Chapter 4
Local Objectives
The City of Austin will continue local policy and program initiatives in FY 2012-13 that will support its mission to provide housing, community development, and small business development services to benefit eligible residents so they have access to livable neighborhoods and increase their opportunities for self-sufficiency. The following are key policy strategies that the City utilizes to meet its mission during the Consolidated Plan period. These include:

1. Promote affordable housing core values: Long-term Affordability, Geographic Dispersion, Deeper Levels of Affordability,
2. Encourage private sector development of affordable housing and commercial revitalization,
3. Expand alternate revenue sources,
4. Provide leadership and education for affordable housing and community development,
5. Promote sustainable practices.
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The following highlights how Austin will apply each policy initiative.

1) PROMOTE AFFORDABLE HOUSING CORE VALUES: LONG-TERM AFFORDABILITY, GEOGRAPHIC DISPERSION, DEEPER LEVELS OF AFFORDABILITY

a) Long-term Affordability

Shared Equity Tools
The City of Austin, through the Neighborhood Housing and Community Development (NHCD) Office and Austin Housing Finance Corporation (AHFC), uses a shared equity ownership model to preserve affordable housing. NHCD and AHFC programs that apply the shared equity model include: the Home Rehabilitation Loan Program and the Acquisition and Development (A&D) program. The Shared Equity model allows income-eligible homebuyers and homeowners to obtain substantial mortgage assistance or housing reconstruction services in exchange for two provisions that preserve housing affordability in Austin:

1. A “Right of First Refusal” allows NHCD or AHFC the first option to buy the home at resale for its appraised value.
2. Homeowners are required to share the proportional amount of appreciation realized at resale with NHCD or AHFC and to repay the down payment assistance funds originally received at purchase.

The recaptured funds will allow NHCD or AHFC to assist another low- to moderate-income buyer to purchase the home.

Community Land Trust
A Community Land Trust (CLT) is a tool to preserve public investment in affordability and preserve affordable units in perpetuity. The CLT will retain ownership of the land, while the homeowner owns the improvements. The CLT limits the sales price of the home and requires that subsequent buyers be income-eligible. CLT homeowners will receive a share of the appreciation when the affordable unit is re-sold. This model provides future opportunities for low- to moderate-income households to buy the home at an affordable price. The City recognizes that homeownership is an important avenue of wealth creation for many low-income households. Without this type of mechanism in areas in which housing prices are increasing rapidly, the subsidy given to low-income households is lost to future residents when the house is sold. In addition, a CLT would allow the City to reach deeper levels of affordability for lower-income homeowners.

Texas Local Government Code, Chapter 373B Community Land Trusts, went into effect on January 1, 2012. This legislation authorizes local governments to designate by ordinance, non-profit organizations as Community Land Trusts. The organization must be a 501(c)(3) non-profit, created to acquire and hold land for the benefit of developing and preserving long-term affordable housing within the municipality. The purpose of this legislation and the designation is to allow the designated non-profit to apply for exemption from taxation by a taxing unit on specific community land trust properties.
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In response to the new legislation, the Austin City Council passed Resolution No. 20120202-15, directing staff to work with the Community Development Commission (CDC) and the Community Housing Development Organizations (CHDO) and other eligible non-profit organizations to implement a process for evaluation and consideration for designation as a CLT.

NHCD staff is working with the City’s Law Department on developing criteria for CLT designation and the associated ordinances necessary to implement a process for evaluation and consideration for designation. NHCD will also consider strategic partnerships with local organizations that successfully implement the CLT model in Austin, include the Colony Park Sustainable Communities Initiative.

Publicly-Owned Land/ Public Property Tax Exemption
The Austin Housing Finance Corporation (AHFC), as a tax-exempt public entity, receives a 100 percent tax exemption on all land it owns. AHFC occasionally chooses to partner with an affordable housing developer through purchase of the land and a long-term leasehold deed of trust held by AHFC. The benefit of AHFC’s property tax exemption helps sustain the project’s viability and affordability. This structure is typically used when the affordable housing development meets several key criteria, among them: location on/near a transit-oriented development or core transit corridor, near critical services and amenities, in a high-opportunity area, and serving very low-income residents. Exhibit 4.1 provides a list of the properties AHFC owns and leases back to the development’s operating entity.

Exhibit 4.1: AHFC Long-Term Lease Projects

<table>
<thead>
<tr>
<th>Name</th>
<th>Operated by</th>
<th>Location</th>
<th>Population Served</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villas on Sixth*</td>
<td>Campbell-Hogue &amp; Associates</td>
<td>2011 East 6th St.</td>
<td>50 % MFI and below, but also includes 24 market-rate units</td>
<td>160</td>
</tr>
<tr>
<td>Oak Springs Villas</td>
<td>Volunteers of America</td>
<td>2901 Oak Springs</td>
<td>Seniors at or below 50 % MFI</td>
<td>56</td>
</tr>
<tr>
<td>Spring Terrace</td>
<td>Foundation Communities</td>
<td>7101 N. IH-35</td>
<td>50 % MFI and below</td>
<td>140</td>
</tr>
<tr>
<td>Primrose at Shadow Creek*</td>
<td>Cascade Affordable Housing</td>
<td>1036 Clayton Lane</td>
<td>Seniors at or below 60 % MFI</td>
<td>176</td>
</tr>
<tr>
<td>Glen Oaks Corner</td>
<td>Green Doors</td>
<td>900 Neal St. (former City Surplus)</td>
<td>50 % MFI and below</td>
<td>6</td>
</tr>
<tr>
<td>Franklin Gardens</td>
<td>Chestnut Neighborhood Revitalization Corporation</td>
<td>MLK and E. M. Franklin Blvd. (former City Surplus)</td>
<td>Seniors at or below 50 % MFI</td>
<td>22</td>
</tr>
<tr>
<td>Retreat at North Bluff</td>
<td>Village on Little Texas, LLC</td>
<td>2912 Crow Ln.</td>
<td>Mixed income development with 6 PSH units, and 50 units for 30 % and 50 % MFI</td>
<td>240</td>
</tr>
</tbody>
</table>

*Owned in part by an AHFC-affiliated entity either through a Limited Partnership or Limited Liability Company.
Preservation of Affordable Housing

NHCD issued a report, Affordable Housing in Austin, A Platform for Action in April 2008 to proactively address the loss of existing affordable housing stock in the community. Other City of Austin studies that have addressed the importance of preserving Austin’s affordable housing stock includes the Comprehensive Housing Market Study (March 2009) and the ROMA/HR&A Downtown Affordable Housing Strategy (July 2009). In addition, community feedback provided throughout the FY 2009-14 Consolidated Plan stakeholder meetings identified preservation as a priority for Austin’s affordable housing efforts.

The Preservation Report highlights the following key facts and recommendations regarding preservation of affordable housing in Austin:

- **Subsidized units are at risk.**
  Austin has almost 1,350 of Project-Based Section 8 Units. In addition, developments financed with federal housing tax credits and elderly/disabled grants will begin to expire in a decade. Developments financed with federal housing tax credits reach the end of their affordability requirements after 15 years. Therefore, affordability in tax credit developments completed after 1994 will begin to expire, and owners will no longer be required to offer affordable units. The number of units financed with tax credits in Austin is currently more than 8,000.

  **Recommendation:** Develop and share data and strengthen intergovernmental coordination to increase opportunities for preservation in high opportunity areas.

- **Most of Austin’s affordable housing is privately-owned and not subsidized.**
  Austin has more than 156,000 multi-family housing units; 79 percent (123,678) are in small complexes with 2 to 49 units.

  **Recommendation:** Maximize use of partnerships by promoting existing programs and services to affordable housing targeted for preservation.

- **Most of multi-family stock is old but occupied.**
  More than 55 percent of duplexes and 79 percent of small and medium-sized apartment buildings were built before 1980. Of these, 22 percent of apartments are more than 20 years old and have high-occupancy rates.

  **Recommendation:** Explore education and outreach initiatives to help ensure low-income residents have reasonable avenues through education to remain in affordable housing.

- **Redevelopment is underway.**
  There was a 30 percent increase in the number of multi-family units built from 1995 through 2007. More than 2,000 rental units were converted to condominiums in 2007 and 2008.

  **Recommendation:** Pursue new strategies to bring forward alternative resources and incentives, expanding efforts to increase long-term, permanent affordability.
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Collecting data on housing inventory posed a significant challenge. Data regarding the condition of Austin’s housing units is largely unavailable. In addition, reliable data sources have conflicting unit counts for subsidized properties.

Recommendation: Create a preservation funding pool, making available crucial revenue streams to developers in need of new resources.

NHCD would like to highlight the following preservation development that was approved in the last fiscal year:

Pecan Springs Commons

The non-profit organization, Green Doors, with assistance from Austin Housing Finance Corporation (AHFC), a private lender, and the Texas Veteran’s Commission, has been able to preserve 82 affordable units on Sweeney Circle in northeast Austin. This particular development, known as Pecan Springs Commons, has not only preserved affordable rental units but has had a transformative effect on the entire neighborhood. Before Pecan Springs Commons was initiated, the four-plexes and a small apartment complex on Sweeney Circle were owned by absentee landlords. Deferred maintenance left most of the units in sub-standard condition, and the street was infamously known for being a high-crime area.

Since that time, and in three phases, Green Doors has been able to acquire and rehabilitate the 82 units on Sweeney Circle that currently house or will house formerly homeless persons, including homeless veterans, and very low-income working individuals and families. Green Doors is also able to provide supportive services to those needing such assistance. The transformative effect on the street and the surrounding neighborhood has resulted in a significant reduction in crime. Pecan Springs Commons offers its residents a safe, affordable, and supportive environment in which they have an opportunity to improve the quality of their lives, along with attractive residential units created through the rehabilitation of the properties.

NHCD nominated Pecan Springs for National Association of Local Housing Finance Agencies’ (NALHFA) 2012 Annual Conference Awards. The development received an award for Multi-Family and Redevelopment Excellence on April 26, 2012.

b) Geographic Dispersion

The City supports providing affordable housing in areas outside of low-income neighborhoods; thereby reducing racial and ethnic segregation, deconcentrating poverty, and providing for more economic opportunities for low-income households. NHCD currently provides funding preference through a scoring matrix system to projects that assist in the dispersion of affordable housing stock throughout the community, to focus on areas in Austin where there is a shortage of affordable housing. As a result of this focus, NHCD has achieved greater geographic dispersion in the units it has funded in recent years. The City of Austin has achieved significant geographic dispersion in the units funded through the City’s General Obligation (G.O.) Bond funding. At the time of this report, 2,431 total units
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have been created. This total also includes home rehabilitation. The G.O. Bond funding has leveraged $177 million in private/public investment and created more than 1,500 jobs.

