



NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE (NHCD)

DEPARTMENTAL OVERVIEW

Presented to:

Community Development Commission

September 8, 2015

DEPARTMENT'S MISSION STATEMENT

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

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: \$16,150 for 1-person household; \$24,250 for a 4-person household

50% MFI: \$26,900 for 1-person household; \$38,400 for a 4-person household

80% MFI: \$43,050 for 1-person household; \$61,450 for a 4-person household

Per HUD effective June 2015 for the Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA)



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.



NEED FOR DIVERSE HOUSING TYPES



**Extremely Low-Income Seniors
and People with Disabilities**

Over 17,000 Austinites

\$10,248 or less
per year



**Low-Wage
Workers**

Over 84,000 Austinites

\$15,400-\$25,650
per year for an individual
30% - 50% Median Family Income



**Low-Income
Families**

Over 67,000 Households

\$36,608-\$58,550
per year for family of four
50%-80% Median Family Income



**Middle-Income
Families**

Over 57,000 Households

\$58,550-\$87,840
per year for family of four
80% - 120% Median Family Income

HOUSING CONTINUUM & DEPARTMENTAL PROGRAMS

AFFORDABILITY ALONG A CONTINUUM

**Supportive
Housing**

**Shelter
Transitional
Permanent
Supportive
Housing**

**Subsidized
Rental**

**Public
Housing
Housing
Choice
Vouchers
Income-
restricted
rental
housing**

**Subsidized
Owner**

**Income-
restricted
ownership
housing
Shared
equity
models**

**Market
Rental**

**Privately
owned
rental
housing**

**Market
Owner**

**Privately
owned or
newly
constructed
for-sale
housing**

**Home
Repair**

**Maintaining
ownership
housing**



NHCD INVESTMENT PLAN

Homeless and Special Needs Assistance

Homeless Services

Housing Opportunities
Persons w/
AIDS

Child Care

Senior Services

Youth Services

Renter Assistance

Tenant-Based
Rental
Assistance

Architectural
Barrier Removal –
Rental

Tenants' Rights
Assistance

Homebuyer Assistance

Housing Smarts
Counseling and
Financial
Literacy
Education

Down Payment
Assistance

Homeowner Assistance

Architectural
Barrier Removal
- Owner

Emergency
Home Repair

Homeowner
Rehabilitation
Loan Program

GO Repair!
Program

Holly Good
Neighbor

LeadSmart

Housing Development Assistance

Rental Housing
Development
Assistance

Acquisition and
Development

Community
Housing
Development
Organization
(CHDO)
Operating
Expenses
Grants

Developer
Incentive Based
Programs

Neighborhood & Commercial Revitalization

East 11th and
12th Street
Revitalization

Colony Park
Sustainable
Community
Initiative

Small Business Assistance

Community
Development
Bank

Micro-
Enterprise
Technical
Assistance

 Federal

 Federal and Local

 Local Only

PARTICIPATING JURISDICTION: FORMULA GRANTS

PARTICIPATING JURISDICTION OBLIGATIONS

- **Participating Jurisdiction** means any State or local government that has been designated by the U.S. Dept. of Housing and Urban Development (HUD) to administer HUD grants.
- Recipients must certify they will meet program requirements and applicable federal requirements, including federal Fair Housing requirements.
- The City of Austin is required to submit a 5-year Consolidated Plan, Action Plans (1 per year), and End-of-Year Reports called the Consolidated Annual Performance Evaluation Report (CAPER) – 5 year plan for formula grants.

PARTICIPATING JURISDICTION OBLIGATIONS

Fair Housing Requirements

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities
- Comply with the non-discrimination requirements of the Fair Housing Act

PARTICIPATING JURISDICTION OBLIGATIONS

Fair Housing Choice Defined

Individuals and families should be able to:

- Live where they choose without barriers related to the classes protected under the Fair Housing Act
- Achieve fair housing choice given the legacy of segregation, ongoing discrimination, and residential patterns that offer different levels of access to community assets

PARTICIPATING JURISDICTION OBLIGATIONS

Austin's High Priority Barriers to Fair Housing

- Lack of affordable housing disproportionately impacts protected classes with lower incomes and higher poverty rates.
- Lack of affordable housing citywide exacerbates segregation created through historical policies and practices.
- The city is limited in its ability by state law to use inclusionary zoning as a tool to broaden housing choice.
- Information on housing choice is not widely available in languages other than English and/or in accessible formats.
- Complaint data signals non-compliance of property owners and builders with accessibility requirements.

