



## SECTION 3 COMMUNITY DEVELOPMENT PROJECTS



Community Development Goals and Strategies  
Commercial Revitalization  
Small Business Development  
Public Services

# Community Development Strategic Plan

The section serves as an outline of the City of Austin’s Neighborhood Housing and Community Development Department’s (NHCD) Community Development Strategic Plan for Fiscal Year 2004-05 thru 2008-09. It includes the needs, priorities, specific objectives and strategies, drawing from relevant information from the community needs assessment described in the Introduction (please see page 1-17) other reports and studies. The Community Development strategies seek to achieve the following statutory goals, primarily for extremely-low, low- and moderate-income residents:

- Provide decent housing;
- A suitable living environment; and
- Expand economic opportunities.

**Summary of Priority Community Development Needs**

In light of the community needs analysis, NHCD has established the following priorities for Community Development CDBG funding.

**Figure 3a: Summary of CDBG Priority Community Development Needs**

Type of Community Development	Priority for Federal Funds	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	Total #
		Goal	Goal	Goal	Goal	Goal	
Commercial Revitalization	High	3,269	3,269	3,269	3,269	3,269	<b>16,345 Households</b>
Small Business Development	High	300	278	279	261	258	<b>1500 Households</b>
Public Services (Neighborhood Revitalization)	High	34,544	30,408	30,996	31,596	32,209	<b>172,720 Households</b>
Public Facilities*	Medium	N/A	N/A	N/A	N/A	N/A	
Infrastructure**	Low	N/A	N/A	N/A	N/A	N/A	<b>TOTAL</b>
		<b>38,113</b>	<b>33,955</b>	<b>35,144</b>	<b>35,126</b>	<b>35,736</b>	<b>178,074</b>

These are only projections and are based on level funding. Please see the appropriate Action Plan for actual yearly goals.

\* **Public Facilities:** There are other funding sources that are more appropriate for providing this service.

\*\* **Infrastructure:** The City Council Ordinance prohibits NHCD from using CDBG funds for infrastructure.

# Community Development Strategic Plan

**Five-Year  
Goals and  
Strategies**

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

**COMMUNITY DEVELOPMENT GOAL:** Assist over 30,000 low-income households annually using the following strategies:

**Community Revitalization Strategy: Serve low-income households, small businesses, and housing non-profit organizations, and provide commercial space through the following activities:**

Activities

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- A. Repair and renovate single family housing
- B. Build mixed income housing
- C. Support commercial development that leads to job creation
- D. Support neighborhood organizations
- E. Promote fair housing practices
- F. Promote historical preservation and renovation
- G. Ensure adequate infrastructure for revitalization
- H. Provide information to neighborhoods about City services

**Small Business Development Strategy: Serve low-income households and small businesses through the following activities:**

Activities

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- A. Provide small business training and technical assistance
- B. Provide small business loans that lead to job creation
- C. Provide networking opportunities for small business owners
- D. Open new contracting opportunities for small businesses

**Public Services Strategy: Serve low-income households through the following activities:**

Activities

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- A. Increase access to quality childcare
- B. Support access to existing senior services
- C. Improve available services for youth
- D. Support access to adult basic education
- E. Provide job training for Housing Authority residents

# Community Development Strategic Plan

**Process for  
Establishing  
Priority  
Programs**

The City of Austin’s Neighborhood Housing and Community Development Department’s (NHCD) Community Development staff reviewed several reports of the business climate and social fabric completed over the past several years, including:

- Fostering the Austin Equitable Region, December 2001 – proposed a strategic plan for better integrating Austin's minority community into city’s economic growth.
- Needs Assessment for Small Business Development Services, November 2002 – researched the gap between the assistance small businesses need and what is available.
- Mayor’s Task Force on the Economy Report, April 2003 – focused on the need to create jobs and make Austin more business friendly while maintaining Austin’s quality of life and core community values.
- Chamber of Commerce Market and Demographic Study, May 2003 – provided a background of recent business and demographic trends in the city.
- Sustainability Indicators Project, December 2003 – discussed economic, social and environmental trends in the Central Texas Region.