The Austin City Council passed a resolution on December 15, 2011, directing the City Manager to work with the Community Development Commission (CDC) and other stakeholders to research strategies of achieving geographic dispersion of affordable housing. The City Manager was charged with identifying additional strategies and practices for geographic dispersion of affordable housing, and the feasibility of implementing those strategies for the City of Austin. In response to this resolution, NHCD has conducted research of municipal affordable housing siting policies, formed and participated in an Affordable Housing Siting Policy Working Group. The Working Group has assessed feasibility and developed an Affordable Housing Siting Policy Interim Update based upon feedback gathered at the Affordable Housing Across Austin conversation. To view the Affordable Housing Siting Policy Interim Update, view Appendix VIII.

c) Deeper Levels of Affordability

The Comprehensive Housing Market Study (March 2009) showed a gap of 37,600 units of affordable housing for households making less than $20,000 a year. To assist in closing that gap the City will continue to prioritize resources to affordable housing projects that serve very-low income households.

Permanent Supportive Housing

On March 25, 2010, the City Council passed Resolution No. 20100325-053, directing the City Manager to give priority to federal and local funding for permanent supportive housing (PSH), and to develop a comprehensive strategy for the construction and operation of 350 permanent supportive housing units over the next four years. On September 30, 2010, the City’s PSH strategy was presented to City Council. Implementation is underway to achieve the 350-unit goal.

PSH that meets the goals of the City of Austin’s PSH Strategy will serve individuals or families in the following categories:

- Headed by individuals that are chronically homeless as established in the final rule of the HEARTH Act\(^1\) published in December 2011;
- Households that would otherwise meet the HUD definition as above, but have been in an institution for over 90 days, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility;
- Unaccompanied youth or families with children that demonstrate housing instability and have other barriers that will likely lead to continued instability, as detailed in the plan; and

\(^1\) U.S. Department of Housing and Urban Development, URL: /http://www.hudhre.info/hearth/
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- Youth aging-out of state systems, whether homeless or at-risk of homelessness.

Among those served, priority will be given to at least 225 households identified as frequent users of public systems, and at least 75 households identified using a method linked to ‘vulnerability,’ as described in the plan that can be viewed online at www.austintexas.gov/housing.

In FY 2011-12, the City Council approved $7.2 million in General Obligation (G.O.) Bond funding for the creation and retention of affordable rental housing, of which $1.475 million was recommended to fund permanent supportive housing. Of those proposed, the following applicants have identified serving PSH sub-populations in the City’s Strategy.

- Green Doors, Pecan Springs Commons, Phase II, 11 PSH Units,
- Green Doors, Pecan Springs Commons, Phase III, 12 PSH units, and
- Lifeworks, The Works at Pleasant Valley, 10 PSH units.

Exhibit 4.2 represents the estimated number of PSH units towards that 350-unit goal (as of May 2012) with capital, operating and service components funded through the City of Austin and a variety of other funding sources. This exhibit also reflects units not funded by the City of Austin. NHCD and HHSD staff continue to coordinate efforts to educate the community on the number of PSH units coming online in Austin due to the importance of responding to this community housing need. Thus, as community partnerships are formed, the City staff will continue to incorporate this information – while being diligent to identify corresponding agencies and funding sources.

The City of Austin will continue its strategic effort to serve individuals or families in the targeted populations listed above. The City is working with service providers to track the anticipated subpopulations served by each of the projects and will provide updated information to the public on the City’s PSH web site and by request. Please visit the web site at www.austintexas.gov/department/permanent-supportive-housing-initiative.

NHCD will continue to prioritize the creation of permanent supportive housing units through scoring criteria in the Rental Housing Development Assistance (RHDA) Program in FY 2012-13. To ensure that recipients of funding for projects with proposed PSH components comply with the City’s PSH standards, NHCD will require development and completion of the following items through written agreements with developers receiving RHDA funding for PSH: Tenants’ rights policy; reasonable criminal background policy; Qualified referral source(s) for tenants utilizing frequent user or vulnerability index as well as other procedures designed by the City in an effort to promote and increase affordable housing throughout the Austin community.

In addition, NHCD and HHSD will continue to collaborate on a number of ancillary activities to support the implementation of the PSH strategy, including support for the Leadership Committee on Permanent Supportive Housing Finance, training and technical assistance.
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for PSH providers, an evaluation component, and community outreach, engagement and education.

Exhibit 4.2: Initial Funding Committed

<table>
<thead>
<tr>
<th>Sponsor Name</th>
<th>Project Name</th>
<th>Total PSH Units</th>
<th>Project Status</th>
<th>Approval Year</th>
<th>Anticipated Completion Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front Steps/ Travis County Housing Authority</td>
<td></td>
<td>18</td>
<td>HHSD contract</td>
<td>2012</td>
<td>2012</td>
</tr>
<tr>
<td>Travis County/ Travis County Housing Authority</td>
<td></td>
<td>23</td>
<td>County awarded grant from Bureau of Justice Assistance</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Lifeworks</td>
<td>The Works at Pleasant Valley</td>
<td>10</td>
<td>Initial funding committed</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Caritas</td>
<td>2012 Continuum of Care (CoC) Bonus (leased units)</td>
<td>25</td>
<td>Initial funding committed</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Green Doors</td>
<td>Pecan Springs Commons, Phase II</td>
<td>11</td>
<td>Initial funding committed</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Green Doors</td>
<td>Pecan Springs Commons, Phase III</td>
<td>12</td>
<td>Initial funding committed</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Caritas</td>
<td>2011 Continuum of Care (CoC) Bonus (leased units)</td>
<td>20</td>
<td>Leasing Up</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Summit Housing Partners</td>
<td>Marshall Apartments</td>
<td>20</td>
<td>Rehab Underway</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Foundation Communities</td>
<td>Arbor Terrace</td>
<td>25</td>
<td>Renovations Underway</td>
<td>2010</td>
<td>2012</td>
</tr>
<tr>
<td>Front Steps</td>
<td>2010 Continuum of Care (CoC) Bonus (leased units)</td>
<td>26</td>
<td>Occupied</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Green Doors, Inc.</td>
<td>Pecan Springs Commons</td>
<td>17</td>
<td>Occupied</td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Village on Little Texas, LLC</td>
<td>Retreat at North Bluff</td>
<td>6</td>
<td>Initial funding committed</td>
<td>2009</td>
<td>2011</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>238</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Leadership Committee on Supportive Housing Finance
On March 10, 2011, the City Council adopted the City of Austin Permanent Supportive Housing Strategy as a working document and authorized the City Manager to facilitate the Leadership Committee on Supportive Housing Finance with the intent to “work together to review and analyze the report given to Council; and recommend a comprehensive public and private financing strategy for the City Council to consider for action; and provide Council with quarterly updates on their progress beginning in May 2011 (Resolution 20110310-025). The first meeting of the Leadership Committee was held on May 5, 2011, followed by regular meetings through 2011 and 2012. The Committee produced a report with funding recommendations and briefed the City Council on May 24, 2012. The report
identifies financing strategies and recommendations for the capital, rental subsidies and social services needed to create and sustain 350 PSH units.

Community Engagement Plan
In January 2011, City Council requested that the City Manager offer an overview of the “best practices from other cities on engaging communities and building support for permanent supportive housing projects.” The resulting presentation, offered to the Comprehensive Planning and Transportation Subcommittee on March 7, 2011, outlined strategies for a Community Engagement Plan to inform and involve stakeholders.

In order to expand on the March presentation, build on the best practices identified in it, and offer detailed action steps and timelines to ensure that the goal of establishing 350 units of PSH by 2014 is realized with strong community support, a team from HHSD, NHCD, CPIO and the Ending Community Homelessness Coalition (ECHO) is now meeting regularly to design and implement a community education campaign to engage and dialogue with the community about supportive housing.

The PSH Community Engagement Plan is a comprehensive strategy developed by City of Austin staff in collaboration with ECHO. The plan lays out the steps that the City and its partners will take to achieve the following goals and objectives:

- educate stakeholders about PSH and increase understanding of its objectives and operations;
- empower key groups to tell the story of PSH;
- increase opportunities for stakeholders to participate in ongoing efforts to achieve the City’s PSH targets and end homelessness; and
- build long-term goodwill and support for PSH in Austin.

The City of Austin, its city-wide and local partners, will achieve these goals and objectives with the following strategies:

- **Key messages**: create, distribute and use key messages so that each messenger can explain PSH to diverse audiences;
- **Educational materials**: create and distribute materials that describe PSH’s important role in ending homelessness in Austin, including a media kit;
- **Proactive Community Outreach**: cultivate and utilize new and existing relationships to build awareness and strengthen support for Austin’s PSH plan, through briefing meetings, discussions with key community leaders, meetings with city and neighborhood groups, and well-defined opportunities for continuing participation in the evaluation and refinement of Austin’s PSH strategy.

Exhibit 4.3 illustrates the image used for the “Roof Over Austin” campaign creating awareness on PSH.
Good Neighbor Guidelines
In FY 2010-11, the Austin City Council passed Resolution No. 20110113-040, which found that a broad community dialogue that includes stakeholders from neighborhoods all across Austin is needed to establish successful approaches for integrating low-income housing throughout the city and directed the City Manager to research and report on best practices from other cities on engaging communities and building support for permanent supportive housing projects. In response to this resolution, the City conducted six listening sessions and one public workshop engaging approximately 150 participants in discussions related to notification and community engagement of proposed affordable housing developments with the surrounding neighborhood. Participants in the discussions included neighborhood leaders, current tenants of permanent supportive housing, affordable housing developers, service providers, and members of the business and faith communities.

