

Chapter 5  
Fair Housing

## Chapter 5: Fair Housing

### AFFIRMATIVELY FURTHERING FAIR HOUSING REPORT

***Federal Guideline - Affirmatively Furthering Fair Housing:*** Outline actions taken to affirmatively further fair housing, summary of impediments to fair housing choice in the Analysis of Impediments (AI), and identify actions taken to overcome effects of impediments identified in the AI.

The U.S. Department of Housing and Urban Development (HUD) recommends each Participating Jurisdictions (PJs) receiving federal entitlement grants to conduct an Analysis of Impediments to Fair Housing (AI) during the each 5-Year Consolidated Plan process. Impediments to fair housing choice are defined as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin.

An Analysis of Impediments is an assessment of the City's laws, regulations, administrative policies, procedures, and practices as they affect the location, availability and accessibility of fair housing choice. The AI identifies recommended actions for the City to reduce barriers to fair housing. Each year, the City is required to report on the progress regarding these recommended actions in both the annual Action Plan and the Consolidated Annual Performance and Evaluation Report (CAPER).

The City of Austin conducted an AI as a component of FY 2009-14 Consolidated Plan. The analysis identified and reviewed fair housing and fair lending issues in Austin. The City of Austin hired BBC Research & Consulting to conduct the City's Analysis of Impediments to Fair Housing, which was included in the FY 2009-14 Consolidated Plan. Austin's AI released in July 2009 included an analysis of:

- Home Mortgage Disclosure Act (HMDA) data highlighting fair lending concerns,
- Legal cases and actions within Austin and other Texas communities related to fair housing,
- Fair housing complaint process,
- Citizen input about fair housing issues,
- Rental and housing affordability, and
- City policy and procedure review, which primarily includes input from affordable housing developers.

To view the City's Analysis of Impediments to Fair Housing report, visit Appendix VII.

The following are recommended actions from the report's findings along with steps the NHCD had taken to address these items.

***Recommended Action - Item 1. Raise the visibility and resolution process of fair housing.***

The report states there was a discrepancy between the number of complaints received by the City's Fair Housing Office and Austin Tenants' Council (ATC) and the number of survey respondents citing housing discrimination. This finding suggests that some residents may not be aware or fully understand their fair housing rights or know whom

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to contact when faced with discrimination. Many of the survey respondents cited their race as the reason for housing discrimination.

The report determined the majority of residents facing housing discrimination contacted the Austin Tenants' Council (ATC) regarding questions and complaints. ATC is a key partner in the City's goals to provide fair housing counseling and offers enforcement services benefiting renters in Austin. ATC is a recipient of HUD Fair Housing Initiatives program funds as well as receives funding through the City of Austin. The agency's Fair Housing Program helps any person who has been discriminated against in the rental, sale, financing, or appraisal of housing. ATC offers an array of services including telephone counseling; face-to-face and in-house counseling; mediation services; intake testing; and referral of housing discrimination complaints.

Located in Central East Austin, ATC focuses efforts on educating the public about fair housing, and participates in a wide variety of outreach events/efforts annually. The ATC partnered with other community organizations to hold a Housing Fair in April 2011 which showcased housing rights educational booths with information about fair housing protections, tenant-landlord laws, affordable housing resources, and homeowner guides. They also seek media opportunities to highlight the agency's resources and services, partnering with the City to offer annual tenant/landlord training, and are the most prominent source for City of Austin residents when residents experience housing discrimination.

The City of Austin's Fair Housing Office seeks the elimination of racial/ethnic discrimination, including the present effects of past discrimination, and the elimination of de facto racial/ethnic residential segregation. In order to raise the City of Austin's visibility and improve the City's resolution process to fair housing complaints, NHCD in partnership with the Fair Housing Office launched a web site ([www.austintexas.gov/housing/fairhousing.htm](http://www.austintexas.gov/housing/fairhousing.htm)) in January 2010 that highlights:

- Fair housing and fair lending information,
- The City's Fair Housing Ordinance,
- The process in filing an online complaint along with form that can be downloaded online, and
- Helpful links, including:
  - 
  - The City's Fair Housing Office,
  - Austin Tenants' Council,
  - HUD Office of Fair Housing and Equal Employment,
  - National Fair Housing Advocate Online,
  - Civil and Human Rights Coalition,
  - Fair Housing Accessibility First, and
  - The City's Analysis of Impediments to Fair Housing (2009).

The City of Austin Fair Housing Office staff attends annual trainings, seminars, and conferences offered by various agencies throughout the United States. The following are trainings City staff participated/administered in FY 2010-11:

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- Race Place and Fair Housing in Texas - October 2010
- Corporation for Supportive Housing's "Complying with Fair Housing" training – February 2011
- National Fair Housing Training Academy - March 2011,
- Training for Community Development Commission (CDC) on Fair Housing Laws - March 2011,
- Training for NHCD Staff on Fair Housing Laws - April 2011
- Fair Housing Seminar "Dare to be Fair" - April 2011,
- City of Austin Code Enforcement Training - May 2011,
- National Fair Housing Training Academy - July 2011,
- International Association of Official Human Rights Agencies (IAOHRA) Housing Training Academy/Conference with nationwide attendance - August 2011.
- HUD Webcast- "Assessing Discrimination Allegations from Lesbian, Gay, Bisexual, and Transgender (LGBT) Persons for coverage under the Fair Housing Act" - September 2011
- HUD Fort Worth Training - September 2011

In FY 2010-11 the City's Fair Housing Office relocated its office to East 11<sup>th</sup> Street, a more centralized location near NHCD and more easily accessible to low-income residents. The Fair Housing Office investigates fair housing complaints and claims dealing with false advertising, predatory lending, and design and construction. The Fair Housing Office is also in the process of hiring a Fair Housing Outreach Coordinator that will continue to explore and seek opportunities to market current programs and enhance educational efforts to further fair housing initiatives in the Austin community.

