



**RBA: AHFC Operating Budget
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 1
AGENDA DATE: 9/13/2010
PAGE: 1 OF 2**

SUBJECT: Approve a resolution adopting the Fiscal Year 2010-2011 Austin Housing Finance Corporation Grant Operating Budget in the amount of \$7,849,957 and the Housing Assistance Fund Budget in the amount of \$350,000 for a total budget of \$8,199,957; authorizing the development of program guidelines for the named housing programs for Fiscal Year 2010-2011; and establishing administrative approval limits for the General Manager.

AMOUNT & SOURCE OF FUNDING: The sources to fund the annual Austin Housing Finance Corporation (AHFC) budget include: (1) the Grant Operating Budget which includes \$350,248 from the City's Housing Trust Fund; \$198,729 from the City's Sustainability Fund; \$550,000 from Austin Energy; \$4,078,636 from the City's Housing and Urban Development (HUD) HOME Grant; \$2,672,344 from the City's HUD Community Development Block Grant for a total of; \$7,849,957 and, (2) \$350,000 from the AHFC Housing Assistance Fund.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Elizabeth A. Spencer, Acting Treasurer,
Austin Housing Finance Corporation, 974-3182

PRIOR COUNCIL ACTION:

PRIOR BOARD ACTION:

By this action, the Austin Housing Finance Corporation (AHFC) Board of Directors adopts the AHFC Fiscal Year 2010-2011 Grant Operating Budget and Housing Assistance Fund Budget. 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 in amounts up to \$300,000.

Each year the AHFC Board adopts the Corporation's operating budget and authorizes staff to negotiate and execute the one-year service agreement with the City of Austin to manage various housing programs.

The Austin City Council created AHFC in 1979 as a public non-profit corporation to facilitate the financing and development of affordable housing for low- and moderate-

income residents. In addition to administering single-family and multi-family bond programs, AHFC administers most of the affordable housing programs for the City. For Fiscal Year 2010-2011, AHFC will administer the Renter Assistance Program, the Homebuyer Assistance Program, the Homeowner Assistance Program and the Housing Developer Assistance Program. AHFC estimates it will assist approximately 2,068 households.

Employees of the City's Neighborhood Housing and Community Development Office manage the operations of the AHFC through the annual service agreement. AHFC offices are located in the Neighborhood Housing and Community Development office.

AUSTIN HOUSING FINANCE CORPORATION

Grant Operating Budget

Fiscal Year 2010-2011

Exhibit A

	<u>Funding Source</u>	<u>New Funding Fiscal Year 2010-2011</u>	<u>Estimated Households to be Served</u>
SOURCES OF FUNDS			
Transfer from City of Austin			
	Housing Trust Fund	350,248	
	Sustainability Fund	198,729	
	Austin Energy	550,000	
Sub-total Local Sources		<u>1,098,977</u>	
	HOME	4,078,636	
	CDBG	2,672,344	
Sub-total Grant Sources		<u>6,750,980</u>	
Total Sources of Funds		<u>\$ 7,849,957</u>	
USES OF FUNDS			
<u>Renter Assistance</u>			
Tenant-Based Rental Assistance	HOME	510,300	115
<u>Homebuyer Assistance</u>			
Housing Smarts	Sustainability Fund	159,113	340
Down Payment Assistance	CDBG	11,500	
	HOME	1,279,279	47
Subtotal Down Payment Assistance		<u>1,290,779</u>	<u>47</u>
Subtotal <u>Homebuyer Assistance</u>		<u>1,449,892</u>	<u>387</u>
<u>Homeowner Assistance</u>			
Architectural Barrier Removal	CDBG	1,367,210	298
Emergency Home Repair	CDBG	1,000,000	450
Homeowner Rehabilitation Loan Program	CDBG	41,170	-
	HOME	1,198,995	15
		<u>1,240,165</u>	<u>15</u>
Holly Good Neighbor	Austin Energy	550,000	63
Subtotal <u>Homeowner Assistance</u>		<u>4,157,375</u>	<u>826</u>
<u>Housing Developer Assistance</u>			
Rental Housing Development Assistance	CDBG	176,432	-
	HOME (CHDO)	339,887	1
	Housing Trust Fund	150,248	5
Subtotal, Rental Housing Development Assistance		<u>666,567</u>	<u>6</u>
Acquisition & Development	CDBG	76,032	14
	HOME	190,239	12
	HOME (CHDO)	339,886	1
	Housing Trust Fund	200,000	-
Subtotal, <u>Acquisition & Development</u>		<u>806,157</u>	<u>27</u>
CHDO Operations Expenses Grants	HOME	220,050	7
S.M.A.R.T. Housing TM	Sustainability Fund	39,616	700
Subtotal <u>Housing Developer Assistance</u>		<u>1,732,390</u>	<u>740</u>
Total Uses of Funds		<u>\$ 7,849,957</u>	<u>\$ 2,068</u>

