



Community Development Commission

P.O. Box 1088, Austin, TX 78767

www.cityofaustin.org/housing

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Date: July 22, 2014

To: Mayor and Council Members

From: Gilberto Rivera, Chair  7-22-14

Subject: FY 2014-2019 Consolidated Plan and FY 2014-2015 Action Plan

The purpose of this memo is provide Mayor and Council Members with a summary of action taken by the Community Development Commission (CDC) regarding the Draft FY 2014-19 Consolidated Plan and Draft FY 2014-15 Action Plan (available at <http://austintexas.gov/five>). The item was discussed at the Tuesday July 8th CDC Meeting.

CDC voted to approve the Draft FY 2014-19 Consolidated Plan and Draft FY 2014-15 Action Plan, with the following recommendations:

I. CodeNEXT

In carrying out CodeNEXT, the CDC recommends that the City take specific actions to meet its obligation under federal law to affirmatively further fair housing. This requires more than simply increasing the density of residential development. Specific recommendations by CDC include the following:

- In order to increase low-income Austinites access to affordable housing throughout the city, the land development code must increase development incentives such as Vertical Mixed Use (VMU) with specific requirements for on-site affordable housing and to set aside 10% of units at 60% MFI for rental or 80% Median Family Income (MFI) for homeownership.
- Further examination of the impact of density in the unique economic Austin environment to determine its impact on members of protected class.
- Work with communities representing members of protected class to explain CodeNext implications in layman's terms.

In response to CDC's recommendations above, NHCD staff acknowledges statements in Imagine Austin, "As the Austin housing market has become more expensive, the geographic distribution of units affordable to households earning 80 percent or less of the local median family income has changed. Housing options for moderate and low-income households have moved to increasingly distant suburban areas of Austin, which in turn increase transportation expenditures," (*Imagine Austin Comprehensive Plan*, page 31). NHCD staff asserts that through the

CodeNEXT implementation process, there should be thoughtful consideration to achieve on-site affordable housing for households below 60% and 80% MFI where increased density is provided. This can further the goal to geographically disperse affordable housing throughout the Austin community. In addition, NHCD staff concurs that outreach tailored to communities representing members of protected class is an initiative that can further reduce barriers to affordable housing and is an item whereby NHCD can promote further attention.

II. Analysis of Impediments to Fair Housing Choice (AI)

The Community Development Commission (CDC) expressed concern regarding the timing of the Analysis of Impediments to Fair Housing Choice (AI) in relation to the Consolidated Plan. The AI is slated for completion and submission to HUD this year – no later than December 31, 2014. Although the study is not a regulatory requirement to be submitted to HUD as a component of the Consolidated Plan, it is recommended by HUD to be “updated at least every 5 years.” The last AI conducted by the City of Austin was in 2009. NHCD is working closely with HUD in its completion and timing of this year’s AI. HUD has yet to release its new assessment process to affirmatively further fair housing that was anticipated earlier this year. NHCD opted to complete its AI recognizing future final guidance on HUD’s new assessment tool may assist in further refinement of the study currently underway.

CDC recommends that if findings in the updated AI affect the Consolidated Plan, a substantial amendment to the plan be issued with revisions to address these findings with an additional public comment period as required by the City’s Citizen Participation Plan (CPP). NHCD concurs with this recommendation.

III. Local Funds

The Community Development Commission (CDC) recommended additional information be included in the Consolidated Plan and Action Plan so that local funds are included to provide the public with a more comprehensive investment strategy to address affordable housing needs.

Background offered by NHCD

The City of Austin’s local budgeting process follows HUD’s deadlines to submit its planning documents to receive federal allocation of entitlement funds. HUD has provided guidance in 24 CFR § 91.215(a)(4) that funds that are reasonably expected to be available to address identified needs should be included in the Consolidated Plan. NHCD concurs that providing information that highlights a local funding commitment offers a more comprehensive strategy that serves to help leverage federal dollars to address affordable housing and community development initiatives. Information pertaining to the Housing Trust Fund (HTF) and General Obligation Bonds will be reflected in the final document for Council’s consideration.

Please note that per U.S. Department of Housing and Urban Development (HUD) regulation 24 CFR § 91.115(a)(2), the City of Austin is required to submit the final version of the FY 2014-19 Consolidated Plan and FY 2014-15 Action Plan to HUD no later than Friday August 15, 2014. The authority for these deadlines is Section 116(b) of the Housing and Community Development Act of 1974, as amended. Since the deadlines are established pursuant to the Act, they may not be waived. If the plans are not submitted by the deadline, the City of Austin will not receive CDBG entitlement funds. The Austin City Council will consider approval of these plans at its August 7th City Council Meeting.