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

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: \leq 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

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

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*

FEDERAL FUNDS DRIVEN BY REGULATIONS: HOPWA & ESG

Housing Opportunities for Persons with AIDS (HOPWA)

- Housing to meet the needs of persons with HIV/AIDS, including the prevention of homelessness

Emergency Solutions Grant (ESG)

- Improve the quality of existing emergency shelters for the homeless
- Provide additional emergency shelters
- Help meet the cost of operating emergency shelters
- Provide essential social services to homeless individuals & help reduce the number of people at risk of becoming homeless

HOPWA and ESG are administered by the City's Health and Human Services Department

LOCAL FUNDS: HOUSING TRUST FUND & GENERAL OBLIGATION BONDS

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

GENERAL OBLIGATION BOND PROGRAM OVERVIEW

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

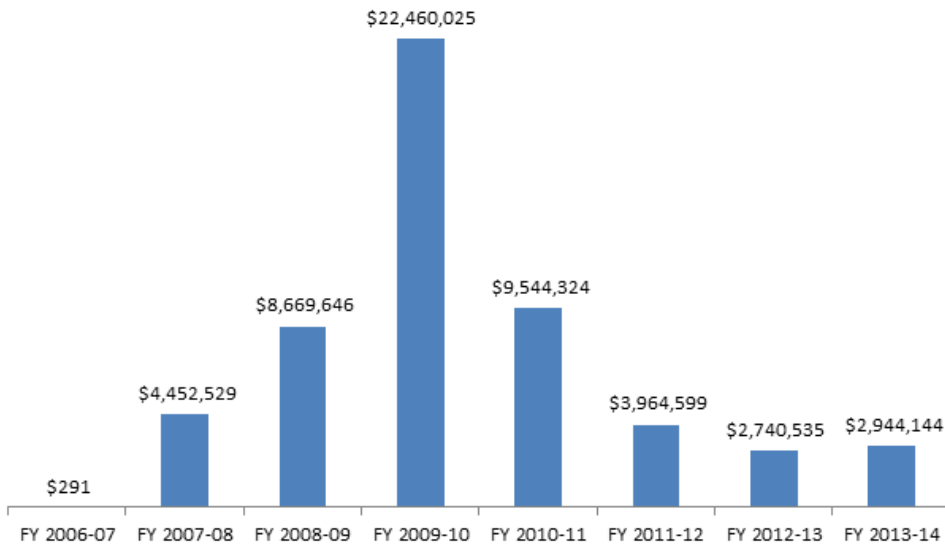
G.O. BOND ALLOCATION PROCESS

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*

2006 GENERAL OBLIGATION BOND PROGRAM HIGHLIGHTS

**2006 G.O. Housing Bond
Spending by Fiscal Year**



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

\$55 MILLION
IN AFFORDABLE HOUSING BONDS

\$196+ MILLION
LEVERAGED

3,417



NEW HOMES AND APARTMENTS

648



HOME REPAIRS FOR LOW-INCOME HOMEOWNERS

1,398



NEW RENTAL HOMES FOR LOW-INCOME FAMILIES

131



NEW ACCESSIBLE HOMES FOR PEOPLE WITH DISABILITIES

108



NEW RENTAL HOMES FOR LOW-INCOME SENIORS

2,919



JOBS CREATED

\$55 MILLION WILL BRING

\$865 MILLION
TO THE LOCAL ECONOMY

\$392 MILLION

TOTAL CONSTRUCTION IMPACT

\$473 MILLION

ONGOING OPERATING EXPENSES (OVER 10 YEARS)

2013 G.O. BOND SPENDING PLAN

- Austin voters approved \$65M in bond funding for affordable housing on 2013.

