



## INTRODUCTION



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## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Executive Summary

#### Vision and Mission

##### **City of Austin Vision:**

To be the most livable community in the country.

##### **Neighborhood Housing and Community Development Department Mission:**

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

To accomplish this mission, NHCD directly administers a variety of programs to serve the community's housing, community development, and economic development needs and provides grant funding to various agencies and non-profit organizations.

#### Executive Summary

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The City of Austin's Consolidated Plan spanning fiscal years 2004-05 through 2008-09 is the City's blueprint for addressing the community's most critical housing and community development needs. Consistent with research and public comments, increasing affordable housing and creating jobs were named Austin's highest priorities. The Plan allocates a total of more than \$63 million in federal, state and local resources, which is estimated to assist more than 20,000 Austin households with affordable housing, small business development, public service and economic development.

The citizens of Austin were instrumental in developing this plan, which is a result of almost a year of activity by the City of Austin, Neighborhood Housing and Community Development Department (NHCD). City staff drew on authoritative sources to provide a quantitative analysis of community needs. An independent consultant was hired to evaluate impediments to fair housing choice and assess the needs of special populations. Staff also conducted five public hearings at which more than 115 people testified; held seven consultations 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. The City collected 1,029 citizen surveys; and received 20 letters from the public during the written comment period. The Planning staff made several presentations of all the data gathered through the 4 months of needs assessment activities. Professional program staff used this information to evaluate existing programs, then to project future demand and capacity in priority areas. Upon presentation of the draft Consolidated Plan, additional comment was received at two public hearings and in 39 letters. This comment was considered in the final preparation for the plan.

The Austin economy has changed extensively since the 2000-2005 Consolidated Plan was developed in 1999. At that time, an extreme lack of affordable housing existed in Austin and Travis County as evidenced by very high occupancy rates and skyrocketing costs in the latter half of the 1990s. The tight housing market was coupled with a heated economy, job growth and high in-migration. The slowing of the regional economy since the recession began in early 2000 induced growing unemployment, dwindling per capita income, slower growth, and increased numbers of foreclosures.

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# Executive Summary

The City of Austin Neighborhood Housing and Community Development Department has had a tremendous impact on housing production at all stages of the housing continuum within the City limits since 1999. In addition, multi-year projects in community development have come to fruition during that time span. Although the increase in supply as well as the cooling of the housing market has favorably affected availability and, to a certain extent, pricing, other economic trends have eroded job opportunities as well as opportunities for obtaining and retaining adequate affordable housing.

The market study was prepared for the discussion of priorities, and details these general trends. The information received from various forms of citizen participation underscores the changes that have occurred in the market. The priorities identified and recommendations included in the following document balance public desires for current or new programs with existing commitments and funding realities.

These recommendations continue to support funding for Austin's highest priority needs through the existing network of housing and public service providers. Although no new housing programs are proposed, NHCD will shift its focus in two important ways. First, programs will serve households at lower income levels than in the past due to the changes in the market. Second, completed Neighborhood Plans will be utilized to generate support for affordable housing and increase successful neighborhood revitalization. A Capacity Building Program for Community Housing Development Organizations will be created. No new public services are proposed. Public Facilities has been designated a medium priority, as no new funding is proposed within the next five years. Although, a large share of new CDBG funding (\$1.2 million, or 13%) is already committed to debt service on two existing public facilities - the Millennium Youth Center and the Austin Resource for the Homeless (ARCH). NHCD may partner with community members to provide facility space through other funding sources and mechanisms.

Given these parameters, the City of Austin will focus its programs on serving fundamental needs of the Austin community during the next five years: housing, through the various stages of the housing continuum, and employment, through small business development, commercial revitalization and public services.

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# Purpose and Overview

#### **National Goals**

Federal law requires that housing and community development grant funds primarily benefit low- and moderate- income persons in accordance with the following 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 in dignity.

#### **Expand economic opportunities**

Within this goal are 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. The City of Austin's vision is to be the most livable community in the country.

The Action Plan for fiscal year 2004-05 is the City's annual strategy for addressing the community's critical housing and community development needs. This plan was developed under the guidelines established by the U.S. Department of Housing and Urban Development (HUD), and it serves as the application for four formula grant programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for People with AIDS (HOPWA) and Emergency Shelter Grants (ESG).

#### **Annual HUD Process**

Every three to five years, the City of Austin is required by law to prepare a Consolidated Plan in order 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. 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 the HUD Field Office in San Antonio, Texas no later than August 15, annually.

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,

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# Purpose and Overview

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 and the Annual Action Plan. This annual performance report, prepared with public review and comment, must be submitted to HUD annually no later than December 31.

#### **Consolidated Plan Purpose**

The Consolidated Plan, 2005-2009, presents a coordinated approach for addressing Austin's housing and community development needs for the next five years. The plan describes community needs, resources, priorities, and proposed activities to be undertaken with certain federal grant funds. The City of Austin combined quantitative analyses of the needs of Austin's low- and moderate- income residents with substantial input from residents, business owners, community leaders, and service providers to determine how to use these resources most effectively.

This Plan was developed under the guidelines established by the U. S. Department of Housing and Urban Development (HUD) and it 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)

All funding recommendations for, and programs operated with, these funds will be judged based on their ability to help the City meet the goals and priorities established in this Plan. The City wishes to thank the more than over 2,000 Austin residents who participated in this process. It is our hope that this Plan will result in helping our families and neighborhoods to work more effectively together and thrive in the years ahead.

#### **Lead Agency**

The Neighborhood Housing and Community Development Department (NHCD) is designated by the City, as the single point of contact with the U.S. Department of Housing and Urban Development (HUD), and lead agency for the grant administration of the CDBG, HOME, HOPWA, and ESG programs. The City designates NHCD to be the program administrator for CDBG and HOME programs. The City designates the Austin/Travis County Health and Human Services Department (HHSD) as the program administrator for the HOPWA and ESG programs.

As the single point of contact for HUD, NHCD is responsible for developing the 5-Year Consolidated and Annual Action Plans. NHCD works with the HHSD, the Community Development Commission (CDC), and the Austin Area Comprehensive HIV Planning Council (HIV Planning Council).

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**Review of Five-Year Goals FY 2001-04**

**Figure 1a: Housing and Economic Goals and Accomplishments FY 2001-03**

2001-03 GOALS PROGRAM		FY 2000-01		FY 2001-02		FY 2002-03		Total #	New Goal:	FY 2003-04
		Actual	% of Goal	Actual	% of Goal	Actual	% of Goal		2004 GOALS	Estimated Households Served
<b>Housing Goal: Create and/or retain 5,000 units annually by 2005</b>	Affordable Housing:	2,206	44%	2,924	58%	3,388	67%	8,518 units	<b>Four thousand households will gain or retain housing.</b>	9,350
<b>Economic Goal: Create and/or preserve 250 jobs annually by 2005</b>	Community/Economic Development : Job Creation	71	28%	115	46%	160	64%	346 jobs	<b>One hundred households will gain and/or retain jobs</b>	91
<b>Increase opportunities for self-sufficiency for 22,422 persons</b>	Public Services	31,771	142%	27,188	118%	18,497	-11%	77,456 persons served	<b>17,350 households served through Neighborhood Revitalization (Public Services) and Public Facilities</b>	16,649
<b>Revitalize East 11<sup>th</sup> and 12<sup>th</sup> Street corridor</b>	Commercial Revitalization	N/A		N/A		N/A		N/A	<b>3,269 households will benefit from Commercial Revitalization</b>	3,269

**AFFORDABLE HOUSING**

**Goal: Create and/or Retain 5,000 Units of Affordable Housing Annually by 2005**

The City contracts with the Austin Housing Finance Corporation (AHFC) for housing production to meet this goal. AHFC operates consumer lending programs that provide down payment assistance; homeowner rehabilitation programs; and operates programs to develop affordable housing for rental and homeownership. AHFC also coordinates providing emergency home repairs, architectural barrier removal services, and tenant based rental assistance. In addition, AHFC is responsible for implementing housing developments in accordance with the City-adopted housing policy. The S.M.A.R.T. (Safe, Mixed-Income, Accessible, Reasonably-priced, Transit-Oriented) Housing™ initiative was adopted in April 2000 to stimulate the development of reasonably-priced, mixed-income, accessible housing. It provides advocacy through the review process and developer incentives such as city fee waivers. This initiative is the most successful housing production program in the City.

Housing programs are funded with federal sources such as Community Development Block Grant and HOME Investment Partnerships Programs as well as non-federal funds such as the Housing Trust Fund and S.M.A.R.T. Housing™ Capital Improvement Fund. City-funded housing activities are designed to help maintain the current affordable housing stock, create new affordable housing units and increase homebuyer opportunities.

## Review of Five-Year Goals FY 2001-04

In FY 2000-01, the City produced 2,206 housing units. During FY 2001-02, the City produced 2,924 housing units using all sources of funds including federal and non-federal funds. As it is currently worded, the goal is to produce 5,000 housing units annually by 2005. Despite the slowing Austin economy, the City continues to work toward this goal. In FY 2002-03 using all funding sources, the City produced 3,388 units and served 3,444 persons with housing programs. The City reevaluated the measures of this goal for the Action Plan 2003-04. A more accurate measurement of this goal is to reflect households served rather than units produced.

**CDBG Activities:** Architectural Barrier Removal, Rental Housing Development Assistance, Anderson Hill Redevelopment, Down Payment Assistance, Acquisition and Development, Community Housing Development Organization (owner), Emergency Home Repair, Homeowner Rehabilitation Loan Program.

**HOME Activities:** Tenant Based-Rental Assistance, Rental Housing Development Assistance, Anderson Hill Redevelopment, Down Payment Assistance, Acquisition and Development, Community Housing Development Organizations.

### **ECONOMIC DEVELOPMENT**

#### **Goal: Create and/or retain 250 jobs by 2005, primarily for low- and moderate-income residents**

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This goal addressed creating jobs for residents with low to moderate incomes by providing loans and technical assistance to micro-enterprise, and small and minority-owned businesses. Economic development programs have met their five-year goal of creating/retaining 250 jobs for low and moderate-income residents by creating 346 jobs, exceeding the goal by 96 jobs. Please refer to Table 2 below for prior fiscal year accomplishments.

**CDBG Activities:** Business Assistance Center, Micro-enterprise Technical Assistance, Small Minority Business Assistance, Neighborhood Commercial Management Program. Refer to Table 2 for FY 2002-03 accomplishments.

#### **Goal: Revitalize East 11<sup>th</sup> & 12<sup>th</sup> Streets**

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**CDBG and Section 108 Loan activities:** East 11<sup>th</sup> and 12<sup>th</sup> Street Revitalization.

During this past year the City of Austin, through the partnerships with the Urban Renewal Agency (URA) and the Austin Revitalization Authority, accomplished something that has been many years in the making. In May of 2003, the construction of a 57,000 square foot mixed used development (Eleven East) occurred in the 1000 Block of East 11th Street, with a projected completion date for the first of two buildings in July 2004 and the second building in October 2004. This development is financed with both federal and private funds.

Also, a mixed-use development for the 1200 Block of East 11th Street was approved by URA and will be under construction in mid 2004. Neighborhood Housing and

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# Review of Five-Year Goals FY 2001-04

Community Development Department occupied the Street-Jones building, at 1100 East 11th Street, on July 31, 2004. This building brings together all of the divisions of NHCD. The Historical Renovation of the building at 1154 Lydia was placed on hold this past year due to parking availability and funding issues.

#### **PUBLIC SERVICES**

##### **Goal: Increase Opportunities for Self-Sufficiency**

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##### **CDBG Activities:**

For the Fiscal Years 2000-01, 2001-02, and 2002-03, 77,456 persons were served with Public Services. In order to measure this goal, the City uses as a baseline, the number of people who benefited from public services programs offered in FY 1999-2000, or 22,422, as reported in the FY 2000 CAPER.

In FY 2002-03 18,497 persons were served, falling short of the benchmark by 3,925, but exceeding the annual goal by 3,298. Please refer to figure 1a on page 1-5.

#### **FISCAL RESPONSIBILITY GOALS:**

##### **NHCD will exceed HUD's spending requirements:**

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- **No more than 1.5 times the annual CDBG allocation will be available on July 31.**  
Accomplishment: On July 31 HUD determines if there is no more than 1.5 times the current allocation in the city line of credit. On July 31, there was \$10,463,128 in our line of credit or 1.23 Ratio.
- **Federal grants will be expended within three years of award.**  
Accomplishment: HOME Partnership Grants requires that funds be committed within two years and expended within five years. On a cumulative basis there is less than three years of funding available in the HOME line of credit.
- **All funds expended or committed meet regulatory requirements.**  
Accomplishment: Projects are expected to meet the CDBG and HOME eligibility requirements. There were no findings when sub-recipients were monitored during fiscal year 2003-2004.
- **No repayment of federal dollars.**  
Accomplishment: The City is expected to follow the eligibility requirements of each grant award so that funds will not be required to be repaid on ineligible projects. There were no repayments to HUD during the fiscal year and HUD issued no findings on any of the monitoring visits during fiscal year 2002-2003.
- **100 percent of contractors are in compliance with City and Federal requirements.** Accomplishment: Contractors are aware of all the City and Federal government requirements for each grant award type and are expected to comply with all requirements.

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### Section 1: INTRODUCTION

# Priorities, Goals and Strategies

#### Priorities for funding

HUD defines high priorities as those programs which will be funded in a program year. Medium priorities are those that will only be funded if funding becomes available, and low priorities are those that will not be funded in a program year. The City of Austin has determined that while infrastructure is a need in the community and an eligible expense of CDBG funds, CDBG funds will be used instead for housing and community development. Therefore, infrastructure is a low priority in Austin.

**Figure 1b. Priorities FY 2005-09**

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 developing the priorities in this Plan, which is a result of almost a year of activity by the City of Austin, Neighborhood Housing and Community Development Department (NHCD).

1. City staff drew on authoritative sources to provide a quantitative analysis of housing and community development needs.
2. An independent consultant was hired to evaluate impediments to fair housing choice and assess the needs of special populations.
3. Staff also conducted five public hearings at which more than 115 people testified.
4. Staff held seven consultations meetings with service providers from housing, elderly services, child care, youth services, fair housing, economic development, small

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### Section 1: INTRODUCTION

# Priorities, Goals and Strategies

businesses, neighborhood revitalization projects, Housing Authorities, and other government agencies.

5. The City collected 1,029 citizen surveys; and received 20 letters from the public during the written comment period on community needs.
6. The Planning staff made several presentations of all the data gathered through the four months of needs assessment activities.
7. Professional program staff used this information to evaluate existing programs, then to project future demand and capacity in priority areas.
8. Upon presentation of the draft Consolidated Plan, additional comment was received at two public hearings and in 39 letters. This comment was considered in the final preparation for the plan and in establishing priorities.

The market study was prepared for the discussion of priorities, and details these general trends. The information received from various forms of citizen participation underscores the changes that have occurred in the market. The priorities identified and recommendations included in the following document balance public desires for current or new programs with existing commitments and funding realities.

Given this input and the current funding reality, the City of Austin will focus its programs on serving fundamental needs of the Austin community during the next five years: housing, through the various stages of the housing continuum; and employment, through small business development, commercial revitalization and public services. Public Facilities has been designated a medium priority, as no new funding is proposed within the next five years, although a large share of new CDBG funding (\$1.2 million, or 13%) is already committed to debt service on two existing public facilities, the Millennium Youth Center and the Austin Resource for the Homeless. NHCD may partner with community members to provide facility space through other funding sources and mechanisms.