Participants offered common themes for their desired outcomes in the above conversations, including:

- Transparency of information about the proposed development (whether provided via the developer or the City);
- Consistency with existing neighborhood plans and other city-approved planning documents;
- Effective and predictable communication methods; and
- Respect and good faith participation from all parties.
In response to this feedback, NHCD created a set of Good Neighbor Guidelines to clarify and standardize a process for notification and community engagement on all projects funded through the City’s Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants for these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is needed whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership. The guidelines were finalized in the spring of 2012.
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2) ENCOURAGE PRIVATE SECTOR DEVELOPMENT OF AFFORDABLE HOUSING

a) Developer Incentives
The City of Austin has created several key developer incentive programs to encourage the development of affordable housing and target affordable housing to create denser developments located close to transit and other amenities. There are several programs in place that offer various incentives or entitlements in exchange for community benefits, including affordable housing. They include:

1. S.M.A.R.T. Housing™
The City Council adopted the S.M.A.R.T. Housing™ Ordinance in April 2000 to encourage the development of reasonably priced, mixed-income housing units that meet accessibility standards. The S.M.A.R.T. Housing™ Ordinance ensures that new homes are Safe, Mixed-Income, Accessible, Reasonably Priced, and Transit-Oriented and meet the City’s Green Building minimum-energy efficiency rating.

The policy stipulates that all S.M.A.R.T. Housing™ certified single-family ownership units meet visitability standards reflected in the City’s Visitability Ordinance. All multi-family developments must comply with federal, state and local accessibility standards, and at least 10 percent of the multi-family housing units must be accessible. Developments that meet these and other prerequisites are given expedited review under the City’s development process and reductions/exemptions for certain development and construction fees. S.M.A.R.T. Housing™ provides a vehicle to achieve neighborhood support for housing that serves low- and moderate-income residents by requiring applicants to meet with neighborhood organizations prior to filing an application for a zoning change. In 2008, recommendations from the Council-appointed Affordable Housing Incentives Task Force (AHITF), some of which applied to S.M.A.R.T. Housing™, were incorporated into the City of Austin’s Land Development Code. The City Council has adopted Land Development Code amendments that allow density bonuses in certain single-family and/or multi-family S.M.A.R.T. Housing™ developments without a zoning change. In addition, downtown developments that request and receive additional zoning entitlements must provide a percentage of affordable housing units or pay a fee-in-lieu to fund affordable housing in or near the downtown area.

2. Vertical Mixed-Use (VMU)
The City Council adopted changes to the Commercial Design Standards regarding Vertical Mixed Use in 2007. Developers who want exemptions from certain dimensional and parking standards must provide 10 percent of the units as affordable housing for 40 years for rental and 99 years for ownership.

3. North Burnet/Gateway
This low-density neighborhood is being transformed into a high-density bonus neighborhood with incentives, whereby developers can receive a density bonus and must provide 10 percent affordable housing or pay a fee-in-lieu (currently $6/square foot).
4. **University Neighborhood Overlay (UNO)**

The City Council adopted Ordinance No. 040902-58 on September 2, 2004, establishing the University Neighborhood Overlay (UNO) zoning district, which includes a density bonus based on the provision of affordable housing. The ordinance allows for the adoption of an "opt-in" zoning overlay in the West campus area to allow for greater density and development entitlements in exchange for a set-aside of affordable housing units.

UNO requires two tiers of affordability, 10 percent of units for households earning at or below 80 percent of MFI and another 10 percent at or below 65 percent of MFI. The developer has the option to pay a fee-in-lieu of providing the units at or below 65 percent of MFI. In addition, units at or below 80 percent of MFI must be on-site. Should a developer offer 10 percent of the units to households earning at or below 50 percent of MFI, the developer has an option to receive an addition height bonus. This funding source is one of several identified in this annual Action Plan that allows for the creation and retention of affordable housing, specifically in the UNO zoning district.

Since inception, $1,058,253 has been collected as fees-in-lieu for the UNO program. These funds are available to develop affordable units within UNO boundaries. To date, a total of 117 units have been constructed at 50 percent MFI, 10 units at 65 percent MFI, and 357 units at 80 percent MFI.

- **UNO Fee-in-Lieu Potential Adjustment**
  
  The City Council directed the City Manager in December 2009, through Resolution No. 20091210-044 to work with the Community Development Commission (CDC) and Planning Commission to make recommendations on a potential revision to the calculation of the fee in-lieu and initiate the necessary code amendments. The amendments are scheduled to be heard before the Planning Commission in late June 2012.

- **Stakeholder Process**
  
  As a first step to the potential revision process, there were two stakeholder meetings held in September 2010. These were hosted by NHCD and the City’s Planning and Development Review Department (PDR) and focused on possible revisions to the fee-in-lieu within the UNO district, as well as a possible provision for annual adjustment based on current and future market conditions. NHCD staff provided a summary of the public input to both the Community Development Commission (CDC) and the Planning Commission. Both, CDC and Planning Commission requested that the City hire a consultant for an economic analysis of how adjustments to the fee-in-lieu would impact the feasibility and production of the UNO density bonus program before both boards make an official recommendation on revising the fee-in-lieu.

  The City contracted with the firm Economic & Planning Systems (EPS) for this economic analysis. EPS worked with key stakeholders and commissioners, and presented the findings and recommendations on the fee-in-lieu to the CDC and Planning Commission, as well as City Council subcommittee members. If it is
determined that there will be a revision to the fee-in-lieu, the new fee-in-lieu will be implemented in FY 2011-12.

5. **Transit-Oriented Development (TOD)**
The Transit-Oriented Development (TOD) Ordinance, establishes station areas for the Capital Metro commuter rail line. The ordinance set affordable housing goals for new development or redevelopment in the half-mile areas surrounding the commuter rail stations. In late 2008 and early 2009 Council adopted three station area plans that implement the goals set forth in the original ordinance. The overall goal is for 25 percent of all new housing units in the TOD areas to be occupied by households earning at or below 80 percent of MFI for homeownership or at or below 60 percent of MFI for rental. Other sub-goals also apply, including a goal to serve lower-income levels within the Central East Austin Community Preservation and Revitalization Zone (CP&R).

The TOD Ordinance states that for each TOD area, a station area plan will establish specific standards and include a housing affordability analysis and feasibility review that describes the potential strategies for achieving affordable housing goals. The City Council adopted the following three station area plans:

**Saltillo Station Area Plan** – The Saltillo TOD district is located close to downtown Austin, between Interstate 35 and Chicon Street and along the future commuter rail line. The City anticipates that significant development will occur along this important East Austin corridor. The integration of new developments with the existing neighborhood and other revitalization efforts will be critical to ensuring its ultimate success. The Capital Metro Transportation Authority, the largest landowner in this corridor, will be an important stakeholder in future decisions for this area. Saltillo Station Area’s Neighborhood Planning Areas: Cesar Chavez, Central East Austin, and Holly Neighborhood.

**Martin Luther King, Jr. (MLK) Station Area Plan** – The MLK TOD district is located adjacent to Martin Luther King, Jr. Boulevard, east of downtown and along the future commuter rail line, in an area where significant reinvestment has occurred in recent years. City analysis shows that due to high land prices and a lack of publicly-owned properties in the area, the affordable housing goals will be challenging to achieve in the MLK TOD. Foundation Communities, a nonprofit affordable housing provider, secured Low Income Housing Tax Credits and substantial local funding to acquire 8.5 acres and build a mixed-income apartment complex within the MLK TOD boundaries, MStation. Located in a transit-rich location, the complex provides a wealth of public transportation options, on-site services, green spaces, affordable utilities, an on-site daycare facility and a learning center. MLK Station Area’s Neighborhood Planning Areas: Chestnut and Rosewood, Upper Boggy Creek, and MLK Neighborhood.

**Lamar/Justin Station Area Plan** – The Lamar/Justin TOD district is located at the intersection of Justin Lane, Airport Blvd. and North Lamar Blvd. Austin Energy is a landowner of a property at Lamar/Airport that provides a possibility to meet the city’s goals for the station area, including housing affordability. Lamar/Justin Station Area’s Neighborhood Planning Areas: Crestview, Brentwood, and Highland Neighborhoods.
b) Incentive Programs Under Creation

In addition to the developer incentive programs already in place, there are two more that are in the process of being created in the City of Austin. These are the Downtown Density Bonus program and the East Riverside Corridor Density Bonus program.

1. Downtown Density Bonus

The City Council adopted Resolution 20051215-056, directing the City Manager in December 2005 to initiate the process of creating a Downtown Austin Plan. The City’s Planning and Development Review Department (PDR) is the lead department for the Downtown Austin Plan. The Downtown Austin Plan is an effort to capture and develop the community vision for Downtown and to create the best implementation strategy for achieving that vision. The City of Austin and its consulting team, led by McCann/Adams Studio, worked with citizens and Downtown stakeholders on a planning process that sets the direction for Downtown Austin for years to come. The Plan establishes action priorities for the next 10 years to ensure Downtown's long-term economic and social vibrancy and sustainability. It recommends more than 100 steps to make Downtown livable, walkable, connected, inclusive, affordable, culturally alive and economically strong - all while preserving its historic districts and authentic Austin character.

As part of the plan, there is a Downtown Density Bonus Program that includes an affordable housing component and allows developers and the community to equitably share the benefits of additional height and density. It is a city priority that Downtown Austin remains affordable for a diverse range of incomes and household types, including low to moderate-income households that make up much of the critical workforce employed Downtown. The Downtown Austin Plan was adopted with amendments by the Austin City Council in December 2011. The following fundamental principals have been established by the Downtown Austin Plan relating to Density Bonus Program.

1.) Maintain existing height and density limits as a baseline with some adjustments based on the surrounding context.

2.) Establish a Density Bonus Program that:
   a. Enables developers and the community to equitably share the benefits of additional height and density above the existing regulations.
   b. Is calibrated to ensure that developers are incentivized to use it.
   c. Replace the Central Urban Redevelopment (CURE) zoning process, which has been the primary mechanism used in the last 10 years for achieving additional height/density, with a process that can be administered primarily at the administrative/staff level.
   d. Is recalibrated when market conditions change, or at intervals of approximately five years.

3.) Employ additional density incentives to achieve specific community
objectives.

4) Establish specific scale-compatibility standards that are tailored to the Downtown context.

NHCD will continue to assist PDR staff and affordable housing advocates from the community to ensure implementation of the density bonus program in an effort to encourage affordable housing development for low- to moderate-income households.

