastructure. HUD sells bonds on the private market and uses the proceeds to fund Section 108 loans to local governments.

Family Business Loan Program

The Family Business Loan Program (FBLP) is a public-private partnership that provides low-cost loans to small business owners who are ready to expand their business and create low-to moderate-income jobs. The City has received two HUD Section 108 loan guarantees to fund the FBLP, a \$3 million guarantee received in FY2008 and an \$8 million guarantee received in FY2012. The combined \$11 million is expected to create at least 314 new jobs. The \$3 million loan guarantee will be available for commercial loans on a city-wide basis, while the \$8 million loan guarantee will be dedicated to commercial lending in the Saltillo neighborhood. This funding will also leverage other sources of public and private financing from the City's FBLP partners, a private bank member of the Federal Home Loan Bank (FHLB) and a Small Business Administration (SBA) certified 504 lender. The FBLP is managed by the City's Economic Growth and Redevelopment Services Office (EGRSO).

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CITY OF AUSTIN LOCAL FUNDING SOURCES

The City of Austin allocates local revenue to the Neighborhood Housing and Community Development (NHCD) Office for community development initiatives that encompass affordable housing and community development activities. For the convenience of its residents and community leaders and for consistency in reporting, the City of Austin has traditionally reflected local funding and accomplishments in its federal reports submitted to HUD. HUD's guidance regarding the inclusion of non-federal funding sources in an annual Action Plan is that non-federal sources are to be included if they are *reasonably expected* to be made available to address the needs outlined in the plan.

In an effort to provide the public a comprehensive investment strategy to include both federal and local funding, NHCD will amend its FY 2012-13 Action Plan budget and activity tables to include local funding sources following the Austin City Council's action on the FY 2012-13 funding allocation. The FY 2012-13 City budget is expected to be approved by the Austin City Council September 2012. Once the City budget is approved, NHCD will notify HUD of any additional funding allocated by the City that will leverage the federal investment outlined in the FY 2012-13 Action Plan.

NHCD anticipates publishing a comprehensive funding table that includes federal and local funds in September 2012. Updated information will be available at www.austintexas.gov/housing.

Budget - New Federal Funding Sources

FY 2012-13 Action Plan Budget - New Federal Funding Sources			
	Funding Source	New Funding	Proposed FY 2012-13 Accomplishment
HOMELESS/SPECIAL NEEDS ASSISTANCE			
<i>Emergency Solutions Grant - FY 2012-14</i>			
Shelter Operation and Maintenance	ESG	313,922	8,500
Front Steps - HESG12 HMIS	ESG	5,272	-
CDU Rapid Rehousing Services	ESG	65,912	40
Rapid Rehousing - Housing Relocation and Stabilization Services	ESG	165,835	100
<i>Subtotal</i>		550,941	8,640
<i>Emergency Solutions Grant - FY 2011-13</i>			
Front Steps - HESG11 HMIS	ESG	-	-
Downtown Community Court - HESG 11: Housing Relocation and Stabilization Services	ESG	-	72
Management Information System	ESG	-	-
<i>Subtotal</i>		-	72
<i>Subtotal, Emergency Solutions Grant</i>		550,941	8,712
<i>Housing Opportunities for Persons for AIDS</i>			
Short-Term Rent, Mortgage, and Utility	HOPWA	138,779	199
Tenant-Based Rental Assistance	HOPWA	543,511	100
Permanent Housing Placement	HOPWA	54,370	38
Short-Term Housing Assistance	HOPWA	39,785	45
Transitional Housing	HOPWA	195,000	49
Supportive Services	HOPWA	95,767	49
<i>Subtotal, Housing Opportunities for Persons with AIDS</i>		1,067,212	480
Child Care Services	CDBG	578,130	269
<i>Subtotal, Child Care Services</i>		578,130	269
Senior Services	CDBG	19,588	30
<i>Subtotal, Senior Services</i>		19,588	30
Youth Support Services	CDBG	181,177	138
<i>Subtotal, Youth Services</i>		181,177	138
<i>Subtotal, Public Services</i>		778,895	437
Subtotal, Homeless/Special Needs Assistance		2,397,048	9,629

