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CDC Presentation
Home Repair Loan Programs

June 14, 2022

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Current Home Rehabilitation Loan Programs (HRLP)

Loan Program	Home Rehabilitation Loan Program (Rehabilitation)	Home Rehabilitation Loan Program (Reconstruction)	Holly Good Neighbor Program
Services Provided	• Repairs to the foundation, roof, plumbing, HVAC, windows, and electrical • Major interior and exterior repairs • Complete rehabilitation of home, reconstruction if needed • Deferred 0% loan, terms up to 15 years.	• Complete reconstruction, if needed • Deferred 0% loan, terms up to 30 years.	• The repairs were limited to plumbing, electrical, roof, foundation, exterior painting and solar panel installation. • Forgivable 0% loan, terms up to 10 years.
Funding Source	CDBG	CDBG	Austin Energy
Funding Amount	Provide funding amount up to $75,000. Up to $110,000 for historical homes.	Provide funding amount up to $250,000 for demolish and reconstruction.	$50,000
MFI%	At or below 80%	At or below 80%	At or below 100%

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Home Rehabilitation Loan Program (HRLP) purpose and services

Loan Program	Home Rehabilitation Loan Program
How does HRLP work?	• No interest or monthly payments, but a lien is placed against the property. • The home must remain the primary residence of the homeowner for the entire term of the loan. • If the owners choose to sell or rent the home, transfer title, refinance or draw an equity loan within 15 years of the loan, the amount owed on the loan due and payable. • If it is necessary to demolish and replace the home, owners may be eligible for a loan up to $250,000 for a term of 20 years, with a 25% shared equity lien on the home for an additional 10 years, for a total of 30 years on the lien.
Eligibility Requirements	• The home is within the Austin city limits. • The home is a single-family detached home. It must be the primary residence of the applicant. • The applicant must own the property. Owner has clear title on the property (reconstruction), and ownership is in his/her name. • Applicant has not been discharged from bankruptcy less than two years of application date. • Applicant must have a gross annual income at/below 80% Median Family Income (MFI).

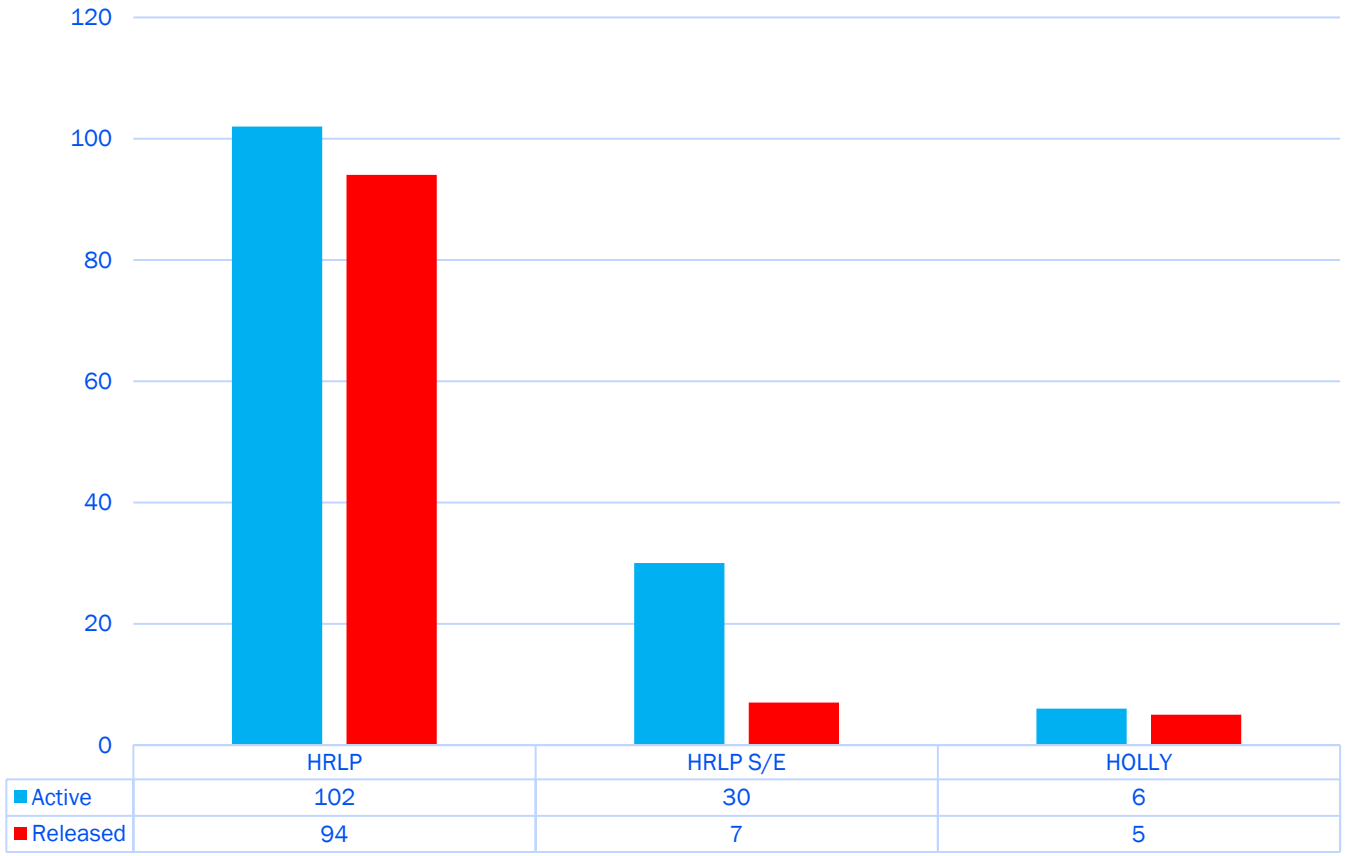
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Housing and Urban Development Affordability Period

