



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

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 12/01/2005
PAGE: 1 of 2**

SUBJECT: Authorize the negotiation and execution of a loan in compliance with applicable federal requirements including Code of Federal Regulations Title 24 Section 85.40 performance goals, under the Acquisition and Development Program an amount not to exceed \$132,172 to NEIGHBORHOOD HOUSING SERVICES OF AUSTIN, INC., Austin TX, for construction of one new single-family home at 7300 Blessing Avenue, and to provide funding for a homebuyer assistance loan to a low- to moderate-income buyer of the home

AMOUNT & SOURCE OF FUNDING: Funding is available in HOME Program Income funds allocated in the Fiscal Year 2005-2006 Budget of the Austin Housing Finance Corporation.

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:

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

This action authorizes the negotiation and execution of an Acquisition and Development Program loan in an amount not to exceed \$132,172 to Neighborhood Housing Services of Austin, Inc. to provide funding for construction of a new single-family home at 7300 Blessing Avenue in the St. John's Neighborhood and to provide a principal buy-down and closing cost assistance loan to the buyer of the home. The construction portion of the loan will be repaid to AHFC upon sale of the home to an eligible first-time homebuyer. The principal buy-down and closing cost assistance will be in the form of a deferred loan to be repaid to AHFC by the homeowner upon resale of the home, refinancing, death or upon full payment of the first mortgage.

This affordable three-bedroom home will be sold to a first-time homebuyer earning at or below 80 percent of the Austin area Median Family Income (MFI), currently \$56,900 per year for a family of four. The house will be S.M.A.R.T. Housing™ compliant as well as visitable and adaptable for persons with mobility, sight or hearing disabilities. The sales price is expected to range between \$115,000 and \$120,000, depending upon the appraisal.

A principal buy-down assistance loan of up to \$40,000 will be available for a family at 55 percent MFI or below (\$39,100 or less per year for a family of four). A family earning between 55 percent and 65 percent MFI (\$39,100 to \$46,200 per year for a family of four) would receive a loan of \$30,000. A family earning between 65 percent and 80 percent MFI (\$46,200 to \$56,900 per year for a family of four) would receive a \$20,000 loan.

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Neighborhood Housing Services of Austin, Inc. (NHSA) is a non-profit 501(c)(3) Community Housing Development Organization (CHDO) that develops affordable housing and provides homeownership opportunities, primarily in the St. John's neighborhood, for low- to moderate income-families. NHSA's experience includes completing and selling 12 homes in the St. John's neighborhood to low- and moderate-income families. In addition, NHSA recently constructed four new homes in the Heritage Village Subdivision for sale to low- and moderate-income families.

A letter of support from the St. John's Neighborhood Association was submitted along with NHSA's application for funding.

The requested action is consistent with the Fiscal Year 2005-06 Action Plan for Housing Development to provide loans to non-profit and for-profit entities that will create affordable home ownership units.