



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.)

Developer Name		Owner Name	
The College Houses		The College Houses	
Street Address			
1906 Pearl St.			
City	State	Zip	
Austin	TX	78705	
Contact Name		Contact Telephone	
Kim Garmany		512-476-5678	
Contact Email			
kim@collegehouses.org			
Federal Tax ID Number		D-U-N-S Number (visit www.dnb.com for free DUNS#.)	
74-1648710		61-909-7074	

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.*

Legal Name of Developer/Entity	Title of Authorized Officer
The College Houses	Robert Burns, Board President

Signature of Authorized Officer

1.31.19

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

City of Austin
JAN 31 2019
NHCD / AHFC

Project Summary Form

1) Project Name: 21st St. Co-op Walkways
 2) Project Type: 100% Affordable
 3) New Construction or Rehabilitation?: Rehabilitation

4) Location Description (Acreage, side of street, distance from intersection): 228 x 160 FT OLT 24 DIVISION D
 5) Mobility Bond Corridor: Guadalupe St

6) Census Tract: 7
 7) Council District: District 9
 8) Elementary School: BRYKER WOODS EL
 9) Affordability Period: 40 years

10) Type of Structure: Multi-family
 11) Occupied?: Yes
 12) How will funds be used?: re-development and Construction

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		20				20
Up to 40% MFI		60				60
Up to 50% MFI						0
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	80	0	0	0	80

14) Summary of Units for Sale at MFI Level

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	0	0	0	0	0

15) Initiatives and Priorities

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	0	Continuum of Care Units	0
Accessible Units for Sensory Impairments	80		

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? Yes

17) Is the property within 1/4 mile of a High-Frequency Transit Stop? No

18) Is the property within 3/4 mile of Transit Service? Yes

19) The property has Healthy Food Access? Yes

20) Estimated Sources and Uses of funds

Sources

Debt	150,000
Third Party Equity	0
Grant	100,000
Deferred Developer Fee	0
Other	140,000
City of Austin	500,000

Uses

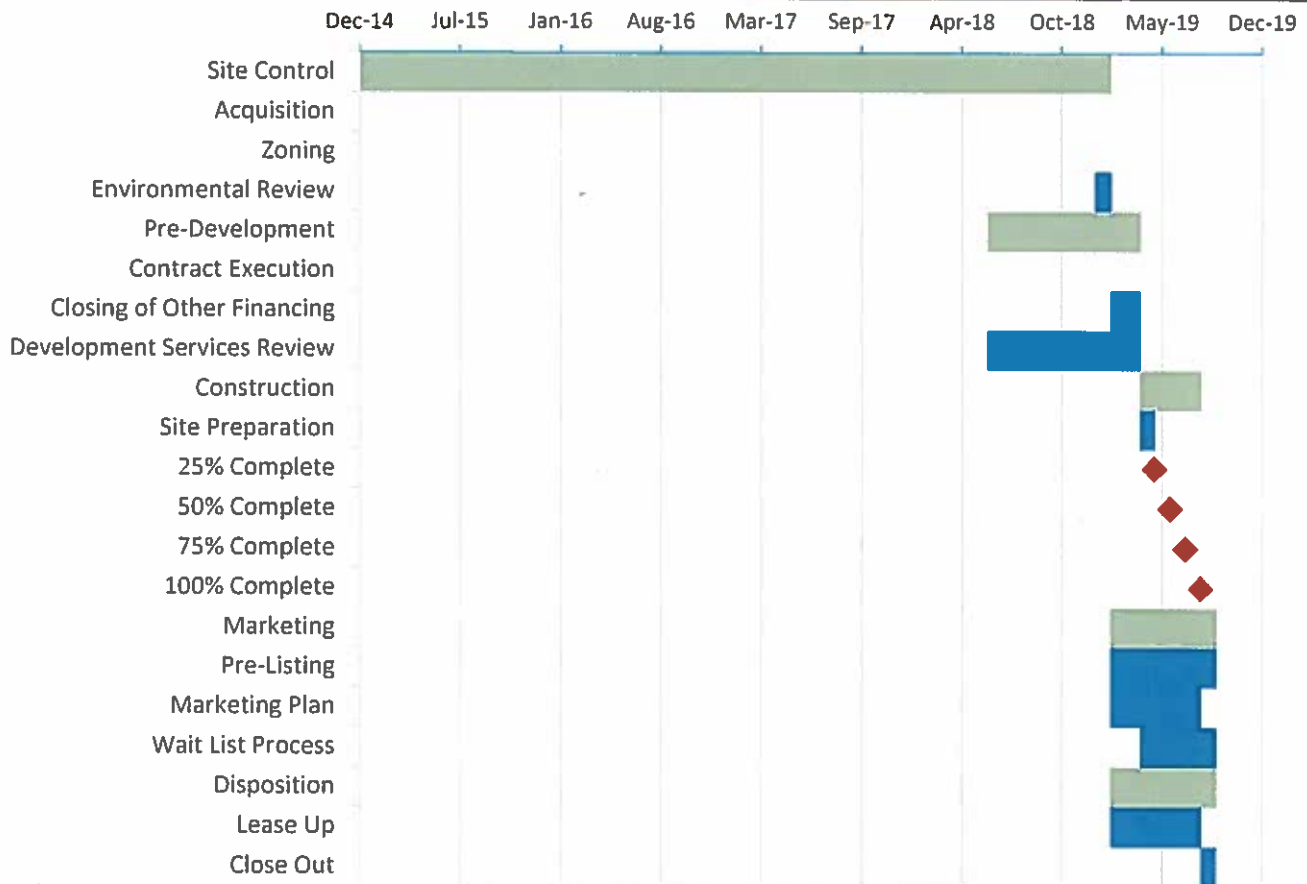
Acquisition	0
Off-Site	0
Site Work	13,900
Sit Amenities	50,000
Building Costs	617,100
Contractor Fees	59,000
Soft Costs	140,000
Financing	10,000
Developer Fees	0

