

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE (NHCD) OVERVIEW

Austin
City Council
Housing
Committee
March 25,
2015



NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE MISSION

To provide housing, community development, and small business development services to benefit eligible residents so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency.

AUSTIN HOUSING FINANCE CORPORATION (AHFC)

- Created as a public, non-profit corporation to act as the City's housing production arm.
- Austin City Council serves as the AHFC's Board of Directors.
- Mission: to generate and implement strategic housing solutions for the benefit of low- and moderate- income residents of the City of Austin.
- AHFC's primary functions:
 - Issue single-family and multi-family bonds for the financing of reasonably priced housing
 - Assist the City in the delivery of reasonably priced housing programs using HOME Investment Partnerships (HOME) and Community Development Block Grant (CDBG) funds

3

WHAT IS HOUSEHOLD AFFORDABILITY?

Affordable Housing:

Housing in which the occupant(s) is/are paying no more than 30 percent of his or her income for rent, mortgage payments and utilities, and no more than 45 percent of his or her income on housing and transportation costs combined.

Definition from the U.S. Department of Housing and Urban Development (HUD)



Household Affordability (Priority Program #6):

Household affordability is about the costs of housing, utilities, taxes and transportation.

Definition from Imagine Austin

Based on Median Family Income (MFI):

30% MFI: \$15,850 for 1-person household; \$22,600 for a 4-person household
 50% MFI: \$26,400 for 1-person household; \$37,700 for a 4-person household
 80% MFI: \$42,250 for 1-person household; \$60,300 for a 4-person household

Per HUD effective May 2014 for the Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA)



4

AFFORDABILITY REQUIRES DIVERSE APPROACHES

Market Rate Affordable Housing:

Housing built by private developers that is affordable due to size, location, age, quality, maintenance, etc...

Income-Restricted Affordable Housing:

Housing that is reserved for households at particular incomes (often in terms of a percentage of Median Family Income, or MFI) for a specified period of time.

Affordability through Regulations or Incentives



Utilizes the Code or Incentives to encourage developers to include affordable units, despite market pressures. (i.e., Density Bonus)

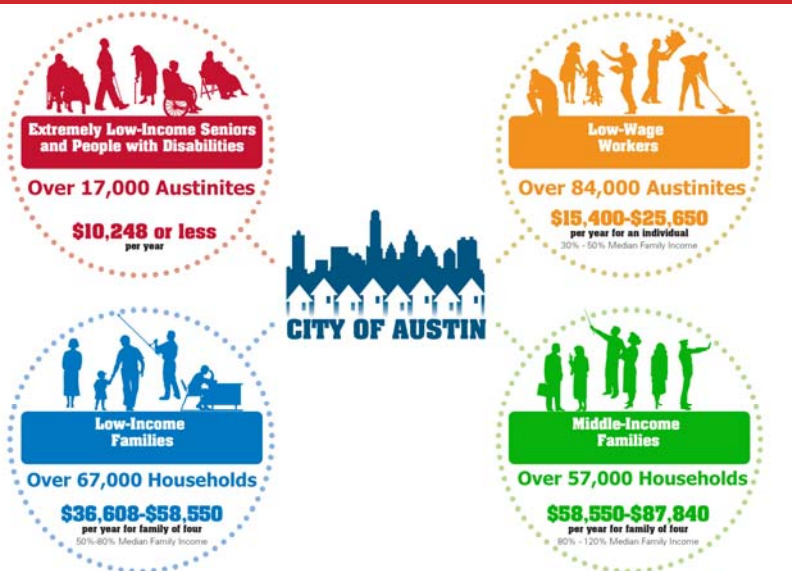
Subsidized Affordable Housing

Housing Subsidized by Federal or Local funds to make the development feasible with lower rents or prices. Usually has an affordability period.



5

NEED FOR DIVERSE HOUSING TYPES



6

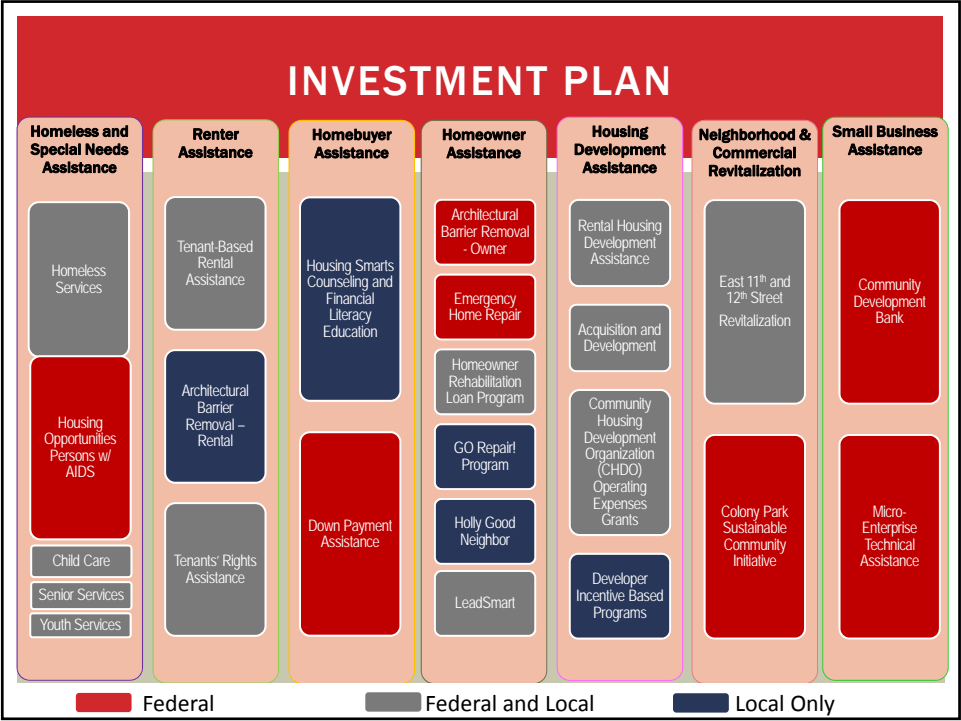
DEPARTMENTAL PROGRAMS

7

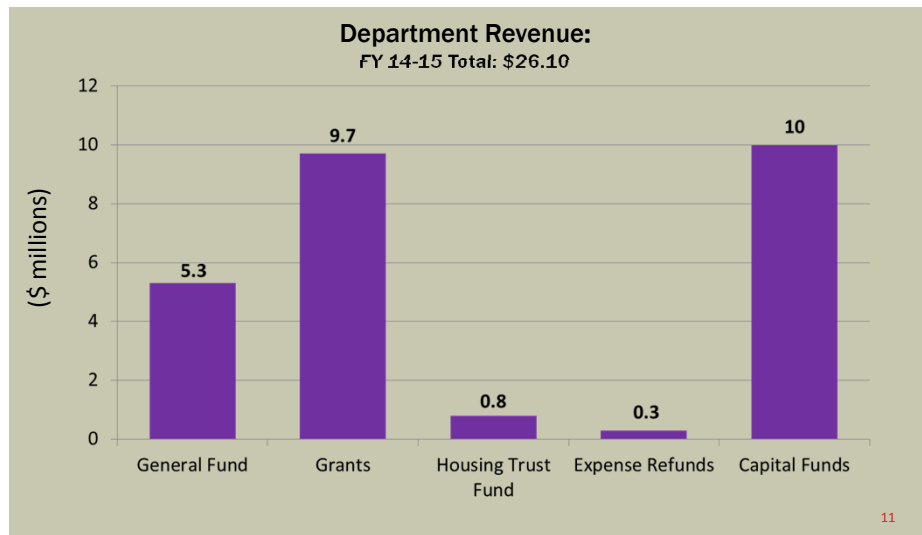
AFFORDABILITY ALONG A CONTINUUM

| | | | | | |
|---|--|---|---|--|-------------------------------------|
| Supportive Housing | Subsidized Rental | Subsidized Owner | Market Rental | Market Owner | Home Repair |
| Shelter Transitional Permanent Supportive Housing | Public Housing Housing Choice Vouchers Income- restricted rental housing | Income- restricted ownership housing Shared equity models | Privately owned rental housing | Privately owned or newly constructed for-sale housing | Maintaining ownership housing |
|  |  |  | | | |

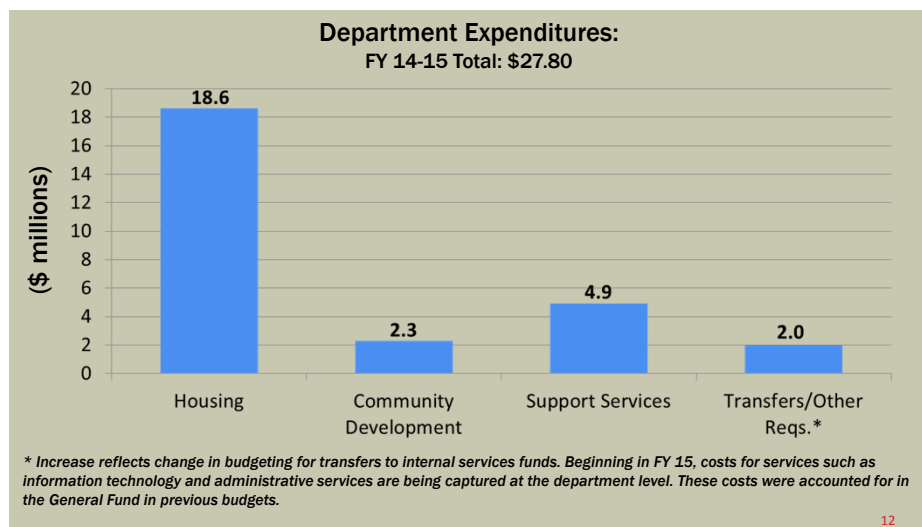
8



SOURCES OF FUNDS



USES OF FUNDS



FEDERAL FORMULA FUNDS

| | FY 14-15 | FY 15-16 | Annual \$ Change | Annual % Change | 5 Year \$ Change | 5 Year % Change |
|--------------|---------------------|---------------------|--------------------|-----------------|----------------------|-----------------|
| CDBG | \$6,983,366 | \$7,078,382 | \$95,016 | 1% | (\$1,078,766) | -14% |
