



## HOUSING DEVELOPMENT ASSISTANCE (RHDA/OHDA)

Application for Housing Development Financing

**PLEASE NOTE:** AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the [Austin Strategic Housing Blueprint](#) and policy direction from the Austin City Council.

### Applicant Information

(If the developer involves multiple entities, is a partnership or joint venture, please provide the requisite information for each and identify the entity that will serve as the "lead" organization.)

<b>Developer Name</b>	<b>Owner Name</b>	
Austin Habitat for Humanity	Austin Habitat for Humanity	
<b>Street Address</b>		
500 West Ben White Boulevard		
<b>City</b>	<b>State</b>	<b>Zip</b>
Austin	TX	78704
<b>Contact Name</b>	<b>Contact Telephone</b>	
Mary Campana, VP of Development	512-472-8788 x419	
<b>Contact Email</b>		
mcampana@ahfh.org		
<b>Federal Tax ID Number</b>	<b>D-U-N-S Number (visit <a href="http://www.dnb.com">www.dnb.com</a> for free DUNS#.)</b>	
74-2373217	603218900	

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. *Unsigned/undated submissions will not be considered.*

<b>Legal Name of Developer/Entity</b>	<b>Title of Authorized Officer</b>
Austin Habitat for Humanity, Inc.	Phyllis Snodgrass, CEO

\_\_\_\_\_  
Signature of Authorized Officer

\_\_\_\_\_  
Date

**INSTRUCTIONS:** Applications will be reviewed on a quarterly basis. All applications submitted in the review period that achieve the minimum threshold score will be reviewed by an internal panel of NHCD staff. All awards will be made by the AHFC Board of Directors. To be considered for an award, please complete this application electronically, print, sign, and deliver to:

Department of Neighborhood  
Housing and Community  
1000 East 11th Street  
Austin, Texas 78702  
Attn: James May  
Community Development Manager

## Project Summary Form

1) <b>Project Name</b> 4th & Onion Multifamily	2) <b>Project Type</b> 100% Affordable	3) <b>New Construction or Rehabilitation?</b> New Construction
4) <b>Location Description</b> (Acreage, side of street, distance from intersection) 1409-1411 East 4th Street		5) <b>Mobility Bond Corridor</b>
6) <b>Census Tract</b> 9.02	7) <b>Council District</b> District 3	8) <b>Elementary School</b> ZAVALA EL
9) <b>Affordability Period</b> 99 Years		
10) <b>Type of Structure</b> Multi-family	11) <b>Occupied?</b> No	12) <b>How will funds be used?</b> Construction Only

### 13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI						0
Up to 40% MFI						0
Up to 50% MFI						0
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 14) Summary of Units for Sale at MFI Level

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI		21	2			23
Up to 80% MFI		19	10	5		34
Up to 120% MFI						0
No Restrictions						0
<b>Total Units</b>	<b>0</b>	<b>40</b>	<b>12</b>	<b>5</b>	<b>0</b>	<b>57</b>

### 15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	6	Continuum of Care Units	
Accessible Units for Sensory Impairments	2		

### Use the City of Austin GIS Map to Answer the questions below

- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor?
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop?
- 18) Is the property within 3/4 mile of Transit Service?
- 19) The property has Healthy Food Access?

### 20) Estimated Sources and Uses of funds

<u>Sources</u>	
Debt	4708365
Third Party Equity	1800000
Grant	1000000
Deferred Developer Fee	
Other	2500000
Previous AHFC Fund	294773
Current AHFC Request	<b>5987000</b>
<b>City of Austin</b>	

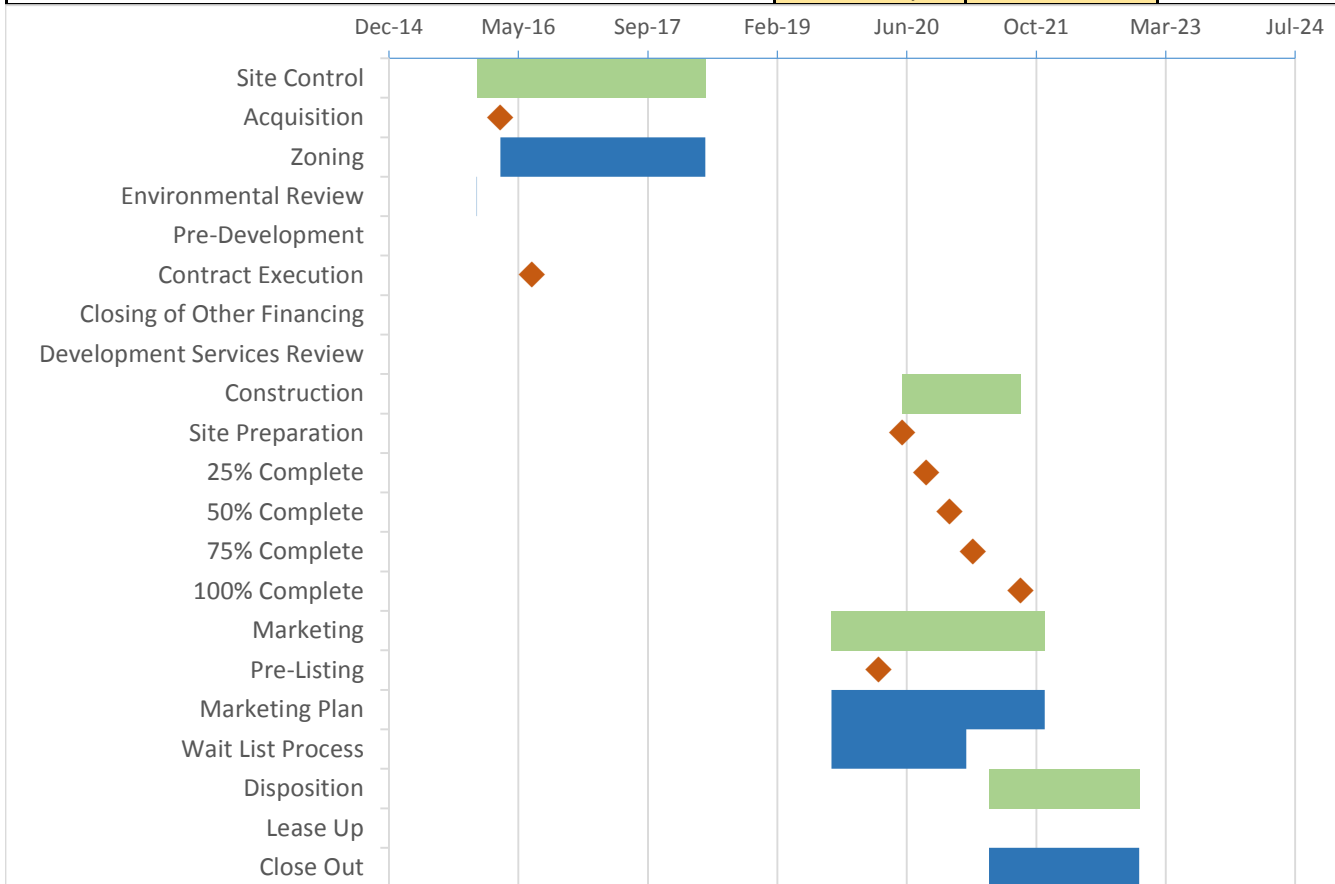
**Total \$ 16,290,138**

<u>Uses</u>	
Acquisition	1800000
Off-Site	
Site Work	
Sit Amenities	
Building Costs	11387975
Contractor Fees	
Soft Costs	1969268
Financing	282,424
Developer Fees	555698

**Total \$ 15,995,365**

## Development Schedule

	Start Date	End Date
<b>Site Control</b>	Dec-15	May-18
Acquisition	Mar-16	
Zoning	Mar-16	May-18
Environmental Review	Dec-15	Dec-15
<b>Pre-Development</b>	Jul-16	Jan-00
Contract Execution	Jul-16	
Closing of Other Financing		
Development Services Review		
<b>Construction</b>	Jun-20	Sep-21
Site Preparation	Jun-20	
25% Complete	Sep-20	
50% Complete	Dec-20	
75% Complete	Mar-21	
100% Complete	Sep-21	
<b>Marketing</b>	Sep-19	Dec-21
Pre-Listing	Mar-20	
Marketing Plan	Sep-19	Dec-21
Wait List Process	Sep-19	Feb-21
<b>Disposition</b>	May-21	Dec-22
Lease Up		
Close Out	May-21	Dec-22



## Development Budget

	Total Project Cost	Requested AHFC Funds	Description
<b>Pre-Development</b>			
Appraisal	\$ -		
Environmental Review	\$ 5,000		
Engineering	\$ 5,000		
Survey	\$ 38,392		
Architectural	\$ 114,000		
Other	\$ 132,381		
<b>Subtotal Pre-Development Cost</b>	\$ 294,773	\$ -	Previously received from City of Austin
<b>Acquisition</b>			
Site and/or Land	\$ 1,800,000		
Structures			
Other (specify)			
<b>Subtotal Acquisition Cost</b>	\$ 1,800,000	\$ -	Previously acquired
<b>Construction</b>			
Infrastructure			
Site Work	\$ 113,536	\$ 65,167	Paving, Grading, etc.
Demolition	\$ 6,635	\$ 3,808	Demolition/Abatement
Concrete	\$ 1,952,861	\$ 1,120,892	Cast-In-Place Concrete
Masonry		\$ -	
Rough Carpentry	\$ 33,930	\$ 19,475	Interior and Roof Blocking
Finish Carpentry	\$ 370,360	\$ 212,577	Door & Trim, Finish Hardware, Millwork
Waterproofing and Insulation	\$ 205,845	\$ 118,150	Insulation, Waterproofing, Fireproofing
Roofing and Sheet Metal	\$ 650,696	\$ 373,483	Roofing, Metal Panel Siding
Plumbing/Hot Water	\$ 723,558	\$ 415,304	Plumbing, Water Meters
HVAC/Mechanical	\$ 456,000	\$ 261,732	HVAC, Controls, Testing
Electrical	\$ 839,800	\$ 482,024	Electrical Units & Site, Light Fixtures, Temp Power
Doors/Windows/Glass	\$ 676,353	\$ 388,209	Glazing, Storefront, Mirrors
Lath and Plaster/Drywall and Acoustical	\$ 646,000	\$ 370,787	Drywall/Firewalls/Gypsum & Acoustical
Tiel Work	\$ 55,600	\$ 31,913	Floors, Tub/Shower, Kitchen
Soft and Hard Floor		\$ -	
Paint/Decorating/Blinds/Shades	\$ 364,662	\$ 209,307	Painting, Sunshade Canopies, Louver Blinds
Specialties/Special Equipment	\$ 9,362	\$ 5,374	Bath Accessories
Cabinetry/Appliances	\$ 228,570	\$ 131,193	Equipment/Appliances, Washer/Dryer
Carpet	\$ 77,070	\$ 44,236	Resilient & Carpet (Corridors/Units)
Other (specify)	\$ 2,462,959	\$ 1,413,675	Temp. Facilities & Controls (\$1,200,319); Steel (\$638,104); Elevator (\$130,500); Fire Suppression (\$246,500); CATV
Construction Contingency	\$ 1,514,178	\$ 869,099	Design/Owner 2%, CM Contingency 2%, Escalation 2%, General Conditions 5.93%
<b>Subtotal Construction Cost</b>	\$ 11,387,975	\$ 6,536,406	
<b>Soft &amp; Carrying Costs</b>			
Legal			
Audit/Accounting	\$ 30,000	\$ 17,219	Project Audit Costs
Title/Recordin		\$ -	
Architectural (Inspections)		\$ -	
Construction Interest		\$ -	
Construction Period Insurance	\$ 252,938	\$ 145,180	Builder's Risk Ins, General Liability Ins, Wrap Ins Policy
Construction Period Taxes		\$ -	
Relocation		\$ -	
Marketing	\$ 25,000	\$ 14,349	Costs to market 4th & Onion units to community
Davis-Bacon Monitoring		\$ -	
Other (specify)	\$ 2,204,679	\$ 1,264,845	Financing costs, contractor overhead & profit 5%, AHFH project management/developer fee 12%
<b>Subtotal Soft &amp; Carrying Costs</b>	\$ 2,512,617	\$ 1,441,594	
<b>TOTAL PROJECT BUDGET</b>	\$ 15,995,365	\$ 7,978,000	



## Projected Affordability Data for Home Sales (OHDA)

	Unit Model 1	Unit Model 2	Unit Model 3	Unit Model 4	Unit Model 5	Unit Model 6	Unit Model 7
Number of Units	7	14	19	2	10	5	0
Number of Bedrooms	1	1	1	2	2	3	0
Square Footage	515	515	515	745	745	1000	0
Anticipated Sale Price	\$236,962	\$236,962	\$236,962	\$342,789	\$342,789	\$460,120	\$0
Borrower Contribution	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$0
Homebuyer Subsidy	\$180,962	\$135,962	\$89,962	\$219,789	\$160,789	\$252,120	\$0
Total Principal Amount of Mortgage	\$53,000	\$98,000	\$144,000	\$120,000	\$179,000	\$205,000	\$0
Anticipated Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	0.00%
Monthly Principal Amount	\$147	\$272	\$400	\$333	\$497	\$569	\$0
Monthly Interest	\$137	\$254	\$373	\$311	\$464	\$531	\$0
Estimated Monthly Taxes	\$102	\$188.00	\$276.00	\$230.00	\$343.00	\$393.00	\$0.00
Estimated Monthly Insurance	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$0.00
<b>TOTAL Estimated PITI</b>	<b>\$436</b>	<b>\$764</b>	<b>\$1,099</b>	<b>\$924</b>	<b>\$1,354</b>	<b>\$1,543</b>	<b>\$0</b>

40% MFI

60% MFI

80% MFI

60% MFI

80% MFI

80% MFI

Project Name	1th & Union Multifamily	
Project Type	100% Affordable	
Council District	District 3	
Census Tract	9.02	
AHFC Funding Request Amount	\$7,978,000	
Estimated Total Project Cost	\$15,995,365	
High Opportunity	No	
High Displacement Risk	YES	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	0	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	0	# of rental units at < 30% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	0	% of Goals * 20
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	0	# of rental units at < 50% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	0	% of Goals * 15
< 60% MFI	23	# of units for purchase at < 60% MFI
< 80% MFI	34	# of units for purchase at < 80% MFI
District Goal	9.05%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	11.45%	% of annual goal reached with units
High Frequency Transit	43.35%	% of annual goal reached with units
Imagine Austin	43.35%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
SCORE	16	% of Goals * 15
Unit Score	16	MAXIMUM SCORE = 350
INITIATIVES AND PRIORITIES		
Continuum of Care	0	Total # of units provided up to 100 per year
Continuum of Care Score	0	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	No	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	0	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	12	Total Affordable 2 Bedroom units
3 Bedroom Units	5	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	6	Multi-bedroom Unit/Total Units * 20
TEA Grade	83	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	2	Educational Attainment, Environment, Community Institutions, Social Cohesion, Ec
Accessible Units	8	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	3	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	1	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	12	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	50%	% of total project cost funded through AHFC request
Leverage Score	13	25 - (% leverage * 25)
AHFC Per Unit Subsidy	\$139,964.91	Amount of assistance per unit
Subsidy per unit score	8	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$100,987.34	Amount of assistance per bedroom
Subsidy per Bedroom Score	12	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	0.00	Measured at the 5 Year mark
Debt Coverage Ratio Score	0	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	32	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	60	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

**AUSTIN HOUSING FINANCE CORPORATION**

**APPLICATION FOR OWNERSHIP HOUSING DEVELOPMENT ASSISTANCE (OHDA) – 2019**

**4<sup>th</sup> & ONION DEVELOPMENT: 1409-11 EAST 4<sup>TH</sup> STREET**

**i. APPLICANT ENTITY**

- a. Introduction: Austin Habitat for Humanity has been developing and constructing affordable homes in Austin and the region for 34 years. Since our founding in 1985, we have built more than 455 homes for hardworking low-income families in the area, and have developed more than 20 vacant properties into affordable housing communities. Austin Habitat’s programs provide a hand up, not a handout, for our partner families. All individuals and families who wish to become Habitat homeowners first complete an extensive series of prequalification activities, including financial education and ongoing one-on-one homeownership counseling. In addition, each family contributes “sweat equity” to ensure strong buy-in and commitment. When these activities are complete and the home is ready to be occupied, each family purchases their home with an affordable mortgage that helps them to avoid housing cost burden and build assets for education, wellness, and ongoing success.

As Austin Habitat continues to grow, we are continuously striving to expand the number and type of homes that we can develop and provide to the community, through the acquisition of larger land areas and the development of ambitious new projects including multifamily housing. Austin Habitat’s strong team – including real estate, architecture, construction, finance, client service and community engagement professionals – ensures that each project is undertaken with compassion, a strong focus on quality, and an ongoing commitment to compliance. We have worked frequently with the City of Austin and numerous other government and community stakeholders to support our programs, including State and Federal supporters, foundations, corporate sponsors, and individual donors as well as developers, construction companies, architecture firms, and environmental experts.

As the American dream of homeownership continues to slip farther out of reach for many hardworking lower-income families in Central Texas, Austin Habitat has recognized a major opportunity to use our expertise and community connections to more efficiently provide high-quality affordable homes. In particular, while we continue to build the single-family detached homes that are traditionally produced by Habitat affiliates around the nation, we are also introducing innovative models with increased density to create more homes for families in need.

Austin Habitat will break ground in 2019 on our first multifamily community, an 11-unit “row home” development in the Mueller area, supported by funding from the City of Austin. Austin Habitat is grateful to the City for its generous support of the Mueller project and excited to continue to realize our shared vision of high-quality homeownership development throughout the City. The 4<sup>th</sup> & Onion project, discussed below, represents a quantum leap in home production for Austin Habitat and is a leading-edge project among Habitat affiliates nationwide.

Austin Habitat for Humanity is requesting that the City of Austin make an investment of approximately \$140,000 per home for 57 affordable homeownership units to be built at the

intersection of 4th & Onion Streets, for a total investment of \$7,978,000. The City of Austin is recognized as a strong supporter of affordable homebuilding that ensures that Austin is accessible to everyone, and City support is associated with projects that have a strong likelihood of ongoing success. Therefore, the City's investment and ongoing involvement in this project, and particularly a decision to support the development at a significant level of funding per unit (approximately 50%), would serve as a seal of approval that we expect will help guide the decisions of other potential investors.

Certificate of Status: Please see attached certificate of registration with the state of Texas.

- b. Applicant Capacity: Please see attached Curriculum Vitae/Biography for each of the principal members of this project.
- c. Statement of Confidence: Please note that because Austin Habitat for Humanity has performed homeownership development work within the City of Austin for more than 30 years and has performed many homeownership development projects in partnership with the City, the team was informed by the City in January 2019 that a Statement of Confidence is not required.
- d. Financial Capacity: Please see the narrative below for a description of our expertise managing all aspects of an affordable housing development project. In addition, we have provided all required attachments: IRS tax-exempt statement; certified audit including opinion and management letters; and a Board approval for the project and the request for continued funding from the City.
  - i. Project Management: With more than 455 affordable homes constructed, Austin Habitat for Humanity provides more than three decades of project management experience and institutional knowledge about the most efficient and effective ways of creating affordable housing for hardworking families in Central Texas. Collectively, our staff brings experience that includes all phases of housing development including site acquisition, land development, design, and construction as well as marketing/outreach, finance, and other required areas.
  - ii. Market Analysis: With a focus toward affordable housing, our staff has experience in identifying housing demand and capacity for low-income working families (those earning up to 80% of the Median Family Income for the area). The team reviews information researched and published by the City as well as information from universities, other nonprofits and organizations dedicated to affordable housing. Austin Habitat has an established, detailed intake process for prospective families to enter our program. Many have been qualified through our housing counseling and have gone through underwriting to determine their ability to pay a mortgage, and remain on a waiting list, as described in the attached market assessment. We have attached a market analysis prepared by the City for the Plaza Saltillo Transit-Oriented Development (TOD) and an affordability study from UT, as well as an informal analysis of the Census tract that encompasses the area and our Habitat partner family pipeline.
  - iii. Site Selection and Control: Austin Habitat owns the 0.329 acre plot of land at 1409-11 East 4th Street, legally designated as follows: LOT 8 BLK 4 OLT 4 DIV O PECK R H (1409 East 4<sup>th</sup> Street) and LOT 7 BLK 4 OLT 4 DIV O PECK R H (1411 East 4<sup>th</sup> Street). This land was acquired through an exchange with Cielo Property Group, which now owns the land at 310 Comal Street where Austin Habitat previously had its ReStore, and is the former site of Austin Habitat's lumber yard.

- iv. Planning and Construction: AHFH has experience with the City's Land Development Code, including being a leading advocate for updates to the Code that will open up opportunities for affordable housing development in the City. Our team has already successfully worked with the City to change the height restrictions and other zoning requirements for the 4th & Onion site in order to build a structure that will house more than twice as many families as the original zoning would have allowed. We also have the capacity to navigate a housing development project through the entitlement and permitting process, having successfully completed many affordable home development projects within the City of Austin over our history. Our organization also employs full-time personnel dedicated to housing construction.
- v. Design, Architecture and Engineering: Austin Habitat for Humanity's approach to housing development begins with acquisition of finished vacant residential ready-to-build lots; we have experience developing subdivisions and we retain the services of several architectural and engineering firms to assist us with design. Austin Habitat has a portfolio of house plans for residential properties, ranging from one to five bedrooms across our sites, to support a variety of family units, and is developing additional multifamily housing models to provide affordable housing more efficiently to families in need. We currently have working relationships with a variety of professionals including architects and engineers who provide design services as needed to complete our housing development projects. We also employ an in-house registered architect who coordinates with construction staff on issues related to design, permitting, and onsite field inquiries.
- vi. Legal and Accounting: Austin Habitat employs the services of legal counsel as needed and has an experienced attorney serving as Legal Officer on the Board of Directors. Attorneys provide assistance in areas of land acquisition and coordinate title closings for our house selling transactions. For the 4th & Onion development, several specialized land-use and real-estate law firms are providing pro bono legal counsel specific to the unique nature of the project. Our accountants provide the necessary services essential to our operation and perform an annual audit that reflects the overall financial position of the organization. We also employ on staff a Chief Financial Officer (CFO) who is a Certified Public Accountant, as well as accounting/bookkeeping staff that monitor our operating transactions and construction spending activities.
- vii. Federal Funding Rules and Other Funding Rules: Several members of our leadership and staff offer experience in federal funding programs including CDBG, HOME, and NSP. We also have extensive experience with the City of Austin's funding rules, both for sub-awards of federal funding and for projects that are directly funded by the City. Multiple staff members have significant federal program and contract administration experience, and all Austin Habitat projects are performed in accordance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 2 C.F.R. § 200 et seq. as well as any state and local statutes and regulations. Austin Habitat receives funding from state, federal and local governments as well as from private individuals, foundations, corporations and other sources, and is experienced at leveraging funds from multiple sources for housing development and construction.

Recent and ongoing projects include the following:

Address	Number of Units	New or Rehab	Type of Property	Year Completed
Heritage Village	13	New	Single Fam.	2004
Frontier at Montana	30	New	Single Fam.	2008
Devonshire Village	43	New	Single Fam.	2013
Meadow Lake	25	New	Single Fam.	2011
Sendero Hills	49	New	Single Fam.	2013
Gilbert Lane	31	New	Single Fam.	2015
Lee Meadows	11	New	Single Fam.	2016
Egger Street	11	New	Single Fam.	2016
Magin Meadow	16	New	Single Fam.	2017
Guadalupe-Saldaña	4	New	Single Fam.	2018
4 <sup>th</sup> & Onion – Saltillo	57	New	Multifamily	Ongoing
Mueller	11	New	Multifamily	Ongoing
Scenic Point	67	New	Single Fam.	Ongoing

The 4th & Onion project represents an innovative approach by Austin Habitat to the housing affordability crisis in Austin. As noted in the above table, most of Austin Habitat's construction projects have created single-family detached homes to be sold to our partner families, rather than denser multifamily models. While we continue to provide this model, we recognize that there is a need for more efficient building, and moved into multifamily developments with the Mueller project, also supported by the City of Austin. The 4th & Onion project puts Austin Habitat on the leading edge of development and construction for Habitat affiliates, joining New York City Habitat which is building a 56-unit project in the Bronx. The New York project is expected to cost approximately \$29 million, with the City of New York and Bronx borough government providing 50% of construction costs.

ii. **DEVELOPMENT TEAM**

	Development Team Name(s) and Contact Information	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non-profit? (Mark X if yes)
Owner	Austin Habitat for Humanity, Inc.			X
Developer	Austin Habitat for Humanity, Inc.			X
Architect	Page Southerland Page			
Engineer	Doucet & Assoc. (Civil)		X	

Construction Lender	To Be Determined			
Attorney	Winstead, P.C. (pro bono)			
Attorney	Drenner Group, P.C. (pro bono)			
Accountant	PMB Helin Donovan, LLP			
General Contractor	To Be Awarded			
Consultant	Trammell Crow (pro bono)			
Consultant	Bartlett-Cocke (preconstruction)			
Consultant	Capital Project Management			

### iii. PROJECT PROPOSAL

**a. Project Description:** Austin Habitat for Humanity is in the process of building a 57-unit affordable housing development at 4th & Onion/Plaza Saltillo. Austin Habitat owns a .329 acre parcel of land at 1409-1411 East Fourth Street, the southwest corner of 4th & Onion streets in East Austin.<sup>1</sup> Austin Habitat's leadership and in-house advocacy professionals, with the support of community organizations, have partnered to obtain waivers of certain portions of Austin's Land Development Code to build a 70', six-story building on the site. (The site was originally zoned for a 40' building that would yield approximately 22 units.)

The development is ideally situated for low-to-moderate income working families, providing strong access to opportunities to succeed and build wellness. The Red Line train is 90 feet from the site; the #4 bus (soon to be rapid transit bus #804) is three blocks north, and additional lines on Comal and Cesar Chavez, are just three blocks away. The area is also highly walkable and bike-able and features nearby green space. Huston-Tillotson University, providing higher education and jobs, is five blocks away. Downtown Austin, with access to tens of thousands of jobs, is just ½ mile away. In an area where the median family income is less than half of the MFI for the county as a whole, this development is vital to allowing families to obtain stable housing in the area rather than being pushed out by costs associated with gentrification.

The team is close to completing the pre-development work on the site including design, permitting, site engineering, geotechnical and topographical surveying, and boundary determination, supported by HOME funds through the City of Austin. We expect to break ground in 2020 and to complete the building of the six-story, 57-unit multifamily development in 2021 and we are requesting a total investment of \$7,978,000 from the City of Austin to assist with the completion of these innovative affordable homes. We recognize that we are requesting a significant investment on the part of the City, and appreciate the opportunity to work closely with the City to build deeply affordable homes for families who would otherwise not be able to purchase a home in Austin, particularly not in such a rapidly gentrifying neighborhood in such close proximity to employment and transit, where many resident families are being pushed out by rising prices.

All units will be sold to partner families whose annual household income is at or below 80% of the Median Family Income (MFI) for the Austin-Round Rock Metropolitan Statistical Area (MSA). Currently, approximately 95% of our Affordable Homeownership Program participants actually earn 60% or less of

<sup>1</sup> The legal identification for these lots are Lot 7-9, Block 4, OLT 4 Div O Peck R H. (Zoning identifiers: 3,118,840.05, 10,068,425.09 for 1411 and 3,118,804.63, 10,068,450.14 for 1409.)

the MFI. Specifically for the 4th & Onion project, we plan to sell the units to three distinct groups of low-to-moderate income families:

- Seven units (12%) will be sold to buyers with incomes at or below 40% MFI
- Sixteen units (28%) will be sold to buyers with incomes at or below 60% MFI
- The remaining 34 units (60%) will be sold to buyers with incomes at or below 80% MFI

The families who purchase homes at the 4th & Onion development, like all partner families in the Affordable Homeownership Program, will be required to make a strong and ongoing investment in successful homeownership. All project participants will receive financial education and one-on-one counseling through our in-house HUD-approved Housing Counseling Program and complete “sweat equity” hours. Each partner family will then purchase their home at an affordable sales price, helping families avoid extreme housing cost burden and focus on financial empowerment through stable, affordable homeownership.

The unique nature of the 4th & Onion project has led to several changes to Austin Habitat’s procedures for attracting and qualifying homebuyers, and has also changed the financing model for the construction of the building as well as the lending structure for individual families. Specifically, the total cost of the project is nearly \$16 million; the development must be built all at once; and the nature of the building and its construction requirements do not allow for the volunteer opportunities that encourage the corporate sponsorships and grants that traditionally provide significant funding for Habitat projects. Due to the nature of this project, Austin Habitat is building a capital stack – utilizing multiple sources of capital to fund the project. Austin Habitat plans to apply for New Markets Tax Credits, Affordable Housing Program (AHP) funds, and will raise other funds through grants and special events to lower the construction financing cost. As the units are sold, the sales proceeds will be used to repay the construction loan. We also expect to be working with outside lenders that will hold the mortgages for the families that purchase homes at 4<sup>th</sup> & Onion. Austin Habitat has experience with outside lending qualification.

With respect to supportive services, the Affordable Homeownership Program includes intensive financial and housing counseling and education, and referrals as-needed to other organizations that can assist partner families in increasing readiness to attain their homeownership goals. Each family receives a wide-ranging, personalized assessment of their financial situation and a detailed action plan to eliminate financial barriers to successful homeownership. In addition, the Austin Habitat team works with Central Texas Food Bank to stock the home when the family moves in as a demonstration of the Food Bank’s commitment to our communities. The Austin Habitat team remains in contact with partner families after they have moved into their homes, and reaches out over several years to determine the ongoing impact of owning a Habitat home.

Housing Choice Voucher Availability: Please note that because all of the units at 4th & Onion are required to be owner-occupied, Austin Habitat for Humanity has not set aside any units for Section 8 Housing Choice Voucher Holders for rental housing.

Accessibility: all homes constructed by Austin Habitat for Humanity comply with the City of Austin Visitability Ordinance, City Code 25-12-243 §R320, as amended. In addition, as a certified S.M.A.R.T. home builder, Austin Habitat complies with all accessibility requirements for S.M.A.R.T. housing. Austin Habitat builds to the specification of the client, and an accessibility upgrade package, including widened doors, a roll-in shower and grab bars, is available at the homeowner’s request.



Neighborhood Plan: The project is compatible with the Neighborhood Plan for the East Cesar Chavez neighborhood, which supported Austin Habitat’s application for zoning waivers to build a larger structure and offer homeownership opportunities to more hardworking families. The strongest alignment with our project is Neighborhood Plan goal #8, to “preserve and increase the number of homeowners in the neighborhood.” By creating more than 55 units for purchase by families who would otherwise be unable to afford to buy in this rapidly gentrifying area, Austin Habitat is fulfilling this important goal. In addition, the project supports the following goals:

- Goal #1, provide zoning for a mix of business and residential land uses in commercial areas
- Goal #5, make better use of the Fourth/Fifth Street rail corridor

Key Financials:

Acquisition	\$1,800,000
Off-Site	
Site Work	
Site Amenities	
Building Costs	\$11,387,975
Contractor Fees	
Soft Costs	\$1,969,268
Financing	\$282,424
Developer Fees	\$555,698
<b>Total</b>	<b>\$15,995,365</b>

Debt	\$4,922,592
Third Party Equity	\$1,800,000
Grant	\$1,000,000
Deferred Developer Fee	
Other	\$294,773
City of Austin	\$7,978,000
<b>Total</b>	<b>\$15,995,365</b>

Occupied Properties: No occupied properties currently exist on the site that is the subject of this application. The 4th & Onion development will likely include the following variety of home types:

- Five three-bedroom units of 1,000 square feet.
  - These units will be sold for approximately \$205,000 each to families with incomes up to 80% MFI.
- Twelve two-bedroom units of 745 square feet.
  - For families with incomes up to 60% MFI, the units will be sold for approximately \$120,000. We expect to sell two units at this cost.
  - For families with incomes 61-80% MFI, the units will be sold for approximately \$179,000. We expect to sell ten units at this cost.
- Forty one-bedroom units of 515 square feet.
  - For families with incomes up to 40% MFI, the units will be sold for approximately \$53,000. We expect to sell seven units at this cost.

- For families with incomes of 41-60% AMI, the units will be sold for approximately \$98,000. We expect to sell 14 units at this cost.
- For families with incomes of 61-80% AMI, the units will be sold for approximately \$144,000. We expect to sell 19 units at this cost.

**PUD/TOD/Mixed Use:** The property is part of the Plaza Saltillo Transit Oriented Development (TOD) oriented toward the Red Line train and the 4 bus line, which will become the 804 Rapid Transit line, as well as the Route 17 (Cesar Chavez) and 322 (Chicon) bus lines nearby. In addition to being part of this TOD, which already carries a density bonus, Austin Habitat worked successfully with the City to obtain waivers of existing height restrictions in order to create a taller building that would allow us to provide more housing units and maintain a level of affordability that will align with our clients' needs. We are excited to provide housing close to the Plaza Saltillo development, a 10-acre mixed-use space that will combine rental units, office space and retail including a Whole Foods market, adding to the attractiveness of the area for working families.

**b. Market Analysis:** Please see attached.

**c. Good Neighbor Policy:** The Austin Habitat team has included a signed Good Neighbor checklist indicating that community outreach was performed in the area to notify neighbors of the upcoming development at 4th & Onion and help them understand the relationship between the development and Austin Habitat. Our team recently produced and disseminated flyers designed to introduce other local residents and businesses to the upcoming project, and delivered similar materials to the local neighborhood associations. In addition, we are in close contact with the East Cesar Chavez Neighborhood Association, which supported Austin Habitat's request to City Council to change the zoning/land use requirements in the area to allow the building of a taller, multifamily unit at 4th & Onion. We also have a strong history of partnership with the Guadalupe Neighborhood Development Corporation, including building four Net-Zero environmentally friendly homes in 2018. The partnership was awarded the 2018 Green Builder Award by Austin Business Journal in March 2019.

**d. S.M.A.R.T. Housing:** Austin Habitat for Humanity has been certified as a S.M.A.R.T. housing builder and has attached related documentation related to the 4<sup>th</sup> & Onion project.

**e. Memorandum of Understanding with the Ending Community Homelessness Coalition (ECHO):** Because this proposal does not include Permanent Supportive Housing, Continuum of Care Housing or Housing First Units, we have not attached an MOU with ECHO.

**f. Description of General Supportive Services:** Austin Habitat for Humanity provides supportive services to all potential homebuyers in the Affordable Homeownership Program, including those who will purchase homes in the 4<sup>th</sup> & Onion development, as well as members of the general public. These services include financial and housing counseling, offered in group workshops and one-on-one sessions, to ensure that all families are financially ready to qualify for a home and begin the Habitat homebuying process. Austin Habitat has been a HUD-approved housing counseling agency since 2010.

Austin Habitat's Housing Counseling Program is designed to assist participants in obtaining and maintaining stable housing. We employ two bilingual, HUD-certified Housing Counselors meet one-on-one with clients and facilitate workshops. Each family receives a personalized assessment of their financial situation, discussion of options, and development of plans designed to fit each family's unique needs. This solid educational foundation positively impacts financial capability skills including credit repair, debt management, budget maintenance, avoidance of predatory lenders, and foreclosure

prevention as needed. Once families qualify for the program, they work with the counselor to reach a solid financial standing that will qualify them to become Habitat homeowners, they receive more intensive housing education including seven required classes. All services are provided to Habitat clients and the public, in both English and Spanish, at no cost other than a small credit-report fee that can be waived as needed.

Austin Habitat plans to continue to offer an extensive array of financial and housing workshops as well as one-on-one support for potential Habitat homeowners and the public. As discussed above, one responsibility of partner families for the Affordable Homeownership Program is confirmed attendance at seven Housing Counseling classes that count towards their required hours of sweat equity. For this proposal, we will engage partner families and other clients in the Realizing the American Dream Class based on curriculum from the nationally recognized NeighborWorks America, as well as the Maintenance Class and potentially other workshops. Approximately 750 households will receive these supportive services annually, including all potential buyers for 4<sup>th</sup> & Onion. We have attached the resumes for Wayne Gerami, Vice President of Client Services, who oversees the Housing Counseling program, as well as Bertie Flores-Samilpa, our housing counselor.

Austin Habitat continues to build the funding base for Housing Counseling services, receiving its first Housing Counseling grant from HUD in 2018. Additional sources of funding include Wells Fargo Bank, Frost Bank, State Farm, and the Foundation for Financial Planning, with pending requests to Austin Community Foundation, the City of San Marcos and other supporters. Most grants for this type of service are one-year awards, so Austin Habitat will provide ongoing evidence of support for these initiatives as needed throughout the OHDA grant period if awarded funds under OHDA.

#### **iv. PROPERTY**

**a. Maps:** Please see attached.

- High Opportunity Census Tracts: Census Tract 9.02 is not a high-opportunity tract.
- Tracts at Risk of Displacement or Gentrification: The 4th & Onion property is within an area listed as having “dynamic” gentrification.
- Imagine Austin Centers and Corridors (0.5 miles): The 4th & Onion property is within the zone for an Imagine Austin Center and Imagine Austin Corridor.
- High-Frequency Transit Stops (0.25 miles): The 4th & Onion property is within 0.25 miles of a high-frequency transit stop.
- Transit Stops (0.75 miles): The 4th & Onion property is within 0.75 miles of a transit stop.
- Healthy Food Access (1.0 miles): The 4th & Onion property is not currently listed as being within 1.0 miles of a healthy food provider. Please note that the one-mile buffer zone for healthy food starts directly across the street, and that a new Whole Foods market will be opening within less than a mile in late 2019. In addition, there is a farmers’ market within 0.1 mile, an HEB supermarket within 1.5 miles and the flagship Whole Foods is within 1.7 miles. All are accessible via transit.
- 100-year floodplain: The 4th & Onion property is not on a 100-year floodplain.

**b. Real Estate Appraisal:** Please see attached.

**c. Zoning Verification Letter:** Please see attached.

**d. Proof of Site Control:** Please see attached warranty deed, appraisal and TCAD documentation.

e. **Phase I Environmental Assessment:** Please see attached.

f. **State Historical Preservation Office Consultation:** Not Applicable.

## Greg Anderson

2235 E. 6<sup>th</sup> Street #301 Austin, TX 78702 • (512) 426-1041 • [Greg@WalkableAustin.org](mailto:Greg@WalkableAustin.org)

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- EXPERIENCE:**
- Austin Habitat for Humanity** *Austin, TX* *January 2015 – present*  
Director of Community Affairs
- Develop relationships with affordability groups and advocacy groups
  - Project Manager of our new 53,000 sqft headquarters
  - Work with Austinites and lenders to secure new housing inventory
- City of Austin** *Austin, TX* *October 2010 – January 2015*  
Policy Director for Mayor Pro Tem Sheryl Cole
- Run with all zoning, entitlement and land-use issues
  - Create and work to pass policy for multiple departments including transportation, environment, non-profits, planning, and affordability
  - Interview and manage all city commission appointments
- Andrews Urban LLC** *Austin, TX* *October 2006 – August 2010*  
Project Manager
- Oversee day to day operations for four planned developments
  - Construction manager representative for the developer on the 360 Condominium tower consisting of 430 homes on 44 floors
- 

- EDUCATION:**
- The University of Texas at Austin – McCombs** *August 2010 – May 2013*  
MBA
- The University of Texas at Austin** *June 2005 – December 2008*  
Majors: Honors Urban Studies; Geography and the Environment  
Minors: Architecture; Business  
Overall GPA: 4.0

- HONORS & ACTIVITIES:**
- Dean's List; Phi Beta Kappa; Outstanding Undergraduate Award; co-founder and member of Rail4Real; founder of the UT Urban Development Society—president for two years; 2013 McCombs Greg Bourgeois Community Service Award Winner
- 

- PROFESSIONAL**
- City of Austin Planning Commissioner; Austin Housing Coalition Executive Board Member; HousingWorks Policy Committee Member; Member of the Austin-Bergstrom International (ABIA) 2040 Airport Master Plan Advisory Committee; Adjunct-Lecturer at UT Austin

## Senior Project Manager & Sustainability Program Director

### Biographic Summary:

Ted McConaghy, M.A. primarily works on project management, permitting, feasibility studies, conceptual design, entitlements processing and related jurisdictional issues. This includes all aspects of conceptual planning and due diligence, environmental planning, drainage & water quality, transportation, utilities extensions and subdivision design. He has been the lead Project Manager on dozens of projects in Austin.

As the Sustainability Program Direction, Mr. McConaghy has developed the 'Wheel of Sustainability' project management model to bring a holistic approach to incorporating sustainability into his projects. Additionally, he created the 'Natural Resource Inventory Plan' and 'Sustainability Program Plan'; these plans form the basis of the sustainability design within the Wheel. His projects have ranged from multi-phase commercial and single-family developments with construction budgets in the tens of millions of dollars, to plan corrections and revisions and related City of Austin procedures for commercial parking lots, retailers, building retrofits, utility relocations, school renovations, and minor public works projects with the City of Austin. Ted holds a Master's Degree in Urban Affairs from St. Louis University.

### Project Descriptions

- **Live Oak Trails - Austin, TX**  
Project Manager for multi-family project located in South Austin. The project includes 58 apartment units, along with common facilities including the office/gym, pool, and water quality pond. The site is in the Barton Springs Zone (waterway setbacks) and includes a 10-foot escarpment; these and other encumbrances made site layout a unique challenge, but the design team was able to create a workable land plan that exceeded the client's original expectations for unit capacity. We are also their primary engineering consultant.
- **North Mopac Hotels – Austin, TX**  
Project Manager for dual-hotel project located in North Austin. The project includes two boutique hotel buildings totaling 235 rooms, with the associated parking, utility, drainage, and related improvements. The project site included unique challenges related to tree preservation and water quality management; Mr. McConaghy led the design and permitting effort that led to the successful completion of the project.
- **Austin 360 Condominiums - Austin, TX**  
Project manager for civil engineering, planning, and surveying components of a large, mixed-use condominium project in downtown Austin. Tasks included extensive preliminary planning, design and permitting of civil construction documents, coordination with the client, architects, and other consultants, preparation of Great Streets Program documents, and extensive construction administration.
- **IDEA Charter School, Rundberg - Austin, TX**  
Ted was the Senior Planner for Phase Two of the IDEA Charter School at Rundberg, along the IH-35 southbound frontage road. Phase Two includes construction of the primary school building, completion of the ring road and ancillary parking, extension of the ring road north to Brownie Drive, and related drainage and utility improvements. This project also includes approximately 500' City of Austin street improvements to connect Brownie Drive to E. Longspur Blvd for the second access to the school site from north.



**Ted McConaghy, M.A.**  
Senior Project Manager &  
Sustainability Program Director

### Education

- ▶ M.A. Urban Affairs  
St. Louis University
- ▶ B.A. Philosophy  
University of Tulane

### Professional Affiliations

- ▶ American Planning Association

### Contact

7401 B Hwy 71 West, Suite 160  
Austin, Texas 78735

Office: 512.583.2600  
Direct: 512.583.2617  
Fax: 512.583.2601

[tmconaghy@doucetengineers.com](mailto:tmconaghy@doucetengineers.com)



## JASON PRICE

### DIVISION MANAGER - PRIVATE DEVELOPMENT

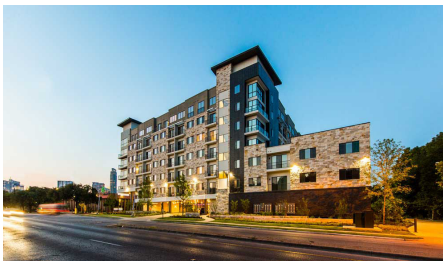
Jason Price serves as the Division Manager - Private Development. He achieves success through developing strong partnerships and building rapport with clients, architects, engineers and the members of his project teams. Jason leads our multifamily, office and mixed-used business development efforts for our Austin office.

Jason is an employee-owner of Bartlett Cocke General Contractors.

## RELEVANT EXPERIENCE



Chicon Mixed-Use Development;  
\$8,924,323; 55,307 SF including 8,500  
SF of retail space & 43 multi-family  
condominium flats above; Austin, TX



Water Marq/300 Riverside; Demolition  
of existing community and construction  
of new segment of City hike and bike  
trail; \$39,500,000; 250,000 SF; Austin, TX



Burnet Road Mixed-Use & Leander  
Warehouse; \$5,875,008; 5-story elevated  
concrete structure & warehouse;  
Leander, TX



Manor Road Mixed-Use; \$10,894,141;  
garage level, podium style elevated  
concrete structure, six retail stores;  
Austin, TX

### BARTLETT COCKE GENERAL CONTRACTORS

2 years with BCGC  
9 years industry experience

### ROLE & RESPONSIBILITY

As the Division Manager - Private  
Development, Jason's duties  
revolve around business  
development, preconstruction  
and senior level oversight of all  
office, mixed-use and multifamily  
projects.