FY 2012-13 Action Plan Budget - New Federal Funding Sources			
	Funding Source	New Funding	Proposed FY 2012-13 Accomplishment
RENTER ASSISTANCE			
Tenant-Based Rental Assistance	HOME	301,889	68
<i>Subtotal, TBRA</i>		301,889	68
Architectural Barrier Removal Program - Rental		-	-
<i>Subtotal, ARB</i>		-	-
Tenants' Rights Assistance	CDBG	225,030	428
<i>Subtotal, Tenants' Rights Assistance</i>		225,030	428
Subtotal, Renters Assistance		526,919	496
HOMEBUYER ASSISTANCE			
Housing Smarts		-	-
Foreclosure Prevention Counseling			-
Spanish Homebuyer Counseling			-
<i>Subtotal, Housing Smarts</i>		-	-
Down Payment Assistance	HOME HOME-PI	397,543 240,500	15
<i>Subtotal, Down Payment Assistance</i>		638,043	15
Subtotal, Homebuyer Assistance		638,043	15
HOMEOWNER ASSISTANCE			
Architectural Barrier Removal Program - Owner	CDBG	1,509,653	111
Emergency Home Repair Program	CDBG	1,000,000	475
Homeowner Rehabilitation Loan Program	HOME HOME-PI CDBG-RL	811,044 9,500 24,000	10
<i>Subtotal, Homeowner Rehab</i>		844,544	10
LeadSmart Program	Lead		60
G.O. Repair! Program	CDBG	400,000	26
Holly Good Neighbor Program			
Subtotal, Homeowner Assistance		3,754,197	682

FY 2012-13 Action Plan Budget - New Federal Funding Sources			
	Funding Source	New Funding	Proposed FY 2012-13 Accomplishment
HOUSING DEVELOPER ASSISTANCE			
Rental Housing Development Assistance	CDBG	454,359	10
	CDBG-PI	121,600	
	HOME		
	HOME-PI	40,000	
	HOME (CHDO)	182,188	3
<i>Subtotal, Rental Housing Dev Assist</i>		798,147	13
Acquisition and Development	CDBG	30,559	
	HOME	211,406	2
	HOME (CHDO)	182,189	2
<i>Subtotal, Acquisition and Development</i>		424,154	4
CHDO Operating Expenses Grants	HOME (CO)	100,000	4
Developer Incentive-Based Programs			
S.M.A.R.T. Housing™			
<i>Subtotal, Developer Incentive Based Programs</i>		-	-
Subtotal, Housing Developer Assistance		1,322,301	21
COMMERCIAL REVITALIZATION			
East 11th and 12th Streets Revitalization			
Acquisition and Development (Previously: Façade Improvement Program)			
<i>Subtotal, Acquisition and Development</i>		-	-
Historic Preservation			
<i>Subtotal, Historic Preservation</i>		-	-
Public Facilities	CDBG		-
			-
<i>Subtotal, Public Facilities</i>		-	-
Parking Facilities	CDBG		2,170
<i>Subtotal, Parking Facilities</i>		-	2,170
Subtotal, Commercial Revitalization		-	2,170

FY 2012-13 Action Plan Budget - New Federal Funding Sources			
	Funding Source	New Funding	Proposed FY 2012-13 Accomplishment
SMALL BUSINESS ASSISTANCE			
Community Development Bank	CDBG	150,000	6
Microenterprise Technical Assistance	CDBG	200,000	33
Family Business Loan Program		-	20
Subtotal, Small Business Assistance		350,000	59
FINANCIAL EMPOWERMENT			
Individual Development Account		-	-
Subtotal, Financial Empowerment		-	-
DEBT SERVICE			
Neighborhood Commercial Mgmt, Debt Service	CDBG	-	
	Section 108		
East 11th and 12th Streets Revital, Debt Service	CDBG	605,774	
	Section 108-PI	190,000	
	CDBG-PI	-	
Family Business Loan Program, Debt Service	Section 108-PI	95,188	
Subtotal, Debt Service		890,962	
ADMINISTRATION			
	CDBG	1,338,568	
	CDBG-PI	30,400	
	HOME	242,918	
	HOME-PI	32,222	
	ESG	44,671	
	HOPWA	33,007	
	Sustainable Communities Initiative		
Subtotal, Administration		1,721,786	
TOTAL, Programs, Debt Service, and Admin Cost		11,601,256	13,072

