



HOUSING AUTHORITY OF THE CITY OF AUSTIN

2015-2016 Annual Report

BRINGING OPPORTUNITY HOME



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PRESIDENT'S MESSAGE

For nearly 80 years, the Housing Authority of the City of Austin (HACA) has been a national leader in providing safe, healthy and affordable housing options to nearly 19,000 residents in need in the Austin area, including children, seniors, and persons with disabilities.



This year, as we have for the past 15 consecutive years, HACA has maintained its record of excellence by earning a "High Performer" designation from the U.S. Department of Housing and Urban Development (HUD) in the operations of our public housing and Housing Choice Voucher (HCV) programs.

This has been a year of exciting achievement for HACA:

- We added 818 high-quality rental units to meet our community's housing needs through our subsidiary, Austin Affordable Housing Corporation.
- HUD awarded HACA a \$2.7 million Jobs Plus Grant — our largest ever, and one of only nine in the nation this year — to provide residents with transformative job skills and opportunity.
- HACA launched our Rental Assistance Demonstration (RAD) program to modernize and transform the quality of our public housing units and give residents expanded protections and choice.
- Recognizing our leadership in digital inclusion, HUD named HACA the nation's only "Mentor City," supporting 28 other communities working to connect low-income persons to the power of the internet.

However, we are not resting on our laurels, as our city has immense needs for combating poverty. We look forward to building on our existing partnerships and continuing our important work to Bring Opportunity Home for our residents and clients.

Michael G. Gerber



ABOUT US



Our Mission: To cultivate sustainable, affordable housing communities and partnerships that inspire self-reliance, growth and optimism.

RENTAL ASSISTANCE DEMONSTRATION

In 2016, HACA is breaking ground with a bold new initiative to preserve public housing in Austin and improve the lives of more than 4,300 Austinites who rely on that public housing. By participating in HUD's RAD program, HACA will be able to finance critically needed improvements to its aging properties and guarantee

they'll be available to low-income residents for the next 40 years. This program will allow us to upgrade housing staples including kitchens and bathrooms, playgrounds, and roofs. In addition, RAD will create more opportunities for residents concerning where they would like to live. For more information, visit www.HACARAD.org.

WHO WE SERVE



By the Numbers

HACA provided housing to **18,550** people in 2015-2016.

The average annual income of a family in public housing is **\$11,004**. For families in the Housing Choice Voucher program, it is **\$13,669**.

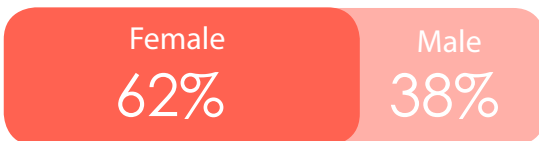
HACA contributed **\$45.3 million** to the local economy through its rental assistance and other programs.



Race



Ethnicity



Gender

OUR STAFF



Executive Team: Michael G. Gerber, President and CEO; Sylvia Blanco, Executive Vice President; Lisa Garcia, Vice President of Assisted Housing; Thomas Cherian, Vice President and CFO; Pilar Sanchez, Vice President of Housing and Community Development; Michael Cummings, Vice President of SHCC and Blueprint Housing Solutions; and Ron Kowal, Vice President of AAHC Housing Development and Asset Management





Internationally renowned artist Orly Genger created Hurlyburly, an interactive art installation made from recycled lobster rope, near Lakeside Apartments as part of Austin's Waller Creek Conservancy.

Safety & Security

Everyone should feel secure at home. A recent \$250,000 grant from HUD allowed HACA to upgrade a security camera system, add an automated door locking system, and enhanced outdoor lighting to better serve residents at Lakeside Apartments, a high-rise property serving the elderly located in the heart of Downtown Austin.

AUSTIN PATHWAYS

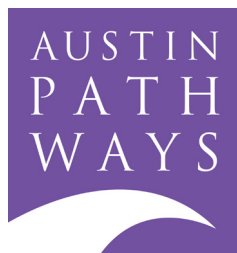
Austin Pathways is a HACA-directed nonprofit organization that supports HACA's scholarship and self-sufficiency programs. In March 2016, the nonprofit participated in the 24-hour Amplify Austin online giving campaign. Donors gave more than \$30K to support scholarships and other programs for public and assisted housing residents.



