



AGENDA

AHFC BOARD OF DIRECTORS

Will Wynn, President
Betty Dunkerley, Vice President
Lee Leffingwell, Director
Mike Martinez, Director
Jennifer Kim, Director
Brewster McCracken, Director
Sheryl Cole, Director

Toby Hammett Futrell, General Manager
Paul Hilgers, Treasurer
Shirley Brown, Secretary
David Smith, General Counsel

NOTICE OF MEETING


The Austin Housing Finance Corporation, Board of Directors,
will convene at 10:30 a.m on Monday, September 11, 2006
in Council Chambers at Austin City Hall, 301 W. Second Street, Austin, Texas

AGENDA

The Board of Directors will go into a closed session under Chapter 551 of the Texas Government Code to receive advice from legal counsel, to discuss matters of land acquisition, to discuss personnel matters, to discuss or for other reasons permitted by law as specifically listed on this agenda. If necessary, the Board may go into a closed session as permitted by law regarding any item on this agenda.

1. Approve a resolution approving the Fiscal Year 2006-2007 Austin Housing Finance Corporation Grant Operating Budget in the amount of \$11,902,103 and Housing Assistance Fund Budget in the amount of \$767,626 for a total budget of \$12,669,729; directing staff to develop program guidelines for the named housing programs for Fiscal Year 2006-2007; and establishing administrative approval limits for the General Manager. **(Attachments)**

Adjourn

 The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.

For assistance please call 974-3256 OR 974-2445 TDD.

A person may request a Spanish language interpreter be made available by contacting the City Clerk's Office not later than two hours before the scheduled time of the item on which the person wishes to speak. Please call 974-3256 in advance or inform the City Clerk's staff present at the council meeting.

Cualquier persona puede solicitar servicios de intérprete en español comunicándose con la oficina del Secretario/a Municipal a no más tardar de dos horas antes de la hora determinada para el asunto sobre el cual la persona desea comentar. Por favor llame al 974-3256 con anticipo o informe al personal del Secretario/a Municipal presente en la sesión del Consejo.

AHFC Item 1 Staff Report:

The sources to fund the annual AHFC budget includes: (1) Grant Operating Budget-New Funding - \$1,043,000 from the Housing Trust Fund; \$500,000 from the City UNO-Housing Trust Fund; \$1,108,193 from the City S.M.A.R.T. HousingTM Capital Improvement Project Fund; \$3,831,263 from the HUD HOME Program; \$2,567,692 from the HUD Community Development Block Grant; \$101,815 from the HUD American Dream Down Payment initiative; \$400,000 from HUD Community Development Block Grant Program Income; \$2,000,140 from HUD HOME Program Income; and \$350,000 from HOME Match Program Income (2) Grant Operating Budget-Carry Forward Funding - \$1,790,617 from the Housing Trust Fund; \$37,824 from the City UNO-Housing Trust Fund; \$537,254 from the HUD Community Development Block Grant; \$4,649,874 from the HUD HOME Program; \$685,325 from the Community Development Block Grant Program Income; \$1,194,478 from HUD HOME Program Income; and \$914,190 from the S.M.A.R.T Housing TM Capital Improvement Project Fund Program Income; and (3) \$767,626 from the AHFC Housing Assistance Fund.

This action will approve the 2006-2007 Grant Operating Budget and Housing Assistance Fund Budget for the Austin Housing Finance Corporation (AHFC). The annual budget resolution also directs staff to implement program guidelines for the budgeted housing programs, authorizes the transfer of budget authority from one line to another in limited amounts, and authorizes the General Manager to administratively approve certain projects less than \$300,000 (\$250,000 for real estate sales or acquisitions).

The City Council created the Austin Housing Finance Corporation in 1979 as a public, non-profit corporation to facilitate the financing and development of affordable housing for low- and moderate-income residents. AHFC administers affordable housing programs described in the attachments to this document. U.S. Department of Housing and Urban Development grant funds provided the City provide the bulk of AHFC grant funds. The AHFC Housing Assistance Fund was established in 1988 from a residual value bond program that provided \$7.5 million in initial funding.

Employees of the City's Neighborhood Housing and Community Development Office manage the operation of AHFC through an annual service agreement. AHFC offices are located in the Neighborhood Housing and Community Development Office. Housing Assistance Fund balances are invested and managed by the City Treasurer in accordance with a funds management agreement and State regulations.

