



RBA
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO 4
AGENDA DATE 6/7/07
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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 in compliance with applicable federal requirements and performance goals under the Acquisition and Development Program in an amount not to exceed \$265 000 for the acquisition of ten vacant lots in the Frontier at Montana subdivision to develop ten single family homes for low to moderate income buyers

AMOUNT & SOURCE OF FUNDING Funding for the 10 lots will come from HOME funds in the Fiscal Year 2006 2007 Proposed Operating Budget of the Austin Housing Finance Corporation

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 None

BOARD AND COMMISSION ACTION None

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This action authorizes the negotiation and execution of a forgivable loan to Austin Neighborhood Alliance for Habitat Inc (ANAH) an affiliate of Austin Habitat for Humanity Inc (AHFH) its operational partner in an amount not to exceed \$265 000 The loan proceeds will be used for the acquisition of ten vacant lots in the Frontier at Montana Subdivision The lots will be used to develop ten affordably priced single family homes for low and moderate income first time homebuyers

The build out of the 10 lots will be completed during 2008

These affordable homes will be sold to families successfully completing AHFH s program The buyer s total household income will not exceed 80% of Austin s Median Family Income (currently \$56,900 for a family of four)

The Sources and Uses of the Funding are

<u>Sources</u>		<u>Uses</u>	
Community Sponsored Houses	\$600 000	Acquisition	\$265,000
AHFC Funds	265,000	Construction	507 000
Loans	49 000	Soft Costs	<u>343,000</u>
Community Funds	<u>201,000</u>		
Total	\$1,115,000	Total	\$1,115,000

ANAH responded to a Request for Proposals (RFP) issued by Austin Housing Finance Corporation (AHFC) for development of the 81-lot Frontier at Montana Subdivision. AHFC is accepting proposals from non profit housing providers and other qualified builders to develop the subdivision with new construction single family homes to be sold to low to moderate income buyers.

The Performance Measure associated with the project is as follows:

1. Construction and conveyance of ten (10) new single family homes affordable to buyers earning no more than 80% of the Austin area MFI.

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.

AHFH has been building affordable homes in Austin since 1985. AHFH 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, AHFH utilizes volunteer labor, paid contractors, community sponsorships, and a significant volunteer commitment by the prospective homebuyer. AHFH also provides a zero interest rate mortgage to the homebuyers for a term of up to 30 years.

In AHFH's Strategic Plan for 2005-2010, AHFH has outlined a commitment to serve 150 families through building 100 new homes and repairing 50 homes. AHFH's production goal for 2008 is to build 20 new homes per year. This funding will allow AHFH to purchase the lots necessary to meet that goal.