150
HACA families
earned free
refurbished
computers in
FY 2015-2016.

Grant Funds Computer Lab Apprenticeship

A 2015 City of Austin Grant for Technology Opportunities (GTOPS) is helping Austin Pathways stay strong in its mission of digital inclusion for all. The grant helped fund a lab apprenticeship program for 15 HACA residents to earn a stipend by serving as computer lab monitors at Booker T. Washington, Meadowbrook's Henry Flores Education and Training Center, and North Loop. The program will teach residents valuable digital technology skills, customer service skills and confidence as they help their neighbors. In addition, lab monitors will allow HACA's computer labs to extend their hours and be open for use by all residents in the community.



The road to success.

Summer STEM Camps Inspire Learning

Austin Pathways received a grant from the Central Texas Summer STEM Funding Collaborative in partnership with Skillpoint Alliance, that provided 125 families with an innovative summer science, technology, engineering and mathematics (STEM) pilot program for public housing residents age 6 to 12 years old. The program also offered professional development by providing eight high school students a chance to participate in STEM education and leadership training. Families who participated in the program earned free refurbished computers through Austin Pathways' Unlocking the Connection digital inclusion program.



HACA Youth Get Grounded in Music

There's no better place to foster an early love for music than in the live music capital of the world. Thanks to a \$6,000 Community Grant from the Best Buy Foundation, Austin Pathways has established the Digital Opportunities for Music Education program to help low-income teens living in public housing develop technology skills to prepare for college and careers.

The funds, which were awarded through the Community Grants program in partnership with a local Best Buy store, were used to purchase music equipment for the audio recording room at the Henry Flores Education and Training Center at Meadowbrook Apartments in south Austin. Grounded in Music, a local nonprofit whose mission is to leverage the power of music to transform young lives, will provide in-kind services for the program.



Austin Selected as ConnectHome Mentor

HUD Principal Deputy Assistant Secretary Lourdes Castro Ramirez recently congratulated Austin on being named a peer mentor to 28 communities participating in the national ConnectHome initiative to extend affordable broadband access to U.S. public housing families.

One in four American families still do not access the internet at home, particularly lower-income families with children. Fewer than 30 percent of public housing families in Austin own a computer; and only 15 percent have internet.

Working with the City of Austin, Google Fiber and other partners, HACA developed Unlocking the Connection, a first-in-the-nation approach to helping low-income residents access basic broadband, digital literacy training, devices, and other essential internet programs and services.

Since the launch of Unlocking the Connection, about 80 percent of residents at five of HACA's 18 public housing properties have registered for free basic internet from Google Fiber.

Google Fiber is now available at Manchaca Village and Bouldin Oaks. Meadowbrook and Shadowbend apartments are currently being wired for basic broadband.

"It is so important that every child be given the same opportunities to build a brighter future and achieve their dreams."

-HUD Principal Deputy Assistant Secretary Lourdes Castro Ramirez



EDUCATION



1,218

HACA children
participated in
Youth
Educational
Success programs

HACA Awards \$57K in Scholarships

Because education is key to breaking the cycle of poverty, HACA has awarded nearly \$1 million in scholarships to low-income students since 2002. In 2015, HACA and Austin Pathways awarded 36 renewable scholarships totaling \$57,500 to residents of its Public Housing and Housing Choice Voucher programs to pursue post-secondary education

opportunities at local institutions of higher education.

Funds are made possible through support from HACA's Southwest Housing Compliance Corporation. Recipients range from newly graduated high school students to returning adult students and those attending college for the first time. Historically, nearly half of the awardees are the first generation in their family to pursue a degree.



PUBLIC HOUSING

HACA's public housing program undergoes an annual independent performance review by the U.S. Department of Housing and Urban Development. A 100-point scale is used to score physical, financial, management and Capital Improvements. In 2015, HACA earned a score of 98 and received "High Performer" designation for the 15th consecutive year.

9 male
public housing
residents
graduated
from i-DADS
in 2015



i-DADS Encourages Fathers to Succeed

HACA's Community Development Department is committed to getting men more involved with their families. Realizing that father-child contact is associated with positive emotional and academic functioning, HACA began a new pilot program called i-DADS (Involved Dads of Action, Development and Success) in 2015 to encourage dads and father figures living in public housing to flourish. The program is designed to

promote access to employment, education and training to help dads develop a successful future. Participants in the 12-week program attend informational sessions focusing on topics including job training, relationships, health and self care. Nine men graduated from the first i-DADS class at Meadowbrook in 2015. Two new sessions are slated to begin this year at Thurmond Heights and Santa Rita.