AHFC will provide housing solutions through well-managed programs, projects, and relationships. The AHFC goals for Fiscal Year 2006-2007 are:

1. Optimize opportunities for quality affordable housing in Austin.
2. Provide leadership and expertise to promote affordable housing in Austin.
3. Increase the sustainability of AHFC.

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% of the Austin Median Family Income (currently \$76,935).

For more information contact: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

CITY OF AUSTIN
AUSTIN HOUSING FINANCE CORPORATION
PROPOSED FY 2006-07 BUDGET (Exhibit A)

| <u>Sources of Funds</u> | <u>Funding Source</u> | <u>FY 05-06</u> <u>CarryForward</u> | <u>Funding</u> <u>FY06-07</u> | <u>Projected</u> <u>Program Level</u> <u>FY06-07</u> | <u>Households</u> <u>Served</u> |
|------------------------------------|--------------------------|--|----------------------------------|--|------------------------------------|
| Transfer From City of Austin (COA) | Housing Trust Fund | 1,790,617 | 1,043,000 | (Estimated plus Funding FY05-06) | 2,533,617 |
| | UNO - Housing Trust Fund | 37,824 | 500,000 | | 537,824 |
| | S.M.A.R.T. Housing CIP | - | 1,108,193 | | 1,074,193 |
| | | <u>1,828,441</u> | <u>2,651,193</u> | | <u>4,145,634</u> |
| Program Income | CDBG | 685,325 | 400,000 | | 1,085,325 |
| | HOME | 1,194,478 | 2,000,140 | | 3,194,618 |
| | CIP | 914,190 | - | | 914,190 |
| | HOME Match | - | 350,000 | | 350,000 |
| | | <u>2,793,993</u> | <u>2,750,140</u> | | <u>5,544,133</u> |
| Grant Proceeds | CDBG | 537,254 | 2,567,692 | | 3,104,946 |
| | ADDI | - | 101,815 | | 101,815 |
| | HOME | 4,649,874 | 3,831,263 | | 8,481,137 |
| | | <u>5,187,128</u> | <u>6,500,770</u> | | <u>11,687,898</u> |
| | | <u>9,809,562</u> | <u>11,902,103</u> | | <u>21,377,665</u> |
| Total Source of Funds | | | | | |

Uses of Funds

HOUSING DEVELOPMENT

Assisted Housing

Tenant-based rental assistance..... HOME

PI (HOME)

HTF

Subtotal, TBRA.....

Rental Housing:

107,629 400,000 507,629 105

101,532 50,763 50,763

209,161 - 101,532

450,763 659,924 105

Rental Development Services

| | | | | | |
|---|-------------|-----------|--|--|-----------|
| Rental Hsg. Development Assistance..... | HOME | | | | |
| | CDBG | 1,589,826 | | | 1,589,826 |
| | HOME (CHDO) | 285,318 | | | 655,414 |
| | UNO | - | | | 300,000 |
| | GF | 500,000 | | | 537,824 |
| | HTF | - | | | - |
| Subtotal, Rental Housing Dev. Assist..... | | 1,043,000 | | | 2,296,930 |
| Architectural Barrier Program | CDBG | 3,418,144 | | | 5,379,994 |
| Voluntary Compliance | CDBG | 270,000 | | | 270,000 |
| Anderson Hill Redevelopment | GF-CIP | 34,000 | | | 270,000 |
| Rental | PI (HOME) | | | | - |
| Subtotal, Anderson Hill Redevelopment | | 1,200,000 | | | 1,800,000 |
| Subtotal, Rental Housing | | 1,200,000 | | | 1,800,000 |
| | | 4,922,144 | | | 7,449,994 |
| | | | | | 271 |

First-Time Homebuyer

Homebuyer Assistance

| | | | | | |
|---|-----------|---------|--|--|-----------|
| Down Payment Assistance..... | HOME | | | | |
| | PI (HOME) | 158,366 | | | 1,396,246 |
| | HTF | 250,000 | | | 250,000 |
| | ADDI | - | | | 61,547 |
| Subtotal, Homebuyer Lending Assistance. . | | 101,815 | | | 101,815 |
| | | 510,181 | | | 1,809,608 |
| | | | | | 166 |
| | | | | | 166 |