### EDUCATION

Texas A&M University  
*Bachelor of Science,  
Resource Management*

### CITY OF RESIDENCE

Austin, TX

## THE FUTURE IS OURS TO BUILD™

### AFFILIATIONS

- Real Estate Council of Austin - Member
- Austin Chamber of Commerce - Member

### REFERENCES

Oden Hughes Taylor  
Eric Taylor  
512.813.7120

Kelly Grossman Architects  
John Kelly  
512.327.3397

## PAST PROJECT EXPERIENCE

LD&C Land Development & Construction, 48 East Apartment Tower; 267,975 SF; \$63,000,000; Austin, TX

1301 West 5th Street; \$43,000,000; 226,000 SF; Austin, TX

Marq 31/Greenway Gardens; Demolition of existing urban in-fill asset located near Houston Galleria; \$59,000,000; 400,000 SF; Houston, TX

Marquis at Cinco Ranch, Phase II; 80 unit garden style addition to existing community. Total of 8 buildings and site infrastructure; \$10,000,000; 90,000 SF; Katy, TX

Marquis at Barton Trails, Phase II; 157 unit garden style apartment complex, total of 8 buildings and new clubhouse with swimming pool and outdoor kitchen; \$14,000,000; 139,000 SF; Austin, TX

Point on Rio/19 Rio Apartments; 123 unit podium style apartments with 2.5 levels of post tension underground parking and 5 levels plus lofts of wood framed units; \$19,800,000; 168,000 SF; Austin, TX

Southwestern University Field House & Athletic Fields; Ground-up Field House with full scale weight room, locker room with custom wood lockers plus training facilities; \$7,500,000; 22,000 SF; Georgetown, TX

21st & Pearl Apartments; 136 unit apartment building located in the heart of West Campus. This podium style project consisted of 2.5 levels of underground concrete parking structure and 5 levels plus lofts of wood framed units; \$15,000,000; 170,000 SF; Austin, TX

Vistas at San Marcos; 256 unit apartment complex located adjacent to the Texas State campus. This podium style structure occupied a full city block with 2.5 levels of subterranean parking and 5 levels plus lofts of wood framed units; \$25,000,000; 500,000 SF; San Marcos, TX

SEVEN Apartments; \$50,000,000; 221 units, 24 Story Elevate Concrete Structure; 17 levels of apartments over 7 levels of parking; Austin, TX



## Profile—Lawrence W. Speck

Lawrence W. Speck is a Senior Design Principal for a large (500 person) architectural firm, Page, with offices in six cities across the U.S. He is also a well-known design educator having been a faculty member in schools of architecture at M.I.T, University of Western Australia and University of Texas at Austin for many years. He served as Dean of the School of Architecture at University of Texas at Austin 1992-2001.

Speck has helped lead six major master planning projects for his home city, Austin, including master plans for a seven mile stretch of the Colorado River as it moves through downtown Austin, for a 40-block area around the Texas State Capital and for the University of Texas at Austin campus. He has also been lead architect for two major park projects in Houston—Discovery Green in the heart of downtown and Buffalo Bayou Park just north of downtown. In addition to designing many urban commercial buildings, Speck has been lead designer for Austin Bergstrom International Airport Terminal (3 phases), Austin Convention Center (2 phases) as well as academic buildings on six university campuses.

His work has been profiled in such popular publications as *The Atlantic*, *The New York Times*, and *Business Week*; in American architectural publications such as *Architectural Record*, *Architecture*, *Architectural Digest*, *Architect*, *interior Design*, *Contract*, and *Progressive Architecture*; and in international architectural journals such as *The Architectural Review* (England), *OFX* (Italy), *Design Community* (China), *Baumeister* (Germany), *Projeto* (Brazil), *Tasarim* (Turkey), *Ottogano* (Italy), *Nikkei Construction* (Japan) and *Architectural Design* (England).

In the last 25 years, Speck's design work has won over 120 design awards including more than 30 awards from the American Institute of Architects. As an educator, he has received over 40 teaching and service awards including the AIA/ACSA Topaz Medallion given to one individual in North America each year in recognition of their contribution to excellence in architectural education.

Speck is a Fellow in the American Institute of Architects and served as chair of the jury to select fellows in 2005. He has also served on the Architectural Advisory Board for the U. S. State Department Overseas Building Operations, as a National Peer Reviewer for the U. S. General Services Administration Design Excellence Program, and on the boards of national environmental groups such as Greenguard Environmental Institute and Air Quality Sciences.



## Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

AUSTIN HABITAT FOR HUMANITY, INC.  
Filing Number: 73651401

Articles Of Incorporation

January 23, 1985

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on November 14, 2005.



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams  
Secretary of State

ATLANTA GA 39901-0001

In reply refer to: 0752639100  
Mar. 10, 2016 LTR 4168C 0  
74-2373217 000000 00  
00017473  
BODC: TE

AUSTIN HABITAT FOR HUMANITY INC  
% PHYLLIS SNODGRASS  
500 W BEN WHITE BLVD  
AUSTIN TX 78704



029909

Employer ID Number: 74-2373217  
Form 990 required: YES

Dear Taxpayer:

We issued you a determination letter in August 1985, recognizing you as tax-exempt under Internal Revenue Code (IRC) Section 501(c)(3).

Our records also indicate you're not a private foundation as defined under IRC Section 509(a) because you're described in IRC Sections 509(a)(1) and 170(b)(1)(A)(vi).

Donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106, and 2522.

In the heading of this letter, we indicated whether you must file an annual information return. If a return is required, you must file Form 990, 990-EZ, 990-N, or 990-PF by the 15th day of the fifth month after the end of your annual accounting period. IRC Section 6033(j) provides that, if you don't file a required annual information return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

0752639100  
Mar. 10, 2016 LTR 4168C 0  
74-2373217 000000 00  
00017474

AUSTIN HABITAT FOR HUMANITY INC  
% PHYLLIS SNODGRASS  
500 W BEN WHITE BLVD  
AUSTIN TX 78704

Sincerely yours,

A handwritten signature in black ink, appearing to read "Teri M. Johnson". The signature is fluid and cursive, with the first name "Teri" being the most prominent.

Teri M. Johnson  
Operations Manager, AM Ops. 3



# **Austin Habitat for Humanity, Inc.**

**(A Nonprofit Corporation)**

Report of Independent Auditor and Consolidated  
Financial Statements with Supplementary Information

December 31, 2017 and 2016

**PMB Helin Donovan**

**AUSTIN HABITAT FOR HUMANITY, INC.**

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## Report of Independent Auditor

To the Board of Directors of  
Austin Habitat for Humanity, Inc.:

We have audited the accompanying consolidated financial statements of Austin Habitat for Humanity and its subsidiaries (collectively, the “Organization”), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated financial statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

# PMB Helin Donovan

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## *Other Matters*

### *Predecessor Auditor*

The consolidated financial statements of the Organization for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on July 14, 2017.

### *Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of financial position information and consolidating schedule of activities information as of and for the year ended December 31, 2017 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

July 23, 2018  
Austin, Texas



**AUSTIN HABITAT FOR HUMANITY, INC.**

## Consolidated Statements of Financial Position

December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>		
Current assets		
Cash and cash equivalents	\$ 1,382,287	\$ 820,061
Investments, at fair value	400,080	391,791
Accounts receivable, net	173,000	189,261
Pledges receivable, net	116,718	155,875
Mortgages receivable, current portion, net	816,838	808,474
ReStore inventory	619,453	529,738
Home construction in progress	484,299	551,469
Prepaid expenses and other current assets	248,190	285,420
Total current assets	<u>4,240,865</u>	<u>3,732,089</u>
Land held for development	3,500,621	3,248,276
Restricted cash	45,229	71,659
Pledges receivable, long-term portion, net	380,817	14,250
Other long-term assets	193,628	243,791
Mortgages receivable, long-term portion, net	8,453,826	8,259,388
Notes receivable - 2nd liens, net	815,277	428,591
Investments, at cost - NMTC	2,491,147	2,509,068
Property and equipment, net	9,592,553	9,810,019
Total assets	<u>\$ 29,713,963</u>	<u>\$ 28,317,131</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Current liabilities		
Accounts payable	\$ 456,738	\$ 170,704
Accrued expense	539,353	569,540
Deferred revenue	1,027,101	1,018,549
Capital lease obligation, current portion	33,251	32,269
Notes payable - TDHCA, current portion	87,149	84,316
Long-term debt, current portion	156,985	151,200
Total current liabilities	<u>2,300,577</u>	<u>2,026,578</u>
Capital lease obligation, long-term portion	256,670	292,647
Notes payable - TDHCA, long-term portion	1,175,498	1,161,396
Long-term debt, net of debt issuance costs	8,014,758	8,150,441
Total liabilities	<u>11,747,503</u>	<u>11,631,062</u>
Net assets		
Unrestricted	16,851,094	16,073,377
Temporarily restricted	1,115,366	566,826
Permanently restricted	-	45,866
Total net assets	<u>17,966,460</u>	<u>16,686,069</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 29,713,963</u>	<u>\$ 28,317,131</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Consolidated Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES:</b>				
Contributions and other income:				
Contributions	\$ 1,510,797	\$ 617,206	\$ -	\$ 2,128,003
In-kind contributions	188,197	-	-	188,197
Home building sponsorship revenues	1,002,224	-	-	1,002,224
Investment income	46,839	-	-	46,839
Other income	287,287	-	-	287,287
Net assets released from restrictions	114,532	(68,666)	(45,866)	-
Total contributions and other	<u>3,149,876</u>	<u>548,540</u>	<u>(45,866)</u>	<u>3,652,550</u>
ReStore revenues:				
ReStore sales	3,871,588	-	-	3,871,588
In-kind donation of inventory	1,910,324	-	-	1,910,324
Cost of goods sold	(2,806,608)	-	-	(2,806,608)
Sales discounts and refunds	(106,082)	-	-	(106,082)
Total ReStore revenues, net	<u>2,869,222</u>	<u>-</u>	<u>-</u>	<u>2,869,222</u>
Low-cost housing revenues:				
Home sales	1,714,500	-	-	1,714,500
In-kind contributions of labor and construction materials	786,123	-	-	786,123
Mortgage discount and amortization	353,429	-	-	353,429
Other housing revenues	42,580	-	-	42,580
Cost of homes sold	(2,318,340)	-	-	(2,318,340)
Total Low-cost housing revenues	<u>578,292</u>	<u>-</u>	<u>-</u>	<u>578,292</u>
Total revenues	<u>6,597,390</u>	<u>548,540</u>	<u>(45,866)</u>	<u>7,100,064</u>
<b>EXPENSES:</b>				
Low-cost housing program	2,143,443	-	-	2,143,443
ReStore program	2,034,006	-	-	2,034,006
Fundraising	1,084,041	-	-	1,084,041
Management and general	558,182	-	-	558,182
Total expenses	<u>5,819,673</u>	<u>-</u>	<u>-</u>	<u>5,819,673</u>
<b>CHANGE IN NET ASSETS</b>	777,717	548,540	(45,866)	1,280,391
<b>NET ASSETS, BEGINNING OF YEAR</b>	16,073,377	566,826	45,866	16,686,069
<b>NET ASSETS, END OF YEAR</b>	\$ <u>16,851,094</u>	\$ <u>1,115,366</u>	\$ <u>-</u>	\$ <u>17,966,460</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Consolidated Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES:</b>				
Contributions and other:				
Contributions	\$ 2,602,779	\$ 390,379	\$ -	\$ 2,993,158
In-kind contributions	156,153	-	-	156,153
Home building sponsorship revenues	1,099,976	-	-	1,099,976
Investment income	48,934	-	-	48,934
Other income	1,265,559	-	12,147	1,277,706
Net assets released from restrictions	37,168	(37,168)	-	-
Total contributions and other	<u>5,210,569</u>	<u>353,211</u>	<u>12,147</u>	<u>5,575,927</u>
ReStore revenues:				
ReStore sales	2,876,088	-	-	2,876,088
In-kind donation of inventory	1,511,844	-	-	1,511,844
Cost of goods sold	(2,322,206)	-	-	(2,322,206)
Sales discounts and refunds	(57,521)	-	-	(57,521)
Total ReStore revenues, net	<u>2,008,205</u>	<u>-</u>	<u>-</u>	<u>2,008,205</u>
Low-cost housing revenues:				
Home sales	1,993,000	-	-	1,993,000
In-kind contributions of labor and construction materials	1,491,438	-	-	1,491,438
Mortgage discount and amortization	113,341	-	-	113,341
Other housing revenues	28,794	-	-	28,794
Cost of homes sold	(3,243,936)	-	-	(3,243,936)
Total Low-cost housing revenues	<u>382,637</u>	<u>-</u>	<u>-</u>	<u>382,637</u>
Total revenues	<u>7,601,411</u>	<u>353,211</u>	<u>12,147</u>	<u>7,966,769</u>
<b>EXPENSES:</b>				
Low-cost housing program	2,142,026	-	-	2,142,026
ReStore program	1,701,692	-	-	1,701,692
Fundraising	839,180	-	-	839,180
Management and general	489,862	-	-	489,862
Total expenses	<u>5,172,760</u>	<u>-</u>	<u>-</u>	<u>5,172,760</u>
<b>CHANGE IN NET ASSETS</b>	2,428,651	353,211	12,147	2,794,009
<b>NET ASSETS, BEGINNING OF YEAR</b>	13,644,726	213,615	33,719	13,892,060
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 16,073,377</u>	<u>\$ 566,826</u>	<u>\$ 45,866</u>	<u>\$ 16,686,069</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2017

	<u>Low-Cost Housing</u>	<u>ReStore</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and related	\$ 1,269,564	\$ 1,337,992	\$ 568,027	\$ 440,302	\$ 3,615,884
Advertisements	14,358	38,178	349,334	121	401,990
Office expenses	44,148	128,237	20,662	18,303	211,351
Information technology	22,377	7,458	8,888	9,866	48,589
Occupancy	101,923	39,776	8,337	4,199	154,236
Travel	17,256	14,139	8,867	1,192	41,453
Conference, conventions, and meetings	4,728	5,458	7,221	5,194	22,601
Interest expenses	53,683	174,349	18,207	23,100	269,339
Tithe to HFHI	53,000	-	-	-	53,000
Depreciation and amortization	34,592	179,966	16,929	20,462	251,949
Insurance	33,838	72,882	4,196	2,268	113,184
Warranty work	4,490	-	-	-	4,490
Tools and equipment	9,272	1,913	-	-	11,185
Professional services	40,651	7,626	21,178	23,202	92,657
NMTC transaction Fees	26,430	-	-	-	26,430
Dues and subscriptions	13,148	12,957	11,738	7,125	44,968
Home repair program	389,037	70	25,642	-	414,749
Other expense	10,949	13,005	14,815	2,849	41,618
Total Functional Expenses	\$ <u>2,143,443</u>	\$ <u>2,034,006</u>	\$ <u>1,084,041</u>	\$ <u>558,182</u>	\$ <u>5,819,673</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2016

	<u>Low-Cost Housing</u>		<u>ReStore</u>		<u>Fundraising</u>		<u>Management and General</u>		<u>Total</u>
Salaries and related	\$ 1,095,654	\$	1,154,709	\$	490,216	\$	379,988	\$	3,120,567
Advertisements	12,826		53,499		137,298		33		203,656
Office expenses	40,300		78,632		14,853		14,672		148,457
Information technology	13,907		7,424		5,732		3,105		30,168
Occupancy	99,163		13,268		5,371		3,600		121,402
Travel	7,381		9,614		3,197		955		21,147
Conference, conventions, and meetings	5,016		4,217		6,409		5,666		21,308
Interest expenses	99,728		116,237		27,141		33,735		276,841
Tithe to HFHI	61,000		-		-		-		61,000
Depreciation and amortization	43,313		169,860		12,863		22,983		249,019
Insurance	33,007		65,376		3,678		2,592		104,653
Warranty work	5,040		-		-		-		5,040
Tools and equipment	9,351		-		-		-		9,351
Professional services	89,099		6,854		120,650		10,326		226,929
NMTC transaction Fees	26,989		-		-		-		26,989
Dues and subscriptions	6,900		13,900		9,361		9,658		39,819
Home repair program	482,872		4,918		-		-		487,790
Other expense	10,480		3,184		2,411		2,549		18,624
Total Functional Expenses	\$ <u>2,142,026</u>	\$	<u>1,701,692</u>	\$	<u>839,180</u>	\$	<u>489,862</u>	\$	<u>5,172,760</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**

Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,280,391	\$ 2,794,009
Adjustments to reconcile change in net assets to net cash provided by operations:		
Noncash interest expense	17,921	27,533
Depreciation and amortization	251,949	249,017
Unrealized gain on investments	(6,074)	(11,862)
Loss on disposal of property and equipment	40,383	-
(Increase) decrease in operating assets:		
Accounts receivable	16,261	86,813
Pledges receivable	(327,410)	(46,208)
Grants receivable	-	112,659
Mortgages receivable	(202,802)	(739,193)
ReStore Inventory	(89,715)	(241)
Home construction in Progress	67,170	575,527
Prepaid expenses and other	37,230	38,621
Land held for development	(252,345)	(1,693,511)
Notes receivable, 2nd liens	(386,686)	(450,572)
Other long-term assets	50,163	(275,819)
Increase (decrease) in operating liabilities:		
Accounts Payable	286,034	(61,855)
Accrued expenses	(30,187)	355,003
Deferred revenue	8,552	123,275
Escrow and custodial liability	-	(295,476)
Notes payable - TDHCA	16,935	152,676
Net cash provided by operating activities	<u>777,770</u>	<u>940,396</u>
<b>Cash flows from investing activities:</b>		
Restricted cash	26,430	26,989
Purchases of investments	(2,215)	(39,136)
Purchases of property and equipment	(74,866)	(97,421)
Net cash used in investing activities	<u>(50,651)</u>	<u>(109,568)</u>
<b>Cash flows from financing activities:</b>		
Payments on long-term debt	(129,898)	(287,089)
Payments on capital lease obligation	(34,995)	(34,781)
Net cash used in financing activities	<u>(164,893)</u>	<u>(321,870)</u>
Net increase in cash and cash equivalents	562,226	508,958
Cash and cash equivalents at beginning of year	820,061	311,103
Cash and cash equivalents at end of year	<u>\$ 1,382,287</u>	<u>\$ 820,061</u>
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ <u>241,808</u>	\$ <u>202,889</u>
Income taxes paid	\$ <u>-</u>	\$ <u>359,697</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements  
Years ended December 31, 2017 and 2016

**1. ORGANIZATION**

Austin Habitat for Humanity, Inc. (“AHFH”) is a nonprofit, affordable housing developer dedicated to the elimination of substandard housing in Austin, Texas. It is affiliated with Habitat for Humanity International, Inc. (“HFHI”) based in Americus, Georgia. AHFH was incorporated in 1985 under the laws of the State of Texas. While adhering to the policies and procedures prescribed by HFHI, AHFH exists as a separate corporation with its own Board of Directors. Local policies, strategies, operations, and fundraising are the responsibility of each affiliate.

Austin Neighborhood Alliance for Habitat, Inc., (the “Alliance”) is a wholly owned non-profit corporation formed to support AHFH. The Alliance receives federal financial assistance to acquire land and develop infrastructure for homes.

HomeBase Texas (“HomeBase”) is a wholly owned non-profit corporation that provides affordable homeownership opportunities to homeowners that meet a higher family income threshold than those served by AHFH.

The Alliance and HomeBase financial statements are consolidated into the financial statements of AHFH because AHFH has control over and an economic interest in the Alliance and HomeBase. AHFH and its affiliates, the Alliance and HomeBase, are collectively referred to as the Organization.

***Low-Cost Housing Program***

To be considered for home ownership, families must be low-income families who demonstrate a need for better housing, an ability to make mortgage payments, and a willingness to work in partnership with AHFH. The partnership consists, in part, of each family completing 300 hours of “sweat equity” and meeting monthly mortgage payments. AHFH acquires the land, finds and qualifies the families, raises the funding, finds and supervises construction volunteers, builds the houses, and funds the mortgages. Houses are sold resulting in either a no interest or zero profit on the mortgage. By policy of HFHI, AHFH may accept government support for land, infrastructure improvements and construction.

***ReStore Program***

AHFH also operates a ReStore in Austin. The ReStore program provides access to quality building materials, new and used, household goods, clothing, etc., to the general public to help them create a better human habitat in which to live and work. The ReStore receives donated materials, purchases items, and sells them.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** - The consolidated financial statements are presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) as defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”).

**Classification of Net Assets** - The consolidated financial statements report information regarding the Organization’s consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

Unrestricted net assets - Net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Temporarily restricted net assets - Net assets are subject to donor-imposed stipulations, which limit their use by the Organization to a specific purpose and/or the passage of time.

Permanently restricted net assets - Net assets are subject to donor-imposed stipulations, which require them to be maintained permanently by the Organization.

**Use of Estimates** - The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates include the fair value of investments, allowances for uncollectable receivables, useful lives of property and equipment, and the valuation of in-kind services and materials.

**Advertising Costs** - Advertising costs are expensed when incurred. Advertising expense for the years ended December 31, 2017 and 2016 were \$401,990 and \$203,656, respectively.

**Fair Value Measurements** - The Organization measures and discloses fair value measurements in accordance with the authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 - Inputs based on quoted market prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
- Level 3 - Unobservable inputs that reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.



**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**Restricted Cash** - As a condition of the loan agreements with HFHI-SA NMTC VI, LLC and CCM Community Development XXVII, LLC and through its investment in two New Market Tax Credit (“NMTC”) programs (Note 10), AHFH has established separate bank accounts for receiving and disbursing certain amounts related to the NMTC transactions. Total restricted cash was \$45,299 and \$71,659 as of December 31, 2017 and 2016, respectively.

**Investments, at fair value** - Investments in mutual funds are carried at fair market value based on quoted market prices. Any changes in market value are reported in the consolidated statements of activities as increases or decreases to investment income.

**Investments, at cost - NMTC** - In November 2011, AHFH invested, along with eleven other Habitat affiliates, in a joint venture named HFHI-SA Leverage IX, LLC with 4.82% ownership to take advantage of NMTC financing. In July 2012, AHFH participated in a second NMTC transaction along with eleven other Habitat affiliates. As a result of this transaction, AHFH acquired a 9.09% ownership in a joint venture named CCML Leverage II, LLC. Since AHFH has no ability to influence the operating or financial policies of HFHI-SA Leverage IX, LLC and CCML Leverage II, LLC, the cost method is used to account for these investments. Under that method, AHFH records income only to the extent of distributions received.

The Organization has capitalized, as, certain structuring and guarantee fees and closing costs for the loans to finance these investments and construction costs. These fees are being amortized to interest expense over seven to sixteen years and are reflected as costs of the investments.

**Accounts Receivable** - Accounts receivable are recorded at the amount the Organization expects to collect on outstanding balances. The Organization has not recorded an allowance for uncollectible accounts receivables at December 31, 2017 or 2016 as management believes all balances to be collectible.

**Pledges Receivable** - Pledges receivable are recorded at the amount the Organization expects to receive from donors. Promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Although the Organization has not experienced material uncollectible amounts in the past, an allowance for uncollectible pledges receivable has been established. The allowance at December 31, 2017 and 2016, was \$58,282 and \$19,125, respectively. The Organization did not apply a net present value discount on the pledges receivable balance as of December 31, 2017 and 2016 as management considered the amount to be insignificant.

**Notes Receivable, 2<sup>nd</sup> Liens** - Notes receivable are a non-amortizing repayable second lien due in 30-35 years at 0% interest. The second lien is attached to a home sale to qualified applicants under the HomeBase Texas program. The first lien is provided for by a traditional third-party lender. The second lien is due and payable between 30-35 years to allow for the first lien to have been paid off and provides a subsidy that allows the home sale to meet the affordability requirements of the HomeBase Texas program. These notes are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The Organization has not recorded an allowance for uncollectible notes receivable at December 31, 2017 or 2016 as management believes all balances to be collectible.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**Home Sales and Mortgages Receivable** - Home sales represent the sale to qualified families of houses built in Austin, Texas by the Organization. Homes are sold at cost when possible and the sales are financed by the Organization utilizing non-interest bearing 15 to 35-year mortgages due in monthly installments from the families. The mortgages are secured by the underlying real estate and are carried at the unpaid principal balances. The Organization obtains a deed of trust for any difference between the agreed-upon purchase price and the current fair value of the property. This difference, referred to as “the equity”, is payable to the Organization should the homeowner sell the property before the mortgage is paid off or if the home is foreclosed and sold in the open market.

The mortgages receivable are discounted based upon prevailing market interest rates for low-income housing at the inception of the mortgages. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities when mortgage payments are collected.

The Organization monitors the mortgages on a monthly basis and considers all mortgages to be collectible, thus no allowance for loan losses has been recorded. The Organization maintains a partner relationship with the mortgagees (“partner families”). However, the Organization will consider foreclosure proceedings on any delinquent accounts if the partner family ceases to have the ability to pay and make payments on the mortgage or no longer has a willingness to partner with the Organization. At December 31, 2017 and 2016, the Organization had no investment in foreclosed loans.

**ReStore Inventory** - ReStore inventory consists of donated building materials, household items and clothing as well as purchased building materials available for sale. Donated inventory is recorded as in-kind contributions at fair value when received based on estimated sales value. Purchased inventory is stated at the lower of cost or market determined by the first-in first-out method.

**Home Construction in Progress** – Home construction in progress represents home construction and land costs incurred on incomplete homes in progress and completed homes not yet conveyed to the recipient family. Once sold and conveyed, the home costs are expensed to cost of homes sold in the accompanying consolidated statements of activities.

**Property and Equipment** - Property and equipment consists of land, buildings, and equipment. Property and equipment additions are recorded at cost if purchased or estimated fair value if donated less accumulated depreciation. The Organization capitalizes all additions over \$1,000 and expenses maintenance and repairs that do not improve or extend the useful lives of the respective assets. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Estimated useful lives are three to five years for computer equipment; five years for building improvements, software and vehicles; three to seven years for tools and construction equipment; and twenty to forty years for completed houses and buildings. Property and equipment under capital lease is amortized over the shorter of the lease term or the expected useful life of the asset.

Long-lived assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. Management believes there has been no impairment of such assets as of December 31, 2017 and 2016.

**Debt Issuance Costs** - Debt issuance costs associated with long-term debt are recorded as a reduction of the related debt balance and amortized to interest expense over the term of the related arrangement.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**Notes Payable – TDHCA** - The Texas Department of Housing and Community Affairs Department (“TDHCA”) administers the Owner-Builder Loan Program, also known as the Texas Bootstrap Loan Program (“Bootstrap Program”). The Bootstrap Program is a self-help housing construction program that provides the owners and builders of very low-income families an opportunity to purchase or refinance real property on which to build new housing or repair their existing homes through “sweat equity.” Owner builder’s household income may not exceed 60% of Area Median Family Income. The Bootstrap Program notes payable are discounted based upon prevailing market interest rates at the inception of the mortgage. The financing discounts are amortized and reflected as mortgage discount and amortization in the accompanying consolidated statements of activities as the mortgage payments are made.

**Contribution Revenue** - All contributions, including home building sponsorship revenues and non-cash contributions, are recorded at their fair value and are considered to be available for operations of the Organization unless specifically restricted by the donor. Unconditional promises to give cash and other assets are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of donated assets. When donor restrictions expire, that is, when a stipulated time restriction ends or restricted purpose is accomplished, the related temporarily restricted net assets are reclassified to unrestricted net assets. This is reported in the accompanying consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Government Grant Revenue** - The Organization receives funding from governmental financial assistance programs that supplement its traditional funding sources. The awards provide for reimbursement of qualifying costs incurred, as defined in the underlying award agreements. The Organization recognizes revenue from these awards as services are rendered and expenses are incurred.

**In-Kind Contributions of Labor** - A substantial number of volunteers have made significant contributions of their time to the Organization’s program and supporting services. Donated services are recognized as contributions if the services (1) create or enhance non-financial assets, or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Under those criteria, volunteer time and professional services donated to construct homes is recognized as contribution revenue and capitalized as home construction in progress. When homes are transferred to recipient families, home construction in progress is recorded as component of cost of homes sold within the accompanying consolidated statements of activities.

**Functional Expense Allocation** - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Federal Income Taxes** - AHFH, the Alliance, and HomeBase are all non-profit organizations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except with respect to any unrelated business income. AHFH, the Alliance and HomeBase did not incur any tax liabilities for unrelated business income during the years ended December 31, 2017 or 2016. The Board assesses uncertainties in income taxes in its consolidated financial statements and uses a threshold of more-likely-than-not for recognition and derecognition of tax positions taken. There is no provision or liability for federal income taxes in the accompanying combined financial statements related to the Organization. AHFH, the Alliance, and HomeBase file Form 990 tax returns in the U.S. federal jurisdiction and are subject to routine examinations of its returns. However, there are no examinations currently in progress. The Board’s management believes it is no longer subject to income tax examinations for years prior to 2014.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**Recent Accounting Pronouncements-** In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to recognize a right-of-use asset and a lease liability under most operating leases in its balance sheet. For non-public companies, the ASU is effective for years beginning after December 15, 2019. Early adoption is permitted. The Organization has elected not to early adopt this ASU as of December 31, 2017.

Accounting Standards Update No. 2016-14, *Not-for-Profit Entities* (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities decreases the number of net asset classes from three to two. The new classes will be net assets with donor restrictions and net assets without donor restrictions. The standard also:

- Requires reporting of the underwater amounts of donor-restricted endowment funds in net assets with donor restrictions and enhances disclosures about underwater endowments.
- Continues to allow preparers to choose between the direct method and indirect method for presenting operating cash flows, eliminating the requirement for those who use the direct method to perform reconciliation with the indirect method.
- Requires a not-for-profit to provide in the notes qualitative information on how it manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a not-for-profit's financial assets at the balance sheet date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes.
- Requires reporting of expenses by function and nature, as well as an analysis of expenses by both function and nature.

The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2017. Early application of the standard is permitted. The Organization has elected not to early adopt this ASU as of December 31, 2017.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2014-09, *Revenue Recognition* (Topic 606). This ASU provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and the timing of revenue recognition. The new standard, as initially released, would be effective for fiscal years, and interim periods within those years, beginning after December 15, 2016 and early adoption would not be permitted. In July 2015, the FASB deferred the effective date of the new revenue standard by one year resulting in the new revenue standard being effective for fiscal years and interim periods beginning after December 15, 2017 and allowing entities to adopt one year earlier if they so elect. The new standard allows for two alternative implementation methods: the use of either (1) full retrospective application to each prior reporting period presented or (2) modified retrospective application in which the cumulative effect of initially applying the revenue standard is recognized as an adjustment to the opening balance of retained earnings in the period of adoption. The Board plans to adopt the new standard for the fiscal year ending December 31, 2018 but has not yet determined the method by which the standard will be adopted. The Organization is currently evaluating the impact of the standard on its financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

In April, 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. This ASU requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents would be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For private companies, the ASU is effective for years beginning after December 15, 2018. The Organization has elected to not early adopt this ASU as of December 31, 2017.

**Reclassification** - Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets as a result of reclassifications.

### **3. CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, investments and its receivables.

The Organization places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents.

Investments do not represent a significant concentration of credit risk due to the diversification of the Organization's portfolio among instruments and issues. However, investment securities, including money market funds, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

The Organization does not maintain collateral for its receivables except for mortgages and notes receivable and does not believe significant risk exists at December 31, 2017 or 2016. Credit risk for mortgages and notes receivable is concentrated because substantially all of the balances are due from individuals located in the same geographic region. Management considered the collateral pledged from mortgages and notes receivable to be adequate at December 31, 2017 and 2016.

### **4. INVESTMENTS**

#### ***Investments at fair value***

Marketable investments are stated at fair value using the market approach. Marketable investments consisted of mutual funds at December 31, 2017 and 2016. The inputs used to determine the fair value of mutual funds were considered Level 1.

#### ***Investments at cost***

AHFH participated in NMTC programs in November 2011 and in July 2012. The programs, administered by the U.S. Department of the Treasury, provide funds from outside investors to eligible organizations for investment in qualified low-income community investments. Outside investors receive new markets tax credits to be applied against their federal tax liability. Program compliance requirements included creation of promissory notes and investments in qualified community development entities ("CDE or sub-CDE"). Tax credit recapture is required if compliance requirements are not met over a seven-year period after each transaction settlement date.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

In November 2011, AHFH invested \$1,000,044 in HFHI-SA Leverage IX, LLC and secured a 16-year loan in the amount of \$1,320,965 payable to the sub-CDE named HFHI-SA NMTC VI, LLC (see Note 10). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 15, 2019 at 0.75%. Commencing November 15, 2019, semi-annual principal payments are due through maturity date of July 13, 2027. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.98% of the interest payments will be refunded to the Organization on a semi-annual basis.

In November 2019, HFHI-SA Investment Fund VI, LLC (the “Fund”), the effective owner of HFHI-SA NMTC VI, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, HFHI-SA Leverage IX, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

In July 2012, AHFH invested \$1,431,009 in CCML Leverage II, LLC and secured a 16-year loan in the amount of \$1,880,000 payable to the sub-CDE named CCM Community Development XXVII, LLC (see Note 10). The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan requires semi-annual interest only payments until November 10, 2020 at 0.76%. Commencing November 10, 2020, semi-annual principal payments are due through maturity date of July 26, 2028. The loan is secured by substantially all the assets acquired by AHFH from the project loan proceeds. As part of the NMTC program, 99.99% of the interest payments will be refunded to the Organization on a semi-annual basis.

In August 2019, CCM CD 27 Investment Fund, LLC (the “Fund”), the effective owner of CCM Community Development XXVII, LLC (holder of the promissory note due from AHFH), is expected to exercise a put option. Under the terms of the put option agreement, CCML Leverage II, LLC is expected to purchase the ownership interest of the Fund. Exercise of the option will effectively allow AHFH to extinguish its outstanding debt owed to the Fund.

The investments in these joint ventures are reported at cost using the cost method. For each of the years ended December 31, 2017 and 2016, AHFH received \$24,266 in distributions. These distributions are reported as investment income in the consolidated statements of activities. During the years ended December 31, 2017 and 2016, the total interest expense associated with the amortization of these costs was \$17,921 and \$27,533, respectively. At December 31, 2017 and 2016, the balance in these joint ventures was \$2,491,147 and \$2,509,068, respectively.

## **5. RELATED PARTY TRANSACTIONS AND AFFILIATIONS**

Contributions from members of the Board of Directors for the years ended December 31, 2017 and 2016 were \$231,732 and \$83,135, respectively.

The Organization operates within a covenant agreement with HFHI. The Organization tithes to support HFHI’s international homebuilding work. Tithes to HFHI totaled \$53,000 and \$61,000 for the years ended December 31, 2017 and 2016, respectively.

The United States Department of Housing and Urban Development (“HUD”) has awarded grants to HFHI under the Self-Help Home Ownership Program (“SHOP”) for land acquisition and infrastructure improvements for houses. Grant funds are passed through by HFHI directly to participating U.S. affiliates in the form of a 75% grant and 25% loan. Notes payable to HFHI under SHOP arrangements totaled \$11,224 and \$15,700 at December 31, 2017 and 2016, respectively, and are included in notes payable in the consolidated statements of financial position.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**6. MORTGAGES AND NOTES RECEIVABLE**

Mortgages receivable consisted of the following at December 31:

	2017	2016
Gross mortgages receivable	\$ 14,731,866	\$ 14,513,198
Financing discount based on imputed interest at rates ranging from 4% to 8%	<u>(5,461,202)</u>	<u>(5,445,336)</u>
Mortgages receivable, net of unamortized discount	9,270,664	9,067,862
Current portion of mortgages receivable	<u>(816,838)</u>	<u>(808,474)</u>
	<u>\$ 8,453,826</u>	<u>\$ 8,259,388</u>

Mortgages receivable were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected at December 31, 2017 are as follows:

2018	\$ 816,838
2019	790,213
2020	772,491
2021	752,304
2022	736,022
Thereafter	<u>10,863,998</u>
Total	<u>\$ 14,731,866</u>

Notes receivable on 2<sup>nd</sup> liens consisted of the following at December 31:

	2017	2016
Gross notes receivable for 2 <sup>nd</sup> lien	\$ 3,110,446	\$ 1,526,016
Financing discount based on imputed interest at rates ranging from 4% to 8%	<u>(2,295,169)</u>	<u>(1,097,425)</u>
Notes receivable on 2 <sup>nd</sup> liens, net of unamortized discount	<u>\$ 815,277</u>	<u>\$ 428,591</u>

**7. RESTORE INVENTORY**

ReStore inventory consisted of the following at December 31:

	2017	2016
Donated goods	\$ 155,000	\$ 155,000
Purchased materials	<u>464,453</u>	<u>374,738</u>
	<u>\$ 619,453</u>	<u>\$ 529,738</u>

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**8. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31:

	2017	2016
Land	\$ 3,090,000	\$ 3,090,000
Building and improvements	6,763,658	6,795,482
Equipment	414,603	362,180
Trucks	267,929	288,893
Total	10,536,190	10,536,555
Accumulated depreciation	(943,637)	(726,536)
Property and equipment, net	\$ 9,592,553	\$ 9,810,019

Property and equipment financed under capital lease obligations totaled \$289,921 and \$320,730, net of accumulated amortization of \$69,776 and \$38,967, as of December 31, 2017 and 2016, respectively. Total depreciation and amortization expense associated with property and equipment was \$251,949 and \$249,017 for the years ended December 31, 2017 and 2016, respectively.

**9. PLEDGES RECEIVABLE**

The Organization received pledges to cover the costs of the capital campaign. Pledges are stated at their realizable value, net of a discount on long-term pledges, and an allowance for uncollectible pledges.

Pledges receivable consist of the following characteristics at December 31, 2017 and 2016 as follows:

	2017	2016
Capital campaign pledges	\$ 555,817	\$ 189,250
Less: allowance for doubtful collections	(58,282)	(19,125)
Pledges receivable, net	\$ 497,535	\$ 170,125
Amounts due in:		
Less than one year	\$ 175,000	\$ 175,000
One to five years	380,817	14,250
Total	\$ 555,817	\$ 189,250



**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**10. LONG-TERM DEBT**

Long-term debt consisted of the following at December 31:

	<u>2017</u>	<u>2016</u>
Non-interest bearing, unsecured notes payable to HFHI under SHOP grants, due in monthly installments through 2019.	\$ 11,244	\$ 15,700
Promissory note to HFHI-SA NMTC VI, LLC, semi-annual interest only payments until November 15, 2019 at 0.75% followed by semi-annual principal payments due through maturity date of July 13, 2027, secured by substantially all the assets acquired by AHFH from the NMTC project loan proceeds.	1,320,965	1,320,965
Promissory note to CCM Community Development XXVII, LLC, semi-annual interest only payments until November 10, 2020 at 0.76% followed by semi-annual principal payments due through maturity date of July 26, 2028, secured by substantially all the assets acquired by AHFH from the NMTC project loan proceeds.	1,880,000	1,880,000
Promissory note to a bank, due in monthly installments of \$28,662 fixed principal and interest at a fixed rate (3.82% at December 31, 2017 and 2016) through 2039, secured by ReStore's land and building.	<u>5,023,973</u>	<u>5,159,006</u>
Total debt	8,236,182	8,375,671
Unamortized debt issuance costs	<u>(64,439)</u>	<u>(74,030)</u>
Total debt, net of unamortized debt issuance costs	8,171,743	8,301,641
Current portion of debt	<u>(156,985)</u>	<u>(151,200)</u>
Long-term debt, net of current portion and debt issuance costs	<u>\$ 8,014,758</u>	<u>\$ 8,150,441</u>

The credit facility (Note 11), notes payable and other long-term debt agreements contain certain financial covenants, including requirements for liquidity, earnings, and fixed charge coverage. The agreements also contain additional conditions limiting indebtedness, capital expenditures, and various other covenants as defined in the agreements. Failure to comply with the covenants could result in the debt being called by the lenders. As of December 31, 2017, and through the date of this report, the Organization was in compliance with such covenants.

Future maturities of long-term debt at December 31, 2017 are as follows:

2018	\$ 156,985
2019	243,249
2020	442,125
2021	563,546
2022	573,277
Thereafter	<u>6,257,000</u>
Total	<u>\$ 8,236,182</u>

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**11. CREDIT FACILITY AND LETTERS OF CREDIT**

The Organization maintains a twelve-month revolving credit facility with a bank, renewable annually, that charges interest at a variable rate (3.5% at December 31, 2017) that is secured by the assets of the Organization and is cross-collateralized with the notes payable – TDHCA. During the year ended December 31, 2017, the Organization amended the facility to extend the maturity date to April 2019. No amounts have been drawn against this facility at December 31, 2017.

In connection with this credit facility, the Organization entered into letters of credit with financial institutions totaling \$462,730 and \$84,230 at December 31, 2017 and 2016, pursuant to subdivision construction agreements with the City of Austin. The letters of credit expired in April 15, 2018 and the amount of \$462,730 was renewed through April 15, 2019. The letters specify that drafts may be drawn by the City of Austin Watershed Protection and Development Review Department. There have been no amounts drawn under these letters of credit.

**12. NOTES PAYABLE – TDHCA**

Notes payable to TDHCA consisted of the following at December 31:

	2017	2016
Gross notes payable - TDHCA	\$ 2,042,260	\$ 2,050,367
Financing discount based on imputed interest at rates ranging from 4% to 8%	<u>(779,613)</u>	<u>(804,655)</u>
Mortgages receivable, net of unamortized discount	1,262,647	1,245,712
Current portion of mortgages receivable	<u>(87,149)</u>	<u>(84,316)</u>
	<u>\$ 1,175,498</u>	<u>\$ 1,161,396</u>

Notes payable to TDHCA were valued using the income approach and inputs were considered Level 2 under the fair value hierarchy. Gross undiscounted future mortgage payments scheduled to be collected from mortgagees and remitted to TDHCA at December 31, 2017 are as follows:

2018	\$ 87,149
2019	87,149
2020	87,149
2021	87,149
2022	87,149
Thereafter	<u>1,606,515</u>
Total	<u>\$ 2,042,260</u>

**13. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes at December 31:

	2017	2016
Capital campaign	\$ 1,109,605	\$ 492,400
Caldwell Chapter	-	68,024
UT Campus Chapter	<u>5,760</u>	<u>6,402</u>
	<u>\$ 1,115,366</u>	<u>\$ 566,826</u>

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

**14. PERMANENTLY RESTRICTED NET ASSETS**

During the year ended December 31, 2014, HomeBase was awarded a total of \$450,000, in capital fund grants by the U.S. Department of the Treasury's Community Development Financial Institution ("CDFI"). These funds were awarded to establish and maintain a capital fund for the establishment of a CDFI network to provide below market financing to developers of affordable housing and a loan loss reserve. Under the terms of the agreement, loan repayments must be returned to the capital fund to ensure its perpetuity; thus, these funds have been accounted for as permanently restricted. In October 2014, HomeBase issued a \$430,000, 3% interest bearing loan to AHFH. This loan was to be repaid in monthly installments of principal and interest and was scheduled to mature on October 1, 2039. Loan proceeds and repayments were eliminated upon consolidation each reporting period. Once the compliance period has expired, any remaining funds become unrestricted and can be utilized by the Organization. CDFI monitored HomeBase's compliance through December 31, 2016, the end of the compliance period. As a result, the Organization reclassified the remaining \$45,866 in permanently restricted funds to unrestricted during the year ended December 31, 2017.

**15. RETIREMENT PLAN**

The Organization sponsors a 401(k) plan that covers substantially all employees. The Organization's contributions to the plan for the years ended December 31, 2017 and 2016 were \$112,926 and \$82,018, respectively.

**16. LEASE COMMITMENTS**

The Organization leases office space, a construction warehouse, telephone equipment, and a copier under various non-cancellable operating leases. Rent expense under these leases totaled \$72,252 and \$25,730, respectively, for the years ended December 31, 2017 and 2016, which are reflected as occupancy costs in the accompanying statements of functional expenses. Future minimum payments under operating leases consisted of the following as of December 31, 2017:

2018	\$	72,481
2019		74,356
2020		<u>50,404</u>
Total minimum lease payments	\$	<u>146,837</u>

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Notes to the Consolidated Financial Statements (continued)  
Years ended December 31, 2017 and 2016

The Organization also has a non-cancelable capital lease agreement for solar panels. Future minimum payments under the capital lease consisted of the following as of December 31, 2017:

2018	\$	41,575
2019		41,575
2020		41,575
2021		41,575
2022		41,575
Thereafter		<u>118,536</u>
Total minimum lease payments		326,411
Less: amount representing interest		<u>(36,490)</u>
		289,921
Less: current portion of capital lease obligations		<u>(33,251)</u>
Long term portion of capital lease obligation	\$	<u><u>256,670</u></u>

## 17. CONTINGENCIES

The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. The Organization is also funded by grants and contracts that are subject to review and audit by the grantor agencies. These contracts have certain compliance requirements and, should audits by the government or grantor agencies disclose any areas of substantial noncompliance, the Organization may be required to refund any disallowed costs.

On October 31, 2013, HomeBase entered into a zero interest \$1,250,000 forgivable loan agreement with Westgate Momark L.L.C. ("Momark"), a private developer, to acquire land and develop no fewer than 50 affordable new housing units to be sold to low and moderate-income buyers. The loan was funded by the AHFC and was then transferred to Momark. HomeBase retains joint liability with Momark for the loan, which matures on January 31, 2021. In the event Momark fails to meet the forgivable loan requirements, HomeBase is still responsible for ensuring the completion of the project.