Jobs Plus Supports Workforce Development

In December 2015, HUD awarded HACA the largest competitive grant the agency has ever received for resident services.

HACA received \$2.7 million to establish a Jobs Plus Program to help the agency address high rates of individual and household unemployment at two of Austin's public housing communities.

The program will also leverage \$4.5 million from HACA and its community partners, including in-kind contributions. The funds will be used to establish an evidence-based program for residents living at Booker T. Washington Terraces and Chalmers Courts, public housing properties located in east Austin.

HACA and its community partners will deliver collaborative programming based on employment-related services, financial incentives – Jobs Plus Earned Income Disregard, and Community Supports for Work.



"Jobs Plus is not just an initiative, it's a pathway to greater prosperity for folks right here in Austin."

-HUD Regional Administrator Tammye H. Treviño

We served **9,102**
children in
FY 2015-2016



1,535 residents
are seniors, and
4,754 are persons
with disabilities.

RESIDENT SPOTLIGHT:

The Smoke-Free Policy Helped Me Quit

North Loop resident Thelma Pannell dumped her longtime “buddy” last year. After 53 years together, Pannell said the relationship had become toxic – causing her to suffer a heart attack, COPD and emphysema.



Most tobacco users will tell you nicotine isn't an easy companion to shake. Research suggests the drug is extremely addictive.

“I enjoyed smoking – it was relaxation,” said Pannell, a former HACA commissioner and resident council president. “I smoked like a pack a day at that time.”

But to quit smoking is not impossible. Since 2002, the number of former smokers in the U.S. has been greater than the number of current smokers.

Pannell said she made up her mind to ditch cigarettes after attending free smoking cessation classes offered by Austin/Travis County Health and Human Services as a part of HACA's smoke-free housing policy, which took effect in September 2015.

The policy prohibits smoking in HACA's 1,839 public housing units. The rules apply to all residents, guests, contractors and employees. Smoking is only allowed in designated areas.

As of March 2016, Pannell had been smoke free for nine months.

“I’m just thrilled that I have quit [smoking]. I wish I could get everybody to quit, but I know that’s a hard job.”



-Thelma Pannell

ASSISTED HOUSING

HACA manages Central Texas' largest Housing Choice Voucher (HCV) program (formerly known as Section 8) as well as several other key assisted housing programs that provide rental vouchers for more than 6,000 units of housing. These programs support more than 14,200 individuals in greater Austin's private rental market.



Housing Homeless Veterans

HACA is proud to be a partner in the ongoing effort by HUD and the U.S. Department of Veterans Affairs (VA) to end veteran homelessness. In April 2015, HACA received 44 additional vouchers from HUD totaling \$291,572, bringing the agency's total HUD-Veterans Affairs Supportive Housing (HUD-VASH) program allocation to 449. Veterans participating in the HUD-VASH program rent privately owned housing and generally contribute no more than 30 percent of their income toward rent. Since 2008, more than 69,000 vouchers have been awarded nationally and more than 88,000 homeless veterans have been served through the HUD-VASH program.

HCV Considers Project-Based Vouchers

HACA incorporated a new policy into its 2016 Annual Plan and 2015-2019 Five-Year Plan to allow the agency to project-base up to 200 tenant-based vouchers for HUD-VASH or for a project that would provide affordable housing for low-income families or homeless veterans.