***Recommended Action - Item 2. Conduct targeted education and programming in minority neighborhoods.***

The Home Mortgage Disclosure Act (HMDA) data is the best source of information on mortgage lending discrimination. HMDA data includes: mortgage loan applications for financial institutions, savings banks, credit unions, and some mortgage companies; location of home; dollar amount of loan; types of loans; racial/ethnic information about applicant; income of applicant; and credit characteristics of all loan applicants.

BBC Research & Consulting issued the following findings from the Home Mortgage Disclosure Act (HMDA) analysis:

- African American and Hispanic residents were more likely to be denied their loan than white residents in Austin; however, loan denials were not as disproportionately high for African American and Hispanic applicants by banks based in Austin.
- Higher loan denial rates were concentrated in East Austin neighborhoods.
- African American and Hispanic residents are more likely to receive subprime mortgages.
- The reasons for loan denials are more diverse for Austin residents, as compared to the denials given by Austin-based banks.

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In response to the HMDA data, the report recommended the following next steps:

1. The City should prioritize and promote a model loan application program and establish an outreach process for applicants to be informed about existing resources. The model loan program would outline quality loan products that would ensure applicants are aware of and applying for appropriate loan products that they are more likely to qualify for.
2. The City should conduct targeted campaigns or “road shows” to educate residents, landlords, housing providers and real estate professionals about fair housing and discriminatory issues that are most prevalent by area. The campaigns could take the form of public meetings, forums, and information meetings with local officials and target East Austin residents. The City, through its Fair Housing Office, has dedicated resources to hire of a Fair Housing Outreach Coordinator.
3. The City could partner with local Austin-based banks, which have had a more reliable past record of nondiscriminatory lending practices. Their rationale for loan denials was generally more uniform and consistent across all groups of applicants. Furthermore, local lenders may have a greater interest in local residents and may be more likely to ensure that applications are complete and that residents are applying for the correct types of loans products.

The City of Austin through the Austin Housing Finance Corporation (AHFC) offers Housing Smarts, a counseling program established in 2006. The program offers financial literacy skills; lending education; homebuyer education, which includes pre- and post-purchase counseling; and foreclosure prevention. Housing Smarts uses NeighborWorks America's housing counseling curriculum and offers individual housing counseling sessions. In FY 2010-11, the Housing Smarts Program exceeded all performance measure goals and served 358 individuals. Under the Housing Smarts Program, the City contracts with the following non-profits to further financial literacy related to foreclosure prevention and offer Housing Smarts in Spanish:

- **Business and Community Lenders (BCL) of Texas.** BCL provides foreclosure prevention assistance provided through counseling sessions. Clients receive financial literacy services, including credit and budget counseling and money management courses.
- **Frameworks Community Development Corporation.** Frameworks CDC provides the Housing Smarts Program in Spanish and offers one-on-one sessions.

The Austin City Council passed Resolution No. 20100930-025 on September 30, 2010, that would offer financial education to the City workforce in an effort to increase financial empowerment. In addition, the City of Austin discourages predatory lending and requires that all households participating in the Down Payment Assistance Program and Mortgage Credit Certificate Program secure a fixed-rate mortgage at prevailing interest rates. The City will continue seeking partnerships with local

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agencies to ensure the residents are informed on quality lending opportunities that lead to positive results.

***Recommended Action*** - Item 3. Continue leading affordable housing development efforts.

During the AI process, stakeholders and affordable housing developers identified affordability as the primary fair housing issue in Austin. The group indicated that the affordable housing stock in Austin is highly limited; thus resulting in many low-income residents living in substandard housing or tolerating discriminatory situations for fear of not finding another affordable unit.

Through the City's General Obligation (G.O.) Bonds, Rental Housing and Development Assistance (RHDA) and Acquisition and Development (A&D) programs, the City created affordable housing in FY 2010-11 that addresses its core values identified by the Affordable Housing Incentives Task Force (AHITF). Core values:

- *Deeper Affordability Targets*: Reach deeper levels of affordability to serve lower-income residents.
- *Long-term Affordability*: The City values preserving affordability for the long-term and;
- *Geographic Dispersion*: Affordable housing geographically dispersed throughout the City of Austin.