## 18. FEDERAL INCOME TAXES

The Organization is subject to federal income taxes on unrelated business income, which consists of ReStore sales of purchased materials. As of December 31, 2017 and 2016, the Organization has incurred cumulative net operating losses of approximately \$1,929,000 and \$1,943,000, respectively, for federal income tax purposes. These net operating losses may be used to offset future taxable unrelated business income. If not utilized, these losses will expire in the years 2027 through 2036. A full valuation allowance has been recorded as utilization is uncertain. The net change in the total valuation allowance for the years ended December 31, 2017 and 2016 was approximately \$5,000 and \$110,000, respectively.

## 19. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 23, 2018, the date the consolidated financial statements were available to be issued. In 2018, the Organization executed a merger agreement with San Marcos Habitat for Humanity, effective January 1, 2018. There were no other events that have occurred from the statement of financial position date through July 23, 2018 that would impact or require disclosure within the consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Supplemental Schedule - Consolidating Statement of Financial Position Information  
December 31, 2017

	<b>Austin Habitat for Humanity</b>	<b>Austin Neighborhood Alliance for Habitat, Inc.</b>	<b>HomeBase Texas</b>	<b>Eliminations</b>	<b>Total</b>
<b>ASSETS:</b>					
Current assets					
Cash and cash equivalents	\$ 887,446	\$ -	\$ 494,841	\$ -	\$ 1,382,287
Investments, at fair value	400,080	-	-	-	400,080
Accounts receivable, net	46,332	-	126,668	-	173,000
Pledges receivable, net	116,718	-	-	-	116,718
Mortgages receivable, current portion, net	816,838	-	-	-	816,838
Intercompany receivable	928,257	5,131,316	601,807	(6,661,380)	-
ReStore inventory	619,453	-	-	-	619,453
Home construction in progress	484,299	-	-	-	484,299
Prepaid expenses and other current assets	248,190	-	-	-	248,190
Total current assets	<u>4,547,613</u>	<u>5,131,316</u>	<u>1,223,316</u>	<u>(6,661,380)</u>	<u>4,240,865</u>
Land held for development	3,500,621	-	-	-	3,500,621
Restricted cash	45,229	-	-	-	45,229
Pledges receivable, long-term portion, net	380,817	-	-	-	380,817
Other long-term assets	-	-	193,628	-	193,628
Mortgages receivable, long-term portion, net	8,453,826	-	-	-	8,453,826
Notes receivable - 2nd liens, net	-	-	815,277	-	815,277
Investments, at cost - NMTC	2,491,147	-	-	-	2,491,147
Property and equipment, net	9,592,553	-	-	-	9,592,553
Total assets	<u>\$ 29,011,806</u>	<u>\$ 5,131,316</u>	<u>\$ 2,232,221</u>	<u>\$ (6,661,380)</u>	<u>\$ 29,713,963</u>
<b>LIABILITIES AND NET ASSETS:</b>					
Current liabilities					
Accounts payable	\$ 430,385	\$ -	\$ 26,353	\$ -	\$ 456,738
Accrued expense	243,877	-	295,476	-	539,353
Intercompany payable	6,661,380	-	-	(6,661,380)	-
Deferred revenue	1,027,101	-	-	-	1,027,101
Capital lease obligation, current portion	33,251	-	-	-	33,251
Notes payable - TDHCA, current portion	87,149	-	-	-	87,149
Long-term debt, current portion	156,985	-	-	-	156,985
Total current liabilities	<u>8,640,128</u>	<u>-</u>	<u>321,829</u>	<u>(6,661,380)</u>	<u>2,300,577</u>
Capital lease obligation, long-term portion	256,670	-	-	-	256,670
Notes payable - TDHCA, long-term portion	1,175,498	-	-	-	1,175,498
Long-term debt, net of debt issuance costs	8,014,758	-	-	-	8,014,758
Total liabilities	<u>18,087,054</u>	<u>-</u>	<u>321,829</u>	<u>(6,661,380)</u>	<u>11,747,503</u>
Net assets					
Unrestricted	9,809,386	5,131,316	1,910,392	-	16,851,094
Temporarily restricted	1,115,366	-	-	-	1,115,366
Permanently restricted	-	-	-	-	-
Total net assets	<u>10,924,752</u>	<u>5,131,316</u>	<u>1,910,392</u>	<u>-</u>	<u>17,966,460</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 29,011,806</u>	<u>\$ 5,131,316</u>	<u>\$ 2,232,221</u>	<u>\$ (6,661,380)</u>	<u>\$ 29,713,963</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

**AUSTIN HABITAT FOR HUMANITY, INC.**  
Supplemental Schedule- Consolidating Schedule of Activities Information  
Years Ended December 31, 2017

	<b>Austin Habitat for Humanity</b>	<b>Austin Neighborhood Alliance for Habitat, Inc.</b>	<b>HomeBase Texas</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES:</b>					
Contributions and other income:					
Contributions	\$ 2,128,003	\$ -	\$ -	\$ -	\$ 2,128,003
In-kind contributions	188,197	-	-	-	188,197
Home building sponsorship revenues	1,002,224				1,002,224
Investment income	33,004	-	13,835	-	46,839
Other income	550,593	-	7,282	(270,588)	287,287
Total contributions and other income	<u>3,902,021</u>	<u>-</u>	<u>21,117</u>	<u>(270,588)</u>	<u>3,652,550</u>
ReStore revenues:					
ReStore sales	3,871,588	-	-	-	3,871,588
In-kind donation of inventory	1,910,324				1,910,324
Cost of goods sold	(2,806,608)	-	-	-	(2,806,608)
Sales discounts and refunds	(106,082)	-	-	-	(106,082)
Total ReStore revenues, net	<u>2,869,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,869,222</u>
Low-cost housing revenues:					
Home sales	1,714,500	-	-	-	1,714,500
In-kind contributions of labor and construction materials	786,123				786,123
Mortgage discount and amortization	(33,275)		386,704		353,429
Other housing revenues	-	-	42,580	-	42,580
Cost of homes sold	(2,318,340)	-	-	-	(2,318,340)
Total Low-cost housing revenues	<u>149,008</u>	<u>-</u>	<u>429,284</u>	<u>-</u>	<u>578,292</u>
Total revenues	<u>6,920,251</u>	<u>-</u>	<u>450,401</u>	<u>(270,588)</u>	<u>7,100,064</u>
<b>EXPENSES:</b>					
Low-cost housing program	2,143,443	-	-	-	2,143,443
ReStore program	2,034,006	-	-	-	2,034,006
Fundraising	1,084,041	-	-	-	1,084,041
Management and general	549,369	453	278,948	(270,588)	558,182
Total expenses	<u>5,810,860</u>	<u>453</u>	<u>278,948</u>	<u>(270,588)</u>	<u>5,819,673</u>
<b>CHANGE IN NET ASSETS</b>	1,109,391	(453)	171,453	-	1,280,391
<b>NET ASSETS, BEGINNING OF YEAR</b>	9,815,361	5,131,769	1,738,939	-	16,686,069
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 10,924,752</u>	<u>\$ 5,131,316</u>	<u>\$ 1,910,392</u>	<u>\$ -</u>	<u>\$ 17,966,460</u>

The accompanying notes and report of independent auditor are an integral part of these consolidated financial statements.

# PMB Helin Donovan

P.O. Box 202260  
Austin, TX 78720  
pmbhd.com

T 512.258.9670  
F 512.258.5895

July 23, 2018

To the Board of Directors and Management of  
Austin Habitat for Humanity and its subsidiaries

We have audited the consolidated financial statements of Austin Habitat for Humanity and its subsidiaries (collectively, the "Organization") as of and for the years ended December 31, 2017 and 2016 and have issued our report thereon dated July 23, 2018. Professional standards require that we advise you of the following matters relating to our audit.

## **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated December 27, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the consolidated financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement. An audit of consolidated financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence. The threat of management participation for providing non-attest services (i.e. preparation of the financial statements and tax form 990) was reduced to an acceptable level by 1) management's review and acceptance for the responsibility of the consolidated financial statements and 2) PMB Helin Donovan, LLP's use of a qualified second partner review.

# PMB Helin Donovan

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organization is included in Note 2 to the financial statements.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the consolidated financial statements include the fair value of investments, allowances for uncollectable receivables, useful lives of property and equipment, and the valuation of in-kind services and materials.

We evaluated the key factors and assumptions used to develop the accounting estimates aforementioned and determined that they are reasonable in relation to the consolidated financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Organization's consolidated financial statements relate to the disclosure of the financing discount on mortgages receivables and 2<sup>nd</sup> liens in Note 6 and the discount on long term pledges in Note 9 to the financial statements.

### **Identified or Suspected Fraud**

There were no instances of identified or suspected fraud.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



# **PMB Helin Donovan**

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the consolidated financial statements as a whole. There were no uncorrected misstatements as of December 31, 2017.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no corrected misstatements as of December 31, 2017.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Organization's consolidated financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated July 23, 2018.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Organization we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organization's auditors.

This information is intended solely for the use of the Board of Directors and management of Austin Habitat for Humanity and its subsidiaries and is not intended to be, and should not be, used by anyone other than these specified parties.

PMB Helin Donovan, LLP

*PMB Helin Donovan, LLP*

Austin, Texas



We build strong, stable and self-reliant communities

July 23, 2018

PMB Helin Donovan  
12301 Research Boulevard  
Building V, Suite 160  
Austin, Texas 78759

Dear Chris Bona,

This representation letter is provided in connection with your audits of the consolidated financial statements of Austin Habitat for Humanity and its subsidiaries (collectively, the "Organization") which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities, statement of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the consolidated financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of July 23, 2018:

#### Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 27, 2017 for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The threat of management participation for providing non-attest services (i.e. preparation of the financial statements and form 990) was reduced to an acceptable level by 1) management's review and acceptance for the responsibility of the consolidated financial statements and 2) PMB Helin Donovan, LLP's use of a qualified second partner review.

Board Members Curtis Page | Heather Ladage | Yvette Boatwright | Gaylon Boyd | Dillum Chandrasoma | Ken Corby | Kevin Cunningham | Chlp Dart | John Doucet | Chris Engen | Michael Golden | Hugh Forrest | Dr. George Gau | Michael Golden | Jay Hartzell | Phil Hutchinson | Mark Masten | John Neff | David O'Neill | David Osborn | Estrella Posey | Ross Sabolok | Valerie Salinas-Davis | Jeff Serra | Eric T. Smith | Anand Srinivasan | Sherline Thomas | Larry Smith | Joe Tracy | Dan Young



500 W Ben White Blvd, Austin, TX 78704  
512-472-8788 | austinhabitat.org

To: PMB Helin Donovan

From: Austin Habitat for Humanity

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the consolidated financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole. There were no uncorrected misstatements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the Organization's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the consolidated financial statements all assets and liabilities under the Organization's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Reclassifications between net asset classes are proper.
- The governing board's interpretations concerning whether laws place restrictions on net appreciation of donor-restricted endowments are reasonable and have been disclosed to you.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.
- Internal controls over the receipt and recording of contributions are adequate.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  1. Management;
  2. Employees who have significant roles in internal control; or
  3. Others when the fraud could have a material effect on the financial statements.

To: PMB Helin Donovan

From: Austin Habitat for Humanity

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Organization's consolidated financial statements communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any allegations noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the consolidated financial statements and we have not consulted an attorney on any such matters.
- We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.

Phyllis Snyders, CEO

(Name of Chief Executive Officer and Title)

Ron Steiner, CEO

(Name of Chief Financial Officer and Title)

apply for  
COA  
money

## CERTIFICATE OF CORPORATE RESOLUTION

We, Heather Ladage, Chairwoman, and David Osborn, Secretary, of Austin Habitat for Humanity, Inc., a corporation, certify that:

1. Austin Habitat for Humanity, Inc. is organized and existing under the laws of the State of Texas;
2. All franchise and other taxes required to maintain its corporate existence have been paid and no franchise or other such taxes are delinquent;
3. No proceedings are pending for the forfeiture of its certificate of incorporation or for its dissolution, voluntarily or involuntarily;
4. It is organized under the laws of Texas or is a foreign corporation qualified to do business in the State of Texas and is in good standing with the State of Texas;
5. There are no provisions in the articles of incorporation or bylaws of the corporation limiting the power of its board of directors to pass the resolution set out below;
6. The secretary is the keeper of the records and minutes of the corporation and on April 3, 2019 a meeting of the board of directors of the corporation was held, which was properly called and held in accordance with the law and the bylaws of the corporation;
7. A quorum of the Board of Directors were present at the meeting or have consented to the action taken at the meeting; and
8. At the meeting the following resolution was adopted:

BE IT RESOLVED that the Austin Habitat for Humanity Board of Directors authorizes the Chief Executive Officer or whomever that person deems appropriate at their sole discretion, shall have the authority to apply for City of Austin grant funding, including federal and local sources, such as General Obligation Bonds or other funds as available for the 4<sup>th</sup> & Onion Project; and,

It is further RESOLVED that the Board of Directors authorizes the Chief Executive Officer to execute any agreements or other documents regarding the City of Austin grant funding, including federal and local sources, such as General Obligation Bonds or other funds as available for the 4<sup>th</sup> & Onion Project.

We certify that the above resolution has not been altered, amended, rescinded or repealed and is now in full force and effect.

We also certify that Heather Ladage is the Chairwoman of the corporation and David Osborn is the Secretary.

Signed on April 3, 2019 by the Chairwoman and Secretary of the corporation.


  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

State of Texas

County of Travis

This instrument was acknowledged before me on April 3, 2019 by Heather Ladage, Chairwoman of Austin Habitat for Humanity, Inc., a corporation, on behalf of said corporation.

  
\_\_\_\_\_  
Notary Public, State of Texas



State of Texas

County of Travis

This instrument was acknowledged before me on \_\_\_\_\_, 2019 by David Osborn, Secretary of Austin Habitat for Humanity, Inc., a corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

We also certify that Heather Ladage is the Chairwoman of the corporation and David Osborn is the Secretary.

Signed on April 3, 2019 by the Chairwoman and Secretary of the corporation.


  
Chairman

  
Secretary

State of Texas

County of Travis

This instrument was acknowledged before me on April 3, 2019 by Heather Ladage, Chairwoman of Austin Habitat for Humanity, Inc., a corporation, on behalf of said corporation.

  
Notary Public, State of Texas

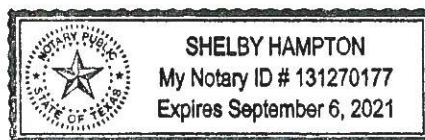


State of Texas

County of Travis

This instrument was acknowledged before me on April 3, 2019 by David Osborn, Secretary of Austin Habitat for Humanity, Inc., a corporation, on behalf of said corporation.

  
Notary Public, State of Texas





# PLAZA SALTILLO

## TOD STATION AREA PLAN



City of Austin  
Neighborhood Planning and Zoning  
Dept.





# ACKNOWLEDGEMENTS

The City of Austin would like to thank the following for their contribution to the Plaza Saltillo Transit-Oriented Development (TOD) Station Area Plan:

All participants in the planning process who live, work, and own or rent property in and around the Plaza Saltillo TOD District.

Other interested individuals who came to learn about transit-oriented development and give feedback on this citywide initiative.

Individuals and groups who are dedicated to promoting affordable housing throughout Austin.

The members of the technical advisory group who dedicated time to learning about TOD concepts, attended public meetings, and reviewed and gave feedback on the Station Area Plan throughout the planning process.

Other City staff members who made themselves available to answer technical questions and provide information on specific topics related to the Plan.

Thanks to the Thompson Conference Center, Sanchez Elementary School, Oswaldo "A.B" Cantu Pan American Recreation Center, and Metz Elementary School for providing meeting space.

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<b>2</b>	Chapter 2 - Station Area Concept Plans	27
<b>3</b>	Chapter 3 - Implementation	63

## Appendices

- A. Creating the Plan
- B. Affordable Housing Report
- C. Water and Wastewater Report
- D. Watershed Protection
- E. Financial Analysis
- F. Market Report
- G. Extracts from the E. 7th Street Corridor Concept Plan
- H. Lance Armstrong Bikeway (LAB) Alignment



# EXECUTIVE SUMMARY

## PLAZA SALTILLO TOD STATION AREA PLAN



# PLAZA SALTILLO TOD STATION AREA PLAN

## EXECUTIVE SUMMARY

### INTRODUCTION

The first Capital MetroRail line is under construction with passenger service to begin at the end of 2008. The 32-mile Red Line will connect downtown Austin to Leander on existing rail tracks with nine initial stations planned. The City, in support of the Capital Metro “All Systems Go!” Long Range Transit Plan, initiated a broad public engagement effort to develop station area plans around several of these future MetroRail stops. The first station areas to undergo the station area planning process were Plaza Saltillo, Martin Luther King Jr. Boulevard (MLK), and N. Lamar Boulevard/Justin Lane (a.k.a. Crestview Station).

New development that takes advantage of its location near transit is often referred to as “Transit-Oriented Development” (or TOD), and it is an important part of the City’s goal to manage growth in ways that reduce reliance on automobile use, promote transit use, walking and biking, and create lively and safe areas around transit stations. The City of Austin developed the TOD station area plans to leverage this significant public transit investment to achieve these broad community goals.

To realize these benefits, the City first adopted a TOD Ordinance, which identified specific station area boundaries, interim land use and design requirements, and a commitment to develop station area plans. Planning for the Plaza Saltillo TOD was begun in February 2007 by a team of consultants led by PB Americas. Public education and involvement meetings were held over the course of the next ten months to draft a plan that incorporated TOD principles and best practices and was shaped by the community input gathered throughout the planning process. The planning work was integrated with a professional assessment of market conditions and finance, affordable housing, and basic public infrastructure facility needs. The plan includes recommendations for open space, street and other infrastructure improvements, and affordable housing and is intended to guide future development and the provision of public improvements.

The implementation strategy describes a variety of key actions that will contribute to the successful redevelopment of the station area. The responsibilities for implementation not only rest with the City, but its agency partners, development community, and citizens. A primary element of the implementation program is the Plaza Saltillo TOD Station Area Regulating Plan. It is based on *Subchapter E: Design Standards and Mixed Use of the Austin Code*, which applies citywide. The Regulating Plan provides development standards with a specific focus on the context of the Plaza Saltillo Station Area and the vision articulated in this plan.

homeowner. Research from Harvard's Joint Center for Housing Studies shows children of homeowners are 35% less likely to receive welfare, 25% more likely to graduate high school, and 116% more likely to graduate from college than in renting families.

However, buying a home is out of reach for most low-to-moderate income families, as Austin has had the fastest-growing median home price in the nation for more than a decade, with the current median purchase price standing at nearly \$360,000.

### **Geographic Area for Potential Homeowners**

Please note that while Austin Habitat is happy to welcome individuals and families already living in the area to apply for homeownership in the 4<sup>th</sup> & Onion development, particularly given the rapid gentrification of this area, we do not require potential homebuyers to live near the development in which they wind up purchasing. Austin Habitat works with potential homebuyers from throughout the Austin area, and all potential buyers recognize that they may need to move from their current neighborhood to 4th & Onion or one of our other developments if they are approved to purchase a home. We have reached out to local neighborhood associations and will continue to do so, and we will work with our partner affordable housing organizations to ensure that eligible neighborhood residents are informed about the availability of these units.

### **Eligible Homeowner Pool Demographics**

As of January 2019, the potential homeowners qualified to purchase in Habitat developments have the following demographic profile:

- 100% low-income (80% or less of local MFI)
- 50% Hispanic/Latino
- 50% female-headed households
- 4% identified as having a disability

### **Competitive Properties**

According to Zillow, 33 condominiums are available for purchase in the 78702 zip code as of March 27, 2019. All are offered at market rate, with listing prices ranging from \$210,000 to more than \$900,000. The less costly properties tend to be studios smaller than the one-bedroom unit will be building at 4th & Onion or significantly further from Downtown Austin than our development.

The area also features more than 700 apartments available for rent at market rates, and the Plaza Saltillo development will add hundreds of rental units, although more than 90% are not affordable housing. Any new units will positively impact Austin and particularly this area, where many residents may be priced out by market changes. However, Austin Habitat's client base is specifically oriented toward putting down permanent roots and beginning to build assets for the family's future through homeownership. For Habitat and its partner families, rental housing is not a comparable option to homeownership. At present, there are only 28 income-restricted affordable ownership units in 78702, and there were only 180 A&D units (now OHDA) in the City, according to research by faculty at Huston-Tillotson University and the University of Texas. This development proposes to more than double the number of affordable properties in 78702.

## **Market Demand**

As discussed above, Austin Habitat maintains an interest/waiting list of eligible potential purchasers for all properties sold through the Affordable Homeownership Program, including ongoing builds at Scenic Point and Mueller, and the 57 units to be built and sold at the 4th & Onion development. Currently, this interest list contains 24 qualified homebuyers and 30 who have begun the process of education and counseling. In addition, in the past year Habitat has been in contact with more than 1,600 community members who have contacted us to sign up for workshops or receive more information about affordable homeownership. For Habitat and its partner families, homeownership is preferable when compared to rental.

## **Demand and Capture**

Fifty-seven units will be built to complete the 4th & Onion development, and the Austin Habitat Affordable Homeownership Program currently has 54 potential homebuyers in the process of qualifying to purchase a home. However, we recognize that these homeowners will likely be placed in our other developments as they continue to qualify and that we may be seeking a different client mix for a unique product like 4<sup>th</sup> & Onion.

Although some may not qualify, as discussed above, we are answering more than 1,500 contacts each year from interested community members and we expect that the demand for affordable homeownership will continue to rise as the costs of housing increase in the Austin area. As mentioned above, not all of the potential homebuyers for 4th & Onion, or for any of our developments, are currently living in close geographic proximity to the area, but all are committed to purchasing a Habitat home, including moving from their current neighborhood if necessary.

Austin Habitat is not yet able to calculate a capture rate for the 4<sup>th</sup> & Onion development because we have not yet begun to qualify clients for this property. We expect that through the extensive interest in affordable homeownership in Austin, our strong reputation as a compassionate nonprofit and as a builder of high-quality affordable homes, and our ongoing community outreach, we will generate sufficient demand for the 57 available units. Austin Habitat also continues to offer qualified individuals/families the opportunity to purchase a home at several other developments that are currently being built or are in pre-development in Austin. Therefore, we are able to offer housing to individuals and families on the waiting list who do not wind up living in 4th & Onion.

## **Absorption Period**

Austin Habitat is developing a detailed plan to build and sell the 57 units at 4th & Onion by the end of 2021. As our Affordable Homeownership Program is designed to produce completed properties and purchase-ready families concurrently, we expect to match 57 families with these units by the time they are ready for occupancy. Our Client Services, Communications, and other teams are working together to identify the people and families who would be qualified to purchase and would benefit from the strong access to jobs and transit and develop strong outreach plans designed to attract these populations.



### City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

#### **(1) Preliminary Research**

- ☒ Review the Neighborhood Plan (if applicable)

#### **(2) Neighborhood Notification**

- ☒ Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer. Please see attached flyer distributed within 500', mailed to all neighborhood groups on registry and given to East Cesar Chavez Neighborhood Contact Team.

#### **(3) Pre-Application Engagement**

- ☒ Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- ☒ Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information. See application cover sheet and name below.

#### **(4) Application requirements**

- ☒ Provide communications plan Example of Communications Plan attached.
- ☒ Provide documentation showing the content of the notice, and proof of delivery
- ☒ Provide signed copy of this checklist.

Please note that AHFH is currently developing a comprehensive communications plan including this development. We will make this available as needed when complete.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.



Signed

Greg Anderson, Director of Community Affairs

Printed Name





We build **strong, stable** and **self-reliant** communities

April 24, 2019

Dear Neighborhood Partner,

On behalf of Austin Habitat for Humanity, thank you for all the work that you do! We are excited to let you know about a new development we are working on in East Austin that will bring significant affordable homeownership opportunities to the area.

As you will see from the card we've enclosed, Austin Habitat is building a multifamily, multistory homeownership development at 4<sup>th</sup> & Onion Streets, building on land we have owned and operated on for more than 25 years. We are very excited to offer this innovative project to the community, as we recognize that there are many hardworking families who would like to buy a home in the area but who are being priced out of the local market.

Our mission is *to bring people together to build strong, stable, self-reliant communities*, working toward our ultimate vision of a world where everyone has a decent place to live. We are fulfilling our mission every day in communities like East Austin, and we look forward to continuing to work on behalf of families looking to build a stable and successful future through affordable homeownership. We hope that this project will be of benefit to the community members you work with as well, and we welcome the opportunity to discuss it with you.

Please feel free to get in touch if you would like more information, and we will continue to keep the community informed as we begin this important work. Thank you for supporting our communities!

Sincerely,

A handwritten signature in cursive script that reads "Greg Anderson".

Greg Anderson  
Director, Community Affairs  
GAnderson@AHFH.org  
M: 512.426.1041

**Board Members** Heather Ladage | Larry Smith | Curtis Page | David Osborn | John Neff | Yvette Boatwright | Michael Golden | Valerie Salinas-Davis | Joe Tracy | Ross Sabolcik | Sherine Thomas | Hugh Forrest | Gaylon Boyd | John Doucet | Chris Engen | Anand Srinivasan | Joe Bland | Ken Corby | Kevin Cunningham | Jay Hartzell | Dana Leaman | Phil Hutchinson | David O'Neil | Estrella Posey | Cynthia Rhodes-Patterson | Shelli Taylor | Dan Young | Kyle Hoskins | Dr. George Gau | Jeff Serra



500 W Ben White Blvd, Austin, TX 78704  
512-472-8788 | austinhabitat.org

# Austin Habitat will soon be your neighbor!



We will be offering affordable  
homeownership through a  
multi-family development at  
**4th & Onion.**

 Austin  
**Habitat for Humanity®**



## Property Profile

Getting Around

[Search & Identify Data](#)

Drawing &amp; Measurement

Printing &amp; Reporting

Help

☐ Tool Labels ☐

Address Search



Parcel Search



Find Review Case



Permits By Address

Change visible  
map layers

Historic Layers



Point



Query



Filter

Search

Find Layers

Identify &amp; Find Data

## Address

**1409 E 4TH ST**

Jurisdiction: AUSTIN FULL PURPOSE

Council District: 3

County: TRAVIS

Map Grid: MK21

[Zoning Profile](#)[Appraisal District](#)[FloodPro](#)

Full Street Address

1409 E 4TH ST

Place ID

1118650

## Annexation History - Click Below

**12/19/1985 - FULL****03/14/1946 - FULL**

## Legal Description

**LOT 8 BLK 4 OLT 4 DIV O PECK R H**

## Community Registry List

Austin Independent School District

Austin Neighborhoods Council

Barrio Unido Neighborhood Assn.

Bike Austin

Black Improvement Association

Capital Metro

Claim Your Destiny Foundation

Del Valle Community Coalition

East Austin Conservancy

East Cesar Chavez Neighborhood Association

East Cesar Chavez Neighborhood Plan Contact Team

El Concilio Mexican-American Neighborhoods

Friends of Austin Neighborhoods

Greater East Austin Neighborhood Association

Guadalupe Neighborhood Development Corporation

Homeless Neighborhood Association

Neighborhood Empowerment Foundation

Neighbors United for Progress

Plaza Saltillo TOD Staff Liaison

Preservation Austin

SELTexas

Sierra Club, Austin Regional Group

Tejano Town

United East Austin Coalition

## Permits

**10/24/2018 - 2018-185374 TP - Active****10/22/2018 - Tree Permit - Application Incomplete**

Home



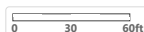
Layers



Address



GreyScale



0 30 60ft

Property Profile

Getting Around

Search & Identify Data

Drawing & Measurement

Printing & Reporting

Help

Address Search

Parcel Search

Find Review Case

Permits By Address

Change visible map layers

Historic Layers

Point

Query

Filter

Search

Find Layers

Identify & Find Data

Address

**1411 E 4TH ST**

Jurisdiction: AUSTIN FULL PURPOSE

Council District: 3

County: TRAVIS

Map Grid: MK21

[Zoning Profile](#)

[Appraisal District](#)

[FloodPro](#)

Full Street Address

1411 E 4TH ST

Place ID

3502116

Annexation History - Click Below

12/19/1985 - FULL

03/14/1946 - FULL

Legal Description

LOT 7 BLK 4 OLT 4 DIV O PECK R H

Community Registry List

Austin Independent School District

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Barrio Unido Neighborhood Assn.

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Neighbors United for Progress

Plaza Saltillo TOD Staff Liaison

Preservation Austin

SELTexas

Sierra Club, Austin Regional Group

Tejano Town

United East Austin Coalition

Permits

04/04/2019 - .SH - Pending

Home

Layers

Address

GreyScale

0 30 60ft

www.austintexas.gov/GIS/PropertyProfile/

1/1

Austin Independent School District  
1111 West 6<sup>th</sup> Street  
Austin, TX 78703

Friends of Austin Neighborhoods  
c/o Roger L. Cauvin  
311 W. 5th St., #1006  
Austin, TX 78701

Sierra Club  
c/o Mr. Roy Waley  
1310B Palo Duro  
Austin, TX 78757

Austin Neighborhoods Council  
P.O. Box 301975  
Austin, TX 78703

Greater East Austin Neighborhood Assoc.  
c/o Mr. Joe Quintero  
1018 Spence St.  
Austin, TX 78702

United East Austin Coalition  
c/o Council Member Pio Renteria  
1511 Haskell Street  
Austin, TX 78702

Barrio Unido N.A., Tejano Town, and  
El Concilio Mexican-American Neighborhoods  
c/o Mr. Gavino Fernandez, Jr.  
2216 Haskell St.  
Austin, TX 78702

Guadalupe Neighborhood Dev. Corp.  
813 E. 8<sup>th</sup> Street  
Austin, TX 78702

East Cesar Chavez  
Neighborhood Contact Team  
Terrazas Library, 1105 E Cesar Chavez  
Austin, TX 78702

Bike Austin  
1300 W. Oltorf Street, Suite 6  
Austin, TX 78704

Homeless Neighborhood Assoc.  
c/o Mr. Kirk Becker  
1015 W. William Cannon Dr. #208  
Austin, TX 78745

Black Improvement Association  
P.O. Box 140244  
Austin, TX 78714

Neighborhood Empowerment Fdn.  
c/o Ms. Linda Bailey  
4104 Turkey Creek Dr.  
Austin, TX 78730

Capital Metro  
2910 E. 5<sup>th</sup> Street  
Austin, TX 78702

Neighbors United for Progress  
c/o Ms. Rachel Robinson  
6002 Jain Ln.  
Austin, TX 78721

Claim Your Destiny Foundation  
P.O. Box 153126  
Austin, TX 78715

Ms. Anne Milne  
Plaza Saltillo TOD Staff Liaison  
City of Austin Planning and Zoning  
P.O. Box 1088  
Austin, TX 78767

Del Valle Community Coalition  
c/o Mrs. Susanna Ledesma Woody  
7433 Montezuma St.  
Austin, TX 78744

Preservation Austin  
c/o Ms. Kate Singleton  
PO Box 2113  
Austin, TX 78768

East Austin Conservancy  
c/o Mr. Raul Ruben Alvarez  
2601 Zaragosa Street  
Austin, TX 78702

SEL Texas  
c/o Ms. Tammy Walters  
701 Rio Grande Street, Ste. C101  
Austin, TX 78704



# COMING SOON!

## Austin Habitat for Humanity Multi-Family Housing

The first of its kind for our affiliate, we'll be building a multi-family housing development at the corner of 4th and Onion! Thirty-four homes will be affordable to households making between \$20,000 - \$65,000 a year.

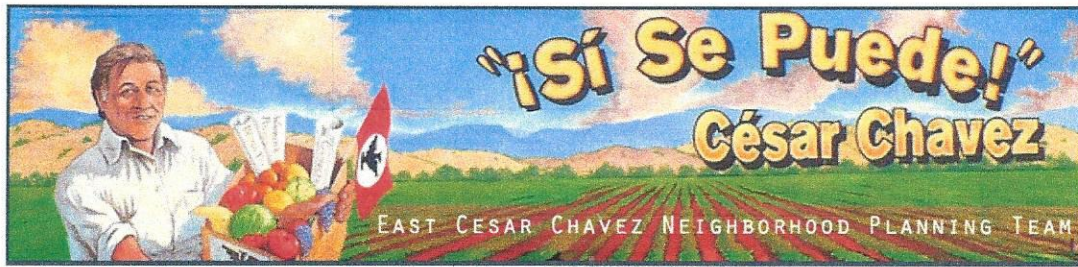
### WHY WE'RE EXCITED:

- Increases affordable ownership inventory in 78702 by **122%**
- Walkable to transit, food, jobs and education
- Homeownership builds stronger futures

This is in the very early stages of design and we are still years away – stay tuned for more!

Questions? Contact Greg Anderson at [ganderson@ahfh.org](mailto:ganderson@ahfh.org)





January 31, 2018

Dear Mayor, City Council Members and Planning Commissioners:

On behalf of the East Cesar Chavez Neighborhood Plan Contact Team (ECCNPCT), I am writing to you in support of the Austin Habitat for Humanity affordable housing development currently being proposed at 4<sup>th</sup> Street and Onion Street. The team voted unanimously, with two abstentions, at our January 17<sup>th</sup> meeting to support the proposed site-specific changes to the Saltillo TOD Regulating Plan, as outlined below.

City Council Resolution 20170817-056 proposes amendments to the Plaza Saltillo TOD Regulating Plan that would create a new Density Bonus Program applicable to the property owned by Austin Habitat for Humanity. It further specifies that in order to participate in the new Density Bonus subdistrict, eligible projects must meet specific affordability requirements.

The ECCNPCT supports the following aspects of the proposed subdistrict to the Saltillo TOD:

- A maximum building height of 70 feet;
  - A maximum parking reduction of 95%;
  - A 5 foot reduction in the front yard setback currently required by the Plaza Saltillo TOD Regulating Plan;
- The ECCNPCT supports these changes for projects that meet the following affordability requirements:
- A minimum of 10% of the units (by square footage) provided at  $\leq 40\%$  MFI;
  - A minimum of 25% of the units (by square footage) provided at  $\leq 60\%$  MFI; and
  - A minimum of 40% of the units (by square footage) provided at  $\leq 80\%$  MFI.

We greatly appreciate your leadership in providing opportunities for additional affordable housing in the East Cesar Chavez Neighborhood Planning Area and we hope you will support these changes to the Saltillo TOD Regulating Plan.

Sincerely,

Mark C. Rogers, Nonprofit Representative  
East Cesar Chavez Neighborhood Plan Contact Team





# City of Austin

## Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767

(512) 974-3100 \* Fax (512) 974-3161 \* <http://www.austintexas.gov/department/housing>

March 13, 2019 (Revision to letter dated April 12, 2016)

### S.M.A.R.T. Housing Certification

Austin Habitat for Humanity – The Saltillo, E 4<sup>th</sup> Street (ID# 280)

#### TO WHOM IT MAY CONCERN:

Austin Habitat for Humanity - (development contact: Andy Alarcon: 512.472.8788x247 (o); [aalarcon@austinhabitat.org](mailto:aalarcon@austinhabitat.org)) is planning to develop a **45-57 unit multi-family condo/for sale development** at East 4<sup>th</sup> Street (corner of 4<sup>th</sup> Street and Onion). The property is located in the Plaza Saltillo Transit Oriented District and is subject to the Plaza Saltillo TOD regulating plan, Section 4.3.4. The affordable units shall be reserved as affordable, for a minimum of 99 years following the issuance of the certificate of occupancy, for ownership by households earning no more than the required percentage of the Annual Median Family Income under Section 4.3.4(C). The applicant/property owner shall be responsible for providing habitable space equal to a minimum of 75% of the entire square footage of the development for affordable housing in accordance with Section 4.3.4.(C).

Certification for compliance with the Plaza Saltillo TOD Regulating Plan will be provided under a separate letter.

NHCD certifies that the proposed construction meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since 70% of the units of this project will serve households earning no more than 80% MFI, the development will be eligible for a **100% waiver** of the fees listed in Exhibit A of the S.M.A.R.T. Housing Resolution adopted by the City Council. The expected fee waivers include, but are not limited to, the following fees:

Capital Recovery Fees	Site Plan Review	Land Status Determination
Building Permit	Misc. Site Plan Fee	Building Plan Review
Concrete Permit	Construction Inspection	Parkland Dedication (by
Electrical Permit	Subdivision Plan Review	separate ordinance)
Mechanical Permit	Misc. Subdivision Fee	
Plumbing Permit	Zoning Verification	

#### Prior to issuance of building permits and starting construction, the developer must:

- ◆ Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Contact Austin Energy Green Building: 512-482-5300 or [greenbuilding@austinenergy.com](mailto:greenbuilding@austinenergy.com)).
- ◆ Submit plans demonstrating compliance with accessibility standards.

#### Before a Certificate of Occupancy will be granted, the development must:

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection to certify that accessibility standards have been met.
- ◆ An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed

*The Neighborhood Housing and Community Development Office's mission is to provide housing, community development, and small business development services to benefit residents so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency.*



letter from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

The applicant must demonstrate compliance with the reasonably-priced standard after the completion of the units, or repay the City of Austin in full the fees waived for this S.M.A.R.T. Housing certification.

Please contact me by phone 512.974.3128 or by email at [Sandra.harkins@austintexas.gov](mailto:Sandra.harkins@austintexas.gov) if you need additional information.

Sincerely,



Sandra Harkins

Neighborhood Housing and Community Development

Cc: Rosa Gonzales, AE  
Melanie Montez, ORS

Ellis Morgan, NHCD  
Mashell Smith, ORS

Jonathan Orenstein, AWU










*The Neighborhood Housing and Community Development Office's mission is to provide housing, community development, and small business development services to benefit residents so they can have access to livable neighborhoods and increase their opportunities for self-sufficiency.*

# 1409-1411 E 4TH STREET PROPERTIES



Subject Property

## Legend

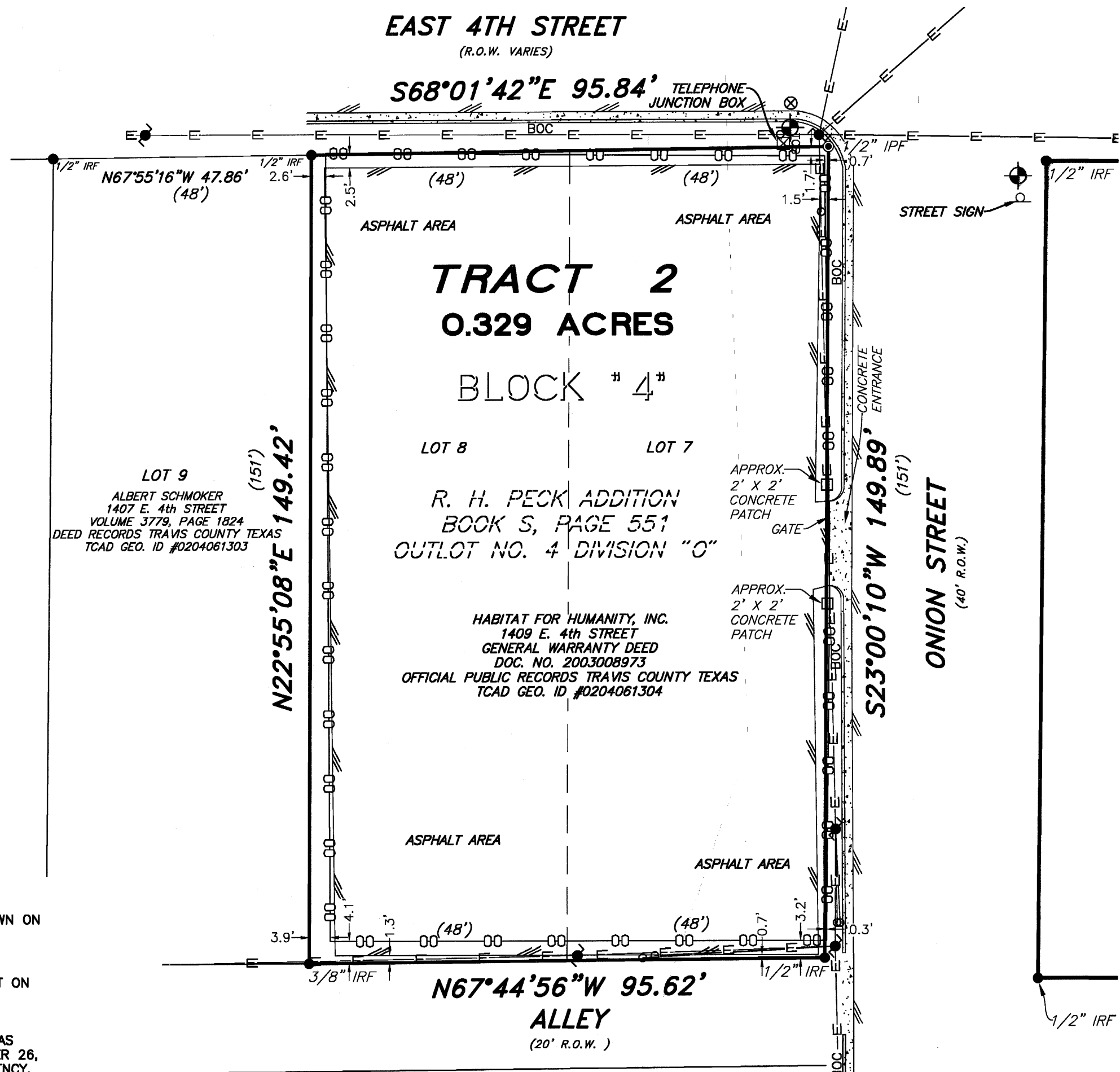
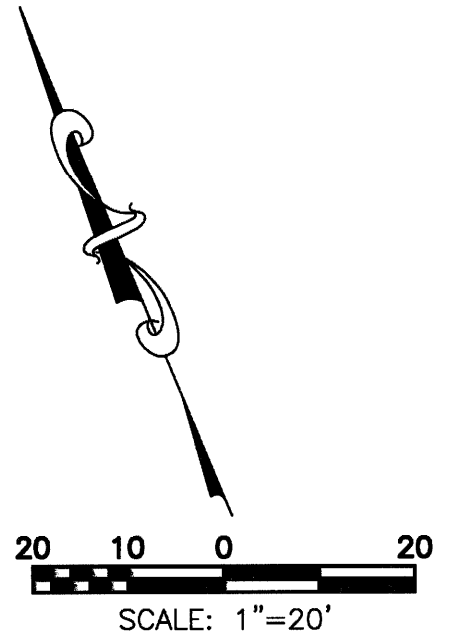
-  Lot Lines
-  Streets
-  Building Footprints
-  Named Creeks
-  Lakes and Rivers
-  Parks
-  County
-  Address Points
-  TCAD Parcels



# LAND TITLE SURVEY OF LOTS 7 & 8, BLOCK "4" R. H. PECK ADDITION OF OUTLOT NO. 4, DIVISION "O" CITY OF AUSTIN, TRAVIS COUNTY, TEXAS

## LEGEND

- MONUMENT—METAL AND CONCRETE CASING WITH BRASS PIN FOUND
- IRON ROD FOUND (TYPE AND SIZE NOTED)
- ⊙ IRON PIPE FOUND (TYPE AND SIZE NOTED)
- E— OVERHEAD ELECTRIC OR TELEPHONE LINE
- P— POWER POLE WITH GUY WIRE AND ANCHOR
- ⊕ WASTEWATER MANHOLE
- ⊗ WATER VALVE
- ⊙ WATER METER
- ⊙ FIRE HYDRANT
- ⊙ BOLLARD
- ⊙ MONITORING WELL
- TCB TELEPHONE JUNCTION BOX
- S— STREET/TRAFFIC SIGN (UNLESS OTHERWISE NOTED)
- ( ) RECORD INFORMATION
- B— BREAK IN SCALE
- R.O.W. RIGHT-OF-WAY
- BOC BACK OF CURB
- P— PROPERTY LINE
- E— EXISTING BUILDING
- BRICK IMPROVEMENTS
- OO— CHAINLINK FENCE
- E— EDGE OF ASPHALT
- APPROX. APPROXIMATE



## UTILITY AND IMPROVEMENT NOTE

ONLY SURFACE EVIDENCE OF UTILITIES AND IMPROVEMENTS ARE SHOWN ON THIS SURVEY.

## NOTE

THIS DRAWING IS BASED ON MEASURED DISTANCES IN THE FIELD NOT ON GRID DISTANCES.

## FLOOD PLAIN NOTE

THE PROPERTY DESCRIBED HEREON IS CONTAINED WITHIN ZONE "X" AS SCALED FROM F.I.R.M. MAP NUMBER 48453C0465H, DATED SEPTEMBER 26, 2008, AS PUBLISHED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY, THE PURPOSE OF WHICH IS FOR FLOOD INSURANCE ONLY.

## TITLE COMMITMENT NOTE

ALL EASEMENTS OF WHICH I HAVE KNOWLEDGE AND THOSE RECORDED EASEMENTS FURNISHED BY HERITAGE TITLE COMPANY OF AUSTIN, INC. ACCORDING TO GF NO. 201400694 WITH AN EFFECTIVE DATE OF MARCH 17, 2014 ARE SHOWN OR DEPICTED HEREON. OTHER THAN VISIBLE EASEMENTS, NO UNRECORDED OR UNWRITTEN EASEMENTS WHICH MAY EXIST ARE SHOWN HEREON.