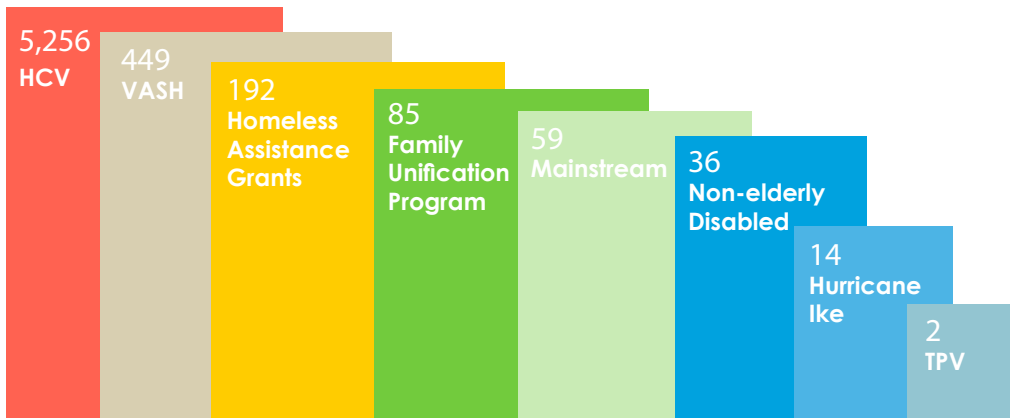
The project-based voucher (PBV) program allows public housing agencies (PHAs) that already administer a tenant-based voucher program under an annual contributions contract with HUD to take up

to 20 percent of its voucher program budget authority and attach the funding to specific units rather than using it for tenant-based assistance. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan and the goal of deconcentrating poverty and expanding housing and economic opportunities.

HACA may consider to project base special vouchers based on HUD publications, or for a project that would provide affordable housing for low-income or homeless veterans.

↑ 6,093

Total number of housing vouchers allocated to HACA in 2015-2016



SOUTHWEST HOUSING COMPLIANCE CORPORATION

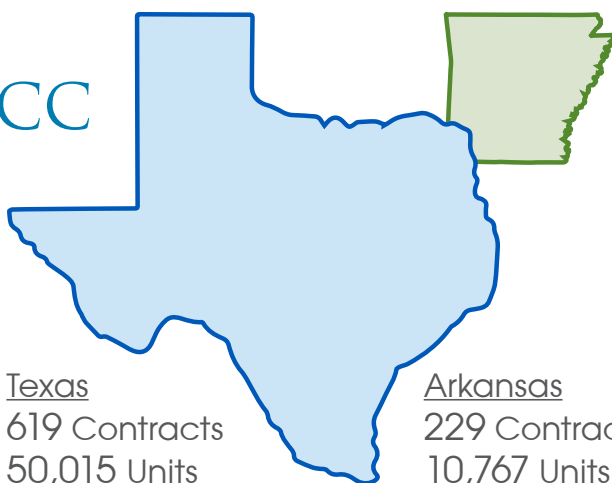
Southwest Housing Compliance Corporation (SHCC) was founded by HACA in 2000 to serve as the Performance Based Contract Administrator on behalf of HUD in the State of Texas. SHCC added the State of Arkansas to its portfolio in 2004 and collectively serves more than 145,000 residents in meeting HUD's goal of providing decent, safe and sanitary housing.

A Reputation for Excellence

In this highly specialized work, SHCC has built a reputation for excellence, efficiency and integrity in providing customer service and technical assistance to the project based section 8 multifamily housing industry. In 2015 alone, SHCC administered more than \$377 million in subsidy in its two-state portfolio. Revenue generated from SHCC operations is used to support HACA resident services including dropout prevention, higher education scholarships, after-school programming, workforce development, and health and wellness programs.



SHCC



BLUEPRINT

Blueprint Housing Solutions is a national consulting and services company that assists public and private sector clients to deliver exceptional affordable housing and community development programs.

Blueprint leverages HACA and SHCC extensive affordable housing management experience to provide a full range of services to public housing authorities, HUD multifamily owners and agents, affordable housing agencies, and industry groups.

Services provided include:

- Program operation, workflow and staffing reviews
- Policy reviews and development
- Strategic planning
- Contract renewals and rent adjustments
- Tenant file audits
- TRACS Service Bureau
- PHAS and SEMAP reviews
- REAC and UPCS preparation and inspections
- Customized training

In 2015, Blueprint provided consulting services to more than 25 clients across the country, in Texas, California, Colorado, Illinois, Maryland, Massachusetts, Missouri, New York, North Dakota, Ohio and Utah.

Formed in 2014, Blueprint is a nonprofit, wholly owned subsidiary of HACA, under Section 115 of the Internal Revenue Code, as an affiliate of a governmental unit.