Total \$ 890,000

Total \$ 890,000

Development Schedule

	Start Date	End Date
Site Control	Jul-73	Feb-19
Acquisition	Jul-73	
Zoning	Jul-73	
Environmental Review	Jan-19	Feb-19
Pre-Development	Jun-18	Apr-19
Contract Execution		
Closing of Other Financing	Feb-19	Apr-19
Development Services Review	Jun-18	Apr-19
Construction	Apr-19	Aug-19
Site Preparation	Apr-19	May-19
25% Complete	May-19	
50% Complete	Jun-19	
75% Complete	Jul-19	
100% Complete	Aug-19	
Marketing	Feb-19	Sep-19
Pre-Listing	Feb-19	Sep-19
Marketing Plan	Feb-19	Aug-19
Wait List Process	Apr-19	Sep-19
Disposition	Feb-19	Sep-19
Lease Up	Feb-19	Aug-19
Close Out	Aug-19	Sep-19



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	10,000	10,000	Appraisal for financing
Environmental Review	0	0	
Engineering	10,000	10,000	Electrical and structural
Survey	10,000	10,000	Land and parking lot
Architectural	80,000	80,000	Designs for walkways, pathways, and balconies
Subtotal Pre-Development Cost	\$110,000	\$110,000	
Acquisition			
Site and/or Land	0	0	
Structures	0	0	
Other (specify)	0	0	
Subtotal Acquisition Cost	\$0	\$0	
Construction			
Infrastructure	0	0	
Site Work	13,900	0	dumpsters, restrooms, site clean
Demolition	28,000	28,000	Stairs and balconies
Concrete	55,000	55,000	demo and repour of 3400 sq ft of sidewalks
Masonry	0	0	
Rough Carpentry	153,500	153,500	stairs, balcony and walkway steel structures
Finish Carpentry	75,000	75,000	Joists and decking
Waterproofing and Insulation	17,500	17,500	Flashing for balcony and walkway structures
Roofing and Sheet Metal	50,000	0	Replace 1 or more roofs
Plumbing/Hot Water	50,000	41,000	Upgrade systems
HVAC/Mechanical	100,000	0	Upgrade systems
Electrical	20,000	20,000	Upgrade systems
Doors/Windows/Glass	0	0	
Lath and Plaster/Drywall and Acoustical	0	0	
Tiel Work	10,000	0	Repair
Soft and Hard Floor	30,000	0	Replace and upgrade flooring
Paint/Decorating/Blinds/Shades	30,000	0	Upgrade current aesthetics
Specialties/Special Equipment	0	0	
Cabinetry/Appliances	5,000	0	Replace as necessary
Carpet	0	0	
Other (specify)	0	0	
Construction Contingency	85,100	0	Contingency
Subtotal Construction Cost	\$723,000	\$390,000	
Soft & Carrying Costs			
Legal	0	0	
Audit/Accounting	0	0	
Title/Recordin	0	0	
Architectural (Inspections)	0	0	
Construction Interest	0	0	
Construction Period Insurance	4,500	0	Insurance
Construction Period Taxes	40,000	0	Taxes
Relocation	2,500	0	Resident relocation to other co-ops
Marketing	10,000	0	Marketing and communications
Davis-Bacon Monitoring	0	0	
Other (specify)	0	0	
Subtotal Soft & Carrying Costs	\$57,000	\$0	
TOTAL PROJECT BUDGET	\$890,000	\$500,000	

