



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 4
AGENDA DATE: 5/14/2009
PAGE: 1 OF 2

SUBJECT: Approve the negotiation and execution of an Acquisition and Development Program loan to AUSTIN NEIGHBORHOOD ALLIANCE FOR HABITAT, INC., an affiliate of Austin Habitat For Humanity, Inc., in an amount not to exceed \$452,495, in compliance with applicable program financing requirements and performance goals, to assist with the acquisition of 25 developed lots in the Meadow Lake Subdivision, upon which 25 new single-family homes will be built and sold to low- and moderate-income buyers.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2008-2009 Austin Housing Finance Corporation budget allocation under the Acquisition and Development Program using affordable housing General Obligation Bond funds.

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: Margaret R. Shaw, Treasurer, Austin Finance Corporation, 974-3184

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

Approval of this funding will facilitate the acquisition of 25 developed lots in the Meadow Lake Subdivision by Austin Neighborhood Alliance for Habitat, Inc. (Habitat). Habitat will construct and sell new single-family homes to low- and moderate-income buyers completing Habitat's homeownership program, which includes a requirement of 400 hours of active program involvement. Families served by Habitat typically have incomes at or below 50 percent of the Austin area's Median Family Income (MFI - currently \$36,650 for a family of four). The single family homes will range in size from 1,080 to 1,400 square feet depending on the needs/qualifications of the individual families.

To ensure long-term affordability, a restrictive covenant will be put in place at the time each home is first sold. In addition, Habitat will use a right of first refusal that gives Habitat the option to purchase the home and sell it to another low- or moderate-income buyer. If Habitat elects not to purchase the home, the restrictive covenant will require resale to another low- or moderate-income buyer during the affordability period.

Additional funding for the project will come from community sponsorships of individual houses and from community donations. The project is subject to Acquisition and Development Program requirements, environmental review and federal fund release requirements. The Housing Bond Review Committee reviewed and recommends the project for funding.

Following Austin Housing Finance Corporation (AHFC) Board approval, an Acquisition and Development Program loan will be negotiated and executed with Habitat in an amount not to exceed \$452,495. The entire project is expected to be completed and the homes sold by the end of December 2010.

Estimated sources and uses of funds for the project are as follows:

Sources:

GO Bond Funds	\$ 452,495
HUD Grant (SHOP Funds)	297,505
Community/Corporate Sponsorships	1,500,000
Habitat Contribution	<u>147,276</u>
Total	\$2,397,276

Uses:

Acquisition	\$ 725,000
Hard Costs	1,546,151
Soft Costs	<u>126,125</u>
Total	\$2,397,276

The requested funding is available in the Fiscal Year 2008-2009 budget allocation of the AHFC, and 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 to provide home ownership opportunities for low- and moderate-income households.