



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

**AGENDA ITEM NO.: AHFC-3  
AGENDA DATE: Thu 12/16/2004  
PAGE: 1 of 1**

**SUBJECT:** Approve the negotiation and execution of a Loan Agreement between Martin Fein Interests, Ltd., Houston, TX, and the Austin Housing Finance Corporation, in an amount not to exceed \$300,000 to fund Austin Housing Finance Corporation's construction construct of 14 affordable housing units.

**AMOUNT & SOURCE OF FUNDING:** Funding is available through loan proceeds to the Austin Housing Finance Corporation.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Austin Housing Finance  
**DEPARTMENT:** Corporation

**DIRECTOR'S**  
**AUTHORIZATION:** Paul Hilgers

**FOR MORE INFORMATION CONTACT:** Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

**PRIOR BOARD ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

On June 7, 2001 City Council authorized the City Manager to negotiate and execute a Development Agreement with Riata Partners, L.L.C. Article Two, Section 2.1 F. states, "to include reasonably-priced new residential housing units ("Units") in an amount not less than ten percent (10%) of the total number of residential housing units built on the Property, with half of the Units built within the Project and half of the Units built offsite within the 78702 and 78722 zip code areas; . . ."

Martin Fein Interests, Ltd. is under contract to purchase 4.052 acres of this land for the development of a new apartment project. Their project will consist of 289 rental units, thus requiring them to provide 29 "reasonably priced" units. Fein is proposing to build 15 of these units on site, with the remaining 14 being built off site. Fein is proposing to lend AHFC funds to assist in the construction of 14 single family affordable homes to satisfy the offsite affordable housing requirement. The terms of the loan will include:

Amount: \$300,000

Term: 3 years

Interest rate: 0%

Collateral: 1st lien on the property at the time of acquisition. Lender will subordinate to bank for construction financing.

Repayment: \$150,000, due upon sale of the completed houses to qualified buyers.

Grant Amount: \$10,714 per lot (\$150,000 total) will be forgiven at the time of sale of the completed house.

Construction Start: AHFC is required to start construction of all 14 homes within 12 months of Loan Closing.

Approval of this RBA will authorize AHFC to negotiate and execute a loan agreement for \$300,000 for a term of 3 years, to assist in the construction of 14 single family affordable units, available to families earning less than 80% Austin Median Family Income (currently \$56,900 for a family of 4), and to correspondingly amend its Service Agreement and budget by \$300,000 for this purpose.

RCA Serial#: 7310 Date: 12/16/04 Original: Yes

Published:

Disposition:

Adjusted version published: