

**FY 2009-14 CONSOLIDATED PLAN
EXECUTIVE SUMMARY**

Chapter 1

EXECUTIVE SUMMARY

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 economic needs of its low- to moderate-income residents. The Plan also includes citizen feedback received during comment periods, public hearings, and stakeholder meetings.

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).

In addition, the City of Austin receives three competitive HUD funding sources:

- Section 108
- Economic Development Initiative (EDI)
- Lead Hazard Grant.

The City of Austin chooses to include all funding sources in its HUD planning documents in order to provide the public a comprehensive view of its efforts to create affordable housing and job opportunities for low- to moderate-income residents. The Austin community and Austin City Council also allocate local funds to support these important initiatives. These sources include: General Funds, General Obligation Bonds, and Housing Trust Funds.

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 to 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.

FEDERAL STIMULUS FUNDS

The City anticipates receiving up to \$7.5 million in stimulus funds, in response to applications submitted to HUD and the Texas Department of Housing and Community Affairs (TDHCA). These funds are one-time grants released by the federal government for the purpose of stimulating the economy during the current recession and addressing home foreclosures at the local level. The applications for Stimulus funds include:

- A \$2 million application for the Community Development Block Grant (CDBG-R) Program submitted to HUD in May 2009.
- A \$3.1 million application for the Homeless Prevention and Rapid Re-Housing (HPRP) Program submitted to HUD in May 2009;
- A \$1.3 million application for Housing and Economic Recovery Act (HERA) submitted to TDHCA in April 2009.

In May 2009, the City of Austin applied for the Community Development Block Grant (CDBG) and Homeless Prevention & Rapid Re-Housing Program (HPRP) funds made available from the American Recovery and Reinvestment Act of 2009. The City amended the fiscal year 2004-09 Consolidated Plan and fiscal year 2008-09 Action Plan in order to receive these funds from the U.S. Department of Housing and Urban Development (HUD). The City of Austin held a public hearing to receive citizen comments on the substantial amendment at the Austin City Council meeting on Thursday, April 23, 2009. In addition, public comments on the substantial amendment were received from April 20, 2009, through May 1, 2009, and again from May 8, 2009, through May 15, 2009.

Stimulus funds will be reported as separately in the Consolidated Plan and in future Consolidated Annual Performance and Evaluation Reports (CAPER). CAPERs and Action Plans will report on HUD stimulus funds accomplishments. To assist with transparency and efficient access to information by the public, the City of Austin has created a stimulus website related to HUD ARRA at www.cityofaustin.org/housing. This website will be updated regularly to reflect activity related to stimulus funds.

Reporting of Stimulus Funds

The ARRA public input process for stimulus funds was separate from the Consolidated Plan and required a needs assessment process identified in the Substantial Amendment guidelines. The guidelines require a public participation with online and written comments as well as a public hearing with the Austin City Council. The City's public input process met Federal requirements. ARRA awards reflect HUD stimulus guidelines and local initiatives.

American Recovery and Reinvestment Act (ARRA) Funding

Community Development Block Grants (CDBG-R) (\$2 million)

Local criteria for award is based on three major criteria: (1) sustainable, well-financed, established efforts; (2) yield significant results for the community; and (3) tangible results for the residents, especially low- to moderate-income populations and neighborhoods. CDBG-R guidelines issued May 5, 2009, set clear overall priorities to maximize job creation and economic benefit. Specific criteria includes:

- 70 percent of the funding is to benefit low- to moderate-income residents;

- creating/preserving jobs and promoting economic recovery;
- assisting those most impacted by the recession;
- providing investment to promote economic efficiency;
- transportation, environmental protection or other infrastructure that provides long-term economic benefits;
- energy efficiency/independence;
- minimizing/avoiding reductions in essential services;
- efforts begin swiftly (“shovel ready”); and
- discrete, stand-alone activities.

Using the Federal and local criteria developed as part of the City of Austin Stimulus Program, Austin City Council awarded the \$2 million in CDBG-R funds, as follows:

- \$500,000 for Lifeworks’ East Austin Youth and Family Resource Center to purchase land to construct a green-building Resource Center to expand critical workforce, education and mental health services to low-income populations. Significant leverage is included with corporate, public and nonprofit partners, including Capital Idea, Central Texas Literacy Coalition, Austin Community College and Casey Family Programs. The project has secured the majority of funding, and meets job creation and long-term economic development needs.
- \$500,000 for PeopleFund’s Center for Economic Opportunity will be LEED Silver certified and provide comprehensive services for local businesses and homebuyers as well as affordable office space for local businesses. Key criteria met are job creation/preservation, long-term economic development, and sustainable operations as most project financing has been secured.
- \$550,000 for African-American Cultural and Heritage Facility, located at 912 E. 11th Street in the historic Detrick-Hamilton House, will house ProArts Collective, a Visitors Bureau, and the Capital City Chamber of Commerce. Providing arts and assistance for small businesses while educating visitors on the cultural richness of the area is a community and Council priority project, with \$1.5 million included in the 2006 Bond election. Key criteria to be met are job creation/preservation and long-term economic development.
- \$250,000 to fund critical sidewalks in central East Austin. Many of the “Top 25” sidewalks on Public Works’ list developed with community input are in historically disadvantaged neighborhoods of central East Austin. This funding will allow new sidewalks in key areas to be completed. Sidewalks are an essential component of public transit, which is used primarily by low- to moderate-income Austin residents and also will enhance the lifestyles of thousands of residents and visitors and business environment while ensuring the safety of pedestrians and people with disabilities.
- \$200,000 for administration of CDBG-R.

Homeless Prevention & Rapid Re-housing Program (HPRP) (\$3.1 million)

The Homeless Prevention and Rapid Re-housing Program, which will be administered by the HHSD, has three primary goals:

1. Prevention: Prevent people from becoming homeless whenever possible;
2. Diversion: Intervene when people enter shelters and divert them into housing;

3. Rapid Re-Housing: Move people who become homeless into permanent housing as quickly as possible.

The Austin City Council approved funding as follows:

- \$480,000 for HPRP Specialists - To identify, assess and qualify potential clients and to expand outreach to key eligible populations (To be competitively bid);
- \$240,000 for Housing Locators/Inspectors - To identify and inspect available housing; negotiate with landlords; liason between landlords and potential eligible tenants; and follow-up point of contact for landlords and tenants (to be provided by Caritas);
- \$120,000 for Mediation/Legal Services - To expand current tenant/landlord mediation services and to provide services to all HPRP clients (To be provided by Austin Tenants' Council);
- \$1,970,000 for Rent & Utilities and Other Direct Financial Assistance - To provide short or medium term rent assistance to prevent homelessness or to re-house homeless households; replacement of identification, moving expenses, credit reports/credit repair, immediate legal assistance (Fiscal agent to be competitively bid.);
- \$102,000 for Homeless Management Information System;
- \$153,000 for Administration.

