



SECTION 1 INTRODUCTION



Executive Summary
Priorities for Funding
Five-Year Assessment of Progress
Self-Evaluation

Section 1: INTRODUCTION

Executive Summary

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 economic development services to benefit eligible residents and businesses so they can increase their opportunities for self-sufficiency.

National Goals

Federal law requires that housing and community development grant funds primarily benefit low- and moderate-income persons in accordance with the following U.S. Department of Housing and Urban Development (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 discrimination; and increase supportive housing that includes 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.

HUD Process

The City of Austin is required by law every five years to prepare a **Consolidated Plan** to receive federal funds from the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan combines in one report important information about Austin/Travis County demographics and economic activity as well as detailed information on the housing and job needs of its residents. The Plan also includes comments from the public received during public hearings, stakeholder meetings and in writing.

Section 1: INTRODUCTION

Executive Summary

All funding recommendations for programs operated with these funds were evaluated based on their ability to help the City meet the goals and priorities established in this Plan.

For each succeeding year, the City of Austin is required to prepare a **one-year Action Plan** to notify citizens and HUD of the City's intended actions during that particular fiscal year. The Action Plan includes citizen and stakeholder input and is due annually to HUD by August 15.

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)
- Housing Opportunities for Persons with AIDS (HOPWA)

The City of Austin chooses to include all funding sources in all of the HUD planning documents to increase opportunities for public input beyond federal requirements.

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 citizens about that year's accomplishments. This information allows HUD, city officials, and the public to evaluate the City's performance and determine whether the activities undertaken during the fiscal year helped meet the City's five-year goals and to address priority needs identified in the Consolidated Plan. This annual performance report, prepared with public review and comment, must be submitted to HUD annually by December 31.

Section 1: INTRODUCTION

Executive Summary

Lead Agency The Neighborhood Housing and Community Development Office (NHCD) is designated by the Austin City Council as the single point of contact with HUD and lead agency for the administration of the CDBG, HOME, HOPWA, and ESG grant programs. The City designates NHCD to administer the CDBG and HOME programs. The City designates the Austin/Travis County Health and Human Services Department (HHSD) to administer the HOPWA and ESG programs. In addition to the four formula grants, the City currently receives additional federal funds including: Economic Development Initiative (EDI), Section 108, and the Lead Hazard Control Grant.

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

Community Development Commission The Community Development Commission (CDC) advises the Austin City Council in the development and implementation of programs designed to serve the poor and the community at large with an emphasis on federally funded programs. NHCD provides staff support for the CDC. According to the City's Citizen Participation Plan, adopted by the Austin City Council, the CDC holds public hearings on the Five-Year Consolidated Plan and the Annual Action Plan and makes recommendations to the Austin City Council on the community needs. The CAPER and public comments are also presented to the CDC at one of the initial CDC public hearings of the proposed Action Plan.

The CDC consists of 15 members appointed by the Austin City Council. Seven members are nominated by residents from the following geographic areas: Colony Park, Dove Springs, East Austin, Montopolis, Rosewood-Zaragosa/Blackland, St. Johns, and South Austin.

Local Funds The City of Austin allocates local revenue for housing, community development, and economic development activities. These sources include the General Fund, General Obligation Bonds, Housing Trust Funds, and Housing Capital Improvement Funds. In 2006, the citizens of Austin approved \$55 million in general obligations bonds for affordable housing that will be spent over seven years. NHCD was appointed by the Austin City Council as the lead agency for allocating these new funds. For the convenience of its citizens and community leaders and consistency in reporting, the City of Austin reflects these funds and accomplishments in HUD reports, including the Annual Action Plan and CAPER.

Section 1: INTRODUCTION

Executive Summary

Citizen Comments

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 housing and community development from October 1, 2007 through September 30, 2008. The draft report was available for public review and written comment from November 26 through December 10, 2008. The draft report was available for review at local community and neighborhood centers, as well as the City's website listed below. No comments were received during the public comment period.

The CAPER reflects the City's progress toward meeting the needs, strategies, and objectives described and presented in Austin's Consolidated Plan 2004-09 and the 2007-08 Action Plan. After formal submission to HUD on December 29, 2008, the CAPER will be made available for public review at the main library, city neighborhood centers, the Austin Housing Authority administrative offices, the City of Austin NHCD Office, and on the NHCD website. Due to their length, HUD's Integrated Disbursement and Information System (IDIS) reports are available by request from the City of Austin, NHCD, at 512-974-3100. Copies of the final CAPER are distributed to members of the Austin City Council and Community Development Commission.

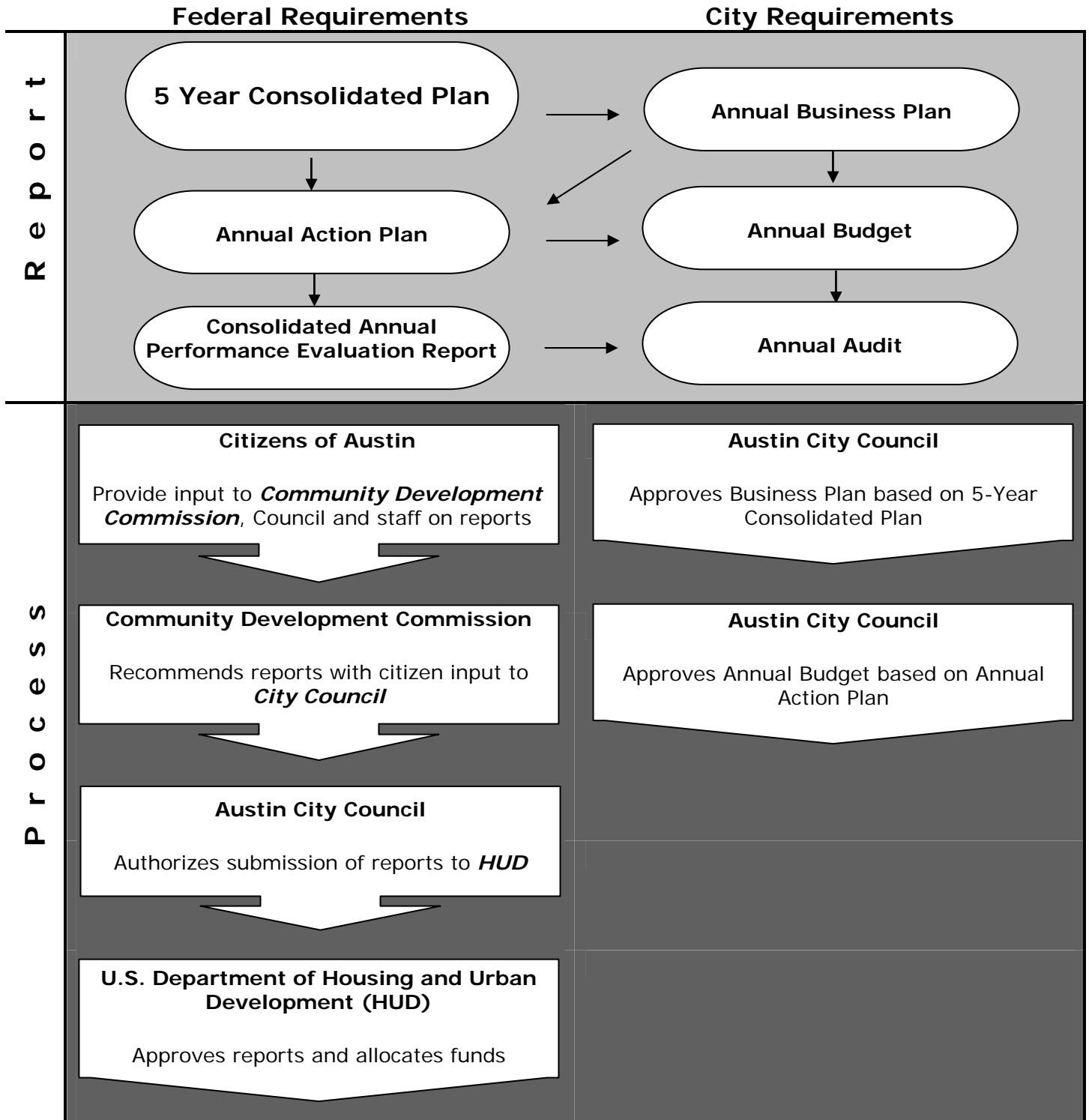
Electronic Reports and Publications

All public documents are available online at the City of Austin's NHCD Office's website: www.cityofaustin.org/housing/publications.htm

Section 1: INTRODUCTION

Executive Summary

HUD and City of Austin Allocation Process



Section 1: INTRODUCTION

Executive Summary

Neighborhood Housing and Community Development Office Funding Sources

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, 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 Shelter Grant Program (ESG); and Housing Opportunities for People with AIDS (HOPWA). In fiscal year 2007-08, the City received \$13.2 million in new funding through these four formula grants and expended \$17.2 million from the four grants and prior years' unspent grant funds. The City spent a total of \$18.4 million in federal funds and \$11.2 million in local funds. In addition, the City had previously authorized approximately \$3 million in Section 108 loans and secured \$3.7 million in Lead Hazard Control Grant funds that carried into fiscal year 2007-08.

