



City of Austin's – Neighborhood Housing and Community Development

STAFF BRIEFING ON URBAN RENEWAL AGENCY PROPERTY INVENTORY

Presentation at
Urban Renewal Agency of the City of Austin
Meeting
November 15, 2010



Briefing Objectives

- Urban Renewal Properties
 - How property was acquired – Purchased, Contributed or Transferred
 - Federal Regulations

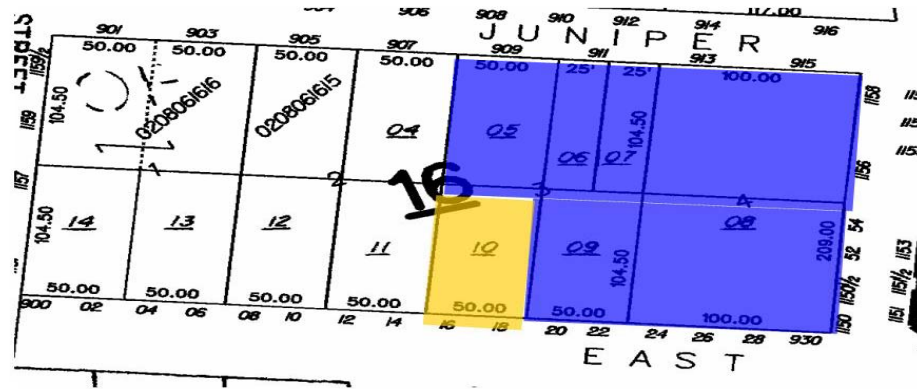


How Acquired Definitions

Purchased (Section 108 or CDBG)- Property acquired by the City on behalf of the URB with Section 108 or CDBG funds property has met a National Objective

Contributed – Surplus property owned by City that was donated to URB for the revitalization property has **NOT** met a National Objective

Transferred – Property transferred to City under settlement agreement with Anderson Development Corporation then donated to URB for the revitalization property has **NOT** met a National Objective



Section 108 Properties
920 East 11th, 907, 909,
911 and 913 Juniper



CDBG Properties
916 E 11th Street

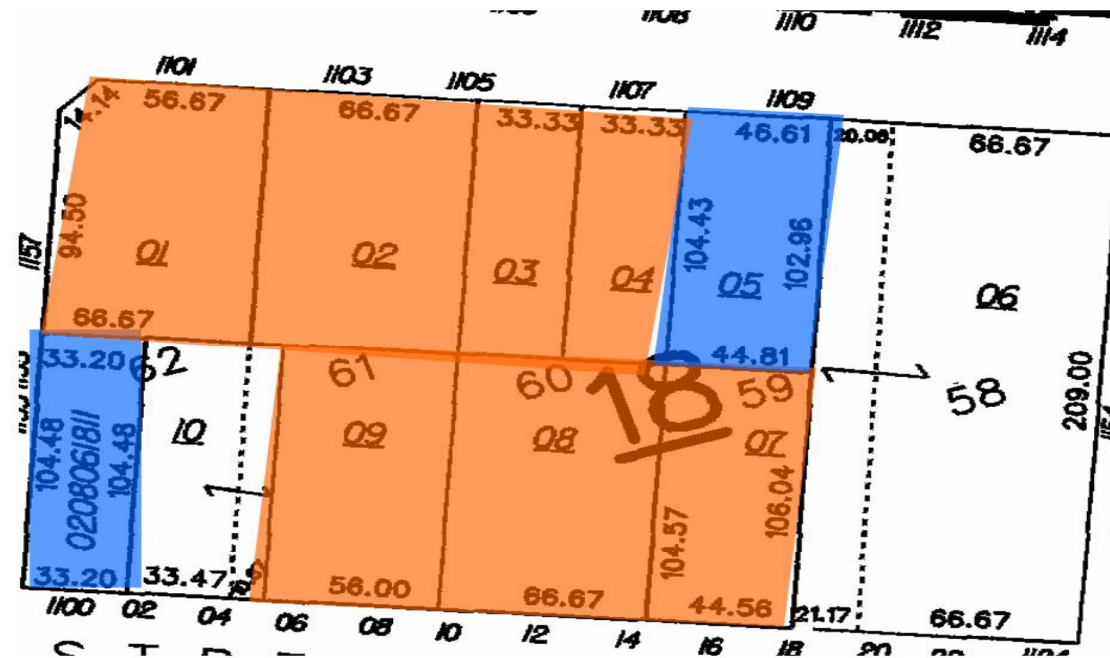
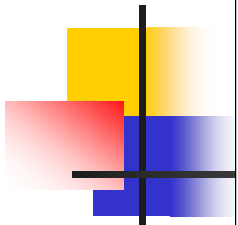