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# Priorities, Goals and Strategies

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

**Figure 1c . Priorities and Proposed Accomplishments FY 2005-09: Housing**

Type of Housing	Priority for Federal Funds	Type of Families	Proposed Accomplishments:					Total Households	Funding Sources
			Annual Goals						
			2005	2006	2007	2008	2009		
Owner-occupied	High	Small Family/ Large Family/ Elderly/ Disabled	940	940	940	940	940	<b>4700</b>	CDBG, HOME, HTF, HAF, LHCG
Homebuyer Assistance	High	Small Family/ Large Family	274	274	274	274	274	<b>1370</b>	CDBG, HOME, GF, HTF, HAF, ADDI
Rental	High	Small Family/Large Family/ Elderly/ Disabled	283	275	275	275	275	<b>1383</b>	CDBG, HOME, HTF, GF
Assisted	High	Homeless; people with HIV/AIDS	749	749	749	749	749	<b>3745</b>	HOME, HTF, HOPWA
Public Housing	N/A	All types of cost-burdened housing	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A
Transitional	High	At this time, there are no programs that are strictly transitional.	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>	N/A
Emergency Shelter/ Homeless Shelter	High	Elderly, homeless, chronic homeless	2320	2320	2320	2320	2320	<b>11,600</b>	ESG
<b>Sub-total</b>			<b>4,566</b>	<b>4,558</b>	<b>4,558</b>	<b>4,558</b>	<b>4,558</b>	<b>Subtotal: 22,798</b>	
S.M.A.R.T. Housing™	N/A		1,500	1,500	1,500	1,500	1500	<b>7,500</b>	
Bonds	N/A		192	108	172	172	144	<b>788</b>	
			<b>1,692</b>	<b>1,608</b>	<b>1,672</b>	<b>1,672</b>	<b>1,644</b>	<b>Subtotal: 8,288</b>	
			<b>6,258</b>	<b>6,166</b>	<b>6,230</b>	<b>6,230</b>	<b>6,202</b>	<b>TOTAL: 31,086</b>	

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# Priorities, Goals and Strategies

**Figure 1c. (cont.): Priorities and Proposed Accomplishments FY 2005-09: Community Development**

Type of Community Development	Priorities for Federal Funds	Type of Household Served	Proposed Accomplishments: Annual Goals					Total Households	Funding Sources
			2004-05	2005-06	2006-07	2007-08	2008-09		
Commercial Revitalization	High	Low to moderate income	3,269	3,269	3,269	3,269	3,269	<b>16,345</b>	<b>CDBG</b>
Small Business Development	High	Small Business Owners	300	278	279	261	258	<b>1376*</b>	<b>CDBG</b>
Public Services (Neighborhood Revitalization)	High	Low to moderate income	34,544	30,408	30,996	31,596	32,209	<b>159,753**</b>	<b>CDBG</b>
Public Facilities***	Medium		N/A	N/A	N/A	N/A	N/A	<b>N/A</b>	<b>N/A</b>
Infrastructure****	Low		N/A	N/A	N/A	N/A	N/A	<b>N/A</b>	<b>N/A</b>
			<b>38,113</b>	<b>33,955</b>	<b>34,544</b>	<b>35,126</b>	<b>35,736</b>	<b>177,474</b>	<b>TOTAL HOUSEHOLDS</b>

\*Small Business Development: Performance numbers are decreasing as a result of a reducing of the loan pool, which uses some funds to cover related program delivery costs. The program will exhaust all loan pool funds by the end of the fourth year. No funds available in the 5<sup>th</sup> year.

\*\*Neighborhood Revitalization: Performance numbers has a substantial decrease in the second year, resulting from the elimination of the NSP program. Subsequent years the performance numbers increase at a rate of 2% each years resulting from Housing Information and Referral program.

\*\*\* 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.

\*\*\*\*Infrastructure: The City of Austin will not use any CDBG funds on infrastructure.

N/A = Not applicable.

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**Priorities, Goals and Strategies**

**Five Year Goals and Strategies**      **NHCD OVERALL GOAL:** Assist over 40,000 eligible households with services that lead to self-sufficiency annually by 2009 as measured by:

**Figure 1d: CONSOLIDATED PLAN GOALS FY 2005-2009: Housing**

<p><b>Consolidated Plan Housing Goal:</b></p>	<p><b>Assist over 40,000 eligible families with services that lead to self-sufficiency annually by 2009 as measured by:</b></p>
<p><b>Consolidated Plan Strategies:</b></p>	<p>Over 6,000 households will gain and/or retain housing annually using the following strategies:</p> <p>A. Provide housing services through a continuum from homelessness to homeownership.</p> <p>B. Owner Occupied - Provide opportunities for households to retain their homes through rehabilitation and construction.</p> <p>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.</p> <p>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.</p> <p>E. Assisted – Provide resources to eligible households to access or retain affordable rental units.</p> <p>F. Transitional - Assist eligible households in securing and non-profit organizations in creating limited-term housing and supportive services.</p> <p>G. Emergency and Homeless Shelters – Assist eligible persons in securing and non-profits in creating emergency shelter and homeless shelter opportunities and supportive services.</p> <p>H. Facilitate regulatory reform to reduce institutional barriers to housing development.</p> <p>I. Neighborhood Projects - Implement housing affordability components of adopted neighborhood plans, master plans and identified priority neighborhoods.</p>

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**Priorities, Goals and Strategies**

**Figure 1d (Cont): CONSOLIDATED PLAN GOALS FY 2005-2009:**

**Community Development**

<p><b>Consolidated Plan Community Development Goal:</b></p>	<p><b>Assist over 40,000 eligible families with services that lead to self-sufficiency annually by 2009 as measured by:</b></p>
	<p>Assist over 30,000 low-income households annually using the following strategies:</p>
<p><b>Consolidated Plan Strategies:</b></p>	<p><b>Strategy A. Community Revitalization - Serve low-income households, small businesses, and housing non-profit organizations, and, provide commercial space through the following activities:</b></p> <ul style="list-style-type: none"> <li>• Repair and renovate single-family housing</li> <li>• Build mixed- income housing</li> <li>• Support commercial development that leads to job creation</li> <li>• Support neighborhood organizations</li> <li>• Promote fair housing practices</li> <li>• Promote historical preservation and renovation</li> <li>• Ensure adequate infrastructure for revitalization</li> <li>• Provide information to neighborhoods about City services</li> </ul>
	<p><b>Strategy B. Small Business Development - Serve low-income households and small businesses through the following activities:</b></p> <ul style="list-style-type: none"> <li>• Provide small business training and technical assistance</li> <li>• Provide small business loans that lead to job creation</li> <li>• Provide networking opportunities for small business owners</li> <li>• Open new contracting opportunities for small businesses</li> </ul>
	<p><b>Strategy C. Public Services - Serve low-income households through the following activities:</b></p> <ul style="list-style-type: none"> <li>• Increase access to quality childcare</li> <li>• Support access to existing senior services</li> <li>• Improve available services for youth</li> <li>• Support access to adult basic education</li> <li>• Provide job training for Housing Authority residents</li> </ul>

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**Funding Sources**

**Figure 1e. 2004-05 Funding Allocations**

<u>Federal Funds</u>	<u>Funding Level</u>
Community Development Block Grant (CDBG) (PL 93-383)	\$ 8,967,000
CDBG Revolving Fund	\$ 837,683
HOME Investment Partnership Program (HOME) (PL 102-625)	\$ 4,679,983
HOME Program Income	\$ 2,146,075
American Dream Down payment Initiative (ADDI)	\$ 661,000
Emergency Shelter Grant Program (ESG) (PL 102-550)	\$ 335,653
Housing Opportunities for Persons with AIDS Program (HOPWA) (PL 102-550)	\$ 988,000
Housing Assistance Fund (AHFC Income)	\$ 1,019,953
Economic Development Initiative (EDI)	\$ 198,820
<u>City of Austin General Fund</u>	<u>Funding Level</u>
Operating Funds	\$ 1,129,703
Housing Trust Fund	\$ 943,479
Housing CIP	\$ 1,939,051
<b>TOTAL</b>	<b>\$23,846,400</b>

**Community Development Block Grant**

The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974 as amended. The primary objective of CDBG is the development of viable communities by

- (a) providing decent housing,
- (b) a suitable living environment,
- (c) and expanding economic opportunities.

To achieve these goals, any activity funded with CDBG must meet one of three national objectives:

- Benefit to low- and moderate- income persons
- Aid in the prevention of slums or blights
- Meet a need having a particular urgent need (referred to as urgent need)

**HOME Investment Partnerships Program**

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA), and has been amended several times by subsequent legislation. There are three objectives of the HOME Program:

- (a) Expand the supply of decent, safe, sanitary and affordable housing to very low and low income individuals;
- (b) To mobilize and strengthen the ability of state and local governments to provide decent, safe, sanitary and affordable housing to very low and low income individuals; and
- (c) Leverage private sector participation and expand the capacity of nonprofit housing provider.

## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Funding Sources

#### **American Dream Down-payment Initiative**

The American Dream Down payment Initiative (ADDI) was signed into law by President Bush on December 16, 2003 under the American Dream Down payment Act (Public Law 108-186) (ADDI statute). Funds made available under the ADDI statute will be allocated to eligible HOME program participating jurisdictions (PJ) to assist low-income families become first-time homebuyers.