### ***General Obligation (GO) Bonds***

As of September 30, 2011, \$49.1 million G.O. Bond funding has been expended or committed out of the \$55 million bond package received in November 2006. This funding has been used to further the development of affordable rental and ownership housing opportunities for Austin's low-to moderate-income citizens. The City of Austin's return on investment has resulted in 1,650 affordable units for rental and homeownership opportunities. A web site highlighting the committed G.O. Bonds allocated to affordable housing and the community's Return on Investment (ROI) related to its G.O. Bond funds dedicated to the affordable housing program was designed and launched in 2010. The site demonstrates the community return on investment and features award applicant information and development profiles (units created or retained for low-income residents), as well as a description of affordable housing impact, term and depth of affordability, and geographic dispersion of project. Summaries of all G.O. Bond projects can be found at the City's Return on Investment (ROI) web site: [www.austintexas.gov/housing/roi](http://www.austintexas.gov/housing/roi).

### ***Affordable Housing Programs***

Through the Acquisition and Development program (A&D) and Rental Housing and Development Assistance (RHDA) program, the City offers gap financing to public and private partners so that the Austin affordable housing stock is retained. Key partners include Community Housing and Development Organizations (CHDOs) who assist in the creation and retention of affordable housing for low- and moderate-income households.

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NHCD highlights the core value of geographic dispersion in several ways. Geographic dispersion is a key scoring criteria for the RHDA and A&D programs - geographic dispersion counts as over 10 percent of the total scoring for RHDA, and over 15 percent for A&D.

In addition, NHCD staff regularly analyzes the geographic dispersion of affordable housing to ensure that the City of Austin's investment through the allocation of local and federal funds are not concentrated to specific geographic areas. By implementing this ongoing analysis, it further increases its assurances to address the impact of face discrimination on housing opportunities and choice in its jurisdiction. To view the City's Geographic Distribution Map of Rental Housing by racial category, visit Appendix IV.

Furthermore, in accordance with the City's goal of ensuring that housing for Austin's lowest income and most vulnerable populations is available throughout the City, including in our most opportunity-rich neighborhoods in terms of transit, employment, schools, parks and retail, the City is currently engaged in analysis of other cities' citing policies for the funding of affordable housing development. The policies being examined range from formulaic approaches to define housing goals or capacity by geographic boundary ("fair share" policies) to the strategic alignment of affordable housing investment in areas of current and future opportunity. Any recommendations resulting from this analysis will be shared with the community through stakeholder meetings and as a component of the FY 2012-13 Action Plan process.

As part of the S.M.A.R.T. Housing™ ordinance, NHCD staff also prepares an Affordability Impact Statement (AIS) for all proposed neighborhood plans in the City of Austin to identify any potential impacts on housing affordability. This analysis ensures that the City Council and the public are informed on how neighborhoods throughout Austin have made an effort to include opportunities for affordable housing within their plans. As of September 30, 2011, NHCD has reviewed a approximately 120 AIS. NHCD staff also works with neighborhood members throughout their planning process to educate the public about affordable housing and promote its benefits to the community. This is especially important for neighborhoods to the west of Austin, where affordable housing has not traditionally been located and the racial/ethnic minority concentration is typically disproportionately lower than other areas in the City. In this effort, NHCD encourages that affordable housing promotes desegregation throughout all parts of the City. Additionally, the City of Austin continues its solid partnerships with both public housing authorities, the Housing Authority of the City of Austin (HACA) and the Housing Authority of Travis County (HATC) to further education about the importance of affordable housing – and fair housing.

NHCD recognizes that with its goal to increase affordable housing stock for low-income residents, there must be a continued focus on strengthening compliance of fair housing, as well as increasing educational programs to help promote fair housing initiatives. These two goals must be aligned to ensure overall success of NHCD affordable housing programs and initiatives.

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***Recommended Action*** - Item 4. Continue educating the public about fair housing involving neighborhood groups.

### ***Affordable Housing Forums***

To promote and support all aspects of housing is one of NHCD's highest priorities. NHCD's Affordable Housing Forums, a quarterly series of conversations on important and diverse housing issues in Austin, are a critical component of NHCD's educational initiative. There were three forums held in FY 2010-11. Below are the dates and topic of each forum:

- October 2011, Linking Community Investments: Affordable Housing and Economic Development
- February 2011, Linking Community Investments: Affordable Housing and Transportation
- May 2011, Linking Community Investments: Affordable Housing and Health

For more information about NHCD's Affordable Housing Forums, visit [www.austintexas.gov/housing](http://www.austintexas.gov/housing).

### ***Marketing and Outreach***

Resources for marketing, educational outreach, and overall special events planning remain limited – a challenge when many of NHCD's clientele require targeted outreach efforts and initiatives. Due to many of the communication barriers in reaching low-income residents, majority of whom are elderly or low-income residents who do not have access to the Internet or other modern communications tools, NHCD will continue to explore partnerships that are vital vehicles to disseminating information to specific subpopulations that can benefit from housing and economic development services offered by the department. NHCD Housing Program staff regularly participates in workshops, fairs and seminars to promote housing services and with clients or interested residents and professionals. In FY 2010-11 NHCD and AHFC staff hosted or participated in approximately 30 events to market its programs and services to low-income households.

### ***Increased Resources***

NHCD increased its resources in FY 2010-11 with the addition of one temporary employee and one full-time equivalent (FTE) in NHCD's Planning, Policy and Outreach division. Key responsibilities of the temporary employee included outreach efforts on the City's housing and community development programs. In addition, this position performed door-to-door canvassing to business owners along the East 11<sup>th</sup> and 12<sup>th</sup> Street Corridors for their insight on the City's community and economic development initiatives.

