

# Chapter 1

## Executive Summary

# Chapter 1: Introduction

The City of Austin is required to develop a 5-Year Consolidated Plan to receive federal funding from the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan (Con Plan) outlines goals, priorities, and the City's plan to invest its resources to meet Austin's ongoing affordable housing, community development, economic development, and public services needs.

For each succeeding year, the City of Austin is required to prepare an Annual Action Plan to notify HUD and the general public of the City's intended actions during that particular fiscal year, and must show progress towards meeting the established goals in the 5-Year Consolidated Plan. The Action Plan is developed under HUD guidelines and serves as the application for the following four formula grant programs:

- Community Development Block Grant (CDBG),
- HOME Investment Partnerships (HOME),
- Emergency Shelter Grants (ESG) – Emergency Shelter Grant (ESG), and
- Housing Opportunities for Persons with AIDS (HOPWA).

At the end of each fiscal year, the City must also prepare a Consolidated Annual Performance and Evaluation Report (CAPER) to provide information to HUD and the community about that year's accomplishments. The CAPER allows HUD, the City of Austin, and the public to evaluate the City's performance and determine whether the activities undertaken during the fiscal year helped meet the City's 5-year goals and addressed priority needs identified in the Con Plan. The annual performance report includes public review and comment, and must be submitted to HUD annually by December 29<sup>th</sup>.

The City of Austin submits the FY 2010-11 CAPER as the second of five CAPERs in the Fiscal Years 2009-14 Consolidated Plan. This CAPER reports on specific goals and objectives based on the strategies outlined in the FY 2010-11 Action Plan. Although not required, the City of Austin includes all funding sources in all of its HUD planning documents to increase opportunities for public input and transparency in its planning beyond federal requirements.

## **NATIONAL GOALS**

Federal law requires that housing and community development grant funds primarily benefit low- and moderate-income persons in accordance with the following HUD goals:

### **Provide a suitable living environment.**

This includes improving the safety and livability of neighborhoods; increasing access to quality facilities and services; reducing the isolation of income groups within areas by deconcentrating housing opportunities and revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons; and conserving energy resources.

### **Provide decent housing**

Included within this broad goal are the following: assist homeless persons in obtaining affordable housing; retain the affordable housing stock; increase the availability of permanent housing that is affordable to low- and moderate-income Americans without

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discrimination; and increase supportive housing that includes social and structural features and services to enable persons with special needs to live with dignity.

## **Expand economic opportunities**

These goals encompass creating jobs accessible to low- and very low-income persons; providing access to credit for community development that promotes long-term economic and social viability; and empowering low-income persons in federally assisted and public housing to achieve self-sufficiency.

## **LEAD AGENCY VISION AND MISSION**

### **City of Austin Vision**

We want Austin to be the most livable city in the country.

### **Neighborhood Housing and Community Development (NHCD) 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.

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## LEAD AGENCY AND PARTICIPATING ORGANIZATIONS

### **Neighborhood Housing and Community Development Office**

The Neighborhood Housing and Community Development (NHCD) Office is designated by the Austin City Council as the single point of contact for HUD, and is the lead agency for the administration of the CDBG, HOME, HOPWA, and ESG grant programs. NHCD administers the CDBG and HOME programs. The City Council designates the Austin/Travis County Health and Human Services Department (HHSD) to administer the HOPWA and ESG programs.

As the single point of contact for HUD, NHCD is responsible for developing: the 5-Year Consolidated Plan, Annual Action Plan, and the end-of-year Consolidated Annual Performance and Evaluation Report (CAPER). NHCD coordinates these reports with HHSD and the Community Development Commission (CDC).

### **Austin Housing Finance Corporation**

Created in 1979 as a public, non-profit corporation pursuant to Chapter 394 of the Texas Local Government Code, the Austin Housing Finance Corporation (AHFC) administers many of the City's housing programs. Employees of the City's Neighborhood Housing and Community Development (NHCD) Office manage the operations of AHFC through annual service agreements between the City and AHFC. AHFC supports the City's mission to make Austin the most livable community in the country by providing affordable housing and generating and implementing strategic housing solutions for the benefit of low- and moderate-income residents.

### **Austin/Travis County Health and Human Services Department**

The Austin/Travis County Health and Human Services Department (HHSD) works in partnership with the community to promote health, safety, and well-being. HHSD is comprised of six divisions: Community Services, Disease Prevention and Health Promotion, Environmental Health Services, Maternal and Child Health, Animal Services, and Administrative Services. HHSD administers a number of housing and public services programs identified under the Homeless/Special Needs priority on the FY 2010-11 Investment Plan. To view the Investment Plan, see page 1-13.

### **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. In accordance with the City's Citizen Participation Plan (CPP), adopted by the Austin City Council on March 28, 1996, the CDC holds public hearings on the 5-Year Consolidated Plan and the Annual Action Plan. During the public hearing process, the CDC has the option to make recommendations to the Austin City Council on community needs.

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,

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Rosewood-Zaragosa/Blackland, St. Johns, and South Austin. For more information on CDC's mission, visit [www.austintexas.gov/boards](http://www.austintexas.gov/boards).

## **Urban Renewal Board – East 11<sup>th</sup> and 12<sup>th</sup> Streets**

The Urban Renewal Board (URB), which oversees the Urban Renewal Agency's functions, is comprised of seven members appointed by the Mayor. 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 a resolution on November 19, 1997, declaring the East 11<sup>th</sup> and 12<sup>th</sup> 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 Plan). The roles and responsibilities of the Plan were identified in the Acquisition, Development and Loan Agreement (the "Tri-Party") for the City of Austin, the Urban Renewal Agency of the City of Austin and the Austin Revitalization Authority as it related to the redevelopment activities of the area. This agreement expired on September 30, 2010 and all parties agreed not to renew. The City of Austin and the Urban Renewal Agency have entered into an interim agreement to continue moving the revitalization efforts forward in the East 11th and 12th Streets area. A long-term agreement between these two parties is in negotiations.

## **Local Funds**

The City of Austin allocates to the Neighborhood Housing and Community Development (NHCD) Office local revenue for community development initiatives that encompass affordable housing and economic development activities. These funding sources include the City of Austin Sustainability Funds, General Obligation (G.O.) Bonds, S.M.A.R.T. Housing™ CIP Funds, Housing Trust Funds (HTF), the University Neighborhood Overlay (UNO) Housing Trust Fund, and Austin Energy (AE) funding for the Holly Good Neighbor Program. For the convenience of its residents and community leaders and consistency in reporting, the City of Austin reflects local funding and accomplishments in its HUD reports, including the Annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER).

## **Reports and Publications**

Public documents are available on the NHCD website at:

[www.cityofaustin.org/housing/publications.htm](http://www.cityofaustin.org/housing/publications.htm) and at the NHCD office: 1000 E. 11<sup>th</sup> Street, Austin, TX, 78702, Second Floor.

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## FY 2010-11 CAPER PUBLIC INPUT PROCESS

***Federal Guideline:*** Describe steps taken to obtain citizen input and provide a summary of citizen comments it received regarding the programs covered by its consolidated plan and the disposition of those comments.

In accordance with HUD regulations, the City of Austin prepared this CAPER describing the City's accomplishments in affordable housing, community development, economic development, and public services needs from October 1, 2010, through September 30, 2011. There was a 15-day public comment period, November 23, 2011, through December 9, 2011, which provided an opportunity for the community to review and comment on the draft report. Public notices notifying the public about the comment period were published in English and Spanish. The draft report was available for review at ten community centers and electronically on the NHCD's web site, [www.austintexas.gov/housing](http://www.austintexas.gov/housing).

### Ten Community Centers

- Austin Central Public Library, 800 Guadalupe (Central)
- Austin Resource Center for the Homeless, 500 East 7<sup>th</sup> Street (Central)
- East Austin Neighborhood Center, 211 Comal (East)
- Neighborhood Housing and Community Development Department, 1000 East 11<sup>th</sup> Street, Suite 200 (East)
- Rosewood-Zaragosa Neighborhood Center, 2800 Webberville Road (East)
- St. John's Neighborhood Center, 7500 Blessing (North East)
- AIDS Services of Austin, 7215 Cameron Road (North)
- Housing Authority of the City of Austin, 1124 S IH 35 (South)
- South Austin Neighborhood Center, 2508 Durwood (South)
- Pleasant Hill Library Branch, 211 East William Cannon (South)

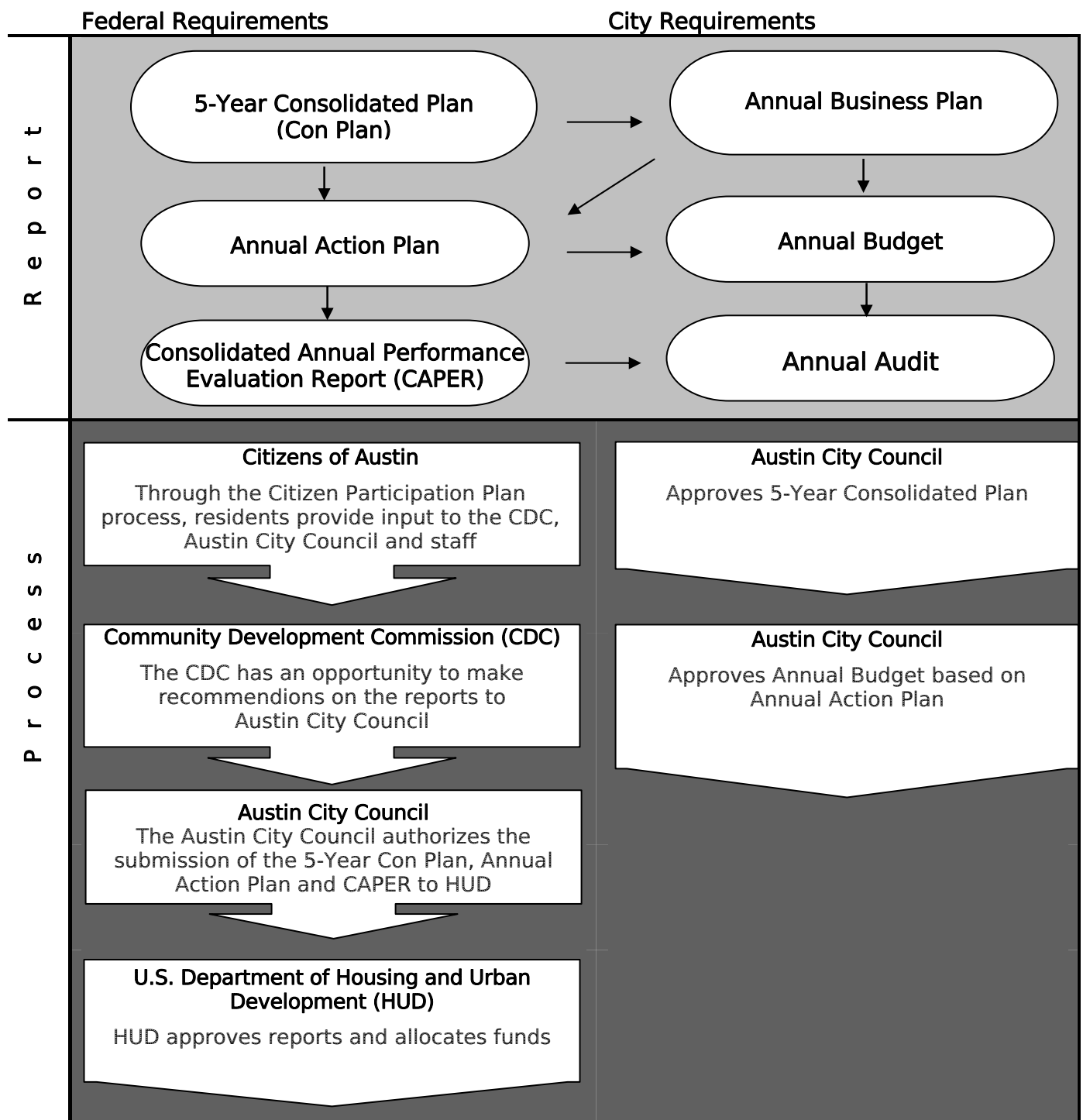
There were no comments received during the public comment period. The final FY 2010-11 CAPER will be made available online for the public; copies are distributed to Austin City Council members and the Community Development Commission. HUD's Integrated Disbursement and Information System (IDIS) reports are available by request from, NHCD, at 512-974-3100.