Federal Funding and Expenditures Fiscal Year 2007-08

<u>Federal Funds</u>	<u>New Funds</u>	<u>Total Funds Available</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Estimated Carry Forward</u>
Community Development Block Grant (CDBG) (PL 93-383)	7,618,132	11,710,299	7,895,106	771,045	3,044,148
CDBG Line of Credit	444,768	444,768	0	0	444,768
CDBG Program Income	75,834	700,496	15,167	0	685,329
CDBG Revolving Fund	538,154	1,753,040	696,358	0	1,056,682
<i>Subtotal CDBG Funds</i>	8,676,888	14,608,603	8,606,631	771,045	5,230,927
HOME Investment Partnership Program (HOME)	4,225,644	12,075,643	6,360,110	1,041,410	4,674,123
HOME Program Income	1,075,398	2,256,192	790,224	48,182	1,417,786
American Dream Down Payment Initiative (ADDI)	101,815	101,815	101,815	0	0
<i>Subtotal HOME</i>	5,402,857	14,433,650	7,252,149	1,089,592	6,091,909
Emergency Shelter Grant Program (ESG) (PL 102-550)	329,116	329,116	329,112	0	4
Housing Opportunities for Persons with AIDS Program (HOPWA) (PL 102-550)	947,000	1,048,290	969,215	0	79,075
Economic Development Initiative (EDI)	147,000	433,404	20,786	70,500	342,118
Section 108	0	5,849,995	366,159	243,039	5,240,797
Section 108 Program Income	139,884	439,965	55,000	0	384,965
<i>Subtotal Section 108</i>	139,884	6,289,960	421,159	243,039	5,625,762
Lead Hazard Control Grant	0	3,666,618	928,191	241,789	2,496,638
<i>Subtotal Federal Funds</i>	15,642,745	40,809,641	18,527,243	2,415,965	19,866,433
<u>City of Austin Local Funds</u>	<u>New Funds</u>	<u>Total Funds Available</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Estimated Carry Forward</u>
General Funds	2,679,058	4,101,495	3,111,723	60,229	929,543
HOME Match	4,409	570,689	1,924	0	568,765
Housing Trust Fund (HTF)	1,043,000	3,537,953	2,612,140	263,243	662,570
Housing Trust Fund (HTF) University Overlay (UNO)	625,228	983,246	0	0	983,246
Holly Good Neighbor Program (AE)	550,000	1,206,943	122,372	17,218	1,067,353
General Obligation Bond	8,500,000	13,500,000	4,424,602	1,182,922	7,892,476
Housing Capital Improvement Program (CIP)	805,280	3,532,112	895,050	657,056	1,980,006
<i>Subtotal Local Funds</i>	14,206,975	27,432,438	11,167,811	2,180,668	14,083,959
Total	29,849,720	68,242,079	29,695,054	4,596,633	33,950,392

Section 1: INTRODUCTION

Executive Summary

Federal Guideline: Jurisdictions are encouraged to include maps in 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.

NHCD projects are outlined by neighborhood later in this section on page 1-16. The majority of projects are in neighborhoods with adopted neighborhood plans and some of the neighborhoods have areas of minority concentration. Efforts in areas without adopted neighborhood plans or master plans may also be in priority neighborhoods. The City defines a priority neighborhood as a specific neighborhood or geographic area designated by the City that has priority, but not exclusive, consideration for funding for projects or activities. Priority neighborhoods are defined by the number of eligible census tracts in each neighborhood area.

HUD defines an eligible census tract as having the following components:

- 50 percent or more of its households with incomes below 80 percent of the Area Median Family Income; or
- Having at least a poverty rate of 25 percent.

To the greatest extent feasible, designated priority areas are given first consideration for funding for like activities or projects in other eligible areas. However, the City retains the flexibility to fund projects or activities outside of priority areas when it is in the best interest of the City and its programs. (See Appendix III for a map of adopted neighborhood planning areas.)

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

The City submits this report along with the CAPER to HUD. This and other IDIS, reports are available for public review.

Section 1: INTRODUCTION

Priorities for Funding

Priorities for Funding HUD defines high priorities as those programs which are funded in a program year. Medium priorities are those dependent on available funding, and low priorities are those that will not be funded. The City of Austin has determined that while infrastructure is needed in the community and an eligible Community Development Block Grant (CDBG) expense, these funds are used instead for housing and community development. Therefore, public infrastructure is a low priority in Austin.

Consolidated Plan Priorities for Fiscal Year 2004-09

Priority Name	Priority
Owner-occupied	High
Homebuyer Assistance	High
Rental	High
Assisted	High
Public Housing	N/A
Transitional	High
Emergency/Homeless Shelter	High
Small Business Development	High
Commercial Revitalization	High
Public Services (Neighborhood Revitalization)	High
Public Facilities	Medium
Infrastructure	Low

Method for Establishing Priorities

The citizens of Austin were instrumental in the development of the priorities in the Consolidated Plan for fiscal year 2004-09, which was the result of almost a year of activity by the City of Austin's NHCD. In preparation, the City used the following methods to establish priorities in the Consolidated Plan:

- City staff drew on authoritative sources to provide a quantitative analysis of housing and community development needs.
- The City hired an independent consultant to evaluate impediments to fair housing choice and assess the needs of special populations.
- Staff conducted five public hearings at which more than 115 people testified.

Section 1: INTRODUCTION

Priorities for Funding

- Staff held seven meetings with service providers from housing, elderly services, child care, youth services, fair housing, economic development, small businesses, neighborhood revitalization projects, housing authorities, and other government agencies.
- NHCD collected 1,029 citizen surveys and received 20 letters from the public during the written comment period on community needs.
- NHCD staff made several presentations to the public of all the data gathered during the four months of needs assessment activities.
- Program staff used this information to evaluate existing programs and project future demand and capacity in priority areas.
- Upon presentation of the draft Consolidated Plan, additional public comments were received at two public hearings and in 39 letters. These comments were considered in the final preparation for the plan and to establish priorities.

Staff used the market study to discuss priorities and understand general trends. The information received from various forms of citizen participation underscored the changes that occurred in the market. The priorities identified and recommendations included in the Consolidated Plan balance the public's desire for current or new programs with existing commitments and funding realities.

Given this input and the current funding reality, the City of Austin focuses its programs on serving the fundamental needs of the Austin community. These needs include housing through the various stages of the housing continuum, employment through small business development and commercial revitalization and public services. Public Facilities was designated a medium priority with no new funding identified during the Consolidated Plan period. A significant share of Austin's CDBG funding is committed to debt service on three Section 108 loans for two existing public facilities: the Millennium Youth Center and the Austin Resource for the Homeless (ARCH) and revitalization of E. 11th and 12th Streets.

Section 1: Introduction

Five-Year Assessment of Progress

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.

City of Austin			
Annual Goals and Accomplishments			
	FY 2004-09 Consolidated Plan Annual Goal for FY 2007-08	Annual Goal for FY 2007-08 from Action Plan	FY 2007-08 Accomplishments
Housing	7,724	12,599	15,688
Community Development	37,056	38,882	52,025
Total Households	44,780	51,481	67,713

Housing Strategies, Five-Year Goals, and Accomplishments

OVERALL GOAL: Assist over 40,000 eligible households with services that lead to self-sufficiency annually by 2009 as measured by:

Consolidated Plan Housing Goal: Over 6,000 households will gain and/or retain housing annually using the following strategies:

CONSOLIDATED PLAN STRATEGIES										
Strategy A. Provide housing services through a continuum from homelessness to homeownership.										
Strategy	Priority for Federal Funds	Type of Families	Accomplishments*						Proposed Accomplishments: Annual Goals in Consolidated Plan	Funding**
			Actual FY 2004-05	Actual FY 2005 -06	Actual FY 2006-07	Proposed FY 2007-08	Actual FY 2007-08	Percent of 5-Year Consolidated Plan Goal Accomplished		
Strategy B. Owner Occupied - Provide opportunities for households to retain their homes through rehabilitation and construction.										
Owner-occupied	High	Small Family/ Large Family/ Elderly/ Disabled	1,050	913	918	1,055	888	80%	940	CDBG, HOME, HTF, LHCG, GF-CIP
Strategy C. Homebuyer - Provide opportunities for homebuyers through financing and construction to access S.M.A.R.T. Housing™ produced by non-profits and for-profit housing developers.										
Homebuyer Assistance	High	Small Family/ Large Family	220	135	83	140	115	40%	274	CDBG, HOME, GF, HTF, ADDI, GO Bonds
Strategy D. Rental – Provide resources to non-profit/for-profit housing developers to construct S.M.A.R.T. Housing™ rental units and rehabilitate existing rental units.										
Rental	High	Small/Large Family/ Elderly/Disabled	284	270	294	240	260	80%	275	CDBG, HOME, HTF, GF, GO Bonds

City of Austin Fiscal Year 2007-08 CAPER
Section 1: Introduction
Five-Year Assessment of Progress

Strategy	Priority for Federal Funds	Type of Families	Accomplishments*						Proposed Accomplishments: Annual Goals in Consolidated Plan	Funding**
			Actual FY 2004-05	Actual FY 2005 -06	Actual FY 2006-07	Proposed FY 2007-08	Actual FY 2007-08	Percent of 5-Year Consolidated Plan Goal Accomplished		
Strategy E. Assisted – Provide resources to eligible households to access or retain affordable rental units.										
Assisted	High	Homeless; people with HIV/AIDS	613	614	520	761	610	63%	749	HOME, HTF, HOPWA
Public Housing	N/A	All types of cost-burdened housing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Strategy F. Transitional - Assist eligible households in securing and non-profit organizations in creating limited-term housing and supportive services.										
Transitional	High	There are no programs that are strictly transitional.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Strategy G. Emergency and Homeless Shelters – Assist eligible persons in securing and non-profits in creating emergency shelter and homeless shelter opportunities and supportive services.										
Emergency Homeless Shelter	High	Homeless, chronic homeless	6,220	9,772	11,341	7,078	8,061	305%	2,320	ESG
Sub-total			8,387	11,704	13,156	9,274	9,934	189%	4,558	
Strategy H. Other Funded Projects										
S.M.A.R.T. Housing™	N/A		1,725	1,692	1,470	1,750	3,473	111%	1,500	GF-CIP, EDI
Voluntary Compliance	N/A		2,576	1,936	5,390	1,500	1,950	N/A	1,000	GF - CIP
Bonds	N/A		227	33	253	60	323	106%	144	Tax-Exempt Bonds
Holly Good Neighbor	N/A		N/A	N/A	11	15	8	N/A	N/A	Austin Energy
Sub-total			4,528	3,661	7,124	3,325	5,754	254%	1,644	
TOTAL ALL HOUSING PROGRAMS			12,915	15,365	20,280	12,599	15,688	207%	6,202	

* See program narratives in Section 4 for explanation of why accomplishments differ from goals.