The full-time equivalent (FTE) hired in FY 2010-11 is NHCD's lead on the City's Permanent Supportive Housing (PSH) initiative. Key responsibility for this role included maintaining active engagement and fostering relations with the overall community, other City departments and stakeholder groups, neighborhood organizations, faith-based agencies, the business community, housing and service providers, and current tenants of PSH as the PSH initiative and campaign is being implemented.

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This lead also served as an integral point of contact in developing the City's Good Neighbor Guidelines. In FY 2010-11, the Austin City Council passed Resolution No. 20110113-040, which found that a broad community dialogue that includes stakeholders from neighborhoods all across Austin is needed to establish successful approaches for integrating low-income housing throughout the city and directed the City Manager to research and report on best practices from other cities on engaging communities and building support for permanent supportive housing projects. In response to this resolution, the City conducted six listening sessions and one public workshop engaging approximately 150 participants in discussions related to notification and community engagement of proposed affordable housing developments with the surrounding neighborhood. Participants in the discussions included neighborhood leaders, current tenants of permanent supportive housing, affordable housing developers, service providers, and members of the business and faith communities.

Participants offered common themes for their desired outcomes in the above conversations, including:

- Transparency of information about the proposed development (whether provided via the developer or the City);
- Consistency with existing neighborhood plans and other city-approved planning documents;
- Effective and predictable communication methods; and
- Respect and good faith participation from all parties.

In response to this feedback, NHCD is creating a Good Neighbor Policy to clarify and standardize guidelines for notification and community engagement on all projects funded through the City's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants for these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is needed whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership. The guidelines are expected to be finalized by the end of calendar year 2011.

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### **CITY OF AUSTIN RESOLUTIONS**

It is a value of the City of Austin to be an open and inclusive city for all its residents; thus, the City continues seeking avenues that broaden opportunities and eliminate barriers for its community. View City Council approved ordinances and resolutions referenced in the section in Appendix VI.

#### ***Business Regulation and Permit Requirements***

The City Council approved Ordinance No. 20110818-075 on August 18, 2010, amending Title 4 (Business Regulation and Permit Requirements) of the City Code to add a new chapter related to the registration of credit access businesses.

The purpose of this chapter is to protect the welfare of the citizens of the City by monitoring credit access businesses in an effort to reduce abusive and predatory lending practices. The amendment provides a penalty up to \$500 for each offense performed by businesses.

#### ***Pay Day Lending***

The City of Austin continues to find ways to improve its economic vitality for its citizens; thus is deeply concerned about the harmful effects of alternative financial service business practices, including payday lenders and auto title lenders in Austin as well as the state of Texas.

On August 18, 2010, the Austin City Council approve Resolution No. 20110818-079, initiating code amendments to City Code Title 25 (Land Development Code) and directing the City Manager to process code amendments to regulate the location and use of buildings and land for alternative financial services businesses, a proposed new use to include check cashing, payday loan, and car title loan businesses.

#### ***Bank of Central Texas Program***

The Federal Deposit Insurance Corporation (FDIC) estimated in December 2009 that more than 20 percent of households in the Austin are considered “underbanked,” meaning, they rely on alternative financial services including: payday lending, pawn shop lending, non-bank check cashing, and non-bank money orders. The FDIC also found that lower-income households, as well as racial and ethnic minorities were significantly more likely to be underbanked.

The Austin City Council passed Resolution No. 20100930-025 on September 30, 2010, directing the City of Austin to participate in a Bank of Central Texas Employer Campaign (BOCT). BOCT was launched by the United Way Capital and PeopleFund to provide the following resources to the underbanked or unbanked: access to mainstream financial products and services, financial empowerment programs, and resources to build capacity.

On average 90 percent of City of Austin workforce is paid through direct deposit. Through this resolution, Austin’s City Manager was charged with making all necessary efforts consistent with legal requirements to achieve a 98 percent electronic wage payment rate for City of Austin employees by September 30, 2011. Efforts should include working with employees to identify if individual barriers to receiving an

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electronic wage payment, and where appropriate, offer financial coaching and identify financial products through the BOCT program that may benefit the employee.

### ***Proposition 6 – Domestic Partnership***

The City Council enacted an initiative in 1993, Proposition 22, which allowed insurance benefits to be extended to unmarried partners of City employees and to other adults living in their homes. Proposition 22 was voted on and passed by Austin residents in 1994, thereby repealing all of the City's past Charter language defining eligibility for the employees' City insurance benefits. Proposition 6 was later proposed by the City Council and was established to repeal all the City's Charter language defining eligibility for the City's insurance benefits allowing City employees to provide insurance not only to domestic partners, but also to other adults or dependents in the same household. City of Austin residents voted on and passed Proposition 6 on May 13, 2006.

