

# New condos yield money to rehab older East Austin homes

**Portion of profits will be used to build lower-cost housing and fix up older homes.**

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Some low-income East Austin residents will get help fixing up their homes using money generated from a condominium project nearby.

The 62-unit Chestnut Commons near Martin Luther King Jr. Blvd. and Miriam Avenue is expected to generate about \$1.2 million for affordable housing projects in Central East Austin, including \$250,000 earmarked for home renovations in the Chestnut neighborhood.



The deal was announced in 2006, but it was only recently, after most of the condos sold and buyers began moving in, that the developers were able to estimate their total contribution.

The money is a result of an unusual arrangement among the landowner Tom Meredith, developers Terry Mitchell and David Mahn, and the Austin Community Foundation.

Meredith, a former chief financial officer for Dell Inc., and his wife, Lynn Meredith, bought 30 acres between Martin Luther King Jr. Boulevard and 13th Street in 2003 as a philanthropic project aimed at helping the Chestnut neighborhood improve without pricing longtime residents out.

Meredith initially planned to team with Mitchell and Mahn to build low- to moderately priced housing on four of the acres one mile east of downtown. But the cost of cleaning up the site, which once housed a construction material company that built pre-cast concrete structures, pushed building costs too high.

So in 2006, Meredith decided to donate the land to the Austin Community Foundation, which then sold it to Mitchell and Mahn for the appraised value of \$450,000. The developers agreed to

donate a portion of the profits from the condo sales to the foundation to be used for affordable housing efforts in Central East Austin.

The condominiums at Chestnut Commons sell for between \$140,000 and \$220,000.

Mitchell said 53 units have sold and nearly 40 buyers have already moved in.

Eugene Sepulveda, a governor on the board of the Austin Community Foundation, said no decision has been made as to how the money will be distributed, but the foundation hopes to begin financing the rehab projects this year.

"We are in conversations with the City of Austin and Habitat for Humanity as potential partners in accomplishing this," he said.

Sepulveda said the renovation work could include anything from foundation and roof repair to paint jobs. The foundation anticipates that it will be able to help 10 to 18 homeowners.

To qualify, homeowners can make no more than 80 percent of the area's median family income, which would be \$56,900 for a family of four, but Sepulveda said the low income levels of many senior residents in the Chestnut neighborhood make it likely that participants in the program would have significantly lower incomes than that.

The rest of the money will be used to build new low- to moderately priced housing. No plans have been made, but Sepulveda said Austin Community Foundation may seek partners, using its \$900,000 to \$1 million to help create a \$3 million to \$5 million project. The foundation does not know what income levels the project might serve.



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