Budget Overview

Presented to:

Community Development Commission

May 19, 2010

Budget Overview

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Budget Overview

- ***Community Development Block Grant (CDBG)***

  - The Community Development Block Grant (CDBG) Program is authorized under Title I of the Housing and Community Development Act of 1974 as amended.

  - Fiscal Year 2010-2011 Allocation - $8,157,148

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- ***CDBG Program Income***
  - CDBG Program Income (CDBG PI) is the gross income received by the City of Austin directly generated by the use of CDBG funds. Program income is available to activities that do not have established revolving loan funds.

- ***Revolving Loan Fund***
  - A Revolving Loan Fund (CDBG – Rev. Loan) is a dedicated source of funds to a particular activity from which loans are made for housing or small business development projects. Once loans are repaid to the City, the funds revolve back into the original activity as available new funding.

Budget Overview

- ***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.
  - Fiscal Year 2010 -2011 Allocation - $4,531,817

Budget Overview

- ***HOME Program Income***
  - HOME Program Income (HOME PI) is the gross income received by the City of Austin directly generated by the use of HOME funds.

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- ***Economic Development Initiative (EDI)***
  - HUD funds several Economic Development Initiative (EDI) Grants. The City received $147K in funding to provide façade improvement grants to local businesses in East Austin

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- ***Section 108***
  - The Section 108 Loan Guarantee Program offers local governments a source of financing for economic development, large-scale public facility projects, and public infrastructure for CDBG eligible activities. HUD sells bonds on the private market and uses the proceeds to fund Section 108 loans to local governments. The local government's future CDBG allocations and other resources are pledged as security for repayment of the loan to HUD.

Budget Overview

- *Section 108 Loans - $24,895,000*
  - $7,830,000 Millennium Youth Entertainment Center
  - $6,030,000 Austin Resource Center for the Homeless (ARCH
  - $9,035,000 11th/12th Street Revitalization
  - $2,000,000 Neighborhood Commercial Management Program
  - $3,000,000 Neighborhood Commercial Management Program (pending – not in total)

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- ***Lead Hazard Control Grant***

  - Under the Healthy Homes and Lead Hazard Control Program, HUD awards funds to local governments to develop lead-based paint awareness and lead hazard reduction for homes built prior to 1978.

  - Competitive 3-Year Grant Awarded for $3.7 million in March 2007. – 1-year extension approved to February 2011

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- ***Federal Stimulus Grants***
  - The City received $7.5 million in stimulus funds in fiscal year 2008-09, in response to applications submitted to the U.S. Department of Housing and Urban Development (HUD) and the Texas Department of Housing and Community Affairs (TDHCA).
  - Community Development Block Grant (CDBG-R) Program - $2 million
  - Homeless Prevention and Rapid Re-Housing (HPRP) Program - $3.1 million
  - Housing and Economic Recovery Act (HERA) Funding - $2.4 million

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- ***Sustainability Fund (SF)***
  - The Sustainability Fund was created in fiscal year 2000-01 to provide resources for projects that will help the City of Austin build a sustainable economic, environmental, and equitable infrastructure. The Sustainability Fund is supported by transfers from the City's major enterprise operating funds, including Solid Waste Services, Drainage Utility, Transportation, and the Austin Water Utility funds.
  - NHCD began receiving Sustainability Funds in fiscal year 2009-10. Previously local funds were transferred to NHCD from the General Fund.

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- ***General Obligation (G.O.) Bonds***
  - City of Austin voters approved a $55 million bond package for affordable housing in November 2006.
  - The City has obligated $41,855,495 or about 76 percent of the G.O. Bond funds

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- ***S.M.A.R.T. Housing™ CIP Funds***

  - S.M.A.R.T. Housing™ Capital Improvement Funds (GF-CIP) are City of Austin funds used to construct affordable housing.

  - 40 percent of all incremental tax revenues derived from developments that are built on property located in the Desired Development Zone and were not on the Travis Central Appraisal District property tax rolls on June 1, 1997

    - Effective with FY09 Budget, these tax revenues will be deposited in the Housing Trust Fund

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- ***Housing Trust Fund (HTF)***
  - In fiscal year 1999-2000, the Austin City Council pledged $1 million annually for three years to establish of a Housing Trust Fund (HTF). Each fiscal year through 2008-09, the Austin City Council continued to contribute general fund dollars to the Housing Trust Fund.

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- ***University Neighborhood Overlay (UNO) Housing Trust Fund***
  - The University Neighborhood Overlay (UNO) Housing Trust Fund generates funding for the development of new affordable housing in a targeted area around the University of Texas. The Austin City adopted the University Neighborhood Overlay (UNO) District Housing Trust Fund in fiscal year 2004-05. The fund was established as part of the UNO zoning district, which was created to implement some of the goals, including affordable housing, in the Combined Central Austin Neighborhood Plan.

Budget Overview

- ***Austin Energy - Holly Good Neighbor Program***
  - The Holly Good Neighbor program provides repairs to properties surrounding the Holly Power Plant area. Austin Energy funds the program, and it is administered and facilitated by NHCD
  - On 5/27/10, Council and the AHFC Board will consider transferring approximately $1.5 million in funding from NHCD to AHFC.

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- ***Housing Assistance Fund (HAF)***
  - The Austin Housing Finance Corporation (AHFC) issued $10 million 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. Bond proceeds of $7.5 million were deposited into the Housing Assistance Fund.

Budget Overview

- Action Plan Funding Table
- HUD and City of Austin Allocation Process

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QUESTIONS / COMMENTS