Section 108 Properties



Contributed Properties

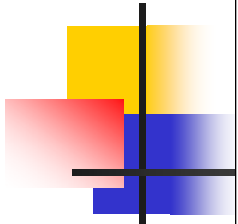
1154, 1156, and 1158 Waller; 1015, 1017, 1019, 1021 and 1023 Juniper



Section 108 Properties
1100 E. 11th and 1109 Juniper



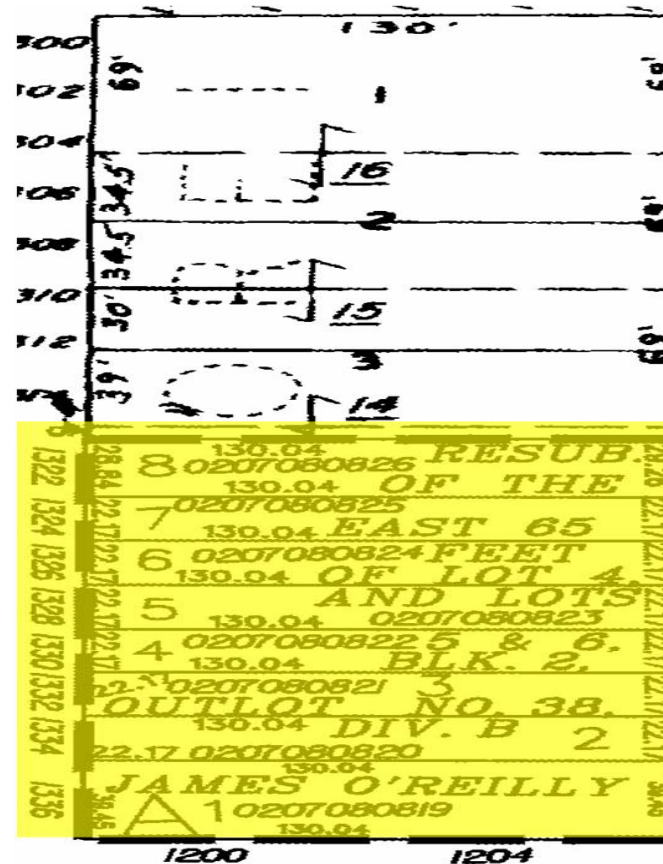
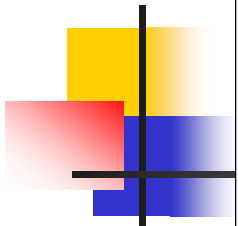
Contributed Properties
1106, 1112 and 1114 E 11th;
1103, 1105, 1107 Juniper
1159 Waller



East 12th Street



Transferred Properties
1120 E. 12th St.



East 12th Street



Transferred Properties
1300 Block of East 12th



Federal Funding - CDBG

What is Community Development Block Grant (CDBG)?

- Authorized under Title I of the Housing and Community Development Act of 1974.

Primary Objective

Development of viable urban communities, principally for low/mod persons through:

- Decent housing
- Suitable living environment
- Expanded economic opportunity



Facts about CDBG funds...