Using this review, Community Development staff identified priority programs. Following this work, additional written materials from the community needs assessment were distributed to the NHCD’s leadership team in preparation for a departmental effort to identify priority needs. At the session, the NHCD Planning Unit presented information regarding housing and community development issues from the community needs assessment obtained through these methods:

- 2004 Market Study (2004, NHCD)
- Impediments to Fair Housing Choice Study (2004, J-Quad and Associates)
- Community Needs Survey of Citizens (2004, NHCD)
- Testimony Offered at NHCD and Human Rights Commission Public Hearings
- Consultations with local social service providers, activists, industry, and government officials
- Interactive Web Survey of Service Providers, (2004, NHCD) and
- Written Comments.

Changes over the preceding 5 years in the economy as well as accomplishments of NHCD programs mandate an adjustment in strategies and emphasis within the continuum for the future.

**Key  
Trends  
and  
Indicators**

Some of the key trends noted in the discussion were:

- Increasing ethnic diversity, especially in regards to the Hispanic population.
- Growing unemployment rate in Austin (6.2 % in early 2003).

## Community Development Strategic Plan

- Mean hourly earnings were \$18.11. Only Phoenix was lower (\$16.11) among cities of similar size.
- Almost 94% of the firms in Austin area employ fewer than 50 workers.
- 68% of start-up businesses survive their first three years in Austin. This has remained relatively unchanged over the past several years.
- While 9% of all families are at or below poverty, fully 13% of families with children, and 20% of one-parent families with children are at or below poverty.
- In the past 10 years, the number of adult Austinites who can speak English “not well” or “not at all” has risen from roughly 20,000 to over 60,000 individuals.

### Process for Establishing Priority Areas

A significant component of Austin’s housing strategy for the next five years will be implementing housing affordability in neighborhood areas. Community Development will support these efforts by focusing our activities in the same areas. The combined emphasis of implementing housing and community development activities in the same neighborhoods will maximize impact of our efforts to move the community towards becoming a healthy, vital neighborhood, and directly improving the of quality of life for the residents.

The two main criteria used to select the neighborhoods will be:

- Neighborhoods meeting HUD’s definition of a low-moderate income neighborhood. (Having a poverty rate of 25% or greater or more than 60% of households at 80% or less of median household income).
- Neighborhoods with Neighborhood Plans or Master Plans that have been adopted by City Council.

The following neighborhoods have been identified in the Action Plan 2004-05 for emphasis:

- Central East Austin
- Montopolis
- Govalle
- East Martin Luther King

Also during 2005, a schedule for addressing the needs of Austin’s low- to moderate-income residents in additional neighborhood plan areas will be developed. The balance of neighborhood planning areas that have adopted housing affordability components along with the former Robert Mueller Airport site and the Colony Park neighborhood will receive assistance based on City Council priorities and funding availability.

# Community Development Strategic Plan

## Other Neighborhood Projects

In addition, over the next several years, NHCD may have the opportunity to provide housing and community development assistance in the following special project areas:

- Colony Park
- Robert Mueller Municipal Airport Redevelopment
- 4<sup>th</sup> & 5<sup>th</sup> Street Redevelopment
- Chicon Urban Renewal Plan
- East 7<sup>th</sup> Street
- Featherlite tract in the Chestnut neighborhood.

## Unique Opportunities

Several unique opportunities for community development will be happening in Austin over the next five years.

### **Colony Park:**

This mixed-use development will include a Police facility, a park and affordable housing that meets the City's S.M.A.R.T Housing standards.

### **Neighborhood Plans in Priority Areas:**

Adopted neighborhood plans provide guidance and leadership structure; leveraging our efforts.

### **Robert Mueller Municipal Airport Redevelopment:**

This property will be redeveloping over the next several years, and represents the largest infill project in Austin's history.

