



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

**AGENDA ITEM NO.: AHFC-1
AGENDA DATE: Mon 09/13/2004
PAGE: 1 of 2**

SUBJECT: Approve a resolution authorizing the approval and expenditure of the Fiscal Year 2004-2005 Austin Housing Finance Corporation \$12,641,093 Grant Operating Budget and \$1,189,602 Housing Assistance Fund Budget for a total budget amount equal to \$13,830,695. The resolution also authorizes the approval of the housing programs described in the Grant Operating Budget and the Housing Assistance Fund Budget which will be operated by the Corporation in Fiscal Year 2004-2005.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$12,641,093 from the Grant Operating Budget that includes: \$1,143,479 from the Housing Trust; \$879,051 from the S.M.A.R.T. Housing™ Capitol Improvement Project Fund; \$2,146,075 from HOME Program Income; \$737,000 from the Community Development Block Grant (CDBG) revolving fund; and \$7,735,488 from federal grant proceeds. Funding in the amount of \$1,189,602 from the Housing Assistance Fund, for a total amount of \$13,830,695 for Fiscal Year 2004-2005.

FISCAL NOTE: A fiscal note is attached.

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 City Council created the AHFC in 1979 as a public non-profit corporation to facilitate the financing and development of affordable housing for low- and moderate-income residents. As an instrumentality of the City, the AHFC administers affordable housing programs (see attached Program Descriptions) using City grants and federal grant funds from the Department of Housing and Urban Development (HUD) that pass through the City of Austin, the City's Housing Trust Fund (see attached Exhibit A), and the corporation's operating fund that is also referred to as the Housing Assistance Fund (HAF) (see Exhibit B). AHFC offices are located in the Neighborhood Housing and Community Development Office (NHCD) and its employees are City employees.

The Housing Assistance Fund (HAF) was established in 1988 from income derived from previous housing bond programs. The HAF balances are invested by the City Treasurer in accordance with State regulations through a funds management agreement with AHFC.

AHFC will provide housing solutions through well-managed programs, projects, and relationships. The AHFC goals for Fiscal Year 2004-2005 are:

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PAGE: 2 of 2**

1. To be a catalyst for housing production.
2. To build our asset base and working capital and strengthen internal capacity.
3. Increase the visibility of the AHFC as a recognized leader in the affordable housing industry.

In addition to administering bond programs, AHFC will administer the Homebuyer Program, the Rental Housing Program, and the Owner-Occupied Housing Program. AHFC is the responsible entity for the production goals of S.M.A.R.T. Housing™.

AHFC is also currently administering the Mortgage Credit Certificate Program, that will result in \$20 million in mortgages by December 31, 2006 for families with incomes of no more than 115 percent of the Austin Median Family Income (currently set at \$76,935).

Austin Housing Finance Corporation
Grant Operating Budget
Fiscal Year 2003-2004
(for the period October 1, 2003 through September 30, 2004)
EXHIBIT A

			Households Served
<u>Sources of Funds</u>			
Transfer From City of Austin (COA)	Housing Trust Fund	1,143,479	
	S.M.A.R.T. Housing Capital Improvement Program	879,051	
		<u>2,022,530</u>	
Revolving Loan Fund Program Income (Sales Proceeds)	CDBG - Revolving Loan	737,000	
	HOME	2,146,075	
Grant Proceeds	CDBG	2,987,438	
	ADDI	661,000	
	HOME	4,087,050	
		<u>7,735,488</u>	
Total Source of Funds		<u>\$ 12,641,093</u>	
<u>Use of Funds</u>			
Assisted Housing			82
Tenant Based Rental Assistance	HOME	431,925	
	HOME Program Income	58,075	
	COA- Housing Trust Fund	175,000	
		<u>665,000</u>	
Rental Housing			133
Rental Housing Development Assistance	CDBG	326,298	
	COA- Housing Trust Fund	943,479	
	HOME (CHDO)	502,000	
	HOME	550,000	
		<u>2,321,777</u>	
Architectural Barrier Removal	CDBG	168,000	150
First-Time Homebuyer			
Homebuyer Lending Assistance	HOME	202,031	182
	HOME Program Income	380,000	
	ADDI	661,000	
		<u>1,243,031</u>	
Homeownership Development			
Acquisition and Development	CDBG	566,645	92
	HOME (CHDO)	200,000	
	CDBG - Revolving Loan	427,000	
	COA-G/F CIP	879,051	
	HOME Program Income	<u>1,708,000</u>	
		<u>3,780,696</u>	
Owner-Occupied Housing			
Architectural Barrier Removal	CDBG	926,495	350
Emergency Home Repair	CDBG	1,000,000	475

Homeowner Moderate Rehabilitation	CDBG - Revolving Loan	310,000	28
	HOME	<u>2,201,094</u>	
		2,511,094	
Lead Hazard Control			62
Bond Program			195
Materials Grants Program	HTF	<u>25,000</u>	25
		25,000	
Servicing	CDBG	<u> </u>	
Total Use of Funds		\$ <u>12,641,093</u>	<u>1,774</u>

