



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

**AGENDA ITEM NO.: AHFC-2  
AGENDA DATE: Thu 08/26/2004  
PAGE: 1 of 2**

**SUBJECT:** Authorize negotiation and execution of an amendment to the three-year contract with the Housing Authority of the City of Austin to continue to administer the federally funded Tenant Based Rental Assistance services which provides housing opportunities through rental subsidies to homeless persons by increasing the third-year contract extension option from an amount not to exceed \$430,750 to an amount not to exceed \$580,750, for a total contact amount not to exceed \$1,630,650.

**AMOUNT & SOURCE OF FUNDING:** Funding is available and allocated in the Fiscal Year 2003-2004 budget of the Austin Housing Finance Corporation as follows: \$431,925 HOME grant fund year 13, \$58,075 HOME program income grant fund year 13, \$90,750 Housing Trust Fund.

**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:** Approved contract August 1, 2002 (See Exhibit A)

**BOARD AND COMMISSION ACTION:** N/A

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Approval by the Board of Directors of the Austin Housing Finance Corporation (AHFC) is required to exercise the final option of the three-year contract with the Housing Authority of the City of Austin (HACA) to increase funding above previous Board authorization. The AHFC is requesting an increase of \$150,000 in the total amount, from the current total amount of \$1,480,650 (which includes administration contract increases of \$38,400 in the 2002-2003 Fiscal Year and \$150,000 in the 2003-2004 Fiscal Year).

The TBRA program provides rental-housing subsidies for eligible homeless persons earning 50 percent or less of the Median Family Income (MFI). To meet program eligibility requirements, households must meet the federal McKinney Homeless Assistance Act definition of "homeless" and must continue working toward self-sufficiency with the help of a case manager.

Under TBRA, households will not pay more than 30 percent of their monthly-adjusted-gross-income toward rent. Rental contribution will increase as household income decreases; the rental subsidy calculation is the prescribed calculation methodology established by U.S. Department of Housing and Urban Development (HUD). The TBRA subsidy is calculated as the difference between the Fair Market Rent (FMR) limit and 30 percent of the household adjusted gross income. FMR is established by the U.S. Department of Housing and Urban Development. Households may receive rental assistance through the TBRA program for up to 24 months.

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The amount of the rental subsidy provided to households has increased on average, as program participants' household incomes declined on average. Current Fiscal Year rental subsidies average \$749 per month, which represents an increase of six percent from the previous Fiscal Year's average subsidy of \$705 per month. An average of 71 rental subsidies have been provided each month.

In Fiscal Year 2002-2003, the TBRA program received an annual allocation of \$430,750. Additional assistance was needed to meet current year subsidy commitments and increasing subsidy costs; average household incomes of program participants decreased, and rents of program participants peaked to an average of \$969 per month in August 2003. To meet anticipated increases, the TBRA program received an annual allocation of \$580,750 during the 2003-2004 Fiscal Year.

The Housing Authority of the City of Austin (HACA) has effectively administered the Tenant Based Rental Assistance Program (TBRA) since April 15, 1999, through the use of federal HOME funds provided through the City of Austin and Austin Housing Finance Corporation.

Partner agencies (which include the Salvation Army, Caritas, SafePlace, Foundation for the Homeless, Lifeworks, and Austin Families) refer clients to HACA for participation in the TBRA program. HACA verifies client eligibility, manages leasing terms and sends rental subsidy payments directly to the landlord each month. HACA also serves as a liaison between client and landlord, ensuring that landlords understand clients are only eligible for TBRA as long as the household meets regulatory and program requirements, and HACA follows the case management plan developed through the partner agencies.


**AHFC RESOLUTION NO. 020801-3**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
AUSTIN HOUSING FINANCE CORPORATIONS**

The Board of Directors approves the negotiation and execution of a contract with the Housing Authority of the City of Austin for a twelve-month period to administer a Tenant Based Rental Assistance program for the eligible homeless households in an amount not to exceed \$430,750, with two twelve-month extension options not to exceed \$430,750 annually, for a total contract amount of \$1,292,250; the Board of Directors authorizes the General Manager or General Manager's designee to negotiate any such other documents, instruments, written requests, and other papers as may be favorable, necessary, convenient, or required to carry out or assist in carrying out the purposes of this Resolution.

**ADOPTED:** August 1, 2002

**ATTEST:**

  
Shirley A. Brown  
Assistant Secretary