Home Assistance Per Unit or Buyer	Length of Affordability Period
Less than $15,000	5 Years
$15,000 - $40,000	10 Years
More than $40,000	15 Years
New construction	20 Years

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Active Vs Released Loans



Loan Program	Released Amount
HRLP - Rehabilitation	$ 4,733,086.18
HRLP- Shared Equity	$ 690,145.73
Holly	$172,260.52

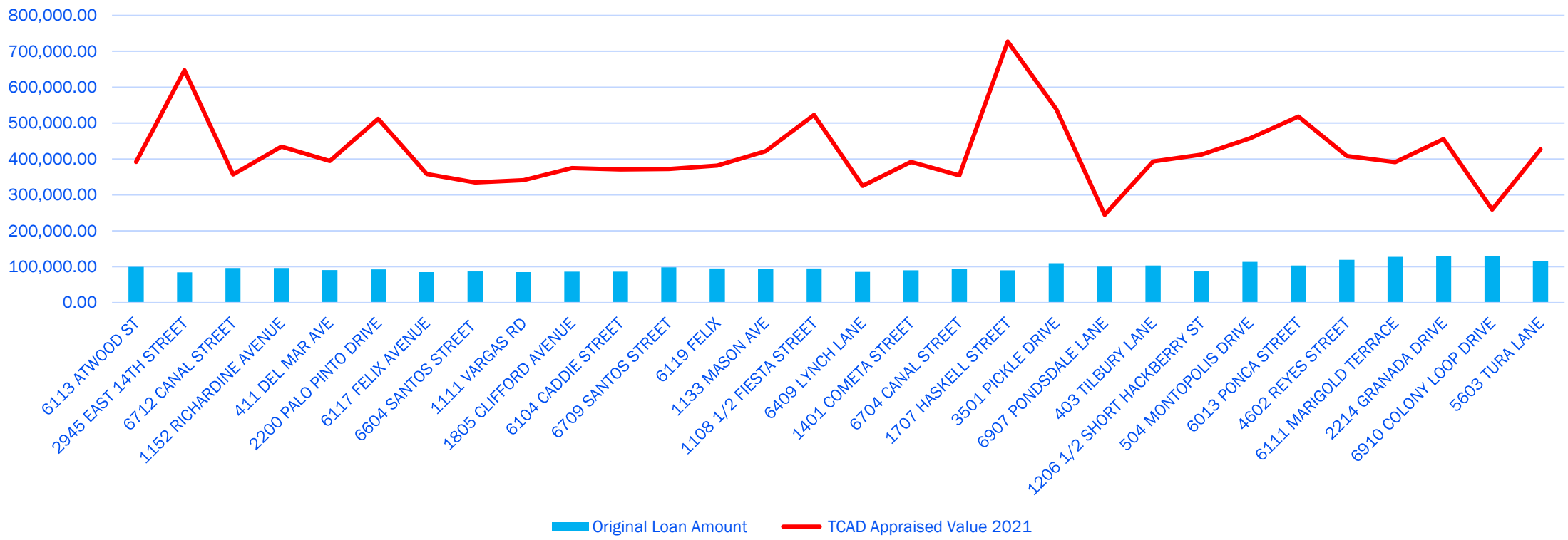
Revolving loan

CITY OF AUSTIN
CDBG Program Income & Revolving Loan Sources & Uses (PI, RL)
FY19-20 and FY20-21

	FY19-20 HRLP Revenue (RL)	FY20-21 HRLP Revenue (RL)
SOURCES OF FUNDS		
Beginning Balance	$500.00	$17,687.96
HRLP Revolving Loan Revenue	$108,120.53	$96,412.93
Reprogram	$5,068.06	$0.00
Total Sources	$113,688.59	$114,100.89
USES OF FUNDS		
HRLP Expenditures	$96,000.63	$114,100.89
REMAINING FUNDS	$17,687.96	$0.00

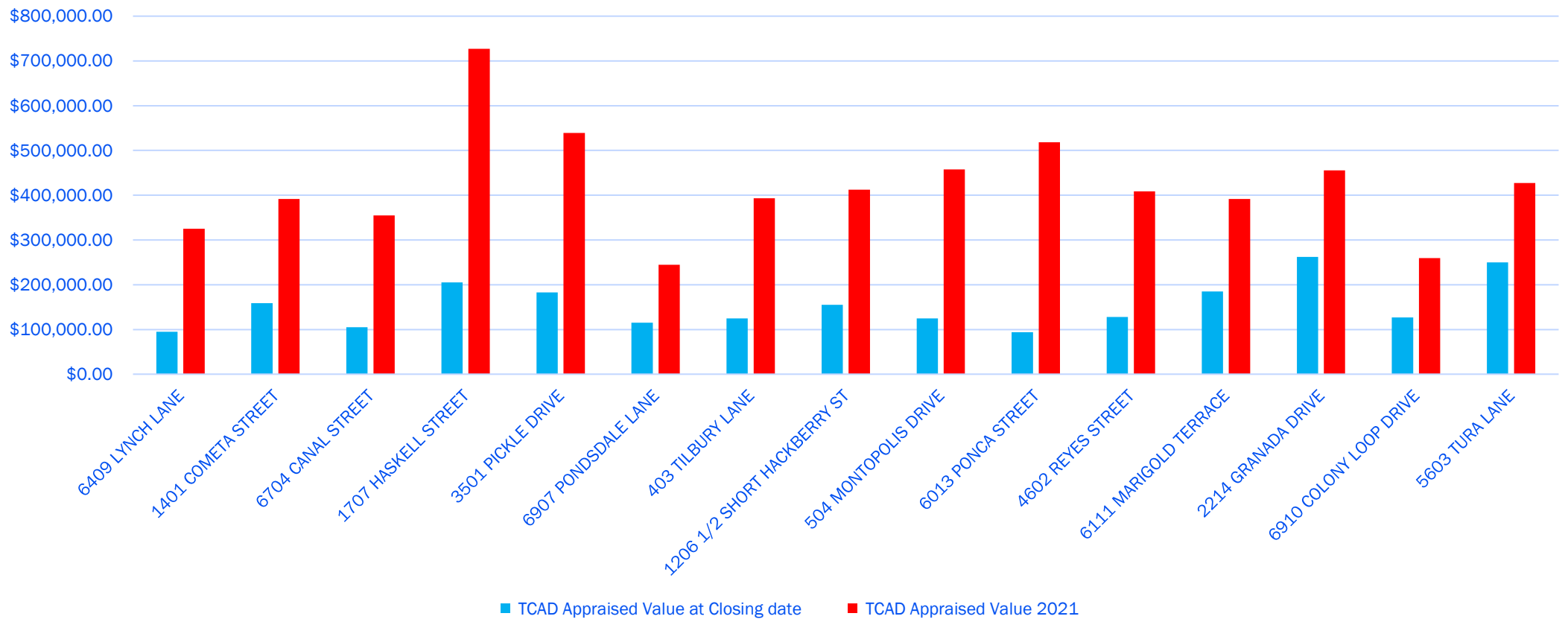
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Appreciation from Original Loan Amount for 30 HRLP S/E Homes