These services will be provided by agencies currently under contract with the City and/or new agencies that respond to request for proposals. The funding must be obligated by September 30, 2009.

Housing and Economic Recovery Act (HERA) Funding

The City of Austin applied for Neighborhood Stabilization Program (NSP) funds established by the Housing and Economic Recovery Act (HERA) of 2008 with the goal of creating permanent affordability rental opportunities. These federal funds are being distributed by the Texas Department of Housing and Community Affairs (TDHCA). Austin coordinated with Travis County regarding available funds to the area. On July 16, 2009, the TDHCA Board of Director's awarded the City of Austin \$2,478,305 in NSP funds. The fiscal year 2009-10 Action Plan approved by the Austin City Council on July 23, 2009, included \$1,260,538 of NSP funds, which is reflected in Exhibit 1-1. NHCD will submit a budget amendment to accept an additional \$1,217,767 in NSP funds. The program funds, in the amount of \$2,478,305, will be used to purchase foreclosed homes and the NSP funds will be leveraged with General Obligation Bond funds to perform rehabilitation or renovation services.

The City of Austin's application proposes that after renovation the homes will be transferred to local non-profit organizations that will lease them to residents at or below 50 percent of MFI. The program initially targets zip code 78744 (Southeast Austin) and zip code 78758 (Northwest Austin), two areas in Austin that have seen the highest number of foreclosures. The City of Austin estimates it will be able to purchase 16 homes with the NSP funds.

Exhibit 1-1

FY 2009-10 Action Plan: Stimulus Budget adopted by Austin City Council July 23, 2009

	Funding Source	FY 08-09 Estimated Carry Forward	Funding FY 09-10	Total Estimated Funding FY 09-10
STIMULUS FUNDS				
<i>Homeless Prevention and Rapid-Rehousing Program</i>				
Financial Assistance	HPRP		1,967,840	1,967,840
Housing Relocation and Stabilization	HPRP		840,000	840,000
Data Collection and Evaluation	HPRP		101,839	101,839
Administration	HPRP		153,141	153,141
<i>Subtotal, HPRP</i>		-	3,062,820	3,062,820
<i>Community Development Block Grant - Recovery</i>				
East Austin Youth and Family Center	CDBG-R		500,000	500,000
Center for Economic Opportunity	CDBG-R		500,000	500,000
African-American Cultural Facility	CDBG-R		550,000	550,000
East Austin Sidewalks	CDBG-R		250,000	250,000
Administration	CDBG-R		203,003	203,003
<i>Subtotal, CDBG-R</i>		-	2,003,003	2,003,003
<i>Neighborhood Stabilization Program</i>	NSP		1,260,538	1,260,538
Subtotal, Stimulus		-	6,326,361	6,326,361

VISION AND MISSION

City of Austin Vision

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

Mission of the Neighborhood Housing and Community Development Office

To provide housing, community and small business development services to benefit eligible residents so they have access to livable neighborhoods and have increased opportunities for self-sufficiency.

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 de-concentrating 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.

LEAD AGENCY AND PARTICIPATING ORGANIZATIONS

Lead Agency

The Neighborhood Housing and Community Development (NHCD) Office 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 has received additional federal funds including: Economic Development Initiative (EDI), Section 108, and the Lead Hazard 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. 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 is comprised of 15 members appointed by the Austin City Council and through a neighborhood-based election process. The CDC also oversees the Community Services Block Grant (CSBG) program managed by the City's Health and Human Services Department (HHSD). CSBG regulations require participation of residents of low-income communities. The seven geographic target areas representing low-income residents include: Colony Park, Dove Springs, East Austin, Montopolis, Rosewood-Zaragosa/Blackland, St. Johns, and South Austin. NHCD provides staff support for the CDC.

Urban Renewal Board – East 11th/12th Street

The City partners with the Urban Renewal Agency to help develop land in Central East Austin. On November 19, 1997, the City Council adopted a resolution declaring the East 11th and 12th Streets Revitalization Area to be a slum and blighted area and designated this area appropriate for an urban renewal project. Subsequently, the Austin City Council approved an Urban Renewal Plan. The Plan allows the Urban Renewal Agency to use funds for acquisition and to provide fair and adequate relocation benefits to individuals displaced due to acquisition, aiding in the elimination of the slum and blight influences in the area. The Urban Renewal Board, which oversees the Urban Renewal Agency functions, consists of seven members appointed by the Mayor. NHCD provides staff support to the Urban Renewal Board.

HUD REQUIREMENTS

The City of Austin 2009–2014 Consolidated Plan was prepared in accordance with 24CFR Sections 91.100 through 91.230 of the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan regulations. 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. 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. This plan includes citizen and stakeholder input and is due to HUD no later than August 15, 2009.

CITY OF AUSTIN PROFILE

Austin's socioeconomic fabric is diverse, combining the qualities of a large city, state capital, college town and national technology hub into one metropolitan area. Austin is a major center for high technology. Thousands of graduates each year from the engineering and computer science programs at The University of Texas at Austin provide a steady source of employees that help fuel Austin's technology and defense industry sectors. Austin is also emerging as a hub for pharmaceutical and biotechnology companies.

The City has historically been well-known for its active music scene and strong film industry. With a strong presence of nonprofits and advocacy entities, being the Capital city, as well as a high concentrated number of governmental agencies, Austin offers a diverse employment base to those who decide to call Austin home.

Nearly 750,000 people currently reside in the City of Austin.¹ While the substantial growth of the 1990s in Austin has slowed, which follows both state and national trends, the City continues to grow at a steady pace. Growth is expected in many parts of the City between now and 2020, with the downtown core and its neighboring central east Austin neighborhoods continuing to increase in density.

The City of Austin has growing Hispanic and Asian populations, with Anglos making up approximately 60 percent of the City's population. Growth in the Hispanic population in Austin is following both state and national trends. In Austin, Hispanic residents comprised 21 percent of Austin's population in 1990 and 31 percent of the population in 2000. Currently, more than one in three Austin residents are of Hispanic origin, making it Austin's fastest growing population. In Texas, the Hispanic population accounted for 32 percent of the population in 2000 and 36 percent of the population in 2007. The trend is less pronounced nationally, as 13 percent of residents were Hispanic in 2000. In 2007, 15 percent of U.S. residents were Hispanic.

In 2007, 18 percent of people in Austin lived below the poverty threshold and one in four children under the age of five live in poverty. Since 2005, Austin's unemployment rates have been lower than the state of Texas rates and the U.S. as a whole, although Austin is currently experiencing an economic slowdown like the rest of the country.

¹ 2007 ACS estimate is 749,659. The 2008 City of Austin Demographer and Planning Department's estimate is 750,525. The Texas State Demographer had a January 1, 2008 estimate of 736,172.

HOUSING MARKET STUDY HIGHLIGHTS

In 2008, the City of Austin contracted with BBC Research & Consulting of Denver to prepare a Housing Market Study. A variety of community efforts called for a comprehensive analysis of the Austin housing market. The study is one of several recommendations made by the Affordable Housing Incentives Task Force (AHITF) and identified as an important planning tool by the General Obligation Bond Oversight Committee and the African American Quality of Life-Neighborhood Sustainability Subcommittee. In addition, the BBC study fulfills the housing market analysis requirement for this Consolidated Plan.

Some key highlights from the plan include:

Homelessness

About one-fourth of survey respondents said they or someone in their household had been homeless or near homeless at some point in their lives. In almost half of the cases, the reason was due to a lack of affordable housing. Of Austin's approximately 3,500 homeless residents, an estimated 2,000 are unsheltered.

Rental Housing

Austin has a very high need for affordable rental housing. The city's rental market is narrowly priced, with 79 percent of units priced between \$550 and \$1,150 per month. The need for affordable rental housing is particularly concentrated for those earning 0-30 percent of the area's median family income—just one in six renters earning less than \$20,000 can find affordable housing in Austin. Households making between \$10,000 and \$20,000 per year can afford rents between \$175 and \$425 per month.

Apartment vacancy rates vary within Austin depending on location and apartment class (A, B, or C). For Class A apartments, vacancies were high downtown and in central Austin (between 17 and 18 percent). Vacancies for Class B apartments are very low (four percent) for apartments in central, south and southwest Austin—areas within relatively close proximity to University of Texas. Class C apartment vacancies in central Austin are extremely low at less than three percent.

Homeownership

Renters earning less than \$50,000 who want to buy a home in Austin would have found just 16 percent of the market affordable to them in 2008. Austin has a need for homes priced between \$113,000 and \$240,000 to enable its renter population earning between \$35,000 and \$75,000 per year to become homeowners. In many cities, this demand for affordable homes is partially fulfilled through attached housing (duplex/condos/townhomes); however, in Austin, this type of ownership product is currently limited.

Condo Conversions

The condo market has expanded and evolved in the last 10 years to include newer and more expensive products. The number of condos on the for-sale market in 2008 was over double the number on the market in 1998. Additionally, the condos for sale in 2008 included a much younger stock than 1998, as nearly half of the condos on the for sale market were 10 years old or less, and, more specifically, one quarter of all for sale condos were constructed within the last 2 years. Condos have become a less affordable housing option in Austin. In

1998, 92 percent of for sale condos were less than \$200,000. In 2008, 50 percent of for sale condos were less than \$200,000; an additional 26 percent of condos were priced between \$200,000 and \$300,000.

Housing Preferences

A significant portion of Austin residents currently living in single-family detached units would be willing to move to a duplex, condo or townhome in order to live in the neighborhood of their choice.

Housing Gaps

Austin currently has a gap of almost 40,000 rental units for those earning less than \$20,000 per year. In order to meet the growing need and reduce the existing gap of low-cost rental units (priced at \$425 and less) by ten percent, 16,500 units, or 1,370 units per year, should be created through 2020.

To view the entire housing market study, visit www.cityofaustin.org/housing.

HOUSING CONTINUUM: A COMMUNITY'S INVESTMENT IN AFFORDABLE HOUSING

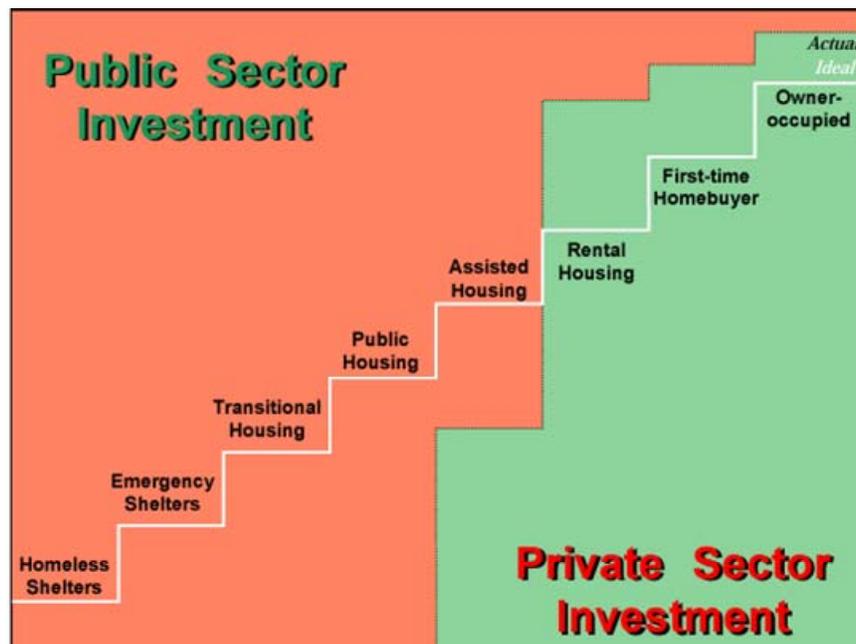
Austin's Housing Continuum remains an important tool for classifying housing needs and serves as a key policy tool to educate the community on housing solutions in Austin.

