



**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 05/12/2005
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SUBJECT: Authorize the negotiation and execution of a Community Housing Development Organization loan under the Acquisition and Development Program in an amount not to exceed \$160,000 to NEIGHBORHOOD HOUSING SERVICES OF AUSTIN, INC., Austin TX, a non-profit community-housing provider, to provide loans to first-time homebuyers.

AMOUNT & SOURCE OF FUNDING: Funding is available in HOME grant funds allocated in the Fiscal Year 2004-2005 Austin Housing Finance Corporation budget.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Housing Finance
DEPARTMENT: Corporation

DIRECTOR'S
AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

PRIOR BOARD ACTION: On June 24, 2004, the AHFC Board authorized the negotiation and execution of a loan not to exceed \$470,000 to NEIGHBORHOOD HOUSING SERVICES OF AUSTIN, INC. for the acquisition of four (4) lots and the construction of four (4) single-family homes in the Heritage Village subdivision. (Funding came from HOPE III program income generated from the construction and sale of twelve (12) homes by NEIGHBORHOOD HOUSING SERVICES OF AUSTIN, INC. using HOPE III loans in Fiscal Year 2002-03.)

BOARD AND COMMISSION ACTION: N/A

The Austin Housing Finance Corporation (AHFC) Board is requested to authorize the negotiation and execution of a Community Housing Development Organization (CHDO) loan through the Acquisition & Development Program in an amount not to exceed \$160,000 to Neighborhood Housing Services of Austin, Inc. to provide principal buy-down and closing cost assistance to four (4) first-time homebuyers of new single-family homes in the Heritage Village subdivision. The principal buy-down and closing cost assistance will be in the form of a deferred loan to be repaid by the homeowner upon resale of the home, refinancing, death or upon full payment of the 1st mortgage.

These affordable three to four-bedroom homes will be sold to first-time homebuyers earning at or below 80 percent of the Area Median Family Income (MFI), currently \$56,900 for a family of four. All houses will be S.M.A.R.T. Housing™ compliant. Sale prices are expected to range between \$115,000 and \$125,000, depending on appraisals. Principal buy-down assistance will bring the effective prices to between \$75,000 and \$85,000. All units will be visitable and adaptable for persons with mobility, sight or hearing disabilities.

Neighborhood Housing Services of Austin, Inc. (NHS) is a non-profit 501(c)(3) CHDO that develops affordable housing and provides homeownership opportunities, primarily in the St. John's neighborhood,

RCA Serial#: 8653 Date: 05/12/05 Original: Yes

Published:

Disposition:

Adjusted version published:

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for low- to moderate income-families. NHSA's experience includes completing and selling to low- and moderate-income families twelve (12) homes in the St. John's neighborhood.

This action being requested is consistent with the FY 2004-05 Action Plan for Housing Development to provide loans to non-profit and for-profit entities that will create affordable home ownership units.