

## AGENDA



Thursday, September 23, 2010

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

Item No. 35

**Subject:** Authorize the negotiation and execution of a one-year service agreement with the Austin Housing Finance Corporation to manage and operate affordable housing programs for the City during Fiscal Year 2010-2011 funded by proceeds from the City's General Obligation Housing Bonds (G.O. Bonds) in an amount not to exceed \$6,495,000.

**Amount and Source of Funding:** Funding is available in the Capital Budget of the Neighborhood Housing and Community Development Office.

**Fiscal Note:** There is no unanticipated fiscal impact. A fiscal note is not required.

**For More Information:** Elizabeth A. Spencer, Acting Director, Neighborhood Housing and Community Development, 974-3182.

The recommended action authorizes staff to negotiate and execute the annual capital service agreement with the Austin Housing Finance Corporation (AHFC). Funding for the agreement comes from City of Austin's General Obligation Housing Bonds (G.O. Bonds) in the amount of \$6,495,000. The AHFC will manage and operate various housing programs, including the Homeowner Assistance Program and the Housing Developer Assistance Program.

Of the \$6,495,000 of G.O. bond proceeds, Rental Housing Development Assistance will use up to \$3,810,000 for eligible activities that include permanent housing with supportive services, special needs housing, and affordable rental housing created through acquisition, development, construction, and rehabilitation. The rental housing programs will serve families earning up to 50 percent of the Median Family Income (MFI) for the Austin area, currently \$36,900 for a family of four and will target families earning less than 30 percent of MFI, currently \$22,150 for a family of four. The goal is to serve an estimated 210 households.

Up to \$1,300,000 of G.O. bond proceeds will be used for homeownership programs. Eligible activities include acquisition, development, construction and rehabilitation. The homeownership programs will serve families earning up to 80 percent of MFI, currently \$59,050 for a family of four and will target those earning between 50 percent and 65 percent MFI, between \$36,900 and \$47,970 for a family of four. The goal is to serve an estimated 11 households.

Up to \$1,135,000 of G.O. bond proceeds will be used for emergency repairs to the homes of low-income residents. The goal is to serve an estimated 222 households.

Up to \$250,000 of G.O. bond proceeds will be used for Architectural Barrier Removal – Rental Program to the low-income tenants. The goal is to serve an estimated 84 households.

Each year the AHFC Board adopts the Corporation's Operating Budget and Capital Budget which authorizes staff to negotiate and execute one-year service agreements with the City to manage various housing programs.

Created in 1979 as a public, non-profit corporation, pursuant to Chapter 394 of the Texas Local Government Code, the AHFC has administered the City's General Obligation Housing Bonds (G.O. Bonds) programs since 2007.