** See Section 2 for definitions of federal and non-federal funding sources.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Other Consolidated Plan Strategies

Strategy I: Facilitate regulatory reform to reduce institutional barriers to housing development.

S.M.A.R.T. Housing™

The S.M.A.R.T. Housing™ program staff worked with the City Council to pass legislation to reduce regulatory barriers to housing development.

- **June 7, 2007:** The Austin City Council amended the S.M.A.R.T. Housing™ resolution to include some of the recommendations of the Affordable Housing Incentives Task Force. The changes will increase opportunities for S.M.A.R.T. Housing™ development and were implemented in fiscal year 2007-08.
- **November 29, 2007, January 31, 2008 and August 7, 2008:** The Austin City Council amended the Land Development Code to implement some of the Affordable Housing Incentives Task Force (AHITF) recommendations including the following S.M.A.R.T. Housing™ enhancements:
 - Developments of fewer than four units can now apply for S.M.A.R.T. Housing™ without making all units affordable.
 - Incentives were created for developers for the use of Community Land Trust and Shared Equity to encourage the preservation of affordability of homeownership units.
 - The amount of household income spent on housing was increased to allow a household to spend 35 percent of their income on housing if the homebuyer receives City-approved homebuyer counseling.
 - Accessibility requirements for Central Business District, Downtown Mixed Use, and Vertical Mixed Use areas were changed to five percent.
 - Income limits for households were amended to be consistent with Council policy regarding vertical mixed-use and downtown projects.
 - Certification and fee waivers are now allowed for multi-family rehabilitation, condominium conversions, and other changes of uses to residential.

Transit-Oriented Development

In 2005, the Austin City Council adopted the Transit-Oriented Development (TOD) Ordinance, establishing station areas for a commuter rail line scheduled to begin service in 2009. The ordinance also established non-binding affordable housing goals for new development or redevelopment in the half-mile areas surrounding the commuter rail stations. The overall goal is for 25 percent of all new housing units in TOD areas to be occupied by households at 80 percent or below of MFI (for homeownership units) or at 60 percent or below of MFI (for rental units). Other sub-goals also apply, including a goal to serve lower-income levels within the Community Preservation and Revitalization Zone (CP&R), also established by the Austin City Council in 2005.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

The TOD ordinance states that for each TOD area, a station-area plan will establish specific standards and include a housing affordability analysis and feasibility review that describes the potential strategies for achieving affordable housing goals. NHCD engaged a consulting firm to produce the housing affordability analysis and feasibility study for these sites. The consultant conducted a public meeting focused on affordable housing in TODs in November 2007 and provided staff with an Executive Summary including financial analyses and potential strategies for the implementation of the TOD housing goals. The final report was provided to the City Council in August 2008. The data provided by the consultant suggests that substantial subsidies would be required in order to achieve the TOD goals.

NHCD participates in the following two station area planning areas located in priority neighborhoods. Both station area plans are expected to go before the City Council in December 2008.

1) Saltillo Station Area Plan – East Cesar Chavez Neighborhood Planning Area

The Saltillo TOD district is located close to downtown Austin, between IH-35 and Chicon Street and along the future commuter rail line. The City anticipates that significant development will occur along this important East Austin corridor. The integration of new developments with the existing neighborhood and other revitalization efforts will be critical to ensuring its ultimate success. The Capital Metro Transportation Authority, the largest landowner in this corridor, will be an important stakeholder in future decisions for this area. Planning for redevelopment of the Capital Metro property will occur following the adoption of the Saltillo Station Area Plan. A draft Station Area Plan for this area is complete, including land use recommendations as well as density and height bonuses with affordability requirements.

2) Martin Luther King, Jr. (MLK) Station Area Plan – Chestnut and Rosewood Neighborhood Planning Areas

The MLK TOD district is located adjacent to Martin Luther King, Jr. Boulevard, east of downtown and along the future commuter rail line, in an area where significant reinvestment has occurred in recent years. The area includes significant amounts of vacant land formerly used for light industrial purposes that has redevelopment potential. However, the affordable housing analysis for this area states that due to high land prices and a lack of publicly-owned properties in the area, the TOD affordable housing goals will be challenging to achieve. A draft Station Area Plan for this area is complete, including land use recommendations as well as density and height bonuses with affordability requirements.

Affordable Housing Incentives Task Force (AHITF)

The City Council appointed a task force comprised of real estate professionals, affordable housing developers, for-profit developers, affordable housing advocates, academics, and neighborhood representatives to explore ways to provide incentives for the construction of affordable housing in Austin. The AHITF reviewed, developed, and recommended to the Austin City Council enhancements to the City's policies and procedures. These included the S.M.A.R.T. Housing™ program incentives to builders to include on-site affordable housing in their developments and dedicated resources for the development of off-site affordable housing

Section 1: INTRODUCTION

Five-Year Assessment of Progress

in the downtown area. The AHITF Report was presented to the City Council on May 17, 2007. NHCD provided the primary staff support for the task force.

On November 29, 2007, January 31, 2008, and August 7, 2008, the City Council amended the Land Development Code to implement some of the AHITF's recommendations. In addition to the S.M.A.R.T. Housing™ enhancements described above, amendments include the following:

- Single-family builders who provide more long-term affordability may increase subdivision density without a zoning change.
- Multi-family builders who provide more long-term affordability may increase the number of apartments on a site without a zoning change.
- Downtown developments who receive increases in floor-to-area ratio and/or height must provide either a percentage of affordable housing or pay a fee-in-lieu for other affordable housing development within two miles of downtown.

Based on the AHITF recommendations, the Austin City Council approved the budget to implement a comprehensive housing market study.

(For more information, see: <http://www.cityofaustin.org/council/ahitf.htm>.) (Also see page 3-5)

Housing Task Forces

The NHCD staff actively participates in city planning processes and task forces that impact affordable housing. NHCD provided technical assistance to the following:

Commercial Design Standards/ Vertical Mixed-Use Development

The Commercial Design Standards Ordinance was adopted by the Austin City Council on August 31, 2006, and included vertical mixed-use standards that provide incentives for affordable housing. The NHCD staff is overseeing the drafting of rules with the Law Department and working with the Neighborhood Planning and Zoning Department (NPZD) on a series of amendments to the Vertical Mixed Use Ordinance and possible rental housing affordability standards. (For more information, see:

<http://www.cityofaustin.org/planning/designstandards.htm>)

Residential Design and Compatibility Standards Task Force

On September 28, 2006, the Austin City Council adopted the Single-Family Residential Design and Compatibility Code Amendments ordinance (also known as the McMansion ordinance), upon recommendation of the Residential Design and Compatibility Standards Task Force.

This ordinance restricts the size of homes relative to lot size in the urban core. The NHCD provided technical assistance to the task force. On June 18, 2008, the City Council voted to approve on all three readings the Residential Development Regulation Task Force's final recommendations. The approved ordinance was effective June 28, 2008. (For more information, see: http://www.cityofaustin.org/zoning/sf_regs.htm)

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Families and Children Task Force

The City Council appointed the Families and Children Task Force to make recommendations to improve the quality of life for families with children in Austin. NHCD staffed the housing subcommittee of the task force. In addition to reviewing issues such as schools, parks, and safety, the task force addressed housing issues that affect families' decisions about whether to live in Austin, especially families with lower incomes. In June of 2008, the task force provided their recommendations to the City Council. (For more information, see: <http://www.cityofaustin.org/council/fctf.htm>.)

RMMA Healthy Community Initiative

The Robert Mueller development is a mixed-use community and was planned to be a model for responsible urban planning and development. The redevelopment plan includes many sustainability and green building standards that directly align with community health. This project will analyze the current design plan to identify community health gaps that may exist and develop a plan to address those gaps. The plan will also include an analysis of the linkages to Mueller from surrounding neighborhoods and make recommendations to improve those linkages. Recommendations will be evaluated for feasibility. Those selected will be integrated into the Mueller redevelopment design plan for implementation. Selected health indicators will be tracked to measure the development's effects on health outcomes for Mueller and surrounding area residents. Upon completion, the Mueller redevelopment will be assessed using a "Healthy Community" rating system that will be applied as a model for other communities in Austin.

Downtown Master Planning

In December 2005, the Austin City Council adopted a resolution directing the City Manager to initiate the process of creating a Downtown Austin Plan. The City of Austin has hired two consulting firms for the plan: the ROMA Design Group and Diana McIver & Associates. The firms have identified strategies and best practices for affordable housing in downtown that are under consideration as part of the Downtown Master Planning process. The City has also hired the ROMA Design Group to develop recommendations for a downtown density bonus ordinance with an affordable housing requirement that will include a fee-in-lieu of option. These recommendations should be completed in fiscal year 2008-2009. (Also see page 3-5). (For more information, see: <http://www.cityofaustin.org/downtown/downtownaustinplan.htm>.)

Comprehensive Plan

The City of Austin is currently updating the Austin Tomorrow Plan, which is a Comprehensive Plan that was adopted by City Council thirty years ago. NHCD is updating the housing affordability elements of the Plan. These updates will reflect Council policies adopted over the last three decades. The policies include recommendations by the Affordable Housing Incentives Task Force, including linking density bonuses to housing affordability goals. (For more information, see: http://www.cityofaustin.org/zoning/com_plan.htm.)

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Strategy J: Neighborhood Projects - Implement housing affordability components of adopted neighborhood plans, master plans, and identified priority neighborhoods.

The following is an update to the Acquisition and Development, Rental Housing Development Assistance, and Commercial Revitalization activities in the following neighborhoods for fiscal year 2007-08:

Central East Austin Neighborhood Planning Area

The NHCD currently has projects in the following neighborhoods in the Central East Austin Neighborhood Planning Area:

Rosewood Neighborhood

The City is partnered with Community Partners for the Homeless (CPH) to develop six single-family units, Glen Oaks Corner, in the Rosewood Neighborhood. The units were completed but not yet leased as of the end of fiscal year 2007-08. AHFC will maintain ownership of the land and lease the land to CPH.

