

In 2004-2005, the Housing Authority of the City of Austin helped 146 residents pursue home ownership goals



2004-2005 Annual Report  
Making A Difference



Family Self-Sufficiency Program Members, October 2004

## Mission

The Housing Authority of the City of Austin is a public agency whose business is to: Ensure that safe, quality affordable housing opportunities exist for families of low income; Break the poverty cycle by serving as a catalyst for our residents to become economically self-sufficient; Create meaningful partnerships to maximize available community resources for our residents; and efficiently and effectively meet federal, state and local mandates. The Housing Authority of the City of Austin will pursue entrepreneurial opportunities to address emerging trends and respond to the challenges of the future.

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**Cover photo:** *Nicole Robinson, who is visually impaired, and her family moved into a newly built home in March 2005 after participating in HACA's Home Ownership Program.*

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Making a Difference

# A Message From Will Wynn

Dear Commissioners and Staff of the Housing Authority of the City of Austin,

**T**hank you for your commitment and dedication to our community. The Housing Authority of the City of Austin provides 18,000 Austinites with the ability to find a home and the resources to become self-sufficient. Economically disadvantaged residents are empowered with the many self-sufficiency initiatives, drop-out prevention and scholarship programs, resident safety and wellness programs provided by your agency. With your 68-year tradition, the housing authority will remain an invaluable resource to our city.

This past year, HACA focused on resident safety, and I commend your efforts for collaborating with the Austin Police Department to help create safer communities. I would also like to acknowledge HACA's efforts in education and encouraging community involvement within the school district. This past year the "Mock TAKS test" campaign was a unique way to inform not only the children but to generate awareness of the test's importance to parents as well. Through partnerships with local agencies, HACA was able to strengthen and encourage community awareness for all Austin residents.

Additionally, your continuous efforts in community modernization and beautification created homes in which residents and members of the Austin community are proud to live.

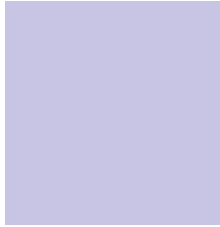
I commend you for your outstanding work and dedication to the city of Austin. Congratulations on a successful year.

Regards,

Will Wynn  
Mayor



# A Message From the Board of Commissioners and James Hargrove



Dear Friends in the Austin Community,

The Housing Authority of the City of Austin is pleased to present the 2004-2005 fiscal year annual report. As you will see, many programs saw increased reporting standards, various departments embraced new challenges and all staff diligently worked to maintain the agency's status as a "High Performing Agency" for the sixth year in a row.

With no plans to slow down, HACA launched its first Home Ownership Program, Southwest Housing Compliance Corporation, a nonprofit subsidiary of HACA, received an award of contract as the Performance Based Contract Administrator for the state of Arkansas and Austin Affordable Housing Corporation, another nonprofit subsidiary of HACA, preserved the shortage of affordable housing stock through the purchase of two apartment developments.

With these new challenges and the ever-changing environment of subsidized housing, customer service has taken a priority within the agency. Our residents are and always will be the foundation of this agency and through enhanced training programs, quality control management and customer satisfaction surveys, decisive benchmarks have been incorporated to improve our overall customer approval.

We are proud to report our accomplishments and are ready to show you how HACA is truly making a difference in the lives of those we serve.

Sincerely,

James L. Hargrove, President and CEO  
Henry Flores, Chairman of the Board of Commissioners  
Carl Richie, Board Member  
Charles Bailey, Board Member  
Tyra Duncan-Hall, Board Member  
Kelly Roth, Board Member



Henry Flores,  
Chairman



Carl Richie,  
Board Member



Charles Bailey,  
Board Member



Tyra Duncan-Hall,  
Board Member



Kelly Roth,  
Board Member

To say that the Housing Authority of the City of Austin aims to keep its residents and community partners happy would be an understatement. HACA, without a doubt, goes above and beyond regular customer service to ensure the people it serves are satisfied and have every imaginable resource within reach.

Perhaps the most obvious way to stress the importance of excellent customer service was for HACA to start with its employees. In 2004, all 200 plus employees were required to attend a full day of customer service training. The course, Outstanding Customer Service, aimed to help HACA employees hone their skills in delivering outstanding customer service, dealing with difficult people and managing stress.

A little further into the dynamics of HACA, the Housing Choice Voucher program continues to work extra hard at making certain it provides quality service to both residents and landlords. Strong management tools and a quality control system have been established to ensure success as evidenced by consistently high Section 8 Management Assessment Program Certification scores.