#### **Emergency Shelter Grants**

Emergency Shelter Grant (ESG) awards grants for the rehabilitation or conversion of buildings into homeless shelters. It also funds certain related social services, operating expenses, homeless prevention activities, and administrative costs. Austin uses ESG for shelter operating expenses, essential services (supportive services concerned with employment, health, drug abuse, and education), or homelessness prevention activities. ESG supplements state, local, and private efforts to improve the quality and number of emergency homeless shelters. By funding emergency shelter and related social services, ESG provides a foundation for homeless people to begin moving to independent living.

#### **Housing Opportunities for People with HIV/AIDS**

The HOPWA Program was established by HUD to address the specific needs of persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, states, and nonprofit organizations for projects that benefit low-income persons medically diagnosed with HIV/AIDS and their families.

HOPWA funding provides housing assistance and related supportive services as part of HUD's Consolidated Planning initiative that works in partnership with communities and neighborhoods in managing federal funds appropriated to HIV/AIDS programs. HOPWA grantees are encouraged to develop community-wide strategies and form partnerships with area nonprofit organizations.

#### **Housing Assistance Fund**

The Austin Housing Finance Corporation issued \$10,000,000 in Residual Value Revenue Bonds in 1988 from its 1980 Single Family Bond Issue. The purpose of the issue was to create an income stream that can be used for providing housing assistance to persons and families of low and moderate income. Seven million, five hundred thousand dollars (\$7,500,000) in bond proceeds was deposited into the Housing Assistance Fund. Earnings from this fund are used by AHFC to assist the city in its affordable housing initiatives.

#### **Economic Development Initiative**

Economic Development Initiative (EDI) funds will be used to promote the S.M.A.R.T. Housing™ Policy Initiative across the country.

#### **Operating Funds**

Operating funds are from the City of Austin and are used to carry out the operation/mission of City departments.

#### **Housing Trust Fund**

The City of Austin provides \$1,000,000 for the housing trust fund, a key component of the City's social-equity initiative funded through the City's General Fund, instituted in 1999. Previously, all funds for housing were provided by the marketplace, tax-free bonds, federal grant funds, or tax credits and other incentives.

## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Funding Sources

#### **Housing Capital Improvement Funds**

Housing Capital Improvement Funds (CIP) are City of Austin funds used to construct affordable housing.

#### **Section 108**

Section 108 is a loan guarantee provision of the Community Development Block Grant program that HUD offers to local governments. It allows them to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects that can renew entire neighborhoods.

#### **Lead Hazard Control Grant**

The U.S. Department of Housing and Urban Development (HUD) under the Healthy Homes and Lead Hazard Control Program awards funds to local governments to develop lead-based paint awareness and inspection program for homes built prior to 1978.

## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Public Participation Process

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for community development actions. Citizen participation is a critical part, including developing and amending the plans as well as reporting on program performance. Consultations, public hearings, citizen surveys and opportunities to provide written comment are all a part of this strategy.

HUD requires that the public have opportunities to participate in the development of Consolidated Plans through consultations with community institutions, two public hearings, and a thirty-day written comment period. The City of Austin provides additional opportunities for public input. It conducts a survey of citizens, and seven public hearings (two with City Council; three with the Community Development Commission; one with the HIV Planning Council and one with the Community Action Network). Government entities, service providers and activists are also invited to participate in consultation meetings. The public is notified of these activities through English and Spanish advertisements in local newspapers, email alerts distributed to the Community Action Network and other community members, announcements on the City's cable access Channel 6 and NHCD's website.

#### **Community Needs Survey**

The City of Austin Neighborhood Housing and Community Development Department (NHCD) conducted a citizen survey in March 2004 as part of the development of Consolidated Plan/Action Plan. Survey boards were hung in 20 neighborhood locations in areas with high numbers of low-income citizens. They included neighborhood centers, a homeless shelter, an HIV/AIDS clinic, and libraries.

There were a total of 1,029 responses to the questionnaire. Approximately 2,105 were distributed in the community, making the response rate approximately 49 percent. Please see Appendix E for the complete community needs survey report.

#### **Efforts to include special populations**

The City of Austin made the following efforts to obtain input from non-English speaking individuals, minorities and people with disabilities.

- 1) Offered community needs survey in Spanish and received 113 surveys in Spanish.
- 2) Targeted needs survey to community centers in minority neighborhoods.
- 3) Located the needs survey in an HIV/AIDS clinic, a homeless shelter which provides services to chronic homeless, and received significant responses from these populations.
- 4) Advertised for public hearings in minority newspapers, as required by the Citizen Participation Plan.
- 5) Conducted the Impediments to Fair Housing, which facilitated four community meetings and had individual consultations with disability organizations.

## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Public Participation Process

**Consultations** The City of Austin consulted with housing non-profits, community members, government and industry representatives in order to discuss barriers to affordable and accessible housing. In addition, the City conducted consultations with members from agencies providing small business development and job creation, government and non-profits in commercial revitalization, and social service providers in elderly, fair housing, childcare and youth services, and the public housing agencies.

The City has on-going consultations with mental health social service providers; homeless service providers; government agencies and social service providers administering lead based paint hazard abatement services; and the public housing authorities. The City met with the following community organizations:

#### **Community Development Commission**

The Community Development Commission (CDC) participates in the development and review of federally funded programs through Neighborhood Housing and Community Development Office and Health and Human Services Department. A primary purpose of the CDC is to secure broad community involvement in policy discussions about community needs and to make recommendations to the City Council on the allocation of CDBG and HOME funds.

#### **Community Action Network Homeless Task Force**

The City has representatives on the Community Action Network Homeless Task Force and Resource Council. The Community Action Network is a large network of social service providers in the City of Austin that focuses on achieving sustainable social, health, educational and economic outcomes through engaging the community in a coordinated planning and implementation process. This optimizes private and individual actions and resources. CAN is divided into issue areas: aging, basic needs, early education and care, education, wellness, mental retardation and developmental disabilities, public safety and workforce development, homeless, alcohol and drug addiction, and housing. This year, the City changed its Public Participation Plan to allow for a public hearing before the Community Action Network, which was televised on the City's public access channel.

#### **HIV Planning Council**

There were special efforts this year to engage the HIV community in the planning process. City of Austin staff attended meetings of the HIV Planning Council. The City worked with the HIV Planning Council, AIDS Services of Austin and David Powell Clinic to distribute community needs surveys. The City also changed its Citizen Participation Plan to include an option to conduct a public hearing with the HIV Planning Council, which was intended to seek the HIV community's input on needs.

#### **Fair Housing Forum**

On April 30, 2004 the Human Rights Commission and Neighborhood Housing and Community Development Office held a Fair Housing Forum for the public to voice their concerns about Fair Housing in Austin. In attendance were community

## **2005-2009 Consolidated Plan**

### **Section 1: INTRODUCTION**

# **Public Participation Process**

organizations including El Concilio, Legal Aid, American Disabled for Attendant Programs Today (ADAPT), Austin Apartment Association, People in Defense of the Earth, Elmhurst Tenant's Association, and African American Real Estate Owners Association.

#### **CHDO Roundtable**

The Community Housing Development Organization Roundtable met numerous times to develop a recommendation for the Consolidated Plan. In response, there will be a CHDO activity funded through public services which will work to build capacity and increase the skills of non-profit housing organizations who receive HOME funding, so they can build more housing for lower income families.

#### **Lead Based Paint Hazards Organizing Group**

The City receives funding through the Lead Hazard Control Grant, and an interdepartmental collaboration meets regularly to coordinate services and outreach.

#### **Public Housing Authorities**

Representatives from the Public Housing Authorities and the City of Austin meet regularly to coordinate programs, such as the tenant-based rental assistance program, the Resident Support Services programs at the Housing Authority of the City of Austin (HACA), and other community initiatives. Neighborhood Housing and Community Development Office coordinates with HACA to inform public housing residents of affordable housing programs offered through the City of Austin.

# Citizen Participation Plan

Approved by City Council January 29, 2004

The purpose of the Citizen Participation Plan (CPP) is to outline opportunities for citizen input for Austin residents- especially those living in low- and moderate- income neighborhoods, or participating in affiliated institutions, businesses, and community organizations in the development of the City's Consolidated Plan and related documents. The City considers it the right of all Austin's citizens to be informed about and have the opportunity to comment on the use of public funds. The City will take appropriate actions to encourage participation of minorities, people who do not speak English, and people with disabilities.