Budget by Funding Sources

FY 2012-13 Action Plan Budget - By Funding Source

	Funding Source	FY 2012-2013 New Funding
Funding Source: Community Development Block Grant (CDBG)		
HOMELESS/SPECIAL NEEDS ASSISTANCE		
Child Care Services	CDBG	578,130
Senior Services	CDBG	19,588
Youth Support Services	CDBG	181,177
<i>Subtotal, Homeless/Special Needs Assistance</i>		<u>778,895</u>
RENTER ASSISTANCE		
Tenants' Rights Assistance	CDBG	225,030
<i>Subtotal, Renters Assistance</i>		225,030
HOMEOWNER ASSISTANCE		
Architectural Barrier Removal Program - Owner	CDBG	1,509,653
Emergency Home Repair Program	CDBG	1,000,000
G.O. Repair! Program	CDBG	400,000
<i>Subtotal, Homeowner Assistance</i>		<u>2,909,653</u>
HOUSING DEVELOPER ASSISTANCE		
Rental Housing Development Assistance	CDBG	454,359
Acquisition and Development	CDBG	30,559
<i>Subtotal, Housing Developer Assistance</i>		<u>484,918</u>
COMMERCIAL REVITALIZATION		
East 11th and 12th Streets Revitalization		
Acquisition and Development	CDBG	-
Historic Preservation	CDBG	-
Public Facilities	CDBG	-
<i>Subtotal, East 11th and 12th Streets Revital</i>		<u>-</u>
SMALL BUSINESS ASSISTANCE		
Community Development Bank	CDBG	150,000
Microenterprise Technical Assistance	CDBG	200,000
Neighborhood Commercial Management	CDBG	-
<i>Subtotal, Small Business Assistance</i>		<u>350,000</u>
DEBT SERVICE		
Neighborhood Commercial Mgmt, Debt Service	CDBG	-
East 11th and 12th Streets Revital, Debt Service	CDBG	605,774
<i>Subtotal, Debt Service</i>		<u>605,774</u>
ADMINISTRATION		
	CDBG	1,338,568
TOTAL, CDBG Funding		<u><u>6,692,838</u></u>

FY 2012-13 Action Plan Budget - By Funding Source

	Funding Source	FY 2012-13 New Funding
Funding Source: Community Development Block Grant - Revolving Loan Fund		
HOMEOWNER ASSISTANCE		
Homeowner Rehabilitation Loan Program	CDBG-RL	24,000
TOTAL, CDBG-Revolving Loan Funding		24,000
Funding Source: Community Development Block Grant - Program Income		
HOUSING DEVELOPER ASSISTANCE		
Rental Housing Development Assistance	CDBG-PI	121,600
ADMINISTRATION		
CDBG	CDBG-PI	30,400
TOTAL, CDBG-Program Income		152,000

FY 2012-13 Action Plan Budget - By Funding Source

	Funding Source	FY 2012-2013 New Funding
Funding Source: HOME Investment Partnership Grants		
RENTER ASSISTANCE		
Tenant-Based Rental Assistance	HOME	301,889
HOMEBUYER ASSISTANCE		
Down Payment Assistance	HOME	397,543
HOMEOWNER ASSISTANCE		
Homeowner Rehabilitation Loan Program	HOME	811,044
HOUSING DEVELOPER ASSISTANCE		
Rental Housing and Development Assistance	HOME	-
	HOME (CHDO)	182,188
<i>Subtotal, Rental Housing Dev Assist</i>		182,188
Acquisition and Development	HOME	211,406
	HOME (CHDO)	182,189
<i>Subtotal, Acquisition and Deevlopment</i>		393,595
CHDO Operating Expenses Grants	HOME (CO)	100,000
<i>Subtotal, Housing Developer Assistance</i>		<u>675,783</u>
ADMINISTRATION		
	HOME	242,918
TOTAL, HOME Programs		<u><u>2,429,177</u></u>

FY 2012-13 Action Plan Budget - By Funding Source

	Funding Source	FY 2012-13 New Funding
Funding Source: HOME Investment Partnership Grants - Program Income		
HOMEBUYER ASSISTANCE		
Down Payment Assistance	HOME-PI	240,500
HOMEOWNER ASSISTANCE		
Homeowner Rehabilitation Loan Program	HOME-PI	9,500
HOUSING DEVELOPER ASSISTANCE		
Rental Housing and Development Assistance	HOME-PI	40,000
ADMINISTRATION		
	HOME-PI	32,222
TOTAL, HOME Programs		322,222

