



A NEW CHAPTER

**Housing Authority of the City of Austin
Annual Report 2017-2018**

Bringing Opportunity Home





ABOUT HACA

Our Vision

We envision neighborhoods where **poverty is alleviated**, residents are healthy and **safe**, and all people have the opportunity to achieve their **full potential**.

Our Commitments

Affordable Housing
Resident **Self-Sufficiency**
Quality of Life
Exceptional Service
Employee Engagement
Corporate &
Environmental
Sustainability

Our Mission

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

HACA 80 YEARS TURNS YOUNG

HACA commemorated 80 years of excellence in delivering safe, healthy, and affordable housing to over 20,000 Austinites with a family-friendly community celebration in February 2018.

HACA clients, elected leaders, and community partners enjoyed a Mardi Gras-themed lunch and a gallery of historic HACA photos, dancing and music from the 1930s and 1940s, and learning about HACA's past and present accomplishments.

HACA was one of the nation's first three housing authorities created as a result of the Housing Act of 1937, co-authored by then-Congressman Lyndon Baines Johnson. On December 23, 1937, HACA's first organizational meeting was held, and the ground work began on construction of its first public housing properties.

Today, HACA has 18 subsidized housing developments with nearly 1,900 units, and administers the Housing Choice Voucher program to subsidize housing in the private rental market for almost 6,000 low-income individuals and families. In addition, HACA has added more than 4,000 high-quality affordable rental units to meet Austin's housing needs through the Austin Affordable Housing Corporation.



Left to right:

Bouldin Oaks Resident Council President Felicia Vargas; Outreach Specialists Angie Cortez and Mary Gonzales-Limas paint tiles



BOARD OF COMMISSIONERS



Left to right: Chairman Carl S. Richie Jr., Esquire; Vice-Chair Charles C. Bailey, Esquire; Dr. Tyra Duncan-Hall; Edwina Carrington; and Resident Commissioner Mary Apostolou

A NEW COMMISSIONER IN TOWN

Chalmers Courts Resident Council President Mary Apostolou was recently sworn in as the newest HACA Resident Commissioner. Mary, an Austin native, succeeds former Resident Commissioner Isaac Robinson.

Mary moved to Chalmers in 2013, and serves as Resident Council President. She also sits on several local boards. She operated a home daycare for 17 years. She later became a certified dental assistant and worked for a general dentist for seven years. Mary is a strong advocate for continuous learning at any age. She looks forward to meeting new people and working on behalf of HACA residents.

HACA STAFF



PRESIDENT'S MESSAGE

The story of the Housing Authority of the City of Austin (HACA) began 80 years ago when our country's leaders recognized the need to provide housing assistance to struggling American families.

While Austin's landscape, population and skyline have changed drastically since HACA was established in 1937, the city has yet to close the book on its housing affordability crisis. In fact, as Austin continues to grow, so does the need for safe, healthy, and affordable housing options for the neediest in our community.

HACA has begun a new chapter to help meet Austin's affordable housing challenges through our participation in HUD's Rental Assistance Demonstration (RAD) program. We are using this innovative tool to provide greater opportunity to the more than 20,000 people HACA serves each day.



To better serve our children, seniors, and persons with disabilities, this year we:

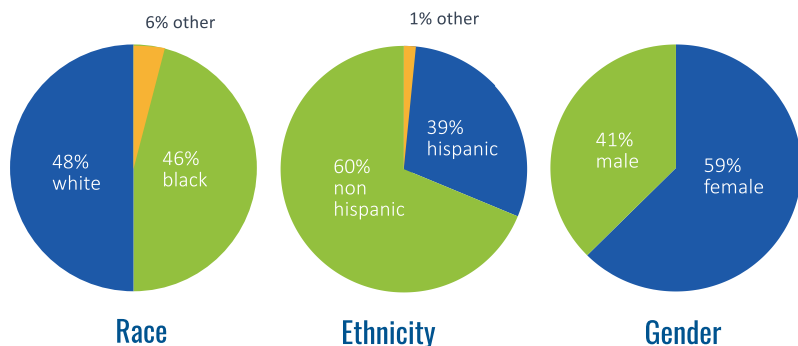
- Converted more than half of our public housing portfolio to project-based rental assistance through RAD, enabling us to ensure more low-income families have access to basic modern amenities needed for a better quality of life. Our Resident Protection Team was nominated for an industry award of excellence for providing personalized support to ease resident anxiety throughout the RAD relocation process.
- Added close to 1,000 high-quality affordable rental units to help meet our city's housing needs through our subsidiary Austin Affordable Housing Corporation.
- Moved nearly 200 people to work through Jobs Plus ATX. The Austin Jobs Plus program has been chosen by HUD to serve as a model for other Jobs Plus cohorts across the nation.
- Continued to further expand partnerships in workforce development, education, and wellness, including an exciting one that will help create better health outcomes for our residents.

HACA has been successful in its mission to inspire self-reliance, growth, and optimism thanks to our residents, partners, and the greater Central Texas community. We look forward to the next 80 years of helping Austin families bring opportunity home.

A handwritten signature in blue ink, appearing to read "m. gerber".

Michael G. Gerber

WHO WE SERVE* | 20,000+ INDIVIDUALS & FAMILIES HOUSED



8,800 CHILDREN | **\$13,931** ANNUAL INCOME
FOR FAMILIES IN THE HOUSING CHOICE VOUCHER PROGRAM

1,760 SENIOR RESIDENTS

HACA CONTRIBUTED \$45 MILLION TO THE LOCAL ECONOMY


**Demographics and charts reflect HCV & subsidized housing residents.*

ASSISTED HOUSING

Each month, the Assisted Housing team provides housing assistance to more than 6,000 households and 13,099 individuals in Austin's private rental market. Households served through other rental assistance programs include more than 700 previously homeless individuals.

Thanks to support from HACA's Assisted Housing Department, Integral Care recently broke ground on a first-of-its kind apartment community in East Austin. Housing First Oak Springs takes a "housing first" approach to helping get those experiencing homelessness into permanent affordable housing quickly, and then provide the supportive services so they avoid becoming homeless again.

A cornerstone of Housing First Oak Springs is the project-based vouchers HACA has contributed to the 50-unit property. These vouchers will provide an estimated initial rent of \$839 per unit. Half of the project-based vouchers will be funded by the Housing Choice Voucher (Section 8) program, and the other half will be funded by the Veteran Assistance Supportive Housing (VASH) program.



Housing First Oak Springs will provide housing and support for Austinites like Joyce, a former housewife who became homeless when her marriage ended and she was diagnosed with bipolar disorder.

6,137 HOUSING CHOICE VOUCHERS

5,253: Housing Choice Voucher

59: Mainstream

464: Veteran's Affairs Supportive Housing

36: Non-Elderly Disabled

224: Homeless Assistance

14: Hurricane Ike

85: Family Unification

2: Tenant-Based Voucher

= HOUSING ASSISTANCE FOR 13,099 INDIVIDUALS

RENTAL ASSISTANCE DEMONSTRATION

HACA has converted over half of its public housing portfolio to Project Based Rental Assistance through HUD's Rental Assistance Demonstration program. Some properties only needed minor improvements, like microwave range hoods and garbage disposals; others received a full interior renovation, including new floors, new appliances, new kitchens and bathrooms, ceiling fans, washers and dryers.

Renovation is now complete at Bouldin Oaks, Manchaca II, Manchaca Village, Shadowbend, Coronado Hills, Georgian Manor, North Loop Apartments, and Northgate Apartments. Renovation is under way at Booker T. Washington Terraces and Meadowbrook Apartments. More than 350 families have moved into their fully renovated apartments.

Construction is currently under way at Gaston Place, a property serving seniors and persons with disabilities in northeast Austin. Renovation at Gaston is almost halfway complete, with all families expected to move back in to their modernized homes by the end of 2018.

Up next in HACA's RAD conversion are: Chalmers Courts, Rosewood Courts, Salina Apartments, Santa Rita Courts, Lakeside Apartments, Thurmond Heights, and Goodrich Place.



RAD PROGRESS



2016 Conversions
582 units



2017 Conversions
476 units



2018 Conversions
437 units



Future Conversions
344 units

VOICES FOR CHANGE

At HACA, our residents are at the heart of everything we do. During our transition from public housing to Project Based Rental Assistance, we have worked hand in hand with our families. Here's what a few of our residents have to say about RAD,

and why they're excited about recent renovations. We like to say RAD = PIC — Protections, Improvements, and Choice. You can find more information, including detailed FAQs, online at www.hacarad.org.



"I am looking forward to living in brand-new housing for the first time in my life. At 61 years old, I never thought it possible until RAD."

- Jerry Dawson
Goodrich RC President

"My electricity bill went down to \$33 and my new microwave is huge! I really like my apartment, and I also like that I have the option to be put on the waiting list for a Housing Choice Voucher."

- Diedre Leban
Manchaca II Resident



"My mom is always talking about a better life. She says we are not poor — we are blessed to have somewhere to stay and food in our stomachs. My mom wants better, and so do I. I am the future, and I deserve a great place to live."

- Sade Roberts, age 10
Rosewood Courts Resident



BREAKING & CREATING GROUND COMMUNITY

A \$14,359,628 low-income housing tax credit award from the Texas Department of Housing and Community Affairs will allow HACA to serve more families in south-central Austin.

Pathways at Goodrich Place

For the first time in HACA's 80-year history, the agency has applied for (and won) competitive tax credits to make meaningful site improvements at Goodrich Place, a public housing community built in 1973.

HACA was awarded \$14,359,628 in competitive low-income housing tax credits from the Texas Department of Housing and Community Affairs for the redevelopment of 40 deeply affordable multifamily housing units and the construction of 80 additional affordable units in Austin's Zilker Neighborhood.

The project will mark HACA's first redevelopment of one its public housing properties.

HACA is working with Atlantic Pacific Communities and Austin-based real estate development firm Madhouse Development Services Inc.

Construction on the new three-story complex, called Pathways at Goodrich Place, is expected to begin in the fall of 2018, and 120 families could move into new units as early as 2019.

The new units at Goodrich Place will include improvements like microwaves, central air, dishwashers, washer-dryer connections, balconies, and patios.

Residents will also have access to a beautiful new playground and laundry room, as well as onsite youth enrichment activities, job training opportunities, and health and wellness programs.





Pathways at Chalmers

HACA is embarking on an exciting four-year journey — the redevelopment of Chalmers Courts. Through RAD, HACA will create a new community for the 158 families that call Chalmers home, and will almost double the total number of units at Chalmers to house more Austin families.

HACA is working to strengthen the already deep community ties among the residents at Chalmers so all families will want to return to their new and improved property.

HACA expects construction at Chalmers Courts to be completed in three phases:

- Phase 1 will begin in 2018 with the construction of 86 affordable units at 1640 E. 2nd St. These units will serve as relocation units for Chalmers families during phases 2 and 3.
- Phase 2 will begin in 2019-2020 with the east half of the property.
- Phase 3 will begin in 2020-2021 with the west half of the property.

We look forward to welcoming new and returning residents to the new Pathways at Chalmers.

OVER
\$125 MILLION
WILL BE INVESTED IN THE
AUSTIN COMMUNITY THROUGH **HACA'S**
RAD PROJECTS

**SUBSIDIZED
HOUSING**

**JOBS PLUS
MAKES WORK PAY**

198 FAMILIES HAVE GONE BACK
TO WORK OR INCREASED THEIR INCOME

\$683,273 IN RENT PAYMENTS HAS
BEEN SAVED BY JOBS PLUS FAMILIES

89 INDIVIDUALS HAVE **SINCE**
STARTED NEW EMPLOYMENT
THE PROGRAM BEGAN IN 2016

**JOBS PLUS ATX
HAS BEEN CHOSEN
BY HUD TO SERVE AS A**

MODEL

**FOR OTHER JOBS
PLUS COHORTS
ACROSS THE USA**

*(Numbers reflect start of Jobs Plus ATX through the end of the
2017-2018 fiscal year.)*



Booker T. Washington resident Reynaldo Sanchez Guerrero won a retired HACA car during a kick off drawing for the Jobs Plus ATX program. He says the commute to his job with the City of Austin is more comfortable with a working air conditioner.



FSS GRADUATES & HOMEOWNERS CELEBRATE FINANCIAL FREEDOM

We believe that with the right tools and encouragement, everyone can achieve the American Dream of success and the ability to earn a living wage. The dedicated team who manages HACA's Family Self-Sufficiency (FSS) and Homeownership Program is at the core of our mission to bring opportunity home.

Almost 40 FSS participants and two homeowners were honored at HACA's 20th annual FSS and Homeownership Luncheon for successfully using education, workforce, health and life-skills programs (bolstered by access to child care, transportation and other support) to achieve housing and financial independence.

Participants accrue escrow savings funds as their earned income increases, which are then used to support education, homeownership, debt repayment or other self sufficiency goals. To date, more than 250 participants have graduated from the FSS Program.

The Homeownership Program, provided through Austin Affordable Housing Corporation (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 an affordable stock of homes is available through Equity CLT. HACA has helped 104 families become homeowners since 2004.

A homeowner who purchases their home using AAHC's down payment assistance program is required to occupy their home as their primary residence for at least five years. When the homeowner has met this requirement, the down payment assistance loan is forgiven.



(From left) AAHC Project Development Manager Suzanne Schwertner helps five-year homeowners Christina Smith and Yvonne Arocha-Alaniz shred their down payment assistance loan notes.



100 STUDENTS IN Y.E.S. (YOUTH EDUCATIONAL SUCCESS) ACHIEVED A'S AND B'S AND/OR PERFECT ATTENDANCE

HACA gives kids the tools they need to stay in school and grow into successful adults. About 777 children under age 18 who live at HACA properties participate in youth programs. In FY 2017-2018, 99 percent of case-managed youth stayed in school; 436 (29 percent) achieved perfect attendance and/or made the honor roll.

(Pictured Above) Almost 100 students in the Y.E.S. (Youth Educational Success) program who achieved A's and B's and/or perfect attendance during the 2017-2018 school year attended a year-end incentive trip to Austin's Park n' Pizza.

HACA'S EXTENDED FAMILY

AUSTIN PATHWAYS



Austin Pathways is a HACA-directed nonprofit organization that supports HACA's scholarship and self-sufficiency programs. Austin Pathways provided digital inclusion services to about 450 HACA households.

In March 2018, the nonprofit participated in the 24-hour Amplify Austin online giving campaign. Donors gave more than \$50K to support scholarships and other life-changing assistance programs.



RESIDENTS AS AGENTS OF INNOVATION

Resident Digital, Energy and Mobility Ambassadors (pictured at right during a mobility equity event at Austin's City Hall), provide high-quality, cost-effective program design and development, build professional skills and the community. Hundreds of HACA residents, dozens of city decision makers and public, private, philanthropic partners have benefitted from resident ambassadors' work to solve everyday transportation, technology, and energy challenges.



HACA & WEST POINT

JOIN FORCES TO TRAIN TOMORROW'S LEADERS

HACA has produced a number of high-profile community leaders through various community partnerships. West Point is a leader in preparing young leaders for our nation. These organizations have now joined forces to continue to foster the leaders of tomorrow.

Forty HACA middle school students dedicated a Saturday at Meadowbrook to learn how to build and manipulate robots with the help of U.S. Military Academy at West Point faculty, cadets, and alumni. The group also learned about career opportunities in science, technology, engineering, and mathematics (STEM). Each workshop participant each took home a free, refurbished laptop for their family. Each machine came pre-loaded with 32GB of interactive educational content.

STEM workshops like these offer an excellent opportunity to engage students in learning and motivate them to consider careers in high-demand STEM fields. STEM scholarships and the West Point and U.S. Army Research Laboratory also play an important role in promoting a diverse STEM pipeline.

Left to right:

Robotics graduates Kayla Martinez, Kaijah Davidson, and Krystal Rodriguez; Georgian manor resident Joseph Williams and partner program their robot



CITY PARTNERSHIP HELPS HACA SCHOLARS PLUG INTO LEARNING

The Austin Pathways HACA Scholarship serves as a vehicle of hope to individuals who desire to further their education and work toward self-sufficiency. To date, we have awarded over \$1 million in scholarships since 2001.

Last summer, HACA and its nonprofit subsidiary Austin Pathways awarded 42 renewable scholarships totaling \$80,000 to residents of its public housing and Housing Choice Voucher programs at its 17th Annual Austin Pathways HACA Scholarship Ceremony. This year's scholarship recipients ranged from newly graduated high school students to returning adult students and those attending college for the first time.

City of Austin Chief Information Officer Stephen Elkins announced all HACA scholars also would be loaned a laptop computer. The pilot loaner program is funded in part by The Grant for Technology Opportunities Program. The City of Austin is loaning computers to local nonprofits, including HACA, to increase digital inclusion in underserved communities by using computers no longer needed by the city.

Austin Pathways oversees and manages an endowment for HACA resident scholarships that originated with seed funding from HACA's nonprofit, revenue generating subsidiaries — Southwest Housing Compliance Corporation and Austin Affordable Housing Corporation. Annual fundraising through donations and grants allows Austin Pathways to maintain this endowment and continue to provide resident scholarships.





GRAND OPENINGS

AAHC and partner Ryan Companies US, Inc. recently announced the grand opening of two affordable housing developments to provide housing for individuals and families in Austin at 60% of the Area Median Income.

Reserve at Springdale

Located near the Mueller Airport redevelopment, the Reserve includes 292 one-, two- and three-bedroom units. Amenities include an onsite café, community playground, swimming pool, recreation room, fitness center, conference room/business center and dog washing station. Street facing “Live+Work” units allow self-employed residents to operate small home-based businesses and activate Springdale Avenue with pedestrian and commercial activity.

Urban Oaks

Located in southwest Austin, Urban Oaks has a mix of townhomes and traditional-style apartments. The 194-unit new construction features one-bedroom, two-bedroom and three-bedroom floorplans. Amenities include a swimming pool, fitness center, clubhouse, conference room, playground, outdoor courtyard with grills and a business center.

Left to right:

Ryan Companies' David Knoll at the Reserve at Springdale grand opening; Urban Oaks



HARRIS BRANCH SENIOR OPENS IN NORTH AUSTIN

AAHC partnered with LDG Corporation for a second time on Harris Branch Senior, a 216-unit project located in north Austin at 12433 Dessau Road.

Harris Branch Senior officially opened in September 2017, and houses residents age 55 years and up earning at or below 60 percent of Austin's Area Median Income.

The property features one- and two-bedroom garden-style apartments with a combination of carpet and hardwood floors. Ceiling fans and plantation blinds accompany Energy-Star appliances, all of which meet Austin green building standards. On-site amenities include a furnished clubhouse, state-of-the-art exercise facility, and a swimming pool.



thinkEAST PRE-LEASING NOW



Located north of Airport Boulevard off of Shady Lane in Austin, AAHC and local affordable housing developer Madhouse Development, and national affordable housing developer Atlantic Pacific Management recently began construction on thinkEAST, a new 182-unit affordable multi-family development.

thinkEAST will serve families earning 60 percent of the Austin Area Median Income. The property is pre-leasing now, with more than 300 people on the waiting list. The first phase of the development is expected to be complete by summer 2018.

SOUTHWEST HOUSING COMPLIANCE CORPORATION

HACA founded Southwest Housing Compliance Corporation (SHCC) in 2000 to serve as HUD's Performance Based Contract Administrator in Texas.



SHCC added Arkansas to its portfolio in 2004 and collectively serves over 123,000 residents in meeting HUD's goal of providing decent, safe and sanitary housing.

In this highly specialized work, SHCC has built a reputation for excellence, efficiency and integrity in providing compliance service, customer service, and technical assistance to the project based Section 8 multifamily housing industry.

In 2017, SHCC administered over \$397 million in subsidy in its two-state portfolio. Revenue generated from SHCC operations supports HACA resident services including dropout prevention, scholarships, after-school programming, workforce development and health and wellness programs.

BLUEPRINT HOUSING SOLUTIONS

Blueprint Housing Solutions is a national affordable housing consulting services company.

Established in 2014, Blueprint's mission is assisting clients in delivering exceptional affordable housing and community development solutions.

Blueprint provides customized consulting services, trainings and products with a proven track record of managing and implementing complex housing program requirements.

The organization has provided services to 123 clients in more than 30 states across the country.

Revenue generated from Blueprint operations supports HACA resident services including dropout prevention, scholarships, after-school programming, workforce development and health and wellness programs.