15 Year Rental Housing Operating Pro Forma (RHDA)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
INCOME							
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$779,625	\$795,218	\$811,122	\$827,344	\$843,891	\$931,740	\$1,028,734
Secondary Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POTENTIAL GROSS ANNUAL INCOME	\$779,625	\$795,218	\$811,122	\$827,344	\$843,891	\$931,740	\$1,028,734
Provision for Vacancy & Collection Loss	-\$7,796	-\$7,952	-\$8,111	-\$8,273	-\$8,439	-\$9,317	-\$10,287
Rental Concessions	-\$40,575	-\$41,387	-\$42,214	-\$43,059	-\$43,920	-\$48,492	-\$53,540
EFFECTIVE GROSS ANNUAL INCOME	\$731,254	\$745,879	\$760,796	\$776,012	\$791,533	\$873,931	\$964,907
EXPENSES							
General & Administrative Expenses	\$116,944	\$120,452	\$124,066	\$127,788	\$131,621	\$152,588	\$168,473
Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payroll, Payroll Tax & Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$71,099	\$73,232	\$75,429	\$77,692	\$80,023	\$92,770	\$102,428
Electric & Gas Utilities	\$50,843	\$52,368	\$53,939	\$55,558	\$57,224	\$66,340	\$73,246
Water, Sewer & Trash Utilities	\$49,349	\$50,829	\$52,354	\$53,925	\$55,543	\$64,391	\$71,094
Annual Property Insurance Premiums	\$15,000	\$15,450	\$15,914	\$16,391	\$16,883	\$19,572	\$21,609
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$38,000	\$39,140	\$40,314	\$41,524	\$42,769	\$49,582	\$54,744
Other Expenses	\$200,230	\$206,237	\$212,424	\$218,797	\$225,361	\$261,261	\$288,458
TOTAL ANNUAL EXPENSES	\$541,465	\$557,709	\$574,440	\$591,673	\$609,423	\$706,504	\$780,052
NET OPERATING INCOME	\$189,789	\$188,170	\$186,356	\$184,339	\$182,109	\$167,427	\$184,856
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$116,000	\$119,480	\$123,064	\$126,756	\$130,559	\$151,357	\$167,113
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL NET CASH FLOW	\$73,789	\$68,690	\$63,292	\$57,583	\$51,550	\$16,070	\$17,742
CUMULATIVE NET CASH FLOW	\$73,789	\$142,479	\$205,771	\$263,354	\$314,904	\$483,954	\$568,484
Debt Coverage Ratio	1.64	1.57	1.51	1.45	1.39	1.11	1.11