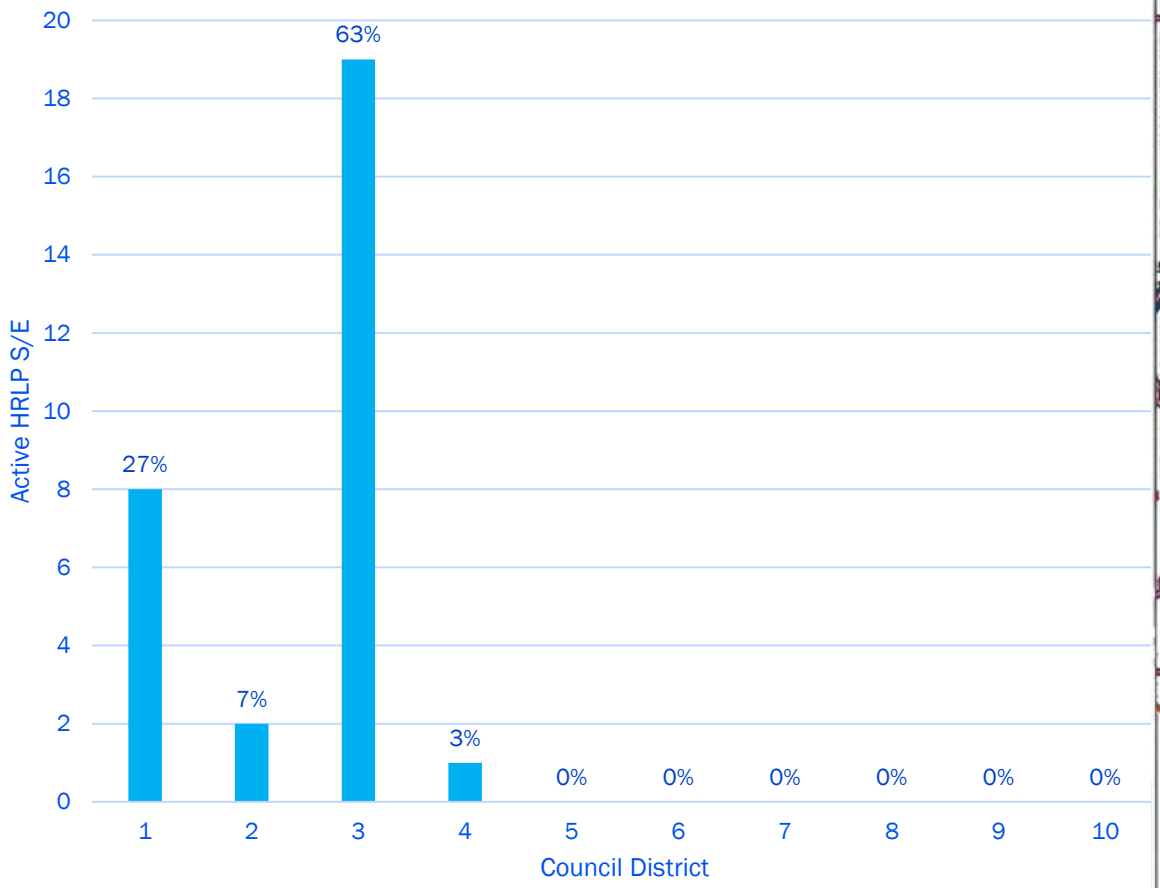
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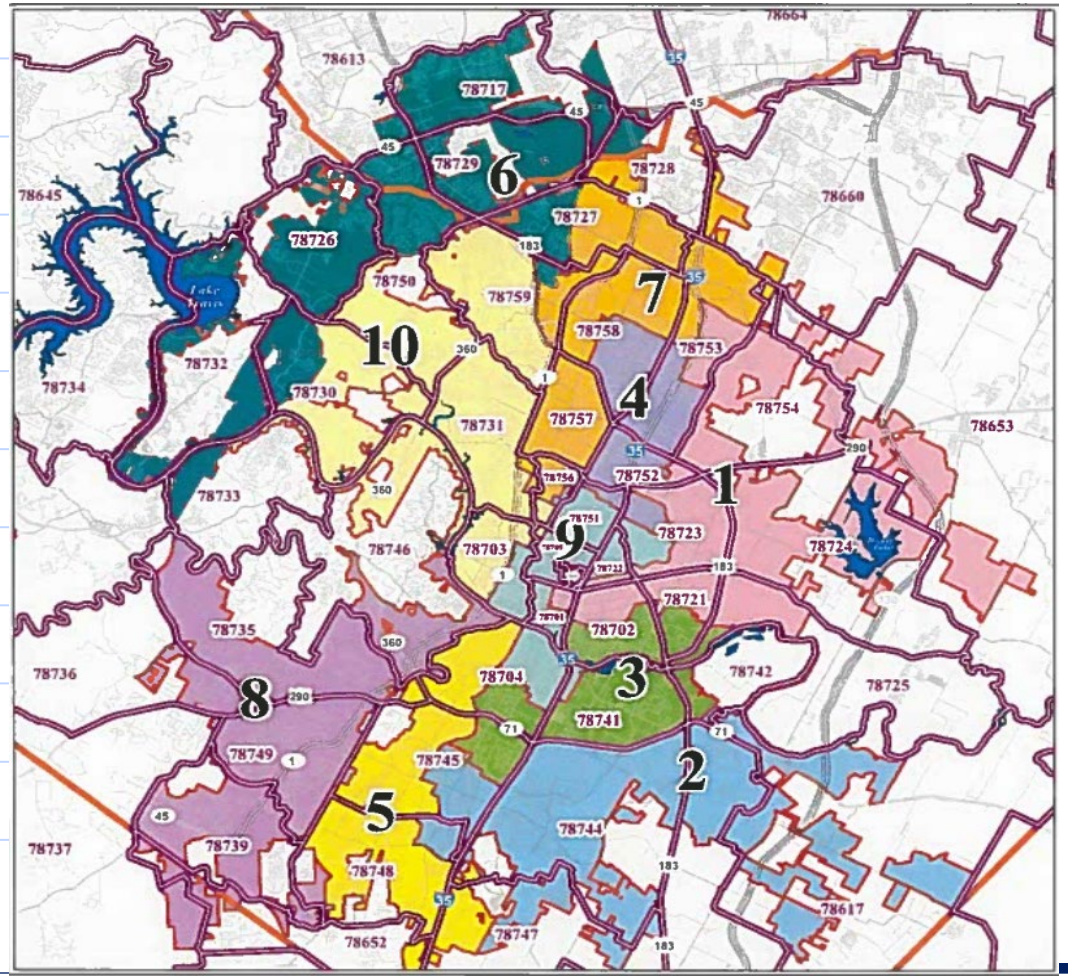
Sample of how the homes Appraisal values increased from construction to 2021



