



**RBA**  
**CITY OF AUSTIN**  
**RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO 4**  
**AGENDA DATE 4/5/07**  
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**SUBJECT** Authorize the negotiation and execution of a loan to AUSTIN NEIGHBORHOOD ALLIANCE FOR HABITAT INC an affiliate of AUSTIN HABITAT FOR HUMANITY, INC under the Acquisition and Development Program in an amount not to exceed \$914 470 in compliance with applicable federal regulations including Title 24 Code of Federal Regulations Section 85 40 performance goals for infrastructure development at the Devonshire Village Subdivision and the construction and sale of 43 single family homes for low to moderate income buyers

**AMOUNT & SOURCE OF FUNDING** Funding is available in the Fiscal Year 2006 2007 budget using a combination of available HOME Program Income funds and HOME CHDO funds

**FISCAL NOTE** There is no unanticipated fiscal impact A fiscal note is not required

**REQUESTING** **DIRECTOR'S**  
**DEPARTMENT** Austin Housing Finance Corporation **AUTHORIZATION** \_\_\_\_\_

**FOR MORE INFORMATION CONTACT** Paul Hilgers Executive Director Austin Housing Finance Corporation 974 3108

**PRIOR BOARD ACTION** N/A

**BOARD AND COMMISSION ACTION** N/A

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The Austin Housing Finance Corporation (AHFC) Board of Directors is requested to authorize the negotiation and execution of a forgivable loan to Austin Neighborhood Alliance for Habitat Inc ( the Neighborhood Alliance ) an affiliate of Austin Habitat for Humanity Inc ( Habitat ) its operational partner in an amount not to exceed \$914 470 The loan proceeds will be used for infrastructure development for the planned 43 lot Devonshire Village Subdivision The lots will be developed for affordably priced single family homes for low and moderate income homebuyers Each buyer s total household income will not exceed 80% of Austin s Median Family Income (currently \$56 900 for a family of four) The houses will be S M A R T Housing™ compliant as well as visitable and adaptable for persons with mobility sight or hearing disabilities

Habitat has been building affordable homes in Austin since 1985 Habitat is a non profit 501(c)(3) that develops affordable housing and provides homeownership opportunities for families successfully completing its program To construct its homes, Habitat utilizes volunteer

labor paid contractors community sponsorships and a significant volunteer commitment by the prospective homebuyer Habitat also provides a zero interest rate mortgage to the homebuyers for a term of up to 30 years

The Neighborhood Alliance an affiliate organization of Habitat is certified as a Community Housing Development Organization (CHDO) by the City of Austin a designation which makes it eligible to receive HOME funds reserved only for CHDOs

The sources and uses of the funding are

<u>Sources</u>		<u>Uses</u>	
Community Sponsored Houses	\$2 580 000	Acquisition	\$ 230 000
<b>AHFC Funds</b>	<b>914,470</b>	<b>Infrastructure</b>	<b>914 470</b>
Loans	320 000	Soft Costs	1 470 000
Community Funds	556 104	Hard Costs	1 986 104
Owner Equity	<u>230,000</u>		
<b>Total</b>	<b>\$4,600,574</b>	<b>Total</b>	<b>\$4,600,574</b>

The performance measures associated with the project are as follows

- 1 Complete installation of infrastructure and obtain City of Austin acceptance of utilities streets and other improvements for the Devonshire Village Subdivision
- 2 Complete build out of the subdivision that will result in 43 new single family homes affordable to buyers earning no more than 80% of the Austin area MFI

Part of the requested funding is available in Fiscal Year 2006 2007 budget allocation of the Austin Housing Finance Corporation The request is consistent with the City of Austin s currently approved Consolidated Plan and the AHFC s strategy to provide assistance through below market rate financing for the development of affordable housing for low and moderate income households