| HOME | \$2,686,764 | \$2,433,108 | (\$253,656) | -10% | (\$2,098,709) | -46% |
| HOPWA | \$1,112,390 | \$1,117,794 | \$5,404 | 1% | \$13,867 | 1% |
| ESG | \$583,706 | \$622,474 | \$38,768 | 8% | \$292,030 | 89% |
| TOTAL | \$11,366,226 | \$11,251,758 | (\$114,468) | | (\$2,871,578) | |

CDBG = Community Development Block Grant
 HOME = HOME Investment Partnerships
 HOPWA = Housing Opportunities for Persons with AIDS
 ESG = Emergency Solutions Grant

13

FEDERAL FUNDS DRIVEN BY REGULATIONS: HOME

HOME Investment Partnership

- **Eligible Uses:**
 - Building, buying, and/or rehabilitating affordable housing for rent or homeownership
 - Providing direct rental assistance to low-income people
- **Income Eligibility: ≤ 80% Median Family Income**

2014 Austin-Round Rock-San Marcos Median Family Income (MFI):

30% MFI: \$15,850 for 1-person household; \$22,600 for a 4-person household
 50% MFI: \$26,400 for 1-person household; \$37,700 for a 4-person household
 80% MFI: \$42,250 for 1-person household; \$60,300 for a 4-person household