CERTIFIED TO: HERITAGE TITLE COMPANY OF AUSTIN, INC.,  
CHICAGO TITLE INSURANCE COMPANY  
CYPRESS REAL ESTATE ADVISORS, INC., A DELAWARE CORPORATION  
AUSTIN HABITAT FOR HUMANITY, A NON-PROFIT TEXAS CORPORATION, AKA HABITAT FOR HUMANITY, INC.

I HEREBY CERTIFY THAT A SURVEY WAS MADE ON THE GROUND OF THE PROPERTY SHOWN HEREON; THAT THERE ARE NO VISIBLE DISCREPANCIES, CONFLICTS, SHORTAGES IN AREA, BOUNDARY LINE CONFLICTS, ENCROACHMENTS, OVERLAPPING OF IMPROVEMENTS, EASEMENTS OR RIGHT-OF-WAY, EXCEPT AS SHOWN; THAT SAID PROPERTY HAS ACCESS TO AND FROM A PUBLIC ROADWAY; AND THAT THIS SURVEY IS AN ACCURATE REPRESENTATION OF THE PROPERTY TO THE BEST OF MY KNOWLEDGE. THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARD AND SPECIFICATIONS FOR A CATEGORY 1A CONDITION II SURVEY.

AS SURVEYED BY  
LANDMARK SURVEYING, LP  
FIRM REGISTRATION NO. 100727-00

*Dana A. Markus-Wolf*  
DANA A. MARKUS-WOLF  
REGISTERED PROFESSIONAL LAND SURVEYOR  
TEXAS REGISTRATION NO. 4996  
DATE: MARCH 18, 2014



Client: CYPRESS REAL ESTATE ADVISORS  
Date: March 25, 2014  
Office: Eleuterio Leos  
Crew: J. LEE  
F.B.: 1373/31-33, 50  
Path: t:\cypress real estate advisors\landmark drawings\surface-staff\310 cornal & 1409 e.4th street\_surface-a.dwg  
Job No.: 1102-01-01

**Landmark**  
SURVEYING, LP  
2205 East 5th STREET  
AUSTIN, TEXAS 78702  
PH: (512)328-7411 FAX: (512)328-7413





# Opportunity Values

1409 E 4th St, Austin, TX, 78702, US



Show search results for 1409 E ...



## Legend

### High Opportunity



### Emerging Opportunity



## Search result

1409 E 4th St, Austin, TX, 78702, USA

[Zoom to](#)



-97.731 30.262 Degrees

100ft





# Gentrification Values

1409 E 4th St, Austin, TX, 78702, US X









Show search results for 1409 E ...



## Legend

### Gentrification\_RHDAHODA\_view

-  Susceptible
-  Early: Type 1
-  Dynamic
-  Late
-  Continued Loss
- Missing Home Value Data
-  Not Gentrifying

### Search result

1409 E 4th St, Austin, TX, 78702, USA

[Zoom to](#)

-97.731 30.262 Degrees

100ft







# Imagine Austin & Mobility Corridors

1409 E. 4th Street



Show search results for 1409 E. ...



## Search result

1409 E 4th St, Austin, TX, 78702, USA

[Show more results](#)

[Zoom to](#)

-97.758 30.278 Degrees

0.3mi





Transit

1409 E. 4th Street Austin

Show search results for 1409 E. ...



Legend

High Frequency Bus Routes: 1/4-Mile Buffer



Bus Routes: 3/4-Mile Buffer



Search result

1409 E 4th St, Austin, TX, 78702, USA

[Zoom to](#)

-97.730 30.260 Degrees







# Healthy Food

1409 E 4th St, Austin, TX, 78702, US X



Show search results for 1409 E ...



## Legend

### Healthy Food



### Healthy Food Retail Locations



## Search result

1409 E 4th St, Austin, TX, 78702, USA

[Zoom to](#)



-97.730 30.261 Degrees

100ft







# Elementary School Attendance Zones

1409 E 4th St, Austin, TX, 78702, US

Show search results for 1409 E ...



## Legend

### Austin Elementary School Attendance Areas

- Austin ISD
- Pflugerville ISD
- Manor ISD
- Del Valle ISD
- Round Rock ISD
- Lake Travis ISD
- Lago Vista ISD

Search result

1409 E 4th St, Austin, TX, 78702, USA

[Zoom to](#)

-97.732 30.259 Degrees

200ft





# FloodPro

Find Floodplain Information

I want to...

**General Information**

Address: 1409 E 4TH ST  
 Tax ID: 0204061304  
 Appraisal District: Travis

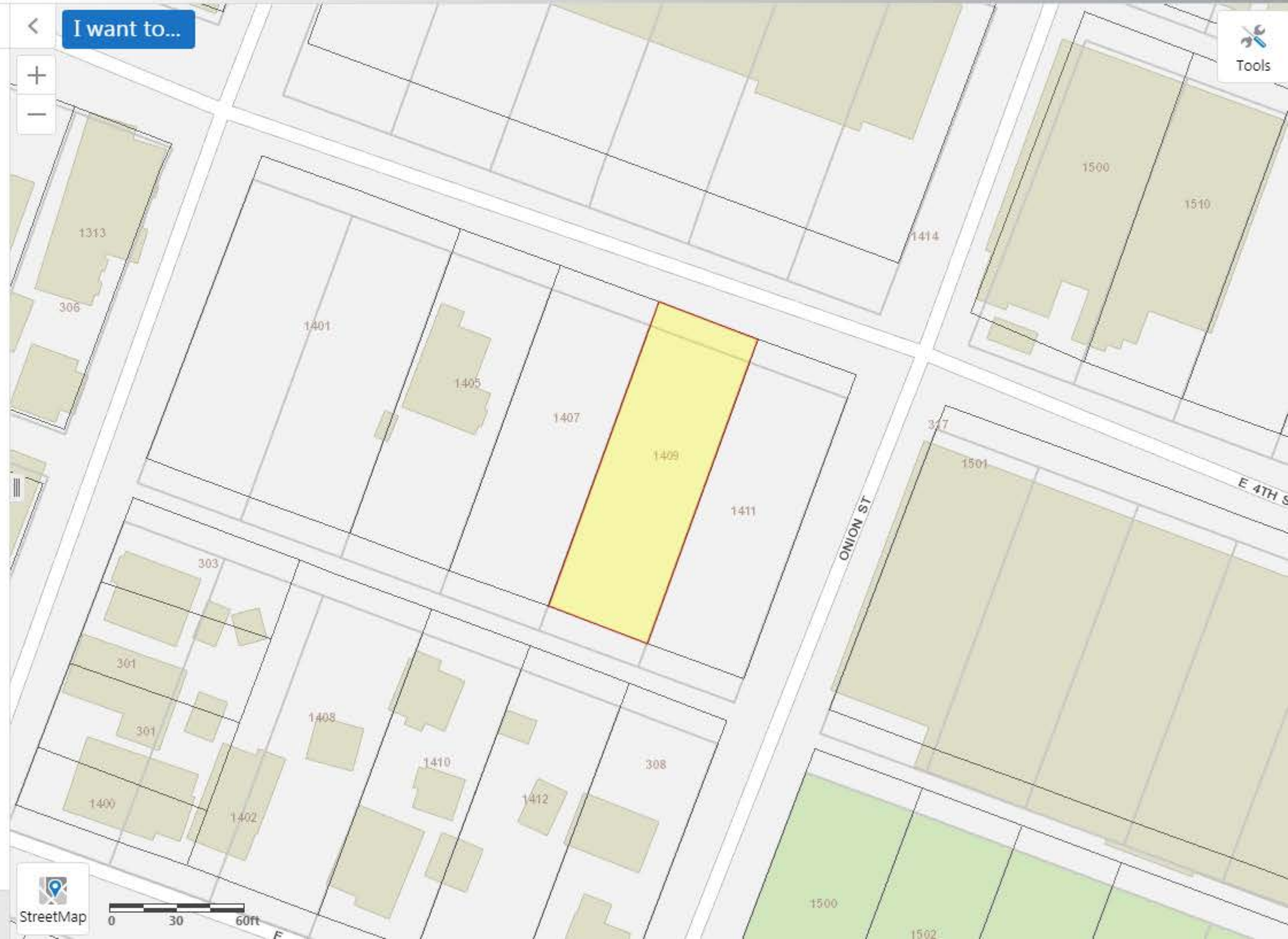
**FEMA Floodplain**

Flood Zone: X  
 Community Number: 480624  
 Panel Number: 48453C0465J  
 Effective Date: 1/6/2016  
 100-Year Flood Elevation: N/A  
 500-Year Flood Elevation: N/A

**City of Austin Floodplain**

25-Year Flood Elevation: N/A  
 100-Year Flood Elevation: N/A

[Print Floodplain Report](#)







## FLOODPLAIN INFORMATION REQUEST FORM

Tax Parcel ID: 0204061304		Date Processed: 03/25/2019	
Property Address: 1409 E 4TH ST			
<b>FEMA Flood Insurance Information:</b>		<b>City of Austin Regulatory Information:</b>	
Flood Zone*: X		25-Year Flood Elevation**: N/A	
Community Number: 480624		100-Year Flood Elevation**: N/A	
Panel Number: 48453C0465J		All elevations are in feet above mean sea level; Datum for all elevations is NAVD88.	
Effective Date: 1/6/2016			
FEMA 100-Year Elevation*: N/A			
FEMA 500-Year Elevation*: N/A			

*Additional Questions? Please contact the Floodplain Office*

**Phone Hotline:** 512-974-2843

**Fax:** 512-974-3584

**E-mail:** floodpro@austintexas.gov

**Mailing Address:** Attention: Floodplain Office, Watershed Protection Department-12th Floor, PO BOX 1088  
Austin, TX 78767-1088

- \* The flood zone determination is based solely on a graphical interpretation of the FEMA Flood Insurance Rate Map (FIRM). Parcels with flood zones **A**, **AE**, **AO**, or **AH** are located or partially located within the FEMA Special Flood Hazard Area designated 1% annual chance flood hazard (100-year floodplain). Parcels with flood zone **0.2% annual chance flood hazard** (500-year floodplain) are located or partially located within the shaded zone X portion of the FIRM. Parcels with flood zone **X Protected by Levee** are located within in an area protected by a levee from the 1% annual chance flood hazard. Parcels with flood zone **X** are located outside the 0.2% annual chance flood hazard. The 1% annual chance flood hazard is the base flood and is used to determine the base flood elevation (BFE) for flood insurance purposes. BFEs must be determined using the flood profiles contained in the effective Flood Insurance Study (FIS). The FEMA 1% annual chance floodplains *may differ* from the City of Austin regulatory floodplains.
- \* \* The City of Austin uses the fully developed 25-year and 100-year floodplains to regulate development within the full purpose and extra territorial jurisdiction (ETJ) as established in the Land Development Code. The City of Austin regulatory floodplains *may differ* from the FEMA 1% annual chance floodplains.

The City provides the information on this form using the best available engineering and topographic data. Floodplain elevations to be used for development applications must be determined by a Texas Registered Professional Engineer. The official determination of a parcel's floodplain status may necessitate a comparison of the floodplain elevations to an on-the-ground topographic survey by a registered design professional.

**DISCLAIMER:** The City of Austin provides this information on request as a courtesy to our citizens. Any use of this information is at the sole discretion of the user. The City of Austin makes no warranty, expressed or implied, for the accuracy, completeness, or applicability of the information provided in this form.

THIS FORM IS NOT A PERMIT FOR DEVELOPMENT. For information about development permitting, call the City of Austin Development Assistance Center at 512-974-6370. THIS FORM IS NOT A SUBSTITUTE FOR FEMA FORM 81-93, STANDARD FLOOD HAZARD DETERMINATION. Private flood hazard determination companies may provide Form 81-93. For more information on the National Flood Insurance Program and how to find a flood insurance agent, please visit <http://www.floodsmart.gov/floodsmart/>

# ATLAS 14 QUICK REFERENCE SHEET

## What is Atlas 14?

The National Weather Service, in partnership with many other federal, state, and local agencies, is in the process of reassessing historic rainfall intensities for Texas with a study called Atlas 14. Rainfall intensities tell us the likelihood of rainfall events of different sizes. Rainfall intensities are used by FEMA and local communities to determine flood risk and to make floodplain maps. Rainfall intensities for the State of Texas have not been assessed since 1994. Atlas 14 is an update of this data meant to incorporate almost a quarter century of rainfall data collected statewide since the last study, up to and including Hurricane Harvey. The graphic to the right indicates in green the areas of Texas where rainfall intensities are increasing.

## How Does Atlas 14 Affect Austin?

The Atlas 14 draft study shows the Austin area to be one of the most significantly impacted areas in the State of Texas. In general, this means that, in Austin, what had been considered a 500-year rainfall is in fact a 100-year rainfall. This indicates that many homes and businesses in Austin may be expected to flood more frequently than had been previously thought. However, only 9% of the land area in Austin is projected to be in the new 100-year floodplain.

## How Is the City of Austin Responding?

The **Watershed Protection Department** is acting quickly to respond to this more accurate assessment of flood risk. It is critical that we continue to ensure that future development is built to be sufficiently resilient to protect lives and properties of our residents. To that end, we have initiated a code amendment process to adopt this new rainfall information as well as other changes meant to enable properties to redevelop in a safer fashion.

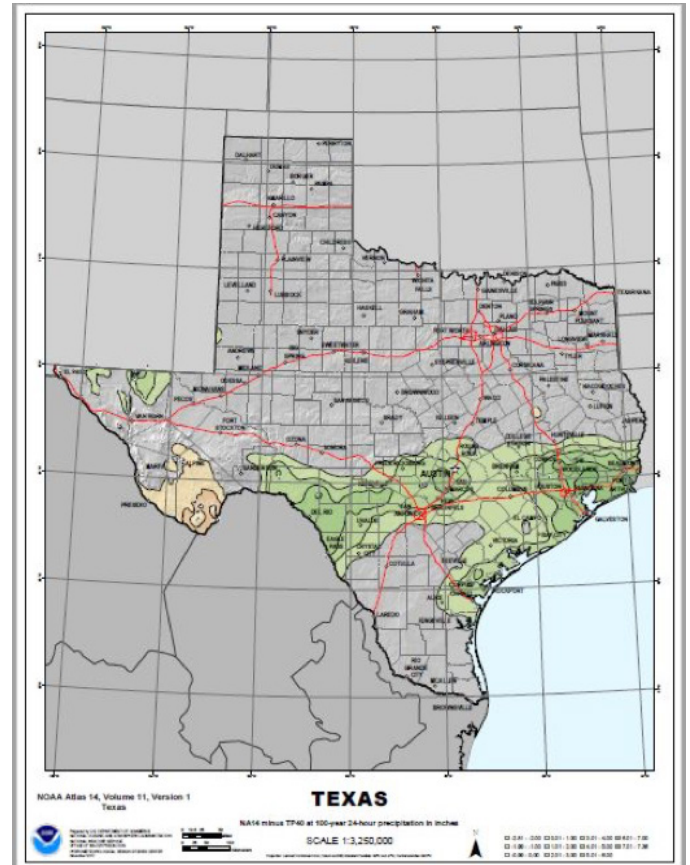
## How Do I Get More Information?

**Website:** [www.AustinTexas.gov/Atlas14](http://www.AustinTexas.gov/Atlas14)

**Email:** [Atlas14@AustinTexas.gov](mailto:Atlas14@AustinTexas.gov)



## MAP CHANGES TO RAINFALL INTENSITY



## IMPACTS TO HOMEOWNERS

### How does this affect my property?

Visit our website [www.austintexas.gov/atlas14](http://www.austintexas.gov/atlas14) to access maps of floodplain changes in Austin.

### Do I need to buy flood insurance?

While FEMA flood insurance rate maps will not be immediately affected, property owners shown in the 500-year floodplain on the current FEMA maps should consider purchasing flood insurance as soon as possible to best protect their property.

### How does this impact development regulations?

Properties located in the City's regulatory floodplain are subject to additional development restrictions. Please visit [www.austintexas.gov/floodplainrules](http://www.austintexas.gov/floodplainrules) to learn more.







NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

### SPECIAL WARRANTY DEED

**Date:** March 11, 2016

**Grantor:** CC THIRD AND COMAL, LP, a Texas limited partnership

**Grantor's Mailing Address:** 823 Congress, Suite 600  
Austin, Texas 78701

**Grantee:** AUSTIN HABITAT FOR HUMANITY, INC., a Texas non-profit corporation

**Grantee's Mailing Address:** 500 West Ben White  
Austin, Texas 78704

**Consideration:** TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration.

**Property** (including improvements): See Exhibit A

**Exceptions to Conveyance and Warranty:** All Matters of Record.

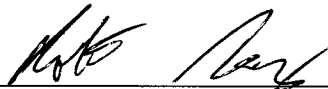
Grantor, for the consideration and subject to the exceptions to conveyance and warranty, grants, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, their heirs, successors and assigns forever in fee simple forever, and Grantor does hereby bind Grantor and Grantor's heirs, successors, and assigns, to WARRANT AND FOREVER DEFEND all and singular, the Property and premises unto Grantee, Grantee's heirs, successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

Grantee further acknowledges and agrees that Grantee is acquiring the Property on an "AS IS, WHERE IS" and "WITH ALL FAULTS" basis, without representation, warranties or covenants, express or implied, of any kind or nature, except as expressly set forth herein. Grantee hereby waives and relinquishes all rights and privileges arising out of, or with respect or in relation to, any representations, warranties or covenants, whether express or implied, which may have been made or given, or which may have been deemed to have been made or given by Grantor, except as expressly set forth herein. Except as otherwise stated herein, Grantee hereby assumes all risk and liability (and agrees that Grantor shall not be liable for any special, direct, indirect, consequential, or other damages) resulting or arising from or relating to the ownership, use, condition, location, maintenance, repair or operation of the Property.

Taxes on the Property for the year 2016 have been prorated between Grantor and Grantee and have been paid in full as of the date of the delivery of this deed, and Grantee assumes the obligation to pay taxes for 2016 and all subsequent years thereafter.

When the context requires, singular nouns and pronouns include the plural.

CC THIRD AND COMAL, LP


By: 

Robert Gandy IV, Manager of CC THIRD AND COMAL GP, LLC, a Texas limited liability Company, General Partner

STATE OF TEXAS           §  
                                      §  
COUNTY OF TRAVIS     §

This instrument was acknowledged before me on the 11 day of March 2016, by Robert Gandy IV, Manager of CC THIRD AND COMAL GP, LLC, a Texas Limited Liability Company, General Partner of CC THIRD AND COMAL, LP, a Texas Limited Partnership, on behalf of said Partnership.



  
Notary Public  
My Commission expires: 8/27/18

**EXHIBIT A**

**LEGAL DESCRIPTION**

Lot (s) 7 and 8, Block 4, R.H. SUBDIVISION OF OUTLOT 4, DIVISION "O", a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 8, Page 551 of the Deed Records of Travis County, Texas.

11-GF# 201603907-em  
RETURN TO: HERITAGE TITLE  
401 CONGRESS AVE., STE.1500  
AUSTIN TEXAS 78701

Exhibit A – Page 1



**FILED AND RECORDED**  
**OFFICIAL PUBLIC RECORDS**

*Dana Debeauvoir*

DANA DEBEAUVOIR, COUNTY CLERK  
TRAVIS COUNTY, TEXAS

March 14 2016 08:28 AM

FEE: \$ 34.00 2016036818



Property Profile x Travis CAD - Property Details x

Not secure | propaccess.traviscad.org/clientsdb/Property.aspx?cid=1&prop\_id=191906

Apps | LCPreciser | HUD Income Limits | MyHabitat - MyHabitat... | Citrix XenApp - Ap... | RHOA/HQDA Maps | Paycom | TVC Portal | User Login - Austin... | VolunteerHub

**Travis CAD** Property Search Map Search

Property Search > 191906 AUSTIN HABITAT FOR HUMANITY INC for Year 2019 Tax Year: 2019 - Values not available New Search

Details | Map

Click on a title bar to expand or collapse the information. Expand All

**Property**

**Account**

Property ID:	191906	Legal Description:	LOT 7 BLK 4 OLT 4 DIV O PECK R H
Geographic ID:	0204061305	Zoning:	CS; MU
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

**Protest**

Protest Status:	
Informal Date:	
Formal Date:	

**Location**

Address:	ORION ST TX 78702	Mapco:	
Neighborhood:	1EC1	Map ID:	020201
Neighborhood CD:	1EC1		

**Owner**

Name:	AUSTIN HABITAT FOR HUMANITY INC	Owner ID:	177433
Mailing Address:	500 W BEN WHITE BLVD AUSTIN, TX 78704-7030	% Ownership:	100.000000000000%
		Exemptions:	EX-XD

**Values**

**Taxing Jurisdiction**

**Improvement / Building**

**Land**

**Roll Value History**

Questions Please Call (512) 834-9317

Property Profile x Travis CAD - Property Details x Travis CAD - Property Details x

Not secure | propaccess.traviscad.org/clientsdb/Property.aspx?cid=1&prop\_id=191905

Apps | LCPreciser | HUD Income Limits | MyHabitat - MyHabitat... | Citrix XenApp - Ap... | RHOA/HQDA Maps | Paycom | TVC Portal | User Login - Austin... | VolunteerHub

**Travis CAD** Property Search Map Search

Property Search > 191905 AUSTIN HABITAT FOR HUMANITY INC for Year 2019 Tax Year: 2019 - Values not available New Search

Details | Map

Click on a title bar to expand or collapse the information. Expand All

**Property**

**Account**

Property ID:	191905	Legal Description:	LOT 8 BLK 4 OLT 4 DIV O PECK R H
Geographic ID:	0204061304	Zoning:	CS; MU
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

**Protest**

Protest Status:	
Informal Date:	
Formal Date:	

**Location**

Address:	1409 E 4 ST TX 78702	Mapco:	
Neighborhood:	1EC1	Map ID:	020201
Neighborhood CD:	1EC1		

**Owner**

Name:	AUSTIN HABITAT FOR HUMANITY INC	Owner ID:	177433
Mailing Address:	500 W BEN WHITE BLVD AUSTIN, TX 78704-7030	% Ownership:	100.000000000000%
		Exemptions:	EX-XD

**Values**

**Taxing Jurisdiction**

**Improvement / Building**

**Land**

**Roll Value History**

**Deed History - (Last 3 Deed Transactions)**

## **REAL ESTATE APPRAISAL**

**PROPERTY ADDRESS:** 1409-1411 E 4TH STREET, AUSTIN, TX 78702

**PROPERTY:** TWO VACANT LOTS TOTALING +/-0.3328 ACRES OR 14,497 SF

**PROPERTY TAX IDS:** 191905,191906

**OWNER:** CC THIRD AND COMAL LP



### **Appraisal Prepared For:**

**Sharon Waits, Senior Loan Assistant  
Independent Bank  
1011 West 40th Street  
Austin, Texas 78756**

### **As Of:**

**June 30, 2015**

### **Prepared By:**

**Lone Star Appraisals & Realty, Inc.  
Chris P. Griesbach, MAI  
State Certified General Real Estate Appraisers**



## LONE STAR APPRAISALS & REALTY, INC.

July 7, 2015

Sharon Waits, Senior Loan Assistant  
Independent Bank  
1011 West 40th Street  
Austin, Texas 78756

RE: Appraisal of two vacant lots totaling +/- 0.3328 acres or 14,497 square feet, located at 1409-1411 E 4th Street, Austin, Travis County, TX 78702. The LSAR File # is 5326c.cpg/md

Dear Ms. Waits;

Per your instructions, we have prepared an appraisal of the "as is" market value of the subject property. The appraisal has been presented herein in a narrative format at your request. We have inspected the subject property described above.

For the purposes of this appraisal the subject property is described as follows: two vacant lots totaling +/- 0.3328 acres or 14,497 square feet located at 1409-1411 E 4th Street, Austin, Travis County, TX 78702. The subject property is located at the intersection of E 4th Street and Onion Street. The subject property has +/- 100 linear feet of frontage along the south side of East 4th Street and +/- 145 linear feet of frontage along the east side of Onion Street

This report was prepared in accordance with the assumptions and limiting conditions stated in this report and the report is intended to comply with the Uniform Standards of Professional Appraisal Practice as promulgated by The Appraisal Foundation. At your request, we have provided you with an "as is" market value estimate of the subject property.

The research and analyses necessary to furnish you with a market value recommendation for the subject property has been completed. Market Value is defined within the body of this report. Based upon investigation and analysis of the data, the following represents our estimate of the "as is" market value of the fee simple estate, as of June 30, 2015.

**"AS IS"**

**ONE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

**(\$1,175,000)**

Your attention is directed to the following pages, which contain an analysis of the subject property in addition to information regarding the data utilized and the analysis of the appraiser in formulating the conclusions reported herein.

If you should have any questions or need additional information, please inform us of such. We appreciate the opportunity to be of service to you.

Respectfully submitted,  
LONE STAR APPRAISALS & REALTY, INC.  
Valuation Consultants



Chris P. Griesbach, MAI  
Principal  
State Certified (Texas)  
TX-1321135-G

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### **ADDENDA**

Land Sales Comparables  
Travis County Appraisal District - Tax Information  
Engagement Letter

## **SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

TCAD Parcel Number(s):	191905, 191906
Subject Property Land Area:	+/- 0.3328 acres or 14,497 square feet
Property Owner:	CC Third and Comal, LP
Location/Address:	The subject property is located at 1409-1411 E 4th Street, Austin, Travis County, TX 78702
Effective Date of Appraisal:	June 30, 2015
Property Rights Appraised	Fee Simple
Current Zoning:	TOD-NP (Transit Oriented Development - Neighborhood Planning)
Frontage:	+/- 100 linear feet of frontage along the south side of East 4th Street and +/- 145 linear feet of frontage along the east side of Onion Street
Improvements:	Vacant
Floodplain:	None
Highest and Best Use:	
As Vacant:	Develop the subject property with a commercial use
As Improved:	N/A - Vacant

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## **SUBJECT PHOTOGRAPHS**

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas



**View of subject property looking west**



**View subject property looking north**



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas



**View of subject property looking southwest**



**View of subject property looking east**

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas



**View of subject property looking west**



**View of multi-family development west of subject property**



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas



**View of East 4th Street frontage looking west**



**View of East 4th Street frontage looking east**

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas



**View of Onion Street frontage looking north**



**View of Onion Street frontage looking south**

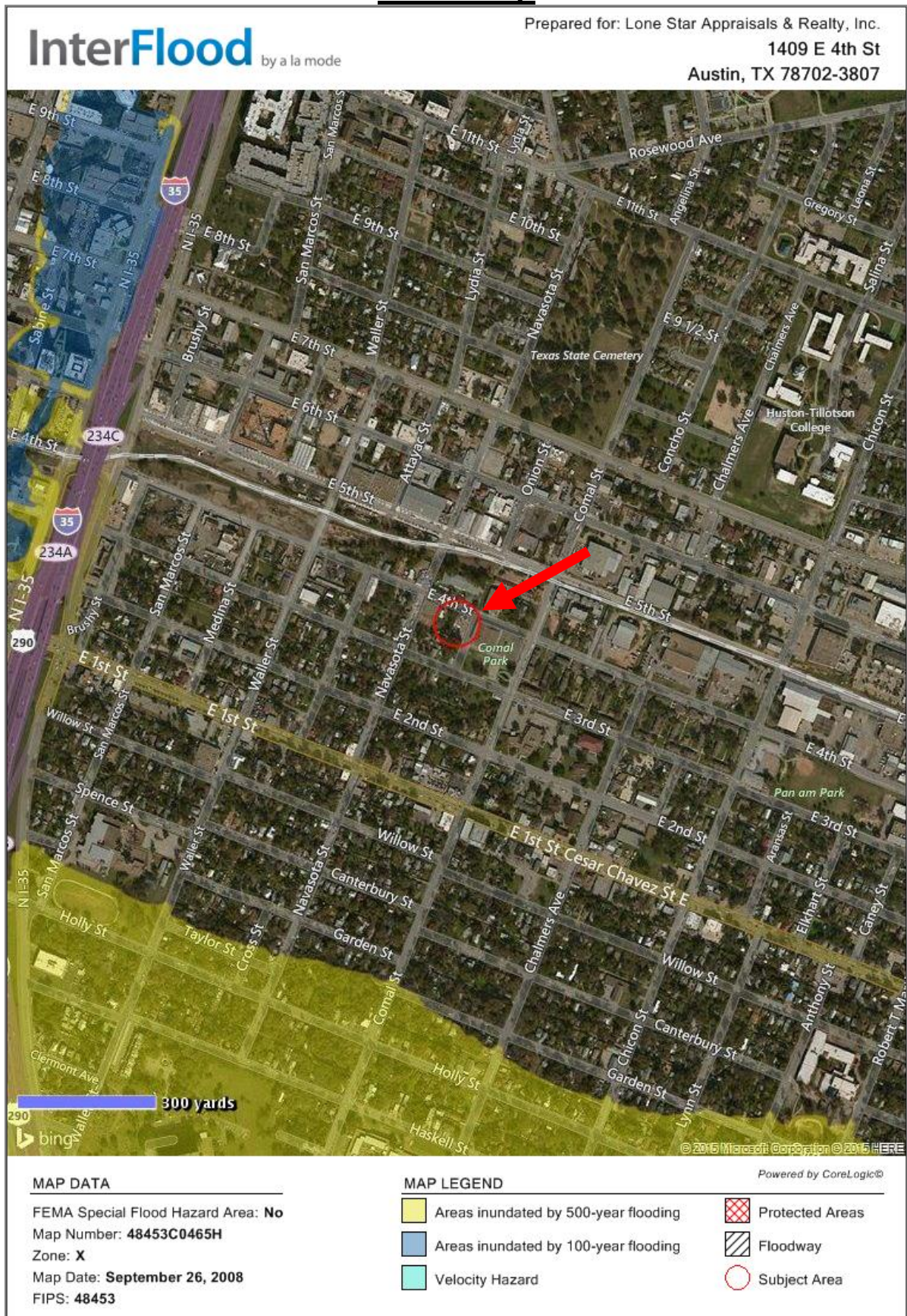
Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## **SUBJECT PROPERTY MAPS**



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## Flood Map





## Zoning Map: TOD - NP

### CITY OF AUSTIN DEVELOPMENT WEB MAP



#### Legend

- Lot Lines
- Streets
- Building Footprints
- Named Creeks
- Lakes and Rivers
- Parks
- County
- Transit Oriented Develop

THIS PRODUCT IS FOR INFORMATIONAL PURPOSES AND MAY NOT HAVE BEEN PREPARED FOR OR BE SUITABLE FOR LEGAL, ENGINEERING, OR SURVEYING PURPOSES. IT DOES NOT REPRESENT AN ON-THE-GROUND SURVEY AND REPRESENTS ONLY THE APPROXIMATE RELATIVE LOCATION OF PROPERTY BOUNDARIES. THIS PRODUCT HAS BEEN PRODUCED BY THE CITY OF AUSTIN FOR THE SOLE PURPOSE OF GEOGRAPHIC REFERENCE. NO WARRANTY IS MADE BY THE CITY OF AUSTIN REGARDING SPECIFIC ACCURACY OR COMPLETENESS.

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

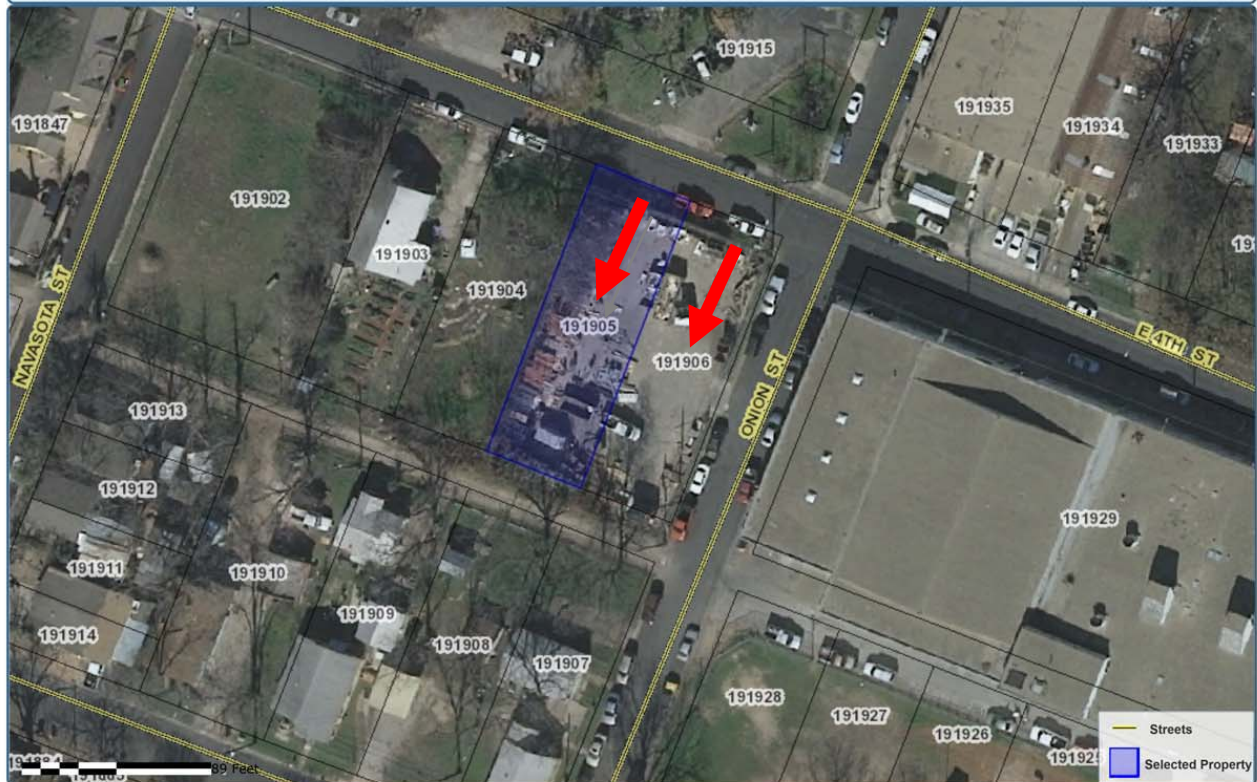


Location:	(3,118,810.68, 10,068,444.56)
Grid:	K21 K21
Future Land Use (FLUM):	Specific Regulating District
Regulating Plan:	Plaza Saltillo TOD Plaza Saltillo TOD
Zoning:	TOD-NP TOD-NP



## Plat Map

### Travis CAD - Map of Property ID 191905 for Year 2015



### Property Details

#### Account

Property ID: 191905  
Geo ID: 0204061304  
Type: Real

Legal Description: LOT 8 BLK 4 OLT 4 DIV O PECK R H

#### Location

Situs Address: 1409 E 4 ST TX 78702  
Neighborhood: #EAS  
Mapsc0: 615C  
Jurisdictions: 03, 02, 01, 68, 0A, 2J

#### Owner

Owner Name: CC THIRD AND COMAL LP  
Mailing Address: , 823 CONGRESS AVE STE 600, AUSTIN, TX 78701

#### Property

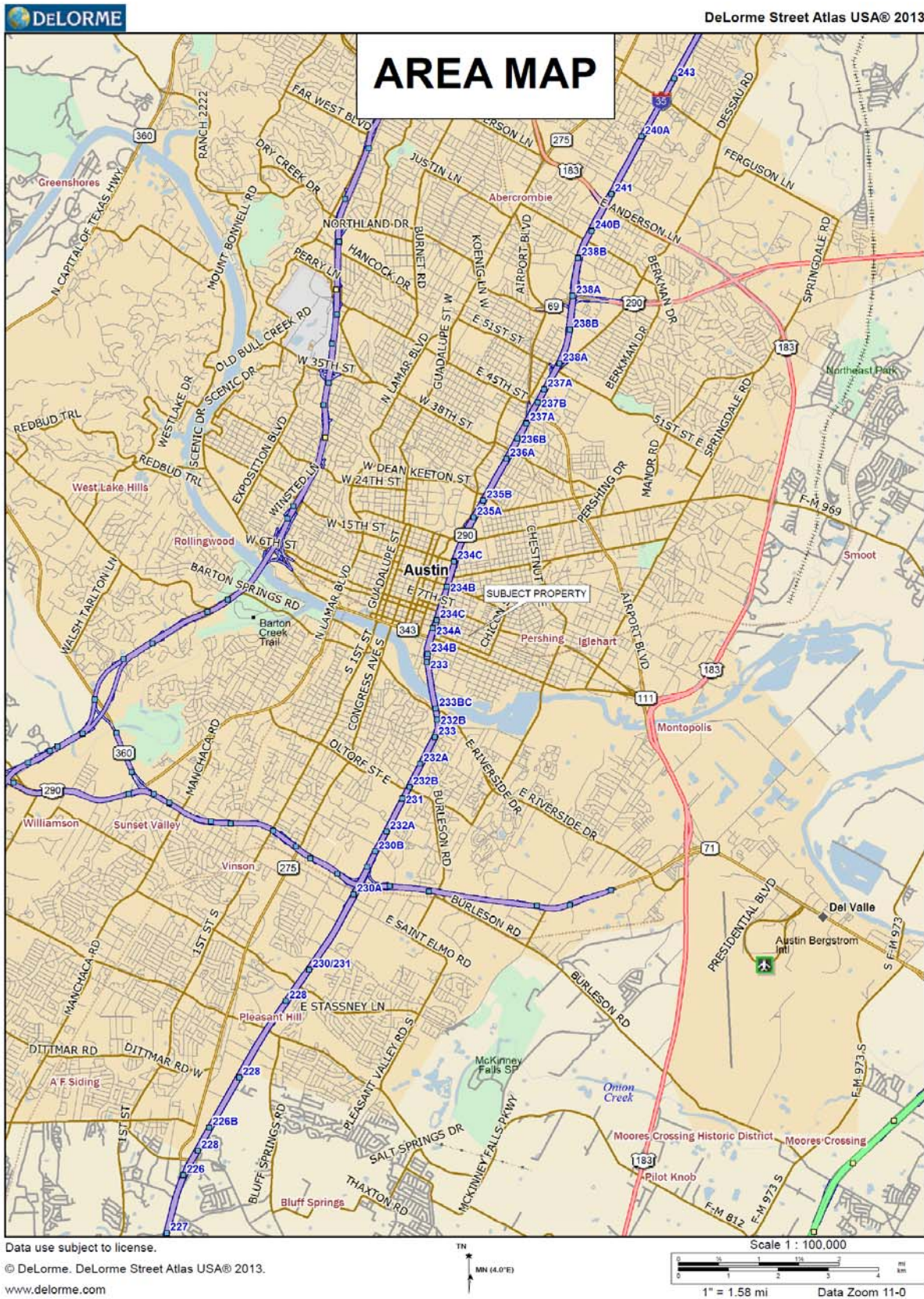
Appraised Value: \$292,602.00

<http://propaccess.traviscad.org/Map/View/Map/1/191905/2015>

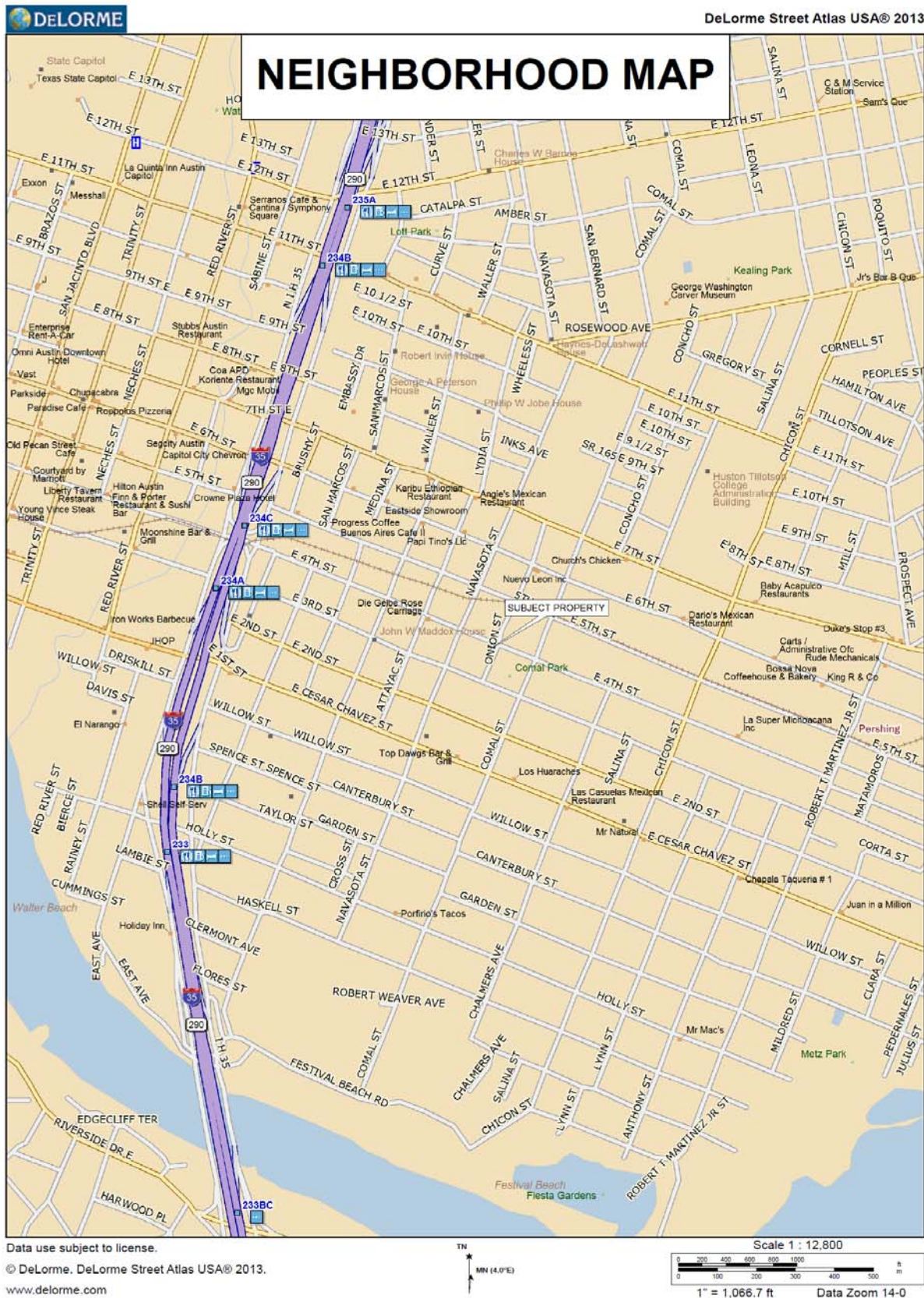
powered by:  
**PropertyACCESS**  
[www.trueautomation.com](http://www.trueautomation.com)

Map Disclaimer: This tax map was compiled solely for the use of TCAD. Areas depicted by these digital products are approximate, and are not necessarily accurate to mapping, surveying or engineering standards. Conclusions drawn from this information are the responsibility of the user. The TCAD makes no claims, promises or guarantees about the accuracy, completeness or adequacy of this information and expressly disclaims liability for any errors and omissions. The mapped data does not constitute a legal document.





