

Recommendation for Board Action				
Austin Housing Finance Corporation	Item ID	23357	Agenda Number	8.
Meeting Date:	4/11/2013		Department:	Neighborhood and Community Development
Subject				
<p>Approve the negotiation and execution of a loan to Austin Habitat for Humanity, Inc. for the acquisition of land on Meadow Lake Boulevard that will result in the construction of new single-family homes that are affordable to low- and moderate-income buyers for an amount not to exceed \$642,896.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2012-13 Operating Budget of the Austin Housing Finance Corporation.</p>				
Fiscal Note				
<p>There is no unanticipated fiscal impact. A fiscal note is not required.</p>				
Purchasing Language:				
Prior Council Action:				
For More Information:	Contact Elizabeth A. Spencer, Treasurer, Austin Housing Finance Corporation, 974-3182.			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
<p>If approved, the Austin Housing Finance Corporation (AHFC) will be authorized to negotiate and execute a loan to Austin Habitat for Humanity, Inc. (Habitat) for the acquisition of 14.65 acres in the Meadow Lake subdivision for the construction of no fewer than 60 new single-family homes.</p> <p><u>Funding Request</u></p> <ul style="list-style-type: none"> If approved, the AHFC funds will represent \$10,715 per unit or approximately 7.5 percent of the total project cost estimated to be \$8.6 million. Additional funding will be from Community Development Block Grant (CDBG) funds. Estimated sources and uses for the project are as follows: 				

Sources:

Austin Habitat for Humanity
 AHFC Funding
 Lender Line of Credit
TOTAL

* \$7,459,562
 642,896
525,000
\$8,627,458

Uses:

Acquisition \$ 642,896
 Pre-development 37,000
 Construction 7,677,962
 Soft & Carrying Costs 269,600
TOTAL \$8,627,458

*This amount includes in-kind volunteer services, donations of labor and supplies, as well as community support.

- The request for funding 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 rental housing for low- and moderate-income households and persons with special needs.

Project Characteristics

- Homes will consist of two to five bedrooms, depending upon the family's needs. The size of the homes will range from 900 square feet to 1,400 square feet.
- Prices will range from \$105,000 to \$120,000. However, each household's mortgage would range from \$65,000 to \$80,000. Habitat would provide a zero percent (0 percent) interest second mortgage which would require no repayment until the home is sold.
- The typical monthly payment for principal, interest, taxes, and insurance will be approximately \$500.
- To ensure long-term affordability of the homes, Habitat uses a Shared Equity and Right of First Refusal model of ownership.

Population Served

All buyers must have total household incomes at or below 80 percent of the Median Family Income (MFI) for the Austin area, currently \$58,550 for a four-person household. Buyers must successfully complete Habitat's homeownership program and contribute a certain number of hours of "sweat equity" to qualify.

The Applicant

Austin Habitat for Humanity is a 501(c)(3) non-profit organization founded in 1985. Its mission and vision are anchored around our dedication to ending the cycle of poverty housing and the deeply held belief that everyone deserves a decent, affordable place to live. To date, Habitat has built more than 335 homes in the Austin area.