Blueprint

HOUSING SOLUTIONS

blueprinthouse.org

AAHC

Recent studies underscore that Austin is now the most expensive rental market in Texas. Austin Affordable Housing Corporation (AAHC), a nonprofit subsidiary of HACA, ensures and preserves quality, affordable housing opportunities and continues to pursue entrepreneurial endeavors. AAHC oversees homeownership, residential and commercial real estate, the Six-Star Resident program, and emerging enterprises.



Austin City Council Member Ora Houston District 1 (third from the left) was on hand for The Reserve at Springdale groundbreaking event in northeast Austin.

AAHC Breaks Ground at Springdale and Urban Oaks

The Austin Affordable Housing Corporation and Ryan Companies US Inc. recently broke ground on The Reserve at Springdale and Urban Oaks, two exciting new affordable multi-family developments in Austin. The Reserve boasts 292 units, and will feature one-, two- and three-bedroom apartments. Urban Oaks will include 194 units, with a mix of townhomes and traditional-style apartments. The Reserve is a proposed workforce housing development. Urban Oaks is an environmentally responsible project. Both developments are intended to provide housing for families earning 60 percent of the Area Median Income. Amenities will include a dog park, community center, playscape and a pool.



Unique Partnership Creates New Affordable Housing Opportunities

HACA is no stranger to thinking outside the box when it comes to creating more affordable housing opportunities for Austinites. The Community Development Trust (CDT), a real estate investment trust (REIT) that provides capital for the creation and preservation of affordable housing, recently announced a partnership with AAHC to acquire two market-rate properties, The Bridge at Center Ridge and The Bridge at Tech Ridge, totaling 642 units in Austin.

CDT and AAHC will convert half of the units in each property into long-term affordable housing. The unique public-private partnership, between a private, mission-oriented REIT and a public housing authority, creates high-quality affordable units in a rapidly growing area of Austin, and without the use of the Low-Income Housing Tax Credit (LIHTC) program.

Located in North Central Austin, The Bridge at Center Ridge, with 348 units, and The Bridge at Tech Ridge, with 294 units, were built in 2007-2008 as unregulated market-rate properties with amenities including large resort-style pools, 24-hour fitness centers, and Wi-Fi throughout the common areas. Half of the units across both properties will be converted into long-term affordable housing and reserved for households earning less than 80 percent of the Area Median Income.

In addition to the \$21.4 million in equity from CDT and AAHC, Bellwether Enterprise originated two new 10-year Freddie Mac mortgages to finance the acquisition. HACA will own the land and lease it to the CDT-AAHC partnership on a long-term basis.



Keeping Austin Housing Affordable

AAHC is well on its way to surpassing the “2020 by 2020” goal the organization set to increase its portfolio of affordable housing units to meet Austin’s critical need and dwindling supply.

In November 2015, AAHC purchased 6.3 acres of undeveloped land in the thinkEAST Creative District to construct more than 180 units of affordable housing just north of Airport Road off Shady Lane in Austin.

A public-private partnership comprised of HACA, national affordable housing developer Atlantic Pacific Management, and local affordable housing developer Madhouse Development plans to construct nearly 200 affordable apartment units in the park-like setting in central east Austin. One-hundred percent of the units will be affordable to those families earning 60 percent of Austin’s median family income.

In addition, construction has wrapped on two properties on Ben White Boulevard. The Pointe at Ben White was 100 percent leased in January 2016. The Villages at Ben White started pre-leasing in December 2015 and were 40 percent leased in March 2016.



HOMEOWNERSHIP



> 95
residents have
become
homeowners
since 2006

Homeowners, FSS Grads Honored at Luncheon

HACA's Family Self-Sufficiency and Homeownership programs equip public housing residents and HCV clients with the knowledge they need to achieve financial independence.

HACA and Austin Pathways recognized 22 graduates and three homeowners at the 18th Annual Family Self-Sufficiency and Homeownership Recognition Luncheon. This year's emcee was Gigi Edwards Bryant, a trustee at Austin Community College, and a former HACA resident.

Services provided to FSS members include education, workforce, health and life-skills programs,

bolstered by access to child care, transportation and other support. Participants accrue escrow savings funds as earned income increases, which are then used to support education, homeownership, or debt repayment. To date, more than 190 participants have graduated from the FSS Program.