FY 2012-13 Action Plan Budget - By Funding Source

	Funding Source	New Funding
Funding Source: Emergency Shelter Grant		
HOMELESS/SPECIAL NEEDS ASSISTANCE		
<i>Homeless/Emergency Shelter</i>		
Shelter Operation and Maintenance	ESG	313,922
Front Steps - HESG12 HMIS	ESG	5,272
CDU Rapid Rehousing Services	ESG	65,912
Rapid Rehousing - Housing Relocation and Stabilization Services	ESG	165,835
<i>Subtotal, Homeless/Emergency Shelter</i>		550,941
HOMELESS/SPECIAL NEEDS ASSISTANCE		
Administration	ESG	44,671
TOTAL, ESG Funding		595,612

Funding Source: Housing Opportunities for Persons with AIDS

HOMELESS/SPECIAL NEEDS ASSISTANCE		
Short-Term Rent, Mortgage, and Utility	HOPWA	138,779
Tenant-Based Rental Assistance	HOPWA	543,511
Permanent Housing Placement	HOPWA	54,370
Short Term Supportive Housing	HOPWA	39,785
Transitional Housing Assistance	HOPWA	195,000
Supportive Services	HOPWA	95,767
<i>Subtotal, HOPWA</i>		1,067,212
HOMELESS/SPECIAL NEEDS ASSISTANCE		
Administration	HOPWA	33,007
TOTAL, HOPWA Funding		1,100,219

FY 2012-13 Action Plan Budget - By Funding Source

Funding Source	FY 2012-13 New Funding
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Funding Source: Section 108

DEBT SERVICE

Neighborhood Commercial Management	Section 108	-
East 11th and 12th Streets Revital, Debt Service	Section 108	190,000
Family Business Loan Program, Debt Service	Section 108-PI	95,188

TOTAL, Section 108 Funding	285,188
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Funding Source: Economic Development Initiative (EDI)

COMMERCIAL REVITALIZATION

East 11th and 12th Streets Revitalization		
Acquisition and Development	EDI III	-

TOTAL, EDI Funding	-
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CDBG Administration			
IDIS Project #			
PROJECT DESCRIPTION			
Funds provide administrative costs for programs.			
FUNDING			
Fund Source(s) CDBG, CDBG-PI FY 2012-13 Total Funding \$1,368,968			
PROJECT INFORMATION			
Project Primary Purpose: <input type="checkbox"/> Help the Homeless <input type="checkbox"/> Help Persons with Disabilities <input type="checkbox"/> Help Persons with HIV/AIDS <input type="checkbox"/> Address Public Housing Needs	Matrix Codes 21A General Program Administration 570.206 ▼		
	Priority Need Category Planning/Administration ▼	Eligibility Not Applicable ▼	
Objective Category	Outcome Categories	Subrecipient Local Government	
Not Applicable ▼	Not Applicable ▼	Expected Completion Date 9/30/2013	
		Citation 570.206	
		Location Community Wide	

HOME Administration			
PROJECT DESCRIPTION			
Funds provide administrative costs for programs.			
FUNDING			
Fund Source(s) HOME, HOME-PI FY 2012-13 Total Funding \$275,140			
PROJECT INFORMATION			
Project Primary Purpose: <input type="checkbox"/> Help the Homeless <input type="checkbox"/> Help Persons with HIV/AIDS <input type="checkbox"/> Help Persons with Disabilities <input type="checkbox"/> Address Public Housing Needs	Matrix Codes 21A General Program Administration 570.206 ▼		
	Priority Need Category Planning/Administration ▼	Eligibility Not Applicable ▼	
Objective Category	Outcome Categories	Subrecipient Local Government	
Not Applicable ▼	Not Applicable ▼	Expected Completion Date 9/30/2013	
		Citation 570.206	
		Location Community Wide	

ESG Administration			
IDIS Project #			
PROJECT DESCRIPTION			
Funds provide administrative costs for programs.			
FUNDING			
Fund Source(s) ESG FY 2012-13 Total Funding \$44,671			
PROJECT INFORMATION			
Project Primary Purpose: <input type="checkbox"/> Help the Homeless <input type="checkbox"/> Help Persons with HIV/AIDS <input type="checkbox"/> Help Persons with Disabilities <input type="checkbox"/> Address Public Housing Needs		Matrix Codes 21A General Program Administration 570.206 ▼	
		Priority Need Category Planning/Administration ▼	Eligibility Not Applicable ▼
Objective Category	Outcome Categories	Subrecipient	Local Government
Not Applicable ▼	Not Applicable ▼	Expected Completion Date	9/30/2013
		Citation	570.206
		Location	Community Wide