2. East Riverside Corridor (ERC) Development Bonus

East Riverside Drive is a highly traveled corridor located a few minutes from downtown Austin. The corridor presents a significant opportunity for redevelopment into a more sustainable, mixed use, transit-oriented neighborhood that can provide opportunities for a diverse range of Austinites, including low to moderate-income households. Currently, the City has moved into the Regulatory Planning stage of the East Riverside Corridor plan, which includes a Development Bonus program for more dense development in certain locations in the Corridor. Planning and Development Review Department (PDR) staff has worked with consultants, community stakeholders, and NHCD to develop this Development Bonus program. PDR released draft recommendations for the East Riverside Corridor (ERC) Development Bonus program. Local economic research firm Texas Perspectives conducted analysis that concluded that development bonus programs can help fulfill the overall community goal of sustainability and provide specific public benefits only if they are calibrated appropriately for market conditions such that participation in the program results in a decent rate of return for a developer. As part of the analysis for the ERC Development Bonus calibration, PDR consulted with both market rate developers and non-profit affordable housing providers. The analysis indicates that current demand and market rents in the East Riverside Corridor may support the construction of dense buildings under six stories, but are unlikely to support the construction of buildings taller than that in the near-to-mid-term, as the construction costs of taller buildings increase projects’ costs above what can be charged in rent. Because of the differing economics for shorter and taller buildings types, PDR recommends that the public benefit requirements be tailored for each type. The public benefit requirements identified in the draft ERC Development Bonus Program were calibrated for current market conditions, but should be re-calibrated when conditions change.

The draft development bonus recommendations are currently under public review. Following the public comment period, PDR will schedule a review of the complete ERC Regulating Plan, including the development bonus program, by relevant Planning Commission’s Committees, followed by Planning Commission and the City Council. To view the draft development bonus recommendations, please visit: www.austintexas.gov/eastriverside.
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c) Affordability Impact Statements (AIS)
Chapter 25-1, Article 15 of the City of Austin’s S.M.A.R.T. Housing™ Ordinance requires an Affordability Impact Statement (AIS) on proposed ordinances, rules or processes that could impact housing affordability. As part of the S.M.A.R.T. Housing™ Ordinance, staff prepares an Affordability Impact Statement (AIS) for all proposed city code amendments, ordinances and other proposed changes to identify any potential impacts on housing affordability. This analysis ensures that the City Council and the community are informed on an amendment’s potential impact on housing affordability. To date, the City of Austin has issued more than 150 Affordability Impact Statements (AIS).

d) Public/Private Partnerships
In FY 2012-13 the City will continue to explore partnerships with private entities to develop affordable housing. Partnerships with private developers can offer multiple public benefits, such as mixed-use, mixed-income developments, and increased density. Such partnerships can allow low-income households to locate near schools, amenities, employment opportunities, and public transportation.

East 11th and 12th Streets Revitalization
The East 11th and 12th Streets Revitalization Program focuses on redeveloping an area previously impacted by slum and blight to a sustained, improved and culturally rich area. The City of Austin and the Urban Renewal Agency have entered into a long-term agreement that identifies the roles and responsibilities of the two parties. This revitalization combines federal, local and private resources to improve the economic well-being and quality of life in the neighborhood. Public and private partnerships with businesses, financial, and non-profit entities are key to spurring quality investment, commercial development, and job creation throughout the East 11th and 12th Street Corridors. The City achieves this revitalization through activities including, but not limited to, land acquisition, demolition of dilapidated structures, relocation of displaced individuals/businesses, preservation of historic structures, redevelopment of abandoned and/or substandard structures, improvement of infrastructure, construction of new mixed-used facilities, and new community parking facilities to assist the businesses in the area.

The City of Austin retained a consultant to define a development strategy for the East 11th and 12th Street Corridors. The consultant worked with the City and area stakeholders to prepare the strategy that responds to the considerable opportunities and challenges facing development within these two corridors. The East 11th and 12th Streets Development Strategy was finalized on March 1, 2012, and provides recommendations on how to advance the redevelopment vision by identifying pathways to its successful implementation in the following main areas: Development Regulations, Infrastructure, Retail, Commercial and Housing Development Opportunities and Disposition of Public Land. The City along with the Urban Renewal Agency are considering the strategy recommendations. NHCD will develop a workplan with advisement by Urban Renewal Board (URB) to address recommendations identified in the strategy.
The City of Austin broke ground on the African American Cultural and Heritage Facility (AACHF) located at 912 East 11th Street, on June 17, 2011. The project includes a restoration of the historic Dedrick-Hamilton House as well as new construction and will serve as the flagship for the newly created African American Cultural Heritage District.

Robert Mueller Municipal Airport Redevelopment A key public/private partnership for the City has been the Robert Mueller Municipal Airport Redevelopment (RMMA). The RMMA Master Plan was the result of years of planning by the City of Austin, stakeholders, and neighborhood residents. In 1996, a task force representing a broad spectrum of Austin interests defined a vision, as well as a set of redevelopment goals that set the stage for the RMMA master plan. The master plan outlines aggressive affordable housing requirements for the development. 25 percent of all housing units at Mueller, or approximately 1,200 units, will be affordable for residents earning at or below Austin’s MFI (80 percent for ownership and 60 percent for rental). In 2004, the City Council, directed Catellus, the master developer, to semi-annually report its progress on the Mueller affordable housing program. Catellus makes semi-annual presentations to the Community Development Commission (CDC). Resolution No. 041202-59 also directs Catellus to report progress of affordable housing development in the City’s Consolidated Planning process.

City Redevelopment Efforts
The City will explore opportunities to provide and encourage development of affordable housing in other City redevelopment efforts. Initiatives underway include the redevelopment of East 11th and 12th Streets Revitalization, East Riverside Corridor Regulating Plan, and Airport Boulevard, and Green Water Treatment Plant.

Private Developer Agreements The City continues to negotiate the inclusion of affordable housing in developer agreements with market-rate developers. Development agreements have included Gables West Avenue (5 percent, or 13 units, at 80 percent MFI); Robertson Hill Apartments (10 percent, or 29 units, at 80 percent MFI); the Domain (10 percent, or 42 units, at 65 percent MFI); AMLI on 2nd (5 percent, or 12 units, at 80 percent MFI); AMLI on East Riverside (5 percent, or 3 units, at 80 percent MFI), and AMLI on Burnet Road (5 percent, or 9 units, at 80 percent MFI). These units must remain affordable through 2020. These projects have brought affordable housing into developments that would otherwise be unaffordable to low- and moderate-income households.
3) EXPAND ALTERNATE REVENUE SOURCES

a) General Obligation (G.O.) Bonds: Affordable Housing Program

The City of Austin voters approved a $55 million bond package for affordable housing in November 2006. These resources have enabled Austin to make great strides in addressing the City’s core values: reaching deeper levels of affordability in order to serve lower-income residents; preserving affordability for the long-term; and dispersing affordable housing geographically throughout the City of Austin.

As a result of this focus, NHCD has achieved greater geographic dispersion in the units it has funded in recent years. The City of Austin has achieved significant geographic dispersion in the units funded through the City’s General Obligation (G.O.) Bond funding. At the time of this report 2,431 total units have been created. This total also includes home rehabilitation. Out of the 2,431 units, 890 are located east of Interstate Highway (IH) 35 and 857 are located west of IH-35 – this does not include home rehabilitation units. The G.O. Bond funding has leveraged $189 million in private/public investment. A web site highlighting the committed G.O. Bonds allocated to affordable housing and the community’s Return On Investment (ROI) related to its G.O. Bond funds dedicated to the affordable housing program was designed and launched in 2010. The site demonstrates the community return on investment and features award applicant information and development profiles (units created or retained for low-income residents), as well as a description of affordable housing impact, term and depth of affordability, and geographic dispersion of project. Summaries of all G.O. Bond projects can be found at the City’s Return on Investment (ROI) Web site: www.austintexas.gov/housing/roi. Exhibit 4.4 provides snapshot of the G.O. Bond balance as well as Austin’s return on investment related to rental and ownership opportunities.

Exhibit 4.4: G.O. Bond Snapshot

<table>
<thead>
<tr>
<th>Rental</th>
<th>Amount</th>
<th>Units</th>
<th>Leverage</th>
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<tr>
<td>Workforce/Family Housing</td>
<td>$11.2</td>
<td>529</td>
<td>$85.9</td>
</tr>
<tr>
<td>Very Low-Income Persons/Families</td>
<td>$19.6</td>
<td>733</td>
<td>$39.5</td>
</tr>
<tr>
<td>Persons with Mental Disabilities</td>
<td>$3.3</td>
<td>61</td>
<td>$1.2</td>
</tr>
<tr>
<td>Senior Housing</td>
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<td>108</td>
<td>$22.9</td>
</tr>
<tr>
<td>Children</td>
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<td>42</td>
<td>$1.4</td>
</tr>
<tr>
<td>Mobility Disability - ABR Program</td>
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<td>70</td>
<td>$0.0</td>
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<tr>
<td><strong>Subtotal – Rental</strong></td>
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<td>$150.9M</td>
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</table>

<table>
<thead>
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<th>Amount</th>
<th>Units</th>
<th>Leverage</th>
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<tr>
<td>($5.4M – Repairs; $8.3M – Buyers)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal – Homeownership</strong></td>
<td>$13.7</td>
<td>888</td>
<td>$31.5</td>
</tr>
<tr>
<td><strong>Subtotal – Affordable Units</strong></td>
<td>$53.5</td>
<td>2,431</td>
<td>$189.0</td>
</tr>
<tr>
<td><strong>Total – All Units</strong></td>
<td>$69.2M</td>
<td>3,255</td>
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</tr>
<tr>
<td><strong>Balance Remaining from $55M</strong></td>
<td>$1.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b) Tax Increment Financing
The City considers Tax Increment Financing (TIF) to be an important tool to create new revenue for public benefit, including affordable housing. During the Consolidated Plan period, the City will continue to explore opportunities to use TIFs to increase opportunities for new funding for affordable housing. The Homestead Preservation District (HPD) proposes to utilize TIF funding for the creation and preservation of affordable housing.

c) Housing Trust Fund
The Housing Trust Fund (HTF) is another key source of local funding. The City Council directed $8.8 million in local funds to the HTF since 2000. The City dedicates to this fund 40 percent of incremental tax revenues derived from developments that are built on city-owned property located in the Desired Development Zone and were not on the Travis Central Appraisal District property tax rolls in June 1997. This policy is anticipated to generate revenues in perpetuity to the HTF. The two projects underway that will potentially support the HTF are the Green Water Treatment Plant redevelopment and Block 21 located in downtown Austin on 2nd Street and Lavaca Street. The estimated HTF for FY 2012-13 is $609,000.

d) Shared Equity
The City will generate funds from the use of the shared equity model of homeownership. When a low- to moderate-income homebuyer purchases a home from the City using the shared equity model, the homeowner agrees to share with a City a portion of the equity increase of the home at resale and to repay the Down Payment Assistance funds originally received at purchase. The homeowner gets a fair return on its investment, and the funds generated will assist future low- to moderate-income homebuyers. A “Right of First Refusal” allows NHCD the first option to buy the home at resale for the appraised value.