Homeownership Development

| | | | | | |
|---|----------------|-----------|--|--|-----------|
| Acquisition & Development..... | CDBG | | | | |
| | HOME | 64,853 | | | 64,853 |
| | CDBG-Rev. Loan | 400,000 | | | 526,925 |
| | GF | - | | | - |
| | GF-CIP | 1,074,193 | | | 1,074,193 |
| | HAF | - | | | 914,190 |
| | HOME Match | 350,000 | | | 350,000 |
| | HOME (CHDO) | 638,544 | | | 638,544 |
| | PI (HOME) | 449,377 | | | 449,377 |
| Subtotal, Acq. & Development (owner)..... | | 2,976,967 | | | 4,018,082 |
| CHDO Capacity Building..... | | 125,000 | | | 125,000 |
| Anderson Hill | HOME (CHDO) | | | | 20 |
| Juniper/Olive Street Housing Project | PI (CDBG) | | | | 10 |
| Homeownership | HOME | | | | 15 |

| | | | | |
|---|-----------|-----------|-----------|-----|
| Subtotal, Anderson Hill Redevelopment | 1,388,453 | - | 1,388,453 | 25 |
| Subtotal, Homebuyer Development..... | 2,429,568 | 3,101,967 | 5,531,535 | 85 |
| Subtotal, First-Time Homebuyer..... | 3,728,995 | 3,612,148 | 7,341,143 | 251 |

Owner-Occupied Housing:

Housing Rehabilitation Services

| | | | | |
|---|-----------|-----------|-----------|-----|
| Architectural Barrier Program | 167,158 | 1,157,374 | 1,324,532 | 360 |
| Emergency Repair Program..... | - | 855,000 | 855,000 | 450 |
| Materials Grants Program..... | 73,608 | - | 73,608 | 10 |
| Homeowner Rehabilitation Loan Program | - | - | - | |
| PI (HOME) | 594,478 | 50,000 | 644,478 | |
| HOME | 2,174,312 | 854,674 | 3,028,986 | 30 |
| Subtotal, Homeowner Moderate Rehab..... | 2,768,790 | 904,674 | 3,673,464 | 30 |
| Subtotal, Owner-Occupied Housing..... | 3,009,556 | 2,917,048 | 5,926,604 | 850 |

Community Development

Neighborhood Revitalization

| | | | | |
|---------------------------------------|---------|---|---------|-----|
| Homebuyer Counseling | 300,000 | - | 300,000 | 133 |
| Subtotal, Neighborhood Revitalization | 300,000 | - | 300,000 | 850 |

ADMINISTRATION.....

| | | | | |
|-------------------------------|---|---|---|----|
| Bond Program | - | - | - | 60 |
| Asset Management | - | - | - | |
| Administration | - | - | - | |
| SUBTOTAL, Administration..... | - | - | - | 60 |

Total Uses of Funds

| | | | | |
|--|-----------|------------|------------|-------|
| | 9,809,562 | 11,902,103 | 21,377,665 | 1,610 |
| | - | - | - | |

Austin Housing Finance Corporation
Housing Assistance Fund Budget
Fiscal Year 2006-2007
(for the period October 1, 2006, through September 30, 2007)
EXHIBIT B

Source of Funds

| | |
|--|-------------------|
| Housing Assistance Fund Sales Proceeds | 345,662 |
| Fees | 42,336 |
| Fund Balance | 379,628 |
| Total Source of Funds | \$ 767,626 |

Use of Funds

| | |
|---------------------------|-------------------|
| Bond Program | 131,465 |
| Materials Rebate Program | 17,605 |
| Asset Management | 127,539 |
| Administration | 491,016 |
| Total Use of Funds | \$ 767,626 |

AHFC RESOLUTION NO.

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

Section 1. The following terms having the meanings assigned to them in this section:

- (a) **"AHFC Program"** means a housing and community development program listed in the Grant Operating Budget or the Assistance Budget that is not a City Program
- (b) **"AHFC Program Guideline"** means the written program guideline prepared for an AHFC Program that is approved as to form by the General Counsel.
- (c) **"Annual Contract"** means the annual contract the City enters into with the Corporation to manage and administer various City Programs.
- (d) **"Assistance Budget"** means the Corporation's Housing Assistance Fund Budget for the period October 1, 2006 through September 30, 2007 set forth on **Exhibit B**.
- (e) **"Board of Directors"** means the Board of Directors of the Corporation.