HOPWA Administration			
IDIS Project #			
PROJECT DESCRIPTION			
Funds provide administrative costs for programs.			
FUNDING			
Fund Source(s) HOPWA FY 2012-13 Total Funding \$33,007			
PROJECT INFORMATION			
Project Primary Purpose: <input type="checkbox"/> Help the Homeless <input type="checkbox"/> Help Persons with HIV/AIDS <input type="checkbox"/> Help Persons with Disabilities <input type="checkbox"/> Address Public Housing Needs		Matrix Codes 21A General Program Administration 570.206 ▼	
		Priority Need Category Planning/Administration ▼	Eligibility Not Applicable ▼
Objective Category	Outcome Categories	Subrecipient	Local Government
Not Applicable ▼	Not Applicable ▼	Expected Completion Date	9/30/2013
		Citation	570.206
		Location	Community Wide

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NOTICE OF REPROGRAMMING OF FUNDS

NHCD proposes to reprogram the following CDBG and Section 108 funds through the FY12-13 Action Plan process according to the guidelines established in the City of Austin Citizen Participation Plan.

CDBG

Amount	From	To
\$74,631	Administration	Housing
\$1,619,892	Community Development	Housing
\$744,229	Debt Service	Housing

Section 108

Amount	From	To
\$594,846	Community Development	Debt Service

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LEVERAGING

The U.S. Department of Housing and Urban Development (HUD) requires that Participating Jurisdictions (PJs) estimate the amount of funds leveraged by City federal and non-federal funds. Federal requirements define leveraging as other public and private resources that address needs identified in the Consolidated Plan. Exhibit 2.1 shows the estimated funds to be leveraged by the City's funds for FY 2012-13.

For the Acquisition and Development (A&D) program, and the Down Payment Assistance (DPA) Program, leveraging is the total amount of the mortgage loan minus the amount of City assistance. For the Rental Housing Development Assistance (RHDA), leveraging is the total project funding minus the amount of City assistance.

Exhibit 2.1: Leveraging

Program	Estimated Units	Estimated Leveraging
A&D/ RHDA	17	\$769,600
DPA	15	\$1,800,000
Total Housing Federal Programs		\$2,569,600

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HOME INVESTMENT PARTNERSHIP PROGRAM MATCHING FUNDS

The U.S. Department of Housing and Urban Development (HUD) requires that the Participating Jurisdictions (PJs) that receive HOME funds match .25 cents of every dollar. The matching requirement mobilizes community resources in support of affordable housing. Exhibit 2.2 calculates the total required contribution of matching funds from the City of Austin for FY 2012-13 funding.

Exhibit 2.2: HOME Match

Calculation	FY 2012-13
Grant Allocation	\$2,429,177
Administration	\$242,918
Amount Incurring Repayment	\$0
Total Match Obligation	\$2,672,095
25% Matching Requirement Percentage	
Match Requirement	\$668,023
Sources	
Non-Federal Matching Funds	\$501,017
Bond Proceeds (25% Max.)	\$167,006
Total Sources of Match	\$668,023

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Housing Tax Credits

The Texas Department of Housing and Community Affairs (TDHCA) administers the Housing Tax Credit (HTC) Program for the State of Texas. The HTC Program provides a valuable affordable housing resource to the Austin community. The HTC Program receives authority from the U.S. Department of Treasury to provide tax credits to investors that ultimately assist housing developers with the equity that will result in affordable housing. The program's purpose is to:

- Encourage the development and preservation of rental housing for low-income families,
- Provide for the participation of for-profit and non-profit organizations in the program,
- Maximize the number of units added to the state's housing supply, and
- Prevent losses in the state's supply of affordable housing.

HTC is allocated annually in 13 state service regions and each service region is further distributed into rural and urban categories. The City of Austin resides in Region 7. Projects that apply for tax credits in Austin compete against other applications in the urban area of Region 7. Region 7 includes: Llano, Burnet, Blanco, Travis, Williamson, Hays, Caldwell, Bastrop, Lee, and Fayette counties. For more about TDHCA's Housing Tax Credit process, visit www.tdhca.state.tx.us.

Multi-Family Bond Program

The Austin Housing Finance Corporation (AHFC) administers the Multi-family Bond Program that provides below-market interest rate financing for the acquisition and rehabilitation or the new construction of apartment communities. Funding is provided through the sale and issuance of tax-exempt multifamily conduit bonds, which provide the equity investment for a potential affordable housing development. Federal law requires in part that for the bonds to retain tax-exempt status, at least 20 percent of the units financed must be leased to households earning at or below 50 percent of MFI; or 40 percent of the units must be leased to households earning incomes at or below 60 percent of MFI.