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14

FEDERAL FUNDS DRIVEN BY REGULATIONS: CDBG

Community Development Block Grants

- **Local Eligible Uses*:**
 - Homeownership Assistance
 - Homeowner Rehabilitation
 - Rental Rehabilitation
 - Housing Services
 - Other Real Property Activities (acquisition, disposition, clearance and demolition, code enforcement, and historic preservation)
 - Public facilities
 - Economic development programs
 - Public services
- **Income Eligibility: 70% of expenditures must be ≤80% MFI**

**1982 Council Resolution exempted capital improvements that could otherwise be covered by City Public Works investments.-Council Resolution 820401-D*

15

HOUSING TRUST FUND

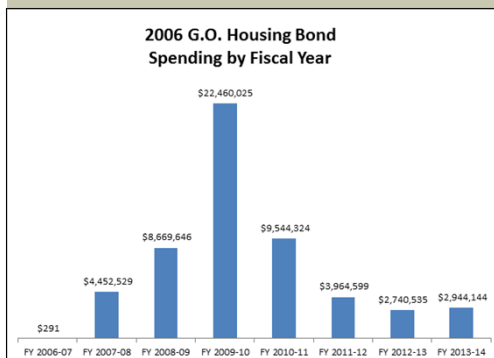
- Established April 20, 2000
- Council Resolution directed the City Manager to identify funds and resources to invest in an expanded Affordable Housing Initiative
- Funding mechanism is subject to Council approval during annual Budget process
- HTF is funded by a transfer of 40% of property tax revenues (excluding Tax Increment Finance – TIF - Districts) generated from developments built on City-owned lands within the defined Desired Development Zone

16

GENERAL OBLIGATION BOND OVERVIEW

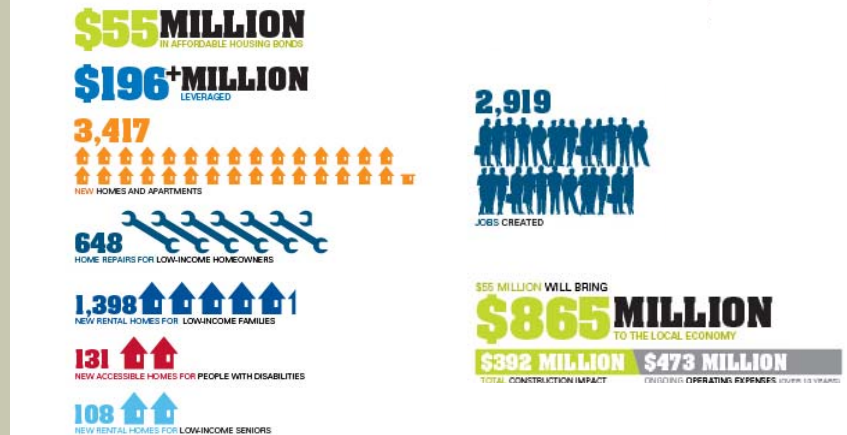
17

2006 GENERAL OBLIGATION BOND PROGRAM HIGHLIGHTS



| Rental | Amount | Units |
|---------------------------------------|---------------|--------------|
| Very Low Income Persons/Families | \$21.5 | 869 |
| Workforce/ Family Housing | \$11.2 | 529 |
| Persons with Mental Disabilities | \$3.3 | 61 |
| Senior Housing | \$3.0 | 108 |
| Children | \$1.9 | 42 |
| Mobility Disability | \$0.8 | 70 |
| Subtotal: Rental | \$41.7 | 1,679 |
| Homeownership | Amount | Units |
| \$4.6M – Repairs; \$8.7M – Buyers | \$13.3 | 914 |
| Subtotal: Affordable Units | \$55.0 | 2,593 |
| TOTAL – All Units | | 3,417 |
| Balance Remaining from \$55.0M | \$0.0 | |

