



RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 11/18/2004
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SUBJECT: Approve the negotiation and execution of three one-year price agreements each with two one-year extensions with DIAMONDHEAD INTERNATIONAL SALES CORPORATION, INC., Crosby, TX; JETT BUILDERS, INC., San Antonio, TX; and OLMOS ABATEMENT, INC., Manor, TX, to provide lead abatement and rehabilitation services for the Homeownership Rehabilitation Loan Program in a total amount for the three agreements not to exceed \$750,000 for the twelve-month price agreements and \$750,000 for each two one-year extension periods.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Operating Budget of the Austin Housing Finance Corporation, through HOME funds.

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: N/A

BOARD AND COMMISSION ACTION: N/A

The Homeowner Rehabilitation Loan Program assists homeowners with substantial repairs like foundation repair, roofing, plumbing, and electrical work. In cases where it is economically infeasible to rehabilitate the units, the activity may finance the reconstruction of a replacement home. The program serves homeowners with incomes at or below 60% of the 2004 Median Family Income (MFI), currently \$42,650 for a family of four. The Austin Housing Finance Corporation (AHFC) construction specialists assist clients through the contractor selection process and inspect the project throughout the construction phase. Program funding limits the amount of assistance to \$80,000 for a home reconstruction and \$50,000 for home rehabilitation. The cost for lead based paint remediation is not included in the funding limits.

Federal regulations now mandate that rehabilitation projects funded with federal dollars must test for and remediate any lead hazards that may exist in the structure. Approval of this item will authorize the negotiation and execution of a pricing agreement with three abatement and rehabilitation contractors for a total amount not to exceed \$750,000 for a one-year period with two one-year options for extension. Construction contracts will be executed between the contractor and the homeowner for each project with AHFC providing the homeowner with a deferred payment loan, and construction and project management services.