



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

**AGENDA ITEM NO.: AHFC-1  
AGENDA DATE: Mon 09/12/2005  
PAGE: 1 of 2**

**SUBJECT:** Approve a resolution approving the Fiscal Year 2005-2006 Austin Housing Finance Corporation Grant Operating Budget in the amount of \$13,377,832 and Housing Assistance Fund Budget in the amount of \$1,370,753 for a total budget not to exceed \$14,748,585, and the named housing programs; directing staff to develop program guidelines for the named housing programs for Fiscal Year 2005-2006; and establishing administrative approval limits for the General Manager.

**AMOUNT & SOURCE OF FUNDING:** The sources to fund the annual AHFC budgets include: (a) Grant Operating Budget - \$1,143,229 from the Housing Trust; \$37,824 from the City UNO-Housing Trust Fund; \$830,474 from the City S.M.A.R.T. Housing™ Capital Improvement Project Fund; \$2,654,684 from HUD HOME Program Income; \$806,259 from the HUD Community Development Block Grant revolving fund; and \$2,472,433 HUD Community Development Block Grant, \$204,041 HUD-American Dream Down Payment Initiative and \$4,074,354 from HUD-HOME Investment Partnership Program and (a2) Carryforward from 04-05 for Grant Operating Budget - \$433,912 from S.M.A.R.T. Housing™ Capital Improvement Project Fund, \$1,154,534 HUD Community Development Block Grant (b) AHFC Housing Assistance Fund - \$1,370,753.

**FISCAL NOTE:** A fiscal note is attached.

**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

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This action will approve the 2005-2006 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.

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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 2005-2006 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).

**AHFC RESOLUTION NO. 20050912-AHFCNNN**

**October 1, 2005 – September 30, 2006**

**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 which is not a City Program.
- (b) **"AHFC Program Guideline"** means the written program guideline prepared for an AHFC Program which is approved as to form by the General Counsel.
- (c) **"Annual Contract"** means the annual contract the City enters into with the Corporation to management and administer various City Programs.
- (d) **"Assistance Budget"** means the Corporation's Housing Assistance Fund Budget for the period October 1, 2005 through September 30, 2006 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 which is 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, 2005 through September 30, 2006 set forth on Exhibits "A1" and "A2".

**Section 2.** The Corporation 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 2004-2005 that are associated with the Budgeted Programs, and
- (d) all federal program income generated by the Corporation during previous fiscal years and Fiscal Year 2005-2006 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, program guidelines have been prepared in accordance with Section 3 or by the City of Austin,
- (d) the General Counsel approves the form of the contract,
- (e) the amounts expended for any single contract expenditure do not exceed the amount of \$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 which does not require reprogramming under the HUD Consolidated Plan, the General Manager files in the Books and Records of the Corporation 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 which are 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 (1) ten percent, or (2) twenty-five percent for a line item not funded with federal Community Development Block Grant funds, and

(b) after the transfer, a copy of the revised Grant Operating Budget or Assistance Budget is filed in the Books and Records of the Corporation.

Section 7. The General Manager is authorized to administratively transfer for a temporary period 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 the time the funds are required to be used in the source program and before the end of Fiscal Year 2005-2006,

(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 fifty percent the line item amount of the source program in the Grant Operating Budget or Assistance Budget,

(d) a copy of the revised Grant Operating Budget or Assistance Budget is filed in the Books and Records of the Corporation, and

(e) required notification is made to HUD, both before the temporary transfer of the funds from one program and upon the refunding of the amount to the source program.

Section 8. The General Manager is authorized to establish in accordance with applicable federal requirements revolving Community Development Block Grant funds and HOME program income amounts for a Budgeted Program as determined necessary by the General Manager to maximize production and efficiently administer the Budgeted Program.