The program developed a landlord outreach marketing strategy to attract new landlords and increase families' lease-up success rate. The landlord outreach specialist actively recruits new property owners and educates current property













owners on HACA policy. Marketing efforts include conducting monthly landlord seminars, attending trade shows hosted by the Austin Apartment Association and the Austin Board of Realtors, providing quarterly newsletters to all HCV landlords and hosting informational and educational seminars on relevant topics affecting landlords and tenants.

And what kind of agency would HACA be if it didn't care about what its residents thought? Certainly not a customer-friendly organization. In a continuing effort to be responsive to both the housing authority's residents' and customers' concerns and satisfaction, HACA developed a series of surveys to determine a baseline for measuring and improving customer satisfaction. Approximately 5,500 surveys were sent out to all public housing residents and a portion of the agency's vendors, Housing Choice Voucher residents and landlords, receiving an incredible 26 percent response rate. The housing authority was evaluated most favorably with an overall rating averaging out at 3.25 on a 4 point scale.

So whether through customer service training to HACA employees, a quality service checklist maintained by the Housing Choice Voucher program or sending customer satisfaction surveys to HACA residents, the agency keeps a constant watch on how it's doing in the community. HACA aims to please.

## Who does HACA serve?

In 2004-2005, HACA housed 18,931 Austinites -- 7,061 families

-  49.5% were African-American families
-  \$11,718 was the average family income
-  33.9% were Hispanic families
-  62.5% were women and 37.5% were men
-  15.7% were Caucasian families
-  4% were married households
-  0.6% were Asian/Pacific families
-  1,168 were disabled families
-  0.3% were American Indian families
-  10,231 were children

"The thought process is basically to get people self-sufficient off of subsidy into doing things for themselves."

The Housing Authority of the City of Austin works to provide transitional housing for low-income workers and their families until they can become self-sufficient. One of the most exciting programs HACA launched in 2004 to help achieve this goal was the Home Ownership Program.

The program provides a maximum loan of \$10,000 on a first come, first serve basis to residents qualified for home ownership. The goal was to provide an incentive for residents to attain employment and a new vision of their future potential, including being free from welfare assistance and to be a homeowner.

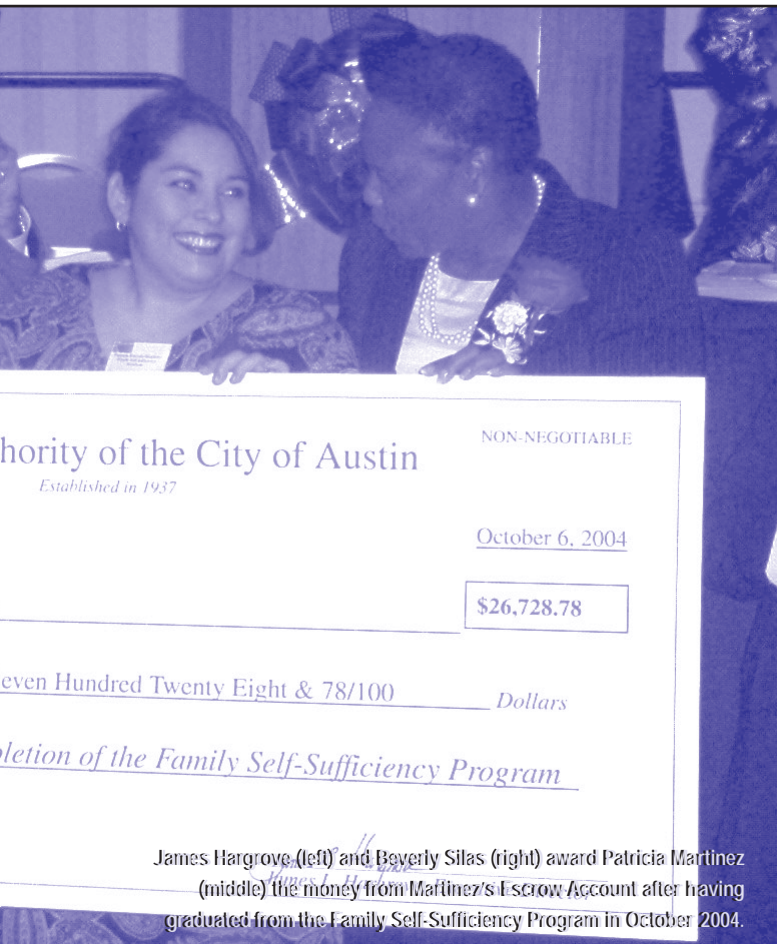
Probably the best part about the program is that the loan is forgiven after five years if residents aren't in default. No monthly payments are required and repayment is deferred unless the resident sells, transfers, refinances or converts the home to a rental property in five years.

