



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 9-27-07
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SUBJECT: Authorize the negotiation and execution of a one-year service agreement with the City of Austin for funding, managing and operating various affordable housing programs using City general obligation housing bond proceeds in an amount not to exceed \$8,500,000.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$8,500,000 will be provided by the future issuance of City of Austin Public Improvement Bonds, approved by the voters on November 7, 2006.

FISCAL NOTE: A fiscal note is attached.

REQUESTING
DEPARTMENT: Austin Housing Finance Corporation

DIRECTOR'S
AUTHORIZATION:

FOR MORE INFORMATION CONTACT: Paul Hilgers, Treasurer, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: On March 8, 2007, the Board approved a one-year service agreement with the City for the first installment of City general obligation housing bonds in the amount of \$5,000,000.

PRIOR COUNCIL ACTION: On March 8, 2007, the Council approved a one-year service agreement with the AHFC Board for the first installment of City general obligation housing bonds in the amount of \$5,000,000.

City of Austin voters approved seven propositions authorizing \$567.4 million in General Obligations Bonds funding 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 Board authorizes the negotiation and execution of a one-year service agreement with the City of Austin and provides the second installment of funding for affordable housing programs in an amount not to exceed \$8,500,000. The funding will be used to manage and operate various housing programs funded with City General Obligation housing bonds, including rental and homeownership opportunities for low-income residents of Austin.

The appropriation for the rental housing program will be \$5,100,000. 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 120 households estimated to be served.

The appropriation for the homeownership program will be \$3,400,000. 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 60 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. HousingTM Capital Improvement Fund. The Corporation administers numerous housing programs for the City including assisted housing, rental housing, homebuyer services and owner-occupied services.

**AUSTIN HOUSING FINANCE CORPORATION
GENERAL OBLIGATION CAPITAL IMPROVEMENT BOND FUND**

	Funding FY07-08	Estimated Households to be Served
<u>Sources of Funds</u>		
General Obligation Bonds	8,500,000	
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Total Source of Funds	<u>8,500,000</u>	
<u>Uses of Funds</u>		
<u>HOUSING DEVELOPMENT</u>		
<u>Rental Housing</u>		
<u>Rental Development Services</u>		
Rental Hsg. Development Assistance	5,100,000	120
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Subtotal, Rental Housing	<u>5,100,000</u>	<u>120</u>
<u>Homebuyer Services</u>		
<u>Homeownership Development</u>		
Acquisition & Development	3,400,000	60
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Subtotal, Homebuyer Services	<u>3,400,000</u>	<u>60</u>
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Total Uses of Funds	<u>8,500,000</u>	<u>180</u>