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## HUD and City of Austin Allocation Process

Exhibit 1.1 provides a high-level outline of the allocation and reporting process for the: 5-Year Consolidated Plan, Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER).

**Exhibit 1.1: Allocation Process**



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## NHCD's Funding and Expenditures

**Federal Guideline:** Identify the Federal funds made available for furthering the objectives of the consolidated plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, and the total amount expended during the reporting period.

HUD provides federal funds through four entitlement grants with amounts determined by statutory formulas: Community Development Block Grant (CDBG); HOME Investment Partnerships Program (HOME); Emergency Solutions Grant, formerly known as Emergency Shelter Grant Program (ESG); and Housing Opportunities for People with AIDS (HOPWA). In FY 2010-11, the City received \$14,132,824 million in new funding through these four formula grants and expended \$13,466,137 million from the four grants and prior years', including Program Income and unspent grant funds. The City spent a total of \$17,555,551 million in federal funds and \$13,559,200 million in local funds. Exhibit 1.2 displays funding and expenditures for FY 2010-11.

**Exhibit 1.2: FY 2010-11 Funding and Expenditures**

<b>Federal Funds</b>	<b>New Funds</b>	<b>Total Funds Available</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Estimated Beginning Balance</b>
Community Development Block Grant (CDBG) (PL 93-383)	8,157,148	16,190,298	7,774,908	3,231,022	5,184,368
CDBG Line of Credit	-	-	-	-	-
CDBG - Program Income	85,322	85,322	85,322	-	-
CDBG - Revolving Loan Fund	124,838	766,048	31,783	-	734,265
<i>Subtotal CDBG Funds</i>	8,367,308	17,041,668	7,892,013	3,231,022	5,918,633
HOME Investment Partnership Program (HOME) (PL 102-625)	3,631,994	8,619,917	1,803,802	291,504	6,524,611
HOME Program Income	460,173	460,173	322,148	-	138,025
HOME (CHDO)	679,773	2,297,726	1,831,722	160,034	305,970
HOME (CO)	220,050	225,000	192,359	-	32,641
<i>Subtotal HOME Funds</i>	4,991,990	11,602,816	4,150,031	451,538	7,001,247
Emergency Shelter Grant Program (ESG) (PL 102-550)	330,444	330,444	320,166	10,278	-
Housing Opportunities for Persons with AIDS Program (HOPWA) (PL 102-550)	1,103,927	1,103,927	1,103,927	-	-
Economic Development Initiative (EDI II)	-	136,717	-	97,037	39,680
Economic Development Initiative (EDI III)	-	147,000	-	-	147,000
<i>Subtotal EDI Funds</i>	-	283,717	-	97,037	186,680
Section 108	138,422	783,407	157,034	-	626,373
Lead Hazard Control Grant - Healthy Homes	-	1,046,883	321,740	-	725,143
Neighborhood Stabilization Program (NSP)	-	1,538,871	1,353,754	40,164	144,953
Community Development Block Grant - Recovery (CDBG-R)	-	825,723	522,761	302,033	929
Homeless Prevention and Rapid Re-housing Program (HPRP)	-	1,812,615	1,734,125	71,862	6,628
<i>Subtotal Federal Funds</i>	14,932,091	36,370,071	17,555,551	4,203,934	14,610,586
<b>Local Funds</b>	<b>New Funds</b>	<b>Total Funds Available</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Estimated Carry Forward</b>
Sustainability Fund (SF)	2,302,268	2,501,035	2,227,720	95,868	177,447
General Obligation (GO Bonds)	6,495,000	12,768,005	9,544,325	2,456,742	766,938
Austin Energy (Holly Good Neighbor)	550,000	2,035,120	336,191	35,253	1,663,676
University Neighborhood Overlay (UNO) Housing Trust Fund	1,374	279,538	25,756	6,189	247,593
General Fund - Capital Improvement Program (GF-CIP)	-	1,548,494	516,930	83,832	933,776
Housing Trust Fund (HTF)	350,248	2,026,011	615,740	15,312	1,408,915
Housing Assistance Fund (HAF)	350,000	350,000	292,538	-	57,462
<i>Subtotal Local Funds</i>	10,048,890	21,508,203	13,559,200	2,693,196	5,255,807
<b>Total</b>	<b>24,980,981</b>	<b>57,878,274</b>	<b>31,114,751</b>	<b>6,897,130</b>	<b>19,866,393</b>



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***Federal Guideline*** - Jurisdictions are encouraged to include maps describing the geographic distribution and location of investment (including areas of low-income and minority concentration). The geographic distribution and expenditure requirement may be satisfied by specifying the census tracts where expenditures were concentrated and the percentage of funds expended in target areas.

The City of Austin continued to focus much of its funding and program/services in low-income neighborhoods of Austin, identified by HUD as low-/moderate-income priority neighborhoods. HUD defines CDBG qualifying areas as census tracts that have more than 51 percent of households living in poverty. For a map of these areas, see Appendix IX. The City will not identify priority neighborhoods for exclusive or priority funding in the FY 2009-14 Consolidated Plan period; however, this does not mean that the City will not continue to fund projects and programs in past priority areas, but that the City will no longer give those neighborhoods priority for funding over other qualifying neighborhoods.

NHCD will continue to provide programs and services to low-income neighborhoods. For instance, the current efforts planned under the Commercial Revitalization program provide for redevelopment in the East 11th and 12th street corridors. In addition, the Small Business activities in the FY 2010-11 Action Plan have program guidelines that focus on low-income neighborhoods.

***Federal Guideline*** - The local jurisdiction must also submit an updated CDBG Financial Summary Report (PR26).

NHCD submits the CDBG Financial Summary report along with the CAPER to HUD. The PR26 and other IDIS reports are available for public review. To view the PR26 report, visit Appendix VIII.

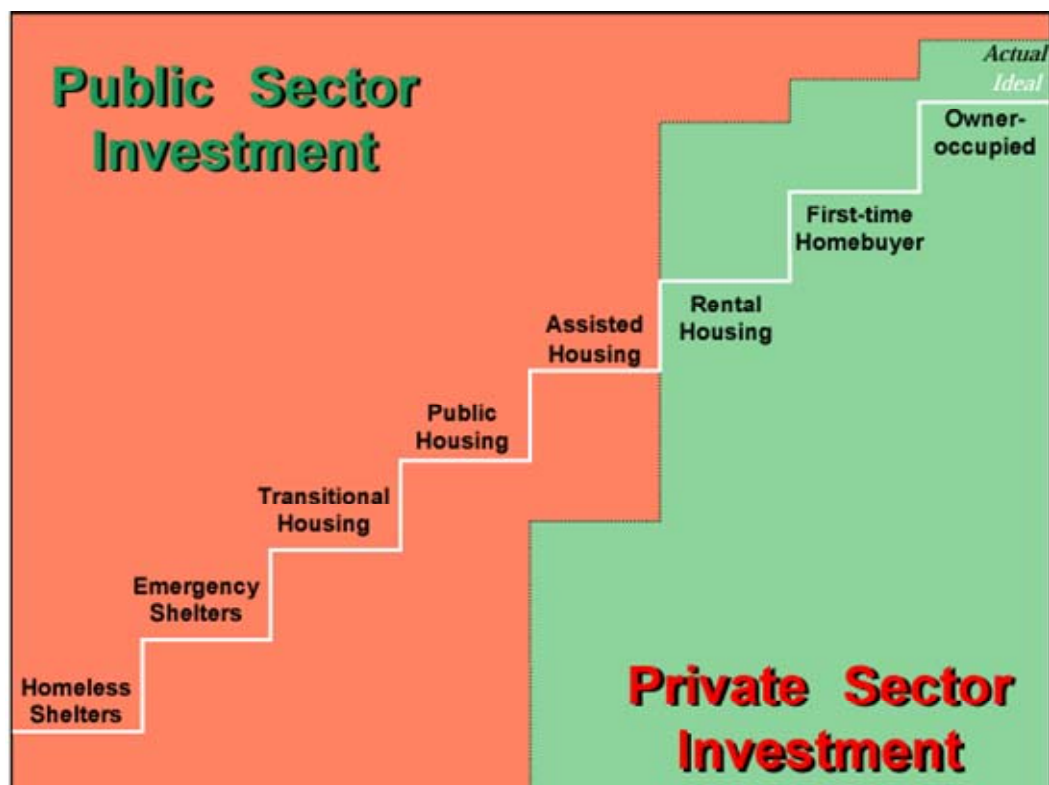
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## PRIORITIES OF FUNDING

### City of Austin's Housing Continuum

In FY 2010-11, Austin's Housing Continuum, Exhibit 1.3, remained an important tool for classifying housing needs and services as a key policy tool to educate the community on housing solutions in Austin. The objective of the Housing Continuum is to educate the community that an adequate affordable housing stock can only be provided if both the private and the public sectors collaborate along each step of the continuum. The steps on the left of the image reflect housing that requires increased public subsidy. As the continuum moves to the right, the housing products and goals, shown as steps along the continuum, are increasingly funded through the private sector or market rate developers. The continuum reflects the ideal that both the private and public sector must participate to respond to a community's housing needs.

Exhibit 1.3: Housing Continuum



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## **FY 2009-14 CONSOLIDATED PLAN PROCESS**

The U.S. Department of Housing and Urban Development (HUD) Consolidated Plan Regulations require that the public be provided opportunities to participate in the development of the Consolidated Plan. This process contains two distinct periods, the needs assessment and the draft comment period. HUD also requires the City to adopt a Citizen Participation Plan (CPP). The City of Austin's CPP provides for enhanced opportunities for public input beyond federal requirements and was adopted by the Austin City Council on March 28, 1996.

When developing the FY 2009-14 Consolidated Plan, the City's goal was to ensure a collaborative process by which the community, in partnership with the City, created a unified vision of housing and community development needs, priorities, and actions. An instrumental element in this process was citizen participation. For the FY 2009-14 Consolidated Plan, the City received public input through the following:

### **Needs Assessment Period**

- Five Public Hearings
- A Citizen Survey in English and Spanish
- Nine Stakeholder meetings
- 30-day Written Comment Period

### **Draft Comment Period**

- Two Public Hearings
- 30-day Written Comment Period

## **Austin City Council action on the final FY 2009-14 Consolidated Plan**

Exhibit 1.4, FY 2009-14 Consolidated Plan Priorities, serves as a guide for funding priorities for Austin for FY 2009-14. This section summarizes the funding priorities that will be implemented to achieve the objectives and accompanying strategies for the 5-year plan. The funding priorities were established based on the housing and community development needs identified through public and stakeholder input, the housing market analysis and the analysis of special populations. The City of Austin also used the Analysis of Impediments to Fair Housing report and several other studies to form these priorities.

All the proposed funding priorities will serve very-low, low- and moderate-income households in the City of Austin. Household incomes will be based on the Median Family Income (MFI) definitions updated by HUD annually. In addition to household incomes, the activities will serve special needs populations including: seniors, persons with disabilities, persons experiencing homelessness, and persons living with HIV/AIDS. Activities designated as high priority will be funded by the City of Austin. Medium priority activities will be funded if funds are available. Low priority activities will not be funded.

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Exhibit 1.4: FY 2009-14 Consolidated Plan Priorities

Priority Category	Description	Priority	Objectives and Outcomes
<b>Homeless/Special Needs Assistance</b>	Homeless/Special Needs Assistance provides services to the City's most vulnerable populations, including persons experiencing homelessness, persons living with HIV/AIDS, seniors, youth, and children.	High	Suitable Living Environment  Availability/ Accessibility
<b>Renter Assistance</b>	Renter Assistance provides assistance to renters so that rent is more affordable as well as providing tenants' rights services to equip renters with information that may allow them more stability. It also provides financial assistance for needed rehabilitation to make homes accessible.	High	Decent Housing  Availability/ Accessibility
<b>Homebuyer Assistance</b>	Homebuyer Assistance provides housing counseling services to renters wishing to become homebuyers and to existing homebuyers to help them stay in their homes. This category includes the Down Payment Assistance Program, which offers loans to qualifying low and moderate-income homebuyers to help them buy their first home.	High	Suitable Living Environment  Sustainability
<b>Homeowner Assistance</b>	Homeowner Assistance provides services for low and moderate-income individuals who own their homes, but need assistance to make it safe, functional, and/or accessible.	High	Decent Housing  Availability/ Accessibility
<b>Housing Developer Assistance</b>	Housing Developer Assistance includes programs that offer assistance to non-profit and for-profit developers to develop affordable housing for low- and moderate-income households.	High	Decent Housing  Availability/ Accessibility
<b>Commercial Revitalization</b>	Commercial Revitalization includes programs related to the revitalization of the East 11 <sup>th</sup> and 12 <sup>th</sup> Street Corridors. These programs include acquisition and development, historic preservation efforts related to the African American Cultural and Heritage Facility, as well as public facilities and parking facilities within the Corridors.	High	Creating Economic Opportunity  Sustainability
<b>Small Business Assistance</b>	Small business assistance will provide a range of services for small business, from technical assistance to gap financing, to ensure not only the success of growing small businesses in the community, but also to encourage the creation of jobs for low- and moderate-income households.	High	Creating Economic Opportunity  Availability/ Accessibility
<b>Public Facilities</b>	The East 11 <sup>th</sup> and 12 <sup>th</sup> Streets Revitalization: Public Facilities will complete the development of the African American Cultural and Heritage Facility.	Medium	Creating Economic Opportunity
<b>Infrastructure</b>	N/A	Low	N/A

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## CITY OF AUSTIN INVESTMENT PLAN

During the FY 2009-14 Consolidated Plan process, the Neighborhood Housing and Community Development (NHCD) Office created a new framework that provides a snapshot of activities and services administered by NHCD and some activities and services administered through HHSD. The framework also included the federal and local funding allocations for the seven Investment Plan categories, as well as the populations served by each category.

Exhibit 1.5 is the City's FY 2010-11 Investment Plan which outlines affordable housing, community development, economic development, and public service activities under the following seven priority categories:

- Homeless/Special Needs
- Renter Assistance
- Homebuyer Assistance
- Homeowner Assistance
- Housing Developer Assistance
- Commercial Revitalization
- Small Business Assistance

For more detailed information on priority categories, visit page 1-13.

# FY 2010-11 INVESTMENT PLAN

## Exhibit 1.5: FY 2010-11 Investment Plan

HOMELESS / SPECIAL NEEDS ASSISTANCE	RENTER ASSISTANCE	HOMEBUYER ASSISTANCE	HOMEOWNER ASSISTANCE	HOUSING DEVELOPER ASSISTANCE	COMMERCIAL REVITALIZATION	SMALL BUSINESS ASSISTANCE
<b>\$2,425,137</b>	<b>\$781,128</b>	<b>\$468,413</b>	<b>\$5,263,809</b>	<b>\$11,732,541</b>	<b>\$278,891</b>	<b>\$350,000</b>
Homeless Services	Tenant-Based Rental Assistance	Housing Smarts	Architectural Barrier Removal - Owner	Rental Housing Development Assistance	East 11th and 12th Streets Revitalization	Community Development Bank
Shelter Operation and Maintenance	Architectural Barrier Removal - Rental	Down Payment Assistance	Emergency Home Repair	Acquisition and Development	Acquisition and Development -Façade Improvement Program	Micro-enterprise Technical Assistance
Homeless Essential Services	Tenants' Rights Assistance		Homeowner Rehabilitation Loan Program	CHDO Operating Expenses Grants	Historic Preservation	Neighborhood Commercial Management
Housing Opportunities for Persons with AIDS			Lead Hazard Control Grant	Developer Incentive-Based Programs	Public Facilities	Community Preservation & Revitalization
Short-Term Rent, Mortgage, and Utility			GO Repair! Program		Parking Facilities	
Tenant-Based Rental Assistance			Holly Good Neighbor			
Permanent Housing Placement						
Short-Term Supportive Housing						
Transitional Housing						
Supportive Services						
Child Care						
Senior Services						
Youth Services						

FY 2010-11  
Expenditures

### POPULATION SERVED

Persons experiencing homelessness, persons with disabilities, vulnerable populations, and low-income households

### POPULATION SERVED

Persons with disabilities and low and moderate income households

### POPULATION SERVED

Low and moderate income households, small businesses

### POPULATION SERVED

Persons with disabilities and low and moderate income households

### POPULATION SERVED

Low and moderate income households, persons with disabilities, and Community Housing Development Organizations (CHDOs)

### POPULATION SERVED

Small businesses, job creation for low income households

### POPULATION SERVED

Person experiencing homelessness, elderly, persons with disabilities, at-risk youth, low-income households,, and persons living with HIV/AIDS



Consolidated Plan Fiscal Years 2009-14  
Fiscal Year 2010-11  
Neighborhood Housing and Community Development  
[www.cityofaustin.org/housing](http://www.cityofaustin.org/housing)

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**Federal Guideline:** Describe the accomplishments in attaining the goals and objectives for the reporting period. This should be summary information so that HUD and citizens can easily assess progress made toward meeting longer term goals.

Exhibit 1.6 and 1.7 provide the housing priorities, proposed goals and accomplishments for FY 2010-11, as well as the percent of the 5-Year Con Plan goal accomplished.

Exhibit 1.6

PROPOSED GOALS AND ACCOMPLISHMENTS		
	FY 2010-11 Proposed Goal	FY 2010-11 Accomplishment
<b>Total Households</b>	<b>17,614*</b>	<b>16,052</b>

\*Total includes stimulus accomplishments

Exhibit 1.7

FY 2009-10 CONSOLIDATED PLAN PRIORITIES										
Priority for Federal Funds	Population Served	Accomplishments								
		FY 2009-10 Accomplishment	FY 2010-11 Proposed Goal	FY 2010-11 Accomplishment	% of 1-Year Goal Accomplished	Proposed FY 2011-12	Proposed FY 2012-13	Proposed FY 2013-14	Total Proposed FY 2009-14	% of 5-Year Con Plan Goal Accomplished
<b>Priority 1: Homeless/Special Needs</b>										
High	Person experiencing homelessness, elderly, persons with disabilities, at-risk youth, very low income households, and persons living with HIV/AIDS	10,526	9,797	10,252	105%	9,797	NA	NA	48,894	42%
<b>Priority 2: Renter Assistance</b>										
High	Persons experiencing homelessness, persons with disabilities, vulnerable populations, and very low- to moderate-income households	840	684	942	138%	748	NA	NA	3,770	47%
<b>Priority 3: Homebuyer Assistance</b>										
High	Persons with disabilities and very low- to moderate-income households	421	350	370	106%	387	NA	NA	1,490	53%
<b>Priority 4: Homeowner Assistance</b>										
High	Persons with disabilities and very low- to moderate-income households	957	876	818	93%	1,064	NA	NA	4,419	40%
<b>Priority 5: Housing Developer Assistance</b>										
High	Very low- to moderate-income households, persons with disabilities, and Community Housing Development Organizations (CHDOs)	982	958	1,460	152%	973	NA	NA	5,677	43%
<b>Priority 6: Commercial Revitalization</b>										
High	Very low- to moderate-income households, small businesses	4,668	4,668	2,170	46%	4,668	NA	NA	23,352	29%
<b>Priority 7: Small Business Assistance</b>										
High	Small businesses, job creation for low-income households	40	52	40	77%	52	NA	NA	223	36%
<b>TOTAL</b>		<b>18,434</b>	<b>17,385</b>	<b>16,052</b>		<b>17,689</b>			<b>87,825</b>	<b>39%</b>

See Chapter 6 for detailed program narratives. See Chapter 2 for definitions of funding sources.

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## FY 2009-14 CONSOLIDATED PLAN PRIORITIES

### **High Priority: Homeless/Special Needs**

Persons experiencing homelessness or those with special needs are Austin's most vulnerable populations and therefore are a high priority for the Consolidated Plan. This decision was made based on feedback from the public process, including stakeholder meetings that included homeless and special needs providers, public hearings, and a Consolidated Plan survey.

#### **Objective 1: Assist persons experiencing homelessness or who are at risk of becoming homeless.**

Strategy 1.1: Help low-income households avoid homelessness.

Strategy 1.2: Develop permanent and transitional housing for households earning at or below 30 percent of the Median Family Income (MFI).

Strategy 1.3: Provide financial support to organizations that work with persons experiencing homelessness and persons that are at risk of becoming homeless, including providing rental assistance under the Tenant Based Rental Assistance Program (TBRA)

#### **Objective 2: Assist persons living with HIV/AIDS achieve stable housing and increase access to medical care and supportive services.**

Strategy 2.1: Increase the number of homeless persons living with HIV/AIDS who move into permanent housing through the provision of supportive services and permanent housing placement assistance.

Strategy 2.2: Increase the number of persons living with HIV/AIDS who access HIV medical care by providing housing assistance and supportive services.

Strategy 2.3: Provide tenant-based rental assistance and supportive services to persons living with HIV/AIDS and their families to prevent homelessness.

Strategy 2.4: Provide short-term rent, mortgage, and utility assistance to help maintain stable housing for persons living with HIV/AIDS and their families who are experiencing a financial crisis and the potential loss of permanent housing.

Strategy 2.5: Prevent homelessness among persons living with HIV/AIDS by providing temporary shelter and developing individualized housing and service plans for clients which links them to permanent housing.

#### **Objective 3: Assist low-income and special needs populations with supportive services to increase self-sufficiency.**

Strategy 3.1: Increase the supply of quality child care for households that make less than 200 percent of the Federal Poverty Guidelines.



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Strategy 3.2: Assist low-income seniors to maintain independent living by providing home care services and providing guardianship and elder shelter programs to prevent and protect seniors from becoming victims of abuse, neglect, or exploitation.

Strategy 3.3: Assist at-risk youth and their families through wrap-around services that focus on basic needs, mental health services, educational support and social enrichment.

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## **High Priority: Renter Assistance**

The City of Austin's 2009 Comprehensive Housing Market Study identifies the high need for affordable rental housing in Austin. This analysis was echoed in every aspect of the public input process from service providers, government partners, policy makers, and community members. Renter assistance for low-income households is a high priority in the Consolidated Plan.

**Objective 1: Provide tenant-based rental assistance, utility and security deposits to persons experiencing homelessness and low-income households who earn less than 50 percent of MFI.**

Strategy 1.1: Provide tenant-based rental assistance for the purpose of transitioning homeless households out of emergency shelter and into permanent housing.

Strategy 1.2: Expand the tenant-based rental assistance program to serve low-income households that earn at or below 50 percent of MFI.

**Objective 2: Retrofit or modify the rental units of low-income households and severely disabled renters to make their homes more accessible.**

Strategy 2.1: Provide renter households that earn at or below 80 percent of MFI with the necessary physical improvements to their housing to assist with daily living.

**Objective 3: Provide support services that educate renters and promote housing rights.**

Strategy 3.1: Provide funding for mediation services between landlords and low-income tenants that result in necessary health and safety repairs to rental units.

