



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

**AGENDA ITEM NO.: AHFC-3
AGENDA DATE: Thu 08/05/2004
PAGE: 1 of 2**

SUBJECT: Approve an amendment to the Community Housing Development Organization Program forgivable loan agreement with AUSTIN HABITAT FOR HUMANITY, Austin, TX, by increasing the loan amount by \$100,000 for a total amount not to exceed \$285,000 for the acquisition, development, and construction of eleven affordable single-family homes for low- and moderate-income first-time homebuyers in the Montopolis Neighborhood.

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: April 23, 2003, the Austin Housing Finance Corporation Board authorized the negotiation and execution of a forgivable loan to Austin Habitat for Humanity in an amount not to exceed \$185,000 (Exhibit A).

BOARD AND COMMISSION ACTION: N/A

The Austin Housing Finance Corporation (AHFC) Board is requested to authorize an increase of \$100,000 to Austin Habitat for Humanity (AHFH), for a total forgivable loan amount not to exceed \$285,000. The increase is requested because recent engineering and infrastructure estimates have exceeded the original estimates developed in September 2002.

To date, \$61,539 of the original loan proceeds have been used by AHFH to acquire 2.53 acres of land on Vargas Road and subdivide it into 11 lots for single-family homes. The remaining loan proceeds of \$123,461, plus the requested \$100,000 increase, will be used for detention pond construction, lot clearing, tree protection, driveway approaches, construction entrance, silt fence and erosion control, water and wastewater service to each property line, street cuts and repair, and installation of a fire hydrant.

The property is located in the Montopolis Neighborhood, across from Allison Elementary School. Eleven new three, four and five-bedroom homes will be sold to families accepted into AHFH's program, earning 80 percent of Austin's Median Family Income (MFI) or below (currently \$56,900 for a family of four).

AHFH has been building affordable homes in Austin since 1985, completing 150 homes within the City of Austin. AHFH is a non-profit 501(c) (3) CHDO that develops affordable housing for families earning at or below 50 percent of MFI (currently \$35,550 for a family of four). A largely volunteer labor force that includes significant volunteer service by the homebuyer completes the construction of the homes.

RCA Serial#: 6002 Date: 08/05/04 Original: Yes

Published:

Disposition:

Adjusted version published:

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AHFH also provides a zero-interest rate mortgage to the homebuyers for terms of up to 30 years.

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

<u>Sources:</u>		<u>Uses of HOME CHDO Funds:</u>	
House Sponsorships	\$869,962	Land & Development Costs	\$285,000
CHDO HOME	285,000	Construction Costs	849,962
		Soft and Carrying Costs	<u>20,000</u>
Total	\$1,154,962	Total	\$1,154,962

Original performance measures and their current status are as follows:

1. Acquire the single tract of land and obtain development services.
Status: Property acquired by AHFH September 15, 2003. A contract for part of the developer services work has been executed. A contract for the remainder of the development services work will be executed pending approval of this item.
2. Complete subdivision of the tract into 11 lots and construct affordable single-family homes for low-income families with yearly incomes at or below 80 percent of MFI.
Status: Subdivision of property completed. Construction of homes is not yet started.
3. Begin construction on each lot within 12 months of acquisition.
Status: AHFH is still within the 12-month time frame.
4. All units will meet the City's Visitability Ordinance to accommodate persons with mobility impairment.
Status: All homes will be inspected to ensure compliance with the Visitability Ordinance.
5. The new units will comply with S.M.A.R.T. Housing™ requirements.
Status: AHFH's original proposal meets 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 3,269 households to gain and/or retain housing units by 2005.

Austin Habitat for Humanity (Montopolis Project)