Project Name	1st St. Co-op Walkways	
Project Type	100% Affordable	
Council District	District 9	
Census Tract	7	
AHFC Funding Request Amount	\$500,000	
Estimated Total Project Cost	\$890,000	
High Opportunity	Yes	
High Displacement Risk	no	
High Frequency Transit	No	
Imagine Austin	Yes	
Mobility Bond Corridor	Guadalupe St	
SCORING ELEMENTS		
		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	20	# of rental units at < 30% MFI
District Goal	5.50%	% of annual goal reached with units
High Opportunity	29.59%	% 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	18.96%	% of annual goal reached with units
Geographic Dispersion	16.95%	% of annual goal reached with units
Mobility Bond Corridor	41.28%	% of annual goal reached with units
SCORE	22	% of Goals * 20
< 40% MFI	60	# of rental units at < 40% MFI
< 50% MFI	0	# of rental units at < 50% MFI
District Goal	16.51%	% of annual goal reached with units
High Opportunity	88.76%	% 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	56.87%	% of annual goal reached with units
Geographic Dispersion	50.85%	% of annual goal reached with units
Mobility Bond Corridor	100.00%	% of annual goal reached with units
SCORE	47	% of Goals * 15
< 60% MFI	0	# of units for purchase at < 60% MFI
< 80% MFI	0	# of units for purchase at < 80% 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
Unit Score	69	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	Yes	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	0	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	0	Multi-bedroom Unit/Total Units * 20
TEA Grade	88	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	0	Educational Attainment, Environment, Community Institutions, Social Cohesion, Ec
Accessible Units	80	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	20	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	12	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	32	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	56%	% of total project cost funded through AHFC request
Leverage Score	11	25 - (% leverage * 25)
AHFC Per Unit Subsidy	\$6,250.00	Amount of assistance per unit
Subsidy per unit score	24	(\$200,000 - per unit subsidy) * 25 / \$200,000
AHFC Per Bedroom Subsidy	\$6,250.00	Amount of assistance per bedroom
Subsidy per Bedroom Score	24	(\$200,000 - per bedroom subsidy) * 25 / \$200,000
Debt Coverage Ratio (Year 5)	1.39	Measured at the 5 Year mark
Debt Coverage Ratio Score	10.51578286	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	70	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	172	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

Rental Housing Development Assistance Program 21st St. Co-op Walkways & Balconies

1. Applicant Entity

a. Introduction:

The mission of College Houses is *to serve as a transformative educational and living environment that promotes personal growth and well-being. To provide affordable student housing that fosters the ideals of cooperation, community, and economic independence.* The original College House was formed in 1964 as a student government project. The vision was to create a housing facility for students that was that was educationally vibrant and stimulating.

In 1973, a HUD grant allowed The College House to purchase its first two buildings and the land to build 21st St. Co-op. The reincorporated "College Houses" began using a cooperative model, which gave student members full democratic control over their living environment. Since then, College Houses has grown tremendously, survived Austin's volatile real estate market, and now provides over 750 students with affordable housing in five buildings in central Austin each year.

b. Certificate of Status: Attached

c. Applicant Capacity: Attached

d. Statement of Confidence: Not Applicable

e. Financial Capacity:

The College Houses has a documented track record of success managing federally assisted properties of similar scope and has the financial and management capacity to take on the rehabilitation of 21st St. Co-op.

In 1973, The College Houses purchased two existing buildings through HUD's College Housing Loan Fund and converted them into student housing cooperatives. At the same time, we acquired the land to develop 21st St. Cooperative. The total number of members for the original development project was 240. In 1984, existing buildings at 2612 Guadalupe and 1905/1907 Nueces were purchased and converted into student housing cooperatives, adding an additional 160 members. In 2003, The College Houses purchased an existing student housing cooperative at 2222 Pearl St. with 45 members and subsequently sold the property in 2007 to help fund the Super Co-op, which is three distinct cooperatives in one building. The Super Co-op is comprised of Laurel, Nueces, and Halstead Co-ops and brings our current membership capacity to 532 members.

We were fortunate to receive a forgivable loan through the UNO Trust Fund in 2008 for the Super Co-op development, which means that we are familiar with income verification and monitoring processes through NHCD, as well as working with the Austin Housing Finance Corporation.

