



Travis County

Community Development Block Grant Program:

Improving the Affordability,
Accessibility and Sustainability
of Neighborhoods and
Community Services

Substantial Amendments to the
Annual Action Plans for
Program Years
2006, 2007, 2008 and 2009



Prepared by Travis County Health & Human Services & Veterans Service
Approved by Travis County Commissioners Court: December, 15 2009

Travis County Commissioners Court

Samuel T. Biscoe

Travis County Judge

Ron Davis

County Commissioner, Precinct One

Sarah Eckhardt

County Commissioner, Precinct Two

Karen Huber

County Commissioner, Precinct Three

Margaret Gómez

County Commissioner, Precinct Four

Table of Contents

INTRODUCTION	4
SUBSTANTIAL AMENDMENTS FOR PROGRAM YEAR 2006	5
SUBSTANTIAL AMENDMENTS FOR PROGRAM YEAR 2007	7
SUBSTANTIAL AMENDMENTS FOR PROGRAM YEAR 2008	9
SUBSTANTIAL AMENDMENTS FOR PROGRAM YEAR 2009	11
PUBLIC COMMENTS	12

Introduction

The Community Development Block Grant (CDBG) initiative is a federal grant program administered by the U.S. Department of Housing and Urban Development (HUD). The program provides annual grants to cities and counties to carry out a variety of community development activities aimed at revitalizing neighborhoods, improving affordable housing options, and providing improved community facilities and services. Since 2006, Travis County has received CDBG funds from HUD on an annual basis.

The administration of the CDBG program follows a cycle that includes the drafting of a Consolidated Plan, an Action Plan, and an annual evaluation. The Consolidated Plan identifies the County's community and housing needs and outlines the strategies to address those needs over a five year period. The Action Plan defines the specific activities and projects to be undertaken during each program year. The annual evaluation assesses yearly accomplishments.

Every year, the progress of projects from previous CDBG Action Plans is also evaluated to determine if any changes to funding, project design or the deletion or addition of projects needs to occur. If any of the changes represent 1) a change in the location or beneficiaries of a project proposed under the Consolidated Plan or Action Plan; 2) a change in the scope of the project by more than 25%; or 3) a change in the funding or the addition of a new project, then these changes are considered "substantial amendments" according to Travis County's Citizen Participation Plan as required by HUD rules.

This year Travis County proposed to substantially amend the project design of four projects and the reprogramming of funds in one project. These changes were approved by the Travis County Commissioners Court on October 27, 2009 and the draft document was available for public comment from November 11 through December 10, 2009 at the seven Travis County community centers as well as the County's website <http://www.co.travis.tx.us/>. A public hearing was held at the Travis County Commissioners Courtroom on November 24, 2009 to receive testimony. One comment was received and CDBG responded directly during the public hearing.

Substantial Amendments for Program Year 2006

1. Land Acquisition for the Production of New Owner Housing Units

Original Project Description:

Parcels or one large tract of land in unincorporated Travis County will be acquired to build affordable single-family housing for low-income families (25-50% Median Family Income). Single-family housing is defined as a one- to four-family residence.

Specific parcels or tracts of land will be identified at a later date. Public hearings will be held to inform the public of the location(s) prior to purchase of the land. During the selection process, priority will be given to tracts of land near public transportation.

Austin Habitat for Humanity, a local non-profit, will secure funding for the construction of homes on the acquired property. Approximately 10 units of housing will be created. The number of individuals impacted will vary depending upon the families selected for the housing units.

Project Design Change:

The proposed change is for the assistance to be in the form of a 10-year forgivable loan rather than as a grant, i.e. homebuyers must live in the home for 10 years before the loan is forgiven.

If the homebuyer sells or moves out of the property within the first five years, they will be responsible for paying the full amount of the loan. If the homebuyer sells or moves out of the property within 6 to 10 years after buying the house, the loan will be forgiven incrementally, at a rate of one-fifth of the loan each year over five years. After 10 years, the loan is fully forgiven so no repayment is required. The resulting program income will come back to the County to support future projects.

This change guarantees housing units will remain affordable to low-income residents for a minimum of five years and provides the possibility of program income to create more housing opportunities in the future.

2. Apache Shores Street Improvement

Original Project Description:

Apache Shores is identified as a low to moderate income area. Many roads in the Apache Shores area do not meet Travis County standards, therefore, the substandard roads are not accepted into the Travis County road maintenance program. The street improvement scope of work may include, but is not limited to: 1) design services; 2) land surveying services; 3) geo-technical services; 4) drainage design services; 4) utility location and relocation coordination services; 5) environmental review and related regulatory permits; 6) acquisition of right of way and easements; and 6) construction.

Project Design Change:

The proposed change is for any cost savings from the Apache Shores Street Improvement project to be reprogrammed to the cost of the construction of the Lava Lane Street Improvement project (the project description is found below).

This change allows the CDBG program to be more efficient and timely in reallocating funds, should additional monies or cost savings be available and need to be reprogrammed. The amount of dollars to be reprogrammed is unknown at this time as it is contingent on any cost savings at the close of the project.

3. Street Improvements Lava Lane

Original Project Description:

The project funds the design, engineering and environmental review for the improvement of the unaccepted portion of Lava Lane, a road in Precinct 4. The improvements to this substandard road will provide a new durable road that will allow property owners, school busses, mail service providers, and emergency service providers to have all-weather access to the properties. Additionally, the improvements will allow the road to meet County roadway standards so that it can be accepted onto the County system for future maintenance and traffic safety enforcement.

Travis County Transportation and Natural Resources Department (TNR) will be the project manager and the design, engineering, and environmental work will be provided by consultant contract. The impact of the project will be 20 households.

Project Design Change:

The proposed change is for the cost savings from the design phase of the project to roll over to the construction phase. This change allows the CDBG program to be more efficient and timely in reallocating funds, should additional monies or cost savings be available and need to be reprogrammed. The amount of dollars to be reprogrammed is

unknown at this time as it is contingent on any cost savings at the close of the design phase.

Substantial Amendments for Program Year 2007

1. Land Acquisition for the Production of New Owner Housing Units

Original Project Description:

Parcels or one large tract of land in unincorporated Travis County will be acquired to build affordable single-family housing for low-income families (25-50% Median Family Income). Single-family housing is defined as a one- to four-family residence.

Specific parcels or tracts of land will be identified at a later date. Public hearings will be held to inform the public of the location(s) prior to purchase of the land. This project will augment the funding provided in PY06 to increase the land purchase and impact. During the selection process, priority will be given to tracts of land near public transportation.

Austin Habitat for Humanity, a local non-profit, will secure funding for the construction of homes on the acquired property. Approximately 7 units of housing will be created. The number of individuals impacted will vary depending upon the families selected for the housing units.

Project Design Change:

The proposed change is for the assistance to be in the form of a 10-year forgivable loan rather than as a grant, i.e. homebuyers must live in the home for 10 years before the total loan doesn't have to be repaid.

If the homebuyer sells or moves out of the property within the first five years, they will be responsible for paying the full amount of the loan. If the homebuyer sells or moves out of the property within 6 to 10 years after buying the house, the loan will be forgiven incrementally, at a rate of one-fifth of the loan each year over five years. After 10 years, the loan is fully forgiven so no repayment is required. The resulting program income will come to the County to support future projects.

This change guarantees a housing unit will remain affordable to low-income residents for a minimum of five years and provides the possibility of program income to create more housing opportunities in the future.

2. Apache Shores Street Improvement

Original Project Description:

Apache Shores is identified as a low to moderate-income area. Many roads in the Apache Shores area do not meet Travis County standards; therefore, the substandard roads are not accepted into the Travis County road maintenance program. Three roads in the Apache Shores area have been identified for repairs for PY07. The alternate road project includes any Apache Shores roads identified in the PY06 Action Plan in which the costs for completion exceed the soft cost estimates.

The street improvement scope of work may include, but is not limited to: 1) design services; 2) land surveying services; 3) geo-technical services; 4) drainage design services; 4) utility location and relocation coordination services; 5) environmental review and related regulatory permits; 6) acquisition of right of way and easements; and 6) construction.

Project Design Change:

The proposed change is for any cost savings from the Apache Shores Street Improvement project to be reprogrammed to the cost of the construction of the Lava Lane Street Improvement project (the project description is found above on the section for the Substantial Amendments for PY06).

This change allows the CDBG program to be more efficient and timely in reallocating funds, should additional monies or cost savings be available and need to be reprogrammed. The amount of dollars to be reprogrammed is unknown at this time as it is contingent on any cost savings at the close of the project.

