



AUSTIN CHDO ROUNDTABLE

To: Mayor Lee Leffingwell, City Council Members, Betsy Spencer, Interim Director of NHCD, and City Manager Marc Ott:

On behalf of the membership of the Austin CHDO Roundtable, we would like to express our appreciation for the City of Austin's Neighborhood Housing and Community Development Office in its creation of a draft Action Plan for 2010-2011, and we commend the department and its staff on its past success as an active and supportive partner in funding the creation of affordable housing throughout Austin.

To put the following remarks in context, this has been a painful year for non-profit housing developers. The moratorium on applications and funding is entering its eighth month. City Council's laudable support of permanent supportive housing, coinciding with the legitimate attempt of NHCD to size up its obligations and resources, has had the unintended consequence of creating confusion and a protracted moratorium on applications for and allocation of funds. This state of confusion led some CHDOs to submit applications after March 25, 2010 that have not been processed, while other CHDOs were told not to submit applications at all. Projects that are viable and shovel-ready, that would provide some of the permanent supportive housing we all desire, have been lost and others are in danger of losing substantial leveraging and dying. Meanwhile, better opportunities in the real estate market than we have seen in years, and may not be seen again for years to come, are passing us by. We have lost valuable time and, if City Council and staff do not act quickly, more opportunities will be lost. This means desperately needed affordable housing, of all types and for people of all income levels that could be developed, may never be developed.

Therefore, after reviewing and discussing the draft Action Plan and the situation in the current fiscal year, the Austin CHDO Roundtable requests that the following recommendations and revisions be accepted and, where applicable, incorporated into the Action Plan.

To address the current situation, we recommend that NHCD immediately:

1. Process applications *received prior to the December 2009 "pause"* (i.e. Habitat's) and place them on AHFC's agenda at the soonest opportunity.
2. Prioritize funding from this fiscal year (FY 2009-2010) for three projects identified in plan for FY 2010-2011 (Green Doors, the Ivy, and Mary Lee).
3. End the pause/moratorium by issuing a NOFA, if necessary, and begin taking and reviewing applications on a first-come-first-serve basis immediately so that eligible projects will be ready for AHFC action as soon as possible, even if it is expected that many projects will not be funded.
4. Identify the remaining 2009-2010 funds as soon as possible and allocate those towards eligible projects prior to the start of the 2010-2011 fiscal year if possible.

For the 2010-2011 Fiscal Year:

5. Review projects and establish funding amounts based on realistic project costs for the 2010-2011 fiscal year rather than recommending amounts needed for the entire project. (Anderson CDC 24-Units; Juniper Olive Phase III; 11th and 12th Street; Frontier @ Montana)

6. For AHFC/Anderson CDC and other projects managed primarily by "the City", prioritize using funds other than G.O. Bonds and Housing Trust Funds so that these more flexible funds remain available for other projects.
7. Treat all projects, including AHFC projects, equally in terms of application submittal, review for completeness, scoring and scheduling for AHFC action.
8. Continue to evaluate and prioritize projects with emphasis placed on "shovel-readiness."
9. Establish the expectation that affordable housing will be on the 2012 bond referendum. Make all, or almost all, of the remaining G. O. Bonds available during the 2010-2011 fiscal year and fund qualifying projects so that little if any bond funds remain at the end of 2011.

We would also like to reiterate positions the CHDO Roundtable has previously expressed:

- Ensure that there is a transparent, fair and open process for awarding funds, that is both competitive and rolling (open).
- Maintain the goal of supporting affordable housing for households with a DIVERSITY of income levels.
- Support affordable housing opportunities geographically dispersed across the city.
- Place high value on investing public funds in projects that provide long term affordability
- Build in flexibility so that funds targeted for one use may be shifted to other uses after a specified time period if they are not attracting enough eligible projects.

Finally, we cannot express strongly enough the urgency that NHCD begin processing existing applications, accept new applications, and return to its previous funding process, or a similar one, as soon as possible. That said, we would like to acknowledge the genuine concern that NHCD staff has shown for the impact this situation is having on affordable housing developers and their genuine interest in finding solutions that benefit the entire community. We hope that council will take our recommendations to heart and support NHCD staff in resolving these issues with expediency.

Respectfully,

Mark C. Rogers, Co-Chair Isabelle Headrick, Co-Chair

Green Doors
AHA!
ACDDC
Blackland CDC
Chestnut CDC
Easter Seals Central Texas
Guadalupe NDC
Austin Habitat for Humanity
LifeWorks
Neighborhood Housing Services of Austin