Anderson Hill Neighborhood

AHFC finished development of 13 single-family affordable homes in fiscal year 2007-08 in the Anderson Hill Neighborhood. In addition, the City partnered with the Austin Revitalization Authority on the construction of five single-family affordable homes in the neighborhood, two of which sold in fiscal year 2007-08 under the Juniper-Olive program. The remaining will be completed and sold by the end of December 2008. All units used a shared-equity model with a “right of first refusal” to preserve affordability in the Anderson Hill neighborhood.

11th/12th Streets Revitalization

This revitalization project, along the East 11th and 12th Streets corridors achieves its revitalization efforts through activities such as, but not limited to, land acquisition, demolition of dilapidated structures, relocation of displaced persons/businesses, preservation of historic structures, redevelopment of abandoned and/or substandard structures, improvement of infrastructure, construction of new mixed-used facilities, and the provision of loans to existing small businesses as gap financing in exchange for job creation or retention to low- to moderate- income persons. The development plans for the East 11th/12th Streets Revitalization area were reevaluated and restructured in fiscal year 2007-08, and additional sources of program funds are currently being researched.

Guadalupe Neighborhood

In fiscal year 2007-08, the Guadalupe Neighborhood Development Corporation (GNDC) completed a 22-unit affordable rental housing facility for low- and moderate-income families, called La Vista de Guadalupe, in Central East Austin. At the end of fiscal year 2007-08, the complex has been completed but not yet leased. The complex will serve families at 60 percent or below of MFI, including 18 units for families at 50 percent or below of MFI, and three units for families at 30 percent or below of MFI.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Blackshear Neighborhood

Blackshear Neighborhood Development Corporation (BNDC) is developing six units of affordable rental housing for low-income families in the Blackshear neighborhood. Two of the units will be developed on City-owned surplus land. Two of the six units will serve families at 60 percent or below of MFI, three units will serve families at 50 percent or below of MFI, and one unit will serve a family at 30 percent or below of MFI.

Montopolis Neighborhood

The Frontier at Montana single-family subdivision is in the Montopolis neighborhood. Construction of new homes began in October of 2006. In Frontier at Montana, NHCD is partnering with several non-profit housing builders to construct 81 homes that provide homeownership opportunities for families at 80 percent or below of MFI. Austin Habitat for Humanity completed 14 single-family homes in Frontier at Montana by the end of fiscal year 2007-08, and will construct seven additional homes in fiscal year 2008-09. American Youthworks is scheduled to construct five single-family homes in Frontier at Montana, one of which was completed in fiscal year 2007-08. American Youthworks has plans to complete two more homes in fiscal year 2008-09. AHFC developed 14 single-family homes in fiscal year 2007-08 and plans to develop 16 additional homes in fiscal year 2008-09. The AHFC homes use a shared equity model along with a “right of first refusal” to preserve long-term affordability.

St. John Neighborhood

The City has partnered with Neighborhood Housing Services (NHS) of Austin to provide affordable housing in the St. Johns neighborhood. In fiscal year 2007-08, NHS finished three single-family homeownership units. In fiscal year 2008-09, NHS will develop two single-family rental units in the neighborhood.

Windsor Park/University Hills

Austin Habitat for Humanity, in partnership with the City, has completed infrastructure work on its new subdivision, Devonshire Village, in the Windsor Park/University Hills neighborhood. The subdivision will consist of 43 new construction single-family homes that will be sold to low- and moderate-income buyers. In order to provide diversity in the style of homes built in Devonshire Village, Habitat is making a portion of the 43 lots available to other affordable housing providers.

Govalle/Johnston Terrace Neighborhood

The Guadalupe Neighborhood Development Corporation (GNDC) has partnered with KRDB (Krager-Robertson-Design-Build), to develop the Solutions Oriented Living (SOL) community in the Johnston Terrace neighborhood. SOL will be a mixed-income development that will include affordable rental and homeownership opportunities. The SOL Community will consist of 38 units and is planned as a net-zero energy development. AHFC will fund GNDC to buy eight new single-family rental units for low- to moderate-income households and the City will provide homebuyer assistance for another eight low- to moderate-income families to purchase new homes in the SOL Community.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

East Martin Luther King Jr. Boulevard

East Martin Luther King Jr. Boulevard planning area will be the site of new affordable housing opportunities on surplus city land and private lots deeded to the AHFC. The Chestnut Neighborhood Revitalization Corporation will develop 21 affordable senior housing units in this neighborhood that will serve households at 50 percent or below of MFI. This project is scheduled to be completed in fiscal year 2008-09.

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 mesh with 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, in fiscal year 2007-08, contracted an engineering firm to analyze the site. Preliminary land planning for the site is currently underway.

Robert Mueller Municipal Airport Redevelopment

The City provides assistance in the redevelopment of the former Robert Mueller Municipal Airport (RMMA). The master plan for the development requires 25 percent of the planned owner-occupied housing units be affordable to 80 percent or below of MFI and at least 25 percent of the rental housing be affordable for households to 60 percent or below of MFI. All affordable units must be S.M.A.R.T. Housing™ certified. Construction of Phase I of housing at RMMA began in fiscal year 2007-08.

(For more information, see: www.muelleraustin.com.)

In addition to the affordable housing in the RMMA development, the Austin Children's Shelter has partnered with the City's Rental Housing Development Assistance program to develop a 28-bed transitional housing facility for homeless children at the eastern edge of RMMA. The transitional cottages will serve as long-term temporary housing for children, 8 to 17 years of age, with specialized long-term needs the result of having experienced acute physical and/or emotional trauma. The project broke ground in February 2008.

University Neighborhood Overlay

In 2004, the Austin City Council adopted the University Neighborhood Overlay (UNO) 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 to households at 80 percent or below of MFI for at least 15 years. West Campus developers must provide an additional 10 percent for households at 65 percent or below MFI or pay a fee-in-lieu. In fiscal year 2007-08, 1,871 units were complete of which 250 are affordable. In fiscal year 2008-09, 250 additional units are expected to be complete of which 25 will be affordable. Since inception, \$983,245 has been collected as fees-in-lieu for the UNO program. These funds are available to develop affordable units within UNO boundaries.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Sendero Hills

Habitat for Humanity of Austin partnered with the City to use General Obligation housing bond funds to assist with the acquisition of 15 acres and infrastructure construction, for up to 65 homeownership units in the Sendero Hills neighborhood of East Austin. The property has been acquired and infrastructure construction will be starting. These homes will provide affordable homeownership opportunities in an S.M.A.R.T.TM Housing community.

East Riverside/Oltorf Neighborhood

The City will partner with the for-profit developer, Kaplan Acquisitions, LLC, to provide affordable housing in a market rate rental property in the East Riverside/Oltorf neighborhood. The Sunnymead Apartments, a 215 unit rental development, is expected to receive General Obligation housing bond financing to provide 22 rental units affordable to households at 50 percent or below of MFI for 40 years.

Allandale Neighborhood

The City partnered with a private developer and United Cerebral Palsy of Texas (UCP) to provide affordable rental units in a market rate condominium development called The Allandale. The Allandale converts an extended stay hotel in the Allandale neighborhood into residential condominiums. UCP, partially funded through 811 HUD financing, acquired ten rental units in the Allandale that are affordable to households with disabilities at 50 percent or below of MFI. AHFC provided gap financing for the ten units.

Zilker Neighborhood

The City negotiated to partner with a private developer to provide affordable rental units in a market-rate project in the Zilker neighborhood on the former site of Stoneridge Apartments. The City anticipates that a minimum of 30 of the 300 units (10 percent) of the development will be reserved for families at 50 percent or below of MFI for a 40-year period.

Garrison Park Neighborhood

VinCare Services of Austin has partnered with the City to provide transitional housing in the Garrison Park neighborhood. General Obligation housing bond funds were used to acquire and complete repairs and accessibility modifications to an existing 22-unit apartment complex. The property will allow VinCare to expand its St. Louise House transitional housing program. With this addition, the St. Louise House II will allow VinCare to serve approximately 35 families, or 105 individuals annually. Rents will be based on a sliding scale relative to income not to exceed 30 percent of a household's monthly income. Tenants will receive on-site case management and supportive services.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Community Development Strategies, Five-Year Goals, and Accomplishments

OVERALL GOAL: Assist over 40,000 eligible households with services that lead to self-sufficiency annually by 2009 as measured by:

Consolidated Plan Community Development Goal: Assist over 30,000 low-income households annually using the following strategies:

Strategy	Priority for Federal Funds	Type of Families	Accomplishments*						Proposed Accomplishments: Annual Goals in Consolidated Plan	Funding**
			Actual FY 2004-05	Actual FY 2005 - 06	Actual FY 2006-07	Proposed for FY 2007-08	Actual FY 2007-08	Percent of 5-Year Consolidated Plan Goal Accomplished		
Strategy A. Community Revitalization - Serve low-income households, small businesses, and housing non-profit organizations, and, provide commercial space.										
Community Revitalization	High	Low- to moderate-income	3,294	18	1,294	4,917	1,644	38%	3,269	CDBG/ Section 108/GF
Strategy B. Small Business Development - Serve low-income households and small businesses.										
Small Business Development	High	Small Business Owners	371	47	70	68	87	42%	258	CDBG/ Section 108/GF/ EDI
Strategy C. Public Services - Serve low-income households through the following activities:										
Public Services (Neighborhood Revitalization)	High	Low- to moderate-income	38,567	45,572	48,460	33,897	50,294	114%	32,209	CDBG/GF
Public Facilities was designated as a Medium priority, which using HUD's definition means that this category will not be funded unless there are funds available, at which time, there will have to be a reprogramming to re-prioritize this category as a high priority. There are projects in this category that will be completed in future fiscal years, however, which were funded from fiscal year 2003-04.										
Public Facilities	Medium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Strategy C. Public Services - Serve low-income households through the following activities:										
Infrastructure	Low	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total			42,232	45,637	49,824	38,882	52,025	107%	35,736	

N/A = Not applicable.