### **Fourth and Fifth Street Redevelopment:**

We anticipate that a great deal of new development will be occurring along this important East Austin corridor. Integration of new development with the existing neighborhood and other revitalization efforts will be critical to ensuring its ultimate success. Capital Metro, as one of the largest landowners along this corridor, will be a key player in the redevelopment along the rail lines.

### **Central East Austin Revitalization Area:**

The City of Austin has presented a proposal to the United States Department of Housing and Urban Development (HUD) for additional funds to be used in the support of the ongoing redevelopment activities in Central East Austin. Along with the 11<sup>th</sup> & 12<sup>th</sup> Streets Revitalization Project, federal funds would be used to implement projects identified in the adopted neighborhood plans for the Chestnut, Rosewood and Central East Austin Planning Areas.

## Community Development Strategic Plan

### **Montopolis Neighborhood: Energy Efficient Housing Development**

This joint project by NHCD and Austin Energy will be a cutting-edge demonstration of solar power technology. The innovative energy features of the new homes will provide a model for examining the role that alternative energy sources can play in lowering the life-cycle cost of housing, and how well alternative energy generation facilities can be incorporated into a neighborhood.

### **Interdepartmental Community Service Teams:**

Greater inter-departmental coordination could improve service delivery. Currently there is some overlap and duplication of efforts among City departments that provide direct services to neighborhoods. A proactive Service Delivery Team could provide the needed venue for greater communication and coordination.

### **Chicon Urban Renewal Plan:**

The existing Urban Renewal Plan will be expanded to include portion of Chicon Street.

### **East 7<sup>th</sup> Street:**

The second of three major redevelopment corridors in East Austin (along with 11<sup>th</sup> & 12<sup>th</sup> Streets and 4<sup>th</sup> and 5<sup>th</sup> streets), East 7<sup>th</sup> Street will have an additional focus of community development activities over the next four to five years.

### **Featherlite:**

This long-vacant brown-fields site near the Chestnut neighborhood has been proposed for redevelopment. The site is large enough to support a variety of neighborhood-enhancing commercial, residential and mixed-use buildings.

### **Ongoing Challenges**

#### **Gentrification:**

Efforts to improve economic and living conditions in neighborhoods can contribute to gentrification and involuntary displacement of existing residents. Community Development will continue to work with other divisions in NHCD and with other agencies to support the ability of existing residents and businesses to remain in place.

#### **Competing Geographical Areas:**

A significant component of Austin's housing strategy for the next five years will be implementing housing affordability in neighborhood areas. Community Development will support these efforts by focusing our activities in the same areas. The combined emphasis of implementing housing and community development activities in the same targeted neighborhoods will maximize impact of our efforts to move the community towards becoming a healthy, vital neighborhood, and directly improving the of quality of life for the residents.

## Community Development Strategic Plan

Also during 2005, a schedule for addressing the needs of Austin's low- to moderate-income residents in additional neighborhood plan areas will be developed. The balance of neighborhood planning areas that have adopted housing affordability components along with the former Robert Mueller Airport site and the Colony Park neighborhood will receive assistance based on City Council priorities and funding availability.

### **Duplication of Services:**

Community Development works with the delivery of services in areas that are sometimes similar to services provided by other City departments and outside organizations. Careful coordination is required to make sure our efforts compliment, and not simply duplicate, the efforts of other groups.

# Community Development Strategic Plan

**Goals,  
Objectives  
and  
Strategies**

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**Community Revitalization Strategy: Serve low-income households, small businesses, and housing non-profit organizations, and provide commercial space through the following activities:**

**Activities**

- A. Repair and renovate single family housing
- B. Build mixed income housing
- C. Support commercial development that leads to job creation
- D. Support neighborhood organizations
- E. Promote fair housing practices
- F. Promote historical preservation and renovation
- G. Ensure adequate infrastructure for revitalization
- H. Provide information to neighborhoods about City services

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**Activity A: Repair and Renovate Single Family Housing**

NHCD supports an annual home-repair event by organizing supplemental community service projects. The event offers volunteers an opportunity to make minor repairs to the homes of low-income homeowners. The City organizes neighborhood clean-ups and other area benefits that support the work done on that project.

**Programs:**

- Neighborhood Support Program
- Anderson Hill Redevelopment Project
- Holly Good Neighbor Program
- East Austin Sustainable Neighborhood Proposal

**Goals:**

Over the next five years, the desired goal is to increase the number of homes repaired and number of volunteers and organizations participating in community service projects by five percent each year. Additionally, the City will repair and renovate 12 units in the Anderson Hill neighborhood and continue to coordinate with the Austin Energy assistance in the Holly neighborhood

**Activity B: Build Mixed Income Housing**

NHCD intends to build on the lessons learned from its work with the organization Neighborhood Housing Services of Austin, and assist other non-profit housing builders improve and expand their operations. In cooperation with the CHDO round table - a collaborative group of several housing-oriented community organizations -the City is developing a program of training, technical assistance, organization support, funding and certification for non-profit housing developers. This program will allow CHDO's and other non-profit organizations to increase their capacity to build new mixed income housing that best meets the needs of their target neighborhoods and citizens.

## Community Development Strategic Plan

**Programs:**

- Non-Profit Organization Capacity Building Program
- Anderson Hill Redevelopment Project
- Juniper/Olive Streets Historical Restoration Project
- East Austin Sustainable Neighborhood Proposal

**Goals:**

The training and certification will assist non-profit organizations in receiving and maximizing the use of loans from independent private lenders and other sources. This program will be fully funded to accept participants for the 2004 fiscal year, and will have provided training and other support to 40 organizations by the end of FY 2009. Forty-four new units will be constructed for sale and 24 for rental as part of the Anderson Hill project. Eight new homes will be built in the Juniper/Olive Streets Historical area, and up to 480 homes if the East Austin Sustainable Neighborhood Proposal funding is approved in full.

**Activity C: Support Commercial Development that Leads to Job Creation**

NHCD will provide financing opportunities to our customers for improvements to commercial, industrial, and mixed-use property in select areas. NHCD will work with our customers in identifying current vacant land in select areas for development opportunities.

**Programs:**

- East 11<sup>th</sup> and 12<sup>th</sup> Street Revitalization Project
- Neighborhood Commercial Management Program
- Façade Improvement Program
- East Austin Sustainable Neighborhood Proposal
- HUD 108 Loan Program

**Goals:**

The overall goal is to expand the availability of goods and services in designated areas and create jobs. The five-year goal is to repair/renovate 118,000 square feet of commercial space and provide up to 100 façade improvements. The façade improvement program will expand its area of operation from the 11<sup>th</sup> and 12<sup>th</sup> street corridors to the entire East Austin Masterplan area. The five-year goal for commercial space is to develop 365,000 square feet of new space.

**Activity D. Support Neighborhood Organizations**

NHCD will continue to support neighborhood organizations and strive to build their capacity for independent actions. In the past, this program has defrayed the cost of printing newsletters, organized clean-ups and held safety fairs.

**Programs:**

- Neighborhood Support Program

**Goals:**

The project will assist 3500 eligible households annually, 17,500 by the end of 2009.

## Community Development Strategic Plan

### **Activity E. Promote Fair Housing Practices**

The City's Neighborhood Housing and Community Development Department will continue to work to promote fair housing practices throughout the City. The City of Austin has Fair Housing laws that are substantially equivalent to the Fair Housing Act. Fair Housing enforcement is provided through the Austin Commission on Human Rights, often following up on complaints received through the Austin Tenant's Council (ATC.) The ATC, as a HUD-recognized Fair Housing Initiative Program, provides a variety of services to the public, including the City-funded Tenant's Rights Assistance Program.

#### **Programs:**

- Tenant's Rights Assistance Program

#### **Goals:**

The project will annually assist 630 eligible renters, 3150 over five years.

### **Activity F: Promote Historical Preservation and Renovation**

This service will assist in restoring, stabilizing or promoting historic properties, protecting important archeological sites. In doing so this will create new jobs, provide affordable quality housing, increase economic development and revitalize business districts.

This can be accomplished by a combined action of private enterprise, and other public action. There are also grant programs offered by the Texas Historical Commission to assist in historical preservation and renovation.

#### **Programs:**

- 11<sup>th</sup> and 12<sup>th</sup> Street Revitalization Project
- Juniper/Olive Streets Historical Housing Project
- Façade Improvement Program
- 4<sup>th</sup> and 5<sup>th</sup> Street Redevelopment Project
- East Austin Sustainable Neighborhood Proposal

#### **Goals:**

The five-year goal is to renovate a minimum of 40 "high priority" historic units in three neighborhood-planning areas, Chestnut, Central East Austin and East César Chávez.

### **Activity G: Ensure Adequate Infrastructure for Revitalization**

This service is to assist in providing for adequate and safe infrastructure including streets, drainage, and sidewalks to improve the quality of life for low and moderate-income residential streets and neighborhoods directed towards supporting commercial and/or residential development. NHCD will provide assistance.

#### **Programs:**

- 11<sup>th</sup> and 12<sup>th</sup> Street Redevelopment Project
- East Austin Sustainable Neighborhood Proposal

# Community Development Strategic Plan

**Goals:**

At the end of five years the goal is to have assisted three neighborhood-planning areas, Chestnut, Central East Austin and East Cesar Chavez, in addressing their infrastructure needs.

**Activity H: Provide Information to Neighborhoods about City Services**

NHCD collaborates with other City departments, local agencies and neighborhood-based organizations to conduct this annual NeighborFest Event. This event provides residents the opportunity to access critical information on City services, social services and private sector opportunities. Educational workshops are a component of this event with classes covering health, weatherization and homebuyer education.

**Programs:**

- Neighborhood Support Program

**Goals:**

The goal of this service is to provide neighborhood residents the opportunity to improve their knowledge of available services. The first Strategy of the five-year goal would be to increase the number of fairs held to two each year. The second Strategy would be to increase the number of residents and vendors participating by ten percent each year.

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**Small Business Development strategies: Serve low-income households and small businesses through the following activities:**

**Activities:**

- A. Provide small business training and technical assistance.
- B. Provide small business loans that lead to job creation.
- C. Provide networking opportunities for small business owners
- D. Open new contracting opportunities for small businesses

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**Activity A: Provide Small Business Training and Technical Assistance.**

NHCD will contract with several Non-Profit Economic Development Organizations to provide training and technical assistance to small businesses located within the City limits of Austin that will ultimately lead to job creation and retention.

**Programs:**

- Small Minority Business Assistance Program
- Micro-Enterprise Technical Assistance

**Goals:**

At the end of the five year term 1000 businesses (200 annually) will be assisted, and at least 100 jobs will have been created as a result of the training and technical assistance provided.

## Community Development Strategic Plan

### **Activity B: Provide Small Business Loans that Lead to Job Creation.**

NHCD will provide a revolving loan fund that will make low interest loans to existing businesses within the City limits of Austin in exchange for job creation primarily for low-to-moderate income individuals. Currently the Neighborhood Commercial Management Loan Program offers 6% interest on its loans to eligible businesses. This interest rate will be lowered to 3% through the application of additional CDBG funds to offset the interest payments.

In addition to loans made directly to small business owners NHCD will provide administrative funding to Non-Profit Economic Development Organizations that provide lending opportunities to small business owners and individuals starting businesses also in exchange for job creation.

#### **Programs:**

- Neighborhood Commercial Management Loan Program
- Community Development Bank
- Micro-Enterprise Technical Assistance

#### **Goals:**

At the end of the five years these programs will be responsible for the creation of 500 jobs primarily for low-to-moderate income persons.

### **Activity C: Provide Networking Opportunities for Small Business Owners**

In an effort to encourage small business owners to come together and see one another as potential resources and partners NHCD will contract with several Non-Profit Economic Development Organizations to hold several networking functions annually geared toward small Austin businesses at varying locations.

#### **Programs:**

- Small Minority Business Assistance Program
- Community Development Bank
- Micro-Enterprise Technical Assistance
- Business Assistance Center

#### **Goals:**

At the end of the five years these project will be hosting 8 networking opportunities annually.

### **Activity D: Open New Contracting Opportunities for Small Businesses**

NHCD will research the feasibility of offering a contract lending product to existing small businesses pursuing large bids both with the City and others. By taking a lien on the actual contract awarded to the small business NHCD could potentially provide valuable working capital at the beginning of the project to allow the small business to get the required staffing and equipment in place to complete the project. At project completion NHCD would receive a portion of the payment equal to its investment in the project directly from the City or other contractor.

# Community Development Strategic Plan

**Programs:**

- Contract Loan Program (proposed)

**Goals:**

At the end of five years this program will be fully functional and allow loans of up to 50% of the contract amount.

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**Public Services Strategy: Serve low-income households through the following activities:**

**Activities**

- A. Increase access to quality childcare
- B. Support access to existing senior services
- C. Improve available services for youth
- D. Support access to adult basic education
- E. Improve interdepartmental coordination.

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**Activity A. Increase access to quality childcare**

Working through the Austin/Travis County Health and Human Services Department (HHSD), this activity increases the supply and quality of childcare in Austin for low-income residents and provides parent education classes to teen parents.

**Programs:**

- Childcare Services

**Goals:**

Within five years, approximately 1500 low to moderate-income children are anticipated to have received services through this program, and 300 childcare staff will receive on-site training.

**Activity B. Support access to existing senior services**

The Senior Services program operates a variety of community-based services and develops partnerships supporting older adults, people with disabilities, and those who care for them. The program supports advocacy for older adults so they may stay in their homes and communities.

**Programs:**

- Senior Services

**Goals:**

This program will provide, annually, temporary shelter to 20 elders, assist 42 elders at risk of abuse, and assist 110 elders receive home care and 15 elders will receive money management services. Over five years, the program will provide temporary shelter to 100 elders, assist 210 elders at risk of abuse, and assist 554 elders receive home care and 75 elders will receive money management services.

## Community Development Strategic Plan

### **Activity C. Improve available services for youth**

This program provides support for organizations working with at-risk youth by providing assessment, referrals, tutoring, mentoring, training, recreational programs and other opportunities. The program works with the Austin Independent School district to most effectively target these services.

#### **Programs:**

- Youth Services.

#### **Goals:**

This program will provide services to 170 youth and families will receive holistic wrap-around services annually, and serve 850 over five years.

### **Activity D. Support access to Adult Basic Education**

The Adult Basic Education program provides a variety of classes to eligible adults including English as a Second Language and GED training courses.

#### **Programs:**

- Adult Basic Education

#### **Goals:**

The goal is to serve 600 students, of whom, at least 51% (306) will be CDBG eligible annually, 3000 over five years.

### **Activity E. Provide Job Training for Housing Authority Residents**

Community Development seeks to develop a collaborative effort to provide job training and placement opportunities for residents of Housing Authority properties. As an example, Austin Energy currently offers substantial rebates for homeowners installing solar power equipment on their homes. The increased demand for qualified solar power installation workers could be met by training and hiring residents of Housing Authority properties, helping them move towards greater self-sufficiency.

#### **Programs:**

- Collaborative job training and placement (proposed)

#### **Goals:**

As this project is proposed, the first goal is to establish program guidelines and to work with other involved departments to design the specifics of program operation. The program could be providing training and placement for workers by Fiscal Year 2005-06, and if this project is approved, it will appear in the FY 2005-06 Action Plan.