- (f) "**Budgeted Program**" means an AHFC Program or a City Program.
- (g) "**City**" means the City of Austin, Texas.
- (h) "**City Program**" means a City approved community development program under Chapter 373, Texas Local Government Code administered on behalf of the City by the Corporation under the Annual Contract.
- (i) "**Corporation**" means the Austin Housing Finance Corporation.
- (j) "**General Counsel**" means the General Counsel of the Corporation and includes any General Counsel designee.
- (k) "**General Manager**" means the General Manager of the Corporation and includes any General Manager designee.
- (l) "**Grant Operating Budget**" means the Corporation's Grant Operating Budget for the period October 1, 2006 through September 30, 2007 set forth on **Exhibit A**.
- (m) "**HUD**" means the United States Department of Housing and Urban Development.
- (n) "**HUD Consolidated Plan**" means the document submitted to HUD that serves as the planning document of the City and prepared in accordance with 24 CFR 91.

Section 2. The Board of Directors approves the Grant Operating Budget and the Assistance Budget.

Section 3. The General Manager is authorized to prepare, adopt, issue and amend AHFC Program Guidelines, if no expenditures of the Corporation's funds for an AHFC Program occur prior to the effective date of the AHFC Program Guideline.

Section 4. Subject to the limitations of Section 5, the General Manager is authorized to expend:

- (a) the Grant Operating Budget;
- (b) the Assistance Budget;
- (c) any funds unspent at the close of Fiscal Year 2005-2006 that are associated with the Budgeted Programs; and
- (d) all federal program income generated by the Corporation during previous fiscal years and Fiscal Year 2006-2007 from the Budgeted Programs.

Section 5. The General Manager may expend the amounts described in Section 4 without additional authority or approval from the Board of Directors if:

- (a) the amounts to be expended are available and are used for the programs and purposes in the Grant Operating Budget or the Assistance Budget;
- (b) the activity for which funds are expended is a Budgeted Program;

- (c) before funds are expended for a Budgeted Program, AHFC Program Guidelines have been prepared in accordance with Section 3 or by the City;
- (d) the General Counsel approves the form of the contract;
- (e) the amounts expended for any single contract expenditure do not exceed \$300,000.00, except that any real estate sale or acquisition by the Corporation does not exceed \$250,000.00; and
- (f) for an expenditure of program income not budgeted that does not require reprogramming under the HUD Consolidated Plan, the General Manager files a revised Grant Operating Budget or Assistance Budget reflecting the program income amounts not previously budgeted.

Section 6. The General Manager is authorized to administratively transfer amounts in the Grant Operating Budget or the Assistance Budget funded with federal funds from one line item to another line item if:

- (a) each amount resulting from the transfer does not exceed the line item amount of the source program line item in the Grant Operating Budget or Assistance Budget by 10 percent if the line item is funded by federal Community Development Block Grant funds, or 25 percent for a line item not funded with federal Community Development Block Grant funds; and
- (b) after the transfer, the General Manager files a copy of the

revised Grant Operating Budget or Assistance Budget.

Section 7. The General Manager is authorized to temporarily administratively transfer amounts in the Grant Operating Budget or the Assistance Budget from one line item to another line item if:

- (a) the funds transferred are to be refunded to the source program before;
 - (1) the time the funds are required to be used in the source program; and
 - (2) before the end of Fiscal Year 2006-2007;
- (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 50 percent the line item amount of the source program in the Grant Operating Budget or Assistance Budget;
- (d) the General Manager files a copy of the revised Grant Operating Budget or Assistance Budget; and
- (e) required notification is made to HUD, both before the temporary transfer of the funds and when the funds are refunded to the source program.

Section 8. The General Manager is authorized to establish revolving Community Development Block Grant funds and Home Investment Partnerships Program (HOME) program income amounts for a Budgeted Program in accordance with applicable federal requirements as determined

necessary by the General Manager to maximize production and efficiently administer the Budgeted Program.

ADOPTED: _____, 2006

ATTEST: _____

Shirley A. Gentry
Secretary

DRAFT