* Please see program narratives in Section 5 for explanation of why accomplishments differ from goals.

** See Section 2 for definitions of federal and non-federal funding sources.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Other City of Austin Accomplishments in Fiscal Year 2007-08

General Obligation Bonds

Citizens of Austin approved the use of General Obligation Bonds to increase homeownership and rental opportunities for low-to-moderate income households. The bond package, which includes \$55 million for affordable housing, was approved by voters on November 7, 2006. The bonds are apportioned into \$33 million for rental and \$22 million for homeownership over a seven year period. Rental projects that receive General Obligation Bonds serve households with yearly incomes of no more than 50 percent median family income (MFI) with a goal of assisting households at 30 percent MFI and below. Homeownership projects that receive General Obligation Bonds serve households with yearly incomes of no more than 80 percent MFI with a goal of serving households between 50 percent and 65 percent MFI.

Rental projects must remain affordable for at least 40 years. Homeownership projects are preferred to have a 99-year shared equity model with right of first refusal or a Community Land Trust model to preserve affordability. These preservation tools maximize public dollars by ensuring long-term affordability of funded projects.

NHCD began spending General Obligation Bond funds in fiscal year 2007-08 through two programs: Acquisition and Development and Rental Housing Development Assistance. Approximately \$11.7 million in General Obligation funds were allocated to 12 different projects in fiscal year 2007-08. The average cost per unit for approved projects is currently \$31,000. The funds are allocated as follows:

- 75 percent of funds go to competitive awards to non-profits or for-profit developers of affordable housing.
- 20 percent goes to City Council priorities.
- 5 percent is set aside for rapid acquisition of real estate for non-profits.

(Also see page 3-3) (See Appendix III for a map of locations and descriptions of General Obligation Bond housing projects.) (For more information see: <http://www.cityofaustin.org/ahfc/gobonds.htm>)

S.M.A.R.T. Housing™

The S.M.A.R.T. Housing program is the foundation of all the City's affordable housing. All housing that receives AHFC funds must be S.M.A.R.T. Housing certified. With 881 single-family units and 2,592 multi-family units completed this fiscal year, the number of completed units significantly exceeds the annual goal. S.M.A.R.T. Housing single-family production increased this year, due largely to completion of a number of single family units in the Robert Mueller Municipal Airport redevelopment area that proceeded at a faster pace than anticipated (see Appendix for detailed RMMA statistics). In addition, multi-family production benefited from the completion of several projects in the University Neighborhood Overlay (UNO) area. Several developments in the University Neighborhood Overlay area that had been expected to be occupied during the previous fiscal year were completed in the current fiscal year, which resulted in an unexpected increase in completed units. Developments serving lower-income households included Skyline Terrace and La Vista de Guadalupe, both serving households

Section 1: INTRODUCTION

Five-Year Assessment of Progress

with income 50 percent S.M.A.R.T. Housing single-family production increased this year, due largely to completion of a number of single family units in the Robert Mueller Municipal Airport redevelopment area that developed at a faster pace than anticipated (see Appendix for detailed RMMA statistics).

Homestead Preservation District

The Homestead Preservation District in Central East Austin was authorized by State legislation. The legislation creates the tools to create and retain affordable housing, which are a land bank, a community land trust, and a reinvestment zone. If enacted, the reinvestment zone will use tax increment financing “TIF” from the district to fund the creation and preservation of affordable housing. City Council approved the preliminary plan for TIF financing, designated several organizations as Homestead Land Trusts, and directed staff to determine the feasibility of implementing the Land Bank. Austin City Council is expected to consider creation of the TIF in December 2008. Travis County Commissioners must also agree to the TIF increment financing by the end of December 2008 in order for the TIF to be enacted.

Hurricane Relief Efforts – Hurricane Ike

The City of Austin assisted evacuees from the Texas coastal regions during Hurricane Ike, which landed on the Texas coast on September 13, 2008. The City of Austin assisted approximately 6,200 people in 23 shelters, including 1,500 at the Austin Convention Center. Over 600 City of Austin Employees volunteered to work at the Convention Center Shelter. The Neighborhood Housing and Community Development (NHCD) staff placed 719 people from the Austin Convention Center into area hotels.

City of Austin – Affordable Housing Core Values

In 2007, the Affordable Housing Incentives Task Force, comprised of real estate professionals, affordable housing developers, for-profit developers, affordable housing advocates, academics and neighborhood representatives issued a report to City Council with recommendations for incentives for affordable housing. This task force recommended three core values for affordable housing development that are now used by the City as high priorities. These values are now an integral part of issuance of affordable housing funds and the development of housing by the City.

- Deeper Affordability Targets: It is desirable to reach deeper levels of affordability, i.e., to serve lower-income households.
- Long-term Affordability: We value housing units that will remain affordable over the long term; and,
- Geographic Dispersion: Affordable housing should be dispersed throughout the City of Austin.

Community Land Trust (CLT)

Austin City Council directed staff to move forward with implementation of a Community Land Trust (CLT) in summer 2005. The CLT is a tool to preserve the public investment in affordability and to preserve the affordable units in perpetuity. The CLT will retain ownership

Section 1: INTRODUCTION

Five-Year Assessment of Progress

of the land, while the homeowner owns the improvements. The CLT limits the sales price of the home and requires that subsequent buyers be income-eligible. Homeownership is an important avenue of wealth creation for many low-income households. CLT homeowners will receive a share of the appreciation when the affordable unit changes hands in order to allow the homeowner a fair return. This model provides an opportunity for future low- to moderate-income households to buy the home at an affordable price.

Without this type of mechanism in areas that are rapidly gentrifying, the subsidy given to a low-income household is lost to future residents when the house is sold. In addition, the CLT will allow AHFC to reach greater levels of affordability for lower-income homeowners.

AHFC has completed subdivision infrastructure development of the Frontier at Montana subdivision, an 81-lot single-family affordable housing subdivision in the Montopolis neighborhood. This new subdivision will include 16 CLT units to be completed in fiscal year 2008-09, in addition to the 20 homes completed by AHFC through fiscal year 2007-08. (Also see page 3-3).

Affordable Housing Forums

Neighborhood Housing and Community Development organized six affordable housing forums in fiscal year 2007-08. The forums brought together affordable housing stakeholders that included citizens, neighborhood advocates, developers, property managers and policymakers to discuss issues related to affordable housing in Austin. The six forums were structured around the following topics: The State of Texas' Low-Income Housing Tax-Credit Program, Regulatory Compliance and Development Costs, Who Pays If We Don't Create Affordable Housing?, Transit-Oriented Development and Affordable Housing, Integrating Special Needs Housing into the Community, and Affordable Housing for Families. Neighborhood Housing and Community Development will continue to organize one affordable housing forum every quarter in fiscal year 2008-09.

Comprehensive Housing Market Study

In 2007, the Austin City Council approved funding to conduct a Housing Market Study which will provide a foundation for planning for the NHCD's five-year Consolidated Plan. This action was a direct result of recommendations from the Neighborhood Sustainability Subcommittee, the Affordable Housing Incentives Task Force, and other community groups. The Comprehensive Housing Market Study results will assist decision-maker in the private, nonprofit and public sector as they make investments and contribute resources to guide development and redevelopment of more affordable housing opportunities throughout Austin.

The Austin City Council approved execution of a contract with BBC Research and Consulting in August 2008. The draft study is expected to be released by January 2009.

African American Quality of Life Initiative

The results of the African American Quality of Life Scorecard were presented to the Austin City Council in March 2005. The scorecard was based on community dialogue about race

Section 1: INTRODUCTION

Five-Year Assessment of Progress

relations and the quality of life for African Americans and other ethnic groups. The scorecard focused on two basic questions:

1. Is the quality of life for African Americans in Austin different than that of other Austinites?
2. Is the quality of life for African Americans in Austin markedly different than the quality of life of African Americans in other cities?

The results of the scorecard facilitated numerous community discussions about the quality of life for African Americans. In October 2005, the City Manager reported recommendations to address the concerns of African Americans living in Austin. The recommendations included forming an advisory commission of nine stakeholders and subcommittees to address the six major concerns outlined: health; police and safety; arts, culture and entertainment; neighborhood sustainability; and employment and education.

Several City of Austin departments presented the *African American Quality of Life Final Report: Addressing Community Needs Together* to the Austin City Council in April 2008. The report provides highlights of the 56 initiatives set forth by the implementation teams of the African American Quality of Life Committee during the two-year period of January 2006 to January 2008.

NHCD served as the primary contact for the Neighborhood Sustainability Subcommittee. Staff worked closely with subcommittee members to implement the objectives identified by the community. The subcommittee recommended the following initiatives that resulted in the following actions:

- 1) NHCD should provide resources to neighborhood organizations and nonprofits to conduct seminars on purchasing new homes, filing tax protest and protection from tax or bank foreclosures.
Progress includes: NHCD implemented *Housing Smarts* Homebuyer Education in November 2006 and 643 people have participated to date, of which 17 percent were African American. More than 521 people have graduated and 37 percent have or in the process of purchasing first home, of which 12 percent are African American.
- 2) NHCD should identify low- and moderate-income homeowners with or near delinquent taxes, assist with home repairs to increase property value, and identify feasibility of purchasing foreclosure property to be used as affordable housing.
Progress includes: Staff held a Foreclosure Education Forum on February 2, 2008 and the target areas included addresses identified through TCAD, east of I-35 and south of Ed Bluestein. Additionally, Post Purchase classes began August 2008 for the purpose of providing training to prevent foreclosure.
- 3) NHCD should adopt the Austin Equity Report as City policy.
Progress includes: City Council approved funding to conduct Housing market Study which will provide a foundation for planning for the NHCD five-year Consolidated Plan. Staff is working on a comprehensive housing market study slated for release in January 2009.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

- 4) Develop a comprehensive approach to mitigating the negative effects of gentrification. Progress includes: The HB 470 Homestead Preservation District, went into effect in September 2007 and staff is gathering information required to move forward with tax increment finance district and land bank.