AHFC programs that apply the shared equity model include: Down Payment Assistance Program (DPA), Home Rehabilitation Loan Program (HRLP), and the Acquisition and Development (A&D) Program.

e) Fee-In-Lieu
Several key developer incentive programs in the City of Austin require development of affordable housing in exchange for density and/or height bonuses. These programs can allow for the payment of a fee-in-lieu of the requirement to develop affordable housing on-site.

Current districts/corridors allow for density incentives in S.M.A.R.T. Housing™ developments, Vertical Mixed-Use, Downtown, North Burnet/ Gateway, University Neighborhood Overlay (UNO) District, and Transit-Oriented Developments (TODs). UNO has raised approximately $1 million in funds for affordable housing development around the University of Texas. While the UNO program has been relatively successful in creating affordable units and generating funds for the Housing Trust Fund, it also has a relatively low fee-in-lieu compared to other density bonus programs in the city. In December, 2009, the City Council directed the City Manager through Resolution No. 20091210-044 to work with stakeholders to make...
recommendations on a potential revision to the calculation of the fee in-lieu and initiate the necessary code amendments. For more information on UNO, view page 4-13.

f) Revolving Loans
The City uses revolving loans for several loan programs that provide a revolving funding source. When a loan is repaid by the borrower, the funds are recycled back into the program creating a fiscally responsible model for asset creation for the City.

g) Program Income
HUD entitlement grants CDBG and HOME provide funding to the NHCD/AHFC to fund program activities that create and retain affordable housing. These activities generate Program Income.

CDBG and HOME Program Income is gross revenue received by the City of Austin that is directly generated by the use of CDBG and HOME funds. CDBG Program Income is available to activities that do not have established revolving loan funds. The City of Austin will continue in FY 2012-13 to report all Program Income received and used in future reports to HUD.

h) Revenue-Generating Partnerships with other City Departments
As part of the Austin Clean Water Program, the Austin Water Utility tests for deficient sewer lines including private laterals. Property owners are required to repair deficient sewer lines on private property. In FY 2012-13, NHCD and Austin Water Utility (AWU) will continue its partnership in the administration of the private lateral repair program to assist income-eligible households with these repairs as a component of NHCD’s other home repair programs.

i) New Funding Sources
NHCD has and will continue to increase its efforts to apply for competitive grant opportunities to increase its financial capacity to support mission-driven programs. Through additional grant funding, NHCD will be able to expand offerings for very-low to moderate-income individuals and households and persons with disabilities. As of May 1, 2012, the City has applied or plans to apply for the following grants:

- Healthy Homes Production Grant
The City of Austin plans to apply for the Healthy Homes Production Program grant funding through the U.S. Department of Housing and Urban Development, Office of Healthy Homes and Lead Hazard Control. The Healthy Homes Production Program (HHP) is part of HUD’s overall Healthy Homes Initiative launched in 1999. The program takes a comprehensive approach to addressing multiple childhood diseases and injuries in the home by focusing on housing-related hazards in a coordinated fashion, rather than addressing a single hazard at a time. The program builds upon HUD’s successful Lead Hazard Control programs to expand the Department’s efforts to address a variety of high-priority environmental health and safety hazards. Authorization to apply for a FY 2012 grant award will benefit vulnerable residents (children, persons with disabilities, and the elderly) from housing-related environmental health and safety hazards and promote housing that is healthy,
safe, affordable and accessible. Health hazards include lead exposure sources for children with elevated lead blood levels, non-working smoke alarms and carbon monoxide detectors, mold, dust mites and pest infestations.

- **HUD Counseling Agency Certification**
  The City applied in 2012 to become a HUD-certified Housing Counseling Agency. By becoming certified, the City has the opportunity to apply for additional funding that is specifically designated for certified agencies. The certification and potential funding will assist the City in furthering its financial and workforce capacity to provide expansive housing counseling services to low- and moderate-income households. Currently, the City’s Housing Smarts Program offers housing counseling to City of Austin residents who earn at or below 80 percent of MFI. Counseling is offered in English and Spanish. The course consists of two classroom curricula: pre-purchase and post-purchase. The pre-purchase counseling provides financial literacy skills such as budgeting and credit, and mortgage finance; and the post-purchase class provides foreclosure prevention counseling to homeowners who may find themselves at risk of losing their homes.

- **Texas Department of Housing and Community Affairs (TDHCA) Reservation Funds**

  **Amy Young Architectural Barrier Removal Program**
  The Texas Department of Housing and Community Affairs (TDHCA) has begun issuing grant-like reimbursements for specific fields of work, including Homeowner Rehabilitation Assistance, Tenant Based Rental Assistance (TBRA), Homebuyer Assistance and Architectural Barrier Removal Programs, providing assistance to persons with disabilities. In order to be eligible for the reimbursements, the Austin Housing Finance Corporation (AHFC) applied in 2012 to utilize TDHCA’s reservation systems. AHFC will be able to reserve and draw down reimbursement funds for a set amount of time, or until the funding has been depleted at the State level.

  **HOME Investment Partnership Program for Persons with Disabilities Program**
  The HOME Investment Partnerships Program provides one-time reimbursements for qualified projects. AHFC intends to utilize the reservation fund in its Homeowner Rehabilitation Assistance program. The funding available to AHFC is specific to projects for persons with disabilities (PWD). TDHCA uses an online reservation system, in which grant recipients reserve and draw Project Costs and Administration Fees and track the status of the Program activities. Funds are available on a first come, first serve basis. The Program funds are replenished on an annual basis dependent on State budget availability. Program funds are available until completely reserved.

- **Texas Neighborhood Stabilization Program (NSP1-PI)**
  On April 12, 2012, the City of Austin received conditional approval for funding through TDHCA’s Neighborhood Stabilization Program-Program Income(NSP1-PI). NSP1-PI was established under the Housing and Economic Recovery Act of 2008. AHFC will use the funding to develop two separate tracts of City-owned property into affordable homeownership opportunities. The City requested $650,000 to construct four new single-
family homes on Astor Place and $1 million to construct eight new single-family homes on Linden Street and Goodwin Avenue and plans to begin construction during FY 2012-13.

- **Living Cities’ Cities for Financial Empowerment Fund**
  The City of Austin anticipates applying for the Living Cities’ Cities for Financial Empowerment grand funding. Bloomberg Philanthropies has partnered with the national organizations Living Cities to offer a 3-year grant to recreate the financial empowerment model used in New York City. This model offers free, professional, one-on-one financial counseling and education to low-income residents at Financial Empowerment Centers. If awarded, the City of Austin would collaborate with non-profit financial empowerment and educational programs to create Financial Empowerment Centers in Austin.

**j) Build Partnerships to Increase Financial Capacity for Affordable Housing**
The City will continue to work with local, regional and national partners to build its financial capacity as well as the capacity of non-profit and private developers to create affordable housing. This will include working with lenders and foundations to strengthen financial partnerships and encouraging the development of a strong Community Development Financial Institution (CDFI) in Austin. The City will continue to look at financially viable recommendations including those identified in the Housing Market Study and in the Downtown Affordable Housing Strategy Report, 2009.

In March of 2011, the City Council adopted the City of Austin Permanent Supportive Housing Strategy as a working document and authorized the City Manager to facilitate a partnership through the Leadership Committee on Supportive Housing Finance to recommend a comprehensive public and private financing strategy for the City Council to consider outlining financing strategies and recommendations for the capital, rental subsidies and social services needed to create and sustain 350 units of PSH. This committee is comprised of many local funders including the City, Travis County, the two local housing authorities, Central Health, Seton, and other local non-profit health and service providers.
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4) PROVIDE LEADERSHIP AND EDUCATION FOR AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT

The City of Austin’s Neighborhood Housing and Community Development (NHCD) Office provides leadership and education for affordable housing and community development through City initiatives, education, community engagement, and marketing and outreach of programs that NHCD offers.

a) City of Austin Initiatives

*Imagine Austin Comprehensive Plan*

The City Council identified funding for staff and a consultant to work with the public to create a new Comprehensive Plan for Austin in September 2008. The City selected the consultant, Wallace Roberts & Todd, through a public input process. The current plan, the Austin Tomorrow Comprehensive Plan, which the City currently operates, was adopted in 1979. The most recent updates to the plan occurred in 2008.

The process of developing the City’s Imagine Austin Comprehensive Plan has been divided into three phases: the Plan Kickoff, completed in October 2009; the Vision and Plan Framework process, which began in November 2009 and is ongoing; and the Comprehensive Plan itself, which began in early 2011. This process focused on three key themes: Community Engagement, Sustainability, and Implementation.

To date, the City, in collaboration with the community and key stakeholders, has developed a unified vision statement, as well a preferred growth scenario. The City Council has formally endorsed the vision statement, and has moved the preferred growth scenario forward for Phase III of the Imagine Austin planning process. The City’s Planning and Development Review (PDR) Department has continued efforts related to Phase III in FY 2011-12. For Phase III, staff at PDR has identified 7 main building blocks that will be addressed in the Comprehensive Plan document. For each building block, a set of strategies and action items have been developed using feedback from past public meetings and recommendations from the consultants. Housing and Neighborhoods was identified as the second building block and covers housing and neighborhoods in Austin, including issues related to affordable housing, services, demographics, mix of uses, character, and preservation. NHCD’s Planning, Policy, and Outreach staff has served as members of the Housing and Neighborhoods Building Block Working Group, and regularly attended meetings to provide input on any action items needed to address Austin’s critical housing issues.

The overall goal of the Housing and Neighborhood component is to develop and maintain affordable household affordability throughout Austin. NHCD is lead in implementing the
City of Austin Fiscal Year 2012-13 Action Plan
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Housing and Neighborhoods component and will partner PDR, Austin/Travis County Health and Human Services Department (HHSD), Economic Growth and Redevelopment Services Office (EGRSO), Travis County, Austin Independent School District (AIDS), Capital Area Council of Governments, Capital Area Metropolitan Planning Organization, Capital Area Transportation Authority, Community Action Network (CAN), and Housing Authority of the City of Austin (HACA) as implementation of the Imagine Austin Comprehensive Plan moves forward.