Private developers have two options when applying for bonds through AHFC. The first option is to apply for Private Activity Bonds, which are combined with four percent Housing Tax Credits issued by the Texas Department of Housing and Community Affairs. The Texas Bond Review Board determines the schedule by which these Private Activity Bonds are allocated. The second option is to apply for bonds without the need for private activity bond authority or the use of Housing Tax Credits. Those bonds are 501(c)3 bonds and are also awarded throughout the year. AHFC manages the application process to secure these funds.

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EMERGENCY SOLUTIONS GRANT FY 2011-2013 ALLOCATION – SUBSTANTIAL AMENDMENT

The Emergency Solutions Grant (ESG) Program requires each local government grantee to match dollar-for-dollar the ESG funding provided by the U.S. Department of Housing and Urban Development (HUD). These matching funds must come from other public or private sources.

For the second allocation of the FY 2011-13 allocation, the City of Austin's ESG Grant Allocation is \$185,896; thus another \$185,896 is needed from the City and the sub-recipients/contractors for matching funds.

Any of the following may be included in calculating the matching funds requirement: 1) cash; 2) the value or fair rental value of any donated material or building; 3) the value of any lease on a building; 4) any salary paid to staff to carry out the program of the recipient; and 5) the value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of five dollars per hour.

Exhibit 2.3: ESG Match FY 2011-13 Allocation

IDIS Activity	Con Plan Priority	Funding Source	Estimated Carry Forward	FY 2011-12 Projected Funding	Match	Proposed Accomplishments
Downtown Community Court Rapid Rehousing Program	High	ESG	NEW	\$132,218	\$132,218	72 people
Downtown Community Court Homeless Management Information System	High	ESG	NEW	\$3,000	\$3,400	N/A
ARCH Homeless Management Information System	High	ESG	NEW	\$28,472	\$28,472	N/A
Grant Administration Costs	N/A	ESG	0	\$22,206	\$22,206	N/A
Total Match				\$185,896	\$186,296	72 people

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EMERGENCY SOLUTIONS GRANT FY 2012-14 ALLOCATION

For the ESG FY 2012-14 allocation in FY 2012-2013, the City of Austin's ESG Grant Allocation is projected to be \$595,612; thus another \$595,612 is needed from the City and the sub-recipients/contractors for matching funds.

Exhibit 2.4: ESG Match FY 2012-14

IDIS Activity	Con Plan Priority	Funding Source	Estimated Carry Forward	FY 2011-12 Projected Funding	Match	Proposed Accomplishments
ARCH Shelter Operation and Maintenance	High	ESG	0	\$313,922	\$313,922	8,500 people
Communicable Disease Unit Rapid Rehousing Program	High	ESG	0	\$65,156	\$65,156	40 people
ARCH Homeless Management Information System	High	ESG	0	\$6,028	\$6,028	N/A
Agency TBD Rapid Rehousing Housing Relocation and Stabilization Program	High	ESG	0	\$165,835	\$165,835	100 people
Grant Administration Costs	N/A	ESG	0	\$44,671	\$44,671	N/A
Total Match				\$595,612	\$595,612	8,640 people

For FY 2012-13 (ESG FY 2011-13 second allocation and FY 2012-14 allocation) HHSD, local providers of homeless services and the Ending Community Homelessness (ECHO) Coalition are working to coordinate funding from several sources to make the most efficient and effective use of all the funds across the entire continuum of homeless services. HHSD plans to allocate ESG funds to shelter operations and maintenance, Rapid Rehousing Housing Relocation and Stabilization services and direct financial assistance, Homeless Management Information System improvement, and ESG grant administration. Each contract/award agreement includes the requirement that subcontractors/awardees will provide a one-to-one match of the ESG funds. The City will match administrative costs using an in-kind match of salaries of City personnel who administer the grant.

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Housing Choice Voucher Program

In the City of Austin, two public housing authorities administer the Housing Choice Voucher Programs (previously Section 8): the Housing Authority of the City of Austin (HACA) and the Housing Authority of Travis County (HATC). The Housing Choice Voucher Program is designed to increase the housing choices available to very low-income households by making privately-owned rental housing affordable. The tenant usually pays no more than 30 percent of their monthly adjusted income for rent. The Housing Choice Program provides a subsidy between what the tenant can pay and the HUD-approved fair market rent or the payment standard established by the local public housing authority. HACA provides more than 5,000 Housing Choice Vouchers city-wide, provides housing assistance to over 18,000 Austinites, and maintains 19 public housing communities. HATC has 564 Housing Choice Vouchers, with approximately 800 individuals and families on a waiting list to receive a voucher.