- CDBG funds are administered by the City
- CDBG is provided to meet City determined goals and objectives
- The City and the Council cannot change or avoid CDBG requirements
- When accepting CDBG funds, subject to CDBG rules
- CDBG dollars fund services, not agencies



Federal Funding- Section 108

What is Section 108?

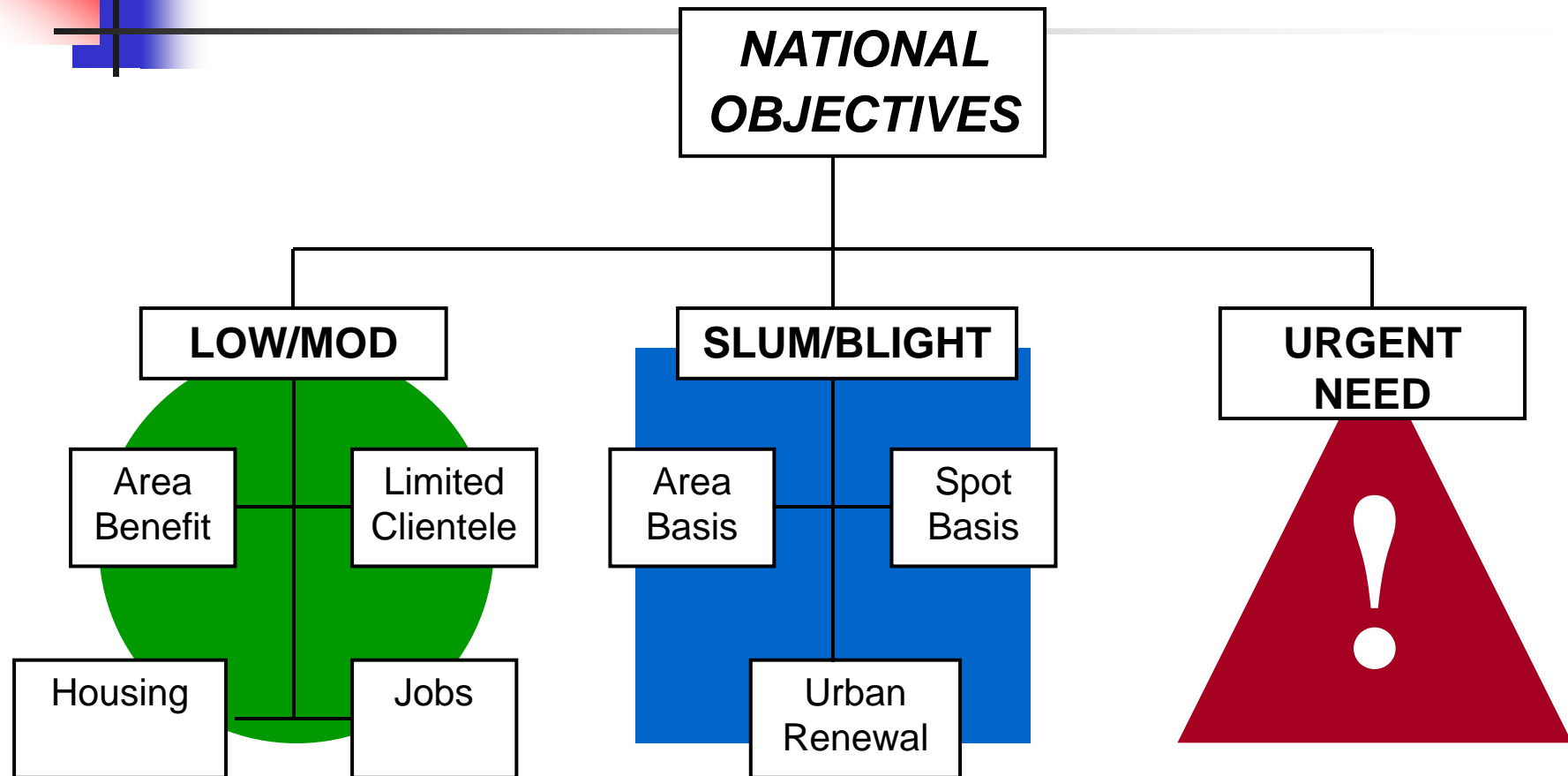
- Method of expanding CDBG funds
- City pledges future CDBG grant as collateral to borrow funds
- Allows City to receive up to five times annual entitlement
- Follows CDBG Regulations