The CPP applies to five areas of planning for the City of Austin's use of federal housing and community development monies; they are: (1) the development of the five-year Consolidated Plan; (2) each annual Action Plan; (3) each Annual Performance Report; (4) substantial amendments to a Consolidated Plan and/or Action Plan; and (5) amendments to the CPP, itself. The City of Austin's program/fiscal year begins October 1 and ends September 30.

In order to receive certain federal grant monies, the U. S. Department of Housing and Urban Development (HUD) requires jurisdictions to submit a Consolidated Plan every five years. This plan is a comprehensive strategic plan for community planning and development activities. The Plan serves as the City's application for these HUD grant programs. Federal law also requires citizens have opportunities to review and comment on the local jurisdiction's plans to allocate these funds.

The purpose of programs covered by this Citizen Participation Plan is to improve the Austin community by providing: decent housing, a suitable living environment, and growing economic opportunities – all principally for low- and moderate- income people. Opportunities for genuine involvement by low- and moderate- income people will be provided and encouraged.

This document outlines how members of the Austin community may participate in the five key planning areas listed above. General requirements for all or most activities are described in detail in Section E of the Citizen Participation Plan.

**ACTIVITY 1: FIVE-YEAR CONSOLIDATED PLAN.** The City of Austin's Consolidated Plan is developed through a collaborative process whereby the community establishes a unified vision for Austin's community development actions. Citizen participation is a critical part of the Consolidated Plan, including developing and amending the plan as well as reporting on program performance. Consultations, public hearings, citizen surveys and opportunities to provide written comment are all a part of the strategy to obtain citizen input. The city will make special efforts to solicit the views of citizens who reside in the designated CDBG-priority neighborhoods of Austin, and to encourage the participation of all citizens including minorities, the non-English speaking population, and persons with disabilities. The steps for public participation in the five-year Consolidated Plan follow:

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# Citizen Participation Plan

1. ***Consultations with Other Community Institutions.*** In developing the Consolidated Plan, the City will consult with other public and private agencies, both for-profit and non-profits that either provide or have direct impact on the broad range of housing, health, and social services needed by Austin residents. Consultations may take place through meetings, task forces or committees, or other means with which to coordinate information and facilitate communication. The purpose of these meetings is to gather information and data on the community and economic development needs of the community. The city will seek specific input to identify the needs of homeless persons, persons with HIV/AIDS and their families, persons with disabilities and other special needs.
2. ***Citizen Surveys.*** City staff shall conduct surveys of Austin residents in order to gather additional information on community priorities.
3. ***Initial Public Hearings.*** There will be a minimum of two public hearings at the beginning stages of the development of the Consolidated Plan before the Community Development Commission (CDC), policy advisers to NHCD appointed by the City Council, to gather information on community needs from citizens. There will be two more hearings sponsored by organizations working with low-income populations (i.e. Austin Area Comprehensive HIV Planning Council; the Community Action Network; or another appropriate community organization as defined by the City.) An additional hearing will be held before City Council. Based on public testimony received, the CDC will make recommendations to City Council on the community needs.
4. ***Written Comments.*** Based on public input and quantitative analysis, NHCD staff will prepare a draft Consolidated Plan, which also includes proposed allocation of first-year funding. A period of 30 calendar days will be provided to receive written comments on the draft Consolidated Plan. The public may review the draft plan at the City main library, specified neighborhood centers, NHCD offices, local public housing authorities, and on the City's website. Notification of availability of the draft will appear in a local newspaper of general circulation as well as newspapers that target minority or special needs populations.
5. ***Draft Consolidated Plan Public Hearings.*** There will be a public hearing held before the City Council to receive oral public comments on the draft. An additional hearing will be held before the Community Development Commission (CDC). These hearings will be scheduled during the 30-day written comment period on the draft plan. The CDC will be given the opportunity to make recommendations to Council on the draft Consolidated Plan/ Action Plan.
6. ***Final Action on the Consolidated Plan.*** All written or oral testimony provided will be considered in preparing the final Consolidated Plan. A summary of testimony received and the City's reasons for accepting or not accepting the comments must be

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# Citizen Participation Plan

included in the final document. The Council will consider these comments, CDC recommendations, and the recommendations of the City Manager before taking final action on the Consolidated Plan. Final action by the City Council will occur no sooner than fifteen calendar days next following the second Council public hearing on the draft plan. When approved by Council, the Consolidated Plan will be submitted to HUD, no later than August 15 each year.

**ACTIVITY 2: ONE-YEAR ACTION PLAN.** Each year the City must submit an annual Action Plan to HUD, reporting on how that year's funding allocation for the four HUD entitlement grants will be used to achieve the goals outlined in the five-year Consolidated Plan.

1. NHCD staff will gather input from citizens and consultations to prepare the draft Action Plan. There shall be a public hearing with the CDC to receive citizen input on the city's performance report for the preceding year and proposed Action Plan and a public hearing before City Council on the proposed Action Plan, including funding allocations. The hearings provide the Commission, the Council and NHCD staff with the public's perspective on Austin's housing and community and economic development needs.
2. NHCD staff will gather community input and statistical data to prepare the draft Action Plan. A draft Action Plan will be available for 30 days for public comment after reasonable notice to the public is given.
3. During this comment period, the City Council shall conduct a second public hearing to receive oral public comment on the draft One-Year Action Plan and Consolidated Plan, if it is during a Consolidated Planning year. An additional hearing will be held before the Community Development Commission.
4. The CDC will be given the opportunity to make recommendations to Council prior to its final action.
5. Final action by the City Council will occur no sooner than fifteen calendar days next following the second Council public hearing on the draft plan.
6. When approved by Council, the Action Plan will be submitted to HUD.

### **ACTIVITY 3: SUBSTANTIAL AMENDMENTS TO**

**CONSOLIDATED/ACTION PLAN.** Recognizing that changes during the year may be necessary to the Consolidated Plan and Action Plan after approval, the Citizen Participation Plan allows for "substantial amendments" to plans. These "substantial amendments" apply only to changes in CDBG funding allocations. Changes in funding allocation for other HUD grant programs received by the City of Austin -- HOME, ESG, and HOPWA -- are not required to secure public review and comment. The CPP defines a substantial amendment as:

- a) A proposed use of CDBG funds that does not address a need identified in the governing Consolidated Plan or Action Plan; or
- b) A change in the use of CDBG funds from one eligible program to another. The eligible programs defined in the City of Austin's Business Plan are "Housing" or "Community Development."

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# Citizen Participation Plan

- c) A cumulative change in the use of CDBG funds from an eligible activity to another eligible activity that decreases an activity's funding by 10% or more OR increases an activity's funding by 10% or more during fiscal year. An activity is defined as a high priority need identified in the Consolidated Plan that is eligible for funding in the Action Plan (see attachment #1)

In the event that there are substantial amendments to the governing Consolidated or Action Plan,

1. The City will draft the amendment and publish a brief summary of the proposed substantial amendment(s) and identify where the amendment(s) may be viewed.
2. After reasonable notice, there will be a 30-day written public comment period.
3. During the 30-day comment period, the City Council shall receive oral comments in public hearings.
4. The CDC will be given the opportunity to make recommendations to Council prior to its final action.
5. Upon approval by Council, the substantial amendment will be posted in the official City Council minutes and available on-line and in the City Clerk's office. Final action by the City Council will occur no sooner than fifteen calendar days next following the second Council public hearing on the draft plan.

#### **ACTIVITY 4. CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER).**

The City is required to submit annually by December 30 a CAPER to HUD that describes the City's progress in meeting the goals in the Consolidated Plan.

1. NHCD staff prepares the draft CAPER.
2. After reasonable notice is provided, the CAPER is available for 15 days for written public comment.
3. The final CAPER and public comments will then be submitted to HUD.
4. The CAPER and public comments will be presented at one of the initial CDC public hearings on the proposed Action Plan for the subsequent fiscal year.

**ACTIVITY 5 – AMENDMENTS TO CITIZEN PARTICIPATION PLAN.** In the event that changes to this Citizen Participation Plan are necessary, the NHCD staff shall draft them.

