

AGENDA



Thursday, September 25, 2008

**Neighborhood Housing and Community Development
RECOMMENDATION FOR COUNCIL ACTION****Item No. 37**

Subject: Authorize the City Manager to negotiate and execute a one-year service agreement with the Austin Housing Finance Corporation to manage and operate various housing programs for the City during Fiscal Year 2008-2009 funded by proceeds from the City's General Obligation housing bonds in an amount not to exceed \$10,500,000.

Amount and Source of Funding: The source to fund the annual AHFC budget includes: \$10,500,000 from the City General Obligation Bonds funds.

Fiscal Note: Fiscal note attached.

For More Information: Margaret Shaw, Director, Neighborhood Housing and Community Development, 974-3108

The recommended action authorizes the General Manager to negotiate and execute the City's annual service agreement with the Austin Housing Finance Corporation (AHFC) allowing the AHFC to use up to \$10,500,000 during Fiscal Year 2008-2009 from the City's General Obligation (GO) bond proceeds to fund, manage and operate various housing programs, including the Acquisition and Development and Rental Housing Development Assistance programs, on the City's behalf.

Of the \$10.5 Million in GO bond proceeds, the rental housing programs will use up to \$6.3 Million for eligible activities that include permanent housing with supportive services, special needs housing and affordable rental housing through acquisition, development, construction and rehabilitation. The rental housing programs will serve families making up to 50% of the area's median family income (currently \$35,550 for a family of four) and will target families making less than 30% of the area's median family income. The result will be to serve an estimated 92 households.

The balance of the funding from GO bond proceeds (up to \$4.2 Million) will be used for homeownership programs; eligible activities to include community land trust and affordable homeownership through acquisition, development, construction and rehabilitation. The homeownership programs will serve families making up to 80% of the area's median family income (currently \$56,900 for a family of four) and will target those making between 50% and 65% of the area's median family income. The result will be to serve approximately 22 households.

Created in 1979 as a public, non-profit corporation pursuant to Chapter 394 of the Texas Local Government Code, the AHFC administers numerous housing programs for the City including assisted housing, rental housing, homebuyer services and owner-occupied services using federal and local funds.