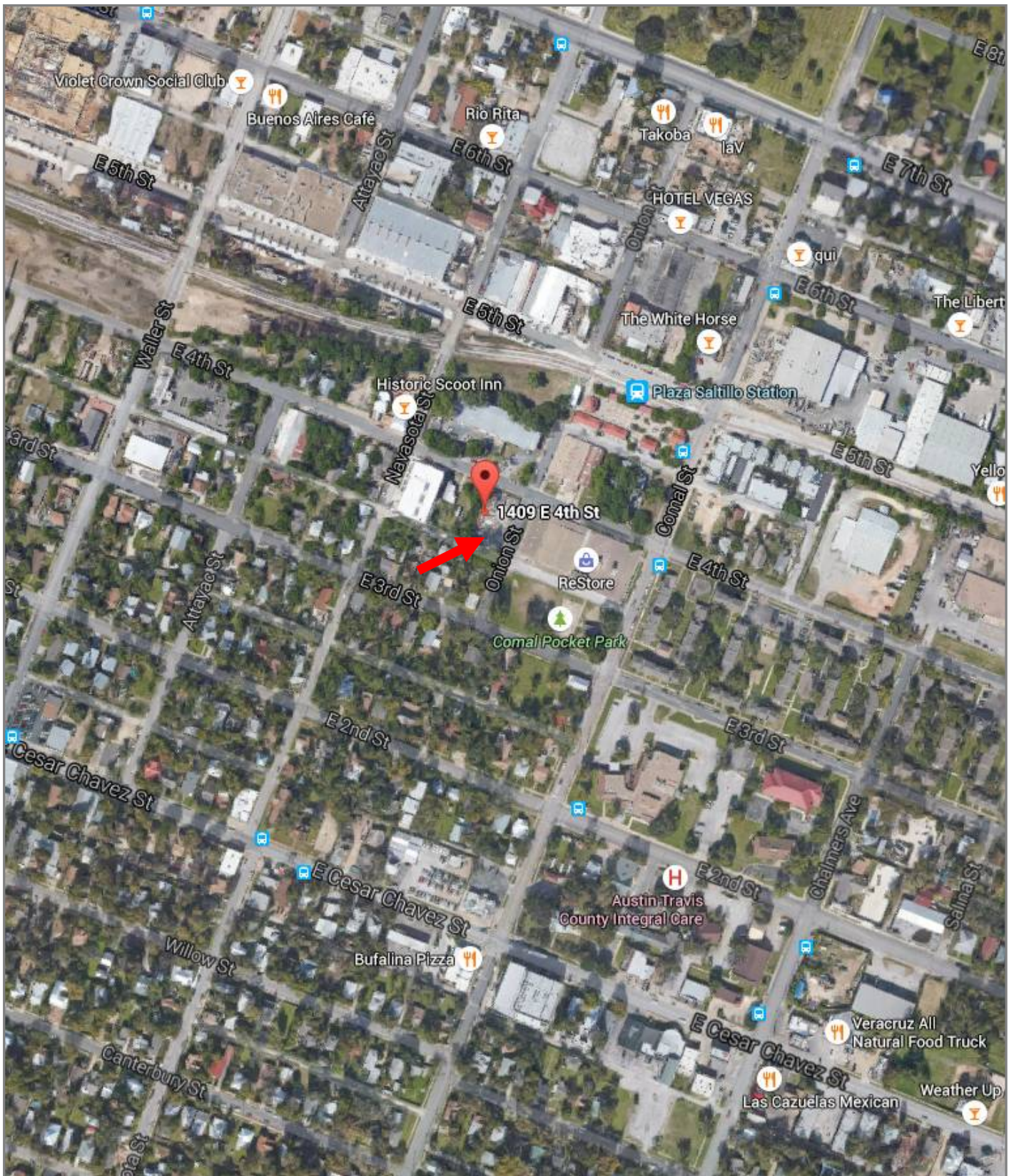






Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## Aerial Photo





Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

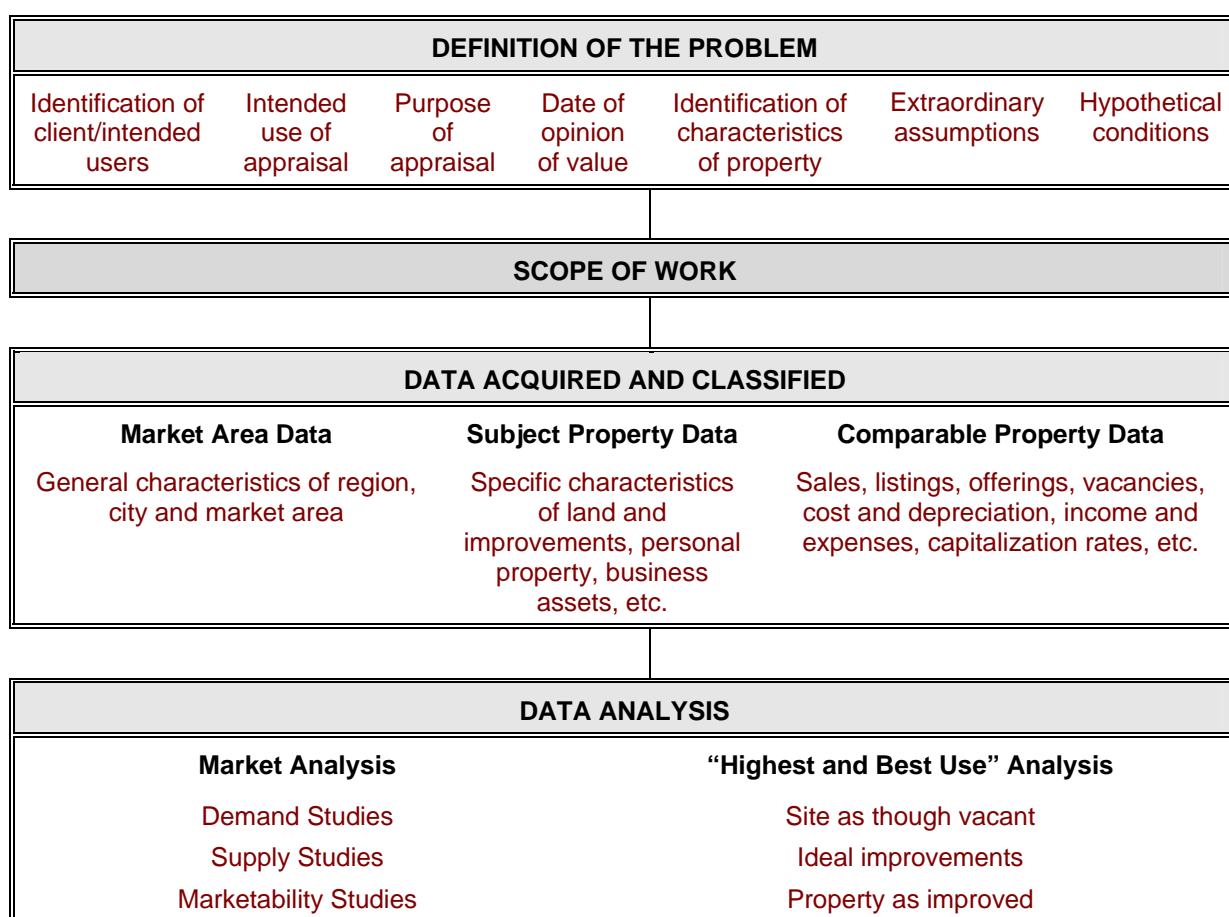
## Aerial Photo



## THE APPRAISAL PROCESS

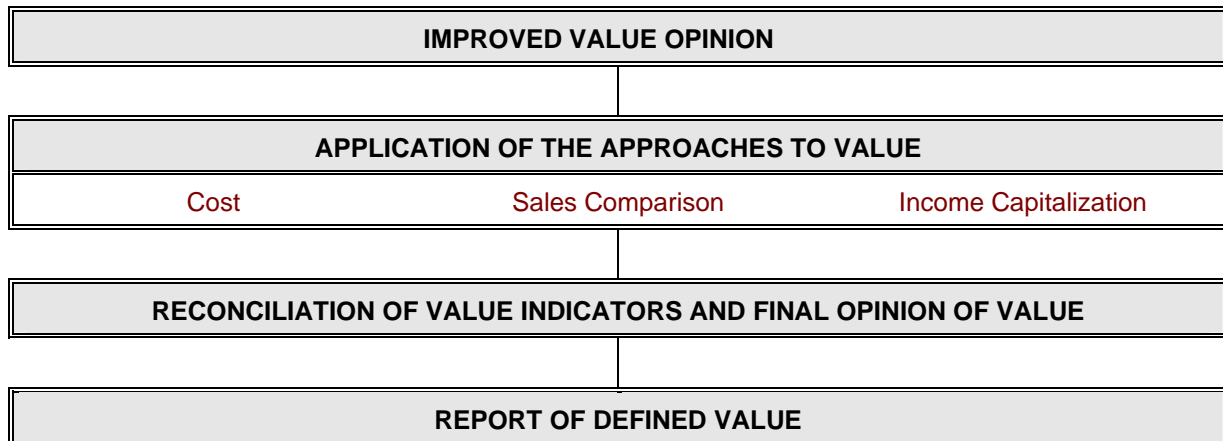
In describing the appraisal process, it is first necessary to define an appraisal. An appraisal is defined as, "the act or process of estimating value."<sup>1</sup> An appraisal is based on selective research into appropriate market areas, assemblage of pertinent data, the application of appropriate analytical techniques, and the knowledge, experience and professional judgment necessary to develop an appropriate solution to a problem." The appraisal process is defined as the: "systematic analysis of the factors that bear upon the value or utility of real estate. An orderly program by which the problem is defined, the work necessary to solve the problem is planned, and the data involved are acquired, classified, analyzed, and interpreted into a final opinion or conclusion."<sup>2</sup>

These two definitions as to what an appraisal is and the process by which it is completed provide the basic framework for all appraisal assignments. A schematic of the appraisal process can be listed as follows:



<sup>1</sup>The Appraisal Foundation, *Uniform Standards of Professional Appraisal Practice* "Definitions" and Appraisal Institute, *Supplemental Standards of Professional Appraisal Practice* "Definitions Problems."

<sup>2</sup>The Appraisal Institute, *The Appraisal of Real Estate*, 12<sup>th</sup> Edition, (Chicago: Appraisal Institute, 2001), 69.



In the valuation of real property, each is unique and many types of value conclusions can be estimated for the property. Typically, the appraisal estimates the market value of the property; however, the valuation process contains the information necessary to provide any other defined value. The appraisal process, while not an exact science, does provide a logical and supportable process for which real property can be valued.

### **DEFINITION OF THE PROBLEM**

#### **Identification of Client/Intended User(s)**

This appraisal is intended for the use of the client, the client's advisors and relevant and regulatory authorities. The client for this report is:

Sharon Waits, Senior Loan Assistant  
Independent Bank  
1011 West 40th Street  
Austin, Texas 78756

This appraisal may not be relied upon by any client other than the client's financial advisors and lenders. The appraisal has not and cannot be re-addressed. No other user is intended.

#### **Intended Use of Appraisal**

The intended use of this appraisal is for an asset valuation. This report is not intended for any other use.

#### **Purpose of Appraisal**

The purpose of this appraisal is to estimate the market value of the subject property.

## **Definition of Property Rights Appraised**

### **Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>3</sup>

### **Date of Opinion of Value**

The effective date of this appraisal including all analyses, the physical inspection, and value conclusion is June 30, 2015.

### **Identification of Characteristics of Property**

The subject property is identified as follows:

Property Type:	Vacant Land
Address:	1409-1411 E 4th Street, Austin, Travis County, TX 78702
TCAD Parcel Number(s):	191905, 191906
Legal Descriptions:	191905: "LOT 8 BLK 4 OLT 4 DIV O PECK R H" 191906: "LOT 7 BLK 4 OLT 4 DIV O PECK R H"

### **Occupancy and Use of the Subject Property**

The subject property is two vacant tracts of land. Currently, it is being utilized as a storage yard for Austin Habitat for Humanity ReStore. "The ReStore's mission is to financially support Habitat for Humanity through its retail operations. It does this as a non-profit home improvement store and donation center that sells new and gently used building materials, appliances, and household fixtures, and more at the fraction of the retail price."

### **Historic Sales Transactions**

Reportedly, the two subject tracts were acquired from Austin Habitat for Humanity, Inc on September 23, 2014, Travis County deed record number 2014143298TR. No other conveyances were discovered within the Uniform Standards of Professional Appraisal Practice (USPAP) required three year search period.

### **Current "For Sale" Listing Agreement(s)**

The subject property tracts have been identified as part of a potential land/lot swap for the property located at 1600-1602 E 4th Street, Austin, Travis County, TX 78702.

---

<sup>3</sup> The Appraisal Institute, The Dictionary of Real Estate Appraisal, 4<sup>th</sup> Edition, (Chicago: Appraisal Institute, 2002), 113.



**Earnest Money Contract & Lease Agreement(s)**

The appraiser is not aware of any earnest money agreements.

**Owner of Record**

The owner of record or title to the subject property as of the effective date of this appraisal appears to be vested in: CC Third and Comal, LP.

**Extraordinary Assumptions**

None

**Hypothetical Conditions**

None

## SCOPE OF WORK

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to determine the appropriate scope of work. USPAP defines the scope of work as:

The amount and type of information researched and the analysis applied in an assignment. Scope of work includes, but is not limited to, the following:

- the degree to which the property is inspected or identified;
- the extent of research into physical or economic factors that could affect the property;
- the extent of data research; and
- the type and extent of analysis applied to arrive at opinions or conclusions.

<b>Appraisal &amp; Report Type:</b>	This appraisal includes sufficient narrative description for the reader to ascertain the estimated value(s) and rationale for the estimate and, provides detail and depth of analysis that reflects the complexity of the real estate appraised. This is a real estate appraisal report.
-------------------------------------	--

<b>Property Identification and Inspection:</b>	The subject has been identified and inspected by the appraiser(s) as follows:
--	---

An inspection of the subject was made, and photographs were taken. The property description was provided by information gathered at the inspection by the appraisers.

<b>Analysis of Physical Factors:</b>	All pertinent physical factors were analyzed.
	The source of the site size measurements was: County Tax records

A survey was not made available to the appraiser. A Title commitment/policy was not available.

<b>Analysis of Economic Factors:</b>	All pertinent economic factors were analyzed.
--------------------------------------	---

<b>The Extent of Data Research:</b>	The appraiser(s) maintain a current and comprehensive database of land sales and listings for the greater Austin market area. In addition to market data developed in the course of previous appraisal work and retained in the appraiser(s) work files, other sources of information include:
-------------------------------------	--

- LSAR, Inc. Database
- LoopNet & Co-Star
- Austin Investors
- Austin Board of Realtors Multiple Listing Service

- Area Brokers

Where warranted, market data has been confirmed by a party to the transaction, or other reliable source.

**The Type and Extent of Analysis:** Cost Approach: This approach is not applicable. The subject property is a vacant tract of land.

Sales Comparison Approach: This approach is applicable, necessary and has been fully developed.

Income Approach: This approach is not applicable. The subject property is a vacant tract of land.

---

## **DEFINITION OF MARKET VALUE**

The definition of "Market Value", as defined by the Office of the Comptroller of Currency (OCC) under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions, the Board of Governors of the Federal Reserve System (FRS) and the Federal Deposit Insurance Corporation in compliance with Title XI of FIRREA, as well as by the Uniform Standards of Appraisal Practice as promulgated by the Appraisal Foundation, is as follows.

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby,

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and are acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

## **REGIONAL AND AREA MARKET DATA**

Regional and area analyses are included to provide background information relevant to the valuation of the subject property.

### **Defining the Market Area**

The subject region is identified as the Austin-Round Rock-San Marcos Metropolitan Statistical Area, which includes the counties of Travis, Williamson, Hays, Bastrop, and Caldwell. The Austin area is in the south-central part of Texas, within the Interstate Highway 35 Growth Corridor; Austin is approximately 200 miles south of Dallas-Fort Worth, 80 miles north of San Antonio, and 160 miles west of Houston.

### **Life Cycle of the MSA**

The Metro Business-Cycle Index released by the Federal Reserve Bank of Dallas suggests that Austin's economy has been one of the fastest-growing economies in the state. This current growth parallels the growth experienced prior to the recession. According to data from the Federal Reserve Bank of Dallas, the Austin-Round Rock Metro Business-Cycle Index steadily declined from early 2008 to mid-2010, with the index rising from 2010 to the present. The Austin area has continuously been ranked as one of the best places for businesses and careers among 150 metropolitan areas throughout the country. According to the Marcus & Millichap Market Overview, an estimated 33,700 jobs were created in 2013 and the Austin MSA will have an estimated 100,000 more jobs than were present before the recession. Almost all employment sectors are contributing to these numbers. However, the booming technology industry is largely responsible for this growth. All in all, the Austin MSA is in a pattern of growth.

### **Population**

The Austin-Round Rock-San Marcos MSA population grew to more than 1.7 million in 2010, with an average annual increase of 3.5% over the last 10 years, according to the Real Estate Center at Texas A&M University. The city of Austin had a population of 842,750 as of January 2013, which represents a 28.4% increase over the population in 2000. Population projections by the Real Estate Center at Texas A&M University show the Austin-Round Rock-San Marcos MSA to have a population of 2.3 million in 2020 and 3.9 million in 2040, with an annualized projected growth rate between 2.5% and 3.25%. The city of Austin is projected to reach 1 million in 2025.

## Austin Area Population Histories and Forecasts

Year	City of Austin Total Area Population	Annualized Growth Rate	City of Austin Full Purpose Population	City of Austin Limited Purpose Population	Travis County	Annualized Growth Rate	Five County MSA(1)	Annualized Growth Rate
1940	87,930				111,053		214,603	
1950	132,459	4.2%			160,980	3.8%	256,645	1.8%
1960	186,545	3.5%			212,136	2.8%	301,261	1.6%
1970	251,808	3.0%			295,516	3.4%	398,938	2.8%
1980	345,890	3.2%			419,573	3.6%	585,051	3.9%
1990	465,622	3.0%			576,407	3.2%	846,227	3.8%
<b>2000</b>	<b>656,562</b>	<b>3.5%</b>	<b>639,185</b>	<b>17,377</b>	<b>812,280</b>	<b>3.5%</b>	<b>1,249,763</b>	<b>4.0%</b>
2001	669,693	2.0%	654,019	15,674	830,150	2.2%	1,314,344	5.2%
2002	680,899	1.7%	667,705	13,194	844,263	1.7%	1,353,122	3.0%
2003	687,708	1.0%	674,382	13,326	856,927	1.5%	1,382,675	2.2%
2004	692,102	0.64%	678,769	13,333	874,065	2.00%	1,419,137	2.6%
2005	700,407	1.20%	687,061	13,346	893,295	2.20%	1,464,563	3.2%
2006	718,912	2.64%	707,952	10,960	920,544	3.05%	1,527,040	4.3%
2007	735,088	2.25%	724,117	10,971	948,160	3.00%	1,592,590	4.3%
2008	750,525	2.10%	739,543	10,982	978,976	3.25%	1,648,331	3.5%
2009	774,037	3.13%	765,957	8,080	1,008,345	3.00%	1,706,022	3.50%
<b>2010</b>	<b>790,390</b>	<b>2.11%</b>	<b>777,953</b>	<b>12,437</b>	<b>1,024,266</b>	<b>1.58%</b>	<b>1,716,289</b>	<b>0.60%</b>
2011	812,025	2.74%	799,578	12,447	1,049,873	2.50%	1,763,487	2.75%
2012	824,205	1.50%	811,746	12,459	1,076,119	2.50%	1,811,983	2.75%
<b>2013</b>	<b>842,750</b>	<b>2.25%</b>	<b>830,278</b>	<b>12,472</b>	<b>1,108,403</b>	<b>3.00%</b>	<b>1,870,872</b>	<b>3.25%</b>
2014	859,605	2.00%	847,121	12,484	1,138,884	2.75%	1,926,998	3.00%
2015	874,648	1.75%	862,151	12,497	1,170,203	2.75%	1,984,808	3.00%
2016	889,954	1.75%	877,445	12,509	1,202,384	2.75%	2,044,353	3.00%
2017	905,529	1.75%	893,007	12,522	1,238,456	3.00%	2,110,794	3.25%
2018	921,375	1.75%	908,841	12,534	1,275,609	3.00%	2,179,395	3.25%
2019	937,499	1.75%	924,953	12,547	1,313,878	3.00%	2,250,225	3.25%
2020	951,562	1.50%	939,002	12,559	1,350,009	2.75%	2,317,732	3.00%
2025	1,025,102	1.50%	1,012,484	12,618	1,546,129	2.75%	2,686,887	3.00%
2030	1,104,326	1.50%	1,091,695	12,631	1,749,304	2.50%	3,077,220	2.75%
2035	1,175,094	1.25%	1,162,450	12,644	1,955,158	2.25%	3,481,592	2.50%
2040	1,235,036	1.00%	1,222,379	12,656	2,158,652	2.00%	3,939,101	2.50%
2045	1,298,035	1.00%	1,285,366	12,669	2,325,481	1.50%	4,349,086	2.00%

**SOURCE: Ryan Robinson, City Demographer, Department of Planning, City of Austin. January 2013.**

**NOTES:** 1) The Five County Austin--Round Rock MSA wholly includes these counties: Bastrop, Caldwell, Hays, Travis and Williamson.

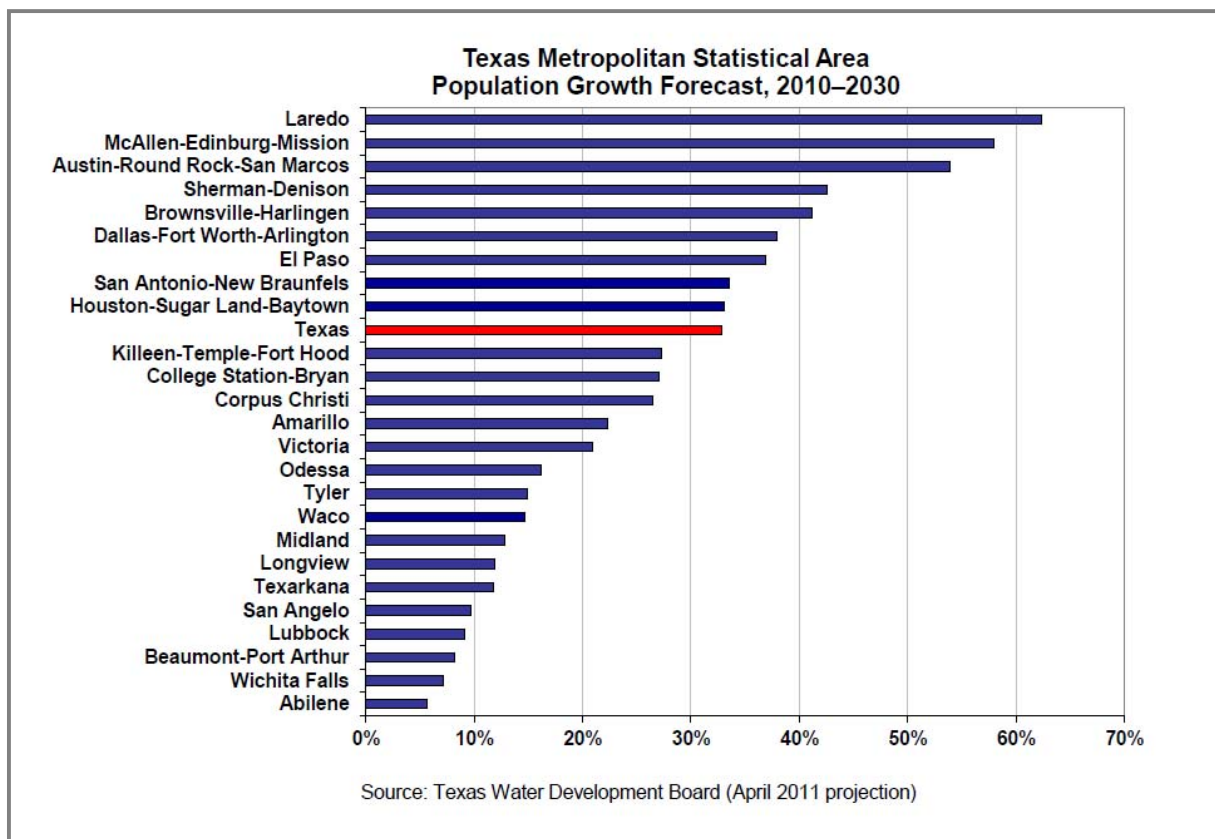
2) Population figures are as of April 1 of each year.

3) Historical and current period population figures for the City of Austin take into account annexations that have occurred.

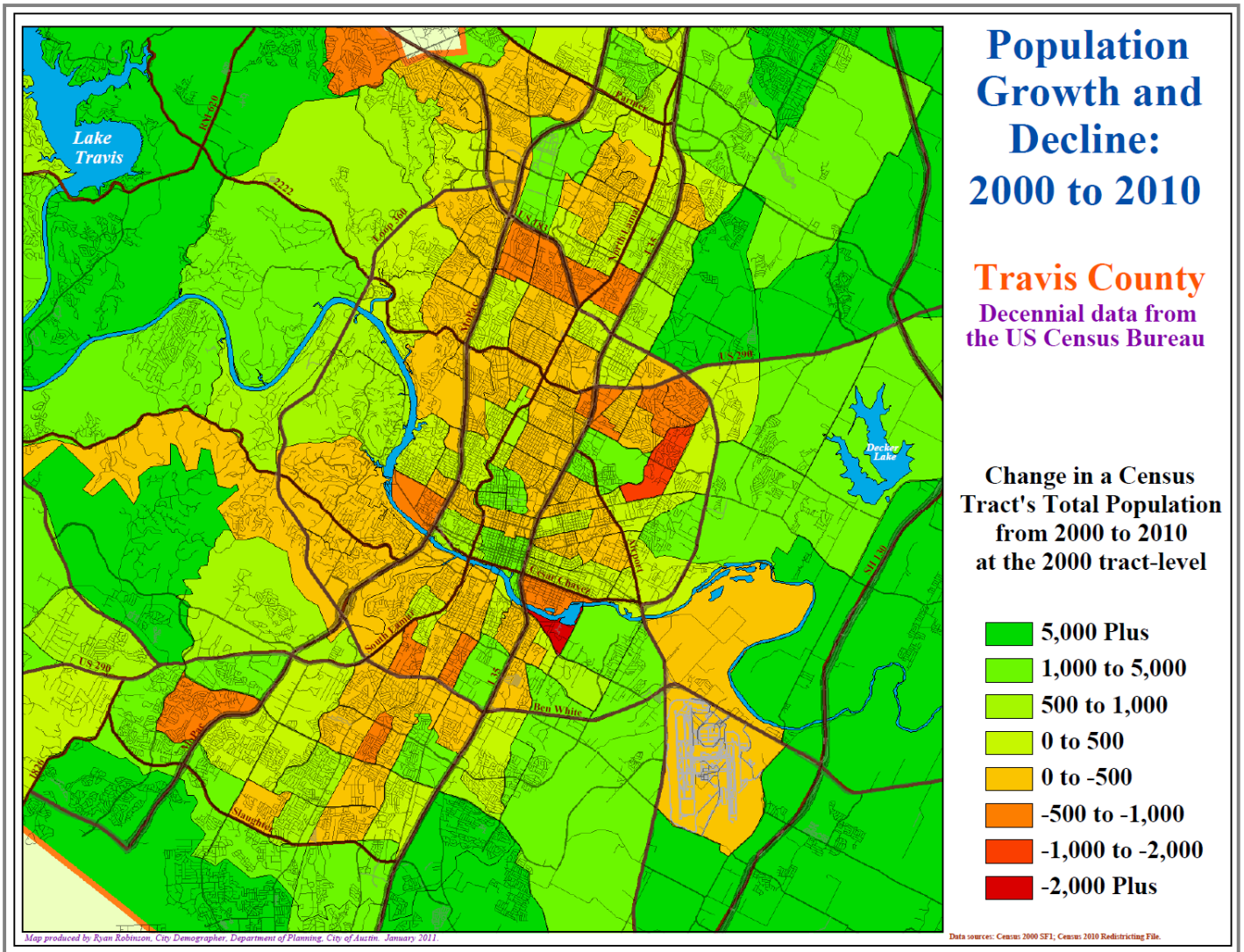
4) Forecasted population figures for the City of Austin do not assume any future annexation activity.



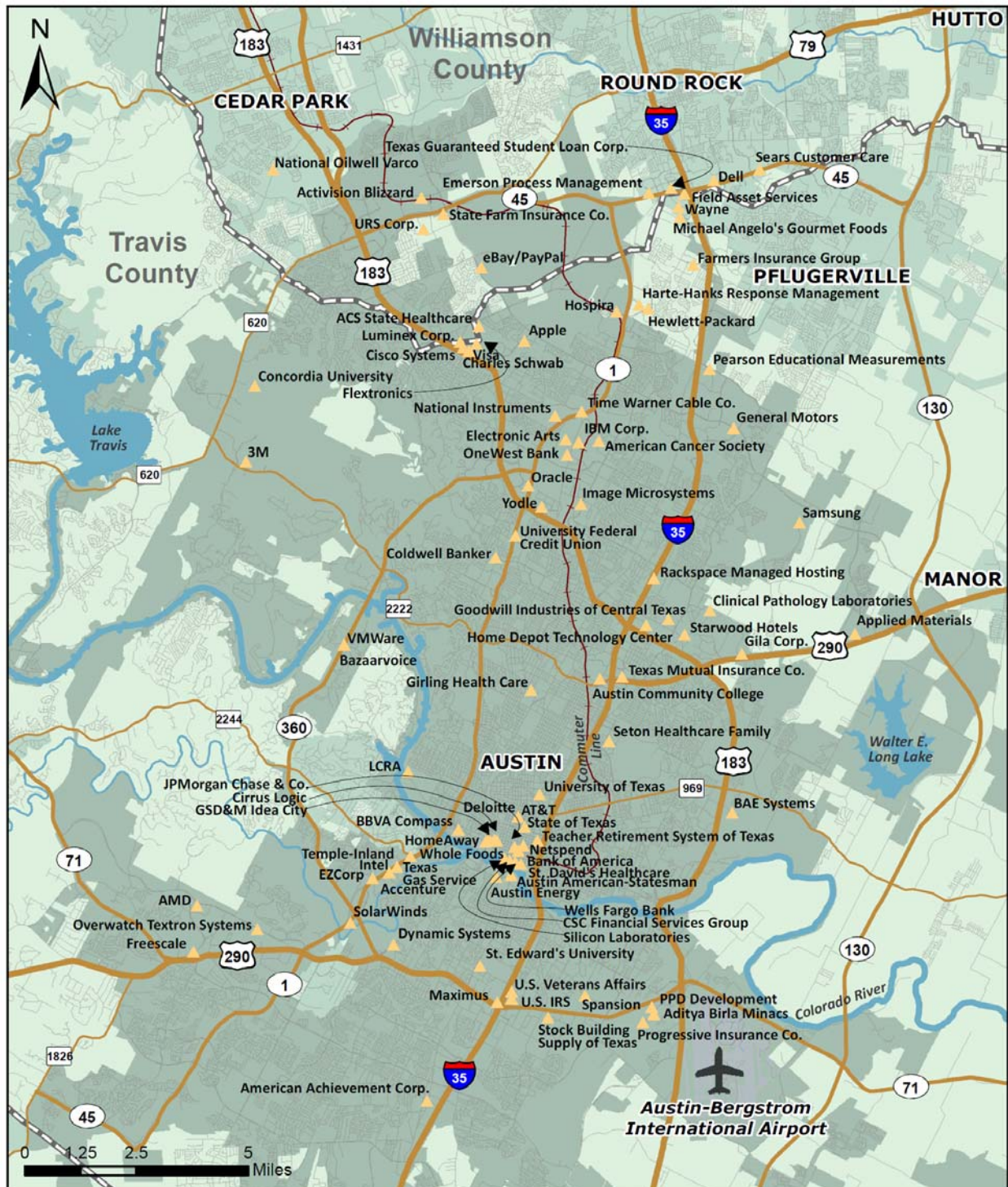
Population			
Select Area Cities			
City	2000	2010	Growth 2000–2010 (in percent)
Austin	656,562	790,390	20.4
Cedar Park	26,049	48,937	87.9
Georgetown	28,339	47,400	67.3
Lockhart	11,615	12,698	9.3
Pflugerville	16,335	46,936	187.3
Round Rock	61,136	99,887	63.4
San Marcos	34,733	44,894	29.3
Taylor	13,575	15,191	11.9
Source: U.S. Census Bureau			







## AUSTIN EMPLOYMENT







Top 100 Employers  
Winter 2013

Company	Employees	Company	Employees
3M	1,000	Image Microsystems	500
Accenture	790	Intel Corp.	1,100
ACS State Healthcare	780	JPMorgan Chase & Co.	1,300
Activision Blizzard	1,200	KST Electric*	550
Aditya Birla Minacs	500	Lower Colorado River Authority	2,255
Advanced Micro Devices	2,450	Luminex Corp.	380
AirBorn*	375	Maximus	918
American Achievement Corp.	520	Michael Angelo's Gourmet Foods	500
American Cancer Society	500	National Instruments	2,534
Apple	3,500	National Oilwell Varco	429
Applied Materials	2,000	NetScend	408
AT&T	3,450	OneWest Bank (formerly Indymac)	1,100
Austin American-Statesman	565	Oracle	550
Austin Community College	5,682	Overwatch Textron Systems	411
Austin Energy	1,700	Pearson Educational Measurements	600
BAE Systems	534	PPD Development	1,050
Bank of America	650	Progressive Insurance Co.	1,211
Bazaarvoice	551	Rackspace Managed Hosting	403
BBVA Compass	498	Samsung Austin Semiconductor	2,500
CFAN*	550	Sears Customer Care	1,500
Charles Schwab	1,100	Seton Healthcare Family	12,606
Cirrus Logic	523	Silicon Laboratories	600
Cisco Systems	680	SolarWinds	370
Clinical Pathology Laboratories	972	Southwestern University*	475
Coldwell Banker	386	Spansion	907
Concordia University Texas	727	St. David's Healthcare Partnership	7,500
CSC Financial Services Group	420	St. Edward's University	1,508
Dell	14,000	Starwood Hotels & Resorts	604
Deloitte	405	State Farm Insurance Co.	2,000
Dynamic Systems	500	State of Texas	70,863
eBay/PayPal	650	Stock Building Supply of Texas	500
Electric Reliability Council of Texas*	670	Teacher Retirement System of Texas	517
Electronic Arts (BioWare Div. & EA Sports Div.)	600	TECO-Westinghouse Motor Co.*	370
Emerson Process Management	750	teleNetwork*	600
EZCorp	400	Temple-Inland	450
Farmers Insurance Group	1,500	Texas Gas Service	388
Field Asset Services	450	Texas Guaranteed Student Loan Corp.	620
Flextronics (formerly Sollectron)	2,113	Texas Mutual Insurance Co.	522
Freescale Semiconductor	5,000	Texas State University-San Marcos*	6,304
General Motors	500	Time Warner Cable Co.	1,161
Gila Corp.	370	U.S. Dept. of Veterans Affairs	750
Girling Health Care	2,225	U.S. Internal Revenue Service	4,500
Goodwill Industries of Central Texas	1,050	University Federal Credit Union	425
Grande Communications*	626	University of Texas at Austin	25,974
GSD&M Idea City	439	URS Corp.	930
Harte-Hanks Response Management	1,500	Visa	794
Hewlett-Packard	719	VMWare	500
Home Depot Technology Center	500	Wayne (formerly Dresser Wayne)	475
HomeAway	510	Wells Fargo Bank Texas	1,400
Hospira	1,200	Whole Foods Market	2,166
Hunter Industries*	400	Yodle (formerly ProfitFuel)	400
IBM Corp.	6,239		

\*These employers are in metro area communities beyond the map extent. Airborn and Southwestern are in Georgetown, TECO-Westinghouse Motor Co. is in Round Rock, and the Electric Reliability Council is in Taylor, each of these cities are in Williamson County. CFAN, Grande Communications, Hunter Industries, teleNetwork, & Texas State University in Hays County. KST Electric is located in Manor in Travis County.

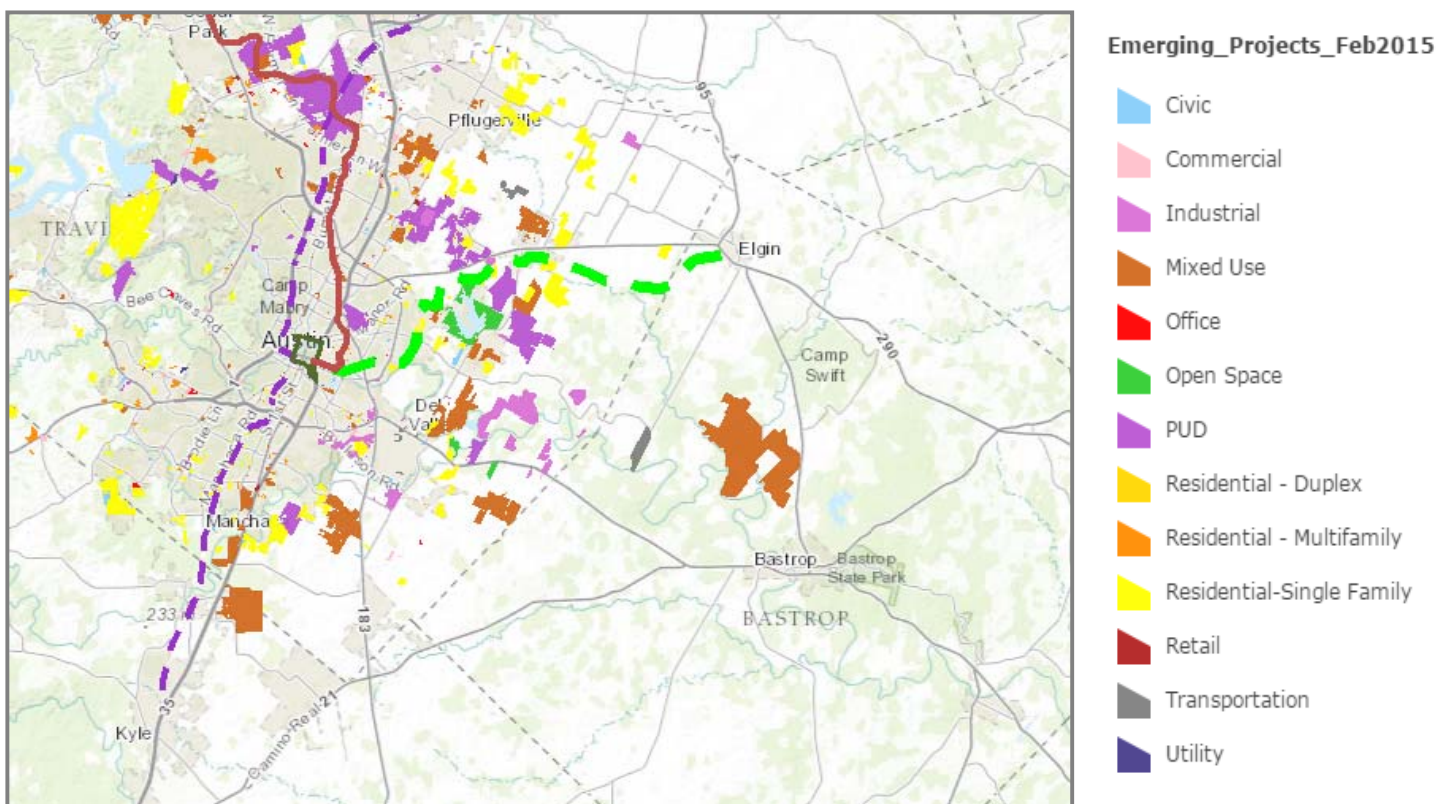
List excludes hospitals and other care providers, school districts, and other local government agencies.

## **ANALYSIS OF REAL ESTATE**

The value influences that affect different types of real estate e.g., residential and commercial, are the same as those affecting the larger, more diverse market area, but the emphasis and relative importance of the factors change with the type of real estate being analyzed. The revival of the Austin-Round Rock-San Marcos MSA business community has consequently seen a revival of the commercial and real estate markets as well. One of the major characteristics of the Austin area commercial and residential markets is the tendency to react quickly to overall market conditions in the region and in the nation.

### **New Development**

Below is a map with a summary of Emerging Projects in Austin, TX:



### **Conclusions**

The Austin-Round Rock-San Marcos MSA has a growing population which is complemented by a workforce that is composed of employees in the ideal "18-44" age with the majority having some college experience. These facts, in combination with the high quality of life, make this region enticing to prospective employers wanting to do business in this MSA. The economic outlook in the market is optimistic. The higher median and mean household income for the MSA has been a key factor for a strong real estate market. The low vacancy rate for housing units points to a continuous strong housing market. Having such a low vacancy rate continues to fuel development and construction in this region.

Texas as a whole has a lower tax burden compared to other states. Tax incentives, governmental financing, and bond programs further entice business to the state and the Austin-Round Rock-San

Marcos MSA in particular. All the governmental regulations on the state and local level are favorable for various industries wanting to conduct business in this MSA. All the factors previously mentioned lend themselves to bolster the growing economy of this region. Single-family and multi-family real estate continues growing from which a stable commercial market follows. Industrial and commercial properties for the MSA have mostly experienced steady or decreasing vacancy and increasing rental rates.

Overall the region is characterized as being well balanced and desirable. The increasing growth in the economy is encouraging growth in the commercial and residential real estate markets. As previously stated, the Austin-Round Rock-San Marcos MSA real estate market tends to react quickly to economic changes and this has resulted in dramatic changes in demand levels from year to year. These current trends are expected to continue based on overall economic conditions.



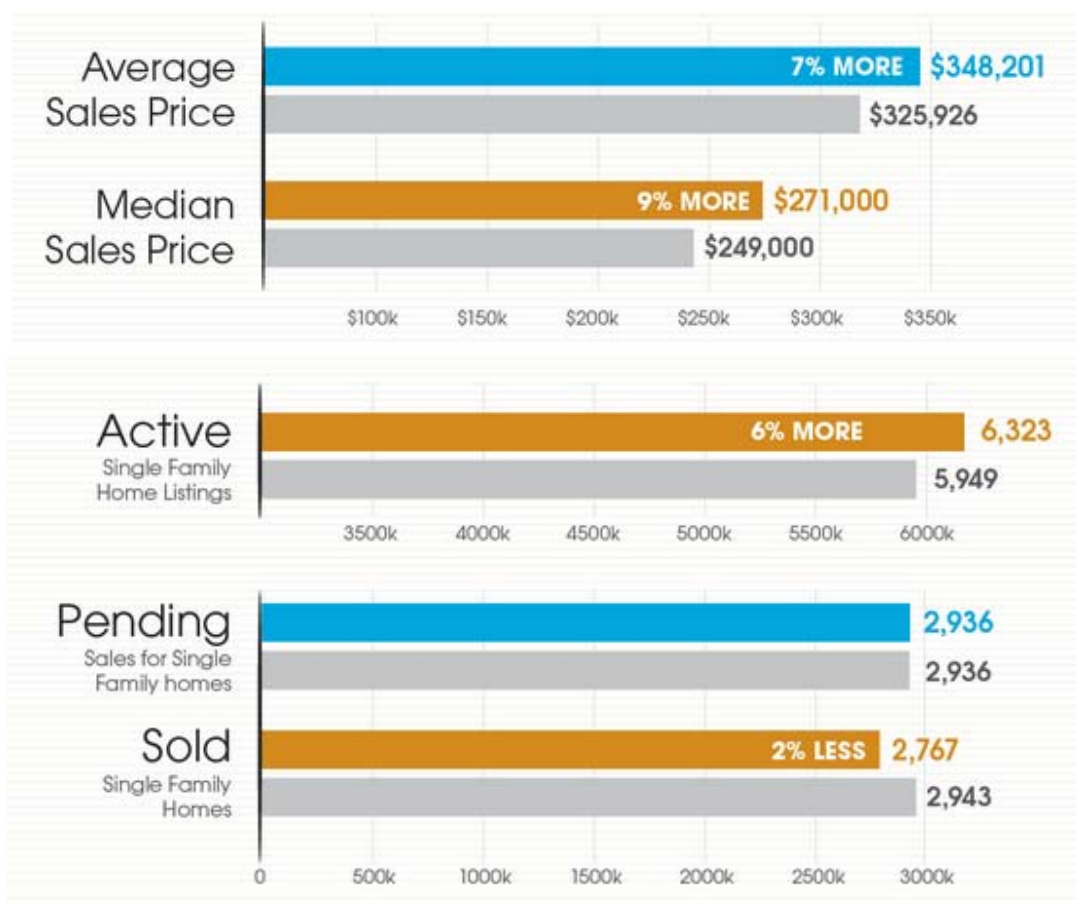
## RESIDENTIAL MARKET OVERVIEW

Statistics provided by Realty Austin indicate a very tight housing market for the Austin area. The following is a snapshot comparing May 2014 to May 2015:

### Austin Real Estate Market Snapshot May 2014 vs May 2015 - All Home Sales

- 2,767 – Single-family homes sold, 2% less than May 2014
- \$271,000 – Median price for single-family homes, 9% more than May 2014
- \$348,201 – Average price for single-family homes, 7% more than May 2014
- 42 – Average number of days single-family homes spent on the market, 2 days more than May 2014
- 3,865 – New single-family home listings on the market, 3% less than May 2014
- 6,323 – Active single-family home listings on the market, 6% more than May 2014
- 2,936 – Pending sales for single-family homes, unchanged from May 2014
- 2.7 – Months of inventory\* of single-family homes, 0.1 months more than May 2014
- \$963,472,167 – Total dollar volume of single-family properties sold, 5% more than May 2014

It appears that the housing market is currently substantially under supplied and lot pricing is expected to increase due to the high demand for housing and under supply of existing homes.



## NEIGHBORHOOD ANALYSIS

The purpose of the Neighborhood Analysis is to examine the patterns of urban growth, structure, and change that may affect property values.

### **A neighborhood is defined as:**

"a portion of a larger community, in which there is a homogeneous grouping of inhabitants, buildings, or business enterprises. Inhabitants of a neighborhood usually have a more than casual community of interest. Neighborhood boundaries may consist of well-defined natural or man-made barriers, or they may be more or less well-defined by a distinct change in land use or in the character of the inhabitants." (*Real Estate Appraisal Terminology*, 1981)

### **BOUNDARIES**

The designation of neighborhood boundaries is based upon the appraiser's evaluation of physical and man-made influences affecting the relative values, desirability, and trends in properties surrounding the subject property.

The subject property is located at 1409-1411 E 4th Street, Austin, Travis County, TX 78702. Its neighborhood boundaries are described as:

East 11th Street to the North  
East Cesar Chavez Street to the South  
Chicon Street to the East  
IH-35 to the West

This boundary description is supported by similar social, economic, governmental, and environmental forces which influence property values in this neighborhood.

### **PREDOMINANT LAND USE**

The subject is located in Austin, TX within its city limits in Travis County. The area is predominantly developed with commercial, single and multi-family residential, and office uses along secondary arteries. Development in the area is considered to be dense. Utility services include electricity, water, wastewater, gas, and telephone services throughout the area. The City of Austin supplies water and wastewater services. The terrain in Austin east of IH-35 is basically level to slightly sloping. Overall, the neighborhood is considered to be a very attractive area for investment over the long term.

