

PREDEVELOPMENT LOANS

SUMMARY

TSAHC is now offering predevelopment financing to early stage affordable housing projects located in Travis, Williamson, Bastrop, Hays, and Caldwell Counties. Predevelopment loans are offered as a pilot program under TSAHC's Texas Housing Impact Fund.

ELIGIBLE AND TARGETED BORROWERS

- Nonprofit developers, and/or builders with at least 2-years of experience in the type or form of housing they propose in their application.
- Nonprofit entities who will be the general partner, managing member or primary sponsor of developments utilizing low-income housing tax credits.
- An emphasis on finding small-scale or neighborhood-oriented community and housing development organizations that lack the working capital to fund predevelopment activities on housing projects that meet critical needs in their service area.
- An emphasis on marketing towards organizations that have applied or intend to apply for General Obligation Bond funds from the City of Austin.

LOAN TERMS

- Interest Rates shall be set at a fixed rate of interest based on TSAHC's cost of funds.
- Loans will range from \$25,000 to \$100,000 based on Applicant's demonstrated need.
- All loans will be for a 2-year term, starting on the date of closing.

LOAN REPAYMENT AND FEES

- Applicants must be able to make payments of accrued interest on the balance of funds drawn on a monthly basis.
- The principal balance of the loan and accrued interest, if any, will be due and payable on the maturity date.
- Closing fee of 2% of the loan amount or \$1,500, whichever is greater.