(For more information, see: <http://www.cityofaustin.org/aaql>)

Preserving Affordable Housing in Austin

NHCD issued the report, *Preserving Affordable Housing in Austin, A Platform for Action*, in April 2008 in order to proactively address the loss of affordable housing stock in the community. The report encompasses feedback from five focus groups with more than 50 participants, industry experts, and the Community Development Commission.

The report highlights the following critical facts regarding affordability in Austin:

- **Subsidized units are at risk.** Austin has almost 1,350 of Project-Based Section 8 units with mortgages that will expire by 2011, with about 73 percent expiring in 2010. In addition, developments financed with federal housing tax credits and elderly/disabled grants will begin to expire in a decade.
- **Most of Austin affordable housing is privately-owned and not subsidized.** Austin has more than 156,000 multifamily housing units. Less than 8,000 are publicly subsidized and 79 percent (123,678) are in small complexes with 2 to 49 units.
- **Most of multifamily stock is old but occupied.** More than 55 percent of duplexes and 79 percent of small and medium-sized apartment building were built before 1980. Of these 22 percent of apartments are more than 20 years old and have high-occupancy rates.
- **Redevelopment is underway.** From 1995-2007, there was a 30 percent increase in the number of multifamily units built. More than 2,000 rental units were converted to condominiums in 2007 and 2008.
- **Collecting data on housing inventory posed a significant challenge.** Data regarding the condition of Austin's housing units is largely unavailable. In addition, reliable data sources have conflicting unit counts for subsidized properties.

The report provides a snapshot of affordable housing in Austin and along with data and statistics, profiles best practices from other cities. The report suggests the following action steps:

- Develop and share data.
- Create adequate funding for preservation.
- Identify creative partnerships.
- Pursue new strategies.
- Protect tenants and consumers.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

A copy of the report can be found at:

http://www.cityofaustin.org/housing/downloads/2008_preservation_study.pdf.

John D. and Catherine T. MacArthur Foundation

In fiscal year 2007-08, the City applied for funding from the MacArthur Foundation in a joint proposal with the University of Texas at Austin. The City is a finalist to receive \$5 million in funding to support the preservation of affordable rental housing. Of the funding, \$1 million would be used to create a database of properties targeted for preservation, and \$4 million would be used as seed capital for a "strike fund" to help developers acquire and rehab those properties. The MacArthur Foundation will announce successful applications for funding in December 2008.

Community-Wide and/or Departmental Leadership Collaborations

NHCD staff participated in the following community-based collaborations in fiscal year 2007-08 and provided staff to each initiative or activity:

- African American Quality of Life, Neighborhood Sustainability Subcommittee.
- Urban Renewal Agency of the City of Austin.
- Homeless Task Force and Ending Chronic Homelessness Organization (ECHO)
- Affordable Housing Incentives Task Force.
- Housing Fair & Raise the Roof.
- Transit Oriented Development (TOD).
- Community Action Network
- Weed n' Seed Steering Committee
- CRA Roundtable
- Alliance for Economic Inclusion
- Mayor's Mental Health Task Force Monitoring Committee
- Texas Supportive Housing Coalition
- Live Music Task Force
- Families and Children Task Force

Departmental Awards for Fiscal Year 2007-08

- Neighborhood Housing and Community Development was selected as a finalist for the 2008 MacArthur Foundation Grant Award
- Housing Smarts: National recognition from the US Conference of Mayor's as part of the National Dollar Wi\$e campaign and statewide recognition from the Texas Association of Local Housing Finance Agencies (TALHFA) in their quarterly publication "TALHFA Talk"
- Austin was the first city in Texas to offer a new Shared Equity Down Payment Assistance option to first-time homebuyers
- Completed first 100 units of affordable rental housing financed with affordable housing G. O. Bond funds.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

Groundbreaking and Ribbon Cutting Ceremonies

- November 2007 - **Frontier at Montana** – Open house for ten new homes.
- January 2008 - **Angie's Mexican Restaurant** - Grand opening and relocation of authentic Mexican food restaurant on East 7th Street. Permanent full-time jobs created.
- February 2008 - **Hair Corner Salon** - Grand opening and relocation of full service beauty salon located in Mueller Development. Permanent full-time jobs created.
- February 2008 - **Glen Oaks Corner** – Groundbreaking Ceremony for six units of transitional housing facility with Community Partnership for the Homeless to house single-parent families.
- April 2008 - **Southwest Key** - Grand opening and relocation of East Austin Community Development Project. Includes opening of public facility and creation of permanent full-time jobs.
- April 2008 - **LifeWorks Transitional Housing** – Grand opening of a six-unit transitional housing for homeless expectant mothers.
- June 2008 - **Skyline Terrace** – Grand opening of a 100-unit single room occupancy facility for homeless and low-income individuals.
- July 2008 - **CityView** – Grand opening of an affordable housing rental facility for senior citizens.
- July 2008 - **Athenian Bar & Grill** - Grand opening and relocation of authentic Greek/Italian food restaurant located on Congress Avenue.
- August 2008 – **Habitat for Humanity Builder Blitz** – wall-raising of three homes in the new Devonshire Village subdivision.
- September 2008 – **Glen Oaks Corner** – Grand opening for the transitional housing facility at 900 Neal Street with Community Partnership for the Homeless. The six-unit facility is dedicated to serve single-parent homeless families.

Media and Outreach Contacts

The City achieved a value of more than \$17,000 worth of department-initiated media coverage in fiscal year 2007-08 that provided information on housing and community development services to the community. In addition, approximately 38,688 unique visitors used the NHCD/AHFC web site for housing and community development information.

Industry Involvement

In Fiscal Year 2007-08 the City was recognized and involved in several housing industry events:

- Fiscal year 2007-08: NHCD Director participated in Basic Needs Coalition, Homeless Continuum of Care and Community Action Network (CAN) to address Austin's homeless population.
- Fiscal year 2007-08: NHCD Director served on the National Housing Advisory Council of Fannie Mae in Washington, D.C.
- October 2007: AHFC Community Development Administrator represented the City of Austin at the National Association of Housing and Redevelopment Officials Conference and served on the Transit-Oriented Development panel.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

- January 2008: NHCD Director attended the National Community Development Association Winter Legislative & Policy meeting – Washington, D.C.
- March 2008: NHCD Director testified at the Texas Senate Commission on Intergovernmental Relations - Hearing on Interim Charges – Dallas, TX.
- April 2008: NHCD Director attended the informational meeting for State and Local Housing Preservations Leaders Award -MacArthur Foundation, Chicago, IL.
- September 2008: NHCD hosted Fredericksburg City leaders who requested advice on creating a framework for affordable housing.

Section 1: INTRODUCTION

Five-Year Assessment of Progress

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

Formula Grant Expenditures by Fiscal Year

	FY 04-05	FY 05-06	FY 06-07	FY 07-08	Total
CDBG	\$10,374,926	\$9,727,950	\$8,356,617	\$7,895,106	\$36,354,599
CDBG PI	0	\$182,978	\$334,834	\$15,167	\$532,979
CDBG Rev. Loan	\$574,527	\$955,448	\$494,266	\$696,358	\$2,720,599
<i>Subtotal CDBG Funds</i>	\$10,949,453	\$10,866,376	\$9,185,717	\$8,606,631	\$39,608,177
HOME	\$2,768,716	\$4,548,994	\$2,719,506	\$6,360,110	\$16,397,326
HOME PI	\$1,733,071	\$1,113,173	\$1,754,738	\$790,224	\$5,391,206
ADDI	\$661,000	\$204,041	\$101,815	\$101,815	\$1,068,671
<i>Subtotal HOME Funds</i>	\$5,162,787	\$5,866,208	\$4,576,059	\$7,252,149	\$22,857,203
ESG	\$339,426	\$349,697	\$275,335	\$329,112	\$1,293,570
HOPWA	\$917,819	\$923,164	\$887,213	\$969,215	\$3,697,411
Total	\$17,369,485	\$18,005,445	\$14,924,324	\$17,157,107	\$67,456,361

* Please see section 2 for definitions of all funding sources.

Federal Guideline: If applicable, explain why progress was not made towards meeting the goals and objectives. Describe the manner in which you would change your program as a result of your experience.

Please see self-evaluation.

Section 1: INTRODUCTION

Self Evaluation

The City of Austin annually assesses its progress in meeting the goals of the fiscal year 2004-09 Consolidated Plan through the development of the annual Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER provides the best opportunity for the City to evaluate the performances of its programs and whether adjustments to current City sponsored programs, activities, measurements or five-year goals are needed.

The partnerships and collaboration of the City of Austin, the U.S. Department of Housing and Urban Development (HUD), community partners, and the citizens of Austin, contribute to the success of the programs featured in the fiscal year 2007-08 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 fiscal year 2007-08, the City received \$13 million in four formula grants: the Community Development Block Grant (CDBG), HOME Investment Partnerships, Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). Reduction in federal funding highlights the importance of the City's local commitment to the programs and priorities outlined in the Consolidated Plan. The City continues to fund the programs featured in this CAPER with general funds, capital improvement funds, the housing trust fund, and through general obligation bonds approved by Austin voters in November 2006.

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

City of Austin – Changing Demographic and Economic Dynamics

During the five-year Consolidated Plan period, the City of Austin has continued to experience rapidly changing market conditions and demographics that can serve as barriers to program implementation and challenge the City to continue to evaluate programs and policies responsive to changing market conditions. The national housing crisis and economic slowdown has yet to have a significant impact on the Austin region. Austin continues to experience changing demographics and economic dynamics that highlight the growing demand for services and the need for the City to continue to evaluate how to better serve its clients and the community. They also provide important context for program evaluation in this self evaluation.