## **SITE ANALYSIS**

**1409-1411 E 4th Street, Austin, Travis County, TX 78702**

The subject property is located at the intersection of E 4th Street and Onion Street. The subject is legally described as:

191905: "LOT 8 BLK 4 OLT 4 DIV O PECK R H"  
191906: "LOT 7 BLK 4 OLT 4 DIV O PECK R H"

### **Site Size and Shape:**

The site contains +/- 0.3328 acres or 14,497 square feet and is essentially rectangular in shape.

### **Topography:**

Judging from a visual inspection and a review of a contours map, the site basically level. According to the Flood Insurance Rate Map #48453C0465H from September 26, 2008 from the Federal Emergency Management Agency (FEMA), the subject is not located within any flood hazard.

### **Soil and Sub-Soil Conditions:**

The appraiser was not furnished a soils report. Consequently, the appraiser does not express an opinion as to the quality of the soil. Based on surrounding developments and current use of the site, it would appear the soil is suitable for development. However, the appraiser recommends that a professional engineering report addressing soil stability, toxic waste, and hazardous materials be completed prior to encumbrance, transfer of ownership, or further development.

### **Utilities and Services:**

The City of Austin supplies water and wastewater services to the site. The property has access to electricity, cable, and telephone.

### **Access:**

The subject property has +/- 100 linear feet of frontage along the south side of East 4th Street and +/- 145 linear feet of frontage along the east side of Onion Street. The subject property is positioned approximately half of a mile from IH-35 and is considered to have excellent access to a major neighborhood arterial. The roadways provide good exposure and access to local employment, schools and shopping. Access to the subject site is provided by a curb cut on the west side of Onion Street.

### **Zoning:**

The subject property is located inside the Austin city limits and has a TOD-NP (Transit Oriented Development - Neighborhood Planning) zoning designation. "Transit-Oriented Development (TOD) Ordinance (adopted by the City Council in May 2005). TOD is the functional integration of land use and transit. It is compact, walkable, mixed-use development connected to high quality public transportation, which balances the need for sufficient density to support convenient transit service with the scale of the adjacent community. Typical features include improved pedestrian and street connectivity, public amenities such as pocket parks and plazas, civic art, landscaping, benches, streetlights, etc., and a concentration of residences and jobs in proximity to transit stations and commercial businesses."

### **Restrictions**

The appraisers did not discover and were not made aware of any other adverse easements or encroachments existing on the subject property. A site plan or title commitment was not available to the appraiser. It is therefore assumed that the subject property is only encumbered by typical utility easements for utility service.

**This appraisal and the resultant market value estimate are subject to the assumption that there are not any adverse easements, encroachments, and/or deed restrictions.**

## **AD VALOREM TAXES**

The subject property is located within the following tax entities:

Entity	Description	Tax Rate
01	AUSTIN ISD	1.222000
02	CITY OF AUSTIN	0.480900
03	TRAVIS COUNTY	0.456300
0A	TRAVIS CENTRAL APP DIST	0.000000
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.126400
68	AUSTIN COMM COLL DIST	0.094200
Total Tax Rate:		2.379800

According to 2015 Travis Central Appraisal District tax information, the subject parcels have been assessed a preliminary appraised value of \$292,602 each or \$585,204 total. The total tax rate for 2015 is \$ 2.379800 per \$100 in assessed value. The total tax bill for the subject property in 2015 is \$13,926.68.

## DEFINITION OF HIGHEST AND BEST USE

"Highest and Best Use" is a basic premise of value. As with value, "Highest and Best Use" is not an absolute fact; it reflects an appraiser's opinion of the best use of a property based on an analysis of prevailing market conditions. The term "Highest and Best Use", as used in this appraisal report, is defined as, "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value." (From The Appraisal of Real Estate, Twelfth Edition, prepared by the Appraisal Institute)

A study of the "Highest and Best Use" of a property is the most important, fundamental and critical section in the valuation process. As background for this conclusion, the appraiser will analyze the subject property, the community, the neighborhood in which the property is located and lastly, the basic principles of land utilization.

In this type of analysis, the appraiser will actually conduct two separate studies:

1. An analysis of the site AS VACANT
2. An analysis of the site AS IMPROVED

In estimating the "Highest and Best Use", there are essentially four stages of analysis:

1. LEGALLY PERMISSIBLE USE: What uses are permitted by zoning, deed restrictions and other governmental controls on the site in question?
2. PHYSICALLY POSSIBLE USE: What uses of the site in question are physically possible?
3. FINANCIALLY FEASIBLE USE: What physically possible and legally permissible use will produce a positive net return or the highest present worth?
4. MAXIMALLY PRODUCTIVE USE: Among the feasible uses, which use will produce the highest net return for the longest period of time?

The following tests must be met in estimating the "Highest and Best Use": the use must be legal, the use must be probable and not speculative or conjectural, there must be a profitable demand for such use, and finally the use must return the highest net return for the longest period of time.



## **HIGHEST AND BEST USE - "AS VACANT"**

### **Legally Permissible Use**

Legal restrictions, as they apply to the subject, are public zoning ordinances. We are not familiar with any and private deed restrictions and have not been provided with a title policy. This is the appraiser's first step in the "Highest and Best Use" since it can narrow down the uses which could be built on a particular site. If a particular use is not legally permissible then the use is only speculative since it would require a zoning change or variance etc.

The subject property is located inside the Austin city limits and has a TOD-NP (Transit Oriented Development - Neighborhood Planning) zoning designation. "Transit-Oriented Development (TOD) Ordinance (adopted by the City Council in May 2005). TOD is the functional integration of land use and transit. It is compact, walkable, mixed-use development connected to high quality public transportation, which balances the need for sufficient density to support convenient transit service with the scale of the adjacent community. Typical features include improved pedestrian and street connectivity, public amenities such as pocket parks and plazas, civic art, landscaping, benches, streetlights, etc., and a concentration of residences and jobs in proximity to transit stations and commercial businesses."

### **Physically Possible Use**

The Physically Possible constraint imposed on the subject property is dictated by the physical aspects of the site itself. In general, the larger the site, the greater its potential to achieve the economies of scale and flexibility in development.

The subject property contains +/- 0.3328 acres or 14,497 square feet of land area and is located at the intersection of E 4th Street and Onion Street. The subject property has +/- 100 linear feet of frontage along the south side of East 4th Street and +/- 145 linear feet of frontage along the east side of Onion Street. The site has good access and exposure from a secondary transportation artery and is in close proximity to IH-35, a primary neighborhood transportation arterial.

The topography of the site is basically level. There are not any noticeable erosion patterns or significant terrain problems that would affect the utility of the site. Overall, the shape of the subject tract appears to be good to develop this site to its full potential. It is the appraiser's opinion that a variety of mixed uses including office or other commercial developments would be possible on the site.

### **Financially Feasible Use**

In order to satisfy this constraint the use must produce an acceptable income, or return, in comparison to the operating expenses, financial expenses, and capital amortization. Based on the market rental rates, occupancy rates, and absorption rates, it is my opinion that if the site were vacant that a commercial development would be financially feasible at this time.

### **Maximally Productive**

It is our opinion that a light commercial development would be legally permissible, physically possible, and financially feasible. In the final analysis, a determination must be made as to the

“Highest and Best Use” of the subject site, “as vacant.” Thus far, it was concluded that, “as vacant,” development on the site is currently financially feasible.

**Conclusions** - It is our opinion that the “Highest and Best Use”, “As Vacant”, i.e. "maximally productive", would be to develop the subject property with a commercial use.

### **HIGHEST AND BEST USE – AS IMPROVED**

Not Applicable: the subject property is a vacant tract of land, thus the “Highest and Best Use” “as improved” is not applicable.

## **SALES COMPARISON APPROACH**

### **ANALYSIS AND VALUATION OF THE SUBJECT PROPERTY:**

The appraisers estimated the market value of the subject property by the Sales Comparison Approach. The underlying premise of this approach is that a prudent purchaser would pay no more for a property than the cost of acquiring an equally desirable substitute site in the open market. Several sales were available within the immediate area, which provided strong market support for the subject property.

Your attention is now directed to the adjustment grid, which shows the adjustments, required to the comparable land sales in estimating the market value of the subject property. An analysis follows the adjustment grid, which explains the adjustments, applied to each of the comparable sales. In addition, a detailed write-up of each of the comparable sales utilized has been included within the addenda of this report.

Land Sales Adjustment Grid								
Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7	
Address	1409-1411 E 4th Street	50 Waller St	900 E Cesar Chavez Street	2501 E 9th Street	904 E Cesar Chavez Street	2011 Haskell Street	1004 E 13th Street	2004 E 12th Street
City	Austin	Austin	Austin	Austin	Austin	Austin	Austin	Austin
State	TX	TX	TX	TX	TX	TX	TX	TX
Contract/Sale Date	N/A	9/3/2013	5/15/2014	9/10/2013	3/7/2014	7/17/2013	8/23/2013	3/18/2014
Sale Price	N/A	\$778,921	\$525,000	\$431,250	\$1,006,250	\$560,000	\$787,500	\$762,500
Land Area (SF)	14,497	10,454	6,534	6,098	12,197	6,534	10,019	9,148
Land Area (Acres)	0.3328	0.240	0.150	0.140	0.280	0.150	0.230	0.210
Price Per SQFT		\$74.51	\$80.35	\$70.72	\$82.50	\$85.71	\$78.60	\$83.36
Property Rights Conveyed								
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment	\$	-	\$	-	\$	-	\$	-
Adjusted Price		\$74.51	\$80.35	\$70.72	\$82.50	\$85.71	\$78.60	\$83.36
Financing Terms								
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment	\$	-	\$	-	\$	-	\$	-
Adjusted Price		\$74.51	\$80.35	\$70.72	\$82.50	\$85.71	\$78.60	\$83.36
Conditions of Sale		Normal Market	Normal Market	Normal Market	Normal Market	Normal Market	Normal Market	Normal Market
Percent Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dollar Adjustment	\$	-	\$	-	\$	-	\$	-
Adjusted Price		\$74.51	\$80.35	\$70.72	\$82.50	\$85.71	\$78.60	\$83.36
Time/Market Conditions								
Appraisal Date	6/30/2015	9/3/2013	5/15/2014	9/10/2013	3/7/2014	7/17/2013	8/23/2013	3/18/2014
Months Elapsed	-----	22.17	13.70	21.93	16.00	23.77	22.53	15.63
Annual % Adj.	0.00%							
Percent Adjustment		9.0%	7.0%	9.0%	8.0%	9.0%	9.0%	8.0%
Adjusted Price		\$81.21	\$85.97	\$77.08	\$89.10	\$93.42	\$85.68	\$90.02
Adjustment For								
Location		0%	-5%	5%	-5%	-10%	-5%	-5%
Zoning / Use		0%	0%	0%	0%	0%	0%	0%
Physical Characteristics								
Size		0%	0%	0%	0%	0%	0%	0%
Utilities		0%	0%	0%	0%	0%	0%	0%
Flood Hazard	0%	0%	0%	0%	0%	0%	0%	0%
Frontage/Corner Exposure		-5%	-5%	-5%	0%	0%	0%	0%
Adjusted Percent		-5%	-10%	0%	-5%	-10%	-5%	-5%
Adjusted Price		\$77.15	\$77.38	\$77.08	\$84.65	\$84.08	\$81.39	\$85.52
Weighted Average		2x	1x	1x	1x	1x	1x	1x
Price/Rentable Area Comparison								
Number of Comps	7							
Maximum.....	\$85.52							
Mean (avg.).....	\$80.55							
Minimum.....	\$77.08							
Indicated Subject Value								
Land Area (Acres).....								14,497
Indicated Subject Value Per SQ Ft (Rounded)								\$81.00
Indicated Subject Value.....								\$1,174,238
Indicated Subject Value Rounded.....								\$1,175,000

### **ADJUSTMENTS TO COMPARABLES**

**Property Rights Conveyed:** All sales were transfers of fee simple rights of ownership; therefore, adjustments were not warranted for property rights conveyed.

**Financing Terms:** All of the sales were either sold for cash or its equivalent and thus adjustments were not warranted for financing.

**Conditions of Sale:** All comparable sales were analyzed to determine if the sales price was influenced by the condition, or motivation, of either the buyer or seller.

All sales were arms-length transactions and were purchased without any undue pressure on the buyer or seller, therefore, no further adjustments were warranted for motivation or conditions of the sale.

**Market Condition:** Based on an analysis of the real estate market for land, the appraiser has estimated the changes in the market for such properties.

All closed sales utilized occurred between July of 2013 and May of 2014. A review of comparable land sales in the subject area indicate that values for similar vacant tracts of land were relatively flat through 2013 and have appreciated (.5%) half-percent each month in 2014 to the present. Thus, all comparable sales were adjusted upwards accordingly between 7-9%.

**Location:** The subject property is located at 1409-1411 E 4th Street, Austin, Travis County, TX 78702 at the intersection of E 4th Street and Onion Street. The subject property is positioned approximately half of a mile from IH-35 and is considered to have excellent access to a major neighborhood arterial.

Comparable sale one was considered to be similar in location, thus, no adjustment was warranted. Comparable sales two, and four through seven were deemed to be in superior locations and were adjusted downward between 5-10% as applicable. Comparable sale three was deemed to be in an inferior location and was adjusted upward by 5%.

**Zoning:** The subject has a TOD-NP zoning designation. The comparable sales used in this analysis all had zoning designations that allowed for similar land uses, therefore, no adjustments were required for zoning.

**Site Size:** The size of vacant tracts does have an impact on its sales price. Smaller sized tracts typically sell for more per square foot, while larger tracts typically sell for less per square foot.

The subject property contains +/- 0.3328 acres or 14,497 square feet of land area. The comparable sales ranged between 6,098 - 12,197 square feet in size and were considered to be similar to the subject. No adjustments were required for site size.

**Utilities:** The subject has access to all public utilities, as do all of the comparables. Adjustments were not warranted for utilities.



**Flood Hazard:** The subject property is not located within a flood hazard area.

None of the comparables were located within a flood hazard area, thus, no adjustments were necessary for this attribute.

**Frontage/Corner:** The subject property is located at the intersection of E 4th Street and Onion Street. The subject property has +/- 100 linear feet of frontage along the south side of East 4th Street and +/- 145 linear feet of frontage along the east side of Onion Street.

Comparable sales one through three were located on corner lots and were considered to have superior frontage; downward adjustments of 5% were applied to each. Comparable sales four through seven were not located on corner intersections thus no net adjustment was required for these sales.

### **VALUATION CONCLUSION OF THE SUBJECT**

The appraisers analyzed sales and listings which had occurred in the subject's competing marketplace. Comparable sale one was given additional weight due to its similarity to the subject; the remaining comparable sales were given equal weight in the final valuation. The adjusted values ranged from \$77.08 to \$85.52 per square foot, with a mean of \$80.55 per square foot, rounded to \$81.00. In the final analysis, the indicated value concluded by the appraisers is \$81.00 per square foot. Based on the valuation analysis of the site "as is", the appraisers have estimated the market value as follows:

**14,497 square feet x \$81/SF = \$1,174,238 rounded to \$1,175,000**

**ONE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS**

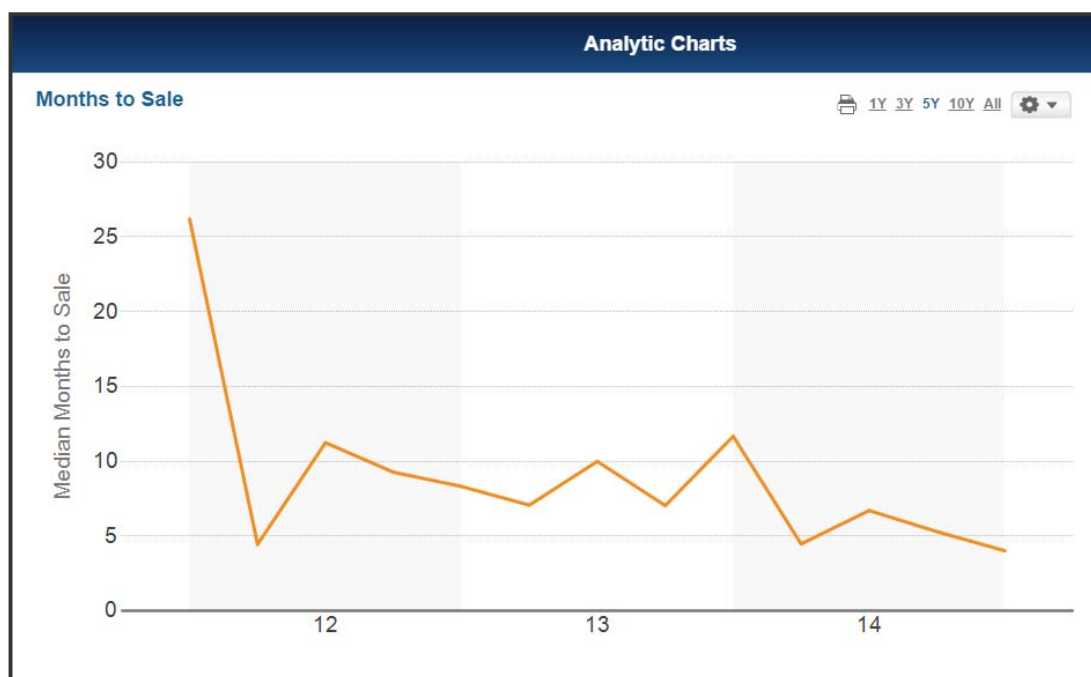
**(\$1,175,000)**

## ESTIMATED EXPOSURE TIME

The definition of Market Value assumes adequate time is allowed for exposure on the open market. The estimated exposure time for the subject property was based on several related factors. The appraiser has considered the following in making his estimate of exposure time.

- 1) The supply of and demand for comparable properties will affect the time it will take for the subject property to be absorbed by the market. The appraiser has considered the available space for sale and/or lease in the marketplace as well as the demand for that space over the past five years.
- 2) The physical and locational characteristics of the subject property were compared to the available comparable properties. The characteristics of the property are considered to determine the marketability of the property.
- 3) The appraiser has considered the strengths and weaknesses of the subject market and/or the local area market and how it relates to the overall regional market.
- 4) A survey was conducted of local brokers to get their opinion as to the marketing period for the subject property as well as comparable properties in the area market.

In conclusion, the subject property is considered to be typical of similar properties in the subject's market area and to be a marketable property. The location, surrounding demographics, and access to the property are considered to be average as compared to the competition. It is our opinion that if the subject property was listed for sale as of the effective date of this report, at or near the market value estimate concluded within this report, and if it were properly marketed, **the property should sell within a six month exposure period.**



## **CERTIFICATE AND FINAL VALUE ESTIMATE**

CERTIFICATION: I hereby certify:

That as of **June 30, 2015**, it is my opinion the market value of the subject property is **\$1,175,000**. The valuation is based upon my independent appraisal and the exercise of my professional judgment; That I personally inspected the property herein appraised; That to the best of my knowledge and belief, the statements contained herein are true and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions set forth in this real estate appraisal;

This appraisal is made in conformance with appropriate State laws, regulations and policies applicable to appraisal for the acquisition of whole properties; That neither my employment nor my compensation for making this appraisal are in any way connected upon the values reported herein;

That I have no direct or indirect present or future personal interest in such property or in any way benefit from the acquisition of such property appraised;

The appraisal was made and the appraisal report prepared in conformity with the Uniform Appraisal Standards of Appraisal Practice. The analysis and conclusion was prepared by Mr. Chris P. Griesbach.

The appraisal was made and the appraisal report prepared in conformity with the Appraisal Foundation's Uniform Standards for Professional Appraisal Practice.

The undersigned do hereby certify that, to the best of my knowledge and belief:

-The statements of fact contained in this report are true and correct.

-My engagement in this assignment was not contingent upon or reporting predetermined results.

-The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.

-I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

-My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

-Mr. Chris P. Griesbach made a personal inspection of the property that is the subject of this report.

-I have not appraised the subject property within three years from the effective date of this report.

-My analysis, opinions, and conclusions were developed, and this report has been prepared in accordance to the standards and reporting requirements of the Appraisal Institute, the American Society of Appraisers, and the Federal Home Loan Bank Board.

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

-The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Chris P. Griesbach is currently certified through November 30, 2015.

-Mr. Griesbach is currently certified with the Appraisal Institute continuing education program.

-"The appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan".

Respectfully submitted,

LONE STAR APPRAISALS & REALTY, INC.  
Valuation Consultants



Chris P. Griesbach, MAI  
Principal  
State Certified (Texas)  
TX-1321135-G

## **LIMITING CONDITIONS AND ASSUMPTIONS**

### **1. Limit of Liability**

The liability of LONE STAR APPRAISALS AND REALTY, INC. and employees is limited to the fee collected. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The Appraisers assume no responsibility for any costs incurred to discover or correct any deficiencies present in the property.

### **2. Copies, Publication, Distribution, Use and Ownership of Report**

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of LONE STAR APPRAISALS AND REALTY, INC. for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may distribute copies of this appraisal report in its entirety to such third parties as he may select; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of LONE STAR APPRAISALS AND REALTY, INC.

### **3. Confidentiality**

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis are set forth in the report which was prepared by the Appraiser(s) whose signature(s) appear on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the report shall be made by anyone other than the Appraiser and/or officer of the firm. The Appraiser and firm shall have no responsibility if any such unauthorized change is made.

### **4. Trade Secrets**

This appraisal was obtained from LONE STAR APPRAISALS AND REALTY, INC. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempt from disclosure under 5 U.S.C. 552 (b)(4). Notify the appraiser(s) signing the report or an officer of LONE STAR APPRAISALS AND REALTY, INC. of any request to reproduce this appraisal in whole or part.



## **5. Information Used**

No responsibility is assumed for accuracy or information furnished by or from others, the client, his designee, or public records. We are not liable for such information or the work of possible subcontractors. Be advised that some of the people associated with LONE STAR APPRAISALS AND REALTY, INC., and possibly signing the report, are independent contractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction, or from affidavit or other sources thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification within these categories as a prerequisite to any transaction involving sale, lease, or other significant commitment of subject property, and that such verification be performed by the appropriate specialists.

## **6. Testimony, Consultation, Completion of Contract for Appraisal Services**

The total fee is payable upon fulfillment/completion of the contract for appraisal, consultation or analytical service. The appraiser(s) or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post appraisal consultation with client or third parties except under separate and special arrangement and at an additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

## **7. Exhibits**

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose. Site plans are not surveys unless shown from separate surveyor.

## **8. Legal, Engineering, Financial, Structural, or Mechanical Nature Hidden Components, Soil**

No responsibility is assumed for matters legal in character or nature, nor matters of survey, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title,

which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report.

The legal description is assumed to be correct as used in this report as furnished by the client, his designee, or as derived by the appraisers.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds; further, it is likely that the lender or owner may wish to require

mechanical or structural inspections by a qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraisers have inspected as far as possible, by observation, the land and the improvements; however, it was not possible to personally observe conditions beneath the soil, hidden structurally, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, however subsidence in the area is unknown. The appraiser(s) do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment.

If the Appraisers have not been supplied with a termite inspection, survey, or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same, or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraisers assume no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An Agent for The Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.

## **9. Legality of Use**

The appraisal is based on the premise that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in the report; further, that all applicable zoning, building, and use regulations and restrictions for all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority (local, state, federal and/or private entity or organization) have been or can be obtained or renewed for any use considered in the value estimate.

## **10. Component Value**

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.

## **11. Auxiliary and Related Studies**

No environmental or impact study, special market study or analysis, "Highest and Best Use"

analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. The appraisers reserve the unlimited right to alter, amend, revise, or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any subsequent such study, analysis, previous study, factual information as to market or subject, or analysis subsequently becoming known to him.

## **12. Dollar Value, Purchasing Power**

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

## **13. Inclusions**

Furnishings and equipment, personal property, or business operations except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

## **14. Existing Improvements, Conditioned Value**

Improvements existing, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted and/or considered by the appraisers. In cases of existing construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is, as of the date shown, existing as if completed and operating at levels shown and projected.

## **15. Value Change, Dynamic Market, Influences**

The estimated market value is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, and conditions surroundings the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace.

In cases of appraisals involving the capitalization of income benefits, the estimate of market value, investment value, or value in use is a reflection of such benefits and appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of the date of the estimate of value; they are thus subject to change as the market and value is naturally dynamic.

The "Estimate of Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

The Appraisers reserve the right to alter the opinion of value on the basis of any information withheld or not discovered in the original normal course of a diligent investigation.

## **16. Management of the Property**

It is assumed that the property which is the subject of this report is under prudent and competent ownership and management; neither inefficient nor super-efficient.

#### **17. Professional Fees**

The fee for this appraisal or study is for the analytical services rendered and not for the time spent on the physical report or the physical report itself. The physical report(s) remains the property of LONE STAR APPRAISALS & REALTY, INC. under all circumstances.

#### **18. Authenticity**

The authentic copies of this report have a light blue cover with a dark blue type seal utilizing the LONE STAR APPRAISALS & REALTY, INC. logo. Any copy that does not have the above is unauthorized and may have been altered. Please contact LONE STAR APPRAISALS & REALTY, INC. if there is any question regarding authenticity of this report.

#### **19. Insulation and Toxic Materials**

Unless otherwise stated in this report, the appraiser(s) signing this report has no knowledge concerning the presence or absence of toxic materials and/or urea-formaldehyde foam insulation in existing improvements; if such is present the value of the property may be adversely affected and re-appraisal at additional cost necessary to estimate the effects of such.

#### **20. Right To Alter Market Value**

The appraisers and/or officers of LONE STAR APPRAISALS AND REALTY, INC. reserve the right to alter statements, analysis, conclusion or any value estimate in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

#### **21. SPECIAL CONDITIONS**

The appraisers made the assumption that the subject property was free and clear of any environmental nuisances which might affect the market value of the property. The appraisers are not environmental experts and thus they have not rendered an opinion as to the presence or absence of any environmental hazards. The appraisers of LONE STAR APPRAISALS AND REALTY, INC. understand that a professional has conducted an environmental site assessment of the subject property and that the report found the site to be clean. However, the appraisers have not been supplied with a copy of the environmental assessment report.

#### **22. Americans With Disabilities Act (ADA)**

The reader should note that the owner may be subject to additional financial expenditures in accordance with the Americans With Disabilities Act (ADA), a Federal law codified at 42 USC Section 12101, et seq. Among other requirements of the ADA that could apply to this property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision, or speech impaired persons. The compliance deadline for businesses with more than 25 employees was

January 26, 1992 and companies with fewer than 10 employees had until January 26, 1993. It should be noted that churches and private clubs are exempt from the requirements of this Act. The regulations under Title II of the ADA are codified at 28 CFR part 36.

The reader should also note that the appraisers are not qualified experts as to the subject's compliance, or noncompliance, under the ADA. In recognition of this law's recent enactment, some of the requirements may be subject to interpretation. However, a very significant factor is that the Act contains no "grandfather" clause for older buildings. The standards for existing buildings are less than. Those for new construction but the buildings must be made accessible to the extent that this is readily achievable.

"Readily achievable" is open for interpretation by the Department of Justice and involves considerations of cost, size of company, number of employees and the financial ability of the owner. More is expected from those with greater financial ability, while undue hardship for others may be considered. In that the owner's financial capability is the primary consideration with respect to compliance, the real estate appraiser cannot determine, nor should he or she be requested to determine, building compliance.

Compliance determination rests with the Department of Justice which recognizes that immediate and full compliance is unattainable for existing buildings. Owners, however, are well-advised to have an accessibility plan in place to show a "good faith" effort for adhering to the law.

Lending institutions need to recognize and address ADA as it affects properties used as collateral for loans. In a foreclosure situation, the bank as the new owner of a property usually has more financial capability than the bankrupt former owner, and may be made liable for more stringent handicap accessibility.

Real estate appraisers should inform their clients of major barriers to access noted during physical inspection. Since the first priority is getting the handicapped person through the door, those items should be noted first. The next priority is providing access to service areas. The third priority is making the restrooms accessible, followed by the rest of the facility.

In conclusion, the ADA requires places of public accommodation and employment to be equally accessible to all people, and it will have long lasting and far reaching effects on real estate. The client is strongly urged to retain the services of a qualified independent expert concerning the interpretation and application of the ADA and to determine the subject's status. The value reported herein is subject to revision, should it later be determined that additional expenditures are required to comply with this Act.

**23. ACCEPTANCE OF, AND/OR USE OF, THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE ABOVE CONDITIONS.**



**SPECIAL REPORT CONDITIONS, APPRAISER'S  
LIABILITY LIMITATIONS AND CLIENT AGREEMENTS**

The acceptance of this report and its use by the client in any manner whatsoever or for any purpose is acknowledgement by him that this report is a satisfactory professional product, and that he has personally read the report, and specifically agrees that the data herein is accurate to the best of the appraisers' ability.

The report remains the personal property of the signer and may not be transmitted to a third party without the signer's written permission. Permission is granted to transmit to a third party mortgagee.

LONE STAR APPRAISALS & REALTY, INC. and/or the individual signatories personal responsibility does not extend to a third party under any circumstance whatsoever.

As a part of the Appraiser-Client employment agreement, the client agrees to notify LONE STAR APPRAISALS & REALTY, INC. or it's representative of any error, omission, or invalid data herein within fifteen (15) days of receipt and return the report along with all copies to LONE STAR APPRAISALS INC. for correction prior to any use whatsoever.

UNDER NO CIRCUMSTANCES shall LONE STAR APPRAISALS & REALTY, INC. or individual signatories liability exceed the fee actually collected for this report, and then only in case of a gross error which would have materially affected the appraiser's value opinion as of the date of the valuation.

Thus, by acceptance of this report, you acknowledge that a value opinion is the product of a professionally trained mind but nevertheless is an opinion only; and not a provable fact. As a personal opinion, valuation may vary between appraisers based on the same facts.

Thus, LONE STAR APPRAISALS & REALTY, INC. and individual signatories warrant only that the value conclusion is his best opinion estimate as of the exact day of valuation.

### ***QUALIFICATIONS OF CHRIS P. GRIESBACH, MAI***

Chris P. Griesbach graduated from the University of Texas-Pflugerville with a Bachelor of Business Administration degree with his majors being in Real Estate and General Business. He has been active in real estate since 1981 and his experience includes residential and commercial real estate appraising, property management, real estate development, investments, and brokerage. Chris is currently an active member with the Appraisal Institute (MAI), a member of the International Right of Way Association (IRWA), a designated realtor member with the Pflugerville Board of Realtors, a member of the Pflugerville Multiple Listing Service, and a licensed Real Estate Broker in Texas. Additionally, Mr. Chris P. Griesbach is a State Certified General Real Estate Appraiser in the State of Texas. His Certificate Number is: TX-1321135-G.

Chris is an approved appraiser for the State Department of Highways and Public Transportation, the City of Pflugerville, the City of Cedar Park, City of Leander, City of Kyle, the City of Georgetown, Travis County, the City of Pflugerville, Williamson County, and The Lower Colorado River Authority, as well as numerous mortgage and banking institutions. His appraisal experience includes commercial, residential, industrial, office, farm and ranch, mixed-use subdivisions, raw land, and special purpose properties such as drug stores, hotels, postal facilities, and cold storage facilities just to name a few. Chris has specialized in the Eminent Domain field since 1988 and has extensive experience appraising partial acquisitions for right of way and/or easements of all types. Chris also has extensive experience valuing whole property acquisitions for libraries, police stations, detention ponds, lift stations, and other uses. Additionally, Chris regularly performs both appraisals and equity analysis for taxing authorities for tax protests or lawsuits. His appraisal experience is extensive being that he has been an active full time real estate appraiser from 1983 to the present. Chris is the Principal owner of *LONE STAR APPRAISALS & REALTY, INC.* which has been in business since 1988.

A partial resume of specific qualification is outlined below:

#### **Professional Education:**

Real Estate courses from the University of Texas:

- Introduction to Real Estate
- Real Estate Appraisal Theory & Methods
- Real Estate Finance
- Real Estate Law
- Real Estate Investments & Feasibility Analysis
- Real Estate Finance & Syndication

Other courses:

- Technical Report Writing
- Business Finance & Integrative Finance
- Business Law
- Tax Accounting & Fundamentals of Financial Accounting (1 & 2)
- Finance - Money, Banking and Economic Conditions
- Finance - Savings Institutions

**Professional Organizations Courses and Exams Completed:**

Course 1400N - USPAP Update - Standards and Ethics for Professionals (AI)  
Course - Rates and Ratios - Making Sense of GIMs, OARs, and DCFs (AI)  
Course 1A-1/8-1 Real Estate Appraisal Principles (AI formerly AIREA)  
Course 1-A-2 Basic Valuation Procedures (AIREA)  
Course 1B-A Capitalization Theory & Tech Part A (AIREA)  
Course 1B-B Capitalization Theory & Tech Part B (AIREA)  
Course 2-1 Case Studies in Real Estate Valuation (AIREA)  
Course 2-2 Valuation Analysis and Report Writing (AIREA)  
Course 2-3 Standards of Professional Practice (AIREA)  
Course 1-1 The Principles of Appraisal Practice and Code of Ethics (AIREA)  
Demonstration Report as required by the Appraisal Institute for the MAI  
Comprehensive Exam - Appraisal Institute for the MAI designation in 1991.  
Exp. Credits for the MAI designation in 1991.  
Exam State Certification Exam "General Real Estate Appraiser"  
(Texas Real Estate Commission)

**Professional Memberships:**

Appraisal Institute (MAI):

Member - Appraisal Institute  
Member Number - 9200

International Right of Way Association (IRWA):

Member - IRWA Chapter #74  
Member Number - 07443683

Pflugerville Board of Realtors:

Member - Designated Realtor  
Member Number - 10263

**Seminars Attended:**

Eminent Domain - Laws & Legal Aspects  
National Uniform Standards of Professional Appraisal Practice  
Legal Aspects of Easements  
Current Eminent Domain Issues  
Environmental Issues in Real Estate - Maxim Engineers, Inc.  
An Overview of the Role of the Federal Home Loan Bank Board  
A Guide to the Federal Home Loan Bank Board  
Non-Residential Report Writing  
Comprehensive Appraisal Workshop  
Eminent Domain Compensation Seminar  
Property Management/Leasing  
ADA - Real Estate  
The Law, Money, and You  
Real Estate Insurance

Understanding Real Estate Laws  
The New Uniform Residential Appraisals  
Rates and Ratios; Making sense of GIM's, OAR's, and DCF's  
USPAP Update - Standards and Ethics for Professionals  
Current Legal's Issues in Right of Way  
Legislative Issues Impacting Texas Appraisers  
Legal Issues

**Professional Certification:**

Member - Appraisals Institute; Member Number - 9200  
Texas Real Estate Brokers License #343653-19  
Member - Pflugerville Board of Realtors #10263  
Former Senior Member - American Society of Appraisers (Real Property-Urban) Member #3270

Texas Real Estate Appraiser Licensing and Certification Board  
State Certified - General Real Estate Appraiser  
Certification Number: TX-1321135-G  
Certification Expiration Date: November 30, 2015

**DISCLOSURE**

Disclosure of the contents of this report is governed by the By-Laws and Regulations of The American Society of Appraisers, The Appraisal Institute, and the International Right of Way Association. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to The Appraisal Institute, the RM or MAI designations, or The American Society of Appraisers, the ASA designation, shall be disseminated to the public through the advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.

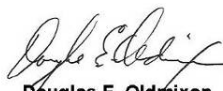


Chris P. Griesbach, MAI  
President - Lone Star Appraisals & Realty, Inc.

**STATEMENT OF CERTIFICATION STATUS**

The Appraisal Institute conducts a mandatory program of continuing education for its designated members. Member MAI's who meet the minimum standards of this program are awarded periodic education certifications." I am currently certified under this program through December 31, 2016.

The Texas Real Estate Appraiser Certification Committee regulates the State Certification of Texas Real Estate Appraisers. Under this program I am currently certified through November 30, 2015.

<b>Texas Appraiser Licensing and Certification Board</b>			
P.O. Box 12188 Austin, Texas 78711-2188			
<b>Certified General Real Estate Appraiser</b>			
Number:	<b>TX 1321135 G</b>		
Issued:	<b>10/03/2013</b>	Expires:	<b>11/30/2015</b>
Appraiser:	<b>CHRIS P GRIESBACH</b>		
<p>Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.</p>			
			 <b>Douglas E. Oldmixon</b> Commissioner

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## **ADDENDA**

**Land Sales Comparables  
Travis County Appraisal District - Tax Information  
Engagement Letter**

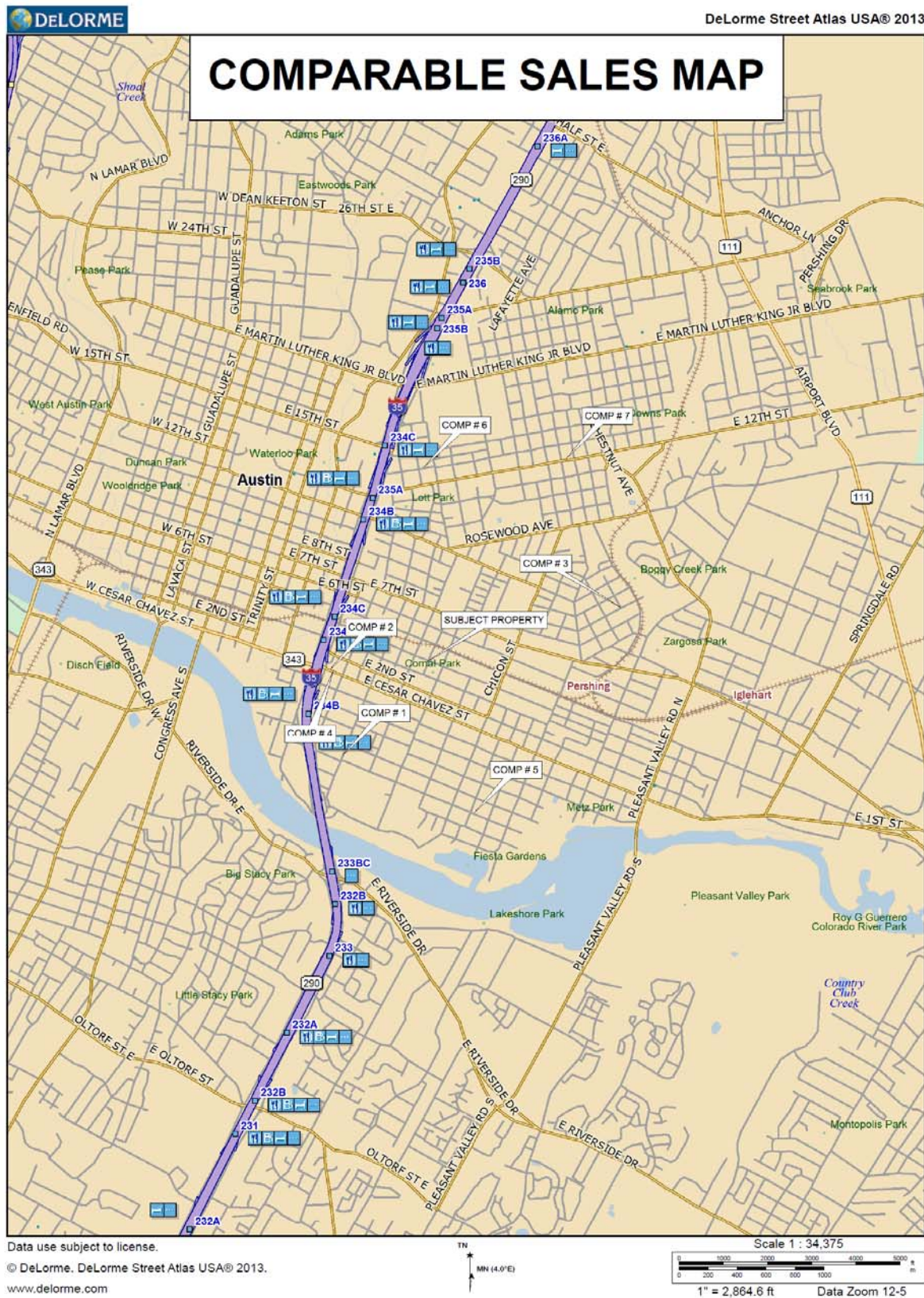


Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## COMPARABLE LAND SALES

## COMPARABLE LAND SALES SUMMARY TABLE

No.	Location	Sale Date	Price	Size in SF	Price/ SF
1.	50 Waller Street	03/03/2013	\$778,921	10,454	\$74.51
2.	900 E Cesar Chavez	05/15/2014	\$525,000	6,534	\$80.35
3.	2501 E 9th Street	09/10/2013	\$431,250	6,098	\$70.72
4.	904 East Cesar Chavez Street	03/07/2014	\$1,006,250	12,196	\$82.51
5.	2011 Haskell St	07/17/2013	\$560,000	6,534	\$85.71
6.	1004 E 13th Street	08/23/2013	\$787,500	10,019	\$78.60
7.	2004 E 12th Street	03/18/2014	\$762,500	9,148	\$83.36



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

**Land Sale No. 1**



**Property Identification**

Record ID	1542
Property Type	vacant land
Property Name	Land
Address	50 Waller Street, Austin, Travis County, Texas
Tax ID	190973
Market Type	Normal Market

**Sale Data**

Grantor	Ana Marie Karamalegos
Grantee	Kevin Burns
Sale Date	March 03, 2013
Deed Book/Page	2013164249TR
Property Rights	Fee Simple

Conditions of Sale	Cash to seller
Verification	Loopnet, TCAD

Sale Price	\$778,921
Cash Equivalent	\$778,921

**Land Data**

Zoning	SF-3-NP, Residential
Topography	Basically level
Utilities	All Available
Shape	Rectangular
Flood Info	None

**Land Size Information**

Gross Land Size	0.240 Acres or 10,454 SF
Front Footage	80 ft Waller; 130 ft Lambie

**Indicators**

Sale Price/Gross Acre	\$3,245,504
Sale Price/Gross SF	\$74.51

**Remarks**

Corner location with good visibility and an alley access. Within the Waterfront Overlay district.

