

**AGENDA**



**Recommendation for Council Action**

Austin City Council	<b>Item ID</b>	48549	<b>Agenda Number</b>	3.
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<b>Meeting Date:</b>	9/10/2015	<b>Department:</b>	Neighborhood and Community Development
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**Subject**

Authorize the negotiation and execution of a one-year service agreement with the Austin Housing Finance Corporation to manage and operate various housing programs on the City's behalf during Fiscal Year 2015-2016 using funds received by the City from the U.S. Department of Housing and Urban Development and local housing funds in an amount not to exceed \$17,125,572.

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2015-2016 Operating and Capital Budgets of the Neighborhood Housing and Community Development Office. Grant funding is contingent on the release of Fiscal Year 2016 federal funds from the U.S. Department of Housing and Urban Development. See attached Backup (AHFC Grant Operating Budget) and Backup (AHFC Capital Budget) for more detail.

The service agreement under the AHFC Grant Operating Budget includes: (1) \$ 973,735 from local sources comprised of \$609,576 from the Housing Trust Fund, \$254,967 from the General Fund, and \$109,192 from the University Neighborhood Overlay Housing Trust fund; and (2) \$6,151,837 from federal sources comprised of \$2,189,797 from the U.S. Department of Housing and Urban Development Home Investment Partnership Program (HOME), \$93,016 from the HOME carry-forward funds reprogrammed from the City's Administrative Activities, \$3,557,113 from the Community Development Block Grant (CDBG), and \$311,911 from the CDBG carry-forward funds reprogrammed from the City's Community Development, Administration, and Debt Service Activities.

The service agreement includes under the AHFC Capital Budget: \$10,000,000 from the City of Austin's General Obligation Bond Fund, which will provide \$2,000,000 for the Homeowner Assistance Program, \$250,000 for the Renter Assistance Program and \$7,750,000 for the Housing Developer Assistance Program.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	
<b>Prior Council Action:</b>	September 25, 2014 – Council approved a one-year service agreement to expire September 30, 2015.
<b>For More Information:</b>	Contact Elizabeth A. Spencer, Director, 974-3182; or John Hilbun, Contract Development Analyst, 512-974-1054, Neighborhood Housing and Community Development.
<b>Council Committee, Boards and Commission Action:</b>	
<b>MBE / WBE:</b>	

Related Items:

Additional Backup Information

The recommended action authorizes the City Manager to negotiate and execute the City's annual service agreement with the Austin Housing Finance Corporation (AHFC) allowing the AHFC to use \$17,125,572 in City funds from federal sources and local sources to fund, manage and operate various City housing programs during Fiscal Year 2015-2016, including renter assistance, homebuyer assistance, homeowner assistance, and housing developer assistance. See Backup (AHFC Grant Operating Budget) and Backup (AHFC Capital Budget) for details. An estimated 1,533 households will be served through these programs. Employees of the City's Neighborhood and Community Development (NHCD) Office manage AHFC's operations through the annual service agreement.

Established in 1979 as a public, non-profit corporation pursuant to Chapter 394 of the Texas Local Government Code, the AHFC administers numerous affordable housing programs for the City using federal and local funds. U.S. Department of Housing and Urban Development (HUD) grant funds provided by the City constitute the majority of AHFC's grant funds.