2006 HOUSING BONDS: RETURN ON INVESTMENT



19

2013 GENERAL OBLIGATION BOND PROGRAM OVERVIEW

- November 5, 2013, Austin voters approved \$65M in bond funding for affordable housing in Proposition 6.
- Three main investment areas:
 1. Rental Housing Development Assistance
 2. Home Ownership Programs
 3. Home Repair Programs
- City's Core Values:
 1. Deep Affordability
 2. Long-Term Affordability
 3. Geographic Dispersion

20

G.O. BOND ALLOCATION PROCESS

1. Applications are accepted on a rolling basis through the Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) Programs through the Austin Housing Finance Corporation (AHFC).*
2. Applications are scored by a staff committee.
3. Applications that meet the scoring threshold are forwarded to the Housing Bond Review Committee (HBRC).
4. HBRC reviews applications before they are sent to the AHFC Board.
5. GO Repair! : competitive Notice of Funding Availability (NOFA) process.

**same process for other sources of capital funding*

21

2013 G.O. BOND SPENDING PLAN

| Project Description | Spending Plan by Fiscal Year | | | | | |
|--------------------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 13-14 | 14-15 | 15-16 | 16-17 | 17-18 | 18-19 |
| BEGINNING BALANCE | 65,000,000 | 50,000,000 | 40,000,000 | 30,000,000 | 20,000,000 | 10,000,000 |
| SPENDING PLAN | | | | | | |
| GO! Repair | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| ABR - Renter | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Home Repair | 2,250,000 | 2,250,000 | 2,250,000 | 2,250,000 | 2,250,000 | 2,250,000 |
| Rental Housing Development | 11,000,000 | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 | 6,750,000 |
| Acquisition & Development | 1,750,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| | 15,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 | 10,000,000 |
| ENDING BALANCE | 50,000,000 | 40,000,000 | 30,000,000 | 20,000,000 | 10,000,000 | - |

22

NHCD POLICY ISSUES AND BOARDS

23

PREVIOUS COUNCIL-DRIVEN POLICY ISSUES

- 20140925-090: Planned Unit Development Code Amendment regarding fees-in-lieu vs. onsite affordable housing.
- 20141002-044: Good Landlord Program to incentivize private landlords to meet high standards and house the hard-to-house.
- 20141016-034: Preservation Program Implementation for 20,000 units.
- 20141002-043: Setting a target of 400 Permanent Supporting Housing Units, with 200 dedicated to Housing First.

24

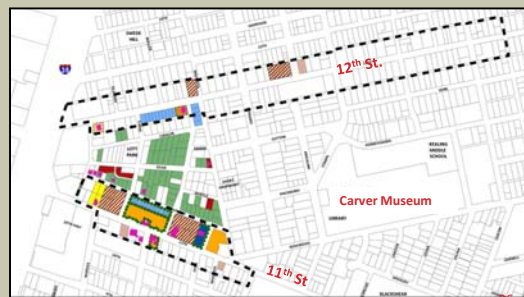
BOARDS: COMMUNITY DEVELOPMENT COMMISSION (CDC)

- **Purpose:** Advise the Council in the development and implementation of programs designed to serve the poor and the community at large with emphasis on federally funded programs
- **Membership:** 15 members – including 7 designated neighborhood representatives
- **Required by Federal Health and Human Services (HHS) Community Services Block Grant (CSBG) Program**

25

BOARDS: URBAN RENEWAL BOARD (URB)

- **Purpose:** In 1959, Austin voters created an urban Renewal Agency to carry out Urban Renewal project powers. The URB oversees the implementation and compliance of approved Urban Renewal Plans, whose purpose is to eliminate slum and blighting influence within the Urban Renewal Plan Area.
- **Membership:** 7 members – all appointed by Mayor
- **Required by the Texas Local Government Code**
- **Sovereign Board**



QUESTIONS?

27