1. After reasonable notice, these will be available to the public for 15 days for written comment.
2. The CDC and City Council shall each hold a public hearing to receive oral public comments on the proposed change.
3. The CDC will be given the opportunity to make recommendations to Council prior to its final action.
4. Upon approval by Council, the substantial amendment will be posted in the official City Council minutes and available on-line and in the City Clerk's office.

## Citizen Participation Plan

### **E. GENERAL REQUIREMENTS**

1. **Public Hearings.** Public hearings before the Community Development Commission, the City Council, and other appropriate community organizations will be advertised in accordance with the guidelines outlined in the notification section below. The purpose of public hearings will be to allow citizens, public agencies, and other interested parties the opportunity to provide input on Austin's primary housing and community development needs. Public hearings will be held in locations accessible to low- and moderate- income residents and people with disabilities. Translation for non-English speaking residents and/or those who are hearing impaired will be provided upon request.
2. **Public Meetings.** Public meetings of the City Council, Community Development Commission (CDC), and other boards and commissions overseeing HUD programs provide opportunities for citizen participation and comment on a continuous basis. Notice of public meetings subject to the Open Meeting Act is posted at the Office of the City Clerk at least three days prior to the meeting. The Clerk's office also provides the names and phone numbers of people to contact regarding the meeting or topics to be discussed. Meetings are held in locations accessible to persons with disabilities. Spanish translation and translation for individuals with hearing impairments are provided as necessary. The Austin City Council and the CDC are required to post their agendas in accordance with the Texas Open Meetings Act. These notices are also typically available on the City's web page. Interested parties should contact the City Clerk's Office to confirm specific meeting dates of the City Council and CDC. **Notification.** Advance notice of any public hearing, CDC Consolidated Plan/Action Plan subcommittee meeting, or comment period will be provided to the public on the City's web page (<http://www.ci.austin.tx.us/housing>) through advertisements in local newspapers for general circulation and for minorities as well as City press releases. The newspaper of general circulation is the *Austin American-Statesman* or the *Austin Chronicle*; examples of newspapers that target minority populations are *El Mundo*, *Arriba*, *The Capitol Times*, and *The Villager*. Ads will appear in both Spanish and English, whichever is most appropriate for the publication. Such ads will appear at least two weeks prior to any public hearing or comment period. The City will also consult and coordinate with the Travis County Housing Authority and the Housing Authority of the City of Austin during the development of the Consolidated Plan and Action Plan. Information will be made available to Public Housing Authority residents and their input sought.
3. **Document Access.** Copies of all planning documents, including the Citizen Participation Plan, Consolidated Plan, Action Plan, and annual performance report, will be available to the public upon request. Citizens will have the opportunity to review and comment on these documents in draft form prior to final adoption by the City Council. These documents will be made available at public libraries, public housing authorities, certain neighborhood centers, at NHCD, and on the City's web page ([www.ci.austin.tx.us/housing/publications](http://www.ci.austin.tx.us/housing/publications).) Upon request, these documents will be provided in a form accessible to persons with disabilities. Citizens, groups,

## 2005-2009 Consolidated Plan

### Section 1: INTRODUCTION

# Citizen Participation Plan

and other interested organizations may obtain copies of the written reports by calling NHCD at (512) 974-3100 or (512) 974-3102 (TDD).

4. **Access to Records.** The City will provide citizens, public agencies, and other interested organizations with reasonable and timely access to information and records relating to the Citizen Participation Plan, Consolidated Plan, performance reports, and the City's use of assistance under the four grant programs, as stated in the Texas Public Information Act and the Freedom of Information Act.
5. **Technical Assistance.** The City can provide technical assistance upon request and to the extent resources are available to groups or individuals that need assistance in preparing funding proposals, provided that the level of technical assistance does not constitute a violation of federal or city rules or regulations. These groups or individuals must represent CDBG-target neighborhoods or other low-income areas. The provision of technical assistance does not involve re-assignment of City staff to the proposed project or group, or the use of City equipment, nor does technical assistance guarantee an award of funds.

#### Citizens' Complaints

Written complaints may be directed to the City with regard to any HUD program or activity. A timely, written, and substantive response to the complainant will be prepared within 15 working days of receipt of the complaint by the appropriate department. If a response cannot be prepared within the 15-day period, the complainant will be notified of the approximate date a response will be provided. Written complaints must clearly state the complainant's name, address, and zip code. A daytime telephone number should also be included in the event further information or clarification is needed. Complaints should be addressed as follows:

For CDBG or HOME programs, correspondence should be addressed to:

Mr. Paul Hilgers, Community Development Officer  
Neighborhood Housing and Community Development Office  
City of Austin  
PO Box 1088  
Austin, Texas 78767

For ESG or HOPWA programs, correspondence should be addressed to:

Mr. David Lurie, Director  
City of Austin/Travis County Health and Human Services Department  
PO Box 1088  
Austin, Texas 78767

With a copy sent to Mr. Paul Hilgers at the above address.

If the response is not sufficient, an appeal may be directed to the City Manager, and a written response will be provided within 30 days. An appeal should be addressed as follows:

Ms. Toby Hammett Futrell  
City Manager City of Austin  
P.O. Box 1088  
Austin, Texas 78767

## 2005-2009 Consolidated Plan

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# Community Profile

#### **Geographic Context**

Austin is a city located in Central Texas along the IH-35 growth corridor (nicknamed the NAFTA Highway). The city is located primarily within Travis County, but includes some land area in Williamson and Hays Counties. The Federal Office of Management and Budget has designated Austin and the surrounding five-county area (Bastrop, Caldwell, Hays, Travis and Williamson) as the Austin-San Marcos Metropolitan Statistical Area (MSA). In the next Census, 2010, the area will be referred to as the Austin-Round Rock-San Marcos MSA.

During the last 50 years, Austin has seen tremendous growth, quadrupling in size. The rate of growth has slowed substantially over the last few years and is projected to slow to natural growth plus a .5% in-migration factor for the next decade.

#### **Major Demographic and Economic Trends**

The “Economic and Demographic Profile” completed by Market Street Services for the Greater Austin Chamber of Commerce in 2003 cites these demographic and economic trends as responsible for the growth in the Austin-San Marcos MSA population and economy over the past 20 years:

- Consistent and substantial annual increases in population and jobs, fueled primarily by in-migration from other areas of the United States
- An ever-decreasing unemployment rate;
- Substantially greater income on both a regional and per capita basis, as well as declining poverty;
- A disproportionate share of young, well-educated adults as compared to Texas and the United States; and
- Increasing ethnic diversity, particularly with regard to the Hispanic population.

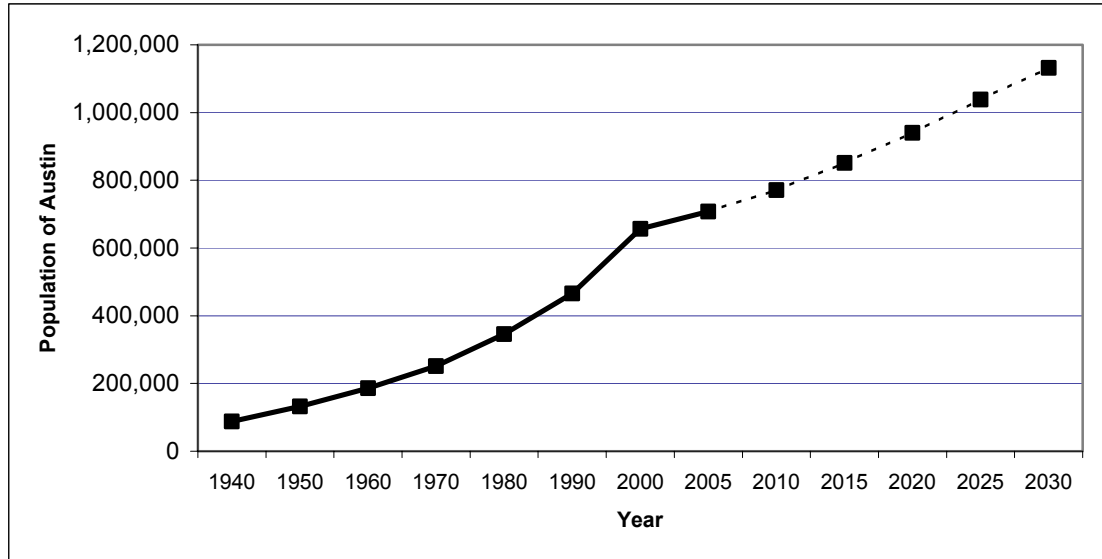
The same study goes on to note that 3 of these trends have changed since the national recession began in 2001:

- Unemployment has risen considerably;
- Regional total work earnings and per capita income have declined;
- Net migration is almost zero.

Along with these trends, the City of Austin, as well as the remainder of the MSA, is undergoing a major demographic change, not altogether different from that of the country. The number and proportion of Hispanic residents has risen steeply and is projected to continue to increase at a steep rate over the next decade. Though these trends are evident for the region as well as for the City of Austin, the City has been disproportionately impacted by these trends, with higher unemployment, a greater proportion of low-income, less-well-educated residents, and less development activity.

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**Community Profile**

**Figure 1f: Population Projection for Austin (1940-2030)**



Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

The components of the major growth in development and population are also shifting from the City of Austin as the primary engine of growth to other communities, particularly Hays and Williamson counties. Travis County’s population growth rate was the slowest of any of the 5 county region in the last 2 years (4.7%), the second lowest growth of the 5 counties from 1990-2000 (47.6%). The highest percentage of growth in that time period occurred in Williamson County. In this county adjacent to and including a small portion of Austin, the population doubled (107%), exhibiting the absorption of rural areas by exurbia (Sustainability Indicators Report 2003).

Households having a married couple with children should increase by over 8,600 by 2010 and 14,500 by 2015. In 2010, over 465 households among them should need considerable housing assistance.

**Figure 1g: Percent of Households Type by Income Group in 2000**

Income groups in Family Type	Married-Couple	With Own Children	Female-Headed HH	With Own Children	Family Households	Total Households
Less than \$15,000	4.79%	5.39%	15.28%	30.19%	9.63%	14.79%
\$15,000 to \$25,000	6.54%	7.29%	17.64%	22.06%	9.77%	12.28%
\$25,000 to \$35,000	8.50%	9.20%	15.61%	19.58%	10.97%	13.38%
\$35,000 to \$50,000	14.55%	14.61%	18.80%	15.00%	15.28%	16.39%
\$50,000 to \$75,000	24.10%	23.82%	18.47%	8.64%	21.62%	19.21%
\$75,000 and above	41.52%	39.69%	14.19%	4.54%	32.72%	23.94%

Source: U.S. Census. 2000

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The median contract rent in Austin by 2000 Census was \$633. Just over 12 percent of the one-bedroom units in Austin were affordable for these households. Female-headed households should increase by over 7,400 by 2010. Among them, over 1,100 will need considerable housing assistance and 3,600 households should need moderate housing assistance. Female-headed households with children should increase over 4,200 by 2010. Among them nearly 1,300 will need considerable housing assistance and over 3,000 households will need moderate housing assistance. Female-headed households and female-headed households with children are, typically, under severe rent burden. Over 15 percent of the female-headed households and over 30 percent of female-headed households with children earned less than \$15,000 annually in 2000. These households could only afford rents below \$417.

**Figure 1h: Projections of Households by Household Type for Austin City, 1980-2015**

	1980		1990		2000		2010		2015	
Family Households	80,061	59.60%	105,416	54.90%	143,286	53.95%	172,813	52.58%	188,619	52.18%
Married Couples	50,008	37.25%	78,506	40.90%	103,643	39.02%	131,021	39.86%	144,429	39.95%
With Own Children	32,132	23.93%	38,791	20.20%	51,348	19.33%	59,973	18.25%	65,924	18.24%
Female Headed Householder	12,987	9.67%	20,407	10.60%	27,820	10.47%	35,238	10.72%	38,946	10.77%
With Own Children	8,365	6.23%	12,531	6.50%	16,942	6.38%	21,190	6.45%	23,334	6.45%
Total Households	134,254	100.00%	192,136	100.00%	265,594	100.00%	328,668	100.00%	361,503	100.00%

Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

As shown in the figures below, nearly 14,800 households in Austin should be earning less than \$10,000 per year and among them over 11,000 households will be renter-occupied in 2010. These households cannot even afford to rent an average one-bedroom apartment in the city and would need a considerable housing assistance. Nearly 19,000 households should be earning between \$10,000 and \$25,000 annually, in 2010. Among them over 13,600 households should be renter-occupied. These households can afford to rent an average one-bedroom apartment in the city, but an average two-bedroom apartment would be unaffordable to them. These households would need moderate housing assistance.

**Figure 1i: Projections for Households by Income group in Renter-Occupied to 2015**

Income Group in Renter-Occupied Households	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Less than \$10,000	30,187	26.44%	20,598	14.09%	11,009	6.18%	6,215	3.20%
\$10,000 to \$19,999	32,223	28.22%	22,934	15.68%	13,645	7.65%	9,000	4.63%
\$20,000 to \$34,999	31,456	27.55%	38,239	26.15%	45,022	25.26%	48,414	24.92%
\$35,000 to \$49,999	12,251	10.73%	25,552	17.48%	38,853	21.80%	45,503	23.42%
\$50,000 or more	8,069	7.07%	38,895	26.60%	69,721	39.11%	85,134	43.82%
Total	114,186	100.00%	146,218	100.00%	178,250	100.00%	194,266	100.00%

Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

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**Figure 1j: Projections for Households by Income group in Owner-Occupied to 2015**

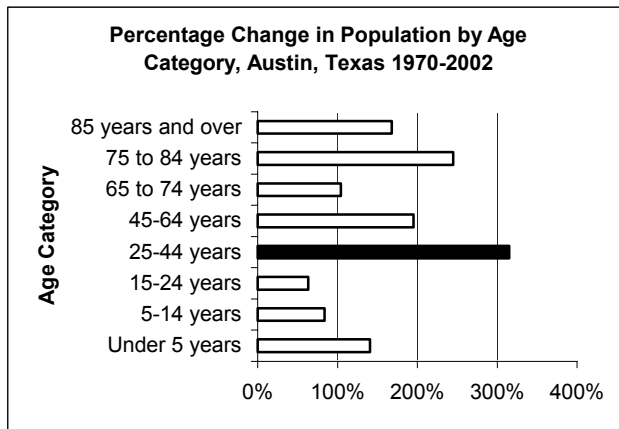
Owner-Occupied Households by Income group	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Less than \$10,000	5,110	6.56%	4,446	3.73%	3,782	2.36%	3,450	1.90%
\$10,000 to \$19,999	8,111	10.41%	6,725	5.64%	5,339	3.33%	4,646	2.56%
\$20,000 to \$34,999	17,732	22.77%	15,153	12.71%	12,574	7.83%	11,284	6.23%
\$35,000 to \$49,999	17,400	22.34%	17,937	15.05%	18,474	11.51%	18,743	10.35%
\$50,000 or more	29,533	37.92%	74,930	62.87%	120,327	74.97%	143,025	78.96%
<b>Total</b>	<b>77,887</b>	<b>100.00%</b>	<b>119,191</b>	<b>100.00%</b>	<b>160,495</b>	<b>100.00%</b>	<b>181,147</b>	<b>100.00%</b>

Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

**Population by Age**

Within the tremendous growth of the total population, there has been exceptional growth within specific age groups. The number of adults between the ages of 25 to 44 years has grown at the highest rate of any age cohort since 1970, achieving a 315% increase. The median age has increased over the same time period from 24.0 to 30.7; however, Austin’s population is still younger overall than the state as a whole with median ages of 29.6 years and 32.3 years, respectively.

**Figure 1k: City of Austin Population Growth by Age 1970-2002**



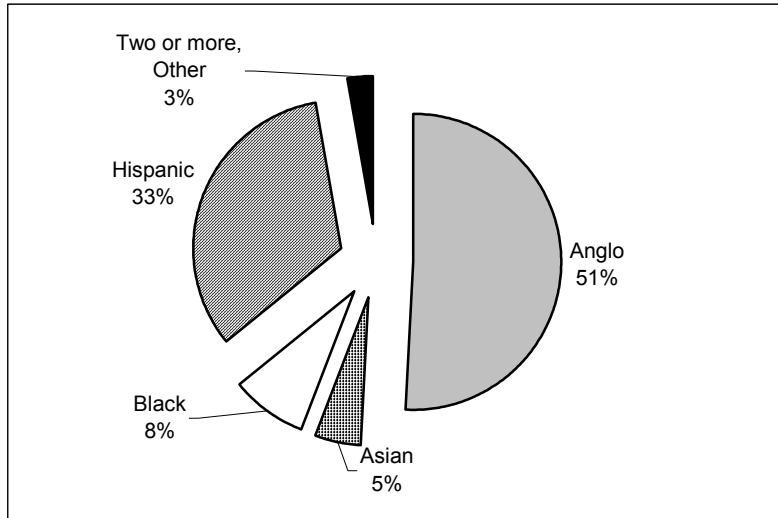
Source: City of Austin, Neighborhood Housing and Community Development, Planning 2004

**Population by Race and Ethnicity**

The Anglo and African-American Population grew between the 1990 and 2000 census, but the Asian-American population grew to 2 1/2 its 1990 numbers, and the Hispanic/Latino population narrowly missed doubling. In the two years since the last census, the Anglo population as a portion of total population decreased by 1%, the Hispanic population increased by 2%, and the Black population decreased by 2%. Figure 1k. illustrates the current ethnic make-up of the City.

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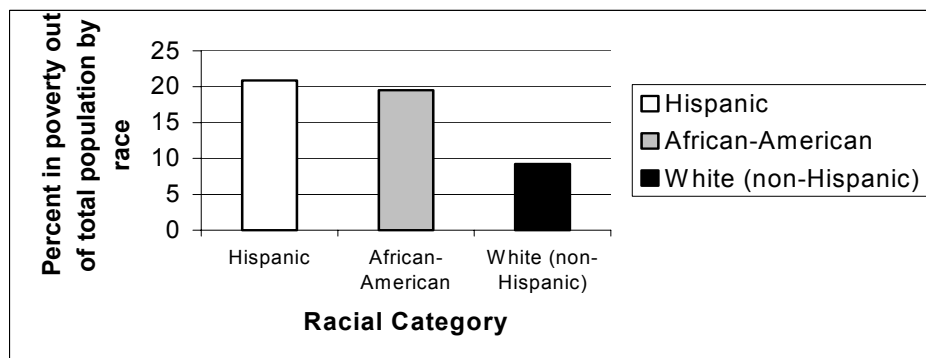
**Figure 1l: City of Austin Population by Race/Ethnicity 2002**



Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

The incidence of poverty among Hispanics in 2000 was reported to be 20.87 percent of the total Hispanic population and 19.53 percent among African-Americans. Among White persons, the data reported 9.25 percent living in poverty. Of equal concern, among children below the age of 5, just over 27 percent of all Hispanics and 27.8 percent of African-Americans are living in poverty, compared to just over five percent of all

**Figure 1m: Percentage of racial group in poverty, 2000**



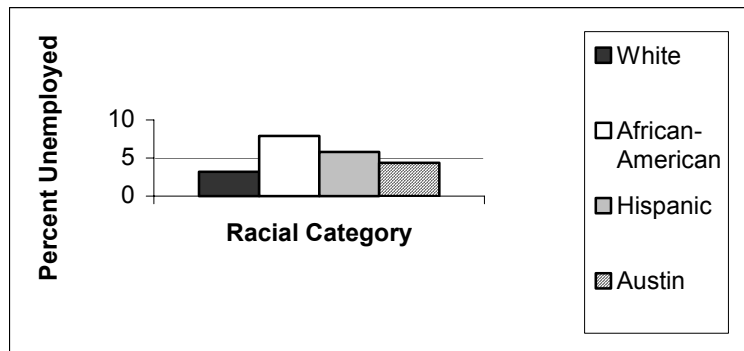
Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

White children below the age of 5. Living in poverty restricts the quality of life of these children due to the limited housing options available to their parents. Typically, these families are housed either in public housing or other units where rents are low enough for the family to be able to meet the monthly payment. Often these housing units are in the worst neighborhoods and, often, in very poor physical condition.

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The data presented in Figure 1m. below provide a portrait of the distribution of unemployed persons in Austin. The unemployment rate for Austin, as measured by the 2000 Census, was 4.36 percent. A closer look at the make-up of this total, however, indicates that much of the unemployment was centered in the African-American and Hispanic communities. In the 2000 Census, 3.2 percent of White persons age 16 and over reported being unemployed. African-American persons in the same age group reported a 7.9 percent unemployment rate and Hispanics reported a 5.79 percent rate.

**Figure 1n: Unemployment Rate by Race**



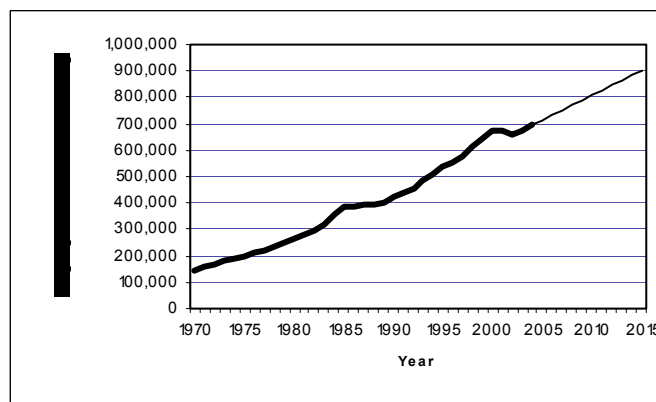
Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

In Austin, the difference in the unemployment rate between the three groups can, to some extent, be blamed on limitations due to educational attainment, particularly for the Hispanic population. Looking at educational attainment, according to the 2000 Census, 44.28 percent of Hispanics age 25 and above reported having less than a high school education compared to 4.92 percent of Whites and 20.87 percent for African-Americans in the same age group.

**Employment and Income**

Austin, Travis County, and the MSA have all suffered higher rates of unemployment since the recession hit in 2000. Austin's unemployment rates were a few tenths of a percent higher than those of the County and the MSA during the last few years, peaking at a high of 6.8% in June 2003.

**Figure 1o: Employment Projections for Travis County**

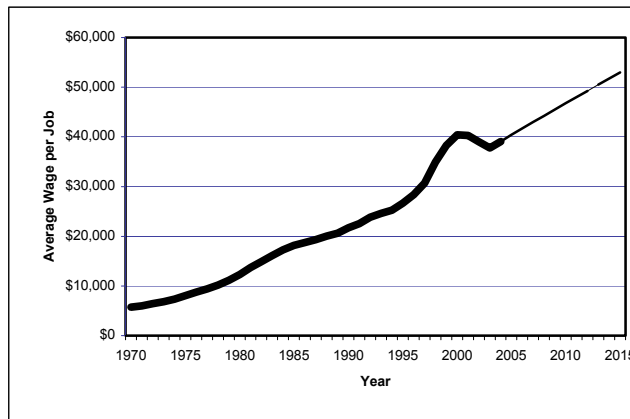


Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

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Employment in Travis County was projected to 2010 and 2015 using data provided by the Bureau of Economic Analysis. Figure 1n., below, shows the employment projections for Travis County, and Figure 1o., shows the average wage projections for Austin-Round Rock MSA. An additional employment of nearly 137,300 should be generated between 2000 and 2010. The average wage should reach \$48,000 by 2010. According to the Real Estate Center at Texas A&M University, there were 30,000 layoffs in high-tech industry during 2001-2002. While six to seven percent of the U.S. workforce is tied to high-tech, that figure rises to 25 percent to 30 percent for the Austin area's workforce.

**Figure 1p: Average Wage Projections for Austin-Round Rock MSA**



Source: J-Quad and Associates. *Impediments to Fair Housing Report 2004*. Austin, 2004

**Housing wage in Austin-Travis County**

In Austin-Travis County, an extremely low income household (earning \$20,070, 30% of the Area Median Income of \$66,900) can afford monthly rent of no more than \$502, while the Fair Market Rent for a two bedroom unit is \$914. A minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268. An SSI recipient (receiving \$552 monthly) can afford monthly rent of no more than \$166, while the Fair Market Rent for a one-bedroom unit is \$686. In Austin-Travis County, a worker earning the minimum wage (\$5.15 per hour) must work 137 hours per week in order to afford a two-bedroom unit at the area's Fair Market rent. The Housing Wage in Austin-Travis County is \$17.58. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market rent.<sup>1</sup>

<sup>1</sup> National Low Income Housing Coalition. "Out of Reach 2003 America's Housing Wage Climbs." Released September 2003. Accessed July 20, 2004: <http://www.nlihc.org/oor2003>.