Substantial Amendments for Program Year 2008

1. Infrastructure Support for the Production of New Owner Housing Units

Original Project Description:

This project will provide Austin Habitat for Humanity, Inc., designated as a sub-recipient, construction dollars for infrastructure to support the land acquisition projects funded with CDBG dollars in PY 06 and PY 07. Additionally, it will further increase the affordability of the owner occupied single family home units created. Infrastructure includes streets, water, sewer, electric and gas lines. The design and engineering of the infrastructure is complete; however, if changes are needed due to the results of the environmental assessment or other unknown factors, dollars may be used to pay for modifications to the design.

This project targets households at 25%-50% median family income. A public hearing will be held to receive comment on the location of the land when it is under an option agreement. Affordable housing units will be built on the developed land and 41 very low to low income households will have the opportunity to purchase these homes at zero-percent interest financing.

Reprogramming of Funds:

The proposed change is to reprogram \$500,000, awarded to Austin Habitat for Humanity (AHFH), from the development of affordable housing through Infrastructure Development to the development of affordable housing through Land Acquisition. The reprogramming of funds allows the same amount of funds to be invested in affordable housing, but through a different type of investment. Austin Habitat would remain the sub-recipient.

The proposed reprogramming of funds comes as a result of the following:

- Initially, when the funds were committed, they were to support infrastructure development for an identified, undeveloped piece of land that required site approval from the Commissioners Court. However in October 2009, the Commissioners Court did not approve the proposed site.
- AHFH is required to spend the funds for infrastructure prior to July 31, 2010 due to spending timelines.
- Infrastructure development (development of roads, water and sewer systems) takes longer to implement than the purchase of developed land; therefore, the reprogramming of funds will help spend/invest the funds in a more timely manner while achieving the same goal of affordability.

With the reprogramming of funds \$500,000 AHFH will provide approximately 20 new units of single family housing to households at or below 80% MFI through a 10 year forgivable loan. AHFH would be allowed to convey lots to other affordable housing developers, with the permission of the County, to ensure economic diversity of the neighborhood. The resulting program income will come to the County to support future projects. The program design for these dollars is different than the PY 2006 & 2007 allocations due to the current housing market, tightened credit market and increased knowledge by the CDBG staff since the program's inception.

2. Home Rehabilitation

Original Project Description:

This project will fund home repair and weatherization services to low and moderate income homeowners in the unincorporated areas of Travis County. The program seeks to improve the energy efficiency, physical living conditions, and safety in owner-occupied homes. Services will be provided by a non-profit, designated sub-recipient and identified through a formal application process in which it demonstrates the ability to provide services and adhere to federal guidelines. The program will target households at or below 50 percent of the median family income. A maximum of \$5,000 of CDBG assistance per year will be provided to a single home.

Program Design Changes:

The first change proposed is to establish a limit up to \$24,999 per household through a forgivable loan over five years, as this would provide the flexibility to determine the level of assistance on a case by case basis. The project would continue to be provided by a designated sub-recipient, identified through a competitive process, or by the County should the competitive process not identify a qualified organization to implement the program. The resulting program income will be re-invested in home rehabilitation.

This change aligns with the programmatic changes for the PY 2009 home rehabilitation project where it was established that \$5,000 (the previous limit) was often not enough to create substantive repair to achieve Housing Quality Standards or address lead based paint hazards.

The second change proposed is for the program to target households at or below 80 percent of the median family income (MFI) instead of just households that are at or below 50 percent of the median family income.

This change aligns with the programmatic changes for the PY 2009 home rehabilitation project and will allow families that are homeowners with little discretionary funds for homeowner's maintenance and whose income falls between 50 and 80 percent MFI to also benefit from the program.

Substantial Amendments for Program Year 2009

1. Homebuyer Assistance

Original Project Description:

In an effort to make housing affordable to "first-time home purchasing" families whose annual household income is at or below 80 percent of the Area Median Income (AMI), the Travis County Affordable Housing Ownership Program will make Shared Appreciation Gap Financing and Down payment Assistance loans available. The project will be administered by the Travis County Housing Finance Corporation (TCHFC) as a designated sub-recipient. All program income will be reinvested into the Homebuyers Assistance program.