### ***Non-Discrimination Policy***

The City Council passed an ordinance in 1992 creating Chapter 7-4, now codified as Chapter 5-4 Discrimination in Employment by City Contractors of the City Code to prohibit discrimination in employment by City Contractors, including discrimination against an individual based on sexual orientation or gender identity. The City encourages and wants to attract companies that provide non-discrimination policies that include both sexual orientation and gender identity, as well as provide domestic partner benefits to their LGBT employees and their families. Austin City Council approved Resolution No. 20090806-037 on August 6, 2009, directing the City Manager to amend the City's Standard Terms and Conditions used in competitive procurements required by state law: 1) to require a copy of the contractor's employment non-discrimination policy when applying for City contracting opportunities, and 2) to specify that noncompliance with Chapter 5-4 will terminate a contract and may hinder a contractor's eligibility for future contracts until deemed compliant with Chapter 5-4.

### ***COBRA-Like Benefits for Domestic Partners***

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal legislation requiring employers to extend healthcare coverage to employees and qualified dependents for certain qualifying events such as termination, divorce, or death. In 2009, City Council Members requested a review on COBRA benefits for domestic partnerships. The City's Human Resources Department (HRD) had been recently contacted by a domestic partner of a recently deceased employee who had been informed benefits would cease and he was not eligible to receive the COBRA benefit. Based on this circumstance and City Council interest, HRD reviewed the current COBRA policy, met with the City Council Members and determined in November 2009 to extend "COBRA-Like" benefits to domestic partners. View HRD's memo on COBRA-Like Benefits for Domestic Partners in Appendix VI.

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### AFFIRMATIVE MARKETING AND MINORITY OUTREACH

As a recipient of federal funds, the City of Austin must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted housing units. Affirmative marketing steps consist of actions that provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

#### I. Affirmative Marketing Plan

When a rental housing or homeowner project containing five or more units is planned to be constructed, the City of Austin and/or its subrecipients will provide information to the community that attract eligible persons who are least likely to access affordable housing opportunities. This may include low- to moderate-income individuals, minority residents, the Limited English Population (LEP) population, and residents of manufactured housing.

With changing demographics in Austin, there are challenges when marketing to the eligible populations that are Limited English Proficient (LEP). In areas where there is a significant LEP population, NHCD and the AHFC strive to meet this need by:

- Translating key marketing materials;
- Working with minority-owned print media, radio and television stations;
- Partnering with faith-based and community organizations that serve newly arrived immigrants;
- Promoting and offering marketing activities and educational sessions in Spanish at community outreach events, such as Homebuyer Fairs; and
- Providing a stipend to bi-lingual staff members who work directly with and provide assistance to the LEP population.

NHCD and AHFC program guidelines and requirements for business owners and builders are outlined below. Each owner is required to agree to carry out the following affirmative marketing procedures and requirements:

1. The business/builder/non-profit shall not refuse to sell or rent the subject homes to an individual because of race, color, religion or national origin.
2. The business/builder/non-profit shall not refuse to sell or rent the subject homes to an individual because that individual has children who will be residing in that dwelling.
3. The business/builder/non-profit shall not refuse to sell or rent the subject homes to an individual because that individual is eligible for public housing assistance.
4. The business/builder/non-profit shall conduct special outreach to a target groups of persons least likely to apply through advertisement in newspapers whose circulation is primarily among the target group, as well as through notification of appropriate community groups and agencies.

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5. The business/builder/non-profit shall advertise all homes for sale and apartments for rent in the appropriate local media.
6. The business/builder/non-profit shall include in all advertising HUD's Equal Housing Opportunity logo, slogan or statement, as defined in 24 CFR 200.600.
7. The business/builder/non-profit shall instruct all employees and agents both orally and in writing about the City's affirmative marketing requirements.
8. The business/builder/non-profit shall prominently display in its office HUD's Fair Housing Poster or Equal Housing Opportunity logo.
9. The business/builder/non-profit must keep on file any and all sales advertisements and applicant information. Copies of this information must be forwarded upon request to staff so that staff may properly assess the affirmative marketing practices.
10. Nondiscrimination: In the performance of its obligations under this agreement, The business/builder/non-profit will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed or national origin, including Title IV of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part I) or pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

NHCD and AHFC maintain copies of their respective affirmative marketing efforts. Austin will continue reporting on its annual accomplishments in the annual CAPER. The City will include a comprehensive assessment of its affirmative marketing actions as required in 24 CF 92.351(a)(2)i-v in the annual CAPER. The City of Austin will work with any contractor who is not meeting the requirements of the affirmative marketing plan to provide necessary technical assistance and guidance. NHCD's Compliance division utilizes audit checklists developed by HUD. These checklists provide for review of project requirements, property standards, rent occupancy, and ongoing monitoring requirements including affirmative fair housing marketing.

### **II. Minority Outreach Plan**

The Austin City Council passed an ordinance establishing the Minority- and Women-Owned Business Enterprise (MBE/WBE) Procurement Program on February 19, 1987. The City Council approved major amendments to that ordinance on July 13, 1995. The program, which is administered by the City Department of Small and Minority Business Resources (SMBR), established procurement goals for City departments that target Minority- or Women-Owned Business Enterprises (MBE/WBE). To qualify as a MBE/WBE, the business must be certified by the Department of Small and Minority Business Resources as a sole proprietorship, partnership, corporation, joint venture or any other business entity that is owned, managed and operated by a minority or woman, and which performs a commercially useful function. Once certified, MBE/WBE vendors are included in a citywide database that details the products and services they provide by commodity code. This database is also available to prime contractors who are seeking to subcontract with City-certified MBE/WBE vendors. The City of Austin produces the

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Contractor/Subcontractor Activity Report after the close of every contract which is used to determine the amount of MBE/WBE contracts.