Strategy 3.2: Provide funding for direct counseling and technical assistance to low-income renters regarding tenant/landlord issues.

Strategy 3.3: Provide funding for public education and information regarding fair housing and tenant/landlord issues.

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## **High Priority: Homebuyer Assistance**

The City placed assistance to homebuyers as a high priority in the Consolidated Plan. The housing market analysis illustrates the difficulty for low-to-moderate income households to transition from renting to buying a home because of the rising real estate market in Austin. The public process also highlighted the need for financial literacy for new and current homebuyers to have the necessary tools to stay in their homes.

**Objective 1: Expand the resources available for low- to moderate-income renters wanting to become homeowners through downpayment assistance.**

Strategy 1.1: Provide downpayment assistance to first-time homebuyers earning at or below 80 percent of MFI to increase and preserve the number of homeowner households in Austin.

Strategy 1.2: Explore and utilize tools to preserve long-term affordability, including such ownership models as shared-equity and community land trusts.

Strategy 1.3: Coordinate with and train local lenders about first-time homebuyer programs available to low- and moderate-income households.

**Objective 2: Provide homeownership, financial literacy, and foreclosure prevention counseling to low- and moderate-income households.**

Strategy 2.1: Provide homeownership counseling to low-to-moderate income households to ensure households have the knowledge to become successful homeowners.

Strategy 2.2: Partner with existing agencies to continue to provide homeownership counseling in Spanish.

Strategy 2.3: Provide post-purchase education to homeowners at risk of losing their homes.

Strategy 2.4: Expand current program to provide foreclosure prevention counseling to households in mortgage default.

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## **High Priority: Homeowner Assistance**

Preserving the home safety and livability for low-income homeowners, allowing them to stay in their homes, thereby improving the City's aging housing stock, were highlighted as high priority needs by stakeholders and community members. Homeowner assistance is a high priority in the Consolidated Plan.

**Objective 1: Assist low- and moderate-income homeowners with necessary home repairs to make their homes safe, habitable, and accessible.**

Strategy 1.1: Retrofit or modify the homeowner units of low- and moderate-income households earning at or below 80 percent of MFI to make their home more accessible.

Strategy 1.2: Make necessary emergency home repairs to alleviate life-threatening living conditions and health and safety hazards for households earning at or below 80 percent of MFI.

Strategy 1.3: Rehabilitate or reconstruct homes of households earning at or below 60 percent of MFI in need of substantial repairs, such as foundation repair, roofing, plumbing, and electrical repair.

Strategy 1.4: Provide funding to local non-profit organizations to cover the cost of materials used to repair the homes of low-income households earning at or below 60 percent of MFI.

Strategy 1.5: Continue to fund necessary repairs to income-eligible households in the Holly neighborhood.

**Objective 2: Provide lead hazard reduction services to eligible low-income rental and ownership households.**

Strategy 2.1: Continue to provide lead services to households earning at or below 80 percent of MFI. The Lead Hazard Control Grant targets homes built prior to 1978 with children under the age of six.

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## **High Priority: Housing Developer Assistance**

The need for affordable housing for low-to-moderate income renters, including special needs populations and homebuyers, was reflected in the housing market analysis and public input received from the community. The City's main tool to create affordable housing is through financing to non-profit and for-profit developers. In addition, the City encourages the development of affordable housing through developer incentives. The City therefore, makes Housing Developer Assistance a high priority for the Consolidated Plan.

### **Objective 1: Create and retain affordable rental units for low-income households, including households with special needs.**

Strategy 1.1: Provide below-market rate financing to non-profit and for-profit developers for the acquisition, rehabilitation, or new construction of affordable rental projects. These projects are designated for households earning at or below 50 percent of MFI.

Strategy 1.2: Provide financing to develop permanent and transitional housing for households earning at or below 30 percent of MFI and households experiencing homelessness.

Strategy 1.3: Provide financing to assist in the preservation of market-rate and federally-subsidized affordable rental units at risk of losing affordability.

### **Objective 2: Create new homeownership opportunities for low- and moderate-income households earning at or below 80 percent of MFI.**

Strategy 2.1: Work with non-profit Community Housing Developer Organizations (CHDOs) and for-profit developers to leverage local and federal funds in order to acquire land, rehabilitate existing housing, and construct new housing to sell to low- and moderate-income households.

Strategy 2.2: Assist with the preservation of affordable homeownership through the expansion of long-term affordability tools, including shared equity and community land trust ownership models.

Strategy 2.3: Continue, through program design and marketing, to expand homeownership opportunities for low- and moderate-income households.

### **Objective 3: Encourage development of affordable rental and homebuyer housing through developer incentives.**

Strategy 3.1: Coordinate with City planning efforts to expand affordable housing incentives for developers throughout the City.

Strategy 3.2: Promote current affordable housing developer incentives including: S.M.A.R.T. Housing™, Vertical Mixed Use (VMU), Downtown Density Bonus, North Burnet/Gateway, University Neighborhood Overlay (UNO),

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Transit-Oriented Development (TODs), the Robert Mueller Airport Redevelopment, and other mechanisms.

Strategy 3.3: Encourage density in order to increase affordability in efforts that will also leverage infrastructure costs, promote housing choice of location and styles, provide walk-able neighborhoods, expand transportation choices, support community development, and protect the environment.

Strategy 3.4: Continue to explore implementation of additional developer incentives including: expedited review and approvals, expanded fee waivers, and enhanced development entitlements.

**Objective 4: Continue to assist and support Community Development Housing Organizations (CHDOs).**

Strategy 4.1: Provide financial operating support to the City-certified CHDOs.

Strategy 4.2: Enhance the capacity to develop sustainable projects through training and support.

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## **High Priority: Commercial Revitalization**

Commercial Revitalization is a high priority for the City of Austin based on the feedback received at public hearings and the Consolidated Plan survey.

**Objective 1: Provide funding and technical assistance to eligible organizations in order to improve the economic viability of neighborhoods and promote the creation of jobs.**

Strategy 1.1: Promote public and private partnerships with businesses, financial institutions, and non-profit communities to spur quality investment, commercial development, and job creation throughout the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors.

Strategy 1.2: Continue to partner with the Urban Renewal Agency to achieve the revitalization goals of the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors.

Strategy 1.3: Conduct activities such as land acquisition, demolition of dilapidated structures, redevelopment of abandoned and/or substandard structures, improvement of infrastructure, construction of new mixed-use facilities, and gap financing to existing small businesses for the purpose of job creation to achieve the goals of the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors.

Strategy 1.4: Provide financial assistance to owners of eligible commercial buildings for renovation and rehabilitation to exterior facades.

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## **High Priority: Small Business Assistance**

Recognizing that small businesses are essential drivers of the Austin economy, assistance to small businesses is a high priority for the City of Austin. Feedback from the Consolidated Plan survey identified job creation as the highest community development need.

**Objective 1: Help small businesses grow and prosper through financing and technical assistance in order to improve the economic viability of neighborhoods and promote the creation and/or retention of jobs.**

Strategy 1.1: Provide gap financing and technical assistance to small businesses to expand their businesses for the purpose of creation or retention of low- and moderate-income jobs.

Strategy 1.2: Fund a Community Development Bank to provide loans to small and minority-owned businesses that are expanding or relocating to low-income areas for the purpose of creating and retaining low- and moderate-income jobs.

Strategy 1.3: Provide training and technical assistance to qualified microenterprises (HUD defines a microenterprise as a business with five or fewer employees).



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## **PROGRESS ON NHCD PROJECTS BY NEIGHBORHOOD PLANNING AREA**

Through the City of Austin's Acquisition and Development (A&D) and Rental Housing Development Assistance (RHDA), and Commercial Revitalization activities, the following projects were funded or underway in FY 2010-11. In this section, neighborhoods have been grouped according to Neighborhood Planning Areas established by the City of Austin Planning and Development Review (PDR) Department. To view the City's Neighborhood Planning Areas Map, visit Appendix IV. To view the specific geographic areas of the participating jurisdiction in which CDBG and HOME funding was directed during FY 2010-11, view the CDBG and HOME expenditures map in Appendix IV. In addition, the Geographic Dispersion of Rental Housing Projects maps in Appendix IV displays the African American, Hispanic, and Asian representation for the City as it relates to rental housing funded by the City.

### **Central East Austin Neighborhood Planning Area**

#### ***Project: 24 Rental Units***

The Austin Housing Finance Corporation (AHFC) has partnered with Anderson Community Development Corporation (ACDC) to construct at least 24 rental units for households earning at or below 50 percent of MFI. Architecture and engineering services have been secured.

#### ***Project: 1113 Myrtle***

The Anderson Community Development Corporation (ACDC) began a demolition and reconstruction of 1113 Myrtle Street to be sold to a low- to moderate-income buyer. ACDC was certified as a new CHDO in FY 2010-11.

#### ***Project: Marshall Apartments***

AHFC provided G.O. Bond financing to assist with the acquisition and rehabilitation of the Marshall Apartments by an affiliate of Summit Housing Partners. The Marshall Apartments consists of 100 Project-based Section 8 units whose Housing Assistance Program (HAP) contract with HUD was set to expire in August 2011. Preservation of Project-based Section 8 units has been identified as a key initiative in the City's 2008 Affordable Housing Preservation Study. The owner has committed to provide 20 units of Permanent Supportive Housing at Marshall.

#### ***Project: East 11<sup>th</sup> and 12<sup>th</sup> Streets Revitalization***

The Acquisition, Development and Loan Agreement (the "Tri-Party") that identified the roles and responsibilities of the City of Austin, Urban Renewal Agency of the City of Austin and the Austin Revitalization Authority, as it related to the redevelopment activities of the area, expired on September 30, 2010. The City of Austin and the Urban Renewal Agency have entered into an interim agreement to continue moving the revitalization efforts forward for the area. A long-term agreement between these two parties is in negotiations.

Revitalization efforts combine 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

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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 has commissioned a consultant to provide a development strategy for the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors. This strategy will provide a framework for the development of a mixture of commercial, retail and residential within these two corridors. The consultant will conduct a market analysis of the area to evaluate what type of development the area can absorb, conduct an assessment of the current infrastructure, and identify strategies to implement neighborhood priorities and the long desired revitalization of East 11<sup>th</sup> and 12<sup>th</sup> Streets. The consultant is working with City staff, key stakeholders and community members to ensure the development strategy reflects the priorities of all parties. Completion of the strategy is scheduled for January 2012.

On September 21, 2011, the consulting team held an Open House and Community Meeting, which was attended by roughly 100 people, launching the East 11<sup>th</sup> and 12<sup>th</sup> Streets Development Strategy.

### ***Project: Juniper-Olive District***

Planning efforts continued in FY 2010-11 for the renovation and the dismantling/reconstruction of the remaining AHFC-owned homes in the Juniper-Olive District. Two of the homes are zoned Historic while another will be renovated for the purpose of maintaining the historical character of the neighborhood. Future plans for the area include renovation of some structures, demolition/ reconstruction, and construction of new homes. While one structure was demolished, material was salvaged to be used in the renovation of another Juniper-Olive structure.

### ***Project: 1313 Willow and 807 Waller Streets***

Located in the Guadalupe Neighborhood, funding has been approved for construction of new homes at 1313 Willow Street and 807 Waller Street. Due to work currently in progress on other projects, construction on these two units will not begin until FY 2011-12.

### ***Project: 1803 East 20<sup>th</sup>***

The Blackland Community Development Corporation (BCDC) acquired an 8-unit apartment complex in FY 2010-11 serving households earning incomes at or below 50 percent of MFI.

### ***Project: Blackshear Rental Housing***

Blackshear Neighborhood Development Corporation (BNDC) was in the process of completing construction of six new units of affordable rental housing in FY 2010-11. Three of the units will be developed on former City surplus land. All of the six units will serve households earning at or below 50 percent of MFI, and one unit will serve a household earning at or below 30 percent of MFI.