The Housing Continuum provides a framework for collaboration and partnerships to provide a full spectrum of affordable housing products for individuals to move in the direction of self-sufficiency. Many of the programs and activities prioritized in this Consolidated Plan fund steps along this continuum. Other public and private sector partners fund some of these steps, entirely or partially, such as public housing.

The objective of the housing continuum policy is to educate the community to realize that an adequate affordable housing stock can only be provided if the private and the public sectors work together to produce products along each step of the continuum. The steps on the left of the image reflect housing that requires increased public subsidy. As the continuum moves to the right, the housing products and goals, shown as steps along the continuum, are increasingly funded through the private sector or market rate developers. The continuum reflects the ideal that both the private and public sector must participate to respond to a community's housing needs.

The City of Austin continues to promote the Housing Continuum as crucial planning tool and policy objective. NHCD funds programs and services along the continuum and collaborates with partners that reinforce the housing continuum through their programs and services.

Exhibit 1-2
Housing Continuum



NHCD INVESTMENT PLAN, FISCAL YEARS 2009-14

In 2009, City of Austin Neighborhood Housing and Community Development Office created a new framework in which to highlight programs offered by the City of Austin (Exhibit 1-3: FY 2009-14 Investment Plan.) The framework provides a snapshot of services and activities made possible by federal and local funding. The City receives its federal funding sources through HUD. Local funding includes General Fund and General Obligation Bonds and other sources for the affordable housing program.

Services and activities reflected in the FY 2009-14 Investment plan are administered by both NHCD and the City's Health and Human Services Department (HHSD). All services and programs within the Homeless/Special Needs Assistance category are administered by the City's HHSD. The NHCD Investment Plan outlines housing and community development activities in seven categories. Each category highlights populations served with activities funded under each category. The categories included in the NHCD Investment Plan are:

- | | |
|-----------------------------------|-----------------------------------------|
| <i>(1) Homeless/Special Needs</i> | <i>(5) Housing Developer Assistance</i> |
| <i>(2) Renter Assistance</i> | <i>(6) Commercial Revitalization</i> |
| <i>(3) Homebuyer Assistance</i> | <i>(7) Small Business Assistance</i> |
| <i>(4) Homeowner Assistance</i> | |

Investment Plan Categories

Homeless/Special Needs Assistance provides services to the City's most vulnerable populations. This includes programs funded with Emergency Shelter Grants to serve the homeless population and operate the Austin Resource Center for the Homeless (ARCH). This category also includes housing services for persons with HIV/AIDS, as well as public services, such as youth services, child care, and senior services, funded from CDBG.

Renter Assistance provides assistance to renters so that rent is more affordable as well as provides tenants' rights services to equip renters with information that may resolve conflicts and improve relationships. It also provides financial assistance for necessary rehabilitations to make homes accessible to elderly and disabled renters.

Homebuyer Assistance provides counseling to renters who wish to become homebuyers and provides financial counseling to current and potential homeowners to assist households to stay in their homes. This category includes the Down Payment Assistance Program, which offers loans to qualifying low- and moderate-income homebuyers to help them buy their first homes.

Homeowner Assistance provides services for low- and moderate-income individuals who own their homes, but need assistance to make their homes safe, functional, and/or accessible.

Housing Developer Assistance includes NHCD programs that offer assistance to for- and non-profit developers to build or renovate affordable housing. NHCD provides gap financing to assist developers to build rental and homebuyer housing for low- and moderate-income households. To assure the success of the City's non-profit partners, the City also provides operating expenses grants to certified housing development organizations to help increase

their capacity to develop affordable housing. In this category, the City also continues to explore ways to encourage the development of affordable housing through developer incentives. These developer incentives include S.M.A.R.T. Housing™, incentives for development in priority areas, and private developer agreements.

Commercial Revitalization includes programs related to the revitalization of the East 11th/12th street corridors. These programs include commercial acquisition and development, loan development assistance, job creation, and historic preservation efforts related to the Hamilton-Dietrich House as well as parking facilities within the corridor.

Small Business Assistance will provide a range of services for small business, from technical assistance to gap financing, to ensure the success of growing small business in the community, and encourage the creation of jobs for low- and moderate-income households.

Exhibit 1-3

FY 2009-14 Neighborhood Housing and Community Development Investment Plan

	HOMELESS / SPECIAL NEEDS ASSISTANCE	RENTER ASSISTANCE	HOMEBUYER ASSISTANCE	HOMEOWNER ASSISTANCE	HOUSING DEVELOPER ASSISTANCE	COMMERCIAL REVITALIZATION	SMALL BUSINESS ASSISTANCE
	\$ 2,427,421	\$ 1,517,539	\$ 1,817,080	\$ 9,147,981	\$ 32,182,318	\$ 2,981,941	\$ 1,306,264
	Homeless Services Shelter Operation and Maintenance Homeless Essential Services Housing Opportunities for Persons with AIDS Rent, Mortgage and Utility Assistance Permanent Housing Placement Short-Term Supportive Housing Transitional Housing Supportive Services Child Care Senior Services Youth Services	Tenant-Based Rental Assistance Architectural Barrier Removal Tenants' Rights Assistance	Housing Smarts Down Payment Assistance	Architectural Barrier Removal Emergency Home Repair Homeowner Rehabilitation Loan Program Home Repair Program Lead Smart Holly Good Neighbor Materials Grant	Rental Housing Developer Assistance Acquisition and Development CHDO Operation Loans Developer Incentive-Based Programs	East 11/12th Revitalization Acquisition and Development Historic Preservation Parking Facilities	Community Development Bank Micro-enterprise Technical Assistance Neighborhood Commercial Management Program Façade Improvement Program Community Preservation and Revitalization
		POPULATION SERVED Homeless, vulnerable populations, low-income households	POPULATION SERVED Low and moderate income households	POPULATION SERVED Low and moderate income homeowners	POPULATION SERVED Low and moderate income households, Community Housing Development Organizations (CHDOs)	POPULATION SERVED Low and moderate income households, small businesses	POPULATION SERVED Small businesses, job creation for low-income households

FY 2009-10 Investment

FY 2009-14 Neighborhood Housing and Community Development Investment Plan

REPORTING FOR FY 09-14 CONSOLIDATED PLAN

NHCD has made changes to the reporting of NHCD and HHSD activities to streamline reporting efforts and to ensure that production results are more accurately tied to households served. Four reporting features from the fiscal year 2004-09 Consolidated Plan and fiscal year 2008-09 Action Plan are no longer reflected as programs in the fiscal year 2009-14 Consolidated Plan, but those functions continue administratively.

