



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

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 04/15/2004
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SUBJECT: Approve the negotiation and execution of a Community Housing Development Organization Program forgivable loan, in an amount not to exceed \$95,200, to AUSTIN HABITAT FOR HUMANITY for the acquisition and development of four affordable single-family homes on lots in the Heritage Village subdivision, located at Martin Luther King Boulevard, Parliament, and Regency Drives for low- and moderate-income first-time homebuyers

AMOUNT & SOURCE OF FUNDING: Funding is available in HOME grant funds allocated in the Fiscal Year 2003-2004 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, Community Development Officer, Neighborhood Housing and Community Development, 974-3108.

PRIOR BOARD ACTION: N/A

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) Program forgivable loan to Austin Habitat for Humanity (AHFH), in an amount not to exceed \$95,200. The loan proceeds will be used for the acquisition of four lots in the Heritage Village subdivision, located at Martin Luther King Boulevard, Parliament and Regency Drives, to be used for the construction of four affordably priced, single-family homes for low- and moderate-income first-time homebuyers.

These three, four, and five-bedroom homes will be sold to four families successfully completing AHFH's program. The buyer's total household income will not exceed 80 percent of Austin's Median Family Income (currently \$56,900 for a family of four).

AHFH has been building affordable homes in Austin since 1985, completing 144 homes within the City of Austin to date. AHFH is a non-profit 501(c)(3) CHDO that develops affordable housing and provides homeownership opportunities for families successfully completing its program. To construct its homes, AHFH utilizes volunteer labor, paid contractors, and a significant volunteer commitment by the prospective homebuyer. AHFH also provides a zero-interest rate mortgage to the homebuyers for a term of up to 30 years.

AHFH is currently developing nine lots in the Heritage Village subdivision. The four lots it is seeking to acquire are currently owned by the AHFC and would be sold to AHFH at fair market value. AHFH

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would use the proceeds from the forgivable loan provided by the Board to construct four new, single-family homes in Heritage Village.

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

Sources:		Uses:	
		Land & Development Costs	\$102,800
House Sponsorships	\$352,782	Construction Costs	\$206,404
CHDO HOME	\$ 92,500	Soft and Carrying Costs	\$136,078
Total	\$445,282	Total	\$445,282

Performance measures associated with the acquisition project are as follows:

1. Acquire the four lots.
2. Begin construction on each lot within 12 months of acquisition.
3. All units will meet the City's Visitability Ordinance to accommodate persons with mobility impairment.
4. The new units will comply with S.M.A.R.T. Housing™ requirements.

The funding requested is available from HOME grant funds and the request is consistent with the City's Consolidated Plan. Approval of funding for this project will assist Neighborhood Housing and Community Development Office and the AHFC in meeting its goal of assisting 4,000 households to gain and/or retain housing units by 2005.