**ADOPTED:** \_\_\_\_\_ September 12 \_\_\_\_\_, 2005

**ATTEST:** \_\_\_\_\_

Shirley A. Brown  
Secretary

Austin Housing Finance Corporation  
Grant Operating Budget  
Fiscal Year 2005-2006  
(for the period October 1, 2005 through September 30, 2006)  
EXHIBIT A1 - New Funding

<u>Sources of Funds</u>		Households Served
Transfer From City of Austin (COA)	Housing Trust Fund	1,143,229
	UNO - Housing Trust Fund	37,824
	S.M.A.R.T. Housing Capital Improvement Program	830,474
		<u>2,011,527</u>
Revolving Loan Fund Program Income (Sales Proceeds)	CDBG - Revolving Loan	806,259
	HOME	2,654,684
Grant Proceeds	CDBG	2,472,433
	ADDI	204,041
	HOME	4,074,354
		<u>6,750,828</u>
Total Source of Funds		<u>\$ 12,223,298</u>
 <u>Use of Funds</u>		
Assisted Housing Tenant Based Rental Assistance	HOME	431,925
	HOME Program Income	58,075
	COA- Housing Trust Fund	175,000
		<u>665,000</u>
		82
Rental Housing Rental Housing Development Assistance	CDBG	318,833
	CDBG - PI	45,446
	COA- Housing Trust Fund	968,229
	COA- UNO-Housing Trust Fund	37,824
	HOME Program Income	110,609
	HOME (CHDO)	679,058
	HOME	1,041,382
		<u>3,201,381</u>
		138
Architectural Barrier Removal	CDBG	
		100
Anderson Hill Redevelopment	HOME Program Income	<u>1,848,000</u>
First-Time Homebuyer Homebuyer Lending Assistance	HOME	1,209,872
	HOME Program Income	238,732
	ADDI	204,041
		<u>1,652,645</u>
		165
Homeownership Development Acquisition and Development	CDBG	453,873
		47



	HOME	485,861	
	CDBG - Revolving Loan	607,733	
	COA-G/F CIP	830,474	
	HOME Program Income	<u>266,000</u>	
		<u>2,643,941</u>	
CHDO Capacity Building	HOME	125,000	
Owner-Occupied Housing			
Architectural Barrier Removal	CDBG	529,782	400
Emergency Home Repair	CDBG	950,000	450
Homeowner Moderate Rehabilitation	CDBG - Revolving Loan	153,080	30
	CDBG	219,945	
	HOME Program Income	133,268	
	HOME	<u>101,256</u>	
		607,549	
Bond Program			40
Materials Grants Program	HTF	<u>-</u>	40
		<u>-</u>	
Total Use of Funds		<u>\$ 12,223,298</u>	<u>1,492</u>

**Austin Housing Finance Corporation**  
**Grant Operating Budget**  
**Fiscal Year 2005-2006**  
**(for the period October 1, 2005 through September 30, 2006)**  
**EXHIBIT A2 - Carryforward Funding**

<b>Sources of Funds</b>		<b>Households Served</b>	
Transfer From City of Austin (COA)	S.M.A.R.T. Housing Capital Improvement Program	433,912	
		<u>433,912</u>	
Grant Proceeds	CDBG	1,154,534	
		<u>1,154,534</u>	
<b>Total Source of Funds</b>		<b>\$ <u>1,588,446</u></b>	
<b>Use of Funds</b>			
Rental Housing			
Architectural Barrier Removal	CDBG	<u>226,528</u>	100
First Time Homebuyer			
Homeownership Development			
Acquisition and Development	COA-G/F CIP	<u>433,912</u>	47
		<u>433,912</u>	
Owner-Occupied Housing			
Architectural Barrier Removal	CDBG	687,837	400
Homeowner Moderate Rehabilitation	CDBG - Revolving Loan	240,169	30
		<u>240,169</u>	
<b>Total Use of Funds</b>		<b>\$ <u>1,588,446</u></b>	<b>577</b>

**Austin Housing Finance Corporation**  
**Housing Assistance Fund Budget**  
**Fiscal Year 2005-2006**  
**(for the period October 1, 2005, through September 30, 2006)**  
**EXHIBIT B**

**Source of Funds**

Housing Assistance Fund Sales Proceeds	501,340
Interest Income	13,488
Fees	68,351
Fund Balance	<u>787,574</u>
<b>Total Source of Funds</b>	<b>\$ <u>1,370,753</u></b>

**Use of Funds**

Bond Program	153,378
Asset Management	143,128
Homeownership Development - Acquisition and Development	473,364
Homebuyer Assistance - Down Payment Assistance	27,976
Materials Rebate Program	0
Administration	<u>572,909</u>
<b>Total Use of Funds</b>	<b>\$ <u>1,370,753</u></b>