**Land Sale No. 2**



**Property Identification**

Record ID	1930
Property Type	Land, Commercial
Property Name	Vacant Land
Address	900 E Cesar Chavez, Austin, Travis County, Texas 78702
Tax ID	191658
Market Type	Normal Market

**Sale Data**

Grantor	HILES JOAN H
Grantee	ROTHBAUM ABRAHAM
Sale Date	May 15, 2014

Deed Book/Page	2014069752TR
Property Rights	Fee Simple
Conditions of Sale	Cash to seller
Verification	Loopnet, TCAD

Sale Price	\$525,000
Cash Equivalent	\$525,000

**Land Data**

Zoning	TOD-NP
Topography	Level
Utilities	All
Shape	Rectangular
Fencing	None
Flood Info	None

**Land Size Information**

Gross Land Size	0.150 Acres or 6,534 SF
Front Footage	E Cesar Chavez; Brushy St

**Indicators**

Sale Price/Gross Acre	\$3,500,000
Sale Price/Gross SF	\$80.35



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

### Land Sale No. 3



#### Property Identification

Record ID	1934
Property Type	vacant land, Vacant Land
Property Name	Vacant Lot
Address	2501 E 9th Street, Austin, Travis County, Texas 78702
Tax ID	193489
Market Type	Normal Market

#### Sale Data

Grantor	MUNOZ JUANITA A
Grantee	VB GROUP LLC
Sale Date	September 10, 2013
Deed Book/Page	2013168666TR
Property Rights	Fee Simple
Conditions of Sale	Cash to seller
Verification	Loopnet, TCAD

Sale Price	\$431,250
------------	-----------

Cash Equivalent	\$431,250
-----------------	-----------

#### Land Data

Zoning	TOD
Topography	Basically level
Utilities	All available
Shape	Rectangular
Fencing	None
Flood Info	None

#### Land Size Information

Gross Land Size	0.140 Acres or 6,098 SF
Front Footage	E 9th Street; Harvard Street

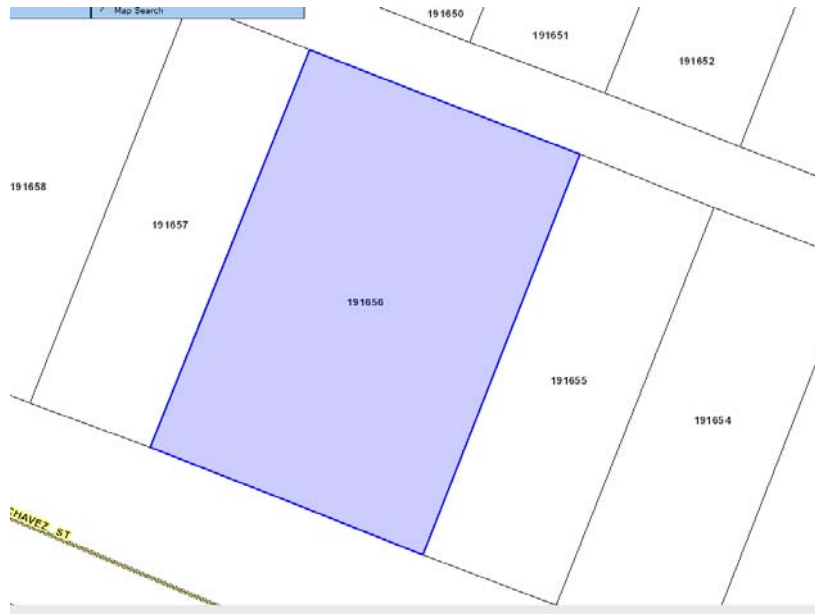
#### Indicators

Sale Price/Gross Acre	\$3,080,357
Sale Price/Gross SF	\$70.72



Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

#### Land Sale No. 4



#### Property Identification

Record ID	1546
Property Type	Vacant Land
Property Name	Vacant Land
Address	904 East Cesar Chavez Street, Austin, Travis County, Texas
Tax ID	191656

#### Sale Data

Grantor	Rothbaum Abraham
Grantee	G & K Real Estate LLC
Sale Date	March 07, 2014
Deed Book/Page	2014032474
Property Rights	Fee Simple
Conditions of Sale	Normal
Financing	Cash to Seller
Verification	Loopnet, CoStar; Other sources: Tax Records, Deed Records

Sale Price	\$1,006,250
Cash Equivalent	\$1,006,250

#### Land Data

Zoning	CS, Commercial Services
Topography	Basically Level
Utilities	All Available
Shape	Rectangular
Fencing	None

#### Land Size Information

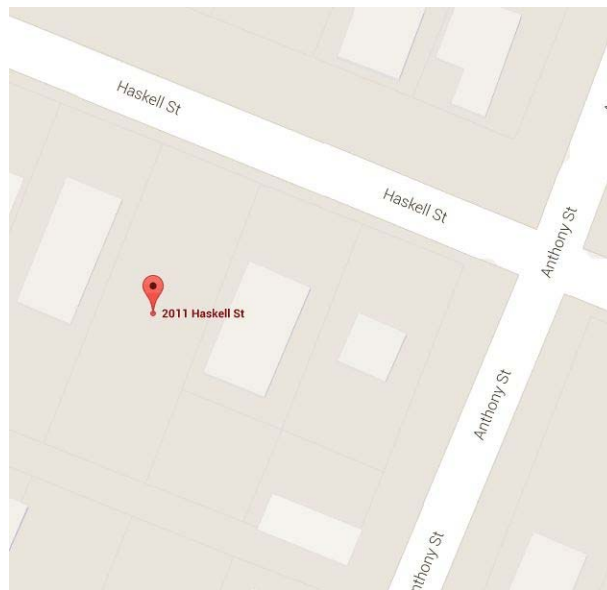
Gross Land Size	0.280 Acres or 12,196 SF
Front Footage	E. Cesar Chavez Street

#### Indicators

Sale Price/Gross Acre	\$3,593,986
Sale Price/Gross SF	\$82.51

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

**Land Sale No. 5**



**Property Identification**

Record ID	1933
Property Type	vacant land, Vacant Land
Property Name	Vacant Land
Address	2011 Haskell St, Austin, Travis County, Texas 78702
Tax ID	187418
Market Type	Normal Market

**Sale Data**

Grantor	ROTHBAUM ABE
Grantee	MX3I HOMES LLC
Sale Date	July 17, 2013

Deed Book/Page	2013132423
Property Rights	Fee Simple
Conditions of Sale	Cash to seller
Verification	Loopnet, TCAD, Travis County Clerk

Sale Price	\$560,000
Cash Equivalent	\$560,000

**Land Data**

Zoning	TOD-NP
Topography	Level
Utilities	All
Shape	Rectangular
Fencing	None
Flood Info	None

**Land Size Information**

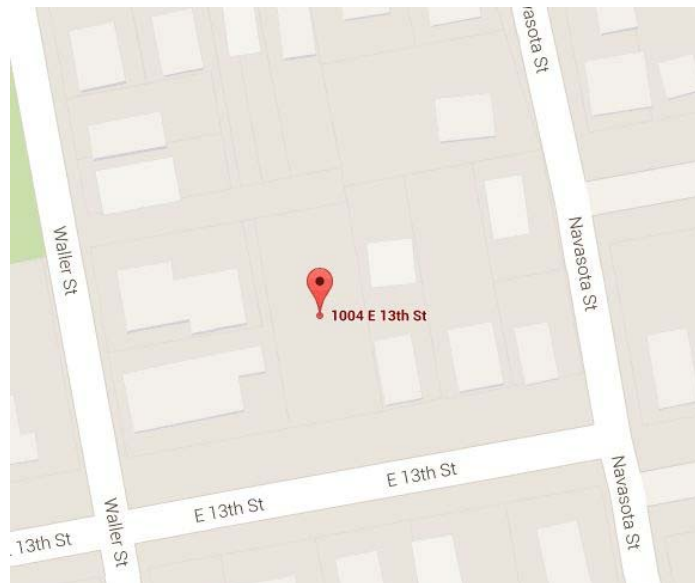
Gross Land Size	0.150 Acres or 6,534 SF
Front Footage	Haskell

**Indicators**

Sale Price/Gross Acre	\$3,733,333
Sale Price/Gross SF	\$85.71

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

**Land Sale No. 6**



**Property Identification**

<b>Record ID</b>	1931
<b>Property Type</b>	Land, Vacant Land
<b>Property Name</b>	Vacant Land
<b>Address</b>	1004 E 13th Street, Austin, Travis County, Texas 78702
<b>Tax ID</b>	198348
<b>Market Type</b>	Normal Market

**Sale Data**

<b>Grantor</b>	SMITH S KEVIN
<b>Grantee</b>	EMPIRICO DEVELOPMENT INC
<b>Sale Date</b>	August 23, 2013
<b>Deed Book/Page</b>	2013158989
<b>Property Rights</b>	Fee Simple
<b>Conditions of Sale</b>	Cash to seller
<b>Verification</b>	Loopnet, TCAD, Travis County Deed Records

<b>Sale Price</b>	\$787,500
<b>Cash Equivalent</b>	\$787,500

**Land Data**

<b>Zoning</b>	TOD
<b>Topography</b>	Level
<b>Utilities</b>	All
<b>Shape</b>	Rectangular
<b>Fencing</b>	None
<b>Flood Info</b>	None

**Land Size Information**

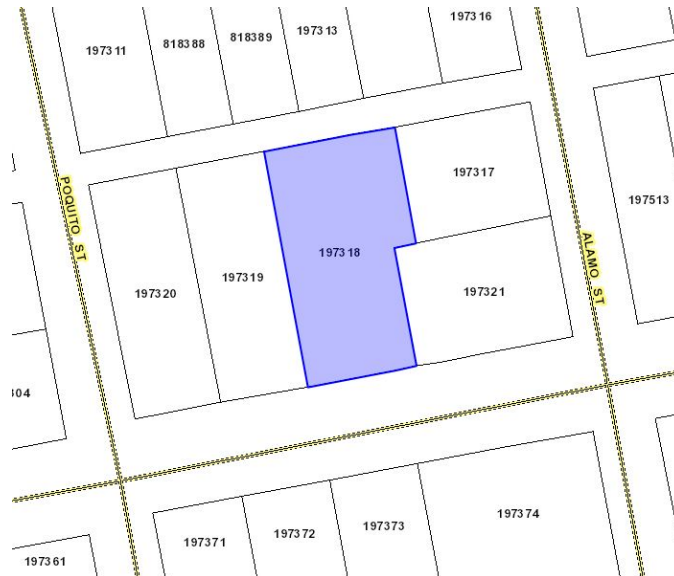
<b>Gross Land Size</b>	0.230 Acres or 10,019 SF
<b>Front Footage</b>	E 13th

**Indicators**

<b>Sale Price/Gross Acre</b>	\$3,423,913
<b>Sale Price/Gross SF</b>	\$78.60

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

### Land Sale No. 7



#### Property Identification

Record ID	1932
Property Type	Land, Vacant Land
Property Name	Vacant Land
Address	2004 E 12th Street, Austin, Travis County, Texas 78702
Tax ID	197318
Market Type	Normal Market

#### Sale Data

Grantor	ENTRUST ADMINISTRATION INC
Grantee	MAHARANI TRUST
Sale Date	March 18, 2014
Deed Book/Page	2014037968TR
Property Rights	Fee Simple
Conditions of Sale	Cash to seller
Verification	Loopnet, TCAD

Sale Price	\$762,500
Cash Equivalent	\$762,500

#### Land Data

Zoning	TOD
Topography	Level
Utilities	All
Shape	Rectangular
Fencing	None
Flood Info	None

#### Land Size Information

Gross Land Size	0.210 Acres or 9,148 SF
Front Footage	E 12th

#### Indicators

Sale Price/Gross Acre	\$3,630,952
Sale Price/Gross SF	\$83.36

Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

<b>TRAVIS CENTRAL APPRAISAL DISTRICT - TAX DATA</b>
---

## Travis CAD

### Property Search Results > 191905 CC THIRD AND COMAL LP for Year 2015

#### Property

##### Account

Property ID: 191905 Legal Description: LOT 8 BLK 4 OLT 4 DIV O PECK R H  
Geographic ID: 0204061304 Agent Code: ID:1641587  
Type: Real  
Property Use Code:  
Property Use Description:

##### Location

Address: 1409 E 4 ST Mapsco: 615C  
TX 78702  
Neighborhood: #EAS Map ID: 020201  
Neighborhood CD: #EAS

##### Owner

Name: CC THIRD AND COMAL LP Owner ID: 1622435  
Mailing Address: 823 CONGRESS AVE STE 600 % Ownership: 100.000000000000%  
AUSTIN, TX 78701

Exemptions:

#### Values

(+) Improvement Homesite Value: + \$0  
(+) Improvement Non-Homesite Value: + \$2,682  
(+) Land Homesite Value: + \$0  
(+) Land Non-Homesite Value: + \$289,920 Ag / Timber Use Value  
(+) Agricultural Market Valuation: + \$0 \$0  
(+) Timber Market Valuation: + \$0 \$0  
-----  
(=) Market Value: = \$292,602  
(-) Ag or Timber Use Value Reduction: - \$0  
-----  
(=) Appraised Value: = \$292,602  
(-) HS Cap: - \$0  
-----  
(=) Assessed Value: = \$292,602

#### Taxing Jurisdiction

Owner: CC THIRD AND COMAL LP  
% Ownership: 100.000000000000%  
Total Value: \$292,602

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
01	AUSTIN ISD	1.222000	\$292,602	\$292,602	\$3,575.60	
02	CITY OF AUSTIN	0.480900	\$292,602	\$292,602	\$1,407.12	
03	TRAVIS COUNTY	0.456300	\$292,602	\$292,602	\$1,335.15	
0A	TRAVIS CENTRAL APP DIST	0.000000	\$292,602	\$292,602	\$0.00	
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.126400	\$292,602	\$292,602	\$369.85	
68	AUSTIN COMM COLL DIST	0.094200	\$292,602	\$292,602	\$275.63	
Total Tax Rate:		2.379800				
Taxes w/Current Exemptions:					\$6,963.35	



Taxes w/o Exemptions: \$6,963.34

#### Improvement / Building

Improvement #1: [Detail Only](#) State Code: [F3](#) Living Area: [sqft](#) Value: [\\$2,682](#)

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
531	OBS FENCE	CAL - *		1971	1.0
551	PAVED AREA	AI - *		1971	6040.0

#### Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	0.1664	7248.00	0.00	0.00	\$289,920	\$0

#### Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2015	\$2,682	\$289,920	0	292,602	\$0	\$292,602
2014	\$2,223	\$181,200	0	183,423	\$0	\$183,423
2013	\$2,186	\$144,960	0	147,146	\$0	\$147,146
2012	\$2,066	\$86,976	0	89,042	\$0	\$89,042
2011	\$2,525	\$86,976	0	89,501	\$0	\$89,501
2010	\$2,525	\$86,976	0	89,501	\$0	\$89,501

#### Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/23/2014	SW	SPECIAL WARRANTY DEED	AUSTIN HABITAT FOR HUMANITY INC	CC THIRD AND COMAL LP			2014143298TR
2	1/13/2003	WD	WARRANTY DEED	AUSTIN HABITAT FOR HUMANITY IN	AUSTIN HABITAT FOR HUMANITY INC	00000	00000	2003008973TR
3	1/13/2003	WD	WARRANTY DEED	COY CHRISTINE	AUSTIN HABITAT FOR HUMANITY IN	00000	00000	2003008973TR

**Questions Please Call (512) 834-9317**

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Database last updated on: 7/6/2015 1:41 AM

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## Travis CAD

### Property Search Results > 191906 CC THIRD AND COMAL LP for Year 2015

#### Property

##### Account

Property ID: 191906 Legal Description: LOT 7 BLK 4 OLT 4 DIV O PECK R H  
Geographic ID: 0204061305 Agent Code: ID:1641587  
Type: Real  
Property Use Code:  
Property Use Description:

##### Location

Address: ONION ST TX 78702 Mapsco: 615C  
Neighborhood: #EAS Map ID: 020201  
Neighborhood CD: #EAS

##### Owner

Name: CC THIRD AND COMAL LP Owner ID: 1622435  
Mailing Address: 823 CONGRESS AVE STE 600 % Ownership: 100.0000000000%  
AUSTIN, TX 78701

Exemptions:

#### Values

(+) Improvement Homesite Value: + \$0  
(+) Improvement Non-Homesite Value: + \$2,682  
(+) Land Homesite Value: + \$0  
(+) Land Non-Homesite Value: + \$289,920 Ag / Timber Use Value  
(+) Agricultural Market Valuation: + \$0 \$0  
(+) Timber Market Valuation: + \$0 \$0  
-----  
(=) Market Value: = \$292,602  
(-) Ag or Timber Use Value Reduction: - \$0  
-----  
(=) Appraised Value: = \$292,602  
(-) HS Cap: - \$0  
-----  
(=) Assessed Value: = \$292,602

#### Taxing Jurisdiction

Owner: CC THIRD AND COMAL LP  
% Ownership: 100.0000000000%  
Total Value: \$292,602

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax	
01	AUSTIN ISD	1.222000	\$292,602	\$292,602	\$3,575.60	
02	CITY OF AUSTIN	0.480900	\$292,602	\$292,602	\$1,407.12	
03	TRAVIS COUNTY	0.456300	\$292,602	\$292,602	\$1,335.15	
0A	TRAVIS CENTRAL APP DIST	0.000000	\$292,602	\$292,602	\$0.00	
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.126400	\$292,602	\$292,602	\$369.85	
68	AUSTIN COMM COLL DIST	0.094200	\$292,602	\$292,602	\$275.63	
Total Tax Rate:		2.379800				
Taxes w/Current Exemptions:					\$6,963.35	

Taxes w/o Exemptions: \$6,963.34

#### Improvement / Building

Improvement #1: Detail Only State Code: F3 Living Area: sqft Value: \$2,682

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
531	OBS FENCE	CAL - *		1971	1.0
551	PAVED AREA	AI - *		1971	6040.0

#### Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	0.1664	7248.00	0.00	0.00	\$289,920	\$0

#### Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2015	\$2,682	\$289,920		0 292,602	\$0	\$292,602
2014	\$2,223	\$181,200		0 183,423	\$0	\$183,423
2013	\$2,186	\$144,960		0 147,146	\$0	\$147,146
2012	\$2,066	\$86,976		0 89,042	\$0	\$89,042
2011	\$2,525	\$86,976		0 89,501	\$0	\$89,501
2010	\$2,525	\$86,976		0 89,501	\$0	\$89,501

#### Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	9/23/2014	SW	SPECIAL WARRANTY DEED	AUSTIN HABITAT FOR HUMANITY INC	CC THIRD AND COMAL LP			2014143298TR
2	1/13/2003	WD	WARRANTY DEED	LABARBERA MATTHEW & TERESA UEL	AUSTIN HABITAT FOR HUMANITY INC	00000	00000	2003008973TR
3	2/10/1999	WD	WARRANTY DEED	COMMUNITY INVESTMENT CORPORATI	LABARBERA MATTHEW & TERESA UEL	13367	02553	

Questions Please Call (512) 834-9317

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Two Vacant Lots  
1409-1411 E 4th Street  
Austin, Texas

## ENGAGEMENT LETTER

June 26, 2015

Chris Griesbach  
Lone Star Appraisals & Realty  
3214 Great Valley Dr  
Cedar Park, TX 78613

RE: Appraisal for 1409 Onion St, Austin Texas 78702  
Appraisal for 1600-1602 East 4th St, Austin Texas 78702

Dear Chris:

This letter of engagement confirms that you have been selected to provide an independent appraisal of the market value of the fee simple estate for the above referenced property for Independent Bank, subject to the receipt by Independent Bank of a signed copy of this letter by June 30, 2015. Your engagement is subject to the terms and conditions set forth in this letter.

The effective date of your appraisal should be the date of the inspection. Additionally, this letter of engagement anticipates that you and all of the appraisers or associates who sign the appraisal report will have inspected the subject property, the neighborhood, and the comparable data.

Should information provided be insufficient to perform the required report, you should inform the undersigned, by both oral and written communications, within one (1) week of receipt of this letter. In your letter, you should list the minimum information necessary which will allow you to complete the assignment.

The specific uniform appraisal instructions to be utilized and included in this report are as follows: (using the "uniform commercial appraisal form for small property" w/comp and income approach analysis).

- A. Conform to Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
- B. Disclose any steps that were necessary to comply with the Competency Provision of USPAP.
- C. Appraisal must be based upon the definition of market value as defined under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA).
- D. Must be written and presented in a narrative format or on forms. Must be sufficiently descriptive to enable reader to ascertain the estimated market value and the rationale for the estimate. Must provide detail and depth of analysis that reflect the complexity of the real estate appraised.



- E. Analyze and report in reasonable detail any prior sales that occurred with the following time periods:
  - For 1-to-4 family residential: one (1) year preceding appraisal date;
  - For all other property: three (3) years preceding appraisal date.
- F. Analyze and report data on current revenues, expenses, and vacancies for income producing property.
- G. Analyze and report a reasonable marketing period for the subject property.
- H. Analyze and report on current market conditions and trends that will affect projected income or the absorption period to the extent they affect the value of the property.
- I. Analyze and report deductions and discounts for any proposed construction, or any completed properties that are partially leased or leased at other than market rates as of the date of the appraisal, or any tract developments with unsold units.
- J. Include in the certification required by USPAP an additional statement that the appraisal assignment was not based upon:
  - A requested minimum valuation, or
  - A specific valuation, or
  - The approval of a loan
- K. Contain sufficient supporting documentation, with all pertinent information reported so that the appraiser's logic, reasoning, judgment, and analysis in arriving at the conclusion indicated to the reader the reasonableness of the market value reported.
- L. Include a legal description of the real estate being appraised.
- M. Identify and separately value any personal property, fixtures or intangible items that are not real property but are included in the appraisal and discuss impact if their inclusion or exclusion on the estimate of market value.
- N. Follow a reasonable valuation method that addresses the direct sales comparison, income, and cost approaches to market value, reconciles those approaches and explains the elimination of each approach not used.
- O. Include photographs of all comparables.

Your report should be addressed to:

Independent Bank  
1011 West 40<sup>th</sup> St  
Austin, TX 78756

Should questions concerning the assignment occur during the course of the assignment, direct them to me. **The contact for access to the property is Branigan Mulcahy**  
**M: 512.815.6603 | D: 512.600.7913.**

Independent Bank considers all work done in connection with the assignment confidential. Information concerning value conclusion or other information given to the



appraiser concerning this project may not be released without the expressed written consent of Independent Bank.

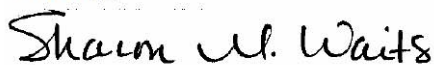
As agreed, your fee is not to exceed 1600.00 each. Once you have reached your value conclusion, you are to call immediately. Your final completed report, one (1) electronic copy, is to be delivered to Independent Bank by July 3, 2015 henceforth referred to as the delivery date. Failure to substantially comply with the instructions set forth in this letter could potentially result in non-payment.

If the appraisal report is not completed and received on or before the scheduled date, Independent Bank reserves the right on its sole discretion to cancel your employment under this agreement, in which case no fee will be paid.

Please return with your report all surveys and blueprints provided for the assignment to the undersigned.

Thank you for your cooperation on behalf of Independent Bank.

Sincerely,



Sharon Waits  
Senior Loan Assistant

Agreed and Accepted:

By: 

Firm: Lone Star Appraisal & Realty, Inc.

Date: July 1, 2015

# CITY OF AUSTIN - ZONING VERIFICATION LETTER

---

For questions concerning zoning compliance or any development criteria contact the Development Assistance Center of the City of Austin at (512) 974-6370.

This letter is to verify that the parcel listed is covered by the listed zoning classification on the date the letter was created.

## Party Requesting Verification

Name: Kate Reznick  
Mailing Address:  
500 West Ben White Boulevard  
Austin, TX 78704

## Tax Parcel Identification Number

Agency: TCAD  
Parcel ID: 191905, 191906

## Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

TOD-NP

## Zoning Case Number(s)

Look up case info at [https://www.austintexas.gov/devreview/a\\_queryfolder\\_permits.jsp](https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp)

C14-00-2102, C14-2008-0029, NPA-2008-0002.01

## Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

001214-20, 20081211-082, 20081211-083

For Address Verification visit:

<http://austintexas.gov/addressverification>

To access zoning ordinance documentation visit:

<http://austintexas.gov/edims/search.cfm>

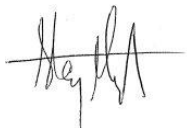
To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:

<http://austintexas.gov/department/austin-city-land-development-code>

<http://austintexas.gov/department/zoning>

This letter was produced by the City of Austin Communication Technology Management Department on behalf of the Planning and Development Review Department.

I, Stacy Meeks, of the Communications and Technology Management Department for the City of Austin, do hereby certify that the above information reflects the data and records on file in this office.



4/8/2019

191905,  
191906

**ORDINANCE NO. 20180426-081**

**AN ORDINANCE AMENDING ORDINANCE NO. 20081211-082 TO AMEND THE REGULATING PLAN FOR THE PLAZA SALTILLO TOD STATION AREA PLAN BY AMENDING PROVISIONS REGARDING AN ADDITIONAL DENSITY BONUS PROGRAM APPLICABLE TO 1409 AND 1411 EAST 4<sup>TH</sup> STREET.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page i (*Contents*) to add “2.3.7 Urban Mixed Use Subdistrict” and renumber the remaining subsections as appropriate.

**PART 2.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page ii (*Contents*) to add “4.3.4 Super Density Bonus”.

**PART 3.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page v to add “TOD Urban Mixed Use” as a new subdistrict as follows:

TOD Urban Mixed Use allowing high density multifamily or mixed use development, ideally with active ground floor uses and residential or office uses on the upper floors.

**PART 4.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 3, Figure 1-2 (*Applicability Summary Table – Land Use and Building Density, General Development Standards, Development Bonuses, and Parkland Dedication*) to add a new subsection 4.3.4 (*Super Density Bonus*) as shown on Exhibit A to this ordinance.

**PART 5.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by adding a new subsection 2.3.7 (*TOD Urban Mixed-Use*) as follows and renumber the remaining subsections as appropriate:

**2.3.7. TOD Urban Mixed Use**

**A. Typology**

TOD Urban Mixed Use allows for high density residential or mixed use development and does not require that ground floor space be designed to accommodate active non-residential uses, although it is encouraged. Active edges require that the ground floor

space be designed to accommodate non-residential uses and have a higher design standard to promote the urban character of the area. This subdistrict is generally located on arterial streets and in close proximity to the transit station. A wide array of retail, office, and residential uses are permitted.

**B. Density Standards:**

1. Minimum Density: None
2. Maximum Density: 45 Dwelling Units per acre (unless a development bonus is utilized); maximum Floor-to-Area Ratios (FAR) are established in Subsection 4.2.8.

**C. Land Use**

Permitted, conditional, and prohibited uses are shown in Figure 2-2.

**PART 6.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 20, Figure 2-1 (*Plaza Saltillo Station Area Plan TOD Subdistricts*) to show the new TOD Urban Mixed Use subdistrict on the Land Use and Design Concept Plan map, as shown on Exhibit B to this ordinance.

**PART 7.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 21, Figure 2-2 (*Plaza Saltillo TOD District Land Use Table*) to add "TOD Urban Mixed Use", as shown on Exhibit C to this ordinance.

**PART 8.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 53, Section 4.2.4 (*Impervious Surface Coverage*) as follows:

- B. TOD Mixed-Use, TOD Corridor Mixed Use, TOD Urban Mixed Use, and TOD Live/Work Flex Subdistricts shall have a maximum impervious cover of 95 percent.

**PART 9.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 54, subsection 4.2.6(C) (*Setbacks*) as follows:

- C. If the street right-of-way is less than 60 feet in width, the minimum front yard setback for buildings three or more stories in height shall be [~~30~~] 25 feet from the centerline of the street to ensure adequate fire access.

**PART 10.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by amending Page 54, subsection 4.2.10(B) (*Compatibility Standards*) as follows:

B. A waiver of compatibility standards may be granted if a development bonus is utilized. The development bonus standards and requirements are established in *Subsections 4.3.2 Density Bonus, [and] 4.3.3 Density and Height Bonus, and 4.3.4 Super Density Bonus.*

**PART 11.** Exhibit E to Ordinance No. 20081211-082 (*Regulating Plan for the Plaza Saltillo Station Area Plan*) is amended by adding a new subsection 4.3.4 (*Super Density Bonus*) as follows:

4.3.4. Super Density Bonus

A. Applicability

Article 3

Site Development Standards

Subsection 4.3.4

Super Affordability

Application:

Properties, or portions of properties, in the TOD Urban Mixed Use Subdistrict are eligible for a bonus

B. Waiver of Site Development Standards and Building Height Allowance

A density and height bonus shall be granted to a development that meets the affordability standards in Subsection C below, which exempts the development from the following site development standards:

1. Maximum density requirement in Section 2.3;
2. Maximum Floor-to-Area Ratio (FAR) in Subsection 4.2.8; and
3. Chapter 25-2 Subchapter C, Article 10 of the LDC (Compatibility Standards) shall be waived with the following exceptions:
  - a. Height Limitations

In the TOD District within 100 feet of the TOD boundary, compatibility standards height limitations triggered by property outside of the TOD District shall be waived if owners of at least 66% of triggering properties within 25 feet of the site requesting the waiver agree. If there are no triggering properties within 25 feet, the height restriction shall be waived.

### Building Height Allowance

Any building on the site receiving the bonus may reach a total of 85 feet in height as measured by the LDC.

### 4. Active Edge Requirements

The active edge requirements in Subsection 5.7.2 are waived with the following exceptions:

Commercial or mixed use projects shall follow Subsection 5.7.2.A.

Residential projects shall be designed according to the following standards:

- a. The ground floor building façade shall be designed to reinforce pedestrian activity. Each ground floor dwelling unit shall be designed according to the following standards:

An entrance that opens directly onto the sidewalk according to Section 5.3;

Entrances should be highlighted through architectural cues;

Entrances should be raised with stoops or porches to allow for privacy;

The scale and detailing of the windows should reflect the residential use of the building;

Landscaping between the sidewalk and building edge is encouraged.

- b. Off street parking is not permitted along an active edge.

### 5. Parking Requirements

The minimum parking requirements may be reduced to 5 percent of the off-street parking requirements established in Chapter 35-6, Appendix A provided that a development include the following features or amenities:

Parking spaces shall be leased or sold separately from occupied spaces.



On-street parking spaces located adjacent to the site if road conditions permit on-street parallel parking.

The provision of a car-sharing vehicle program that complies with the requirements prescribed by the Director by administrative rule.

The minimum amount of bicycle parking provided shall be 200% of the requirement established in part 4.4.5.

20% of required bike parking to be provided as fully enclosed lockable bicycle parking spaces.

### C. Affordability Standards

To be eligible for the development exemptions and height allowance in Subsection B above, habitable space equal to a minimum of seventy-five percent of the entire square footage of the development shall be reserved as affordable according to the following:

- a. A minimum of 10% of the total square footage shall be provided at 40% Median Family Income (MFI), or less;
- b. A minimum of 25% of square footage shall be provided at 60% MFI or less;
- c. A minimum of 40% of square footage shall be provided at 80% MFI, or less; and
- d. A maximum of 70% of the dwellings provided shall be one bedroom or efficiency units.

The requirement may be met by providing affordable owner-occupied units, rental units, or a combination of both.

#### 1. Affordability Requirements for Owner-Occupied Units

The applicant shall be responsible for providing habitable space through a City approved affordable housing land trust for not less than 99 years from the date a certificate of occupancy is issued, for ownership and occupancy by households earning no more than the required percentage of the Annual Median Family Income.

#### 2. Affordability Requirements for Rental Units

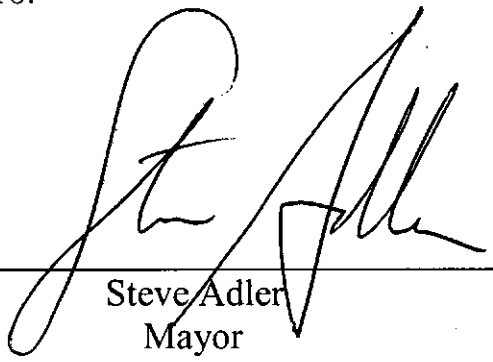
The applicant shall provide habitable space as affordable for a minimum of 40 years following the issuance of the certificate of occupancy, for rental by households earning no more than the required percentage of the Annual Median Family Income.

**PART 12.** This ordinance takes effect on May 7, 2018.

**PASSED AND APPROVED**

April 26, 2018

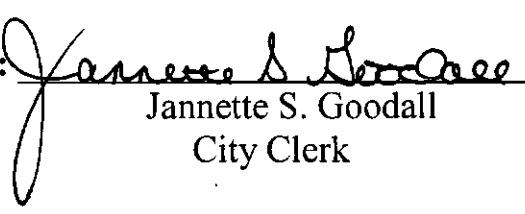
§  
§  
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Steve Adler  
Mayor

**APPROVED:**

  
Anne L. Morgan  
City Attorney

**ATTEST:**

  
Jannette S. Goodall  
City Clerk

**PHASE I  
ENVIRONMENTAL SITE ASSESSMENT**

**1407-1411 EAST 4<sup>TH</sup> STREET  
AUSTIN, TEXAS 78702**

**4 DECEMBER 2015**

**Prepared for:**

City of Austin - Austin Resource Recovery  
P.O. Box 1088  
Austin, Texas 78767

**Prepared by:**

Cook-Joyce, Inc.		INTERA, Inc.
812 West Eleventh Street		1812 Centre Creek Drive,
Suite 205	&	Suite 300
Austin, Texas 78701		Austin, TX 78745



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### APPENDIX

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- B REGULATORY DATABASE REPORT
- C BUILDING PERMIT REPORT
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## EXECUTIVE SUMMARY

Cook-Joyce, Inc. (CJI), as part of the team led by INTERA, Inc. under its contract to provide services to the City of Austin's Brownfields Revitalization Office, has conducted a Phase I Environmental Site Assessment (ESA) of three 0.1664-acre parcels of real property totaling approximately 0.5 acre, hereafter referred to as the subject property or site, located at 1407, 1409, and 1411 East 4<sup>th</sup> Street, Austin, Texas. The tract at 1411 East 4<sup>th</sup> Street is not identified as such in the Travis County Tax Appraisal District records; however, this tract is located between Onion Street and the 1409 East 4<sup>th</sup> Street tract and appears on the tax rolls as Property ID 191906. This Phase I ESA was performed to identify, to the extent feasible, any recognized environmental conditions that could potentially impact future property transfer and/or development, and to make a diligent inquiry into the environmental condition of the site, consistent with good commercial and customary practice, to allow future development of the property under the City of Austin's Brownfields Program, and to qualify the buyer, Austin Habitat for Humanity (represented by Greg Anderson, Director of Operations), for statutory limitations on potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The location of the subject property is depicted on Figure 1.

CJI conducted this ESA in accordance with Standard Practice E1527-13 of ASTM International (ASTM), entitled *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*. The Phase I ESA activities included review of site-specific information provided by the City of Austin's Brownfields Revitalization Office, research for environmental liens and activity/use limitations, and collection and review of environmental and historical records. In addition, a site visit was conducted with the objective of identifying any indications of releases, past releases, or material threat of releases of hazardous substances or petroleum products, to the extent that they may be visually or physically observed as set forth in ASTM E1527-13. The ESA effort also included interviews with individuals having knowledge of past and/or present uses of the subject property. Information from these interviews was used in conjunction with that obtained from the site visit and the records review to identify the uses and conditions of the subject property in accordance with ASTM E1527-13. The Phase I ESA was performed by environmental professional(s) as defined in 40 CFR §312.10 and as identified in this report.



This assessment has revealed evidence of no recognized environmental conditions in connection with the subject property. This assessment has revealed evidence of two environmental issues at the subject property that, while they do not represent recognized environmental conditions, do warrant mention in this summary. The noted issues are:

1. Several historical impacts were identified in the vicinity of the site including the adjoining property at 310 Comal Street, which is situated immediately east of the subject property across Onion Street. A commercial laundry service previously existed at this adjoining property, and several underground storage tanks were registered for fleet fuel storage. In a June 2014 Limited Site Investigation (LSI) of this property, samples of soil, groundwater, and soil vapor were collected for chemical analysis. No detections of the analyzed constituents, TPH and BTEX, were reported in the soil or groundwater samples. Low levels of VOCs were reported in the soil vapor sample, but none of the detected VOCs exceeded the commercial screening levels presented in the LSI report. Although Texas does not currently regulate soil vapor, additional evaluation of potential vapor intrusion onto the subject property may be advisable prior to any future site development, particularly if this development will involve underground excavation.
2. Trash (which included several empty paint cans) was noted in various areas of the property, as were debris piles containing home improvement materials. These items should be appropriately disposed of prior to site development.



## **1.0 INTRODUCTION**

Cook-Joyce, Inc. (CJI), as part of the team led by INTERA, Inc. under its contract to provide services to the City of Austin's Brownfields Revitalization Office, has conducted a Phase I Environmental Site Assessment (ESA) of three 0.1664-acre parcels of real property totaling approximately 0.5 acres, hereafter referred to as the subject property or site, located at 1407, 1409, and 1411 East 4<sup>th</sup> Street, Austin, Texas. The tract at 1411 East 4<sup>th</sup> Street is not identified as such in the Travis County Tax Appraisal District records; however, this tract is located between Onion Street and the 1409 East 4<sup>th</sup> Street tract and appears on the tax rolls as Property ID 191906. The 1407 East 4<sup>th</sup> Street parcel was not originally included as part of the subject property, but was added at the request of the user, Austin Habitat for Humanity. Austin Habitat for Humanity plans to build affordable housing on the subject property.

This report documents the findings, opinions, and conclusions of the Phase I ESA effort. A site location map is provided as Figure 1.

### **1.1 PURPOSE**

This Phase I ESA was performed to identify, to the extent feasible, any recognized environmental conditions that could potentially impact future property transfer and/or development, and to make a diligent inquiry into the environmental condition of the site, consistent with good commercial and customary practice, to allow future development of the property under the City of Austin's Brownfields Revitalization Office and to qualify Austin Habitat for Humanity, represented by their Director of Operations, Greg Anderson, for statutory limitations on potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

### **1.2 SCOPE OF SERVICES**

A Phase I ESA is the process by which a person or entity seeks to evaluate a parcel of real property (including improvements) for environmental conditions that could pose potential liability. This process is also referred to as an All Appropriate Inquiry (AAI). The U.S. Environmental Protection Agency (EPA) has issued requirements for conducting an AAI, which are found at 40 CFR Part 312 and became effective on 1 November 2006. The AAI requirements are applicable to any party who may potentially claim protection from CERCLA liability as an innocent landowner, a bona fide prospective purchaser, or a contiguous property



owner. As noted in the December 30, 2013 final rulemaking, EPA amended the AAI requirements allowing for the use of ASTM E1527-05 (a prior version of the standard) or ASTM E1527-13 (the current version) as consistent with the requirements of AAI. On October 6, 2014, EPA again amended the AAI requirements, this time removing the reference to ASTM E1527-05 to reduce any confusion associated with the regulatory reference to a historical standard that is no longer recognized by its originating organization as meeting its standards for good customary business practice.

This Phase I ESA was performed in accordance with ASTM E1527-13, with exception of any deviations listed in Section 8.0. The ASTM methodology establishes a good commercial and customary practice for conducting an environmental assessment of a parcel of real property with the goal of identifying recognized environmental conditions. The term **recognized environmental condition** is defined in ASTM E1527-13 as:

*“The presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not recognized environmental conditions.”*

ASTM E1527-13 also defines three related terms. They are:

*“**de minimis condition** – a condition that generally does not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis conditions are not recognized environmental conditions nor controlled recognized environmental conditions.”*

*“**controlled recognized environmental condition** – a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls). (See Note 2.) A condition considered by the environmental professional to be a controlled recognized environmental condition shall be listed in the findings section of the Phase I Environmental Site Assessment report, and as a recognized environmental condition in the conclusions section of the Phase I Environmental Site Assessment report. (See Note 3.)*



**Note 2** – For example, if a leaking underground storage tank has been cleaned up to a commercial use standard, but does not meet unrestricted residential cleanup criteria, this would be considered a controlled recognized environmental condition. The “control” is represented by the restriction that the property use remain commercial.

**Note 3** – A condition identified as a controlled recognized environmental condition does not imply that the environmental professional has evaluated or confirmed the adequacy, implementation, or continued effectiveness of the required control that has been, or is intended to be, implemented.

**“historical recognized environmental condition** – a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls). Before calling the past release a historical recognized environmental condition, the environmental professional must determine whether the past release is a recognized environmental condition at the time the Phase I Environmental Site Assessment is conducted (for example, if there has been a change in the regulatory criteria). If the EP [environmental professional] considers the past release to be a recognized environmental condition at the time the Phase I ESA is conducted, the condition shall be included in the conclusions section of the report as a recognized environmental condition.

The Phase I ESA process consisted of the following key elements:

- Collection and review of information related to the site location, site and vicinity characteristics, current uses of the subject and adjoining properties, and site improvements (see Section 2.0);
- Review of site-specific information provided by Greg Anderson, Director of Operations for Austin Habitat for Humanity (see Section 3.0);
- Collection and review of standard and supplemental environmental records, physical setting source information, and other historical records such as fire insurance maps, aerial photographs, historical topographic maps, activity and land use limitations, and environmental liens (see Section 4.0);
- A site visit with the objective of identifying any indications of releases, past releases, or material threat of releases of hazardous substances or petroleum products at the





subject property, to the extent that they may be visually or physically observed as prescribed in ASTM E1527-13 (see Section 5.0);

- Interviews with individuals who may have knowledge of past and/or present uses and conditions at the site to obtain information indicating any recognized environmental conditions in connection with the site (see Section 6.0);
- Evaluation of the information obtained through the ESA to develop findings regarding the presence or absence of any recognized environmental conditions, controlled recognized environmental conditions, historical recognized environmental conditions, and *de minimis* conditions and professional opinion(s) regarding the impact on the property of any conditions so noted (see Section 7.0);
- Discussion of any significant data gaps that affect the ability of the environmental professional(s) to identify recognized environmental conditions and any limiting conditions, deletions, and deviations from the ASTM E1527-13 practice (see Section 8.0); and
- Conclusions that summarize all recognized environmental conditions connected with the property and, if applicable, any opinion regarding additional appropriate investigation to detect the presence of hazardous substances or petroleum products (see Section 9.0).

Non-scope environmental considerations such as those identified in ASTM E1527-13 (including but not limited to cultural and historical resources, ecological resources, endangered species, health and safety, indoor air quality unrelated to releases of hazardous substances or petroleum products, industrial hygiene, asbestos-containing building materials, lead-based paint, lead in drinking water, mold, radon, regulatory compliance, and wetlands) were not evaluated as part of this ESA.

### 1.3 LIMITATIONS AND EXCEPTIONS

Any Phase I ESA is by nature limited and qualitative in scope, being based predominantly on examination of selected maps, agency records, interviews, and visual and/or physical observations made during the site visit. As such, this ESA should not be construed to be a complete characterization of environmental regulatory compliance or conditions above or below ground



surface at the subject property. Instead, the ESA process is designed to provide information regarding apparent existing or potential adverse environmental conditions related to the subject property in accordance with good commercial and customary practice. Any significant data gaps that would further limit the scope of this ESA are identified in Section 8.0.

This Phase I ESA is limited to the information available or known to CJI as of the date of this report. Consistent with ASTM E1527-13, no intrusive testing or sampling of concealed or subsurface conditions was performed at the site. The information obtained for this ESA is believed to be reliable, but the accuracy and completeness of agency lists and other historical information have not been verified or confirmed. CJI has accepted as true the information provided by interviewees on current and historical uses of the subject property and surrounding area. CJI does not warrant or guarantee the accuracy or completeness of information provided by other sources.

CJI represents that the ESA was performed in a competent manner by environmental professionals consistent with the practices and procedures contemplated under ASTM E1527-13. However, even with proper application of the ASTM methodology, environmental conditions may be present that cannot be identified within the scope of the ESA or that may not be reasonably identifiable from the available information. As such, no warranty is expressed or implied as to the findings, conclusions, and/or recommendations presented in this report beyond matters amenable to empirical review and visual confirmation within the limits under ASTM E 1527-13 and/or the specified scope of work.

#### 1.4 SPECIAL TERMS AND CONDITIONS

No special terms or conditions were imposed on this Phase I ESA.

#### 1.5 RELIANCE

This Phase I ESA has been prepared for the use of City of Austin's Brownfields Revitalization Office and Austin Habitat for Humanity, represented by its Director of Operations, Greg Anderson, who has applied for assistance from the Brownfields Revitalization Program. There are no third party rights or benefits conferred under this report. Use or reliance of this report by any third party is at the sole risk of that party.



## 2.0 SITE DESCRIPTION

### 2.1 LOCATION AND LEGAL DESCRIPTION

The subject property includes the tracts located at 1407, 1409 and 1411 East 4<sup>th</sup> Street. These tracts are located to the west of Onion Street and to the south of East 4<sup>th</sup> Street in Austin, Texas. The subject property is bounded to the south by an unpaved alley located between East 4<sup>th</sup> Street and East 3<sup>rd</sup> Street. A site location map is provided as Figure 1. A site layout map depicting the subject property and its three tracts is provided as Figure 2. The legal descriptions for the parcels of land that make up the subject property are recorded at the Travis County Appraisal District as follows:

<u>Property Tract</u>	<u>Legal Description</u>
1407 East 4 <sup>th</sup> Street	LOT 9 BLK 4 OLT 4 DIV O PECK R H
1409 East 4 <sup>th</sup> Street	LOT 8 BLK 4 OLT 4 DIV O PECK R H
1411 East 4 <sup>th</sup> Street*	LOT 7 BLK 4 OLT 4 DIV O PECK R H

- \* The tract at 1411 East 4th Street is not identified as such in the Travis County Tax Appraisal District records; however, this tract is located between Onion Street and the 1409 East 4th Street tract and appears on the tax rolls as Property ID 191906

Deed records for the subject property tracts are included in the EDR *Environmental Lien and AUL Search reports* in Appendix A.

### 2.2 DESCRIPTION AND CURRENT USES OF SUBJECT PROPERTY

The subject property consists of three 0.1664-acre parcels of real property totaling approximately 0.5 acre. The parcels of land located at 1409 and 1411 are owned by Cielo Property Group and the parcel of land located at 1407 East 4<sup>th</sup> Street is owned by Mr. R.C. Beall. There are no structures present on any of the subject property tracts.

The parcels located at 1409 and 1411 East 4<sup>th</sup> Street are paved with asphalt and contained with a perimeter chain link security fence. According to the Travis County Appraisal District, the pavement and fencing were completed in 1971. Based on the observation of aerial photographs, the paved area was initially used as a parking lot. Currently, the paved area is used by Habitat for Humanity to store home improvement construction materials that are for sale. Work crews were actively clearing these lots during CJL's site reconnaissance. The 1407 East 4<sup>th</sup> Street parcel is a vacant lot mostly covered with grassy vegetation that contained a



basketball goal, lawn furniture, an older model work truck, and a bird coop. This property appears to be used as a side yard for the house located at 1405 East 4<sup>th</sup> Street.

Utilities do not appear to be connected or in current use at the subject property tracts. A site layout map depicting the subject property is provided as Figure 2.

## 2.3 DESCRIPTION AND CURRENT USES OF ADJOINING PROPERTIES

Figure 2 depicts the surrounding property uses and identifies the property boundaries with respect to the cardinal directions. The subject property is bound to the east by Onion Street, to the north by East 4<sup>th</sup> Street, and to the south by an unpaved alley located between East 4<sup>th</sup> Street and East 3<sup>rd</sup> Street. Adjacent to the west of the site is a residential property located at 1405 East 4<sup>th</sup> Street. To the north of the property, across East 4<sup>th</sup> Street, is a commercial building containing Texas Coffee Traders. Located immediately south of the subject property across the unpaved alley are residential properties. East of the subject property across Onion Street is the former Austin Habitat for Humanity Restore warehouse site. The store at this location has closed, but the warehouse was still in use by Austin Habitat for Humanity at the time of the site visit. Located to the southeast of the subject property, across Onion Street, is the Comal Pocket Park.



### **3.0 USER-SUPPLIED INFORMATION**

On 4 November 2015, Mr. Greg Anderson, the Director of Operations for Austin Habitat for Humanity, provided responses to questions asked by the environmental professional under Sections 6.0, 10.8, and 10.9 of ASTM E1527-13. The following discusses the user information supplied by Mr. Anderson.