### III. Plan for Increasing Homeownership for Special Populations

In addition to minority populations, special outreach efforts will be required to be conducted to more specialized segments of the community. The City of Austin has expanded its outreach efforts to particular segments of the community that have historically low participation levels in homeownership due to racial/ethnic discrimination or segregation. These targeted populations may include but are not limited to tenants of manufactured housing and public housing.

Through increased coordination with the Housing Authority of the City of Austin (HACA), additional criteria will be developed that may allow public housing tenants additional consideration in accessing homeowner housing developed through the AHFC and through local Community Development Housing Organizations (CHDO). Tenants of manufactured housing will be encouraged to participate through several homeownership fairs scheduled to be conducted in areas with high levels of manufactured housing. Through the information and training provided during the fairs, tenants of manufactured housing will be encouraged to become homeowners, rather than renters. Further follow up with tenants will help identify the low-income households that may be able to take advantage of existing homeownership opportunities. Low-income household tenants unable to qualify for homeownership because of issues such as debt, credit, and income may be referred to accredited housing counseling providers.

### IV. Plan for Increasing Housing Options for Special Populations

The City Council passed Resolution 20100325-053 on March 25, 2010, directing the City Manager to give priority to federal and local funding to permanent supportive housing (PSH), and to develop a comprehensive strategy for the construction and operation of 350 permanent supportive housing (PSH) units over the next four years.

City of Austin-funded PSH will serve individuals or families in the following categories:

- Headed by individuals that are chronically homeless as established in the HEARTH Act;
- Households that would otherwise meet the HUD definition as above, but have been in an institution for over 90 days, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility;
- Unaccompanied youth or families with children defined as homeless under other federal statutes that demonstrate housing instability and have other barriers that will likely lead to continued instability, as detailed in the plan; and
- Youth aging-out of state systems, whether homeless or at-risk of homelessness.

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### **AFFIRMATIVE MARKETING AND MINORITY OUTREACH MONITORING**

In an attempt to evaluate the Affirmative Fair Housing Marketing (AFMH) efforts by organizations that receive funding through the City's 57 contracts with rental housing developers, along with the routine desk audits that NHCD conducted, staff also performed 11 site-monitoring visits in FY 2010-11.

NHCD staff utilized audit checklists, Exhibit 5.1, developed by HUD. These checklists provide for review of project requirements, property standards, rent occupancy, and ongoing monitoring requirements including affirmative fair housing marketing.

#### **Audit Results**

Of those receiving site-reviews, 100 percent were produced an Affirmative Fair Housing Marketing Plan. Based on these results, NHCD staff concluded that there is a need for training at the time contracts are executed, in addition to providing a continued technical assistance presence annually throughout the term of the affordability as stated in the written agreement.

#### **Training**

NHCD's Compliance division developed a Property Information Update Form, which will be included with annual compliance reminder letters, where applicable. The goal of the communication is to assist the City in its determination of the turnover of an organization's staff and/or management in order to determine the level of technical assistance needed to ensure compliance.

#### **Outreach Being Conducted to Ensure the Policy is Received and Administered by Subrecipients**

While no formal outreach is done to individual properties, developers and owners who choose to receive assistance through the Rental Housing Development Assistance program are informed of the requirements needed to support the federal guidelines. All contracts have a section dedicated to the Affirmative Fair Housing Marketing (AFHC) requirements.

Currently, the process involves contacting each property via mail with a list of items to submit to NHCD for the desk audit. That is followed up with a telephone call to ensure that the property manager, owner or management company knows that the letter was mailed. In some cases, all responsible parties had turned over, thereby, requiring training by NHCD staff before we could receive the desk audit or schedule a field audit.

Going forward, the annual audit notification that is mailed each subrecipient will specifically include a request for the Affirmative Fair Housing Marketing (AFHM) plan. Additionally, the notification will include the new "Property Information Update Form" to return along with the other items required for the desk audit. NHCD piloted this document in an attempt to ensure that our records reflect any changes in the property management team, as well as, any changes in owners and/or management companies. This document has now been implemented into the monitoring process. While the form may be submitted to NHCD at any time, it will be a required document to be submitted as a part of the annual desk audits.

## Exhibit 5.1: Audit Checklist



Project Name: \_\_\_\_\_ Project ID: \_\_\_\_\_

Reviewer: \_\_\_\_\_ Date: \_\_\_\_\_

**I. BACKGROUND INFORMATION**

1. Amount of HOME Allocation:

2. Number HOME-assisted Units:

3. Period of Affordability:

Owner should also complete a Project Compliance Report (Checklist 6-D) on a yearly basis during the period of affordability and submit it to the PJ.

**II. PROJECT COMPLIANCE**

QUESTIONS	ANSWER		COMMENTS/ ACTIONS REQUIRED
	Y	N	
<b>A. PROJECT REQUIREMENTS</b>			
1. Does the owner have tenant selection procedures that are non-discriminatory?			
2. Does the owner provide adequate information to program applicants about program rules and expectations?			
3. When the floating designation is used, does the owner ensure that the rental units are comparable?			
<b>B. PROPERTY STANDARDS AND ELIGIBLE COSTS</b>			
4. Does the property still meet all local codes and property standards?			

