

AHFC Item 1 Staff Report:

The sources to fund the annual AHFC budget include: (1) Grant Operating Budget - \$617,253 from the City of Austin's Neighborhood Housing and Community Development Housing Operating Fund; \$1,043,000 from the City's Housing Trust Fund; \$261,156 from the City's LNO Housing Trust Fund; \$44,000 from the City's S.M.A.R.T. Housing™ Capital Improvement Project Fund; \$3,803,080 from the City's HUD HOME Program; \$2,531,536 from the City's HUD Community Development Block Grant; \$101,815 from the City's HUD American Dream Down Payment Grant; \$236,507 generated from HUD Community Development Block Grant Program Income; \$1,565,845 generated from HUD HOME Program Income (2) \$150,000 from the AHFC Housing Assistance Fund.

This action adopts the 2007-2008 Grant Operating Budget and Housing Assistance Fund Budget for the Austin Housing Finance Corporation (AHFC). The annual budget resolution also directs staff to implement program guidelines for the budgeted housing programs, authorizes the transfer of budget authority from one line to another in limited amounts, and authorizes the General Manager to administratively approve certain projects less than \$300,000 (\$250,000 for real estate sales or acquisitions).

The City Council created the AHFC in 1979 as a public, non-profit corporation to facilitate the financing and development of affordable housing for low- and moderate income residents. AHFC administers affordable housing programs described in the attachments to this document. U.S. Department of Housing and Urban Development grant funds provided by the City provide the bulk of AHFC grant funds. The AHFC Housing Assistance Fund was established in 1988 from a residual value bond program that provided \$7.5 million in initial funding.

AHFC will provide housing solutions through programs, projects, and relationships. The AHFC goals for Fiscal Year 2007-2008 are:

- 1. Optimize opportunities for quality affordable housing in Austin.
- 2. Provide leadership and expertise to promote affordable housing in Austin
- 3. Increase the sustainability of AHFC.

In addition to administering bond programs, AHFC will administer the Homebuyer Program, the Rental Housing Program, and the Owner-Occupied Housing Program. AHFC is the responsible entity for the production goals of S.M.A.R.T. Housing™.

AHFC is also currently administering the Mortgage Credit Certificate Program, that serves families with incomes of no more than 115% of the Austin Median Family Income (currently \$81,793 for a family of four), and provides a tax credit of up to \$2,000 per year for the life of the mortgage loan.

Employees of the City's Neighborhood Housing and Community Development Office manage the operation of AHFC through an annual service agreement. AHFC offices are located in the Neighborhood Housing and Community Development Office.

**AUSTIN HOUSING FINANCE CORPORATION
GRANT OPERATING AND CORPORATION OPERATING BUDGET
FY 2007-08 BUDGET
Exhibit A**

	Funding Source	Funding FY07-08	Estimated Households to be Served with New Funding and Carry- Forward
Transfer From City of Austin (COA)	Housing Trust Fund	1,043,000	
	UNO - Housing Trust Fund	261,156	
	General Fund	617,253	
	S.M.A.R.T. Housing CIP	44,000	
		1,965,409	
Program Income	CDBG	236,507	
	HOME	1,565,845	
	CIP	-	
	HOME Match	-	
		1,802,352	
Grant Proceeds	CDBG	2,531,536	
	ADDI	101,815	
	HOME	3,803,080	
		6,436,431	
Total Source of Funds		10,204,192	

Assisted Housing

Tenant-based rental assistance.....	HOME	479,333	
	HTF	70,000	
Subtotal, TBRA.....		549,333	125
Subtotal, Assisted Housing.....		549,333	125

Rental Housing:

Rental Development Services

Rental Hsg. Development

Assistance.....

	HOME	1,100,000	
	PI (HOME)	65,845	
	CDBG	201,768	
	PI (CDBG)	22,461	
	HOME (CHDO)	400,000	
	UNO	261,156	
	HTF	962,500	
Subtotal, Rental Housing Dev. Assist.....		3,013,730	150
Architectural Barrier Program	CDBG		90
Voluntary Compliance Agreement.....	GF-CIP	44,000	1,500
Anderson Hill Redevelopment	HOME	-	
Subtotal, Rental Housing.....		3,057,730	1,740

Homebuyer Services

Homebuyer Lending Assistance

Down Payment Assistance.....	HOME	-	
	ADDI	101,815	
Subtotal, Homebuyer Lending Assistance.....		101,815	50

Homeownership Development

Acquisition & Development.....	CDBG	243,924	
	HOME	1,464,900	
	CDBG-Rev. Loan	462,119	
	HOME (CHDO)	233,847	
	PI (HOME)	1,500,000	
Subtotal, Acq. & Development (owner).....		3,904,790	55
CHDO Operations Loans.....	HOME (CHDO)	125,000	12
Juniper/Olive Street Housing Project	PI (CDBG)	-	13
Anderson Hill Homeownership	PI (HOME)	-	
Subtotal, Anderson Hill Homeownership.....		-	10
Subtotal, Homeownership Development.....		4,029,790	90
Subtotal, Homebuyer Services.....		4,131,605	140

Owner-Occupied Housing:

Housing Rehabilitation Services

Architectural Barrier Program	CDBG	768,725	360
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	GF	397,253	
Emergency Repair Program.....	CDBG	855,000	550
	GF	195,000	
Materials Grants Program.....	HTF	10,500	30
Homeowner Rehabilitation Loan Program	CDBG-Rev Loan	214,046	
	GF	25,000	
	HOME	-	
Subtotal, Homeowner Moderate Rehab.....		239,046	25
<i>Subtotal, Owner-Occupied Housing.....</i>		<u>2,465,524</u>	<u>965</u>
Homebuyer Counseling	HTF	-	180
<i>Subtotal, Neighborhood Revitalization (Public Services).....</i>		<u>-</u>	<u>180</u>
Single Family Bond Programs.....			60
<i>Subtotal, Housing Bond Programs.....</i>		<u>-</u>	<u>60</u>
		<u>10,204,192</u>	<u>3,150</u>

RESOLUTION NO.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
AUSTIN HOUSING FINANCE CORPORATION:**

Section 1. The following terms having the meanings assigned to them in this section:

- (a) **"AHFC Program"** means a housing and community development program listed in the Grant Operating Budget or the Assistance Budget that is not a City Program.
- (b) **"AHFC Program Guideline"** means the written program guideline prepared for an AHFC Program that is approved as to form by the General Counsel.
- (c) **"Assistance Budget"** means the Corporation's Housing Assistance Fund Budget for the period October 1, 2007 through September 30, 2008 set forth on **Exhibit B**.
- (d) **"Board of Directors"** means the Board of Directors of the Corporation.

- (e) **"Budgeted Program"** means an AHFC Program or a City Program.
- (f) **"City"** means the City of Austin, Texas.
- (h) **"City Program"** means a City approved community development program under Chapter 373, Texas Local Government Code administered on behalf of the City by the Corporation under the annual contract the City enters into with the Corporation to manage and administer various City Programs.
- (i) **"Corporation"** means the Austin Housing Finance Corporation.
- (j) **"General Counsel"** means the General Counsel of the Corporation and includes any General Counsel designee.
- (k) **"General Manager"** means the General Manager of the Corporation and includes any General Manager designee.
- (l) **"Grant Operating Budget"** means the Corporation's Grant Operating Budget for the period October 1, 2007 through September 30, 2008 set forth on **Exhibit A**.
- (m) **"HUD"** means the United States Department of Housing and Urban Development.
- (g) **"HUD Consolidated Plan"** means the document submitted to HUD that serves as the planning document of the City and prepared in accordance with 24 CFR 91.

Section 2. The Board of Directors approves the Grant Operating Budget and the Assistance Budget.

Section 3. The General Manager is authorized to prepare, adopt, issue and amend AHFC Program Guidelines, if no expenditures of the Corporation's funds for an AHFC Program occur prior to the effective date of the AHFC Program Guidelines.

Section 4. Subject to the limitations of Section 5, the General Manager is authorized to expend:

- (a) the Grant Operating Budget;
- (b) the Assistance Budget;
- (c) any funds unspent at the close of Fiscal Year 2006-2007 that are associated with the Budgeted Programs; and
- (d) all federal program income generated by the Corporation during previous fiscal years and Fiscal Year 2007-2008 from the Budgeted Programs.

Section 5. The General Manager may expend the amounts described in Section 4 without additional authority or approval from the Board of Directors if:

- (a) the amounts to be expended are available and are used for the programs and purposes in the Grant Operating Budget or the Assistance Budget;

- (b) the activity for which funds are expended is a Budgeted Program;
- (c) before funds are expended for a Budgeted Program, AHFC Program Guidelines have been prepared in accordance with Section 3 or by the City;
- (d) the General Counsel approves the form of the contract;
- (e) the amounts expended for any single contract expenditure do not exceed \$300,000, except that any real estate sale or acquisition by the Corporation does not exceed \$250,000; and
- (f) for an expenditure of program income not budgeted that does not require reprogramming under the HUD Consolidated Plan, the General Manager files a revised Grant Operating Budget or Assistance Budget reflecting the program income amounts not previously budgeted.

Section 6. The General Manager is authorized to administratively transfer amounts in the Grant Operating Budget or the Assistance Budget funded with federal funds from one line item to another line item if:

- (a) each amount resulting from the transfer does not exceed the line item amount of the source program line item in the Grant Operating Budget or Assistance Budget by 10 percent if the line item is funded by federal Community Development Block Grant funds, or 25 percent for a line item not funded with federal Community Development Block Grant funds; and
- (b) after the transfer, the General Manager files a copy of the revised Grant Operating Budget or Assistance Budget.

Section 7. The General Manager is authorized to temporarily administratively transfer amounts in the Grant Operating Budget or the Assistance Budget from one line item to another line item if:

- (a) the funds transferred are to be refunded to the source program before:
 - (1) the time the funds are required to be used in the source program; and
 - (2) before the end of Fiscal Year 2007-2008;
- (b) the transfer of the funds does not require reprogramming under the HUD Consolidated Plan;
- (c) each amount resulting from the transfer does not exceed by 50 percent the line item amount of the source program in the Grant Operating Budget or Assistance Budget;
- (d) the General Manager files a copy of the revised Grant Operating Budget or Assistance Budget; and
- (e) required notification is made to HUD, both before the temporary transfer of the funds and when the funds are refunded to the source program.

Section 8. The General Manager is authorized to establish revolving Community Development Block Grant funds and Home Investment Partnerships Program (HOME) program income amounts for a Budgeted Program in accordance with applicable federal requirements as determined necessary by the General Manager to maximize production and efficiently administer the Budgeted Program.

ADOPTED: _____, 2007

ATTEST: _____

Shirley A. Gentry
Secretary