



City of Austin

Housing and Planning Department

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TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing and Planning Department

DATE: March 1, 2021

SUBJECT: City Council Agenda Item #22: Fiscal Year 2020-2021 Housing Trust Fund Update

The FY20-21 approved budget for the Housing Trust Fund (HTF) is \$13.7M. This amount did not include funds being carried forward from the previous fiscal year. With approval of Item 22, the HTF budget will increase by \$12.3M and total \$26M. This balance reflects all funds associated with the HTF. In previous years the HTF operated as a single-year fund but continued to have affordable housing projects and/or programs that were scheduled and expensed over multiple years. This agenda item makes available carried forward funds that are not currently appropriated and establishes the fund for its multi-year status going forward.

The carry forward funding does not represent unanticipated savings in the Housing Trust Fund. Because multi-year projects and/or programs are funded with HTF, carry forward funds are “reassigned” each year to the appropriate projects or programs that began in a prior fiscal year to carry out the project or program. This carry forward balance can lead to questions as to whether funding is available for unplanned activities or projects. For this reason, Housing and Planning Department (HPD) staff has worked with the Controller’s Office and Budget Office to present a multi-year fund and approach going forward, beginning this fiscal year.

The FY21 HTF Spend Plan below represents prioritized activities at a high level in identified program areas.

FY21 Housing Trust Fund Budget Includes Budget Amendment Dollars (In Millions)				
Description	Budget	Committed Funds	Available Balance for Programming	% Available
Housing Development Assistance	\$13.5	\$11.5	\$2.0	15%
Homeless Assistance	\$4.8	\$1.9	\$3.0	61%
Renter Assistance	\$2.0	\$1.1	\$0.8	43%
Displacement Prevention	\$5.6	\$3.3	\$2.3	41%
Capacity Building Housing	\$0.1	\$0.1	\$0.0	0%
Employer Assisted Housing	\$0.1	\$0.0	\$0.1	100%
Totals	\$26.0	\$17.8	\$8.2	32%

The available balance reflected in the chart above aligns with planned programs and activities to be encumbered over the remaining FY. The following provides additional information related to the above investment categories that support several programs and activities.

Housing Development Assistance \$13.5M

The Housing Development Assistance funding supports activities such as Rental Housing Development Assistance Program; Ownership Development Assistance Program; Acquisition and Development as well as funds receipted and restricted to development agreements such as the Grove Planned Unit Development and the Plaza Saltillo Transit Oriented District. Developments that receive these dollars must align to the codified affordable housing plan and are brought forward for City Council action.

Homeless Assistance \$4.8M

Funding in the amount of \$3.6M under the Homeless Assistance investment category supports the City of Austin's local housing voucher program, which was initiated in Fiscal Year 2021 to support the City's goal to increase the number of new Permanent Supportive Housing units. These dollars will be an ongoing budget requirement to meet contractual obligations necessary to finance permanent supportive housing. Other funds in this category support the City's partnership with the Ending Community Homelessness Coalition (ECHO) both in housing navigation services and rental assistance to house individuals experiencing chronic homelessness.

Renter Assistance \$2M

The City has increased its investments to support tenant stabilization services, in part due to the significant need brought on by COVID-19. The \$1.9M will assist non-profit organizations in providing tenants with housing stability services, such as rental assistance, legal aid and eviction prevention support. Funded non-profits include El Buen Samaritano, Austin Tenants Council and Texas RioGrande Legal Aid.

Displacement Prevention \$5.6M

The department's Displacement Prevention staff has focused significant effort beginning in March 2020 to address programming specific to households impacted by COVID-19. Funding from the HTF has leveraged federal dollars to launch the City's Relief for Emergency Needs of Tenants (RENT) Program. Due to community needs related to the pandemic, an immediate focus of these dollars has been to support relief and recovery efforts. It is important to note that the City programmed \$3.2M in additional HTF funding in FY21 for the RENT program, with the goal of expensing \$2.2M of these dollars to eligible U.S. Department of Housing and Urban Development (HUD) coronavirus funding sources upon availability of funds this fiscal year. The overall investment of \$5.6M in FY21 will allow for the department to initiate programs to advance the recommended strategies in the City's Displacement Prevention Strategy, including community-initiated displacement prevention grants.

The department is committed to transparency related to Housing Trust Fund programming. Should you have any questions, please contact me at Rosie.Truelove@austintexas.gov or at 512-974-3064.