

ORDINANCE NO. 820401-D

AN ORDINANCE PRESCRIBING AND SETTING FORTH REQUIREMENTS AND PROVISIONS FOR THE ADMINISTRATION OF FUNDS RECEIVED BY THE CITY UNDER THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, AS AMENDED; PROVIDING THE DUTIES OF THE HUMAN SERVICES DEPARTMENT OF THE CITY OF AUSTIN FOR THE ADMINISTRATION OF THESE FUNDS; SETTING FORTH WHICH PROJECTS WILL BE ELIGIBLE FOR FUNDING UNDER THIS ACT; PROVIDING FOR AN ORDERLY METHOD OF CITIZEN PARTICIPATION IN THE PROMULGATION AND ADMINISTRATION OF PLANS; PROVIDING FOR REPORTING BY THE DEPARTMENT OF HUMAN SERVICES OF THE CITY OF AUSTIN; PROVIDING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

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

PART 1. This Ordinance shall be known as the Austin Housing and Community Development Block Grant Ordinance.

PART 2. The requirements of this Ordinance shall apply to the funds which the City receives under the Housing and Community Development Act of 1974, as amended, for the fiscal year 1983 and any year thereafter.

PART 3. The primary objectives of community development activities in the City of Austin shall be the development of a viable urban community, including decent housing, a suitable living environment, elimination of slums and blight and expanding economic opportunities, principally for persons of low and moderate income. To be eligible under this Ordinance, a project or activity must either:

- a. provide at least seventy-five percent (75%) of its benefits to low and moderate income persons; or
- b. aid in the prevention or elimination of slums or blight limited specifically to areas where the majority (51%) of the residents are low and moderate income persons, provided that tourism and tourism-related activity are excluded from the scope of the proposed project or activity; specifically excluded are convention centers, multi-story parking lots, hotels, motels, or other lodging, or projects or activities enhancing such facilities or businesses; or
- c. qualify as an economic development activity under Part 6 of this Ordinance.

In implementing (b) above, the City's general obligation to provide capital improvements to the target areas is not diminished except in extraordinary circumstances. Capital improvements in the target areas are to be funded through the normal course of city-wide capital improvements.

For purposes of this Ordinance "low and moderate income persons" shall be defined as members of families whose incomes do not exceed eighty percent (80%) of the median family income of the standard metropolitan statistical area for the City of Austin.

PART 4. The Human Services Department of the City of Austin (hereinafter "the Department"), shall prepare an annual community development plan. Low and moderate income people shall be given an opportunity to comment and their comments must be considered in the development of the plan. In this plan it shall specify what projects it intends to fund, what areas will be affected, and how low and moderate income persons will benefit from these projects. The plan shall also contain an anti-displacement strategy which anticipates the degree of displacement created by community development activities and specifies measures the Department will undertake to minimize displacement and alleviate the consequences. The plan shall be submitted to the City Council by July 1 of each year and shall be available at no charge to the public thereafter.

PART 5. In any administrative challenge to a project on the grounds that the primary beneficiaries will not be low and moderate income people, the Department shall bear the burden of demonstrating how low and moderate income persons will be the primary beneficiaries.

PART 6. Projects and activities for economic development for business revitalization and job creation shall not be funded unless they consist of direct or technical assistance to businesses in low and moderate income areas in the City of Austin and are limited to businesses whose gross income does not exceed three hundred thousand (\$300,000) dollars in the preceding year

or

- a. create jobs which expand the economic opportunities available for low and moderate income people by providing jobs and skills training not ordinarily available in the City of Austin; and
- b. at least seventy-five percent (75%) of the employees receiving skills training and/or jobs are persons from low to moderate income areas; and
- c. they are monitored monthly by the Department for their compliance; and
- d. grant assistance shall be provided only to firms, corporations or business enterprises having their main business office within the City of Austin, Texas. This provision shall not exclude businesses in low and moderate income areas from joint venturing, subcontracting, or franchising with outside firms.

In no case shall more than twenty percent (20%) of all program year funds be allocated for economic development for business revitalization and jobs creation.

PART 7. The citizen participation plan of this City shall, at a minimum, have the following characteristics:

- a. By April of each year, the City Council shall hold at least one public hearing to assess needs prior to the submission of projects and activities to be funded under the community development block grant program.
- b. By August of each year, the City Council shall hold at least one hearing after making available all proposed projects for inspection by the public, in order to gather citizen input on which specific proposals shall be adopted.
- c. After adopting a proposed community development plan, the City Council shall hold at least one hearing for the purpose of hearing comments on the proposed plan.
- d. At least one hearing shall be held by the City Council prior to changes being approved having a cumulative effect of ten percent (10%) or more on the allocation of the funds of any program year of community development funds.
- e. Before making any recommendation to the Community Development Commission on a specific proposal for community development block grant funds, the Human Services Department shall provide a written response to the applicant, stating the reasons for the action proposed be taken on the application.
- f. By August of each year, the City Manager shall submit his recommendations to the Council on the allocation of the community development block grant for upcoming program years. Prior to making his recommendations, the recommendations of the Community Development Commission and the Planning Commission on these allocations shall be obtained and submitted to Council at the same time he submits his own. The recommendations of the City Manager shall be available to the public at least one week prior to any hearing by the Council on the allocations of community development funds.
- g. The Department shall provide technical assistance to citizen organizations and groups of low and moderate income persons in order that they might better evaluate proposals and formulate their own.
- h. All plans and reports relating to the Community Development Block Grant Program in this City shall be on file at the offices of the Department and shall be available to the public during normal working hours.
- i. At least one hearing shall be held by the City Council in April of each year to permit citizen evaluation of the implementation of the annual plan.

j. The Department shall not make any change in the expenditure or allocation of block grant funds without the express approval of the City Council.

k. By December of each year, the City Council shall hold a public hearing on the City's Annual Performance Report.

PART 8. The Department shall take all actions within its control to facilitate the implementation of any housing assistance plan approved by the City Council.

PART 9. Community Development Block Grant funded activities shall represent (1) a new activity or program, (2) a continued CDBG funded program or activity, or (3) an increase, adjusting for inflation, in the funding level, for the activity or program above the median amount which has been expended by the City from local funds during three (3) years immediately preceding the year under review, except where funding is necessary to replace federal funding no longer available for expenditure in the target areas.

PART 10. No special assessment may be charged for public improvements funded out of the community development program either in part or in total.

PART 11. No more than fifteen percent (15%) of all federal community development funds shall be spent by the Department for the administration of the Community Development Block Grant.

PART 12.

a. The Department shall present to Council twelve (12) monthly progress reports. These reports shall show the progress of each funded project or activity under the Community Development Block Grant Program and compare progress with the goal of that project or activity. Each report shall be due by the 15th day of the month following the month which is the subject of the report.

b. An annual performance report shall be made by the Department showing performance of each project and activity in comparison with annual goals. The annual performance report shall be submitted by December 1 of each year to Council and shall be available at no charge to the public thereafter.

c. At least once a year, the Department shall provide to the Council a detailed written accounting of all expenditures for administrative costs of the Department. This accounting shall itemize all administrative costs. The accounting shall further include a detailed written description of all administrative tasks undertaken by the Department for which community development block grant funds were expended.

PART 13. All ordinances, resolutions, and orders heretofore passed, adopted, and made, or any part of same, which are in conflict with