Exhibit 1-4

Changes from Fiscal Year 2004-09 Consolidated Plan

FY 2004-09 Consolidated Plan Activity Reporting	Summary related to changes in reporting from FY 04-09 Consolidated Plan to current Consolidated Plan	FY 2009-14 Consolidated Plan Activity Reporting
<i>Housing and Benefits Specialist for Persons Defined as Chronically Homeless (ESG):</i> Provides bill paying assistance to chronically homeless.	HHSD now funds Family Eldercare to provide bill payer services with the HHSD general fund budget, instead of ESG. The ESG funds will be used to increase operations funding for the ARCH homeless shelter.	No longer reported in Consolidated Plan, but the function will continue through HHSD.
<i>Housing Information and Referral:</i> Provides housing and community development resources by phone, email, and on-line.	NHCD will continue to provide this service for its customers. Service is provided through phone referrals, the NHCD Web site, and through e-mails to its customers. Annual goals based on Website hits and the number of phone calls responded to are not necessarily directly tied to a household served. Data will be compiled to measure performance of this service.	No longer reported in the Consolidated Plan, but function will continue administratively.
<i>Neighborhood Support Services:</i> Provides services to low-income neighborhoods to improve quality of life, including community service projects.	Outreach components of the Neighborhood Support Services program will continue to be administered by the City, specifically within the NHCD Planning, Policy and Outreach division.	Reporting is no longer included in the Consolidated Plan, but neighborhood outreach services will continue administratively.

FY 2004-09 Consolidated Plan Activity Reporting	Summary related to changes in reporting from FY 04-09 Consolidated Plan to current Consolidated Plan	FY 2009-14 Consolidated Plan Activity Reporting
<i>Voluntary Compliance Agreement:</i> An activity developed to meet provisions of an agreement between the City (NHCD), ADAPT and HUD in 1997 to ensure that all federally funded multi-family units met all applicable federal, state, and local accessibility laws.	NHCD has contracted with a vendor for the review of AHFC funded development plans. The company will train City staff on the review and inspection for accessibility compliance in multifamily housing developments. City building inspectors verify review and inspect for compliance with accessibility.	All 106 multi-family sites as part of the agreement made in 1997 are in compliance. NHCD will no longer report on this agreement.
<i>Anderson Hill Rental:</i> Rental housing project in the Anderson Hill neighborhood in East Austin.	For streamlined reporting purposes, NHCD will report this activity under the category of Developer Assistance, Rental Housing Developer Assistance Program.	Production is reported under Developer Assistance -Rental Housing Development Assistance Program.
<i>Anderson Hill Homeowner:</i> Homeowner housing project in the Anderson Hill neighborhood in East Austin.	This activity was completed in Fiscal Year 2008-09.	N/A
<i>Juniper-Olive:</i> Homeowner housing project in the Juniper-Olive area in East Austin.	For streamlined reporting purposes, NHCD will report this activity under the category of Housing Developer Assistance, Acquisition and Development.	Production is reported under Homeowner Assistance - Acquisition and Development.
<i>Multi-family Tax-Exempt Bonds and Single-family Tax-Exempt Bonds:</i> Funding sources for multi-family housing projects and first-time homebuyers	These funding sources will be included in the rental production and homebuyer production activities.	These funding sources are reported under two activities: Rental Housing Development Assistance and Acquisition and Development

FY 2004-09 Consolidated Plan Activity Reporting	Summary related to changes in reporting from FY 04-09 Consolidated Plan to current Consolidated Plan	FY 2009-14 Consolidated Plan Activity Reporting
<p><i>East 11th/12th Street</i> <i>Program: Microenterprise</i> <i>Assistance:</i> Provides training to Microenterprises in the E 11th/12th Street Corridor</p>	<p>For streamlined reporting, East 11th/12th Streets Microenterprise Assistance will be reported under Small Business Assistance along with the existing Microenterprise Activity.</p>	<p>Microenterprise Assistance will be reported under Small Business Assistance category.</p>
<p><i>East 11th/12th Street</i> <i>Program: Financial</i> <i>Assistance to For Profits:</i> Provides financial assistance to for-profits to locate in the corridor.</p>	<p>For-profits will now be assisted in the corridor through the East 11th/12th Streets Acquisition and Development Activity.</p>	<p>Financial Assistance to For Profits will be reported under E. 11th/12th St. in the Commercial Revitalization category under Acquisition and Development.</p>
<p><i>East 11th/12th Street</i> <i>Program: Job Creation:</i> Provides gap financing to small businesses that results in job creation.</p>	<p>Services that result in job creation will be reported in East 11th/12th Street Acquisition and Development.</p>	<p>Job creation activities will be reported under E. 11th/12th St. in the Commercial Revitalization category under Acquisition and Development.</p>

CONSOLIDATED PLAN PRIORITIES

HUD's Housing and Community Development Activities table in Exhibit 1-5 will guide the funding priorities for Austin for fiscal years 2009-14. This section summarizes the funding priorities that will be implemented to achieve the objectives and accompanying strategies for the five-year plan. The funding priorities were established based on the housing and community development needs identified through public and stakeholder input, the housing market analysis and the analysis of special populations. The City of Austin also used the Analysis of Impediments to Fair Housing report and several other studies to form these priorities.

To determine the five-year goals for fiscal years 2009-14 the City assumed that funding would remain level from fiscal year 2009-10 and that market conditions would remain consistent rebounding in fiscal year 2010 to 2011 as forecasted by economic reports by Moody's and the HIS Global Insight, Inc. Some grant funded programs will discontinue during the five years, including the Lead Hazard Control Grant and the Façade Improvement program.

All the proposed funding priorities will serve very-low, low-, and moderate-income households in the City of Austin. Income will be based on median family income definitions updated by HUD annually. See MFI chart in Appendix III. In addition to income, projects will serve special need populations including seniors, persons with disabilities, homeless persons, and persons with HIV/AIDS. High priority activities will be funded by the City. Medium priority activities will be funded if funds are available. Low priority activities will not be funded.