"The thought process is basically to get people self-sufficient off of subsidy into doing things for themselves," Ron

Kowal, vice president of Housing Development, said. "The loan lowers house payments, gives residents instant equity in the house and makes it more affordable for them. That money is theirs after five years."

Another program in the works to assist residents in becoming financially independent is the Six Star Resident Program. This three-year program is designed for HACA residents who can see themselves moving out of public housing within the next few years but aren't able to buy a home yet. They will be able to live in a privately owned apartment at a discounted rate while meeting the six requirements: be employed full-time, keep their children in school, be registered to vote, be free from dependence on drugs and alcohol, maintain a clean apartment and pay their rent on time. Over the course of the three years and as the tiered rent increases, an escrow account is established for the difference in rent. When a tenant graduates from the program, the escrow earned may be used toward the Home Ownership Program.





Breaking the poverty cycle is a challenge the Housing Authority of the City of Austin is very passionate about. With services reaching out to residents of all ages, the agency actively encourages its residents to set goals for themselves that will help them become financially independent.

Every year the housing authority gives a periodic stipend to Austin-area schools to help improve education efforts among the community. The agency hopes that with its support, Austin schools will continue their aggressive drop-out prevention efforts.

Veronica Wood, vice president of Community Development, says that one of the most exciting programs recently employed is the partnership between two HACA partners, Communities in Schools and Meals on Wheels and More. The new initiative delivers hot meals to HACA residents participating in after-school programs based at six of the agency's housing developments.

"It is important to create a bridge between home and school," Wood said. "Between partnering with schools and Communities in Schools, we have a constant involvement with kids so as to break the poverty cycle."

Also continuously plugging self-sufficiency opportunities is the Housing Choice Voucher Program through its tenant newsletter. The publication lists employment, educational and home ownership resources as well as information about deposit recovery, credit repair, free tax services and available educational scholarships for their children through HACA and other agencies.

Helping its residents become economically self-sufficient is a goal the housing authority always keeps at the forefront, aiming to make Austin a better place to live for the whole community.

"We have a constant involvement with kids so as to break the poverty cycle."

# Capital Improvement



Having been around since the late 1930s, some of the Housing Authority of the City of Austin's developments date back well over 60 years. Needless to say over the course of time, HACA has been proactive in its modernization and renovation efforts in order to provide quality affordable housing for its residents.

In addition to addressing basic property needs, the housing authority's Planning and Development Department was able to focus on enhancing the recreational areas of several communities in 2004-2005. Efforts included improving playground equipment and developing leisure areas with barbecue pits and picnic tables.

"The idea is to make the developments softer, getting people out of their units to enjoy the grounds," said Planning and Development Director James Teasdale.

Another important area the department was able to direct its attention to was ADA compliance. Because the agency houses a significant number of disabled residents, HACA prioritizes addressing visibility and accessibility to encourage residents to visit each other and ensure sufficient accessibility for everyone. Widening pathways and doorways for the disabled, even if it's not an ADA unit, is one way HACA goes above and beyond the U.S. Department of Housing and Urban

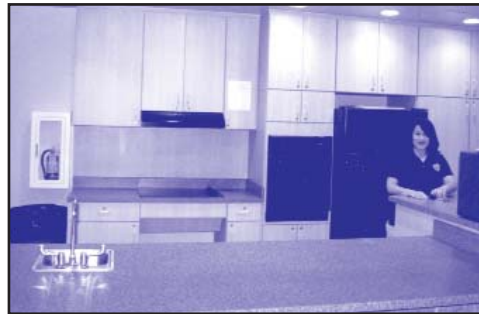


Development's requirements. The agency tries to improve visibility in all modernization efforts.

And to continue to make a difference in the Austin economy, the housing authority realizes the measures it must make in cutting down on energy use. When lighting was replaced on one of the first public housing properties built in Austin -- Chalmers Court -- HACA made sure to employ energy-efficient light fixtures.