#### **3.1 ENVIRONMENTAL LIENS AND ACTIVITY/USE LIMITATIONS**

Mr. Anderson was not aware of any environmental cleanup liens that are filed or recorded against the site. He was unaware of any activity/use limitations that are in-place on the property.

#### **3.2 SPECIALIZED KNOWLEDGE**

Mr. Anderson does have specialized knowledge or experience related to the historic uses of the subject property and nearby properties. Mr. Anderson stated that the 1409 and 1411 East 4<sup>th</sup> Street properties were rented by Austin Habitat for Humanity and used as a lumber yard for its Restore store. He stated that Austin Habitat for Humanity had previously owned the property and sold it around 18 months ago.

#### **3.3 COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION**

Mr. Anderson did provide some commonly known or reasonably ascertainable information about the subject property. Mr. Anderson was not aware of specific chemicals that are present or once were present at the property. He did not know of any spills or other chemical releases that may have taken place at the property. He also had no knowledge of any environmental cleanups that have taken place at the property.

#### **3.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES**

Mr. Anderson indicated that the asking price for the subject property was below its fair market value due to hard negotiations and a land swap deal. The lower value was not based on any contamination known or believed to be present at the site.

#### **3.5 OTHER INFORMATION**

Mr. Anderson was not aware of any pending, threatened, or past litigations or administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the site.



Mr. Anderson also had no knowledge of notices from any governmental entity regarding possible violation of environmental laws or possible liability relating to hazardous substances or petroleum products at the site. He was aware of a previous ESA that could be useful to CJL during the Phase I ESA effort. Specifically, Mr. Anderson indicated that Austin Habitat for Humanity had previously owned the tracts of land at 1409 and 1411 East 4<sup>th</sup> Street and he believed the buyer had an ESA completed for these tracts when the property was sold around 18 months ago. Mr. Anderson stated that he had not seen the previous ESA report.





## **4.0 RECORDS REVIEW**

As part of this Phase I ESA, CJL performed a records review of environmental and historical data for the subject property and surrounding area. This effort included obtaining and reviewing a federal and state environmental database search, which identifies recorded environmental threats within the vicinity of the subject property. Available physical setting sources, a building permit report, a city directory search, fire insurance maps, aerial photographs, and historical topographic maps were also obtained and reviewed. In addition, an environmental liens search was performed to determine if any environmental liens or activity/use limitations are recorded in the land title records for the subject property. It is noted that all standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed. However, the resultant historical record as a whole was insufficient to meet the approximately five-year review interval specified in ASTM E1527 in a few instances. In addition, the historical record does not clearly depict the property prior to its development. These data gaps are discussed in Section 4.10.

### **4.1 ENVIRONMENTAL RECORD SOURCES**

Environmental Data Resources, Inc. (EDR) provided database search services for federal and state standard environmental record sources for this Phase I ESA. These database records were obtained directly from government sources and include all of the standard environmental sources specified in the ASTM standard, plus other additional environmental record sources that can be useful in identifying potential environmental conditions. The search was performed to the ASTM approximate minimum search distances from the boundary of the subject property. The results of the database search, including detailed information regarding the databases searched, are provided in the EDR Radius Map Report with Geotrack in Appendix B.

The EDR Report includes computer-generated maps that depict the locations of any facilities identified as having potential environmental risks within the specified approximate search distances for each source. These maps are provided on pages 19 and 20 of the radius report. For each facility identified, a description of the potential environmental risks is typically provided. The database search revealed the following nearby facilities with potential environmental risks.



### Federal CERCLIS NFRAP Sites

Two sites were listed as “No Further Response Action Planned” (NFRAP) sites in EPA’s Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) within 0.5 miles of the subject property, the closest being approximately 1,060 feet to the east-southeast. Clevepak Corp (1700 East 4<sup>th</sup> Street) went through a preliminary assessment and did not qualify for listing on the National Priorities List. Austin Gas Light Company (300 Medina Street) also went through a preliminary assessment and did not qualify for listing on the National Priorities List.

### RCRA-Conditionally Exempt Small Quantity Generator (CESQG)

Two RCRA-CESQG sites were listed within 0.125 miles of the subject property, the closest being Hall Level, located approximately 403 feet to the north at 1404 East 5<sup>th</sup> Street. National Coatings & Supplies, located at 1400 East 5<sup>th</sup> Street, was also listed as a CESQG. No violations for either facility were reported in the database search.

### Leaking Petroleum Storage Tanks (LPSTs)

Sixteen LPST sites were listed within 0.5 miles of the subject property, with the closest reported to be 348 feet to the southeast. This site, LPST #102679, is listed at mapped location 2, the National Linen Service facility previously located at 310 Comal Street, which adjoins the subject property to the east across Onion Street<sup>1</sup>. The 310 Comal Street address was most recently occupied by the former Austin Habitat for Humanity Restore warehouse. Minor soil contamination only was reported for the National Linen Service LPST and final concurrence was issued in 1992. One additional LPST site, Concrete Chemical Corporation, was located within 0.125 miles of the subject property at 411 Comal Street. Minor soil contamination only was also reported at this site and final concurrence was issued in 1996.

Four of the identified LPST sites reported impacts to groundwater. Three of these sites, Brown Distributing, Leprino Foods, and Capitol City Chevron, have received final concurrence and their cases have been closed. The remaining LPST site with reported groundwater impacts, Austin Metal & Iron, is reported to be in monitoring status, with no apparent threats or impacts to

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<sup>1</sup> The LPST listing for the National Linen Services facility at 310 Comal Street identifies the LPST location as 410 Comal Street, which would be situated northeast of the subject property. A prior ESA that included the 310 Comal Street property (Terracon, March 2014) concluded the reported LPST was actually located to the north of East 4<sup>th</sup> Street at a listed address of 410 Comal Street.



receptors. Austin Metal & Iron is located at 301 San Marcos Street, approximately 1,552 feet to the west of the subject property. This site is topographically lower than the subject property, and appears to be cross gradient to the site. It is unlikely that impacted groundwater from the Austin Metal & Iron site would impact the subject property.

#### Underground Storage Tanks (USTs) and Above Ground Storage Tanks (ASTs)

Nine UST sites and twenty-six historical UST sites were listed within 0.25 miles of the subject property. None are on the subject property but two UST sites are located on adjoining properties. Austin Beverage is reported as a historical UST site and is located approximately 38 feet to the east-northeast from the subject property, diagonally across East 4<sup>th</sup> Street from the site. The National Linen Service facility previously located at 310 Comal Street is a reported UST site located approximately 348 feet to the southeast of the subject property. Four tanks were listed at this facility and were reported to have been removed from the ground. One of the four tanks listed for this facility appears to represent the LPST site discussed above. No other UST sites are located on the subject property or on adjoining properties, which is the ASTM specified approximate minimum search distance.

One above ground storage tank, a 4,030 gallon diesel tank used for an emergency generator, was listed for Hostway Services. Hostway Services is located approximately 917 feet away to the northwest of the subject property. This tank was reportedly installed in 2004.

#### Activity and Use Limitations (AUL) Sites

Two AUL sites were identified within 0.5 miles of the subject property. The Austin Metal & Iron site (about 1,552 feet away to the west of the subject property) is listed as the site of a coal gasification facility with affected soils and groundwater. TPH and metals are the reported contaminants. The institutional controls for this property include non-residential land use and maintenance of a cap. Leprino Foods (1,931 feet away to the east of the subject property) was reported as an LPST site. Groundwater was impacted with TPH and BTEX. The institutional control for this site is non-residential land use.

#### Historical Automotive Stations

Two historical automotive stations (HAS) were listed within 0.125 miles of the subject property. None are on the subject property or located on adjoining properties, which is the ASTM specified approximate minimum search distance. Auto Coat (1400 East 5<sup>th</sup> Street) and



Independent Oil & Supply Co Service Station (411 Comal Street), the closest HAS sites, are reported to be 423 feet north and 453 feet east-northeast, respectively, of the subject property.

#### Voluntary Cleanup Program Sites

Four Voluntary Cleanup Program (VCP) sites were listed by EDR within 0.5 miles of the subject property. The closest listed site is Railroad Tract 3 located at 1601 – 1613 East 5<sup>th</sup> Street, approximately 535 feet east-northeast of the subject property. Since prior investigation of these properties may have revealed specific information about environmental conditions in the area of the subject property, each VCP site is briefly described below, ordered by their relative distance from the subject property.

##### *Railroad Tract 3*

This site is reported to be a 1.25-acre site located at 1601 – 1613 East 5<sup>th</sup> Street, approximately 535 feet east-northeast of the subject property. Contaminants listed for this site included VOCs, SVOCs, metals, and TPH. Soils and groundwater were reported to be affected. A VCP certificate of completion for the site which certifies that an applicant has implemented or completed all requirements of the Texas Voluntary Cleanup Agreement was issued 11/25/2002.

##### *Leprino Foods*

This site is reported to be a 2.5-acre site located at 1905 East 6<sup>th</sup> Street. The site is listed as having an LPST. Groundwater was reported as being affected with TPH and BTEX. A VCP certificate of completion was issued for this site on 11/22/1999.

##### *Railroad Tract 4*

This site is reported to be a 6.41-acre site located at 1912 East 5<sup>th</sup>, approximately 0.428 miles east-southeast of the subject property. Contaminants listed for this site included VOCs, SVOCs, metals, and TPH. Soils and groundwater were reported to be affected. A VCP certificate of completion for the site was issued 6/27/2002.

##### *Austin Metal & Iron*

This site is reported to be a 2.4-acre site located at 301 San Marcos Street, approximately 0.294 miles west of the subject property. An LPST and a coal gasification facility were located at this site. Soils and groundwater were reported as being affected with TPH and metals. A



conditional certificate of completion, which certifies an applicant has demonstrated that long-term response actions meet performance standards and are being implemented under requirements established in the Texas Voluntary Cleanup Program, was issued for this site on 7/16/2007.

### Brownfield Sites

Six Brownfield sites were listed by EDR within 0.5 miles of the subject property, with the closest site being approximately 0.286 miles away to the west-northwest. Brownfield sites are properties which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Since prior investigation of these properties may have revealed specific information about environmental conditions in the area of the subject property, each Brownfield site or group of sites is briefly described below, ordered by their relative distance from the subject property.

#### *Saltillo Plaza-Downtown Rail Yard*

The Plaza Saltillo Rail Yard site is located approximately 0.286 miles away to the west-northwest of the subject property. The site is made up of approximately 12 acres of industrial properties located to the south of East 5<sup>th</sup> Street and to the north of East 4<sup>th</sup> Street. The Plaza Saltillo Rail Yard site is bounded on the west by IH-35 and to the east by Onion Street. This site is not adjoining to the subject property. East 4<sup>th</sup> Street bounds this site on its south side starting approximately two and a half blocks to the west of the subject property. The Texas Coffee Traders property is located between the Rail Yard site and the subject property. The EDR report identified the following listed potential RECs from current or historical uses of the Rail Yard site: oil storage/transfer, coal storage, railroad roundhouse, transloading activities typically associated with rail yards and light industrial activities, and scrap metal processing. Improper waste disposal activities were reported. A diesel spill was reported at 1000 East 4<sup>th</sup> Street (Austin Metal & Iron). Several underground storage tanks were reportedly located on or immediately adjacent to this property. Site soils are reported to be impacted with lead and other metals. Affected groundwater at this site was not reported.

Information provided via email by Christine Whitney, City of Austin Brownfields Program Manager, indicated that 13 monitoring wells were installed at this site and that no groundwater contamination was found.



### *Downtown Rail Yard Property*

A Phase I ESA and Limited Phase II ESA with surface soil sampling only were listed for property located at 800 East 4<sup>th</sup> and East 5<sup>th</sup> Street through the City of Austin. A ten acre rail yard facility for transportation of passengers and freight is listed as being investigated. This property appears to have become a portion of the Saltillo Plaza Rail Yard site.

### *1205 East 11<sup>th</sup> Street*

A Phase II ESA was conducted at 1205 East 11<sup>th</sup> Street. This site is located approximately 0.476 miles away to the north of the site. The property was reportedly used to store heavy vehicles and equipment for a construction business. Soils impacted with VOCs were reported.

### *1201 East 11<sup>th</sup> Street*

A Phase II ESA was conducted at 1201 East 11<sup>th</sup> Street. This site is located approximately 0.484 miles away to the north of the site. The property was reportedly a former gas station that was in use as a car wash when it was under assessment. The assessment found no contaminants exceeding action levels.

### *1104 and 1106 Navasota Street (11<sup>th</sup> Street 1200 Block)*

These two separately listed sites are located approximately 0.485 miles away to the north-northeast of the subject property and were assessed in the 11<sup>th</sup> Street Redevelopment Corridor. Phase II investigation(s) found groundwater impacted with PAHs and VOCs. No cleanup was required at these properties.

### Additional Listed Sites

Three sites were listed as a RCRA NonGen/NLR (RCRA non-generator / no longer regulated) sites. The closest of these is Austin Architectural Graphics at 516 Navasota Street, located about 475 feet to the north of the site. Texas Architectural Graphics was previously located at this address and is listed as an industrial hazardous waste generator. The solid waste registration for Texas Architectural Graphics was inactivated because the facility was registered prior to 1994 and no waste activity was reported in 1994, 1995, and 1996. Five additional sites are listed as hazardous waste generators within 0.25 miles of the subject property. Concrete





Chemical (411 Comal Street) is the closest of these sites at approximately 453 feet to the east-northeast of the subject property.

## 4.2 PHYSICAL SETTING SOURCES

### 4.2.1 Topography and Watershed

Based on CJI's review of the USGS 7.5-minute *Austin East Quadrangle* topographic map (2013), the subject property has an elevation between approximately 460 and 470 feet above mean sea level and the general direction of surface water runoff is to the south (towards the unpaved alley) from the northern end of the property. Surface water appears to run onto the subject property from the adjacent property to the east-northeast. Stormwater from the site may drain to Waller Creek (approximately 0.65 miles west of the site) which ultimately discharges into Ladybird Lake (the Colorado River), or it may drain directly to the lake (about 0.8 miles to the south of the subject property). The site is located within the Colorado River Basin.

### 4.2.2 Geology

CJI reviewed the *Geologic Atlas of Texas, Austin Sheet (Reprinted in 1981)* to determine the geologic formation(s) that outcrop across the subject property. The entire site appears to be located within fluvial terrace deposits that overlie the Austin Chalk formation. The terrace deposits are observed along streams and consist of gravel, sand, silt, and clay in various proportions. The Austin Chalk consists of chalk and marl. The chalk is mostly microgranular, ledge forming, and grayish white to white in color. The chalk alternates with the marl. The thickness of the Austin Chalk is reported to be between 325 and 420 feet. The geologic map also revealed the presence of extensive faulting to the west of the site that is associated with the Balcones Fault Zone. The nearest fault appears to be located approximately one mile to the west of the site.

Information provided in the EDR Report (see Appendix B) reveals one near surface soil type that is present at the site. As shown in the soil survey map on page 292 of the database report, site soils are classified as Urban land. Urban land soils have very slow infiltration rates and are clayey variable textures.



#### 4.2.3 Groundwater

CJI reviewed the Texas Water Development Board (TWDB) Report 350, *Changes in Groundwater Conditions in the Edwards and Trinity Aquifers, 1987-1997, for Portions of Bastrop, Bell, Burnet, Lee, Milam, Travis and Williamson Counties* (1999) to determine if the site is located over any major or minor aquifers. Based on the TWDB report, it appears that the site is located over the down-dip portion of the Edwards Aquifer (major aquifer). The site is not located over or within close proximity to any minor aquifers.

CJI also reviewed the TCEQ online Edwards Aquifer mapping system to determine if the subject property is located within the Edwards Aquifer recharge zone. The mapping system revealed the site is not located within the recharge zone.

The data researched for this ESA did not provide any information related to the uppermost groundwater bearing zone at the site, except for information provided in the Terracon *Limited Subsurface Investigation* report (see Section 4.9 and Appendix K). One boring was installed to a total depth of 29 feet below ground surface at the southwest corner of the 310 Comal Street property. Groundwater was observed at a depth of 28 feet below ground surface at the time of drilling and at 27.45 feet below ground surface at the time of sampling, with a saturated thickness of approximately 1 to 1½ feet. Any shallow groundwater encountered at the site is expected to follow surface topography to the south-southwest. Determination of the actual depth of groundwater occurrence on the subject property and direction of groundwater flow in the area of the subject property would require installation of on-site groundwater monitoring wells.

#### 4.3 BUILDING PERMIT REPORT

CJI reviewed an EDR Building Permit Report for the subject property and adjoining properties. No environmental issues for the subject property or adjoining properties were identified during this review. The building permit report is provided in Appendix C.

#### 4.4 CITY DIRECTORIES

CJI reviewed the EDR City Directory Abstract of city directories listing for the subject property and adjoining properties between 2013 and 1896. No environmental issues for the subject property were identified based on this review, as all historic listings appear to be residential listings. Properties located to the south of the subject property, beyond the unpaved alley, also



appeared to be residential listings. A beer distributing company was listed at 1500 East 4<sup>th</sup> Street from 1953 to 1970. National Linen Service is then listed at this address from 1980 to 1990. This property is listed as a historical UST site. Capitol Linen Service is listed at 310 Comal Street from 1953 through 1962 and National Linen Service is listed at the same address from 1970 through 1990. This property, which contained the former Habitat for Humanity Restore warehouse, is listed as an LPST and UST site as discussed in Section 4.1. No other adjoining properties listed appear to present environmental concerns. The city directory abstract is provided in Appendix D.

#### 4.5 FIRE INSURANCE MAPS

CJI reviewed an EDR Certified Sanborn Map Report that provided historical fire insurance maps of the subject property and surrounding area. Fire insurance maps were available for years 1894, 1900, 1921, 1935, 1962, and 1971.

1894 Map – The tracts comprising the subject property are not shown on this map.

1900 Map – For the subject property, a single dwelling is present at both the 1407 and 1409 East 4<sup>th</sup> Street tracts, and two residential dwellings (labeled 1411 and 1413) are shown on the tract currently identified as 1411 East 4<sup>th</sup> Street. A single dwelling is also shown at 1405 East 4<sup>th</sup> Street, a few dwellings are located to the north across East 4<sup>th</sup> Street, and three dwellings are shown to the south of the subject property and to the north of East 3<sup>rd</sup> Street.

1921 Map – The subject property is not shown on this map. Two oil stations are shown near the intersection of Onion Street and the railway to the north (one block to the north). These appear to be located in the area of the current Plaza Saltillo rail station, approximately 235 feet to the north-northeast of the subject property.

1935 Map – The subject property appears similar to 1900 map with the previously noted dwellings remaining at 1405, 1407, 1409, and 1411 East 4<sup>th</sup> Street. Two additional structures identified as dwellings are located on the southern portion of the tract at 1405 East 4<sup>th</sup> Street and a third structure not clearly identified as a dwelling (labeled 1411½) is shown on the southern portion of the 1411 East 4<sup>th</sup> Street parcel. Residential properties are also located to the south, west, and north of the subject property.



1962 Map – The subject property appears similar to the 1935 map. An additional dwelling is depicted on the southern portion of the 1407 East 4<sup>th</sup> Street parcel. A small additional structure is shown at the southern end of the parcel at 1409 East 4<sup>th</sup> Street. The structure previously labeled 1413 is no longer present on the 1411 East 4<sup>th</sup> Street tract. A laundry facility with a parking lot is shown to the east across Onion Street.

1971 Map – No structures appear on the 1407 East 4<sup>th</sup> Street tract. The 1409 and 1411 East 4<sup>th</sup> Street tracts are shown as parking. Capitol Linen Supply is shown at 310 Comal Street.

Fire insurance maps are provided in Appendix E.

#### 4.6 AERIAL PHOTOGRAPHS

EDR conducted a search for aerial photographs of the subject property and surrounding area. Aerial photographs were available for 1940, 1951, 1966, 1973, 1981, 1988, 1995, 2005, 2008, 2010, and 2012. These photographs are provided in Appendix F. The following provides information obtained from review of the aerial photographs that was used to develop a history of prior uses of the subject property and surrounding area.

1940 Photograph – The subject property and surrounding area are largely developed and appear to be residential properties. The on-site residential structures are difficult to distinguish due to the scale of the photograph. IH-35 is not observed to the west of the site but its precursor is seen (East Avenue). The railroad to the south of East 5<sup>th</sup> Street is also seen.

1951 Photograph – Residential structures are visible on each of the subject property tracts. Residential structures located across Onion Street southeast of the subject property are no longer present and a large warehouse building is now visible on the eastern portion of the property facing Comal Street. Generally, fewer residences are observed in close proximity of the subject property. East Avenue remains unchanged.

1966 Photograph – The site and surrounding area remain similar to the 1951 photo, however, IH-35 is now seen west of the site. The area appears more developed with fewer apparent residential properties. The large warehouse building visible on the property located across Onion Street southeast of the subject property has expanded



and now encompasses most of the property. Additionally, the residential structures located on the Comal Pocket Park property are no longer present.

1973 Photograph – The surrounding area remains similar to the 1966 photo. The residential structures located on the subject property are no longer present. The subject property appears to be used as a parking lot.

1981 Photograph – The subject property and adjoining properties remain similar to the prior photos. Some larger buildings are now present to the northwest along IH-35.

1988 Photograph – The subject property and adjoining properties remain similar to the prior photos.

1995 Photograph – The subject property and adjoining properties remain similar to the prior photos. Downtown Austin to the west of IH-35 continues to grow by the addition of larger buildings.

2005 Photograph – The subject property remains similar to previous photos. The surrounding properties to the south, east, and north appear undeveloped.

2008 Photograph – The subject property remains similar to previous photos.

2010 Photograph – The site and surrounding area remain similar to the 2008 photo.

2012 Photograph - The site and surrounding area remain similar to the 2010 photo.

#### 4.7 HISTORICAL TOPOGRAPHIC MAPS

EDR conducted a search for historical topographic maps of the subject property and surrounding area. Historical topographic maps were available for 1896, 1910, 1954, 1955, 1966, 1973, and 1988. These maps are provided in Appendix G. The following provides information obtained from review of the historical topographic maps that were used to develop a history of prior uses of the subject property and surrounding area.

1896 Topographic Map – Waller Creek is observed on the eastern side of the City of Austin, and the railroad to the south of East 5<sup>th</sup> Street is also seen. The subject property appears to be on the eastern edge of downtown Austin and within a possible residential area.



1910 Topographic Map – The site and surrounding area are similar to the 1896 map.

1954 Topographic Map – East 4<sup>th</sup> Street is observed, as is East Avenue (the precursor to IH-35). Residential properties are not depicted on this map. East 7<sup>th</sup> Street is shown as a primary highway while East 1<sup>st</sup> Street is shown as a secondary highway.

1955 Topographic Map – The site and surrounding area appear similar to the 1954 map.

1966 Topographic Map – Interstate Highway 35 is visible to the west of the subject property. The Pan American Playground is visible on East 4<sup>th</sup> Street approximately four blocks east of the subject property.

1973 Topographic Map – The site and surrounding area appear similar to the 1966 map.

1988 Topographic Map – Comal Park (Comal Pocket Park) is visible on East 4<sup>th</sup> Street to the southeast of the subject property. While East 7<sup>th</sup> Street remains depicted as a primary highway, East 1<sup>st</sup> Street is shown as a light duty road.

#### 4.8 ENVIRONMENTAL LIENS AND ACTIVITY/USE LIMITATIONS

EDR provided an environmental liens search for the subject property. Copies of the environmental liens search reports are provided in Appendix A. These reports indicate that no environmental liens or activity/use limitations were found for the subject property.

#### 4.9 PREVIOUS PHASE I ESA AND LIMITED SUBSURFACE INVESTIGATION REPORT

Branigan Mulcahy, owner representative for the 1409 – 1411 East 4<sup>th</sup> Street properties, provided CJ with a Phase I Environmental Site Assessment prepared by Terracon Consultants, Inc. (Terracon) and dated 28 March 2014. The ESA concluded that no RECs were identified at the subject property which included the 1409 – 1411 East 4<sup>th</sup> Street tracts.

The 2014 Phase I ESA did indicate that three underground storage tanks, located on the adjoining property at 310 Comal Street (at the Austin Habitat for Humanity Restore warehouse site), were closed in-place and represented a historical REC (HREC). The Terracon Phase I ESA indicated that the LPST associated with this site was actually located across East 4<sup>th</sup> Street to the north of the 310 Comal Street warehouse. The 2014 Terracon Phase I ESA is provided in Appendix J.





Mr. Mulcahy also provided CJI with a Limited Subsurface Investigation report prepared by Terracon and dated 28 March 2014. Terracon installed one boring/monitoring well in the southwest corner of the Austin Habitat for Humanity Restore warehouse property to investigate potential RECs associated with one of the USTs. Soil, groundwater, and soil gas samples were collected and analyzed. Soil and groundwater samples were analyzed for TPH and BTEX/MTBE and no detections were reported. Low concentrations of VOCs were reported for soil gas, but none of the detected VOCs exceeded the commercial screening levels presented in the LSI report. This report indicates that the tank located in the southwest corner of the Restore warehouse was removed. This contradicts the Phase I ESA which states all three tanks at the Restore warehouse site were abandoned in place. The 2014 Terracon Limited Subsurface Investigation report is provided in Appendix K.

#### 4.10 DATA GAPS

Sections 8.3.1 through 8.3.2.2 of ASTM E1527 establish objectives for the historical use information that is to be reviewed for conduct of an ESA, including among other things, an approximately five-year review interval. As noted above, all standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed. However, the resultant historical record was insufficient to meet the objectives of ASTM E1527 in some instances, as detailed below.

1. An approximately 8 year gap occurred in the historical record between 1981 and 1973, and an approximately 10 year gap occurred in the historical record between 2005 and 1995, and changes are observed at the subject property over these intervals.
2. Property owners are listed for the subject property tracts in city directories for 1906 and residential dwellings are depicted on the subject property tracts in a 1900 Sanborn map. Obvious property uses for the subject property tracts were not able to be identified back to their first developed use.

Consequently, the objectives specified in Sections 8.3.1 through 8.3.2.2 of ASTM E1527 were not met and historical research for the subject property was therefore complete by encountering this “data failure”, as specified in the cited ASTM standard. The potential for this data failure to represent a significant data gap is addressed in Section 8.0.



## **5.0 SITE RECONNAISSANCE**

This section discusses site reconnaissance activities performed by CJI to obtain visual and/or physical evidence of existing or potential environmental conditions in connection with the subject property.

### **5.1 METHODOLOGY AND LIMITATIONS**

Mr. Ed Hughes and Mr. Kevin Ashley of CJI conducted reconnaissance of 1409 and 1411 East 4<sup>th</sup> Street and surrounding area on 2 November 2015. The reconnaissance consisted of a pedestrian survey that included visual and physical observations of the subject property and any on-site structures. Adjacent off-site properties, which at the time included the tract at 1407 East 4<sup>th</sup> street, were not entered, but observed from a distance. On 24 November 2015, Mr. Kevin Lonseth went to the 1407 East 4<sup>th</sup> Street parcel to obtain additional photographs of that parcel from off-site vantage points, as numerous prior attempts to contact the property owner had been unsuccessful. While there, he encountered the property owner, who gave Mr. Lonseth permission to conduct a site reconnaissance of the 1407 East 4<sup>th</sup> Street parcel.

All of the uses and conditions specified in Sections 9.4.1 through 9.4.4.7 of ASTM E1527-13 were considered during the site reconnaissance activities, unless otherwise specified in Section 8.0 (Deviations and Data Gaps) of this report. In addition, no conditions or obstacles were encountered during the site reconnaissance that limited visual and/or physical observation of the subject property, unless otherwise specified in Section 8.0 (Deviations and Data Gaps) of this report.

Representative photographs of the site and surrounding area taken during the site reconnaissance are provided in Appendix H.

### **5.2 GENERAL SITE SETTING**

#### **Subject Property**

The subject property consists of three adjoining equally sized parcels of land, with two property owners. The 1409 – 1411 East 4<sup>th</sup> Street parcels are currently paved with a perimeter chain link security fence and are under common ownership. The 1407 East 4<sup>th</sup> Street tract is a grassy, vacant lot that is apparently being used as a side yard for the 1405 East 4<sup>th</sup> Street tract. It is owned by a different entity than the owner of the 1409 – 1411 East 4<sup>th</sup> Street tracts. Review of



Sanborn maps (Section 4.5) indicates this tract was previously a residential property; no structures other than a bird coop are currently present.

According to the Travis County Appraisal District, the pavement and fencing on the 1409 – 1411 East 4<sup>th</sup> Street lots were completed in 1971. Review of aerial photographs indicates the paved area was first used as a parking lot. Most recently, the paved area had been used by Habitat for Humanity to store home improvement construction materials. At the time of the site visit, the storage yard was being cleaned up by work crews since their Restore home improvement center has relocated.

Access to the 1409 – 1411 East 4<sup>th</sup> Street lots is provided by an entrance located on Onion Street. Access to the 1407 East 4<sup>th</sup> Street lot is provided via East 4<sup>th</sup> Street. The subject property is located on the south side of East 4<sup>th</sup> Street at the intersection of East 4<sup>th</sup> Street and Onion Street. The subject property is bound to the south by an unpaved alley located between East 4<sup>th</sup> Street and East 3<sup>rd</sup> Street. No other public thoroughfares adjoin the site.

The subject property tracts appear to have no operating electricity, water or gas.

The surface topography at the site appears to slope to the south.

#### Adjoining Properties and Surrounding Area

Adjoining properties to the south of the site (beyond the unpaved alley) are residential lots. Located to the north of the site across East 4<sup>th</sup> Street is a commercial building containing Texas Coffee Traders. A vacant building formerly occupied by Austin Beverage is located northeast of the site. The former Austin Habitat for Humanity Restore warehouse is located east of the site across Onion Street. The Comal Pocket Park is located southeast of the property while the adjoining property to the west contains a one-story residential structure.

Past uses of the adjoining properties to the south and west appear to have been mostly residential in nature. Past uses of the adjoining properties to the north and east appear to have been commercial or light industrial. No visible indications of potential environmental conditions were noted on these adjoining properties.



### 5.3 OBSERVATIONS

The following observations were noted by Mr. Hughes, Mr. Ashley and Mr. Lonseth during their site visits:

#### General Observations (Interior and Exterior)

- The site pavement and fencing present at the 1409 – 1411 East 4<sup>th</sup> Street lots appear to be in good condition.
- The 1407 East 4<sup>th</sup> Street tract appears to be used as a side yard for the 1405 East 4<sup>th</sup> Street house. Lawn furniture and grills were observed. An older model work truck was observed parked in the middle of the lot. Three rain barrels were noted on the east side of the lot. A bird coop was observed on the west side of the lot. A small concrete slab was noted on the south end of the lot.
- No hazardous substances or petroleum products appear to be in current use the subject property.
- No above-ground storage tanks and no indications of any underground storage tanks were observed at the subject property.
- No strong, pungent, or noxious odors were noted at the subject property.
- No pools or sumps with potentially hazardous substances or petroleum products were observed at the subject property.
- No standing water, other than a small pool of rainwater, was observed on-site. No stressed vegetation was observed at the subject property.
- Several empty 5-gallon buckets were observed throughout the 1409 – 1411 East 4<sup>th</sup> Street lots. Most of these buckets appeared to be empty paint containers. No staining or evidence of a spill was observed near these buckets.
- A few 1-gallon paint cans and spray cans were observed along the eastern fence line of the subject property (see photo 16 of Appendix H). A small (*de minimis*) amount of paint was observed on the ground that had spilled from a quart sized paint can.



- Two 55-gallon drums were observed on the 1409 – 1411 East 4<sup>th</sup> Street lots at the northwest corner of the fenced area (see photo 15 of Appendix H). These drums appeared to be in good condition, with no residues/staining apparent on the drums or on the surrounding ground. The bungs on the drums were open, however, and were full of what appeared to be rainwater based on visual and olfactory inspection. During Mr. Lonseth's visit he noted that these drums had been removed.
- No electrical or hydraulic equipment was observed at the subject property that would contain PCBs. A utility pole holding one transformer was observed outside the fenced portion of the 1407 East 4<sup>th</sup> Street tract (between the fence and East 4<sup>th</sup> Street). No visible markings were noted on the transformer.

#### Interior Observations (On-site Structures)

- No on-site structures other than the bird coop are present on the subject property.

#### Exterior Observations (Site and Adjoining Properties)

- No pits, ponds, or lagoons were noted at the subject property or on adjacent properties.
- No significantly stained soils, concrete, or pavement was observed at the subject property.
- No stressed vegetation was noted at the subject property or on adjoining properties.
- There was no evidence suggesting disposal of trash, or other waste materials, either at the subject property or on adjoining properties. Piles of construction debris were present on the northern portion of the paved, fenced lots at 1409 – 1411 East 4<sup>th</sup> Street. The piles mostly consisted of drywall, wooden pallets, and steel piping. Trash was also observed in various areas of the two paved lots. A work crew was cleaning up these lots at the time of the site visit.
- No wells (water wells, irrigation wells, monitoring wells, oil wells, etc) were observed on the subject property.



- The City of Austin provides sanitary sewer services to the area surrounding the subject property and there were no indications of a septic system being present at the subject property.





## 6.0 INTERVIEWS

CJI interviewed individuals having knowledge of current and/or past uses of the site to identify potential environmental conditions in connection with the subject property. The individuals interviewed consisted of: Mr. Branigan Mulcahy (property owner representative for the 1409 – 1411 East 4<sup>th</sup> Street tracts) and Mr. David Little (store manager at Austin Habitat for Humanity Restore). CJI was also able to meet and provide an interview form to Mr. R.C. Beall, the owner of the 1407 East 4<sup>th</sup> Street parcel, on 24 November 2015.

As applicable, the interviews attempted to obtain information about uses and conditions described in Section 9 of ASTM E1527-13, as well as the information described in Sections 10.8 and 10.9 of ASTM E1527-13, unless otherwise noted in Section 8.0 (Deviations and Data Gaps) of this report. The following summarizes the information obtained during these interviews related to potential environmental conditions at the site. In addition, CJI filed an information request with the City of Austin, and the information provided is included in the discussion below.

### Mr. Branigan Mulcahy – Cielo Property Group (Property Owner Representative)

Mr. Mulcahy is the Vice President of Acquisitions at Cielo Property Group (Cielo), the owner of the two tracts that were formerly in use as the Habitat for Humanity Restore storage yard (1409 – 1411 East 4<sup>th</sup> Street tracts). Mr. Mulcahy indicated that Cielo had owned these tracts for about one year. Mr. Mulcahy was not aware of any environmental conditions associated with the 1409 – 1411 East 4<sup>th</sup> Street tracts, and was able to provide a Phase I ESA conducted by Terracon Consultants, Inc. in March 2014 for both the 310 Comal Street property and the storage yard tracts. Mr. Mulcahy also provided a Limited Subsurface Investigation report for the 310 Comal Street/1409 East 4<sup>th</sup> Street properties dated 28 March 2014.

### Mr. R.C. Beall – Property Owner of 1407 East 4<sup>th</sup> Street Tract

Mr. Beall is the owner of Texas Coffee Traders and also owns the 1405 – 1407 East 4<sup>th</sup> Street properties. He stated that the structure located on the 1405 East 4<sup>th</sup> Street lot is currently used as a residence. He also confirmed that the 1407 East 4<sup>th</sup> Street property was used as a side yard for the 1405 East 4<sup>th</sup> Street tract. Mr. Beall indicated that he was willing to review the CJI interview form and stated that he would be back in touch regarding his decision to provide any additional information regarding the 1407 East 4<sup>th</sup> Street tract.



### Mr. David Little – Manager of Austin Habitat for Humanity Restore

Mr. Little is the Austin Habitat for Humanity Restore store manager and has been associated with the 1409 – 1411 East 4<sup>th</sup> Street properties for 3 ½ years. Mr. Little was interviewed by CJI on 10 November 2015. According to Mr. Little, the property was used as Austin Habitat for Humanity Restore's storage yard. Materials such as vinyl fence panels, windows, tile, concrete roof tiles, and cinder blocks were stored on the property. He stated that the two 55-gallon drums observed on the site were used to hold bars for a storage rack. He did not believe the drums previously held any liquids. Mr. Little stated that at times broken tiles were used to fill pot holes in the paved lot. Mr. Little was not aware of any spills or leaks at the subject property. Mr. Little stated that he was not aware of any environmental conditions on the subject property.

### City of Austin Correspondence

On 29 October 2015, CJI submitted a public information request with the City of Austin regarding the subject property. The Austin Fire Department and Austin Resource Recovery had no responsive information to the request. The Watershed Protection Department responded with information concerning a historic tank located at a neighboring property. Both records provided are from City of Austin City Council meetings (April 7, 1949 and May 10, 1956). In each record, the City Council approved a "private gasoline plant" at property owned by Capitol Linen Service Company (designated as parts of Lots 7, 8, 9, and east ½ of 10, Block 3, Division 0, Peck Addition in Austin, Texas). These lots make up the current 310 Comal Street site, where the former Habitat for Humanity Restore building/warehouse was located. The approval was for a 550 gallon underground storage tank that was to be used for fueling site equipment. No other information regarding this tank was provided.

Correspondence with the City of Austin and the historic tank records provided by the City are provided in Appendix I.



## 7.0 FINDINGS AND OPINIONS

Based on the information gathered and reviewed for this Phase I ESA, no potential recognized environmental conditions were identified for the subject property.

This assessment has revealed evidence of two environmental issues at the subject property that, while they do not represent RECs, do warrant mention in this report. These issues are:

1. Several historical impacts were identified in the vicinity of the site including the adjoining property at 310 Comal Street, which is situated immediately east of the subject property across Onion Street. A commercial laundry service previously existed at this adjoining property, and several underground storage tanks were registered for fleet fuel storage. In a March 2014 Limited Site Investigation (LSI) of this property, samples of soil, groundwater, and soil vapor were collected for chemical analysis. No detections of the analyzed constituents, TPH and BTEX, were reported in the soil or groundwater samples. Low levels of VOCs were reported in the soil vapor sample, but none of the detected VOCs exceeded the commercial screening levels presented in the LSI report. Although Texas does not currently regulate soil vapor, additional evaluation of potential vapor intrusion onto the subject property may be advisable prior to any future site development, particularly if this development will involve underground excavation.
2. **Debris Piles and Trash** - Trash (which included several empty paint cans) was noted in various areas of the property, as were debris piles containing home improvement materials. These items should be appropriately disposed of prior to site development.



## **8.0 DEVIATIONS AND DATA GAPS**

This Phase I ESA was performed in accordance with ASTM E1527-13. No additions, deletions, and/or deviations from this practice were performed. There are two sites identified on the standard environmental records review that constitute adjoining properties in accordance with the ASTM Standard. The first site is the former Austin Beverage facility located at 1500 East 4<sup>th</sup> Street. This property, listed as a historic UST site, is located diagonally across the intersection of East 4<sup>th</sup> Street and Onion Street from the subject property. This historic UST site is reported to be 38 feet east-northeast of the subject property. The second site listed is the National Linen Service facility located at 310 Comal Street, to the east of the subject property across Onion Street. This site, which housed the former Austin Habitat for Humanity Restore warehouse, is listed as both a UST site and a LPST site, although available information suggests the LPST was actually located across East 4<sup>th</sup> Street and to the north of the 310 Comal Street warehouse.. This LPST is stated to have only minor soil contamination from the release associated with this facility and final concurrence was issued in 1992.

Both of the adjoining properties are located across side streets from the subject property. The National Linen Service site was also reported to have three USTs that were closed in-place with no reports of contaminated media. Terracon Consultants, Inc. conducted a Limited Subsurface Investigation at 310 Comal Street and found no contaminated soils or groundwater, and only minor concentrations of VOCs from a collected soil gas sample. There have been no reports of a release from the tank listed at the Austin Beverage facility. Based on the information currently available on these sites, additional regulatory file review was deemed unnecessary.

A data gap was identified during the ESA process that had the potential to affect CJL's ability to identify possible recognized environmental conditions in connection with the 1407 East 4<sup>th</sup> Street parcel. CJL had made multiple attempts to contact Mr. R.C. Beall, owner of this tract, to obtain permission to perform a site reconnaissance of this parcel and to collect information about uses and conditions of the property and any potential environmental conditions that may be present at the tract. When no response was received as of 24 November 2015, Mr. Kevin Lonseth went to the 1407 East 4<sup>th</sup> Street parcel to obtain additional photographs of that parcel from off-site vantage points. While there, he encountered the property owner, who gave Mr. Lonseth permission to conduct a site reconnaissance of the 1407 East 4<sup>th</sup> Street parcel and provided some information about the current use of the parcel. CJL provided Mr. Beall with an interview form, but the form was not filled out and returned. Therefore, property owner



information for the 1407 East 4<sup>th</sup> Street tract was not utilized to form an opinion regarding the environmental condition of this tract of the subject property. However, since CJI was able to conduct a site reconnaissance of the parcel and other information sources documented the prior use of this parcel as residential, this remaining data gap is not considered significant and should not affect CJI's ability to identify recognized environmental conditions in connection with this parcel.

As discussed in Section 4.10, the combined historical record was insufficient to meet the objectives specified in Sections 8.3.1 through 8.3.2.2 of ASTM E1527. Specifically, the approximately five-year review interval specified in ASTM E1527 was exceeded in a few instances, and the obvious uses of the subject property tracts were not identified back to the property's first developed use. Due to this fact and in accordance with the cited standard, the historical research for the subject property was determined to be complete as a result of "data failure". This data failure is not considered to be a significant data gap, since the available historical record documents:

1. the earliest use of the subject property as residential back to at least 1900 and the earliest use of the general area as residential/undeveloped back to 1896, and
2. insignificant changes in property use over time.

CJI has therefore determined that no significant data gaps (data gaps that could affect the ability of CJI to identify recognized environmental conditions in connection with the subject property) were identified as a result of the gaps in the historical record.

No other data gaps were identified during the ESA process that could affect the ability of CJI to identify recognized environmental conditions in connection with the subject property.



## 9.0 CONCLUSIONS

CJL has completed a Phase I ESA in conformance with the scope and limitations of ASTM E1527-13 for three 0.1664-acre parcels of real property totaling approximately 0.5 acres, located at 1407, 1409, and 1411 East 4<sup>th</sup> Street, Austin, Texas. This assessment has revealed evidence of **no** recognized environmental conditions in connection with the subject property.



## 10.0 REFERENCES

- ASTM International (ASTM), Standard E1527-13, *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, December 26, 2013.
- Bureau of Economic Geology, *Geologic Atlas of Texas, Austin Sheet*, (reprinted 1981).
- Correspondence with Mr. Greg Anderson, Director of Operations at Austin Habitat for Humanity, November 4, 2015.
- EDR, *EDR Building Permit Report*, October 29, 2015.
- EDR, *EDR Environmental Lien and AUL Search*, October 30, 2015.
- EDR, *The EDR Environmental Lien Search*, November 24, 2015.
- EDR, *EDR Historical Topographic Map Report*, October 29, 2015.
- EDR, *The EDR Aerial Photo Decade Package*, October 30, 2015.
- EDR, *The EDR-City Directory Abstract*, October 29, 2015.
- EDR, *The EDR Property Tax Map Report*, October 29, 2015.
- EDR, *The EDR Radius Map Report with Geotrack*, November 10, 2015.
- EDR, *Certified Sanborn Map Report*, October 29, 2015.
- United States Environmental Protection Agency (US EPA), *Vapor Intrusion*, website, <http://www2.epa.gov/vaporintrusion>.
- Interview with Mr. Banigan Mulcahy, Vice President of Acquisitions at Cielo Property Group, November 17, 2015.
- Interview with Mr. David Little, Store Manager at Austin Habitat for Humanity Restore, November 10, 2015.
- Terracon Consultants, Inc., *Phase I Environmental Site Assessment, Habitat for Humanity, 310 Comal and 1409 East 4<sup>th</sup> Streets, Austin, Travis County, Texas*, March 28, 2014.
- Terracon Consultants, Inc., *Limited Subsurface Investigation, Habitat for Humanity, 310 Comal Street/1409 East 4<sup>th</sup> Street, Austin, Travis County, Texas*, March 28, 2014.
- Texas Commission on Environmental Quality (TCEQ), *Edwards Aquifer Map Viewer*, website, <http://www.tceq.texas.gov/field/eapp/viewer.html>.
- Texas Water Development Board, *Changes in Groundwater Conditions in the Edwards and Trinity Aquifers, 1987-1997, for Portions of Bastrop, Bell, Burnet, Lee, Milam, Travis and Williamson Counties, Texas (Report 350)*, 1999.
- Texas Water Development Board, *Water Information Integration & Dissemination (WIID) System*, website, <http://wiid.twdb.state.tx.us/>.






United States Geological Survey (USGS), *Austin East*, 7.5-Minute Topographical Map Series, 1988.



## 11.0 ENVIRONMENTAL PROFESSIONAL QUALIFICATIONS AND STATEMENT

Mr. Kevin Lonseth of CJI performed this Phase I ESA. The professional resume for Mr. Lonseth is provided in Appendix L. The following environmental professional statement is provided in accordance with the ASTM standard.

*I declare that, to the best of my professional knowledge and belief, I meet the definition of an Environmental Professional as defined in §312.10 of 40 CFR Part 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.*

  
\_\_\_\_\_  
Kevin Lonseth, P.G. No. 10330  
Cook-Joyce, Inc. F-883

12-7-15  
\_\_\_\_\_  
Date