Process Basics

- 1) Apply to HUD
- 2) HUD issues notes
- 3) \$\$\$ from sale of notes used for Section 108 eligible project
- 4) Notes are repaid



Federal Requirements





Purchased Property

Prevent or Eliminate Slum and Blight

- THREE SUBCATEGORIES:



- 1. ADDRESS ON AN AREA BASIS
- 2. ADDRESS ON A SPOT BASIS
- 3. ADDRESS IN A HUD DESIGNATED URBAN RENEWAL AREA



Slum / Blight

- AREA BASIS
 - GRANTEE DESIGNATES AREA
 - # SUBSTANDARD BUILDINGS IN AREA MEETS STATE LAW CRITERIA ***OR***
 - AT LEAST $\frac{1}{4}$ ***OR***
 - PUBLIC IMPROVEMENTS ARE DETERIORATED



Contributed and Transferred

**Low Mod Benefit (LMI) 80% of current
Median Family Income (MFI)**

FOUR SUBCATEGORIES:

- 1. AREA BENEFIT ACTIVITIES
- 2. LIMITED CLIENTELE ACTIVITIES
- 3. HOUSING ACTIVITIES
- 4. JOB CREATION AND RETENTION



LMI Activities

Area Benefit

- Public Facilities
- Activities that will benefit 51% or more of area residents in a defined area

Limited Clientele

- Architectural Barrier Removal
- Micro-Enterprise



LMI Activities cont'd

Housing Activities

- Rehabilitation
- Homebuyer Assistance
- No New Construction unless thru a Community Based Development Org (CBDO)

Job Creation or Retention

- Must be a permanent job
- Business Loans
- Commercial Rehab



Primary Eligible CDBG Activities

- Real Property and Housing Related
 - Rehab – ABR, EHR, reconstruction
 - Clearance
 - Homeownership Assistance
 - Historic preservation
 - Acquisition / Disposition
- Public Services
- Public Facilities
- Economic Development
- Planning and admin



Real Property

- General requirements for property management:
 - Property can only be acquired for specific purpose
 - Property must be used for approved purpose
 - Keep accurate records
 - Control use of property and care of property
 - Follow rules for disposing of property



Real Property cont'd

- For at least 5 years after, the property acquired or improved using CDBG funds in excess of \$25,000 cannot change without:
 - Meeting a national objective
- If a national objective is not met:
 - Reimburse to HUD the current fair market value of the property minus the pro-rata share attributable to non CDBG funding (Non-federal funding)



Program Income (PI)

- Defined: The gross income received by the directly generated from the use of CDBG funds
- Excludes...
 - Income generated by recipient and subrecipient totaling <\$25,000 per year
 - fundraising by subrecipients
 - certain activities under Section 108 loans
 - proceeds from real property sale > 5 yrs after grant close
 - Return of grant funds



PI (cont'd)

- Examples...proceeds from:
 - Sale or lease of real property improved with CDBG
 - Principal and interest on CDBG loans
 - Interest earned on program income (except RLF and Escrow)
 - Special assessments paid by non-LMI on a CDBG funded improvement



Where can I get this Info?

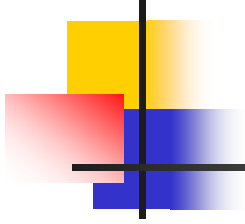
- Title 24 regulations and the OMB Circulars may be accessed at the HUD website at:
- <http://hudclips.org/cgi/index.cgi>



Conditions of Funding

HUD Section 108 Loan and Acquisition, Development and Loan Agreement

- All property purchased shall have a lien filed in favor of the City
- All PI receipted must be returned to the City to pay down debt service



Any Questions?



The End