Population

The City of Austin is the 16th largest City in the country, with rapid population growth of 17 percent in the last decade. The Austin area continues to experience a high poverty rate of 18 percent compared to about 13 percent nationally. A large percentage of the City's poor include single-parent households with children. About one in four of the community's children live under the poverty level. According to the homeless count in 2007, on any given day, there are 4,468 homeless individuals in Austin.

Income versus Housing Costs

The City continues, despite the national economic crisis, to create jobs, but many of the jobs pay a low hourly rate. The Austin median income has decreased three percent from 2002 to 2008 to \$69,100, while housing prices have continued to increase. In 2008, the City has a median home price of \$189,000, a 22 percent increase from 2003. The majority (53 percent) of Austin residents

Section 1: INTRODUCTION

Self Evaluation

are renters, with Austin having the highest fair market rent in Texas at \$935. In 2006, more than 47 percent of Austin renters paid more than 30 percent of their gross income towards rent. The City of Austin's housing market remains strong relative to the national housing crisis, but the City will continue to closely monitor housing trends to respond to changing needs.

Policy Achievements

In addition to a continued commitment by the City and community of local funds, the City continues to explore and implement new incentives to reduce barriers for development of affordable housing, neighborhood revitalization, and community development. The following policies were developed and/or implemented in fiscal year 2007-08:

Developer Incentives

With rising real estate and construction costs, the City, in collaboration with community partners, has continued to develop on incentives for market-rate and non-profit developers to provide affordable housing for low and moderate-income households. In fiscal year 2007-08, policy initiatives to encourage the development of affordable housing continued in the Transit-Oriented Developments (TODs) (areas surrounding commuter rail stations); in downtown Austin; in vertical mixed-use developments, and in the Mueller Airport development. The S.M.A.R.T. Housing™ ordinance also was amended to include additional incentives recommended by the Affordable Housing Incentives Task Force, including incentives for use of the shared equity model.

Shared Equity

The City successfully expanded the use of the shared-equity model to the Down Payment Assistance Program, Home Rehabilitation Loan Program, and the Holly Good Neighbor Program. Shared equity and community land trust tools provide opportunities for the City to offer substantial financial assistance to low- and moderate-income households to purchase a home. It also provides a mechanism for the community to recapture a portion of the equity at resale for use for another low- to moderate-income homebuyer.

Preservation of Affordable Housing

In fiscal year 2007-08, the City launched its preservation of affordable housing initiative with the release of the report, *Preserving Affordable Housing in Austin, A Platform for Action*. This report identified critical facts regarding affordability in Austin, including: most affordable units are privately owned and not subsidized; most multifamily stock was built prior to 1980; current subsidized units are at risk; and current multifamily stock is increasingly being converted to condominiums. The City was selected as a finalist by the John D. and Catherine T. MacArthur Foundation from over 80 applications from states and municipalities. Austin is one of 21 finalists. The City's applied for \$5 million in the form of a grant and a low-interest loan. The proposal was developed in partnership with The University of Texas at Austin. The City's proposal includes an initiative to develop a database to identify housing for preservation and for a strikefund to leverage funds for the preservation of private-market affordable housing.

Section 1: INTRODUCTION

Self Evaluation

Program Administration

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

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 outreach through website improvements and increased email communication. Key reports for fiscal year 2007-08 include: the Neighborhood Housing and Community Development Office (NHCD) Business Plan, City of Austin Action Plan, City of Austin Annual Budget, and the annual CAPER. All reflect all funding sources consistent with goals and priorities. This effort allows the Austin community to have complete information about the resources being directed to meet the needs of low- and moderate-income residents.

Integrated Disbursement and Information System

Based on continuing efforts in fiscal year 2007-08, the City continued to improve its reporting and tracking information through HUD's Integrated Disbursement and Information System (IDIS), which provides HUD with detailed information on the City's performance including information regarding homes built, jobs created, and funds spent. For example, the City increased financial reporting accuracy in IDIS by implementing a policy whereby all projects are funded in the amount of their entire budget as opposed to incremental increases throughout the year. The City developed and continues to refine its locally developed data systems to ensure accuracy and timeliness of reporting.

Expenditure and Timeliness Ratio Information

The City of Austin has met all required deadlines for commitment and drawdown of its grant funds for fiscal year 2007-08. 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 31st of every year. On July 31, 2008, the City of Austin line-of-credit was .96 the annual grant. For HOME funds, the City must commit all HOME funds in two years and spend in five years. The City met this HOME requirement in fiscal year 2007-08. The current system assures that federal expenditure and timeliness requirements are adequately met each year.

Neighborhood Housing and Community Development Reorganization

In fiscal year 2007-08, the City's Neighborhood Housing and Community Development Office implemented a departmental reorganization to align staff and services functionally for greater efficiency. One of the results of the reorganization is a consolidated compliance division that includes contract compliance, regulatory compliance, and loan servicing activities. This division also serves as the department liaison to HUD.

Section 1: INTRODUCTION

Self Evaluation

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

In fiscal year 2007-08, the impact of the City's housing and community development programs was primarily measured in how the City meets the Community Development Block Grant (CDBG) national program objective, otherwise known as benefit to low-moderate income households. Housing units produced, jobs created, child care vouchers provided, etc. are indicators of how low- and moderate-income households were served. As a result, the City is reporting its primary performance measure according to low- and moderate-households served. Even though the City continues to track sub-measures such as housing units produced, jobs created and retained, etc., the fiscal year 2007-08 CAPER reflects this primary performance measure.

The following represents an evaluation of the programmatic progress made during fiscal year 2007-08 in meeting the five-year consolidated planning goals, as well as identifying issues 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, the City of Austin, and the citizens of Austin.

PROGRAMMATIC PROGRESS - HOUSING

Creating and retaining decent and affordable housing opportunities remains a high critical need of Austin's low- and moderate-income residents. The City of Austin continues to invest local dollars to supplement the resources provided by HUD. In addition, in 2006, the citizens of Austin approved \$55 million in General Obligation Bonds for the creation of affordable housing, of which, \$4.4 million was spent in fiscal year 2007-08, with an additional \$1.2 million encumbered. 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-moderate income clients. The City-created Housing Continuum remains the framework in assessing specific housing needs.

Affordable Housing Production - Fiscal Year 2007-08

A total annual Action Plan housing production goal for fiscal year 2007-08 was 12,599 low- to moderate-income households to be served. During fiscal year 2007-08, total housing production facilitated by City sponsored programming assisted 15,686 low- to moderate-income households using all sources of federal and non-federal funding. The overall numbers for housing production were higher than anticipated, due to the high achievement of several housing programs.

The following charts feature programs that met or exceeded fiscal year 2007-08 goals and programs that did not meet program goals by 10 percent.

Section 1: INTRODUCTION

Self Evaluation

Housing Programs that Met or Exceeded Fiscal Year 2007-08 Goals

Program	% of Production Goal Achieved
Homeless/Emergency Services	
Shelter Operation and Maintenance	114 %
Homeless Essential Services – Housing and Benefits Specialist	102 %
Homeless Essential Services – Communicable Disease Unit	140 %
Assisted Housing	
Tenant Based Rental Assistance	99 %
Rent, Mortgage, Utility Assistance	90%
Rental Housing	
Rental Housing Development Assistance	107 %
Architectural Barrier Removal – Rental	110 %
Homebuyer	
Down Payment Assistance	142 %
Owner-Occupied	
Emergency Home Repair	93 %
Materials Grants Program	97 %
Other Funded	
S.M.A.R.T. Housing™	198 %
Voluntary Compliance	130 %
Single-family Bond Program	118 %
Multi-family Housing Bond Program	252 %

Housing Programs that did not meet Fiscal Year 2007-08 Goals

Program	% of Production Goal Achieved
Homeless/Emergency Services	
HOPWA Programs – Residential Support and Permanent Housing	53-55 %
Rental Housing	
Anderson Hill – Rental	0 %
Homebuyer	
Acquisition and Development	65 %
CHDO Operations Loans	50 %
Juniper-Olive Housing Project	15 %
Anderson Hill Ownership	0 %
Owner-Occupied	
Architectural Barrier Removal – Owner	77 %
Homeowner Rehabilitation Loan Programs	72 %
Lead Hazard Control Grant	61 %
Other Funded	
Holly Good Neighbor	53 %

Section 1: INTRODUCTION

Self Evaluation

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

The City made adjustments and improvements in fiscal year 2007-08 to several programs listed below to better serve the Austin community. The following analysis of housing production by type of program for fiscal year 2007-08 includes those changes:

Homeless and Emergency Shelter

Overall, the Homeless and Emergency Shelter programs exceeded their goals by 19 percent. The Emergency Shelter Grant (ESG) programs that fund the programs in the CAPER remain a vital part of the continuum of services provided to the homeless community in Austin. ESG funded Front Steps to operate the ARCH, a homeless shelter located downtown. Front Steps began using the Homeless Management Information System to count persons served in fiscal year 2007-08. Due to modifications in their system and counting processes, the numbers reported reflect a higher number than that expected. Family Eldercare also exceeded its goal in the Housing and Benefits Specialist program funded by ESG. This reflects a significant demand for this program among homeless person to gain access to income that they would otherwise not be eligible to receive.

Assisted Housing

HOME, Housing Trust Fund, and Housing Opportunities for Persons with AIDS (HOPWA) grant funds assisted housing projects that provide financial assistance households for housing. The Tenant-Based Rental Assistance program met its goal. The other three HOPWA programs were only under goal due to a reporting change by HUD that changed reporting guidelines from the number of clients (individuals) served to the number of households served. Due to this change, the actual accomplishment appears low.