"When we use energy efficient fixtures, we're teaching residents to understand, and we hope they employ the habits on their own, saving themselves money and assisting them on the road to self-sufficiency," said Teasdale.

Capital improvement remains an integral part of providing housing for Austin's low-income workers and their families. HACA is committed to keeping its properties and facilities in top condition so that its residents will have a safe, decent and affordable place to call home.



# 2004-2005 Financial Report

Combined Balance Sheet as of March 31, 2005

## ASSETS

### Current Assets

Cash and cash equivalents	\$10,781,765
Investments	1,314,014
Receivables -- net of allowance	3,158,011
Inventories -- net of allowance	104,803
Prepaid expenses and other assets	516,054
Interprogram due from	1,577,519
<b>Total current assets</b>	<b>\$ 17,452,166</b>

### Noncurrent Assets

Restricted cash and cash equivalents	\$ 215,767
Restricted investments	84,333
Capital assets:	
Land	7,104,768
Building and equipment	102,022,951
Infrastructure	1,643,004
Construction in progress	3,947,606
Less accumulated depreciation	-73,298,834
Capital assets, net	39,776,491
<b>Total noncurrent assets</b>	<b>\$ 40,076,591</b>

## TOTAL ASSETS

**\$ 57,528,757**

## LIABILITIES

### Current Liabilities

Accounts payable	\$ 365,827
Accrued liabilities	338,409
Intergovernmental payables	2,619,049
Tenant security deposits	405,558
Deferred revenue	1,109,142
Bonds, notes and loans payable	517,583
Other current liabilities	110,905
Interprogram due to	1,577,519
<b>Total current liabilities</b>	<b>\$ 7,043,992</b>

### Noncurrent Liabilities

Bonds, notes and loans payable	11,058,517
Accrued compensated absences non-current	282,132
Noncurrent liabilities -- other	300,099
<b>Total noncurrent liabilities</b>	<b>\$ 11,640,748</b>

## TOTAL LIABILITIES

**\$ 18,684,740**

## NET ASSETS

Invested in capital assets, net of related debt	\$ 28,200,391
Unrestricted net assets	10,643,626

## TOTAL NET ASSETS

**\$ 38,844,017**

Combined Statement of Revenues, Expenses and Changes in Fund Net Assets for the Fiscal Year Ended March 31, 2005

### OPERATING REVENUES

Tenant revenue	\$ 4,257,346
Government operating grants	66,985,172
Other revenue	1,211,766

### TOTAL OPERATING REVENUES

**\$ 72,454,284**

### OPERATING EXPENSES

Administrative	\$ 12,735,348
Tenant services	1,199,439
Utilities	2,648,647
Maintenance	3,310,778
Protective services	460,062
General	1,096,609
Housing assistance payments	45,290,098
Other operating expenses	265,223
Depreciation	3,575,237

### TOTAL OPERATING EXPENSES

**\$ 70,581,441**

### OPERATING INCOME (LOSS)

**\$ 1,872,843**

### NONOPERATING REVENUES (EXPENSES)

Interest and investment revenue	\$ 133,682
Interest expense	-367,947

### Total nonoperating revenues (expenses)

**\$ -234,265**

Income (loss) before contributions and transfers

1,638,578

### Capital grants

\$ 2,309,708

Change in net assets

3,948,286

Total net assets -- beginning

\$34,895,731

### TOTAL NET ASSETS -- ENDING

**\$ 38,844,017**

# Nonprofit Subsidiaries

## Southwest Housing Compliance Corporation

The U.S. Department of Housing and Urban Development selected Southwest Housing Compliance Corporation, a nonprofit subsidiary of the Housing Authority of the City of Austin, to serve as its Performance Based Contract Administrator for Section 8 Project Based units throughout the state of Arkansas effective Sept. 1, 2004. This new contracting system was part of a landmark management reform plan called HUD 2020 that was launched in June 1997. SHCC had already been serving as the Section 8 Performance Based Contract Administrator in Texas since 2000, so the Arkansas contract was a welcome challenge for the nonprofit.

The last year also saw the organization make an obvious difference in the Austin community through its revenues. SHCC contributed \$50,000 in scholarships for HACA residents as well as separate funding for the purchase of private rental market properties in Austin for resident programs encouraging self-sufficiency.