McKinney-Vento Homeless Assistance Programs

The U.S. Department of Housing and Urban Development (HUD) adopted the Continuum of Care (CoC) process in 1994 to accommodate a complete system of care philosophy to address homelessness based on identified needs, the availability and accessibility of existing housing and services, and opportunities to integrate non-homeless mainstream housing and service resources. With the adoption of the CoC process, HUD bundled three homelessness programs (Supportive Housing Program, Single Room Occupancy and Shelter Plus Care Program) into one funding stream. Unlike other HUD funding allocated to the City of Austin, funding from HUD's Notice of Funding Availability (NOFA) for Continuum of Care Homeless Assistance Program is allocated directly to local homeless services agencies that participate in the CoC application.

The Ending Community Homelessness Coalition (ECHO) serves as the lead planning entity on homeless issues in Austin/Travis County. As part of this responsibility, ECHO coordinates Austin's CoC application to HUD. ECHO's CoC Workgroup leads the planning and writing activities for the annual CoC application, while ECHO's Data Workgroup oversees data collection and analysis to support the application. Upon notice of any new CoC funding, ECHO publishes a Request for Proposal (RFP) consistent with HUD and community priorities. Agencies wishing to apply for the new CoC funding submit local applications to ECHO. ECHO's Independent Review Team ranks the local applications based on criteria outlined in the RFP and then shares this information with the ECHO Membership Council and Board of Directors. The chosen project(s) is then included with the CoC application that is submitted to HUD.

The application must include a certification that all proposed projects are consistent with the City's Consolidated Plan. The terms of CoC funding vary; new projects are typically funded for two or three years, but last year, the new project was funded for just one year, requiring renewal almost immediately. Typically, renewal projects are renewed on an annual basis. ECHO's goal is to ensure that Austin submits a competitive national application while also leading a credible local process that meets community needs. The committee meets these goals by conducting the following activities: a) identifying methods for communicating to interested parties how to become involved; b) determining

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what types of project categories will be prioritized; c) developing the local application process, including evaluation criteria and submission requirements; d) site visits and e) identifying which entities will be represented on the Independent Review Team.

In 2011 HUD awarded \$4,712,773 to 19 local programs from the 2011 competition. In 2012, the base renewal amount is \$5,178,895 and may increase if HUD identifies new funding. Since 2001, Austin has received \$44,666,522 in CoC funding, with annual allocations reflected in Exhibit 2.5.

Exhibit 2.5: Continuum of Care (CoC) Application Awards

City of Austin's Continuum of Care (CoC) Application Awards	Year	CoC Application Amount Awarded *
	2001	\$4,042,683
	2002	\$2,663,713
	2003	\$4,264,953
	2004	\$4,312,914
	2005	\$3,876,245
	2006	\$3,406,067
	2007	\$3,741,917
	2008	\$5,085,813
	2009	\$4,205,301
	2010	\$4,354,143
	2011	\$4,712,773
	*This column reflects only what was applied for that year, and does not include multi-year contracts from previous years that were not up for renewal.	

For the 2009-2011 CoC competitions, ECHO kept the community priorities consistent in order to increase the housing-to-services ratio and maximize potential available funding for permanent supportive housing. ECHO adopted the following funding priorities for the 2011 Continuum of Care process:

- **Priority One:** Permanent Supportive Housing that has a strong emphasis on housing (2010 80 percent housing and 20 percent services ratio with more points for higher ratios) for persons who qualify as chronically homeless and/or are veterans.
- **Priority Two:** Permanent Supportive Housing with a strong emphasis towards creating housing units as recommended by the 2010 CSH financial modeling report. The report is available here:
www.caction.org/homeless/documents/AustinModelPresentation.pdf
- **Priority Three:** Homeless Management Information System (HMIS) Expansion: Because a strong HMIS system is critical to support the overall Continuum of Care, Final Pro-Rata Need funding can be used to support expansion and improvement of the HMIS system.

Consistent with HUD priorities, a local emphasis was placed on: expending all resources available; acquisition, construction, or renovation; and leveraging resources.

