



Thursday, March 08, 2007

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**Neighborhood Housing and Community
Development
RECOMMENDATION FOR COUNCIL ACTION**

ITEM No 8

Subject Authorize the negotiation and execution of a service agreement with the Austin Housing Finance Corporation in an amount not to exceed \$5 000 000 to manage and operate various affordable housing programs funded with City general obligation housing bonds

Amount and Source of Funding Funding in the amount of \$5 000 000 will be provided by the future issuance of general obligation bonds approved by the voters on November 7 2006

Fiscal Note A fiscal note is not required

**Additional Backup
Material**

(click to open)

No Attachments Available

For More Information Paul Hilgers Director Neighborhood
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City of Austin voters approved 7 propositions authorizing \$567.4 million of General Obligation Bonds funded capital improvement projects and programs in the November 2006 Bond Election. Those projects and programs will be implemented over seven years. This action by the City Council approves the negotiation and execution of a service agreement with the Austin Housing Finance Corporation (AHFC) and provides the initial installment of funding for affordable housing programs in an amount not to exceed \$5 000 000. The funding will be used to manage and operate various housing programs funded with General Obligation housing bonds including rental and homeownership opportunities for low income residents of Austin.

The appropriation for the rental housing program will be \$3 000 000. Eligible activities for the rental housing program may include but not be limited to permanent housing with supportive services, special needs housing and affordable rental housing through acquisition, development, construction and rehabilitation. The income level to be served in this program will be at 50% or below median family income (currently \$35 550 for a family of four) with a target of below 30% median family income. A per unit subsidy of \$40 000 is estimated with approximately 75 households estimated to be served.

The appropriation for the homeownership program will be \$2 000 000. Eligible activities for the homeownership program may include but not be limited to community land trust and affordable homeownership through acquisition, development, construction and rehabilitation. The income level to be served in this program will be at 80% or below median family income (currently \$56 900 for a family of four) with a target of 50% - 65% of median family income. A per unit subsidy of \$50 000 is estimated with approximately 40 households estimated to be served.

The Austin City Council created the Austin Housing Finance Corporation (AHFC) in 1979 as a public non profit corporation to facilitate the financing and development of affordable housing for low and moderate income residents. As an instrumentality of the City, the AHFC administers affordable housing programs using federal grant funds from the U. S. Department of Housing and Urban development passed through the City, the City's Housing Trust Fund, and the S M A R T Housing Capital Improvement Fund. The Corporation administers numerous housing programs for the City including assisted housing, rental housing, homebuyer services and owner occupied services.