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
<i>Total Home Repair</i>	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
<i>Rental Housing Development</i>	11,000,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
<i>Acquisition & Development</i>	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	

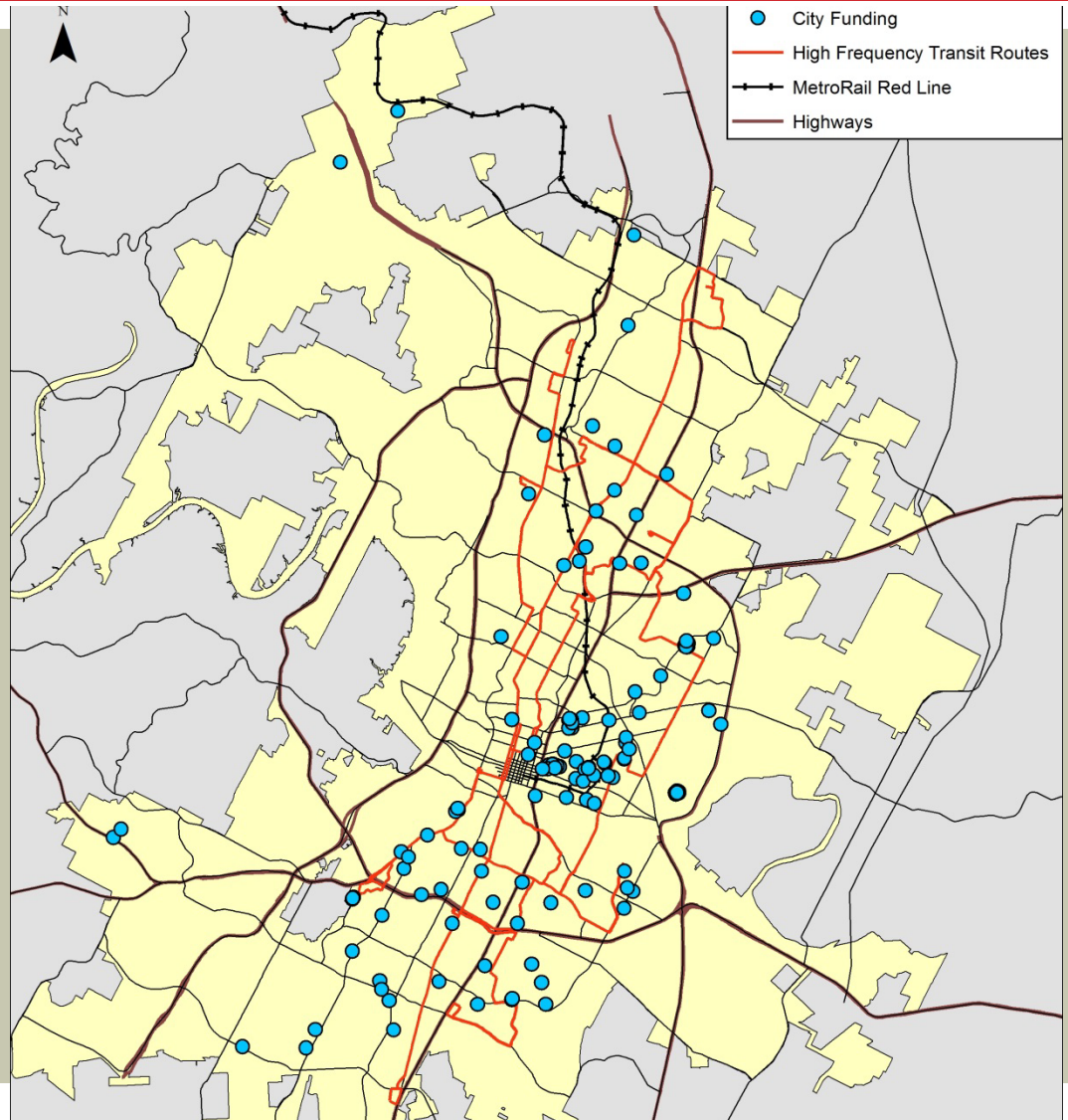
2013 GENERAL OBLIGATION BOND PROGRAM HIGHLIGHTS

2013 Bond Projects	Partners
Bluebonnet Studios	Foundation Communities
Lakeline Station Apartments	Foundation Communities
Cross Creek Apartments	The Mulholland Group
Live Oak Trails	Foundation Communities
Oak Springs Housing First	Austin Travis County Integral Care
LaMadrid Apartments	Wolfpack Group
Aldrich 51	DMA Development Co.
Cardinal Point Apartments	Foundation Communities
Guadalupe-Jeremiah Housing	Guadalupe Neighborhood Development Corporation, Jeremiah Foundation

INCOME-RESTRICTED AFFORDABLE HOUSING

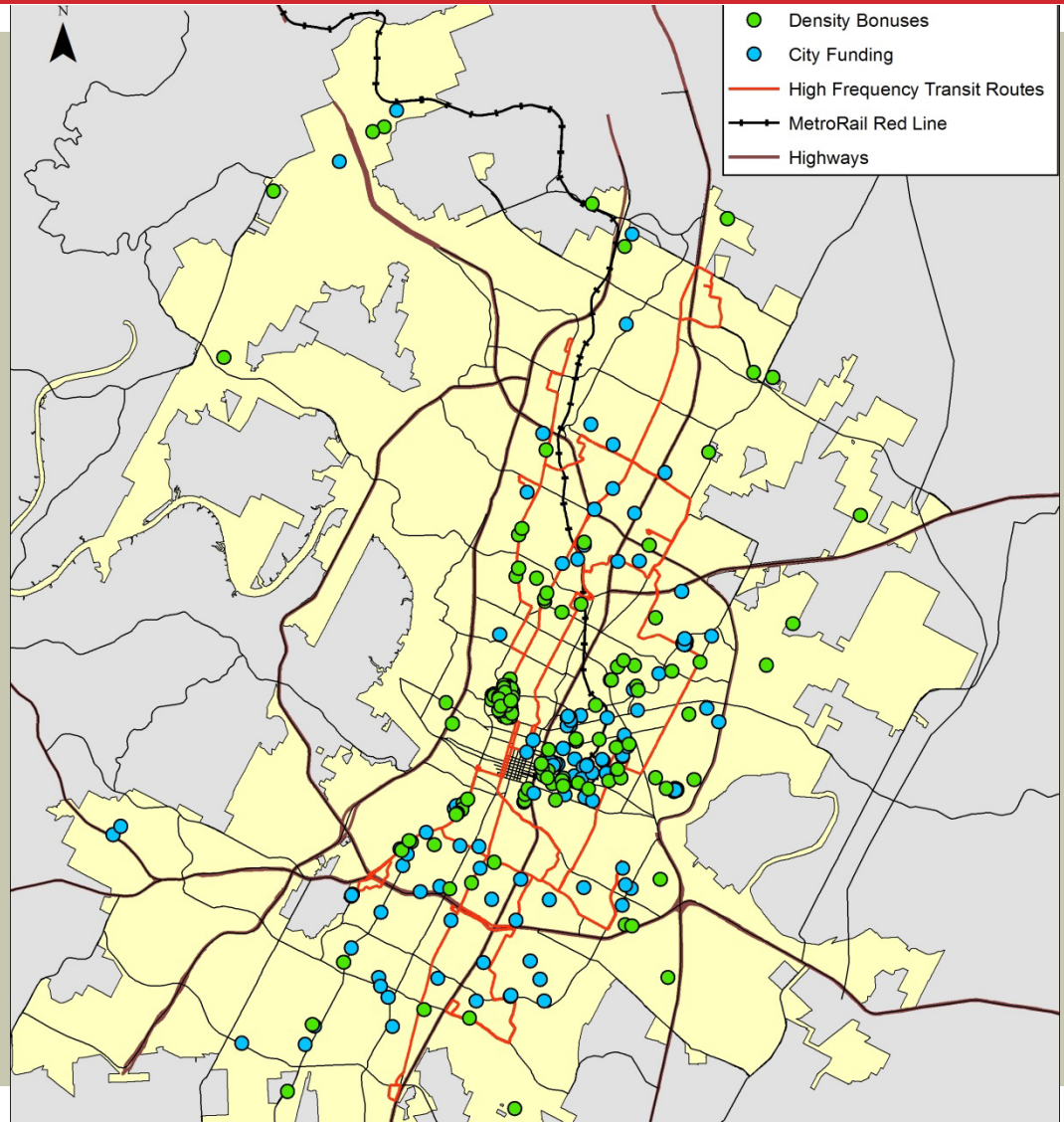
INCOME-RESTRICTED AFFORDABLE HOUSING

Created with City
of Austin funding
(blue)



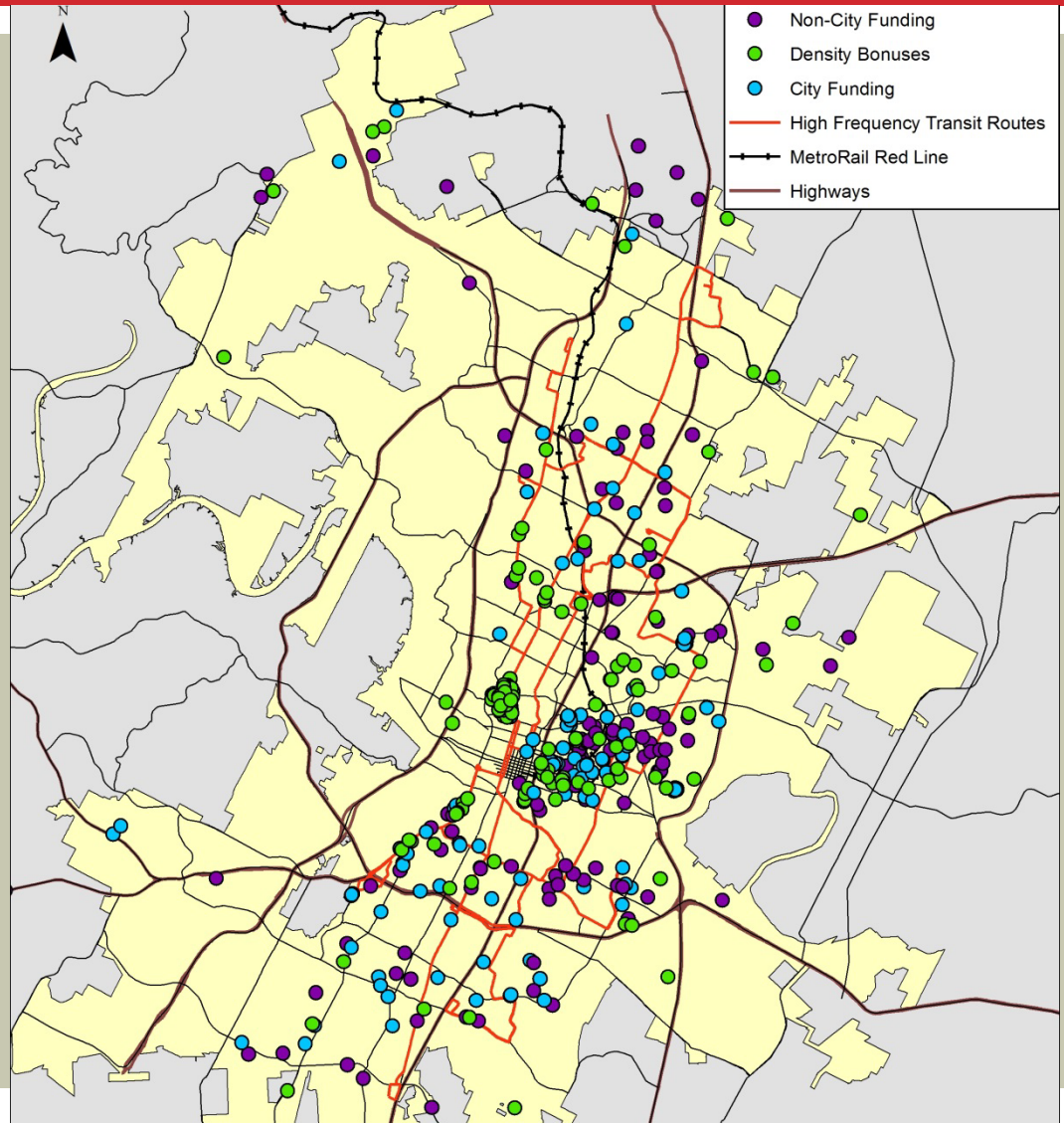
INCOME-RESTRICTED AFFORDABLE HOUSING

Created through
Incentive Programs
(Density Bonuses, etc.)
(green)



INCOME-RESTRICTED AFFORDABLE HOUSING

Created with non-City
of Austin funding
(purple)



QUESTIONS?