Exhibit 1-5

Consolidated Plan Priorities and Proposed Accomplishments

Program	Program Description	Priority for Federal Funds	Consolidated Plan Goal	Objectives and Outcomes
Homeless/ Special Needs	Homeless/Special Needs Assistance provides services to the City’s most vulnerable populations, including homeless individuals and families, persons with HIV/AIDS, seniors, at-risk youth, and low-income families.	High	49,060	Suitable Living Environment Availability/ Accessibility
Renter Assistance	Renter Assistance provides assistance to renters so that rent is more affordable as well as provides tenants’ rights services to equip renters with information that may allow them more stability. It also provides financial assistance for necessary rehabilitation to make homes accessible.	High	3,770	Decent Housing Availability/ Accessibility
Homebuyer Assistance	Homebuyer Assistance provides counseling to renters whom wish to become homebuyers and to existing homebuyers to help them stay in their homes. This category also includes the Down Payment Assistance Program, which offers loans to qualifying low- and moderate-income homebuyers to help them buy their first homes.	High	1,490	Suitable Living Environment Sustainability
Homeowner Assistance	Homeowner Assistance provides services for low- and moderate-income individuals who own their homes, but need assistance to make it safe, functional, and/or accessible.	High	4,419	Decent Housing Availability/ Accessibility
Housing Developer Assistance	Housing Developer Assistance includes NHCD programs that offer assistance to for and non-profit developers to build affordable housing for low- and moderate-income households.	High	5,677	Decent Housing Availability/ Accessibility

Program	Program Description	Priority for Federal Funds	Consolidated Plan Goal	Objectives and Outcomes
Commercial Revitalization	Commercial Revitalization includes programs related to the revitalization of the East 11 th /12 th street corridors. These programs include commercial acquisition and development, historic preservation efforts related to the Hamilton-Dietrich House as well as parking facilities within the Corridor.	High	23,352	Creating Economic Opportunity Sustainability
Small Business Assistance	Small business assistance will provide a range of services for small business, from technical assistance to gap financing, to not only ensure the success of growing small business in the community, but also to encourage the creation of jobs for low- and moderate-income households.	High	223	Creating Economic Opportunity Availability/ Accessibility
Public Facilities	N/A	Medium	0	N/A
Infrastructure	N/A	Low	0	N/A

PUBLIC PARTICIPATION

The City conducted an extensive public participation process to receive the necessary feedback to draft the Consolidated Plan. This process was comprised of two distinct periods: (1) the needs assessment from January 1, 2009, to March 13, 2009; and (2) the draft comment period from June 8, 2009, to July 8, 2009. This public process exceeds the requirements of the Citizen Participation Plan (CPP). The City of Austin's CPP outlines the City's process for public participation in the Consolidated Plan and was formally adopted by City Council on January 9, 2004. The CPP may be viewed in Appendix I.

The City of Austin hired an outside consultant, BBC Research and Consulting, to complete the Comprehensive Housing Market Analysis and the Analysis of Impediments to Fair Housing Study – two components of the fiscal year 2009-2014 Consolidated Plan. The complete Housing Market Study is available on the NHCD's Web site at www.cityofaustin.org/housing. The Fair Housing Study can be viewed in Appendix II.

In addition to the requirements outlined in the CPP, the City broadened its public participation to include targeted e-mail distributions and an English/Spanish survey available to citizens in hard copy and online. NHCD also coordinated stakeholder meetings along with the Health and Human Services Department (HHSD) to ensure both entities administering HUD funding received targeted feedback on programs and services. Additional information about the public participation process may be found in Section Five.

Needs Assessment (January 1, 2009 –March 13, 2009)

Before NHCD staff began to draft the Consolidated Plan, feedback was received from the community during the Needs Assessment stage of the public input process. For this draft Consolidated Plan, the Needs Assessment included:

- Five Public Hearings
 - Austin City Council
 - Two hearings before the Community Development Commission, a 15-member policy advisory body appointed by the Austin City Council.
 - Community Action Network, a non-profit, community-based organization, comprised of professionals representing private, public and nonprofit entities.
 - HIV Planning Council, an Austin City Council appointed, 13 member planning council, which serves to develop and coordinate an effective and comprehensive community-wide response to HIV/AIDS.
- A Citizen Survey in English and Spanish
- Nine Stakeholder Meetings
 - Housing Opportunities for Persons with AIDS (HOPWA)
 - Ending Community Homeless Coalition (ECHO)
 - Child Care Providers Stakeholder Meeting
 - Mayor's Mental Health Task Force Monitoring Committee (MMHTFMC)
 - Mayor's Committee for People with Disabilities (AMCPD)
 - Austin Area Human Services Association Meeting
 - Tenant Based Rental Assistance (TBRA) Stakeholder Meeting
 - Regional Stakeholder Meeting

- Lead Based Paint Hazards Stakeholder Meeting
- 30-day written comment period

Findings: Needs Identified

The public input process, along with the housing market study, special needs analysis, and community profile, identified the following as the highest needs in the community:

Homeless and Special Needs

Emergency Housing and Supportive Services for Homeless Households

The need for homeless services includes services for those that are chronically homeless, those with HIV/AIDS, and those with multiple diagnoses including mental illness, domestic violence, or substance abuse.

Seniors

Seniors represent a growing portion of Austin's community. Low-income seniors face a wide range of housing issues, including substandard housing, a need for modifications due to physical disabilities as well as a lack of affordable housing. Services for seniors ranked high or very high in the City's Consolidated Plan survey.

Child Care

Meeting with stakeholders and the Consolidated Plan survey made it clear that Austin has a need for quality childcare affordable to low-income families. The City's Consolidated Plan survey ranked child care as the second highest community development need, after job creation.

Youth

The Special Needs analysis clearly defines a need for services for at-risk youth in Austin. The three main segments in need include: youth aging out of the foster care system; older youth transitioning into adulthood with uncertain future plans; and youth who are homeless.

Housing

Shortage of affordable rental housing for extremely low-income renters.

The Housing Market Study revealed a large gap of 37,600 units of rental housing for renters making less than \$20,000 a year. Just one in six households making less than \$20,000 a year can find housing affordable to them. Public input supported these findings with stakeholders stating the need for permanent rental housing for homeless households and low- and very low-income renters as well as the increased need for tenant-based rental assistance.