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### ***Project: 2106 Chestnut***

The Blackland Community Development Corporation (BCDC) was approved funding in FY 2010-11 to construct one new single-family home at 2106 Chestnut to serve as a rental for a household earning at or below 50 percent of MFI. Due to work on other projects, BCDC will begin construction during FY 2011-12.

### **East Riverside/Oltorf Neighborhood Planning Area**

#### ***Project: Arbor Terrace***

Foundation Communities acquired a former extended-stay hotel located at 2501 South Interstate 35 and will convert it into a Single Room Occupancy (SRO) facility to house individuals earning incomes at or below 50 percent of MFI. The development is known as Arbor Terrace. AHFC has taken title to the land and is leasing it back to an affiliate of Foundation Communities. The property tax savings realized by AHFC's ownership will be put back into resident services. Foundation Communities has committed to provide 25 units of Permanent Supportive Housing at Arbor Terrace.

### **Montopolis Neighborhood Planning Area**

#### ***Project: Frontier at Montana***

The Frontier at Montana single-family ownership subdivision is in the Montopolis neighborhood. In Frontier at Montana, the City has partnered with several non-profit housing builders to construct 81 homes that provide homeownership opportunities for households earning at or below 80 percent of MFI. Austin Habitat for Humanity completed 30 single-family homes in Frontier at Montana, and American Youthworks is scheduled to construct nine single-family homes, the fifth of which was completed in FY 2010-11. The AHFC homes use a shared equity model of ownership with a "right of first refusal" to preserve long-term affordability.

In FY 2010-11, AHFC used Neighborhood Stabilization Program (NSP) funds to construct the remaining 12 vacant lots. These homes are complete and the homes are being marketed to households earning at or below 80 percent of MFI (households earning at or below 50 percent of MFI can apply for a zero interest, 30-year loan through Texas Department of Housing and Community Affairs). As of September 30, 2011, there were eight pending sales contracts for the homes. All homes are expected to be closed in FY 2011-12.

### **Pecan Springs/Springdale Combined Neighborhood Planning Area**

#### ***Project: Pecan Springs Commons***

The City partnered with Green Doors in FY 2009-10 to provide affordable housing in the Pecan Springs neighborhood. Green Doors acquired 70 units of rental housing. The six four-plexes and a approximately half of the 46-unit apartment complex, all on Sweeney Circle, have been leased. This development has already had a transforming effect in this area which had previously experienced a high crime rate and poor property conditions due to absentee landlords. The development is known as Pecan Springs Commons and serves the chronically homeless, homeless

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veterans, persons or households exiting shelter, and low-income working households.

### **St. John/Coronado Hills Combined Neighborhood Planning Area**

#### ***Project: St. John Neighborhood***

The City partnered with Neighborhood Housing Services (NHS) of Austin to provide affordable housing in the St. John neighborhood. In FY 2010-11, it was determined the organization lacked the capacity to complete the project, and steps are being taken to address the lack of progress and develop a strategy to complete the work.

### **University Hills/Windsor Park Combined Neighborhood Planning Area**

#### ***Project: Devonshire Village***

Austin Habitat for Humanity, in partnership with the City, completed infrastructure work on its subdivision, Devonshire Village, in the Windsor Park/University Hills neighborhood. The subdivision will be comprised of 43 new construction single-family homes that will be sold to low- and moderate-income buyers. Home construction has been underway since FY 2008-09 and more than half of the homes have been sold. Home construction and sales will continue in FY 2011-12. In order to provide diversity in the style of homes built in Devonshire Village, Austin Habitat for Humanity is making a portion of the 43 lots available to other affordable housing providers.

### **Govalle/Johnston Terrace Combined Neighborhood Planning Area**

#### ***Project: Guadalupe-Saldaña Subdivision***

The Guadalupe Neighborhood Development Corporation (GNDC) has completed pre-development work and has begun the installation of infrastructure on the 11-acre Guadalupe-Saldaña subdivision in the Govalle/Johnston Terrace Neighborhood. The Guadalupe-Saldaña Subdivision will contain a total of 90 units of affordable rental and ownership housing. Sixty of the units will have solar arrays installed which are intended to reduce the unit's energy consumption to "net zero" over the course of a year.

### **Robert Mueller Municipal Airport Redevelopment Neighborhood Planning Area**

#### ***Project: Wildflower Terrace***

AHFC provided funding for the acquisition and development of a 201-unit senior development, Wildflower Terrace. This development was also financed through the Low Income Housing Tax Credit Program awarded by the State and G.O. Bond funds. Construction is currently underway and is scheduled for completion in FY 2011-12.

### **Rosewood Neighborhood Planning Area**

#### ***Project: M Station***

The City provided assistance to Foundation Communities for the development of a 150-unit mixed-income apartment facility. This development is the first affordable

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housing located in a transit-oriented development (TOD). In Austin ninety percent of the units in the development will serve households with yearly incomes of no more than 60 percent of MFI, including 75 units for households earning at or below 50 percent of MFI, and 15 units for households earning at or below 30 percent of MFI. The remaining 15 units will serve households earning at or below 80 percent of MFI, and a portion of those will have no income restrictions. M Station was completed in 2011 and is in the process of leasing units.

### West Campus Neighborhood Planning Area

#### *Project: University Neighborhood Overlay (UNO)*

The City Council adopted the University Neighborhood Overlay (UNO) in FY 2004-05 that established housing affordability goals for new housing built in the West Campus neighborhood located adjacent to the University of Texas. All new housing developments that receive incentives must provide at least 10 percent of new units on-site to households at or below 80 percent of MFI for at least 15 years. Participating developers must also provide an additional 10 percent of on-site units for households earning at or below 65 percent of MFI or pay a fee-in-lieu.

### South Lamar Combined Neighborhood Planning Area

#### *Project: Treaty Oaks Apartments*

Green Doors partnered with the City to acquire and rehabilitate a 47-unit apartment complex on Manchaca Road. The units will be leased to households earning incomes at or below 50 percent of MFI. Treaty Oaks will house formerly homeless individuals, including veterans, persons at risk of homelessness, and very low-income working households. Green Doors has committed to providing 24 units of Permanent Supportive Housing at Treaty Oaks. Renovated units were being leased up by the end of FY 2010-11.

#### *Project: The Willows*

The Willows is a new-construction 64-unit complex serving very low-income and/or disabled persons. The development replaced two aging apartment buildings, comprising 22 units, which were demolished. The new four-story structure was developed by the Mary Lee Community, an affiliate organization of the Mary Lee Foundation, which for nearly 50 years has served individuals with physical and developmental disabilities, and offers a State-licensed brain injury rehabilitation program. The project was completed and leased in FY 2010-11.

#### *Project: The Legacy Apartments*

The City partnered with Mary Lee Community, an affiliate of the Mary Lee Foundation, to acquire property that will eventually become a new 40-unit complex providing affordable rental units to individuals and households with disabilities. Construction of the units is expected to begin in FY 2011-12.

#### *Project: The Ivy Condominiums*

Easter Seals Central Texas (ESCT), along with a HUD Section 811, grant acquired 10 units at the Ivy Condominiums for persons with physical disabilities. All units were

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renovated to be fully accessible and are have easy access to transportation, retail services, and medical care. All units were leased in FY 2010-11.

### South Congress Combined Neighborhood Plan Area

#### ***Project: Sierra Vista Apartments***

Funding was provided to Foundation Communities to acquire and rehabilitate the former Sierra Vista Apartments. Seven percent (or 15 units) of the 238-unit complex will be reserved for households earning at or below 30 percent of MFI, and another fifty-three percent will be reserved for households earning at or below 50 percent of MFI. The acquisition of the property was completed in FY 2009-10. The project received a forward commitment of 2011 Low Income Housing Tax Credits from the State. Renovated units were being leased up by the end of FY 2010-11.

#### ***Project: Retreat at North Bluff (formerly Village on Little Texas)***

Funding was provided to create a unique public/private partnership between AHFC and Captuity Investments III to develop a 240-unit, mixed-income multi-family community in which an affiliate non-profit corporation of AHFC will have an ownership interest. AHFC retains ownership of the land and leases it to Village on Little Texas LLC, and the AHFC non-profit affiliate has a 30 percent ownership stake in the development. This partnership offers AHFC the opportunity to earn revenue that can be used for other affordable housing developments. The property was fully leased in July 2011 and has committed to providing 5 PSH units.

### Westgate Neighborhood Planning Area

#### ***Project: Westgate Grove***

Funding was provided to PeopleTrust and MoMark Development to acquire and develop nine acres for a 50-unit subdivision. The subdivision will consist of single-family homes that will be sold to buyers earning at or below 80 percent of MFI. The homes will use a shared equity/right of first refusal model of ownership in order to ensure long-term affordability. The acquisition of the property was completed in FY 2009-10. Pre-development work is currently underway. In FY 2010-11 additional funding was approved for PeopleTrust, in partnership with Peoples/Howell 2, LLC, to acquire 7 acres adjacent to the 9 acres previously referenced. This 7-acre tract will be developed for 50 attached condominium units to be sold to buyers earning at or below 80 percent of MFI.

### North Lamar/Georgian Acres Combined Neighborhood Plan Area

#### ***Project: The Palms on Lamar (formerly Malibu Apartments)***

The Mulholland Group, in partnership with AHFC and through equity from the Low Income Housing Tax Credits Program acquired and renovated the former Malibu Apartments, 476 rental housing units with 215 units at 99 years affordability. Out of the 476 units, 22 units are designated for households earning at or below 30 of MFI and 193 units are designated for households earning at below 50 percent MFI. This tax credit development offers residents proximity to the Capital Metro North Lamar Transit Center. The Palms contains the largest number of housing units within one

## Chapter 1: Introduction

development that was gap financed through the City of Austin's developer assistance programs. Renovated units were being leased by the end of FY 2010-11.

### Other Areas

#### ***Project: Meadow Lake Ownership***

Funding was provided to Austin Habitat for Humanity to acquire and develop 25 lots in the Meadow Lake Subdivision located in the Silverstone Neighborhood. By the end of FY 2010-11, Habitat has completed construction and sold all 25 new single-family homes.

#### ***Project: Sendero Hills Ownership***

Austin Habitat for Humanity partnered with assistance from the City, will acquire 15 acres plus infrastructure construction, for up to 49 homeownership units in the Sendero Hills neighborhood of East Austin. The property was acquired and infrastructure construction was completed. Home construction began in FY 2010-11 and is anticipated to run through FY 2012-13.

#### ***Project: Colony Park***

The Colony Park project is located on 208 acres of land approximately ten miles northeast of downtown Austin. The Colony Park development will create a sustainable, mixed-use, mixed-income community with a strong neighborhood identity that will enhance the character of the existing nearby residential areas. The City will increase opportunities for homeownership and encourage the presence of a variety of income levels, thereby enriching the fiber of the neighborhood. The residents of Colony Park will live within walking distance of a new City park, a new recreational center, a new elementary school that opened in fall of 2007, and retail space that will be developed as part of the project. The City has hired an engineering firm and land planner to analyze the site. A Planned Unit Development (PUD) zoning application has been submitted for review for Colony Park. AHFC temporarily suspended the application to explore other alternative land uses and housing yields. The PUD application process could be activated again and approved in late 2012.

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## FY 2010-11 PROJECT UPDATES

In an effort to enhance transparency, NHCD developed and released a Project Inventory List in the FY 2010-11 Action Plan. The list was designed to enhance communications with the public and key stakeholders to ensure the community and affordable housing partners received information about proposed investments, as well as projects submitted for public funding through NHCD. Exhibit 1.8 provides a status update for the FY 2010-11 projects.