1  
of  
2

II. PROJECT COMPLIANCE

QUESTIONS	ANSWER		COMMENTS/ ACTIONS REQUIRED
	Y	N	
<b>C. RENT, OCCUPANCY, AND ONGOING REQUIREMENTS</b>			
5. Does the owner complete a Project Compliance Report (Checklist 6-D) and submit it to the PJ on time every year?			
6. Does the owner monitor rents in HOME-assisted units and enforce HOME rent limits in all projects?			
7. Does the owner monitor and enforce HOME low-income occupancy requirements?			
8. Are tenant incomes properly documented during occupancy?			
9. Is there a copy of a lease in every tenant file?			
10. Are all leases signed in HOME-assisted units free of prohibited provisions?			
11. Does the owner conduct regular property inspections?			
12. Does the owner affirmatively market units?			
13. Does the owner follow his/her tenant selection policy?			

PART I. General On-Site Observations

A. Billboards and Signs

1. Are there signs or billboards which advertise the development?  
How many?  Yes  No
  
2. Do any of them use the Equal Housing Opportunity logo, statement or slogan? Circle appropriate one.  
  
Is it readily seen?  Yes  No
  
3. Are human models used in drawings, photographs, or other graphic techniques? If yes, circle which.  Yes  No
  
4. If models are used, do they reasonably represent both minorities and non-minorities and (where appropriate) handicapped persons.  Yes  No
  
5. If there is a site sign indicating Federal construction, did it display the HUD-approved Equal Opportunity logo, slogan, or statement?  Yes  No

B. Required HUD Approved Fair Housing Poster

1. Was the Poster displayed in the sales or rental office?  Yes  No
  
2. Was it in a conspicuous location?  Yes  No
  
3. Was the Fair Housing Poster displayed conspicuously in all required locations?  Yes  No

C. Advertisements and Other Promotional Materials  
in Sales/Rental Office.

1. Are there any pictures, signs, posters (other than HUD poster with logo) in the sales/rental office or model homes which advertise the development?  Yes  No

If so, how many?

2. Do any of them use the Equal Housing Opportunity logo, statement or slogan?  Yes  No

3. Are human models used in these advertisements? (photographs, or other graphic techniques)? If yes, circle which is used.  Yes  No

4. If models are used, do they reasonably represent minorities, non-minorities and (where appropriate) handicapped persons?  Yes  No

5. Do the brochures and other promotional materials contain the Equal Housing Opportunity logo, slogan or statement?  Yes  No

If yes, circle which is used.

(Obtain copies of brochures and other promotional material and attach to this form.)

D. Affirmative Marketing Plan.

1. Was the Affirmative Marketing Plan made available to you?  Yes  No

2. Was it the same as the plan approved?  Yes  No

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PART II. PERSONS INTERVIEWED

A. Identity of Persons Interviewed.

Name

Name

Race	Position	Race	Position
Name of Company		Name of Company	
Address		Address	
How long employed		How long employed	
Duties/Responsibilities		Duties/Responsibilities	

Attach list of other persons interviewed.

B. Content of Interviews. Interview sales, rental and other employees to determine if they have received the following:

1. Written instructions on the fair housing laws. If yes, attach to this form. ( ) Yes ( ) No
  
2. Training sessions for all employees on:
  - a. Implementation of the fair housing laws. If yes, describe: ( ) Yes ( ) No
  
  - b. Implementation of the affirmative fair housing marketing plan. ( ) Yes ( ) No

C. Contents of Advertising.

1. Does the developer's plan include newspaper advertising? ( ) Yes ( ) No  
 If yes, obtain copy and list frequency of placement.
  - a. Does the advertising use the HUD logo? ( ) Yes ( ) No
  
  - b. Is the slogan used without the logo? ( ) Yes ( ) No

- c. Are other logos used? ( ) Yes ( ) No
  
- d. Is the HUD logo the only

- logo used? ( ) Yes ( ) No
- e. Is the HUD logo conspicuous? ( ) Yes ( ) No
- f. Are human models used (drawings, photographs, or other graphic techniques)? ( ) Yes ( ) No
- g. If models are used, do they reasonably represent both minorities, non-minorities and (where appropriate) handicapped persons. ( ) Yes ( ) No
2. Did the sponsor advertise in newspapers designated in the Plan? ( ) Yes ( ) No
3. Did the sponsor advertise as frequently as the plan requires? ( ) Yes ( ) No
4. Did the sponsor fail to comply in some other manner? If yes, describe. ( ) Yes ( ) No

D. Community Contacts. Developers are directed to contact community group representative of that segment of the population for which the plan requires special outreach efforts. Obtain copies of letters if any, sent to these groups.

1. List community organizations and individuals named in the plan. Contact them and note after each if, in fact, it has been contacted, the nature of the contact, the actions taken and results, if any.
2. Verification of contacts with community groups:
  - a. Date:
  - b. Persons Interviewed.