Affordable homeownership opportunities for low- to moderate-income households.

In 2008, Austin had a median home price of \$240,000. Renters earning less than \$50,000 per year have extremely limited choices in Austin's housing market, with just 16 percent of the detached market affordable to them in 2008. Households making

between \$35,000 and \$49,999 can afford a maximum home price of \$160,459. Attached homes are more affordable but are still in limited supply until potential buyers reach the \$75,000 income mark.

Rehabilitation of residential housing.

Public input highlighted the continued need to provide home repairs for existing housing. This includes repairs to make homes accessible for persons with disabilities, emergency home repairs, and more substantial home repairs for low-income households.

Education and counseling for first-time homebuyers and current homeowners.

Homeowner counseling, financial education, and foreclosure prevention counseling address a need in Austin. The current economic crisis and increase in foreclosures highlights the increasing need to ensure that renters can learn how to be successful homeowners and that current homeowners have the support needed to stay in their homes.

Community Development Needs

Access to Capital for Small Businesses

Small business owners need access to capital to begin or expand their ideas. Small businesses play a large role in Austin's economy with approximately 70 percent of jobs in Travis County are small businesses of fewer than 100 employees. Without small businesses, Austin's economic health would be in jeopardy. Flexible lending, in addition to the necessary education and training, allows small businesses to grow and contribute to the community's economic revitalization.

Revitalize Neighborhood Commercial Districts

Commercial districts are the backbone of neighborhoods and provide vital amenities and services for communities, as well as employment and potential wealth creation for business owners and their employees. The current economic recession highlights the need for the City to support vital neighborhood commercial corridors. The City's efforts will continue to focus on the East 11th/12th street Corridor in East Austin.

Technical Assistance and Training

To ensure the success of small businesses, technical assistance, financial counseling, and business training are needed for small businesses and microenterprises. This assistance gives small business owners the tools they need to grow a successful business that will contribute to the local economy.

Job Creation

Job creation was listed as one of the highest needs in the needs assessment survey. With the current economic climate, the public indicated the City must continue to find ways to support job creation for low- and moderate-income households.

Draft Comment Period (June 12, 2009 – July 13, 2009)

The Draft Consolidated Plan served as a second opportunity for the city to receive targeted feedback from the public. The 30-day comment period allowed the public the opportunity to give specific feedback on recommended priorities and activities outlined in the draft Plan.

The draft comment period included:

- Two Public Hearings
 - **Thursday, June 18, 2009 at 6:00 P.M.** Austin City Council Meeting at Austin City Hall, City Council Chambers, 301 W. Second St.
 - **Monday, June 29, 2009 at 6:30 P.M.** Community Development Commission Meeting at Austin City Hall, Boards and Commissions Room, 301 W. Second St.
- A 30-day written comment period

Summary of Comments Received:

- Requests for additional data on persons exiting correctional institutions and persons with mental illness
- Increase rental housing assistance for households making less than \$20,000
- Fund supportive housing and services for the homeless & vulnerable populations
- Expand home rehabilitation and repair assistance
- Continue sustainability fund contribution to Housing Trust Fund, committing majority to rental housing
- Shift funds from homeownership to rental housing development
- Concerns that proposal weakens commitment to accessibility
- Increase transparency

The final document was approved by the Austin City Council on July 23, 2009, and submitted to HUD by August 15, 2009.

OUTCOME PERFORMANCE MEASURES

The Department of Housing and Urban Development requires an outcome performance measurement system for communities that receive formula grants. The City of Austin's outcome performance measures allow HUD to clearly demonstrate program results at the national level. Exhibit 1-5 describes the outcome performance measures for the fiscal years 2009-10 Action Plan and the fiscal years 2009-14 Consolidated Plan for the City of Austin.

Exhibit 1-6

Outcome Performance Measures

OUTCOME PERFORMANCE MEASURES		
ACTIVITY	HUD OBJECTIVE	HUD OUTCOME
Homeless/Special Needs Population		
ESG - Shelter Operation and Maintenance (ARCH)	Suitable Living Environment	Availability/ Accessibility
ESG - Homeless Essential Services (ATHHSD CDU)	Suitable Living Environment	Availability/ Accessibility
HOPWA – Rent, Mortgage, and Utility Assistance (HOPWA-TBRA & STRMU)	Decent Housing	Affordability
HOPWA – Permanent Housing Placement (PHP)	Decent Housing	Affordability
HOPWA - Short Term Supported Housing	Decent Housing	Affordability
HOPWA – Transitional Housing Assistance	Decent Housing	Affordability
HOPWA – Supportive Services	Decent Housing	Affordability
Child Care Services	Suitable Living Environment	Availability/ Accessibility
Senior Services	Suitable Living Environment	Availability/ Accessibility
Youth Support Services	Suitable Living Environment	Availability/ Accessibility
Renter Assistance		
Tenant-based rental assistance	Decent Housing	Affordability
Tenants' Rights Assistance	Suitable Living Environment	Availability/ Accessibility
Architectural Barrier Removal Program (Rental)	Suitable Living Environment	Availability/ Accessibility
Homebuyer Assistance		
Housing Smarts	Suitable Living Environment	Availability/ Accessibility
Down Payment Assistance	Decent Housing	Availability/ Accessibility
Homeowner Assistance		
Architectural Barrier Program	Suitable Living Environment	Availability/ Accessibility
Emergency Home Repair Program	Decent Housing	Sustainability
Homeowner Rehabilitation Loan Program	Suitable Living Environment	Sustainability
Home Repair Program	Suitable Living Environment	Sustainability
Lead Hazard Control Grant- Healthy Homes	Suitable Living Environment	Sustainability
Holly Good Neighbor	Suitable Living Environment	Sustainability
Materials Grants Program	Decent Housing	Sustainability

ACTIVITY	HUD OBJECTIVE	HUD OUTCOME
Housing Developer Assistance		
Rental Hsg. Development Assistance	Decent Housing	Affordability
Acquisition & Development	Decent Housing	Affordability
CHDO Operating Expenses Grants	Decent Housing	Affordability
Developer Incentives	Decent Housing	Affordability
Commercial Revitalization		
East 11th/12th Street - Acquisition & Development	Creating Economic Opportunity	Sustainability
East 11th/12th Street - Historic Preservation	Creating Economic Opportunity	Sustainability
East 11th/12th Street - Parking Facilities	Creating Economic Opportunity	Sustainability
Small Business Assistance		
Community Development Bank	Creating Economic Opportunity	Availability/ Accessibility
Microenterprise Technical Assistance	Creating Economic Opportunity	Sustainability
Neighborhood Commercial Mgmt	Creating Economic Opportunity	Availability/ Accessibility
Façade Improvement Program	Creating Economic Opportunity	Sustainability
Community, Preservation, & Revitalization	Creating Economic Opportunity	Availability/ Accessibility

EVALUATION OF PAST PERFORMANCE

The City reports on its progress towards goals set in the Consolidated Plan and Action Plans in the Consolidated Annual Performance and Evaluation Report (CAPER). The City has reported on four out of the five years of the fiscal year 2004-09 Consolidated Plan. The fiscal year 2008-09 CAPER is due to HUD December 31, 2009.

