



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

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 11/03/2005
PAGE: 1 of 2**

SUBJECT: Authorize the negotiation and execution of a one-year contract with the Housing Authority of Austin to administer the Tenant Based Rental Assistance program to provide housing opportunities through subsidies to homeless families in an amount not to exceed \$848,345, with two one-year extension options in an amount not to exceed \$848,345 per extension option, for a total contract amount not to exceed \$2,545,035.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$848,345 is available from the Austin Housing Finance Corporation Fiscal Year 2005-2006 Approved Budget. Funding in the amount of \$621,174 is available from HOME Years 11-14 loan. Funding in the amount of \$227,171 is available from the Housing Trust Fund. Funding for extension options is contingent upon available funding in future budgets. Funding is subject to completion of the federal environmental assessment process.

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, Executive Director, Austin Housing Finance Corporation, 974-3108.

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

This action approves the negotiation and execution of a contract with the Housing Authority of the City of Austin (HACA) to continue administering the Tenant Based Rental Assistance (TBRA) program to provide rental subsidies for the Austin Housing Finance Corporation (AHFC). HACA has effectively administered the TBRA program since April 15, 1999, through the use of federal HOME funds provided by AHFC.

The TBRA program provides rental-housing subsidies for eligible homeless persons earning 50 percent or less of the Median Family Income. 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. Contributions of assistance 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 established by HUD and 30 percent of the household adjusted gross income. Security deposits may be also be applied as TBRA contribution, on behalf of eligible tenants/households.

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Households may receive rental assistance through the TBRA program for up to 24 months.

HACA verifies client eligibility, manages leasing terms and makes rental subsidy payments directly to landlords each month. HACA also serves as a liaison between clients and landlords to ensure that landlords understand clients are only eligible for TBRA as long as the household meets regulatory and program requirements. HACA will follow the case management plan developed for each homeless family by the Salvation Army under a separate contract with the Corporation.