

AGENDA



Thursday, September 25, 2008

**Neighborhood Housing and Community Development
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 36

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 on the City's behalf during Fiscal Year 2008-2009 funded by the City's Federal Housing and Urban Development funds and local housing funds in an amount not to exceed \$8,508,140.

Amount and Source of Funding: The sources to fund the service agreement include: (1) Grant Operating Budget - \$930,357 from the City of Austin's Neighborhood Housing and Community Development Housing Operating Fund; \$202,624 from the City's Housing Trust Fund; \$250,000 from the City's UNO-Housing Trust Fund; \$550,000 from the City's S.M.A.R.T. Housing™ Capital Improvement Project Fund; \$3,689,698 from the City's H.U.D. HOME Grant; \$2,307,708 from the City's H.U.D. Community Development Block Grant; \$41,137 from the City's H.U.D. American Dream Down Payment Grant; \$259,381 from the City's H.U.D. Community Development Block Grant Program Income Revolving Loan Fund; and, \$277,235 from the City's H.U.D. HOME Program Income.

Fiscal Note: Fiscal note is attached.

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

The recommended action authorizes the City 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 \$8,508,140 in city funds from federal sources and other local housing funds to fund, manage and operate various city housing programs during Fiscal Year 2008-2009, including Tenant Based Rental Assistance, Rental Housing Development Assistance, Architectural Barrier Removal-Rental, Homebuyer Lending Assistance, Acquisition and Development, Architectural Barrier Removal-Homeowner, Emergency Home Repair, Homeowner Moderate Rehabilitation and Material Grants. The total estimated households to be served through these programs is 4,317.

Created in 1979 as a public, non-profit corporation pursuant to Chapter 394 of the Texas Local Government Code, the AHFC administers numerous affordable housing programs for the City using federal and local funds. U.S. Department of Housing and Urban Development grant funds provided by the City are the bulk of AHFC's grant funds.

A separate service agreement will be executed with the AHFC funding and administering programs using the City's GO housing bond proceeds.

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