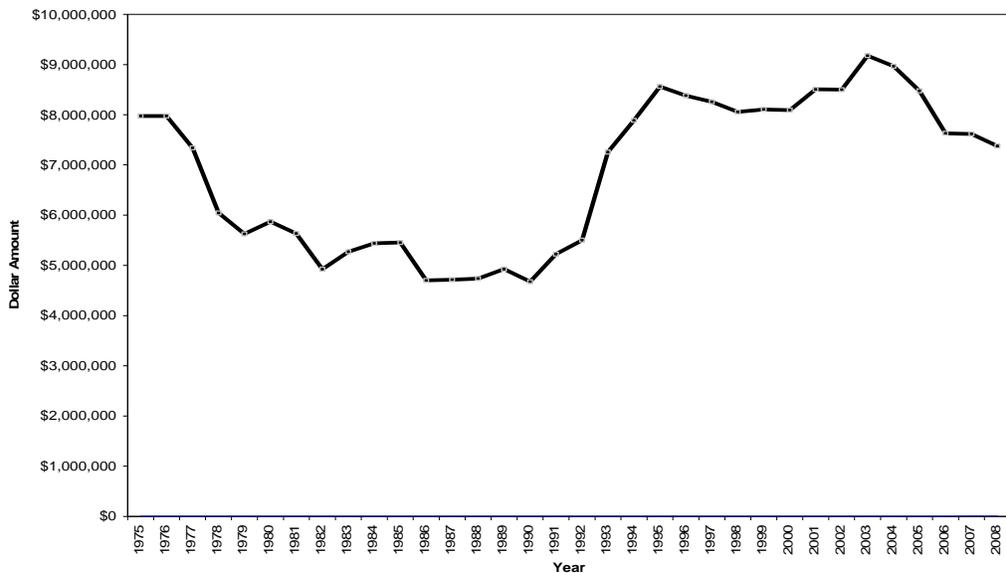
The City has already exceeded the cumulative housing and community development goals set in the fiscal year 2004-09 Consolidated Plan. Even with this success, some specific housing activities have been negatively impacted by the increased cost in the Austin housing market. For instance, homebuyer and rental assistance programs have yet to achieve their five-year goals. Some programs, notably the East 11th/12th Street Commercial Revitalization, take several years to implement, so some accomplishments have not yet been realized.

History of funding received by HUD and City of Austin

The City has received approximately \$69 million from HUD in the four formula grants over the last 5 years. HUD determines the amount of money awarded according to a calculated formula using variables such as population and poverty level.

The City of Austin began receiving Community Development Block Grant (CDBG) funds in 1975 and has continued to receive funds each year. Exhibit 1-7 illustrates the amount of CDBG funding the City of Austin has received each year since 1975.

Exhibit 1-7
City of Austin, CDBG History of Funding

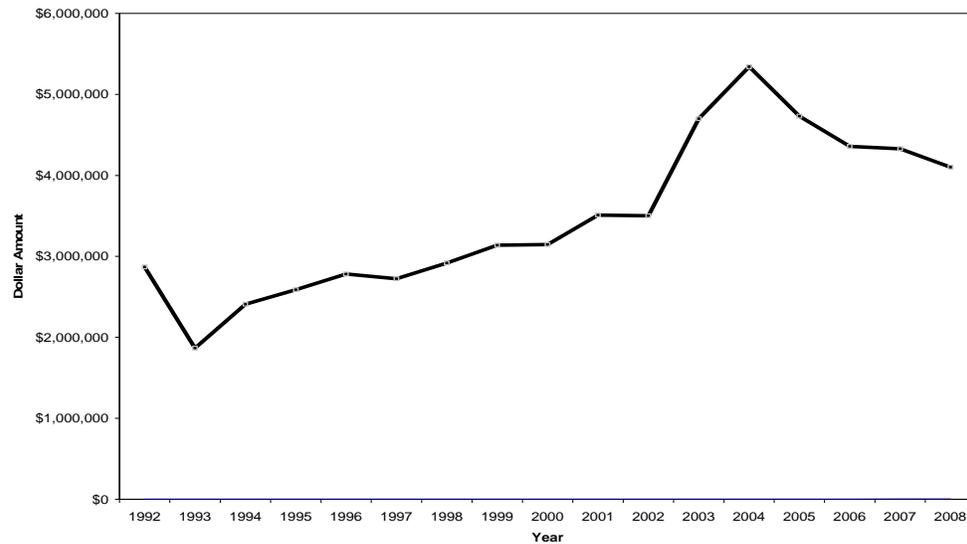


CDBG provides communities with a flexible funding source for communities. Eligible uses include housing (not new construction), public facilities, economic development, and a limited amount of public services, with a 15 percent cap. CDBG funds must meet a national objective to either service low- and moderate-income households, eliminate slum and blight, or meet an urgent need. This Consolidated Plan considers public facilities a medium priority

and does not provide new funding to new public facilities. The City, however, is obligated to continue making debt repayment for several public facilities with new CDBG funds.

The City of Austin has been receiving HOME Investment Partnership funds (HOME) since 1992. Exhibit 1-8 illustrates the amount of HOME funds received each year since 1992.

Exhibit 1-8
City of Austin, HOME History of Funding



HOME funds are eligible to fund acquisition, rehabilitation, new construction, down payment assistance, and tenant based rental assistance – with deeper affordability targets for rental for low- and moderate-income households.