During the FY 2010-11 Action Plan process and throughout the fiscal year, NHCD received significant feedback about the project inventory list. NHCD modified this approach for the FY 2011-12 Action Plan and is including Exhibit 1.9 as well, to provide an update and further clarity on the department's projects. Exhibit 1.9 lists developments and initiatives that have been prioritized by the Austin City Council and Austin Housing Finance Corporation Board of Directors through past action.



**Exhibit 1.8: FY 2010-11 Project Updates**

Projects/Initiatives in Alphabetical Order

Project/Initiative	Zip Code	Estimated Funding	Project Funding Source	Project Details	Status Update
<b>11<sup>th</sup> and 12<sup>th</sup> Street</b>	78702	\$426,050	CDBG, EDI III, SF	HUD Regulatory requirement/Urban Renewal Plan: Acquisition & Development; Community Parking (12 <sup>th</sup> & Chicon; 11 <sup>th</sup> & Curve) and Historic Preservation.	The East 11th and 12th Street market study will evaluate the type of development the area can absorb as well as infrastructure and parking needs in order to assist in future planning activities. Completion of a market study is scheduled for January 2012. During FY 2010-11, resources were committed and expended on leasing a community parking facility in the revitalization area. The community parking facility provided parking to the area neighborhood – providing additional access the area businesses. Historic preservation activities in the revitalization area in FY 2010-11.
<b>Acquisition and Development (A&amp;D)</b>	Citywide	\$3,106,814	CDBG, HOME, GO Bonds, HTF	Applications for homeownership developments.	NHCD's online Application Center provides detailed information about Acquisition and Development (A&D) projects. For more information on projects, visit <a href="http://www.austintexas.gov/housing/applications">www.austintexas.gov/housing/applications</a> .
<b>African American Cultural &amp; Heritage Facility (Dedrick-Hamilton House)</b>	78702	\$2,120,950	CDBG	HUD Stimulus Funds have completion deadline of September 2012. Additional funds needed to complete project to meet HUD timeline.	Located at 912 East 11th, the African-American Cultural and Heritage Facility grew out of the African American Quality of Life Initiative. This facility will be the flagship for the newly created African American Cultural Heritage District by providing a Visitor's Bureau and office space for two local African American non-profits. Building design is complete and construction is underway. Project completion is scheduled for July 2012. For more information on the Dedrick-Hamilton House, visit <a href="http://www.austintexas.gov/ahfc/aach_facility.htm">www.austintexas.gov/ahfc/aach_facility.htm</a> .
<b>Anderson CDC - 1113 Myrtle</b>	78702	\$150,000	HOME CHDO	HUD Legal Settlement requirement. Renovation of single-family home by Anderson CDC for Community Housing Development Organization (CHDO) certification.	The Anderson Community Development Corporation (ACDC) began a demolition and reconstruction of 1113 Myrtle Street to be sold to a low- to moderate-income households. ACDC was certified as a new CHDO in FY 2010-11.
<b>Anderson CDC-24 units</b>	78702	\$1,579,990	HOME CHDO, GO Bonds, HTF	HUD Legal Settlement requirement for AHFC to construct at least 24 rental units for Anderson CDC.	The Austin Housing Finance Corporation (AHFC) has partnered with Anderson Community Development Corporation (ACDC) to construct at least 24 rental units for households earning at or below 50 percent of MFI. Architecture and engineering services have been secured.
<b>Frontier at Montana Subdivision</b>	78741	\$1,200,000	Neighborhood Stabilization Program (NSP)	HUD regulatory requirement to complete development: new construction of 12 single-family homes, which could generate revenue for AHFC to recycle into additional units.	In FY 2010-11, AHFC used Neighborhood Stabilization Program (NSP) funds to construct the remaining 12 vacant lots. These homes are complete and the homes are being marketed to households earning at or below 80 percent of MFI. As of September 31, 2011, there were eight pending sales contracts for Frontier at Montana homes. All homes are expected to be closed in FY 2011-12.
<b>GO Repair!</b>	Citywide	\$1,757,869	GO Bonds	Home repair program.	NHCD's online Application Center provides detailed information about the G.O. Repair! Program. For information, visit <a href="http://www.cityofaustin.org/housing/applications">www.cityofaustin.org/housing/applications</a> . For information on the G.O. Repair! Program production in FY 2010-11, visit <a href="http://www.austintexas.gov/ahfc/production">www.austintexas.gov/ahfc/production</a> .
<b>Home Rehabilitation Loan Program (HRLP)</b>	Citywide	\$1,000,000	HOME	Home repair loan program.	For information on the HRLP production in FY 2010-11, visit <a href="http://www.austintexas.gov/ahfc/production">www.austintexas.gov/ahfc/production</a> .
<b>Juniper Olive Phase III</b>	78702	\$1,183,226	SMART CIP, HTF	HUD Regulatory requirement to complete project.	Project details were modified from the initial project. New project details include: 3 partial demolitions, 1 new constructions, 4 historic renovations, and 1 demo/reconstruct. Project completion is slated for FY 2012-13.
<b>Rental Housing and Development Assistance (RHDA)</b>	Citywide	\$5,914,547	CDBG, HOME, GO Bonds, HTF (does not include PSH)	Applications for rental developments.	NHCD's online Application Center provides detailed information about RHDA projects. For more information on projects, visit <a href="http://www.austintexas.gov/housing/applications">www.austintexas.gov/housing/applications</a> .

The Permanent Supportive Housing (PSH) initiative was assigned to Exhibit 12: Council Resolution and Ordinances Related to Pending NHCD/AHFC Projects.

**Exhibit 1.9: Council Resolutions and Ordinances Related to Pending NHCD/AHFC Projects**

Projects/Initiatives in Alphabetical Order

Project	Zip Code	Application/ Property Information	Project Details	Council/Board Action	Summary of Action
<b>Colony Park</b>	78724	AHFC land - 200 acres @ TX130	AHFC Board approved and funded professional service contract on June 7, 2007. Planning and engineering underway. Affordable units in future growth corridor near future light rail stop.	AHFC, May 24, 2001	Resolution No. 010524-02 authorized the AHFC Board of Directors to accept from the City of Austin a conveyance of an estimated 208 acres of property located along Loyola Lane in the Colony Park neighborhood for the purpose of coordinating the development of low- and moderate-income housing.
<b>Levander Loop Affordable Housing</b>	78702	City of Austin property	Potential project for residential development at HHSD campus: not shovel ready	Council, November 19, 2009	Resolution No. 20091119-063 includes affordable housing as a component of the conceptual plan for the campus located at Levander Loop.
<b>RBJ Senior Residential Center</b>	78702	Potential partnership with the City of Austin.	Potential project: not project ready.	Council, May 13, 2010	Resolution No. 20100513-33 directs the City Manager to coordinate the City's participation with the RBJ Board of Directors and the community stakeholder group to evaluate the future use of City property and the potential to participate in the development of a master plan for the 26.78 contiguous acres.
<b>Transit Oriented District (TOD) Catalyst Project</b>	Citywide	Site not determined	Potential project: not project ready. Proposal for TOD affordable housing on city owned land.	1. Council, May 19, 2005; 2. Council, March 23, 2006; 3. Council May 19, 2005	1. Resolution No. 20050519-009 establishes a goal of 25 percent of all new housing in a TOD to be affordable to low- and moderate-income households and directs the City Manager to direct the NHCD to pursue policies, programs or funding sources that may be available to achieve or exceed housing affordability goals within the area of each station area plan. 2. Resolution No. 20060323-043 directs the City Manager to study the cost and feasibility of relocating Austin Energy's Justin Lane Service Center and the effect of such relocation on promoting development within the Lamar/Justin TOD and to report back to Council in 120 days. 3. Ordinance No. 20050519-008 as part of the adoption process for the first three Station Area Plans, City Council directed NHCD at the third reading on December 11, 2008 to evaluate affordable housing opportunities on City-owned land within the TODs.
<b>Permanent Supportive Housing (PSH)</b>	Citywide	Exhibit 23: Austin PSH Pipeline (p. 3-35) identifies estimated PSH pipeline of units (as of June 1, 2011)	Proposal for PSH units citywide.	1. Council, March 25, 2010; 2. Council, March 10, 2011	1. Resolution No. 20100325-053 directed 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 PSH units over the next four years. On September 30, 2010, City's PSH strategy was presented to Council. 2. Resolution No. 20110310-025 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 Council to consider for action.
<b>Urban Renewal Plan</b>	78702	Urban Renewal Agency property	HUD Regulatory Requirement: Urban Renewal project delayed due to market conditions. The East 11th and 12th Streets redevelopment plan identifies projects and programs that will lead to a sustained, improved and culturally rich area. The Redevelopment Plan is slated for completion in year 2018.	1. Council, January 14, 1999; 2. Council, August 2, 2001; 3. Council, July 31, 2003; 4. Council, April 7, 2005; 5. Council, February 28, 2008; 6. Council, November 28, 2008	1. Ordinance No. 990114-10 approved the Urban Renewal Plan for the East 11th and 12th Streets Urban Renewal Area and charged the City of Austin and the Urban Renewal Agency of the City of Austin to undertake and carry out urban renewal projects and revitalization efforts in the East 11th and 12th Streets redevelopment area. 2. Ordinance No. 010802-89 adopted the first plan modification. 3. Ordinance No. 030731-49 adopted the second plan modification. 4. Ordinance No. 20050407-060 adopted the third plan modification. 5. Ordinance No. 20080228-113 adopted the fourth plan modification. 6. Ordinance No. 20081120-104 adopted the fifth plan modification.

## Chapter 1: Executive Summary

**Federal Guideline :** Provide a breakdown of the CPD formula grant funds spent in attaining the goals and objectives.

Exhibit 1.10 displays the formula funding grant expenditures in the FY 2009-14 Consolidate Plan period.

**Exhibit 1.10: Formula Grant Expenditures by Fiscal Year**

Funding Source	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Total
<b>CDBG</b>	\$5,633,007	\$7,774,908	0	0	0	\$13,407,915
<b>CDBG - PI</b>	604,510	85,322	0	0	0	\$689,832
<b>CDBG - Rev. Loan</b>	\$268,032	\$31,783	0	0	0	\$299,815
<b>CDBG-R</b>	\$1,177,280	\$0	0	0	0	\$1,177,280
<i>Subtotal CDBG Funds</i>	<b>\$7,682,829</b>	<b>\$7,892,013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$15,574,842</b>
<b>HOME</b>	\$4,864,945	\$1,803,802	0	0	0	\$6,668,747
<b>HOME PI</b>	\$714,195	\$322,148	0	0	0	\$1,036,343
<b>HOME (CHDO)</b>	\$606,621	\$1,831,722	0	0	0	\$2,438,343
<b>HOME (CO)</b>	\$190,000	\$192,359	0	0	0	\$382,359
<i>Subtotal HOME Funds</i>	<b>\$6,375,761</b>	<b>\$4,150,031</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$10,525,792</b>
<b>ESG</b>	\$328,346	\$320,166	0	0	0	\$648,512
<b>HOPWA</b>	\$1,029,086	\$1,103,927	0	0	0	\$2,133,013
<b>Total</b>	<b>\$15,416,022</b>	<b>\$13,466,137</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$28,882,159</b>

See Chapter 2 for definitions of all funding sources.

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## SELF EVALUATION

The City of Austin annually assesses its progress in meeting the goals and priorities outlined in the FY 2009-14 Consolidated Plan through the development of the Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides an opportunity for the City to evaluate the performances of its programs and services and determine whether adjustments to the current Investment Plan, performance measurements or 5-year goals are needed.

The partnerships and collaboration between the City of Austin, the U.S. Department of Housing and Urban Development (HUD), community partners, and the citizens of Austin, contribute to the ongoing success of programs featured in the FY 2010-11 CAPER. HUD, through four formula grants, continues to make a substantial financial commitment to low- and moderate-income households in the City of Austin. In FY 2010-11, the City received \$14,132,824 million in four formula grants: Community Development Block Grant (CDBG), HOME Investment Partnerships, Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA).

In addition to federal funding, the City uses local funds for affordable housing, community and economic development, and public services needs: Sustainability Funds, General Obligation (G.O.) Bonds, Housing Trust Fund (HTF), University Neighborhood Overlay (UNO) Housing Trust Fund, Housing Assistance Fund (HAF), and Austin Energy for the Holly Good Neighbor Program. Local contribution totaled to \$21.5 million in total funding for FY 2010-11.

***Federal Guideline:*** What barriers may have a negative impact on fulfilling strategies and achieving the overall vision?

### ***City of Austin – Population, Demographic and Economic Dynamics***

Since 1990, Austin's population has continued to grow at a consistent and rapid pace. Austin's population in 1990 was 465,622 and in 2011 it is estimated that approximately 800,000 people will reside in Austin.<sup>1</sup> The City has moved to being the 14<sup>th</sup> largest City in the United States and unfortunately, continues to experience an increase in poverty rates.

The City has reached a unique threshold in terms of racial composition by becoming a "majority-minority" city. This means that in Austin, no ethnic or demographic group exists as a majority. The Anglo (non-Hispanic white) share represented about 50 percent of the population in 2010. The Hispanic (Latino) share has steadily increased since 1990 and in 2010 the Hispanic (Latino) share represented about 30 percent of the population. The African American share represented about 10 percent of Austin's population in 1990. In 2010, the African American percentage has dropped to about eight percent and will continue to decrease as the city continues to increase in population. African Americans, as well as other demographic groups, have migrated to surrounding areas outside Austin - the suburbs and neighboring communities. The geographical dispersion of affordable housing has also moved into the suburbs as the Austin housing market has become more expensive. This also accounts for the migration of residents to the suburbs.

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<sup>1</sup> U.S. Census Bureau. URL: <http://www.census.gov/>

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In 1990, the poverty rate was slightly below 18 percent. In 2000, the rate dropped to 14 percent; however, in 2010, the poverty rate climbed to approximately 18 percent. Within poverty, some groups are disproportionately represented, especially in the areas of race and ethnicity, age, and education. According to the Community Action Network's "2011 Community Dashboard" report, children living in poverty are less likely to be ready to enter kindergarten. According to the "United Way Success by 6" report, many children entering school are two years behind their peers developmentally. Older children living in poverty are also less likely to be ready to enter college. CAN's analysis shows that only 20 percent of African American students and 35 percent of Hispanic students who graduated from high school were prepared to enter college.

With the release of the 2010 Census results, analysis of new data, the launch of a series of local housing reports, and the understanding of Austin's overall composition, the City recognizes that the programs and services administered NHCD and the Travis/County Health and Human Service Department (HHSD) are more critical than ever as needs are increasing and financial resources are reducing.

### ***Program Administration***

The ability of the City to efficiently and effectively plan, implement, and deliver affordable housing, community and economic development initiatives, and public services is based on how well it administratively manages required federal and local processes and procedures. Program accounting, monitoring, and reporting provide essential documentation on eligibility and financial allowance. The following represents an assessment of the City's management of federal and non-federal funding for NHCD's initiatives.

### ***Business Planning/Consolidated Planning/Budget Process Coordination***

The City continues to improve its reporting to the U.S. Department of Housing and Urban Development (HUD), local officials, and the public and increase public participation in its planning processes through increased transparency, outreach, web site improvements, and increased email communication. In addition, City staff stays apprised of any updates or enhancements HUD implements for its reporting requirements. Key reports for FY 2010-11 include: the Neighborhood Housing and Community Development (NHCD) Office Business Plan, City of Austin Annual Action Plan, City of Austin Annual Budget, and the annual CAPER. These documents reflect all funding sources consistent with goals and priorities. Reporting efforts allow the Austin community to have complete information about the resources being directed to meet the needs of low- and moderate-income residents.

### ***Expenditure and Timeliness Ratio Information***

The City of Austin has met all required deadlines for commitment and drawdown of its grant funds for FY 2010-11. The City is required to disburse all grant funds in a timely manner after drawdown from HUD. For CDBG funds, the balance of the CDBG line-of-credit must not exceed 1.5 times the annual grant on July 31<sup>st</sup> of every year. For HOME funds, the City must commit all HOME funds in two years and spend the funds within five years. The City met requirements for CDBG and HOME in FY 2010-

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11. The current system assures that federal expenditure and timeliness requirements are adequately met each year.

### *FY 2010-11 Highlights*

The following activities are key highlights that contributed to the City's overall success in FY 2010-11. These include:

#### *Affordable Housing Programs*

Through the Acquisition and Development program (A&D) and Rental Housing and Development Assistance (RHDA) program, the City provides opportunities to public and private partners to create and retain affordable housing units for low- and moderate-income households and low-income individuals with special needs. Key partners include non-profit Community Housing and Development Organizations (CHDOs) and other affordable housing developers who assist in the creation and retention of affordable housing. In FY 2010-11 a total of 505 households were served through the A&D and RHDA programs.

Geographic dispersion is a key scoring criterion for the A&D and RHDA programs - geographic dispersion counts as over 15 percent of the total scoring for A&D, and over 10 percent for RHDA. Areas of high opportunity are areas where affordable housing in Austin has not traditionally been located, and are typically areas of lower racial/ethnic minority concentration. Appendix IV features maps that show the geographic distribution of NHCD's affordable rental projects and displays the African American, Hispanic, and Asian representation for the City.

#### *Permanent Supportive Housing*

On March 25, 2010, the Austin City Council passed a resolution directing the City Manager to give priority to federal and local funding to 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. City of Austin-funded PSH will serve individuals or households in the following categories:

- Headed by individuals that are chronically homeless as established in the HEARTH Act<sup>2</sup>;
- 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 households with children that demonstrate housing instability and have other barriers that will likely lead to continued instability, as detailed in the plan; and
- Youth aging-out of state systems, whether homeless or at-risk of homelessness.

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<sup>2</sup> U.S. Department of Housing and Urban Development, URL: <http://www.hudhre.info/hearth/>

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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](http://www.austintexas.gov/housing).

### *PSH Unit Pipeline*

In FY 2010-11, 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 \$1.775 million was allocated to fund permanent supportive housing. Of those proposed, the following applicants have identified serving PSH sub-populations in the City’s Strategy presented to Council on September 30, 2010.

- Foundation Communities, Arbor Terrace (Suburban Lodge SRO), 25 PSH units
- Green Doors, Treaty Oaks Apartments, 25 PSH units
- Summit Housing Partners, Marshall Apartments, 20 PSH units

Exhibit 4.8 in Chapter 4 provides a comprehensive estimated number of PSH units in the pipeline (as of September 2011) with capital, operating and service components funded through the City of Austin and a variety of other public and non-governmental funding sources.

### *Lead Hazard Control Grant*

Austin was awarded a \$3.7 million Lead Hazard Control Grant from the U.S. Department of Housing and Urban Development (HUD) in March 2007 to identify and control lead-based paint hazards in eligible low-income rental and owner-occupied housing for a three-year grant period. The City’s LeadSmart Program serves homes built prior to 1978 where children under 6 years of age live or spend a significant amount of time and who have tested positive for lead poisoning. The grant targets funding to communities with the greatest need, specifically to households with a high incidence of lead poisoning and older rental housing. Though the Lead Hazard Control Grant for the City of Austin expired in February 2011, the LeadSmart Program exceeded its program goals by 19 percent.

NHCD received notification in September 2011 that the City was awarded \$2.5 million to evaluate 180 homes for the presence of lead. In addition, NHCD will use the grant funding to conduct extensive outreach and education. NHCD began highlighting the new funding and the LeadSmart Program and services through several media outlets.

### *African-American Cultural and Heritage Facility Ground Breaking*

HUD awarded the City of Austin \$2 million in American Recovery and Reinvestment Act (ARRA) funds. The Austin City Council allocated \$550,000 of these stimulus dollars to the African American Cultural and Heritage Facility (AACHF).

The community joined the City in celebrating Juneteenth, the holiday honoring African American heritage, on June 17, 2011, at the groundbreaking ceremony for the African American Cultural and Heritage Facility being built in East Austin. The event brought together the overall community, faith-based agencies, neighborhood groups, other City departments, the business community, and local, state and

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federal officials. The facility, located at 912 E. 11th Street, will include a visitor's bureau, offices, meeting space, reception areas, a dance practice and performance room, and space for two local non-profits - the Capital City African American Chamber of Commerce and ProArts Collective. The construction project includes restoration of the historic Dedrick-Hamilton House which is located on the property and will be adjacent to the new building. The Dedrick-Hamilton House was owned by the family of Thomas Dedrick, one of the first freed slaves in Travis County.

The project will create jobs through construction and tourism, and the long-term economic benefits of the project will support the revitalization efforts of the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors. Project completion is slated for summer 2012.

***Federal Guideline*** - Are activities and strategies having an impact on identified needs? What indicators would best describe overall results? Are major goals on target?

### **Self Evaluation Methodology**

The impact of the City's affordable housing, community and economic development programs were primarily measured in how the City meets the CDBG national program objective, benefits to low- and moderate-income households. Performance measures include: affordable housing units produced, jobs created, and number of low- and moderate-income households served through NHCD's program and services.

As a result, the City reports its primary performance measure according to low- and moderate-income households served in FY 2010-11. Though the City continued to track and monitor sub-measures, such as housing units produced and jobs created and retained, the FY 2010-11 CAPER reflects the primary performance measure.

The following represents an evaluation of NHCD's programmatic progress in FY 2010-11 as it relates to the FY 2009-14 Consolidated Plan goals and priorities, as well as identifying areas that may require future modifications to City housing and community development performance goals. The City continues to strive to meet all program goals in a fiscally responsible manner while maintaining accountability to HUD and the citizens of Austin.

### **Programmatic Progress - Housing**

Creating and retaining decent and affordable housing opportunities remains a critical need of Austin's low- and moderate-income residents. The City of Austin continues to invest its local funding to supplement the resources provided by HUD. The citizens of Austin approved \$55 million in General Obligation (G.O.) Bonds in November 2006 for the creation of affordable housing. As of September 30, 2011, \$49.1 million of the G.O. Bonds have been spent, with \$10.6 million expended in FY 2010-11. The Austin Housing Finance Corporation (AHFC) facilitates housing production for the City of Austin and operates affordable housing programs that impact the supply of affordable housing units and assist low- and moderate-income households.



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## *Overall Accomplishments*

The City's FY 2010-11 Action Plan goals were to serve 17,614 eligible households. During fiscal year, NHCD served a total of 16,102 low- to moderate-income households using federal and local funding. The overall number of households served was slightly lower than anticipated due to market conditions and unforeseeable delays in project timelines.

Exhibit 1.11 features programs that met or exceeded goals, or came within five percent of its annual goal. Exhibit 1.12 displays the programs that did not meet annual goals by more than five percent.

