



RBA:
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 3
AGENDA DATE: 1/11/2007
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SUBJECT: Authorize the negotiation and execution of a loan to AMERICAN YOUTHWORKS, INC , Austin, TX, under the Acquisition and Development Program, in an amount not to exceed \$130,000 to acquire five vacant lots in the corporation's Frontier at Montana subdivision to develop five single-family homes for low- to moderate-income buyers.

AMOUNT & SOURCE OF FUNDING: Funding for the acquisition of the five vacant lots is available in the Fiscal Year 2006-2007 budget using available HOME funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required

REQUESTING **DIRECTOR'S**
DEPARTMENT: Austin Housing Finance Corporation AUTHORIZATION: _____

FOR MORE INFORMATION CONTACT: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108

PRIOR BOARD ACTION: None

BOARD AND COMMISSION ACTION: None

The Austin Housing Finance Corporation (AHFC) Board is requested to authorize the negotiation and execution of a loan to American Youthworks (AYW) in an amount not to exceed \$130,000. The loan proceeds will be used to acquire five vacant lots in the corporation's Frontier at Montana Subdivision. The lots will be developed for affordably priced, single-family homes for low- and moderate-income homebuyers. The buyer's total household income will not exceed 80% of Austin's Median Family Income (currently \$56,900 for a family of four).

The homes will be constructed through AYW's Casa Verde Builder Program, a program that trains young men and women for careers in the building and construction trades. Casa Verde Builders has constructed more than 90 homes in East Austin since 1994 using its award-winning, energy-efficient designs. The homes to be constructed in the Frontier at Montana Subdivision will receive a three- to five-star rating from City of Austin's Green Building Program.

AYW also operates a charter school which the young men and women of the Casa Verde Builder Program can attend in addition to receiving hands-on construction training. Construction of the homes will occur on a semester-to-semester basis, including summers. It is anticipated that all five homes will be completed within 24 months or less.

AYW is a non-profit 501(c)(3) whose mission includes development of affordable housing and providing homeownership opportunities for low- to moderate-income families

The sources and uses of the funding are.

Sources:

Private Financing	\$414,400
AHFC Funds	<u>130,000</u>
Total	\$544,400

Uses:

Acquisition	\$130,000
Construction	<u>\$414,400</u>
Total	\$544,400

AYW responded to a Request for Proposals (RFP) issued by AHFC for development of the 81-lot Frontier at Montana Subdivision. AHFC is accepting proposals from non-profit housing providers and other qualified builders to develop the subdivision with new construction, single-family homes to be sold to low- to moderate-income buyers.

The Performance Measure associated with the project is as follows.

- 1 Construction and conveyance of five new single-family homes affordable to buyers earning no more than 80% of the Austin area MFI

Funding is available in the budget allocation of the Austin Housing Finance Corporation for Fiscal Year 2006-2007. The request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable housing for low- and moderate-income households