E. Results of Marketing Efforts.

1. Number of present occupants?

White      Black      Hispanic      Asian      Amer. Indian

If no occupants, how many applications (or buyers) have been accepted/approved for occupancy? State by race/ethnicity.

2. Date Marketing began?

3. Date of initial occupancy?

4. Describe in detail and/or attach the written criteria for tenant selection or owner eligibility.

5. Describe in detail or attach the application processing procedure together with timetable for same.

6. Are applications maintained and reviewed when a vacancy occurs? How long?

7. Total number of applicants on waiting list?  
(By race, ethnicity, handicap and familial status)

8. Total number of applications rejected?  
(By race, ethnicity, handicap and familial status)

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F. Reporting. Indicate whether the applicant has failed to submit a Form HUD-935.5.

G. Other HUD-Insured or Subsidized Activity.

1. List other HUD-insured or subsidized developments the developer has currently under construction, being rented or sold, or in development stages:

2. To your knowledge does the developer do HUD-FHA work in other States? If yes, identify project(s) and location(s).

H. If the plan has thus far been ineffective or unworkable, did the developer notify the Director, FHEO Program Operations Division/Field Office FHEO Division?

( ) Yes      ( ) No

If no, state applicant's(s') justification.

PART III: Summary.

- A. Is the developer complying with the approved plan?  Yes  No
- B. If the developer is not, describe what has been omitted.
- C. Describe proposed action for bringing the developer into compliance.
- D. Is the developer doing more than is required? If yes, describe:

Reviewer(s):

Date:

# Property Information Update Form

Date: \_\_\_\_\_

Please complete the following information for your property. Items marked with a ★ are required. If not applicable, please enter N/A in the blank.

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**★ Property Name**

★ Property Address \_\_\_\_\_

★ Web Address \_\_\_\_\_

★ Primary Contact \_\_\_\_\_

★ Title \_\_\_\_\_

Secondary Contact \_\_\_\_\_

Title \_\_\_\_\_

★ Email \_\_\_\_\_

★ Phone # \_\_\_\_\_

★ Primary Contact Phone # \_\_\_\_\_

★ Email \_\_\_\_\_

Secondary Contact Phone # \_\_\_\_\_

Email \_\_\_\_\_

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**★ Organization Name**

★ Address \_\_\_\_\_

★ Web Address \_\_\_\_\_

★ Primary Contact \_\_\_\_\_

★ Title \_\_\_\_\_

Secondary Contact \_\_\_\_\_

Title \_\_\_\_\_

★ Email \_\_\_\_\_

★ Phone # \_\_\_\_\_

★ Primary Contact Phone # \_\_\_\_\_

★ Email \_\_\_\_\_

Secondary Contact Phone # \_\_\_\_\_

Email \_\_\_\_\_

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**★ Management Company**

★ Address \_\_\_\_\_

★ Web Address \_\_\_\_\_

★ Primary Contact \_\_\_\_\_

★ Title \_\_\_\_\_

Secondary Contact \_\_\_\_\_

Title \_\_\_\_\_

★ Email \_\_\_\_\_

★ Phone # \_\_\_\_\_

★ Primary Contact Phone # \_\_\_\_\_

★ Email \_\_\_\_\_

Secondary Contact Phone # \_\_\_\_\_

Email \_\_\_\_\_

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**★ Owner Name**

★ Address \_\_\_\_\_

★ Web Address \_\_\_\_\_

★ Primary Contact \_\_\_\_\_

★ Title \_\_\_\_\_

Secondary Contact \_\_\_\_\_

Title \_\_\_\_\_

★ Email \_\_\_\_\_

★ Phone # \_\_\_\_\_

★ Primary Contact Phone # \_\_\_\_\_

★ Email \_\_\_\_\_

Secondary Contact Phone # \_\_\_\_\_

Email \_\_\_\_\_

Date

PROJECT NAME  
123 ANY AVE  
AUSTIN, TX XXXXX

RE: Project Name

To Whom It May Concern:

This is a courtesy letter to remind you that documentation is required and due for the above-referenced property(s). Please provide copies of the following documents to our office no later than \_\_\_\_\_:

- Occupancy Report (s), including tenants who either moved in or out of a unit during the past year;
- Annual Tenant Income Recertification completed by each tenant household;
- Current property insurance certificate;
- Most recent Housing Quality Standards inspection report for each housing unit (if available); and
- Either your 2009 financial audit or a completed Audit Certification Form
- Copy of Affirmative Fair Housing Marketing Plan

You are welcome and encouraged to e-mail reports, when possible to [@ci.austin.tx.us](mailto:@ci.austin.tx.us). Reports may also be mailed to:

City of Austin  
Neighborhood Housing and Community Development Department  
Attention:  
P. O. Box 1088  
Austin, Texas 78767-1088

Enclosed with this letter you will find the U.S. Department of Housing and Urban Development (HUD) Income Limits by Household Size and Rent Limits for \_\_\_\_\_; a blank Tenant Occupancy Report form and a blank Annual Tenant Income Recertification Form. These forms are also available electronically per request.

If you have any questions, comments, or need additional information, do not hesitate to contact me at (512) 974-xxxx or by e-mail at [@ci.austin.tx.us](mailto:@ci.austin.tx.us).

Thank you for your prompt attention to this matter; we appreciate your cooperation.

Sincerely,