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Exhibit 2.6: FY 2012-13 CoC Funding from 2011 CoC Application

Term	Name of the applicant	Name of the project/purpose	# of Units	Amount Awarded
1 Year	Caritas of Austin in collaboration with Foundation Communities & Front Steps	PSH Program: Focus on ARCH/Front Steps clients. Caritas provides case management, housing at Arbor Terrace or other Foundation Community site.	40	\$414,451
1 Year	ATCIC	HMIS - Project Manager & Bowman support	0	\$78,533
1 Year	ATCIC	HMIS - Trainer	0	\$40,000
1 Year	ATCIC	HMIS - Contract Research Analyst	0	\$28,893
1 Year	Caritas of Austin	My Home: PSH primarily for people who have a disabling condition.	32	\$303,712
1 Year	Caritas of Austin	PSH project funded for leasing units at Foundation Communities' Spring Terrace.	20	\$196,492
1 Year	Front Steps	PSH Program for leasing units at Foundation Communities' Garden Terrace; for persons who are chronically homeless.	10	\$94,668
1 Year	Front Steps	Home Front: 100 percent focus on chronically homeless - housing first, scattered site approach.	6	\$60,174
1 Year	Front Steps	Samaritan: 100 percent focus on chronically homeless - housing first, scattered site approach.	20	\$198,885
1 Year	Community Partnership for the Homeless: DBA: Green Doors	PSH at Glen Oaks Corner for homeless single head-of-household parents, with a disability, and their children	6	\$65,985
1 Year	Caritas of Austin	My Home II	21	\$198,885
1 Year	Travis County Domestic Violence & Sexual Assault Survival Center DBA: SafePlace	SafePlace Supportive Housing Program; transitional housing for families who are survivors of domestic violence.	40	\$613,002
1 Year	Youth and Family Alliance: DBA: LifeWorks	Supportive Housing; transitional housing for homeless youth.	15	\$212,969
1 Year	The Salvation Army	Passages Program; a six-agency collaboration providing comprehensive, long term case management for all homeless populations; CoC pays for case management, HOME TBRA pays for housing.	0	\$538,081
1 Year	ATCIC	Safe Haven; transitional housing and support services for people with severe mental illness who are homeless	16	\$348,007
1 Year	HACA, ATCIC (renewal)	Shelter + care; permanent supportive housing for homeless persons with mental illness	18	\$179,112
1 Year	HACA and ATCIC (renewal)	Shelter Plus Care-Renewal; permanent housing program for homeless persons with mental illness	54	\$547,392
1 Year	HACA and ATCIC (renewal)	Shelter Plus Care-Renewal; permanent housing program for homeless persons with mental illness	20	\$198,096
1 Year	Housing Authority of the City of Austin, ATCIC, AIDS Services of Austin (renewal)	Shelter Plus Care-Renewal; permanent supportive housing for homeless persons with mental illness and/or HIV/AIDS	35	\$361,116
Total			353	\$4,678,453

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Exhibit 2.7 represents multi-year projects that have received Continuum of Care (CoC) funding and will remain active in FY 2011-12.

Exhibit 2.7: CoC Funding remaining active in FY 2011-12

Type of Project	Length of Contract Term	Year Contract Awarded	Name of Organization	Project Description	Project Amount Awarded
Rapid Re-Housing	3 years	2008	The Salvation Army	Rapid Rehousing: Assist families experiencing homelessness with dependent children to transition to permanent housing. Targets families experiencing homelessness residing in local shelters. Leases apartments at Foundation Communities sites	\$795,540
New SHP w/ 85% Housing	5 years	2008	HACA/ Foundation Communities	Shelter + care; 10 units of permanent supportive housing leased at Foundation Communities' Trails at the Park & Vintage Creek; for families who have an adult with a disability	\$508,080
Section 8 Moderate Rehabilitation	10 years	2002	HACA/ Foundation Communities	Permanent Housing at Garden Terrace 50 units of Single Room Occupancy facility for persons experiencing homelessness.	\$2,976,000
Samaritan Bonus Permanent Supportive Housing	2 years	2010	Front Steps, Inc.	Home Front Samaritan: Permanent Supportive Housing Program: 100 percent Focus on Persons experiencing Chronic Homelessness. Housing First, scattered site approach.	Two awards: \$397,770 and \$120,349 Total: \$518,119
New SHP for HMIS Expansion	2 years	2010	Austin Travis County Integral Care HMIS Expansion	Expand HMIS (Homeless Management Information System); consolidated client database required by HUD for all HUD-funded programs	\$80,001