AUSTIN HOUSING FINANCE CORPORATION

Housing Assistance Fund Budget

Fiscal Year 2010 - 2011

Exhibit B

	New Funding Fiscal Year 2010-2011	Estimated Households to be Served
<i>SOURCES OF FUNDS</i>		
Bond Fees	350,000	
<i>Total Sources of Funds</i>	<u>350,000</u>	
<i>USES OF FUNDS</i>		
Bond and Corporation Administration	350,000	-
<i>Total Uses of Funds</i>	<u>350,000</u>	<u>-</u>

RESOLUTION NO.

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

1. That the Grant Operating Budget and the Housing Assistance Fund Budget for the Austin Housing Finance Corporation (AHFC) Fiscal Year 2010-2011, beginning October 1, 2010 and ending September 30, 2011, is approved.
2. Except as provided in Paragraph 3, the general manager may authorize the use of funds:
 - (a) in the Grant Operating Budget;
 - (b) in the Housing Assistance Fund Budget;
 - (c) remaining unencumbered finds at the close of Fiscal Year 2009-2010 associated with budgeted programs; and
 - (d) that are federal program income generated by AHFC during Fiscal Year 2010-2011 and previous fiscal years.
3. The General Manager may only authorize the use of funds if:
 - (a) the amounts are available and are used for the programs and purposes in the Grant Operating Budget or the Housing Assistance Fund Budget;
 - (b) the activity for which funds are spent is eligible under a budgeted program's and funding source requirements;
 - (c) current AHFC Program Guidelines permit the use; and
 - (d) the General Counsel approves the form of the contract for the activity.
4. The General Manager must obtain Board approval to authorize:
 - (a) a contract expenditure amount greater than \$300,000;

- (b) acquisition of an interest in real estate valued at more than \$300,000; and
 - (c) sale or transfer of an interest in real estate with an appraised fair market value exceeding \$300,000.
- 5. The General Manager may amend budgeted amounts under the U. S. Department of Housing and Urban Development (HUD) Consolidated Plan (Plan), filed with HUD as required by 24 C.F.R. 91, if:
 - (a) the expenditure of previously unbudgeted income does not require reprogramming under the current or amended Plan; and
 - (b) the General Manager files a revised Grant Operating Budget or Housing Assistance Fund Budget reflecting the new program income.
- 6. The General Manager may administratively transfer amounts in the Grant Operating Budget or the Housing Assistance Fund Budget funded with federal or non-federal funds from one line item to another line item if:
 - (a) an amount transferred from the Grant Operating Budget or Housing Assistance Fund Budget does not exceed the budgeted source program line item amount by:
 - I. ten percent for a line item funded by federal Community Development Block Grant (CDBG) funds; or
 - II. twenty-five percent for a line item funded with other federal or non-federal funds; and
 - (b) after the transfer, the General Manager:
 - I. files a copy of the revised budget reflecting the transfer; and
 - II. notifies HUD of the transfer or change, if federal law requires that HUD be notified; or

- (c) in accordance with the executed Annual Service Agreement between the City of Austin and the AHFC, including any executed amendments to that Agreement
- 7. Except as provided in Paragraph 8, the General Manager may temporarily administratively transfer amounts in the Grant Operating Budget or the Housing Assistance Fund Budget between line items if the funds transferred are refunded to the source program before the earlier of:
 - (a) the time the funds are required to be used in the source program; or
 - (b) the close of the fiscal year, September 30, 2011.
- 8. The General Manager may not temporarily administratively transfer amounts under Paragraph 7 if:
 - (a) the transfer of the funds requires reprogramming under the Plan; or
 - (b) an amount transferred is equal to or greater than 50 percent of the source program line item amount in the Grant Operating Budget or Housing Assistance Fund Budget.
- 9. The General Manager may establish revolving CDBG funds and Home Investment Partnerships Program (HOME) income amounts for a budgeted program under applicable federal, state, and City of Austin requirements.
- 10. The General Manager may promulgate and amend the AHFC Program Guidelines. The General Manager may not expend funds for an AHFC program prior to the effective date of the AHFC Program Guidelines.
- 11. The General Manager may designate a person to act on his behalf to implement the actions approved by this resolution.

ADOPTED: _____, 2010

ATTEST: _____

Shirley A. Gentry
Secretary