Blueprint

HOUSING SOLUTIONS

blueprinthouse.org

NAHRO Awards of Merit in Housing and Community Development

- RAD Resident Protection Team
- Involved Dads of Action, Developing and Succeeding (I-DADS)
- Resident Ambassador Programs

Southwest NAHRO

- Special Achievement: Lupe Garcia, Santa Rita Resident Council President
- Best Newsletter

American Institute of Architects

- Community Vision Award 2018

Texas NAHRO

- Best Annual Report for a Large Housing Authority
- Best Newsletter for a Large Housing Authority
- Best Other Publication for a Large Housing Authority

ACCOLADES

Texas NAHRO

Administrative Person of the Year:

Brittley Miller, Admissions Coordinator

Resident of the Year:

Lupe Garcia, Santa Rita Resident Council President

Management Person of the Year:

Andrea Galloway, MIS Director

Executive of the Year:

Michael Gerber, President & CEO

Scholarship Recipient:

Rakan Alsankari, Northgate Apartments

HACA Board Chair Carl S. Richie Jr., was elected President of the National Association of Housing and Redevelopment Officials (NAHRO) in 2017. (Pictured at right with NAHRO Senior Vice President Sunny Shaw)



FINANCIAL REPORT

Combined Statement of Net Assets - March 31, 2018

| NET ASSETS | |
|---|---------------|
| Net Investment in Capital Assets | \$54,755,654 |
| Restricted Net Position | 21,884,883 |
| Unrestricted Net Position | 35,195,338 |
| Total Equity - Net assets/Position | \$111,835,875 |
| Total Liabilities and Equity/Net assets | \$218,686,535 |

| REVENUES | |
|--------------------------------|---------------|
| Tenant Revenue | \$12,422,869 |
| Government Operating Grants | 83,861,723 |
| Gain on Sale of Capital Assets | 5,810,011 |
| Other Revenue | 9,868,703 |
| Total Revenue | \$111,963,306 |

| EXPENSES | |
|--|--------------|
| Administrative | \$21,455,688 |
| Tenant services | 3,441,407 |
| Utilities | 3,407,128 |
| Maintenance | 5,765,524 |
| Protective services | 656,259 |
| Insurance Premiums | 699,102 |
| Other General Expenses | 1,685,269 |
| Interest Expense and Amortization Cost | 2,553,730 |
| Extraordinary Maintenance | 55,141 |
| Casualty Losses - Non-capitalized | 0 |
| Housing Assistance Payments | 53,640,553 |
| Depreciation Expense | 6,338,586 |
| Total Expenses | \$99,698,386 |
| Excess of Revenue Over Expenses | \$12,264,920 |

| CHANGE IN EQUITY/NET ASSETS | |
|--|---------------|
| Total Equity - Net Assets/Position - Beginning | 99,570,955 |
| Total Equity - Net Assets/Position - Ending | \$111,835,875 |

| ASSETS | |
|--|----------------------|
| Current assets | |
| Cash and cash equivalents - unrestricted | \$15,309,504 |
| Restricted cash and cash equivalents | 24,506,086 |
| Receivables, net | 8,243,998 |
| Inventories, net | 26,459 |
| Prepaid expenses and other assets | 490,698 |
| Total current assets | \$48,576,745 |
| Noncurrent assets | |
| Capital assets | |
| Land | \$48,807,488 |
| Building, equipment and infrastructure | 173,038,095 |
| Construction in progress | 4,830,489 |
| Less accumulated depreciation | (110,480,833) |
| Capital assets, net | 116,195,239 |
| Mortgage Receivable - noncurrent | 37,886,834 |
| Investment in Joint Venture | 16,027,717 |
| Total noncurrent assets | 170,109,790 |
| Total assets | \$218,686,535 |

| LIABILITIES | |
|---|----------------------|
| Current liabilities | |
| Accounts payable | \$1,050,619 |
| Accrued liabilities | 1,083,267 |
| Intergovernmental payables | |
| Tenant security deposits | 473,584 |
| Unearned revenue | 697,695 |
| Current Portion of Long-term Debt - Capital | 1,603,014 |
| Current Portion of Long-term Debt - Operating | 1,152,534 |
| Other Current Liabilities | 239,258 |
| Accrued Liabilities - Other | 148,756 |
| Total Current Liabilities | \$6,448,727 |
| Noncurrent liabilities | |
| Long-term Debt, Net of Current - Capital | \$59,836,571 |
| Long-term Debt, Net of Current - Operating | 0 |
| Accrued Compensated Absences Noncurrent | 1,865,118 |
| Noncurrent Liabilities - Other | 38,700,243 |
| Total noncurrent liabilities | 100,401,933 |
| Total Liabilities | \$106,850,660 |

Housing Authority of the City of Austin



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