The Austin City Council will conduct a public hearing and possibly take action on June 14, 2012, to hear and consider feedback on the Imagine Austin Comprehensive Plan.

Mobility Deterrence Task Force
In April 2009, the City, Travis County and Austin Independent School District (AISD) Joint Subcommittee created two work groups to address major issues affecting student success. The Truancy Plus and Student Mobility workgroups focused on causes of student attendance problems, and developed strategies for student and family interventions. NHCD participated in the Student Mobility working group with the recognition that the issues of affordable housing and student mobility are inextricably linked.

In 2010, the Joint Subcommittee passed a resolution creating a new Child and Youth Leadership Council to work on a plan to ensure that all children attending Austin Independent School District (AISD) successfully complete high school. The Leadership Council, created by the three agencies, established four task forces with the intent to provide recommendations in advance of the 2011-12 academic year. These task forces are: Mobility Deterrence, Judicial Supports, Workforce Development, and Academics.

NHCD will continue participating in the Mobility Deterrence Task Force and will work with partners in this arena to develop recommendations that can assist in achieving housing stability in order to strengthen families and improve student achievement and overall school performance.

b) Education and Community Engagement

Colony Park Sustainable Communities Initiative
The Colony Park Sustainable Communities Initiative community engagement process will include targeted outreach to underserved populations. While innovative community engagement methods such as social media and interactive meeting technology may be considered for specific engagement objectives, the overall public engagement strategy will focus on obtaining public feedback and creating buy-in with key stakeholder groups in the Colony Park area through face-to-face interaction in settings with existing constituencies, such as neighborhood association meetings, religious events, and business organizations. NHCD will also utilize print advertisements published in English and Spanish print and multi-media promotional materials.
Dissemination of policy lessons learned during the planning process to the public, including policymakers, other regional consortia, and interested community advocates and leaders, will be provided through a variety of methods. The Master Plan public engagement process targeted at Colony Park area residents will include opportunities to disseminate best practice techniques, data collection methods implemented on-site, and other policy lessons learned through the project. In addition, NHCD has designated a graduate-level intern over the 3-year grant period, who will work closely with Colony Park staff to study best practices for sustainability techniques, and perform data analysis on collected output measures. This will result in at least one research study, and a report, which will be posted on the NHCD Colony Park webpage. For more information on the Colony Park Sustainable Communities Initiative, visit page 4-35.

Community Action Network (CAN) Regional Housing Stakeholder Group
The Community Action Network (CAN) developed a Regional Housing Stakeholder Group comprised of several local agencies and regional municipalities to collaborate educate and explore opportunities to enhance local affordable housing planning efforts and incorporate this planning initiative into the CAN framework. NHCD supports CAN’s efforts to increase interagency partnership with the intent of improving housing affordability across the housing continuum and enhancing coordination and communication across governmental jurisdictions.

FY 2012-13 Action Plan
NHCD’s Planning, Policy and Outreach staff worked closely with the City’s Corporate Public Information Office to develop an extensive community engagement and outreach strategy with the intent to increase awareness of the community needs assessment period, gain interest and increase public participation. The collaborative efforts of NHCD and CPIO resulted in the development of a FY 2012-13 Action Plan web site, an online survey for the public to rank their priorities, the design and implementation of various marketing and promotional materials highlighting ways to participate. The theme for the community needs assessment period was, “6 Ways to Take Action” - which provided a variety of channels for the community to participate. For more information on the community needs assessment period and NHCD’s “6 Ways to Take Action” flyer, visit Chapter 1. Exhibit 4.5 displays the logo used to launch the City’s FY 2012-13 Action Plan process.

Exhibit 4.5 FY 2012-13 Action Plan
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Joint Planning & Education Efforts
NHCD works closely with the Planning Development and Review (PDR) Department’s planning team to participate in neighborhood plan meetings and facilitate affordable housing education. Collaborative efforts with PDR in FY 2012-13, will be related to the following areas: East Riverside Corridor Regulatory Plan, Imagine Austin Comprehensive Plan, Neighborhood Plans, and meetings with various boards, commissions and subcommittees to promote affordable housing education.

These initiatives will require significant continued education and outreach on crucial housing issues affecting the Austin community. NHCD anticipates assisting in this educational effort, including providing data and research to help the community reach housing goals and strategies for achieving those goals.

Media and Outreach Contacts
NHCD will continue to utilize its web site as a key educational tool receiving more than 52,000 unique page views annually, and over 100,000 page views overall to the NHCD/AHFC site for housing and community development information. NHCD Housing Information Referral services offers customers responsive information to direct inquiries made by phone and the web site. This service is essential in providing ongoing outreach and information about housing and community development programs.

NHCD also has a listserv that it uses to send out updates on all affordable housing news in the City of Austin, as well as notices about public meetings and events. There are currently over 1,149 people signed up on the NHCD listserv to receive NHCD information distributed regularly by the City.

NHCD Web Site
The City of Austin recently released the redesign of its web site. The Austin Government Online (GO): A New Era of Open Government – a web site redesign project that was launched in partnership with the community to help achieve a new standard for open government that would benefit everyone. The City issued an online survey taken by almost 2,000 Austin residents. The survey measured how the average Austinite uses the web and how they use the City web site in particular. Six town hall meetings were held throughout Austin during January and February 2008. With high attendance, the town hall meetings served as an opportunity for an open discussion about the future of the City’s web site, needs and share ideas on features that could be incorporated into the redesign. For additional information on the Austin GO Web Redesign Project, visit www.austintexas.gov/austingo.

NCHD staff worked closely with the City’s web development team in FY 2011-12 to complete its departmental web site overhaul that will improve its online architect and build on its resources and user-friendly navigation. NHCD/AHFC’s Application Center web site was launched in FY 2010-11 to offer potential clients and housing developers seeking funding an online application submission. The web site was created to provide a more efficient and simplified application process. The effort was also intended to increase transparency on the funding awarded to RHDA and A&D applications. All RHDA and A&D
applications submissions are posted online. To view projects awarded funding, visit www.austintexas.gov/housing/applications.

For FY 2012-13 NHCD recommends continuing investment and efforts in technology through mobile devices and a web portal to allow customers and businesses to apply for programs/services electronically and provide the most current information about NHCD business and practices.

**Permanent Supportive Housing Community Engagement Plan**
In January 2011, City Council requested that the City Manager offer an overview of the “best practices from other cities on engaging communities and building support for permanent supportive housing projects.” The resulting presentation, offered to the Comprehensive Planning and Transportation Subcommittee on March 7, 2011, outlined strategies for a Community Engagement Plan to inform and involve stakeholders.

The PSH Community Engagement Plan is a comprehensive strategy developed by City of Austin staff in collaboration with ECHO. To view PSH community engagement goals and objectives, visit page 4-9.

**Technical Assistance Work Sessions**
As part of the strategy to create and retain affordable housing the NHCD/AHFC development team provides ongoing technical assistance to non-profits and for-profit developers as needed. Each year, more than 100 face-to-face meetings, as well as responses to numerous phone calls and e-mails give NHCD/AHFC development staff the opportunity to assist and inform current and potential funding applicants about various aspects of affordable housing development. Assistance can be provided at any stage in a project life cycle: pre-application, during development, and in post-development. Just a few examples of the types of assistance provided are: how the requirements of different funding sources may affect a project; complying with federal requirements; assistance with City of Austin development regulations and processes; and suggestions for alternate fund sources.

d) **Partnerships and Community Involvement**
NHCD coordinates and maintains relationships with neighborhood groups, policy groups, non-profit and for-profit developers, businesses, and service providers in low- to moderate-income communities in order to reach its affordable housing and economic development goals. NHCD anticipates engaging with the following Boards and Commissions, community organizations and working groups in FY 2012-13:

**Boards and Commissions**

**African American Resource Advisory Commission (AARAC)**
NHCD works with members on the African American Resource Advisory Commission (AARAC) to target outreach and marketing efforts on NHCD programs and services to the African American community. The AARAC advises the City Council on issues relating to the quality of life for the City's African American community and recommends programs
designed to alleviate any inequities that may confront African Americans in social, economic and vocational pursuits, including; health care; housing, affordable housing, home ownership and homelessness; entertainment opportunities for professionals and students; employment; and cultural venues, including museums, theaters, art galleries and music venues. NHCD will continue to support the AARAC in FY 2012-13 as they continue to move forward with their efforts in improving quality of life for the African American community.

Austin Mayor's Committee for People with Disabilities
NHCD regularly presents and coordinates with this committee whose mission is to carry out a program to encourage, assist and enable persons with disabilities to participate in the social and economic life of the City of Austin and achieve maximum personal independence; to become gainfully employed; and to enjoy fully and use all the public and private facilities available within the community.

Bond Oversight Committee
The Bond Oversight Committee ensure efficiency, equity, timeliness, and accountability in the implementation of the 2006 and 2010 bond programs, as well as all future bond programs. The committee shall review the annual appropriation and spending plan of bond funds.

Community Development Commission
The Community Development Commission (CDC) advises the Austin City Council in the development and implementation of programs designed to serve low-income residents and the community at large, with an emphasis on federally-funded programs. The CDC is comprised of 15 members; seven members are elected through a neighborhood-based process and are appointed by the Austin City Council. The CDC also oversees the Community Services Block Grant (CSBG) program managed by HHSD. CSBG regulations require 15 members including representatives from geographic target areas: Colony Park, Dove Springs, East Austin, Montopolis, Rosewood-Zaragosa/Blackland, St. Johns, and South Austin.

Community Development Commission Housing Committee
The CDC established a CDC Housing Committee that explores in depth policy issues related to affordable housing, community development and other issues as assigned to the committee by the CDC.

Community Development Commission Working Groups
Working Groups were established by Council as a tool for Boards and Commissions to use to delve into specific policy issues. Working Groups then bring recommendations to the full Board or Commission for consideration. These Groups are intended to be short-term, organized around specific charges and dissolve after the charges are completed. Working Groups may also have members who are not Commissioners. NHCD will continue to coordinate with the current active Working Groups to address affordable housing and community development needs in FY 2012-13.
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- Neighborhood Centers Working Group – Charged to 1) review and make recommendations to the CDC on the 2012 CSBG Community Action Plan, and 2) discuss and make recommendations on Food Desert Solutions.
- Holly Working Group – Charged to 1) discuss future funding of Holly program and how funds could be reallocated, and 2) discuss how to educated residents about program.
- Affordable Housing Siting Policy Working Group – Charged to 1) review the City’s current affordable housing siting policies and options for new approaches, 2) create an evaluation matrix/tool to assess the feasibility of various affordable housing siting policy approaches, and 3) make recommendations for the Action Plan chapter on the Affordable Housing Siting Policy.