<p style="text-align: center;">Austin Housing Finance Corporation Housing Assistance Fund Budget Fiscal Year 2004-2005 (for the period October 1, 2004, through September 30, 2005) EXHIBIT B</p>
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Source of Funds

Housing Assistance Fund Sales Proceeds	280,000
Interest Income	8,911
Fees	179,200
Fund Balance	<u>721,491</u>
Total Source of Funds	\$ <u><u>1,189,602</u></u>

Use of Funds

Bond Program	169,649
Homeownership Development - Acquisition and Development	280,000
Materials Rebate Program	22,253
Administration	<u>717,700</u>
Total Use of Funds	\$ <u><u>1,189,602</u></u>

RESOLUTION
(AHFC No. 040913-NN)

October 1, 2004 – September 30, 2005

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

Section 1. The Austin Housing Finance Corporation (the "Corporation") approves the Grant Operating Budget, including AHFC Program (as defined below), for the period 1 October 2004 through 30 September 2005 (the "Grant Budget") set forth on **Exhibit "A"** to this Resolution.

Section 2. The Corporation approves the Housing Assistance Fund Budget, (including the AHFC Program (as defined below), for the period 1 October 2004 through 30 September 2005 (the "Assistance Budget") as set forth on **Exhibit "B"** to this Resolution.

Section 3. Except with respect to City of Austin programs which the Corporation administers in accordance with the Annual Contract, the General Manager or the General Manager's designee is authorized to prepare, adopt, issue, and amend on behalf of the Corporation written program guidelines with respect to and in accordance with the AHFC programs set forth and approved in the Grant Budget and the Assistance Budget collectively, (the "AHFC Programs"), collectively the "AHFC Programs" each with the written approval as to form of the General Counsel of the Corporation or the General Counsel's designee (collectively, the "Program Guidelines"), provided no expenditures of the Corporation's funds with respect to a particular AHFC Program may occur prior to the effective date of the Program Guideline with respect to such AHFC Program.

Section 4. The General Manager or the General Manager's designee is authorized to negotiate, enter into and execute the Annual Contract on such terms and conditions as may be favorable, necessary or required to carry out the purpose of this Resolution.

Section 5. The General Manager or the General Manager's designee is authorized to expend (a) the Grant Budget, (b) the Assistance Budget, (c) any funds unspent at the close of FY2003-2004 that are associated with programs administered by the Corporation, and (d) all program income generated by the Corporation during previous fiscal years and Fiscal Year 2004-05, for the program descriptions set forth in the Grant Budget and the Assistance Budget, all without additional authority or approval from the Board of Directors of the corporation; provided, (u) the amounts to be expended are available and are used for the programs and purposes set forth in the Grant Budget or the Assistance Budget, (v) the AHFC Program for which funds are expended has been approved by the Board of Directors of the Corporation, (w) Programs Guidelines for which funds are expended have been prepared in accordance with this Resolution or by the City of Austin, (x) in the case of the expenditure of program income not budgeted which does not require reprogramming under the HUD Consolidated Plan, the General Manager or the General Manager's designee files in the Books and Records of the Corporation a revised Grant Budget or Assistance Budget reflecting the program income amounts not previously budgeted, (y) the General Counsel of the Corporation or the General Counsel's designee approves the form of the contract, and (z) the amounts expended for any single contract expenditure do not exceed the amount of \$300,000.00, except that any real estate sales or acquisitions by the Corporation does not exceed \$250,000.00.

Section 6. The General Manager or the General Manager's designee is authorized to administratively transfer amounts set forth in the Grant Budget or the Assistance Budget

which are funded with federal funds from one line item to another line item provided (a) each amount resulting from the transfer does not exceed by ten percent (twenty-five percent in the case of a line item not funded with federal CDBG funds) the line item amount of the source program line item set forth in the Grant Budget or Assistance Budget, and (b) following the transfer, a copy of the revised Grant Budget or the Assistance Budget is filed in the Books and Records of the Corporation.

Section 7. The General Manager or the General Manager's designee is authorized to administratively transfer amounts set forth in the Grant Budget or the Assistance Budget for a temporary period from one line item to another line item provided (a) the funds transferred will be refunded to the source program prior to the time the funds are required to be used in the source program and prior to the end of this fiscal year, (b) the transfer of the funds does not require reprogramming under the HUD Consolidated Plan, (c) each amount resulting from the transfer does not exceed by fifty percent the line items amount of the source program as set forth in the Grant Budget or Assistance Budget, (d) a copy of the revised Grant Budget or Assistance Budget is filed in the Books and Records of the Corporation, and (e) if required, the proper notification is made to HUD, both prior to the temporary transfer of the funds from one program and upon the refunding of the amount to the source program.

Section 8. The General Manager or the General Manager's designee is authorized to establish in accordance with applicable federal requirements such revolving CDBG funds and HOME program income amounts with respect to a particular program authorized by the Grant Budget or Assistance Budget as are deemed necessary by the General Manager or the General Manager's designee for the Corporation to maximize production and efficiently administer the AHFC Programs.

ADOPTED: _____, 2004

ATTEST: _____
Shirley A. Brown
It's Assistant Secretary

JMW:bb
0409__-NN AMS #6232 Res Apprv AHFC Grant Budget 2004-05