Shared Appreciation Gap Financing:

Households earning 60% or less of the area median income may obtain funds (up to \$30,000) to reduce the sales price to an amount affordable to the household. Actual assistance amount will be calculated based on actual family need. The loan is a 0 % interest, 30-year note with no required annual or monthly payments. Upon resale, refinancing, lease or other transfer of title, the loan must be repaid in full plus a percentage of the house's appreciation value.

Down Payment Assistance:

Households earning 80% or less of the area Median Family Income (MFI) may obtain funds (\$8,000) to cover down payment and reasonable closing costs. The loan is a 0 % interest, 5 year-note with no required annual or monthly payments. The loan is forgiven at a pro-rata rate of 20% for each year of homeownership. The loan is fully forgiven at the end of 5 years. A minimum house hold investment of \$500 is required.

Program Design Change:

The proposed change is for the beneficiaries of the Shared Appreciation Gap Financing portion of the project to change from households earning 60% or less of the median family income (MFI) to households earning 80% or less of the MFI.

The Housing Finance Corporation recently completed a survey of lenders and realtors to determine the current market based on the guidelines for the CDBG program. The

results indicate that it will be very difficult to find qualified buyers below 60% MFI. This change allows the project to remain viable in the current market and provide much needed assistance to ensure affordability for residents at the 60% -80% MFI level.

Public Comments

Advertisement

During the week of October 19, 2009, Travis County published announcements inviting the public to comment on the substantial amendments made to CDBG projects. Advertisements were posted on the County's website and were published in newspapers of general circulation. In addition, notifications by mail and e-mail were sent to service providers, to citizens who had previously attended public hearings, to the community liaison departments of Travis County schools districts and to neighborhood associations. Announcements were also posted through Twitter and Facebook. Refer to attachments A and B for a copy of the public notice in both English and Spanish.

Public Comment Period

The draft report was available to the public for review and to provide written comment from November 11th through December 10th, 2009, at the seven Travis County community centers as well as the County's website <http://www.co.travis.tx.us/>. A public hearing was also held at the Travis County Commissioners Court on November 24, 2009.

Summary of Public Comments Received

One comment was received throughout the 30 day public comment period which occurred during the public hearing. The comment requested clarification on the rationale for reprogramming \$500,000 from infrastructure support to land acquisition. CDBG staff responded directly to the resident during the public hearing, and the answer satisfied the resident's concern; therefore the comment was accepted. For a full text of the comment received, please refer to Attachment C.

Attachment "A": Public Notice



Travis County Community Development Block Grant (CDBG) Program Public Notice: Invitation to Comment on Substantial Amendments for CDBG Projects

Travis County is inviting the public to comment on a draft document that outlines substantial changes for its Community Development Block Grant (CDBG) Program. The CDBG program conducts community development projects for low- to moderate-income residents who live in the unincorporated areas of the County.

Every year, the progress of CDBG projects is evaluated to determine if any changes to funding, project design or the deletion or addition of projects needs to occur. This year the County is proposing to reprogram \$500,000 in CDBG funds and make program design changes to four CDBG projects.

Comment Period and Draft Document

Comments will be accepted for 30 days beginning November 11, 2009 at 8:00 a.m. and ending December 10, 2009 at 5:00 p.m. Beginning November 11, 2009, a draft document will be available for download on the Travis County CDBG page www.co.travis.tx.us/CDBG or available for review at any of the seven Travis County Community Centers:

South Rural Community Center	3518 FM 973, Del Valle
Travis County Community Center	15822 Foothills Farm Loop, Bldg D, Pflugerville
West Rural Community Center	8656-A Hwy 71 W., Suite A, Oak Hill
Northwest Rural Community Center	18649 FM 1431, Jonestown
East Rural Community Center	600 W. Carrie Manor, Manor
Palm Square Community Center	100 N. IH-35, Suite 1000, Austin
Post Road Community Center	2201 Post Road, Suite 101, Austin

Public Hearings

The public can provide their comments by attending a Public Hearing scheduled for Tuesday, November 24, 2009 at 9:00 a.m. at Travis County Granger Building, Commissioners Courtroom, 314 W. 11th St, Austin, TX.

Mailing Comments

The public can also mail their comments to: CDBG Program, Travis County, HHSVS P.O. Box 1748, Austin, TX 78767 or or e-mail them to Christy Moffett at christy.moffett@co.travis.tx.us

Travis County is committed to compliance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call 854-3460 for assistance.

Attachment "B": Public Notice in Spanish



Condado de Travis Programa de Subsidio Globales para el Desarrollo Comunitario (CDBG) Aviso Público: Invitación para comentar sobre la Enmienda Sustancial a Proyectos CDBG

El Condado de Travis invita al público a comentar sobre los cambios propuestos para al programa de Subsidios Globales para el Desarrollo Comunitario (CDBG). Los cambios propuestos estarán resumidos en un documento preliminar. El programa CDBG implementa proyectos de desarrollo comunitario para residentes de ingresos bajos y medianos que viven en las áreas no incorporadas del condado.

Cada año, se evalúa el progreso de los proyectos CDBG para determinar si se requieren cambios de financiamiento, cambios de diseños de proyectos o si se requiere la eliminación o la incorporación de nuevos proyectos. Este año el Condado propone reprogramar \$500,000 dólares en fondos CDBG y realizar cambios a los diseños de cuatro proyectos.

Periodo de Comentario y Documento Preliminar

Los comentarios públicos se aceptarán por un período de 30 días a partir del 11 de Noviembre de 2009 a las 8:00 a.m. hasta el 10 de Diciembre de 2009 a las 5:00 p.m. La versión preliminar del documento estará disponible para ser revisada a partir del 11 de Noviembre de 2009 en la página web www.co.travis.tx.us/CDBG o en los siguientes centros comunitarios:

Centro Comunitario Rural del Sur	3518 FM 973, Del Valle
Centro Comunitario del Condado de Travis	15822 Foothills Farm Loop, Bldg D, Pflugerville
Centro Comunitario Rural del Oeste	8656-A Hwy 71 W., Suite A, Oak Hill
Centro Comunitario Rural del Noroeste	18649 FM 1431, Jonestown
Centro Comunitario Rural del Este	600 W. Carrie Manor, Manor
Centro Comunitario de Palm Square	100 N. IH-35, Suite 1000, Austin
Centro Comunitario de Post Road	2201 Post Road, Suite 101, Austin

Audiencia Pública

El público puede suministrar sus comentarios asistiendo a una Audiencia Pública planificada para el Martes 24 de Noviembre de 2009 a las 9:00 a.m. en la Sala de la Corte Comisionada ubicada en el Edificio Granger del Condado de Travis, en la dirección 314 W. 11th St, Austin, TX.

Envío de Comentarios

El público puede enviar sus comentarios por correo postal a la dirección: CDBG Program, Travis County HHSVS P.O. Box 1748, Austin, TX 78767 o por e-mail a Christy Moffett al correo electrónico christy.moffett@co.travis.tx.us

El Condado de Travis está comprometido a cumplir con la Ley de Americanos con Discapacidades (ADA) y con la Sección 504 de la Ley de Rehabilitación de 1973, según su enmienda. Al solicitarlo, se proporcionarán modificaciones razonables e igual acceso a comunicaciones. Si necesita ayuda, por favor llame al 854-3465.

Attachment "C": Public Comments

Comments received during the 11/24/09 Public Hearing:

Ronnie Reeferseed's comment

Ronnie Reeferseed: I'm Ronnie Reeferseed, my question is just with the -- with the first the reprogramming. Is that -- where there's suddenly half a million dollars taken from the - - according to what was on the screen there, taken from infrastructure improvements to land acquisition. I mean, who decided to do that and what's going to happen to that infrastructure that's not being maintained for that half million dollars and I mean so my basic question is who is supervising this reprogramming? You say it's up to them, you can just do it.

Christy Moffett: Well, what happened was that originally land acquisition was funded through program years PY 2006 and PY '07. The land that Habitat identified needed infrastructure support and we found there was an issue with the land and we did not provide site approval for that property.

Therefore, we asked them if they wanted to continue with that investment, we needed to spend money more quickly so we couldn't continue to leave it in infrastructure development because it was going to take them some time to identify another piece of property. So we offered them the opportunity to either move that to additional land acquisition dollars or for us to go and find another project to fund. So habitat requested that we move the money into land acquisition, the Commissioners Court approved that project idea and now it's going through public comment. So it's the same, it's the same investment with Habitat that we were originally going to make. It just -- they will now be buying developed property. There won't -- they won't be buying raw land that has to have infrastructure put on it.

Ronnie Reeferseed: I see. it's a cost that's eliminated.

Christy Moffett: Right, exactly. It's the same amount of investment to the same subrecipient.