Housing Bond Review Committee
The purpose of the Housing Bond Review Committee (HBRC) is to review and provide recommendations concerning RHDA and A&D project evaluation scoring criteria, to provide recommendations for project funding. HBRC is comprised of five members - two members shall be current Community Development Commissioners appointed by the CDC and three members shall be appointed by NHCD.

Bond Election Advisory Task Force
The purpose of the Bond Election Advisory Task Force is to identify and prioritize bond funding for projects that will advance the vision identified by the Imagine Austin planning process. The task force shall work within the scope of a needs assessment and funding priorities to be recommended by City staff.

Early Childhood Council
The Early Childhood Council (ECC) makes recommendations to the Austin City Council for the creation, development and implementation of programs that promote optimal development for young children and programs and activities that contribute to the continued development of a system of high-quality early care and education and after-school programs for Austin children. Staff will maintain communications and consultations with the ECC to ensure the committee has the opportunity to provide feedback on progress on NHCD programs and initiatives.

Urban Renewal Board
The Urban Renewal Board (URB), which oversees the Urban Renewal Agency’s functions, is comprised of seven members appointed by the Mayor, with consent of the Austin City Council. The Urban Renewal Board also oversees the implementation and compliance of approved Urban Renewal Plans that are adopted by the Austin City Council. An Urban Renewal Plan’s primary purpose is to eliminate slum and blighting influence within a designated area of the City. The City Council adopted Resolution No. 971119-34 on November 19, 1997, declaring the East 11th and 12th Streets Revitalization Area to be a slum and blighted area and designated this area appropriate for an urban renewal project. Subsequently, the Austin City Council approved an Urban Renewal Plan. The City of Austin and the Urban Renewal Agency, in the shared interest of completing the Urban Renewal
Project, have entered into an agreement which identifies each party’s roles and responsibilities for the completion of the revitalization for these two corridors.

**Community Organizations**

**Community Action Network (CAN)**
CAN is a public/private partnership between 15 major community organizations that work to achieve sustainable social, health, educational, and economic outcomes for Austin and Travis County. CAN supports 12 Issue Area Groups (IAGs) that range from housing, health, and elderly services to workforce development. The Issue Area Groups bring together stakeholders from throughout the community to collaborate with organizations that provide social services. CAN maintains a listserv of more than 3,500 community contacts, which is a key resource for NHCD’s outreach efforts to provide information to the public, community non-profits and small businesses.

NHCD will continue to collaborate with CAN and several agencies to move forward in participating in the Regional Housing Stakeholders Group in FY 2012-13. CAN is working with the City of Austin, Travis County, the Travis County Housing Authority, the Housing Authority of the City of Austin and other agencies to explore opportunities to enhance local affordable housing planning efforts and incorporate this planning initiative into the CAN framework. NHCD will begin conversations and planning efforts in FY 2012-13 with the above mentioned agencies to prepare for the City’s FY 2014-19 Consolidated Plan.

**Community Housing Development Organizations (CHDOs)**
Community Housing Development Organizations (CHDOs) are non-profit housing providers whose organizational mission includes the development of affordable housing for low- and moderate-income households. The City is able to work closely with CHDOs to help them meet their housing development goals by coordinating with the CHDO Roundtable, an organization comprised of local, non-profit affordable housing providers. The City meets with the CHDO Roundtable to discuss policy matters and provides CHDO Operating Expenses Grants to help increase organization capacity.

**Ending Community Homelessness Coalition (ECHO)**
The Ending Community Homelessness Coalition (ECHO) is charged with providing dynamic proactive leadership that engages policy makers and the community in ending homelessness. In order to accomplish this, ECHO engages in a variety of activities including:

- Coordinating the annual HUD Continuum of Care (CoC) application;
- Conducting the annual homeless count;
- Providing outreach through the annual Homeless Fair and Women’s Homeless Fair;
- Serving as the homeless planning entity for the community; and
- Advocating for homeless issues.

City staff from both the Austin/Travis County Health and Human Services Department (HHSD) and NHCD serve on ECHO committees and working groups, housing working group,
education and outreach working group, and Membership Council. City staff also serves as institutional members on the CoC Independent Review Team, which evaluates and scores local CoC applications.

**Austin Housing Repair Coalition**
The Austin Housing Repair Coalition is a collaboration of more than 17 governmental and non-profit organizations that provide low-income housing repair services. The Housing Repair Coalition helps maximize the community’s resources by coordinating the delivery of an array of housing repair and weatherization services to help low-income households who may also be elderly or disabled remain safely in their homes. For the FY 2012-13 Action Plan community needs assessment, NHCD hosted a community conversation focused on “Healthy Homes & Home Repair,” inviting the Housing Repair Coalition and its members to provide feedback on home repair services to help keep residents’ homes hazard-free and accessible. As a result, these services create healthier homes and preserve the affordable housing stock in Austin. For more information on healthy homes and home repair, visit page 4-40.

**HousingWorks**
HousingWorks is a non-profit organization whose goal is keeping homes affordable for Austinites, through research, education and public policy change. NHCD meets regularly with HousingWorks and collaborates to keep homes affordable in Austin.

**National Association of Local Housing Finance Agencies (NALHFA)**
NALHFA, founded in 1982, is the national association of professionals working to finance affordable housing in the broader community development context at the local level. NALHFA is a supporter before federal agencies on legislative and regulatory issues affecting affordable housing and provides technical assistance and educational opportunities. In FY 2012-13, NHCD will maintain its membership with NALHFA.

**Texas Association of Local Housing Finance Agencies (TALHFA)**
The City of Austin maintains its membership with TALHFA, a statewide non-profit organization established in 1989 for the purpose of informing, planning and supporting the needs of local housing finance agencies in its delivery of affordable housing in the State of Texas. TALHFA has a membership of over 300 professionals in all areas of affordable housing.
5) PROMOTE SUSTAINABLE PRACTICES

“A sustainable community is one that has more housing and transportation choices, helps people live closer to jobs, shops and schools, is more energy independent and helps protect clean air and water.” - U.S. HUD-DOT-EPA Partnership for Sustainable Communities

The City of Austin launched its Office of Sustainability in September 2010. The objective of the office is to assist in aligning and connecting “green” initiatives, opportunities and programs across City’s departments and the city at large. The Office defines sustainability as finding a balance among three sets of goals: 1) prosperity and jobs, 2) conservation and the environment, and 3) community health, equity and cultural vitality. It means taking positive, proactive steps to protect quality of life now, and for future generations. Exhibit 4.6 displays the three sets of goals. Over time, the Office will incorporate the pillars of sustainability in the categories of its economy, environment and social equity. The concept of city shaping and mobility is an additional critical consideration related to sustainability.

Exhibit 4.6: Sustainability Balance

In addition, the Sustainability Office has begun a new initiative in rethinking how Austinites live, work and play – to help secure Austin’s sustainable future; the Sustainable Office is taking coordinated action in 10 areas displayed in Exhibit 4.7. For the Sustainability Action Agenda, the City tracks and reports on citywide progress as City departments move forward with projects. The goal is to advance local sustainability and climate action by providing leadership and coordination for initiatives across the City organization on and Austin Community.
The concept of sustainability is not new to NHCD. Energy efficiency, green building, and transit-oriented housing initiatives have long been incorporated into the spectrum of NHCD’s housing activities, and low- and moderate-income households have for years enjoyed benefits of such efforts, including lower utility bills, healthier home environments, increased mobility and reduced transportation costs. With the advent of the City’s Sustainability Office, NHCD is committed to building upon previous efforts to improve and further refine NHCD’s business models to achieve sustainability outcomes. NHCD is dedicated to being a local and national green business leader in the fields of affordable housing and community development. This section provides descriptions of initiatives that promote the City’s sustainability balance.

**Colony Park Sustainable Communities Initiative**

HUD’s 2011 Sustainable Communities Grant fosters reform and reduces barriers to achieving affordable, economically vital, and sustainable communities. Such efforts may include amending or replacing local master plans, zoning codes, and building codes, either on a jurisdiction-wide basis or in a specific neighborhood, district, corridor, or sector to promote mixed-use development, affordable housing, the reuse of older buildings and structures for new purposes, and similar activities with the goal of promoting sustainability at the local or neighborhood level. This grant program also supports the development of affordable housing through the development and adoption of inclusionary zoning ordinances and other activities to support planning implementation.

The City of Austin was awarded a $3 million 2011 Sustainable Communities Grant in November 2011, to be used as a 3-year planning grant for the Colony Park Sustainable Communities Initiative. This proposed Master Planned; 208-acre development will
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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 in East Austin. The project will include completion of a Master Plan, resulting in rezoning; engineering for subdivision and site planning for review and approval by the City of Austin; infrastructure construction plans and architectural design and plans for new sustainable residential and commercial development. Through its outright ownership of this 208-acre tract of land, the City of Austin is in a unique position to mold this pilot project to be completely responsive to the Challenge Grant livability principles and to promote the community vision.

The project will be led by NHCD, in partnership with AFHC and other City departments. AHFC intends to serve as developer of the site and as builder for a portion of the housing. Partners include the City of Austin Sustainability Office, Austin Energy/Austin Energy Green Building, Austin Resource Recovery, Austin Water Utility, Economic Growth and Redevelopment Services Office (EGRSO), Planning & Development Review Department, Austin/Travis County Health and Human Services Department (HHSD), Pecan Street, Inc., Capital Area Texas Sustainability Consortium (CATS), and the Capital Metropolitan Transportation Authority.

The initiative has three overarching draft outcomes:

1. Further land-use planning and development of 208 acres of publicly-owned land at Colony Park inspired by the U.S. Department of Housing and Urban Development (HUD) Livability Principles.
2. Foster cross-department/agency coordination and create successful models of comprehensive systems change to support sustainable and equitable development.
3. Support capacity building and community transformation goals of Colony Park area residents and stakeholders.

Activities conducted in grant year 1 will focus on establish clear channels of communication with area residents and stakeholders, building capacity and breadth of project team, assessing opportunities and constraints of proposed development, and determining a shared vision of the proposed development based on local interpretation of the HUD Livability Principles.