**Exhibit 1.11: Programs that Met or Exceeded Goals**

<b>Program</b>	<b>% of Goal Achieved</b>
<b>Homeless/Special Needs Assistance</b>	
Shelter Operation and Maintenance	105%
Homeless Essential Services – CDU	117%
Tenant-Based Rental Assistance (HOPWA)	113%
Transitional Housing	100%
Supportive Services	100%
Child Care Services	118%
Youth Support Services	119%
Senior Services	101%
<b>Renter Assistance</b>	
Architectural Barrier Program – Rental	200%
Tenants' Rights Assistance	148%
<b>Homebuyer Assistance</b>	
Housing Smarts – Housing Counseling	105%
Down Payment Assistance	120%
<b>Homeowner Assistance</b>	
Architectural Barrier Removal Program - Owner	132%
Emergency Home Repair	108%
Lead Hazard Control Grant	119%
Homeowner Rehabilitation Loan Program	113%
<b>Housing Developer Assistance</b>	
Rental Housing Development Assistance	222%
CHDO Operating Expenses Grants	114%
Developer Incentive Based Program: S.M.A.R.T. Housing™	135%
<b>Small Business Assistance</b>	
Community Development Bank	100%
Microenterprise Technical Assistance	103%

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**Exhibit 1.12: Programs that Did Not Meet Goals**

Program	% Goal Achieved
<b>Homeless/Special Needs Assistance</b>	
Short-Term Rent, Mortgage, and Utility	70%
Permanent Housing Placement	63%
Short-Term Supportive Housing	76%
<b>Renter Assistance</b>	
Tenant-Based Rental Assistance	80%
<b>Homeowner Assistance</b>	
G.O. Repair! Program	64%
Holly Good Neighbor	8%
<b>Housing Developer Assistance</b>	
Acquisition and Development	74%
<b>Commercial Revitalization</b>	
East 11 <sup>th</sup> and 12 <sup>th</sup> Streets: Acquisition and Development*	N/A
East 11 <sup>th</sup> and 12 <sup>th</sup> Streets: Historic Preservation*	N/A
East 11 <sup>th</sup> and 12 <sup>th</sup> Streets: Public Facilities*	N/A
East 11 <sup>th</sup> and 12 <sup>th</sup> Streets: Parking Facilities**	46%
<b>Small Business Assistance</b>	
Neighborhood Commercial Management Program	0%
Community Preservation & Revitalization	0%

\* There were no activities scheduled for these programs in FY 2010-11.

\*\* For more detailed information on program accomplishments, visit Chapter 6.

***Federal Guideline*** - Based on this evaluation, what adjustments or improvements to strategies and activities might help meet the identified needs more effectively?

NHCD made adjustments and improvements in FY 2010-11 to programs listed to better serve the Austin community. The following is an analysis of housing production by program:

## ***Homeless/Special Needs Assistance***

The Austin/Travis County Health and Human Services Department (HHSD) administers programs that are under the Homeless/Special Needs Assistance category.

The Emergency Shelter Grant (ESG) programs continued to remain vital to the continuum of services by serving a high number of individuals experiencing homelessness in FY 2010-11. Overall, ESG programs exceeded its goals by 12 percent. ESG funded Front Steps to operate the ARCH, a homeless shelter located in downtown Austin. Front Steps began using the Homeless Management Information System (HMIS) to count persons served in FY 2007-08. Front Steps continued to work with Bowman Systems, the vendor responsible for managing the Service Point HMIS application, to improve data quality and input process.

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Collectively, HOPWA programs met 84 percent of the goals identified in the annual Action Plan. The three programs that fell short of program goals under were Short-Term Rent, Mortgage, and Utility Assistance, Permanent Housing Placement, and Short-Term Supportive Housing. These programs faced challenges this fiscal year due to the leveraging of Ryan White Program Part A Housing Services dollars. The Ryan White Program addresses the unmet care and treatment needs of persons living with HIV/AIDS. To remedy this issue, HHSD has placed requests reallocate monies to assist with the Tenant-Based-Rental Assistance (HOPWA) efforts.

80 percent of the programs under the Homeless/Special Needs Assistance category met or exceeded their annual goal. The Homeless Essential Services, Child Care Services, and Youth Services programs excelled by exceeding goals by 20 percent.

### ***Renter Assistance***

Programs that provide rental housing assistance services for low- and moderate-income households, including special needs populations, collectively exceeded goals by 37 percent in FY 2010-11. The Architectural Barrier Removal Program – Renter, that provides accessibility modifications for elderly and severely disabled individuals, performed exceptionally, exceeding its goal by double. The City of Austin continued to show its commitment to affirmatively furthering fair housing choice by contracting with the Austin Tenants' Council to provide tenants' rights counseling services.

Tenant-Based Rental Assistance (TBRA) was the only program that did not meet its annual goal under Renter Assistance – the program met 80 percent of its annual goal. TBRA program services provide monthly rental assistance payments, security deposits, and first month's rents. NHCD staff is assessing the TBRA reporting process and is exploring possible reporting modifications that could potentially impact the timeline in reporting clients assisted and number actual clients served.

### ***Homebuyer Assistance***

Both programs, Housing Smarts – Housing Counseling and Down Payment Assistance (DPA), exceed individual program goals for FY 2010-11. This is the fifth year that the Housing Smarts Program exceeded its goals. The program continues to be a resource for individuals who want to prepare for homeownership and planning long-term financial independence. Due to the demand in services this fiscal year, AHFC staff referred a high volume of potential clients to local non-profits for assistance. Many of those individuals are at risk of losing their homes; those individuals were referred to BCL of Texas, a non-profit AHFC contracts for foreclosure prevention services. In addition, a number of referrals were made to Frameworks CDC for individuals who require counseling in Spanish. Both non-profits continued to meet the needs of the community with services that complement the mission of NHCD.

The DPA Program had a successful program year, exceeding its goal by 20 percent, and completing extensive marketing and outreach activities promoting DPA and other AHFC programs and services. During the fiscal year, AHFC performed outreach to the general public, lenders, realtors, builders and title companies.

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### *Homeowner Assistance*

Overall, the Homeowner Assistance programs did not meet the collective annual goal; however, four programs exceeded their individual programs goals. These were the ABR Program – Owner, Emergency Home Repair, and Lead Hazard Control Grant program, and the Homeowner Rehabilitation Loan Program (HRLP). The other programs serving homeowners in this category that did not meet their goals include the G.O. Repair! Program and the Holly Good Neighbor Program, both funded with non-federal funds.

The G.O. Repair! Program is on schedule to meet the goal by the end of the contract period, January 31, 2012. The term of the contract which runs February 1 through January 31 does not align with the federal reporting timeline; however, the G.O. Repair! Program is on target to meeting its goals set forth in the existing contract. To ensure future goals are consistent and aligned with federal reporting, the FY 2011-12 contract term for G.O. Repair! has been revised to be aligned with the federal reporting, October 1 through September 30.

Factors contributing the Holly Good Neighbor Program not meeting its goal include the decline of applications submitted due to lien requirements outlined in the program guidelines. AHFC is planning an extensive marketing and outreach plan targeting Holly residents. The marketing will be comprised of informational presentations, door-to-door canvassing, and special events. The intent is to Holly resident and overall public awareness of NHCD/AHFC programs and services.

### *Housing Developer Assistance*

The Rental Housing and Developer Assistance program partners with non-profit and for-profit developers to provide affordable rental housing. During FY 2010-11, the RHDA program exceeded its annual goal by 222 percent. A major factor for this success is that funds expended on projects one-to-two years ago are now reporting units as completed and occupied. Seventy-one percent of households occupying units assisted with RHDA funds earn incomes at or below 30 percent of MFI. The remaining 29 percent had incomes between 31-50 percent of MFI. In essence, the majority of households served are at the very lowest income levels, successfully meeting an affordable housing core value – reaching deeper levels of affordability.

The City's Community Housing Development Organization (CHDO) Operations Expense Grant Program provided operating funds to eight CHDOs in FY 2010-11 to help increase capacity to produce affordable housing. This exceeded the annual goal. The following CHDOs were provided operating expense grants during this reporting period: Anderson Community Development Corporation; Austin Revitalization Authority; Guadalupe Neighborhood Development Corporation; Blackland Community Development Corporation; Green Doors; Chestnut Neighborhood Revitalization Corporation; Mary Lee Community; Neighborhood Housing Services of Austin, Inc.; and Accessible Housing Austin!.

The Acquisition and Development (A&D) program, which includes production from AHFC New Home Sales, Community Housing Development Organizations (CHDOs), and development loans to for-profits, provided 26 homes to income eligible households in FY 2010-11. Factors contributing to production outcomes include

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tightened mortgage lending standards and the possible decrease in the ability of low-income households to obtain mortgage loans. However, as of the end of the fiscal year, there are a total of 16 homes for sale or under contract for sale that were developed by the Austin Housing Finance Corporation through Neighborhood Stabilization Program funds received from the State.

While the A&D Program did not meet its annual goal, during the fiscal year, the average MFI for homebuyers served was at or below 45 percent, which is lower than the average of approximately 53 percent of MFI for the last four fiscal years. NHCD staff is assessing the A&D Program and is further analyzing developer capacity and the mortgage lending climate to base future program goals.

### Commercial Revitalization

Together with the Urban Renewal Agency (URA), the City continued to make progress in revitalization efforts for East 11<sup>th</sup> and 12<sup>th</sup> Streets. Efforts that began in the late 1990s have removed slum and blight, attracted new restaurants, offices and residential developments. The East 11<sup>th</sup> and 12<sup>th</sup> Streets Revitalization project is comprised of the following areas: Acquisition & Development, Historic Preservation, Public Facilities and Parking Facilities.

Revitalization efforts combine 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.

In FY 2010-11, Acquisition & Development, Historic Preservation and Public Facilities had no scheduled activity. The Parking Facilities activity did not meet its goal. During the fiscal year resources were committed and expended on leasing the community facility that provided parking to the area businesses patrons. NHCD, in working with other City Departments, designed a community parking facility for the redevelopment area; however, submission for project permitting and construction was postponed. Contributing factors for postponement included: the delay in receiving the City's Design Commission project recommendation and the Commission's final recommendation revised design standards impacting overall project timeline and budget making it infeasible to complete in FY 2010-11.

In addition, the City planned to complete a market study evaluating whether additional community parking facilities were needed. The market study of the area was delayed; thus, decreasing the actual accomplishment by 54 percent. Completion of the strategy is scheduled for January 2012 and NHCD anticipates meeting FY 2011-12 goals for this activity.

# Chapter 1: Introduction

## **Small Business Assistance**

NHCD's Small Business Assistance programs provide education and financing to support small businesses. In addition, these programs create job opportunities for low- and moderate-income households. Both, the Community Development Bank and Microenterprise Technical Assistance programs continued to meet annual goals by providing small business education that includes topics such as finance, industry standards, legal requirements and business plan development.

The Neighborhood Commercial Management (NCMP), and Community Preservation and Revitalization Programs did not meet the FY 2010-11 goals. Contributing factors include credit market conditions, overall lack of public confidence in the economy, and the lack of applications submitted to NHCD during the fiscal year. An assessment of small business programs was underway during FY 2010-11 and NHCD staff decided to modify both program guidelines to target eligible businesses along the East 11<sup>th</sup> and 12<sup>th</sup> Streets redevelopment area. Program modifications will be implemented in FY 2011-12.

## ***5-Year Progress Overview***

As mentioned above, the overall number of households served during FY 2010-11 was higher than anticipated in the FY 2010-11 Action Plan and is making strides toward reaching 5-Year Consolidated Plan goals.

## ***Conclusion***

NHCD's overall strategy for its affordable housing and community development initiatives is operating at a satisfactory pace given market conditions, economic constraints and the availability of financial resources. Affordable housing continues to be the highest priority for the City of Austin as it relates to the use of the federal grants. The City also continues to use the provision of services to low- and moderate-income households as its primary measure.

In addition, the City of Austin continues to foster the success of small businesses and neighborhood revitalization efforts through activities that fall under the East 11<sup>th</sup> and 12<sup>th</sup> Streets Revitalization initiative. Both small business and commercial revitalization efforts support greater opportunities for job creation for low- and moderate-income households that will provide economic sustainability.

The federally and locally funded programming meets the stated priorities in the City's 5-Year Consolidated Plan. The City has leveraged a little over \$2 million in private funding to maximize its financial resources with federal funding. The City expended approximately \$13.5 million in local funds to increase affordable housing development in FY 2010-11.

The City of Austin is committed to improving its programs and partnerships in order to better serve and meet the needs of Austin's very low- to moderate-income residents. As the City moves forward, its commitment to invest in its community, improve and retain its affordable housing stock, and develop its communities through job creation and revitalization efforts will remain top priorities.