Rental Housing

The City's rental housing services provide construction and financial services to eligible organizations in order to produce or retain reasonably priced rental housing for low- and moderate-income households, including special needs populations. The Rental Housing Development Assisted (RHDA) program met its goal for fiscal year 2007-08. RHDA partners with non-profit and for-profit developers to provide affordable rental housing. RHDA's biggest project in fiscal year 2007-08 was Skyline Terrace, developed by Foundation Communities that produced 100 units of single-room occupancy housing. Other projects included CityView, a development that provides affordable rental units for seniors, and other rental units developed by non-profit partners including LifeWorks, Community Partnership for the Homeless, and Blackland CDC. The Architectural Barrier Removal Program also was successful at meeting program goals of providing modifications to rental units of low-income elderly and severely disabled renters to make their housing more accessible. The Anderson Hill rental project had no unit production scheduled for fiscal year 2007-08.

Homebuyer

The City's Down Payment Assistance program exceeded its goal in fiscal year 2007-08. This was due in part to a program review that changed guidelines, process and procedures to better meet

Section 1: INTRODUCTION

Self Evaluation

market and community needs. As homeownership has become more expensive, many households need more substantial down payment assistance to afford an entry level home. The City uses the shared equity model to allow income-eligible buyers to obtain a larger mortgage assistance in exchange for two provisions that preserve affordability: 1) a “right of first refusal” that allows AHFC the first option to buy the home at the appraised value, and 2) the homeowners’ requirement to share with AHFC the appreciation realized at resale.

The other homebuyer programs did not meet accomplishment goals. This was due in part to tightening credit in the mortgage lending industry and fewer affordable housing developments because the cost to acquire and build has increased to the point that only specialized, mission-driven organizations are producing units for sale. The City continues to revisit these programs to ensure responsiveness to the market and community needs.

Owner-Occupied

Two owner-occupied programs, Emergency Home Repair Program and the Materials Grants Program came very close to meeting annual goals. The Architectural Barrier Removal Program for owner-occupied households was almost 25 percent below its goals, partially due to an increase in the number of services provided to individual clients. The Homeowner Rehabilitation Program did not meet its annual goal due to a high denial rate of applications. This cancellation rate was primarily due to applicants owning houses that exceeded the HOME grant restrictions for after rehabilitation value (203-b limits), thus making the property ineligible for assistance under the program. Title issues such as unclear chain of titles also impacted the high cancellation rate. In addition, high construction bids exceeded acceptable limits, thus limiting the number of eligible clients. The program guidelines have been revised to increase the total assistance for reconstruction projects in order to balance high construction bids and a case management approach has been implemented to reduce title issues among potential clients.

The Lead Hazard Control Grant Program made progress in fiscal year 2007-08, but served only 61 percent of its fiscal year goal. The City intensified the marketing and outreach efforts for the program in order to increase program awareness. Outreach included 22 presentations to community organizations; and 55 information booths at schools, churches, food pantries, and other community centers. Information also was shared through partnering agencies and through television and radio outreach/advertisements.

Other Funded

The City puts housing programs that receive no federal funds under the category of Other Funded, for ease of reporting to HUD. All of the Other Funded programs met, or far exceeded goals, except for the Holly Good Neighbor Program. In the last four years, the program has successfully rehabilitated or reconstructed 123 homes in the Holly neighborhood. However, the program has changed from a grant to a loan program with income limits, which has slowed applications and met some resistance from the community. S.M.A.R.T. Housing™ had increased production in fiscal year 2007-08, partially due to the completion of several large multi-family projects in the University Neighborhood Overlay district and increases in the homeownership units at the Mueller airport development.

Section 1: INTRODUCTION

Self Evaluation

PROGRAMMATIC PROGRESS – COMMUNITY DEVELOPMENT

The City’s Community Development programs provide opportunities that help create a suitable living environment and expand economic development opportunities for low- to moderate-income households. These activities help to promote long-term economic and social viability for deteriorating neighborhoods and increase access by residents to quality facilities and needed social services.

A total annual Action Plan community development production goal for fiscal year 2007-08 was 38,882 low- to moderate-income households to be served. During fiscal year 2007-08, community development programs assisted 52,025 low- to moderate-income households using all sources of federal and non-federal funding. The overall numbers for community development services was higher than anticipated, due to the high achievement of several programs.

The following charts feature programs that met or exceeded fiscal year 2007-08 goals as well as programs that did not meet program goals by 10 percent.

Community Development Programs that Met or Exceeded Fiscal Year 2007-08 Goals

Program	% of Production Goal Achieved
Small Business Development	
Community Development Bank	120 %
Microenterprise Technical Assistance	103 %
Neighborhood Commercial Management Program	172 %
Commercial Revitalization	
E 11 th /12 th Street Revitalization – MicroEnterprises	200 %
Public Services	
Child Care Services	119 %
Tenants’ Rights Assistance	118 %
Housing Information and Referral	153 %
Housing Smarts	197 %
Neighborhood Support Services	118 %
Senior Services	124 %

Community Development Programs that did not meet Fiscal Year 2007-08 Goals

Program	% of Production Goal Achieved
Small Business Development	
Façade Improvements	20%
Commercial Revitalization	
East 11 th /12 th Street Revitalization – Job Creation, Financial Assistance to For-Profits, Acquisition of Real Property, Non-Residential Historic Preservation	0%

Section 1: INTRODUCTION

Self Evaluation

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

The City made adjustments and improvements in fiscal year 2007-08 to several programs listed below to better serve the Austin community. The following analysis of accomplishments by type of program for fiscal year 2007-08 includes those changes:

Small Business Development

The Neighborhood Housing and Community Development Office's Small Business programs provide education, support, and financing to support small businesses and to create job opportunities for low- and moderate-income households. The Community Development Bank and the Microenterprise Technical Assistance programs continue to meet goals and provide vital education and support to these small businesses through contract with local partners, PeopleFund and BiG Austin. The Neighborhood Commercial Management program (NCMP) provides gap financing to eligible clients to expand their business for the purpose of job creation for low- and moderate-income households. NCMP finished more projects than anticipated to provide 18 more low- and moderate-income jobs than the annual goal. The Façade Improvement program did not meet its goal and is doing additional outreach to improve production. Two façade projects were also delayed and should be complete in fiscal year 2008-09.

Commercial Revitalization

The City continued commercial revitalization efforts through work along the East 11th and 12th Street Corridors. Through the City's partnership with the Urban Renewal Agency and the Austin Revitalization Authority, the revitalization area continues to receive focused attention and financial investment. For clear reporting to HUD and the community, the E 11th/12th Street revitalization projects have been identified by type of activity. The revitalization along the corridor involves many different kinds of activities, including: job creation, services to microenterprises, financial assistance to for-profits, acquisition of real property, non-residential historic preservation, and parking facilities. All are vital to the objectives created through the partnership of the Urban Renewal Board, the City of Austin, and the Austin Revitalization Authority. The partners continue to work to receive community feedback regarding the development of certain sections of the corridor. In fiscal year 2008-09, the City will solicit proposals for the redevelopment of several tracts in the corridor.

Public Services/Neighborhood Revitalization

The City provides assistance to low- and moderate-income households and neighborhoods through public service programs. All of these programs met or exceeded their annual goals. Many services, including child care services, the tenants' rights assistance program, and senior services are provided through contracts with non-profit partners. Website improvements have continued to attract more users than anticipated, resulting in the Housing Informational and Referral program serving as a key information/communication tool with members showcasing the increased trend to prioritize this information resource. The Housing Smarts program, the City's housing counseling and financial literacy program continues to be a great success and served almost doubled the number of clients anticipated.

Section 1: INTRODUCTION

Self Evaluation

SUMMARY

Affordable Housing

The accomplishment numbers for the year continues to support the City's high priority designation for affordable housing, with 15,656 income-eligible households receiving affordable housing services.

The City will continue to explore new ways to offset the increased costs of affordable housing development through its partnerships with private sector lenders, non-profit and for-profit builders, developers, and non-profit organizations. In addition, program guidelines are constantly being evaluated to assess the ability to address changing market conditions. The results of a detailed housing market analysis will be released in fiscal year 2008-09. This market study will provide important data to set the stage for program changes for the next Consolidated Plan for fiscal year 2009-2014.

Community Development

In fiscal year 2007-08, community development programs collectively achieved or exceeded annual goals, providing technical assistance, loans, housing, and public services to 52,025 households.

Creative methodologies to address changing market conditions, the reduction in the availability of necessary capital investments, and the high cost of land, all of which impact these programs, continue to be researched by the City for the implementation in economic development programs.

The City continues to allocate the maximum amount allowed under CDBG regulations (15 percent of the total CDBG allocation per year) to fund local social service programs. These programs provide an array of services that support goals of furthering housing and social services activities for low- and moderate-income households.

Summary

Overall, the City of Austin believes that its strategy for housing and community development is operating at a satisfactory pace given the availability of resources and higher costs. Affordable housing continues to be the highest priority for the City as it relates to the use of the federal grants. The City continues to support job creation and neighborhood revitalization as important economic development activities. The City also continues to use the provision of services to low- and moderate-income households as the primary accomplishment measure in its use of federal funds for the City.

The City recognizes that the need for job creation opportunities will also increase, as the national and local economies become less stable. Availability to short- and long-term financial assistance programming will help develop and strengthen Austin's small and minority business community, and stimulate the growth of better-paying jobs for minority- and low-income residents.

Section 1: INTRODUCTION

Self Evaluation

The City believes its federal- and locally funded programming meets the stated priorities in the five-year Consolidated Plan. The City has leveraged \$15.9 million in private funding to maximize its financial resources with federal funding. The City expended \$8.6 million in local funds to increase affordable housing development in fiscal year 2007-08. The City continues to develop its national reputation as a leader in reducing barriers to affordable housing. The number of low-income households served annually by the City's community development services activities continues to exceed performance goals, despite reductions in available funding.

The City is committed to improving its programs and partnerships in order to help meet the needs of Austin's low- to moderate-income residents. As the City moves forward, its commitments to invest in its citizens, improve its affordable housing stock, and develop its communities will remain top priorities.