## Austin Affordable Housing Corporation

2004 was another banner year for the Austin Affordable Housing Corporation. The nonprofit purchased several private rental market properties in Austin in an effort to maintain affordable living throughout the city and create revenue streams for future resident initiatives. Combining these efforts and the successful introduction of the Six Star Resident and Home Ownership programs, AAHC continued its efforts to open doors toward the ultimate goal of self-sufficiency for residents.

Building new relationships with local financial institutions laid the groundwork for new financing options, allowing more opportunities for resident programs.

The organization plans to continue its mission to help HACA become a self-sustaining organization and improve the quality of life for current and future residents. With the resources in place, AAHC continues to be a driving force in striving for a better quality of life for all residents.



*“Through profits earned by SHCC, HACA has increased the inventory of affordable housing in Austin through the purchase of existing multifamily properties.”*  
~Isiah Hernandez, Senior Vice President

The staff of the Housing Authority of the City of Austin is only here for one reason -- to make certain the basic needs of the population it serves is provided for and to assist residents in setting goals that will help them reach financial independence.

The Safety Committee is one tool that ensures safe, quality affordable housing opportunities exist for the organization's residents. Made up of HACA staff volunteers from every department in support of the safety/risk coordinator, the Safety Committee works to prevent accidents and minimize their consequences. It also strives to reduce the frequency and severity of potential injuries for both residents and employees on all HACA properties.

Another way the agency's employees go the extra mile for its residents is through a partnership HACA has with the Austin Independent School District in a Mentoring Program. Although not all of the children participating in the program are HACA residents, the majority of participants do live in the agency's public housing communities. The program is structured so that employees devote at least one lunch hour a week to their mentee by helping with schoolwork, playing games, building self confidence and talking about whatever is on a child's mind. Staff volunteers take pride in serving as role models, confidantes and friends to these young people and sharing their experiences with other employees.

HACA hopes to continue expanding programs for staff to get involved with and challenges all employees to make a difference in their community by mentoring a child.

## Employees of the Quarter and Year

**Sabrina Campbell**  
Employee of the First Quarter  
Employee of the Year

**Carmen Cienfuegos**  
Employee of the Second Quarter

**Cynthia Zea**  
Employee of the Third Quarter

**Ralph Hill**  
Employee of the Fourth Quarter

## Housing Authority Vice Presidents



**Isiah Hernandez,**  
Senior Vice  
President



**Lisa Garcia,**  
VP of Assisted  
Housing



**Thomas Cherian,**  
VP and CFO



**Wenceslao Santiago,**  
VP of Housing  
Operations



**Veronica Wood,**  
VP of Community  
Development



**Ron Kowal,**  
VP of Housing  
Development



**Michael Cummings,**  
VP of Asset  
Management

# Employee Initiatives



The Housing Authority of the City of Austin once again proved in 2004 to be one of the top housing agencies in the country. The U.S. Department of Housing and Urban Development awarded HACA a Public Housing Assessment System score of 96 and a Section 8 Management Assessment Program score of 104 percent for 2004.

To celebrate these “High Performer” scores, HACA’s president and vice presidents hosted a celebratory employee picnic at the Central Administration building where they were the barbecuers at the grill. Employees enjoyed socializing with the housing authority’s different departments while being commended for a job well done.



For more information, please contact one  
of the following housing authority representatives:

President and CEO -- James Hargrove, [jimh@hacanet.org](mailto:jimh@hacanet.org)

Senior Vice President -- Isiah Hernandez, [isiahh@hacanet.org](mailto:isiahh@hacanet.org)

Vice President of Assisted Housing -- Lisa Garcia, [lisag@hacanet.org](mailto:lisag@hacanet.org)

Vice President and CFO -- Thomas Cherian, [thomasc@hacanet.org](mailto:thomasc@hacanet.org)

Vice President of Housing Operations -- Wenceslao Santiago, [santiago@hacanet.org](mailto:santiago@hacanet.org)

Vice President of Community Development -- Veronica Wood, [veronicaw@hacanet.org](mailto:veronicaw@hacanet.org)

Vice President of Housing Development -- Ron Kowal, [ronk@hacanet.org](mailto:ronk@hacanet.org)

Vice President of Asset Management -- Michael Cummings, [michaelc@hacanet.org](mailto:michaelc@hacanet.org)

Media Relations Specialist -- Jennifer Jones, [jenniferj@hacanet.org](mailto:jenniferj@hacanet.org)

Housing Authority of the City of Austin  
1640-B E. Second St.  
Austin, Texas 78702