The Homeownership Program, provided through AAHC, provides services including Down Payment Assistance to aid residents with \$10,000 toward a down payment and closing costs on a home. In addition, in-house financing and affordable homes are available through AAHC's Community Land Trust.

HONORS

National Association of Housing and Redevelopment Officials

Award of Merit in Housing and Community Development:
Unlocking the Connection

Southwest National Association of Housing and Redevelopment Officials

Best Annual Report

Best Newsletter

Special Achievement Award-Employee:
Jeannette Guerrero-Benavides

Special Achievement Award- Resident:
Ernesto Resto

Scholarship Award Winners:
Herlinda Sanchez & Sharon Jackson

Texas National Association of Housing and Redevelopment Officials

Executive of the Year:
Ron Kowal

Community Service Award:
Jeannette Guerrero-Benavides

Resident of the Year:
Ernesto Resto

Best Annual Report for a Large
Housing Authority

Best Newsletter for a Large
Housing Authority

Scholarship Award Winner:
Frank Roe

The National League of Cities named HACA a winner of the inaugural Digital Inclusion Leadership Award for tackling barriers to internet adoption.





HACA Board Chairman Carl S. Richie Jr. (center) was sworn in as NAHRO Senior Vice President during the NAHRO National Conference on October 17, 2015, in Los Angeles.

BOARD OF COMMISSIONERS



Chairman Carl S. Richie Jr., Esquire
Attorney, Law Offices of Carl S. Richie Jr.



Vice-Chair Charles C. Bailey, Esquire
Attorney, Law Offices of Charles C. Bailey



Dr. Tyra Duncan-Hall
Retired/Former Austin
Community College Provost



Isaac Robinson
Resident
Commissioner



Edwina Carrington
Retired/Former State
Agency Director

FINANCIAL REPORT

Combined Statement of Net Assets - March 31, 2016

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	\$18,719,792
Restricted cash and cash equivalents	11,458,290
Receivables, net	3,119,133
Inventories, net	11,752
Prepaid expenses and other assets	402,399
Total current assets	\$33,711,366
Noncurrent assets	
Capital assets	
Land	\$14,078,894
Building, equipment and infrastructure	170,613,716
Construction in progress	7,226,691
Less accumulated depreciation	(123,801,878)
Capital assets, net	68,117,423
Mortgage Receivable - noncurrent	123,963
Investment in Joint Venture	5,844,168
Total noncurrent assets	74,085,554
Total assets	\$107,796,920

LIABILITIES	
Current liabilities	
Accounts payable	\$681,589
Accrued liabilities	835,813
Intergovernmental payables	
Tenant security deposits	515,451
Unearned revenue	352,787
Current Portion of Long-term Debt - Capital	3,256,717
Other Current Liabilities	311,800
Accrued Liabilities - Other	514,874
Total Current Liabilities	\$6,469,031
Noncurrent liabilities	
Long-term Debt, Net of Current - Capital	\$28,240,440
Accrued Compensated Absences Noncurrent	1,758,582
Noncurrent Liabilities - Other	503,041
Total noncurrent liabilities	30,502,063
Total Liabilities	\$36,971,094

NET ASSETS

Net Investment in Capital Assets	\$46,194,181
Restricted Net Position	803,418
Unrestricted Net Position	23,828,227
Total Equity - Net assets/Position	\$70,825,826
Total Liabilities and Equity/Net assets	\$107,796,920

REVENUES

Tenant Revenue	\$11,331,691
Government Operating Grants	75,847,269
Other Revenue	5,187,327
Total Revenue	\$92,366,287

EXPENSES

Administrative	\$18,086,786
Tenant services	2,174,323
Utilities	3,828,923
Maintenance	6,137,772
Protective services	655,188
Insurance Premiums	679,438
Other General Expenses	1,319,152
Interest Expense and Amortization Cost	1,533,651
Extraordinary Maintenance	462,900
Housing Assistance Payments	48,803,678
Depreciation Expense	6,130,812
Total Expenses	\$89,812,623
Excess of Revenue Over Expenses	\$2,553,664

CHANGE IN EQUITY/NET ASSETS

Total Equity - Net Assets/Position - Beginning	\$68,272,162
Total Equity - Net Assets/Position - Ending	\$70,825,826

THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
1124 S. IH-35 • (512) 477-4488
www.hacanet.org

Find us on these
social media sites:

