RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 2
AGENDA DATE: Thu 10/21/2004
PAGE: 1 of 2

SUBJECT: Approve a resolution authorizing funding a variety of programs in the Holly Street Neighborhood, including recreational and educational opportunities for children and neighborhood improvements in an amount not to exceed $1,000,000 and further authorize Austin Energy to negotiate and execute such contracts with each recipient entity as are reasonable, necessary or required to accomplish the purposes of this funding.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Energy
DEPARTMENT:

DIRECTOR'S
AUTHORIZATION: Juan Garza

FOR MORE INFORMATION CONTACT: Melissa Westmoreland, 322-6015

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Electric Utility Commission

PURCHASING: N/A

MBE / WBE: N/A

As part of the Fiscal Year 2004-2005 Budget, City Council designated $1,000,000 for the Holly Good Neighbor Program (HGNP). Austin Energy is requesting the City Council approve a resolution authorizing a variety programs in the Holly Street Neighborhood, including recreational and educational opportunities for children and neighborhood improvements in an amount not to exceed $1,000,000. The recommended funding through the HGNP is summarized below:

- $100,000 to the Austin Police Department (APD) to maintain a walking beat on East Cesar Chavez near Sanchez Elementary School and the Austin Baptist Chapel Soup Kitchen.

- $30,000 to APD for maintenance of the "Reverse 911" emergency notification system in the Holly Neighborhood.

- $300,000 to be transferred to the MACC/Terrazas Library O&M fund for operations and maintenance costs of the Mexican American Cultural Center and the Terrazas Branch Library. This allocation is the second in the series of four annual transfers.

- $350,000 to the Neighborhood Housing and Community Development Department (NHCD) for rehabilitation of homes near the Holly Power Plant.

- $80,000 for the HOSTS program at Metz Elementary School.

- $35,000 for the Holly Neighborhood Grants Assistance Program (HNGAP), with a $5,000 limit per grant.

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PAGE: 2 of 2

- $105,000 for other Good Neighbor Programs.

Austin Energy is committed to working with City Council, the City Manager, the Electric Utility Commission, and most importantly, the residents of the Holly Neighborhood, to improve and invest in the neighborhood and recreational facilities. The proposals above will benefit the neighborhood and represents a balanced distribution of funding throughout the established educational and recreational entities in the Holly Neighborhood

DRAFT

RESOLUTION NO. _____

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council approves a resolution authorizing funding a variety of programs in the Holly Street Neighborhood, including recreational and educational opportunities for children and neighborhood improvements in an amount not to exceed $1,000,000; and authorizes Austin Energy to negotiate and execute such contracts with each recipient entity as are reasonable, necessary or required to accomplish the purposes of this funding.

ADOPTED: _____, 2004 **ATTEST:**_____

Shirley A. Brown
City Clerk

Electric Utility Commission
September 20, 2004
Meeting

Approve a resolution authorizing funding a variety programs in the Holly Street Neighborhood, including recreational and educational opportunities for children and neighborhood improvements in an amount not to exceed $1,000,000 and further authorize Austin Energy to negotiate and execute such contracts with each recipient entity as are reasonable, necessary or required to accomplish the purposes of this funding.

Motion by: Fath, with the amendments recommended by the EUC Holly Subcommittee.

Seconded by: Fernandez

Ayes: Carr, Fath, Fernandez, LeGette, Owens, Shaw, and Skeith

Nays: NONE

Abstaining: NONE

Off the dais: NONE

Absent: NONE

The motion passed on a 7 – 0 vote, with amendments (attached).

Proposed Amendment to Agenda Item No. B2
Use of Holly Good Neighbor Program Funds

The Holly Power Plant Subcommittee recommends that the above referenced agenda item be amended as follows:

1. *Allocation of $350,000 to NHCD.* The uses of funds allocated to NHCD need to be broadened beyond strictly rehabilitation of homes. Once the Holly Power Plant closes consistent with the community's expressed desires, property value appreciation in the Holly neighborhood will increase sharply – even more so than it currently has. This steep appreciation will exert significant displacement pressure on long-time Holly residents – due to increased property taxes and higher rents. At its core, the Holly Mitigation Fund was intended to benefit long-time Holly residents. It would be a travesty if these same residents were unable to benefit from the considerable infrastructure investments that the program has already helped fund because they could no longer afford to live there. As a result, the subcommittee recommends that the funds allocated to NHCD be targeted more directly to support strategies that promote longer-term affordability and that NHCD be required to report back to Austin Energy and the EUC about the proposed allocation of these housing funds. Potential uses of funds could include:
    a. Continued funding for rehabilitation of Holly neighborhood homes;
    b. Grant monies to assist local, community based CHDOs in developing, acquiring, and/or rehabilitating quality affordable rental housing in the Holly neighborhood;
    c. Grants and technical assistance to start a Holly neighborhood focused CHDO entity; and
    d. Grant monies to pursue alternative strategies for ensuring that a portion of the housing in the Holly neighborhood remains affordable in perpetuity, such as investigating the feasibility of establishing a neighborhood community land trust

2. *Undisbursed Funds from Other Program Allocations.* If any portions of other allocated funds, such as the $105,000 for other Good Neighbor Programs, are not spent, the subcommittee recommends that these funds be reallocated to NHCD consistent with the housing allocation discussed above.