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Summary for 30 Active S/E homes based on Council District





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Current Loan Portfolio

Loan Portfolio	HOLLY	HRLP- Rehabilitation Projects	HRLP Shared Equity- Reconstruction Projects
Number of active Loans	6 loans	102 loans	30 loans
Funded Amount Range	Range from $16,470.29 to $34,304.77	Range from $4800 to $74,700	Range from $84,156.50 to $129,866.04
Term	10-year term	10 to 20 year term	30-year term

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Staff Recommendation

- **Holly Action:**

  The 10-year term is already aligned with the HUD Affordability Period. No action required.

- **HRLP Shared Equity Action:**

  Align the 30-year term with HUD's Affordability Period of 20 years. **Forgive $990,175.21.** No principal amount or equity due to the City after 20 years.

- **HRLP Action:**

  46 loans are aligned with the HUD Period Already. No action required

  36 loans are 5 years over the HUD Affordability Period. **Forgive $482,491.95**

  4 loans are 10 years over the HUD Affordability Period. **Forgive $54,740.31**

  16 loans are 15 years over the HUD Affordability Period. **Forgive $636,423.48**

Staff Recommendation

All Programs Action:

- Align terms with the HUD Affordability Term
- Loan changed from deferred to forgiven
- Assumption: Someone else, at or below 80% Median Family Income, can assume the remainder of the loan at sell or death of the client
- Implement staff recommendations in a temporary waiver for new loans.
- Implement staff recommendations in the next program guidelines, 2022

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Thank You

Questions?

Please call 311 or 512-974-3100
or email to HPDCS@austintexas.gov

AustinTexas.gov/HomeRepairs

Short form link for Home Repair Programs → https://bit.ly/ATXHomeRepair