HUD Livability Principles

On June 16, 2009, the U.S. Environmental Protection Agency (EPA) joined with HUD and the U. S. Department of Transportation (DOT) to help improve access to affordable housing, more transportation options, and lower transportation costs while protecting the environment in communities nationwide. Through a set of guiding livability principles and a partnership agreement that will guide the agencies’ efforts, this partnership will coordinate federal housing, transportation, and other infrastructure investments to protect the environment, promote equitable development, and help to address the challenges of climate change.
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1. Provide more transportation choices
Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.

2. Promote equitable, affordable housing
Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.

3. Enhance economic competitiveness
Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.

4. Support existing communities
Target federal funding toward existing communities—through strategies like transit-oriented development, mixed-use development, and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.

5. Coordinate and leverage federal policies and investment
Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

6. Value communities and neighborhoods
Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban.

The City of Austin recognizes the importance of these guiding principles and with the award of the 2011 HUD Sustainable Communities Challenge Grant, the City is committed to building upon its existing efforts to improve and further refine practices and incorporate these six values in its Colony Park Sustainable Communities project.

Financial Empowerment
The City of Austin believes that by investing in its residents, local businesses and innovations, the entire community can begin to cultivate its own prosperity. Economic sustainability is based on a thriving regional economy that emphasizes green business leadership, clean technology, and expanding opportunity for all. The core concepts derived from the Sustainability Balance include:

- Promote prosperity, job growth, and affordable housing at all levels in the community,
- Support local businesses and buying local to benefit our economy, and
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- Encourage creativity, resiliency, innovation, and collaboration.

As a sign of the City’s commitment to financial empowerment activities, the Austin City Council has supported three recent initiatives to overcome critical areas related to financial empowerment.

1. Business Regulation and Permit Requirements
   August 18, 2010: Austin City Council amended Title 4 (Business Regulation and Permit Requirements) of the City Code. The purpose of this chapter is to protect the welfare of the citizens of the City by monitoring credit access businesses in an effort to reduce abusive and predatory lending practices. The amendment provides a penalty up to $500 for each offense performed by businesses.

2. Pay Day Lending
   August 18, 2010: The City of Austin is concerned about the harmful effects of alternative financial service business practices, including payday lenders and auto title lenders statewide, and particularly in Austin. To address such concerns, the City Council approved a resolution initiating code amendments to City Code Title 25 (Land Development Code) and directing the City Manager to process code amendments to regulate the location and use of buildings and land for alternative financial services businesses. This regulation would deconcentrate and potentially decrease the negative effects of having multiple check cashing, payday loan, and car title loan businesses in close proximity to one another.

3. Bank On Central Texas Program
   September 30, 2010: Austin City Council passed a resolution directing the City to participate in a Bank On Central Texas Employer Campaign (BOCT). BOCT was launched by the United Way Capital Area and PeopleFund to provide the following resources to the under-banked or unbanked: access to mainstream financial products and services, financial empowerment programs, and resources to build personal financial capacity. In this initiative, City efforts include working with employees to identify individual barriers to receiving an electronic paycheck, and where appropriate, offer financial coaching and identify financial products through the BOCT program that may benefit the employee. To date, approximately 95 percent of City employees have gone to paperless paychecks.

At the department level, NHCD’s mission is to provide critical services, such as homebuyer education, homeowner foreclosure prevention education, financial planning, and job creation, to eligible residents so that they have greater opportunity for reaching self-sufficiency. NHCD’s Investment Plan offers over 30 programs that provide necessary services that financially empower Austin residents.

In May 2011, the City of Austin applied for federal grant funding through the U.S. Department of Health and Human Services, Administration for Children and Families for a National Assets for Independence (AFI) demonstration grant establishing Individual Development Accounts (IDA) in May 2011. NHCD received notification in April 2012 that the City of Austin was awarded $250,000 for IDAs. IDAs are special savings accounts
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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. Participants receive financial training and coaching on family budgeting, consumer issues, debt and credit counseling, using mainstream financial products, accessing refundable tax credits, and accessing other benefits and services. The goal of the demonstration grant is to learn about the extent to which this approach enables individuals and families with low incomes to become financially stable over the long term. 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.

In February 2012, NHCD staff joined other municipalities and national leaders in the National League of Cities’ Youth, Education and Families Institute’s (YEF) Municipal Financial Empowerment Strategy Session. To continue advancing a dialogue among local officials about how to empower families financially in communities with varying political, economic and financial climates, the YEF Institute convened representatives from 19 cities for a two-day strategy session in San Francisco. Cities attending the conference embraced specific strategies that representatives could initiate upon returning home, such as incorporating one-on-one financial counseling into financial education programs, establishing children’s savings accounts and identifying new partnerships to offer peer-to-peer, no-cost, credit-building loan programs as an alternative emergency source of funding for families who rely on payday lenders, pawn shops and other predatory outlets. City representatives and national leaders shared their expertise on a variety of topics ranging from data collection and evaluation to new partnership strategies. Participants agreed on the importance of stronger, more aligned partnerships, dedicated capacity to support a financial empowerment agenda and service integration strategies to make a greater impact on the lives of residents who are struggling to make ends meet.

For the FY 2012-13 Action Plan and in preparation of the FY 2014-19 Consolidated Plan, NHCD hosted a series of three Community Conversations focusing on key areas that would bring together Austin residents, stakeholders, and City leaders to share ideas on how the City can move forward and gather feedback. On March 30, 2012, NHCD hosted the Financial Empowerment in Austin! community conversation. The event brought together 32 people representing 20 local agencies whose mission and efforts are dedicated to promoting financial empowerment and offering financial educational tools to individuals seeking assistance for personal or professional growth. The Financial Empowerment in Austin! conversation marked the first in many conversations that NHCD would like to have on this nation-wide movement in increasing the importance of financial empowerment has within the community. NHCD looks forward to continued communications with its local partners and future meetings focusing on this topic in FY 2012-13.

NHCD has also begun collaborative efforts with the Austin City Council, Foundation Communities, and United Way Capital Area, in April 2012 in preparation of the Living Cities’ for Financial Empowerment funding application. On April 11, 2012, Living Cities and Bloomberg Philanthropies announced an exciting new development in the municipal
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financial empowerment field: the launch of the Cities for Financial Empowerment Fund at Living Cities (CFE Fund). The CFE is a 3-year grant that recreates the financial empowerment model used by New York City and will help local governments identify, develop, fund, implement, and research pilots and programs that increase people’s financial stability. This model offers free, professional, one-on-one financial counseling and education to low-income residents at Financial Empowerment Centers. If awarded, the NHCD would collaborate with non-profit financial empowerment and educational programs to create Financial Empowerment Centers in Austin.

The City of Austin understands that more than ever, municipal leaders are playing key roles in ensuring access to low or no-cost banking services, financial education, anti-predatory lending resources, free tax preparation services, free credit counseling and other supports for families who operate on the fringe of an increasingly complex financial system.

Healthy Homes and Home Repair
In order to sustain Austin’s quality of life, the City must promote community health and a shared sense of vitality. Social equity is a value for the City of Austin. The community’s sustainability – and commitment to social equity – is reliant upon wellness, public safety, local fresh food, and active daily lifestyles. It requires compassionate help for our most vulnerable neighbors. Core concepts include:

- Define sustainable “progress” as advancements in the health and well-being of all Austinites, including healthy eating and daily exercise to “keep Austin moving.”
- Take positive, proactive steps to equitably protect everyone’s quality of life, now and over time.
- Protect against toxic pollution of our air, water and soil to safeguard everyone’s health, including the next generation of children.

Creating healthy homes by offering home repair activities is considered a high priority and a critical need for the City of Austin. These activities make units more accessible by alleviating life-threatening living conditions and health and safety hazards for low- and moderate-income homeowners. NHCD administers the following home repair programs: Architectural Barrier Removal (ABR) – Rental and Owner, Emergency Home Repair (EHR), Homeowner Rehabilitation Loan Program (HRLP), G.O. Repair! Program, and Holly Good Neighbor Program. In addition, NHCD collaborates with Austin Energy (AE), Austin Water Utility (AWU) and the City’s Code Compliance department to offer more services promoting healthier homes.

On April 13, 2012, NHCD hosted the second community conversation focusing on Healthy Homes & Home Repairs. The goal of the event was to gather feedback on how NHCD can strengthen its home repair programs and services to create healthier homes for Austinites. The event brought together over 25 key stakeholders whose efforts are dedicated to providing critical home repair services to help keep residents’ homes hazardous-free and
accessible. As a result, these services create healthier homes and preserve the affordable housing stock in Austin.

The dynamic conversation provided an opportunity for several participants to voice their unique perspectives and offer insight on how the City can enhance partnerships, create a more comprehensive approach in offering services to low-income residents and streamline referral processes to ensure a more prompt and efficient repair process. The consistent theme taken from the conversation was the need for a comprehensive assessment tool that can be utilized by the City of Austin and local service providers to identify households in need of home repair. In addition, there were requests for more collaboration and consultation among the City of Austin and local agencies when designing and launching new home repair programs. Professionals shared knowledge of other models and examined how those practices could enhance service delivery. There was also mention that NHCD should explore other cities home repair business models. The City of Baltimore, MD is a leader in integrating a collaborative home repair program design that has enhanced partnerships, braided funding resources, and improved overall outcomes on home repair programs; thus, increasing client access and providing more effective service.

NHCD has continued its strategic pursuit of competitive and non-competitive federal and state grant opportunities in an effort to increase its financial capacity; therefore, increasing the number of households the office can serve. Through the Texas Department of Housing and Community Affairs' (TDHCA) Reservation Funds, NHCD will be able to provide architectural barrier removal to persons with disabilities.

NHCD considers “Investment in Technology to Meet Customer Demand” a high priority and has elevated this as a horizon issue in FY 2012-13. NHCD will be first City department to “go-live” with the web-based version of the AMANDA Enterprise Software in FY 2012-13. The AMANDA system is designed to improve customer service and operational efficiency by streamlining business processes and consolidating program functions. The software will increase online access across the department and will include client, financial and compliance records for an overall reduction of carbon footprint. For FY 2012-13 NHCD recommends continuing investment and efforts in technology through mobile devices and a web portal to allow customers and businesses to apply for programs/services electronically.

NHCD fully supports efforts to incorporate the value of equity throughout its programs and services and aims to achieve this core value. In FY 2012-13, NHCD will continue to explore collaborative strategies and approaches on how the City can create healthier home through sustainable practices to maintain Austin's housing stock.