Federal IRS Certification: attached

Certified Financial Audit: attached

Board Resolution: attached

2. Development Team

a. List of Persons or Entities to be Involved: See Table

b. Contact Information: See Table

c. CV for Development Team: Attached

	Name(s)	Contact Information	MBE?	WBE?	Non-profit?
Owner	College Houses	512-476-5678			X
Developer	College Houses	512-476-5678			X
Architect	Sanders Architecture	512-482-9285			
Engineer	MJ Structures	512-639-9500			
Construction Lender	Wells Fargo				
Attorney	Clark Hill, Strasburger & Price	512-499-3600			
Accountant	Wegner, CPAs	888-204-7665			
General Contractor	TBD – Working with DKC Construction Group for pre-development	TBD			
Property Management	College Houses	512-476-5678			X

3. Property Management

- a. CV for Property Management Team: Attached
- b. Compliance Report Issued by NHCD: Most Recent Attached
- c. Compliance Letter from outside COA: Not Applicable

4. Project Proposal

a. Project Description:

As an organization that has provided affordable housing to students for over 50 years, College Houses is committed to preserving our current buildings, even as less affordable high-rises become the new normal in our West Campus neighborhood. Our most immediate need is to rehabilitate 21st Street Cooperative by replacing the connecting exterior walkways, stairways, and balconies.

21st Street Co-op was built in 1974 as the first structure in Austin designed and constructed specifically for use as a student housing co-op. This multi-family structure features a “treehouse” inspired design, with five separate buildings joined with wooden walkways surrounding a central courtyard of green space. This creative architecture lends 21st Street Co-op a true feeling of community, making it much more than affordable student housing. These signature connecting walkways will be demolished and rebuilt using stronger and more durable materials, enhancing safety and habitability in order to preserve the structure’s 100 beds (60 single occupancy bedrooms and 20 double occupancy bedrooms) of affordable housing for many more years.

The first stage of the work will involve demolition of concrete flatwork, to provide a grade level accessible route connecting main building entries and providing access to the 21st Street right-of-way and accessible parking. We will also demolish all

wooden elevated walkways and existing steel and concrete exterior stairways, as well as exterior balconies at the two-story and three-story buildings.

During the construction phase of the project, we will rebuild the wood exterior walkways and guardrails for all residential buildings and the central building, which contains common areas and community facilities. We will also build concrete pan stairways at each residential building, and rebuild the second- and third-story balconies. Additional elements such as gutters, downspouts, and electrical conduits will be assessed for possible replacement.

Throughout the project, we will also assess select interior areas for further repair, with the goal of increasing the standard of habitability, increasing the longevity of the structure, and enhancing energy efficiency. The total cost of the proposed exterior and interior work will be \$890,000, and College Houses is requesting \$500,000 from the UNO Trust Fund. We intend to raise funds from individual alumni donors, as well as from grant making foundations.

- b. Market Assessment: Attached
- c. City of Austin Good Neighbor Policy: Attached
- d. S.M.A.R.T. Housing: Not Applicable
- e. MOU with ECHO: Not Applicable
- f. General Services: Not Applicable

5. Property

- a. Map of the Property: Attached
- b. Real Estate Appraisal: Pending
- c. Zoning Verification Letter: Attached
- d. Proof of Site Control: Attached
- e. Phase I Environmental Assessment: Pending



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles of Incorporation for THE COLLEGE HOUSES (file number 21748201), a Domestic Nonprofit Corporation, was filed in this office on October 05, 1965.

It is further certified that the entity status in Texas is in existence.

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 January 11, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley
Secretary of State

Kimberly Garmany

Visionary community builder with demonstrated experience developing and executing revenue generating programs to increase the awareness, outreach and engagement for nonprofit organizations. Record of accomplishment with measurable results that had a collective impact for members, clients, and their local communities. Vast expertise in the cooperative business model that serves member owned and operated mission driven co-op businesses both domestically and internationally. Skilled at creating strategic alliances that connect organizational initiatives to local community partners to maximize social impact.

Professional Experience

College Houses, Austin, TX- Aug 2008 – Present

College Houses is a group equity nonprofit cooperative student housing organization that serves 532 members in Austin, TX

Executive Director

- Support staff, members, officers, committees, and the Board of Directors
- Lead and implement strategic visioning and planning processes
- Build and maintain relationships with allied organizations and businesses
- Manage and continuously improve financial health of organization

Development Director

- Design and execute a strategic fund development plan
- Engage community based organizations in partnerships
- Strategically plan marketing and communications efforts to maximize awareness
- Plan and coordinate recruitment, education, and celebratory events to enhance community engagement
- Mentor members through the process of developing a new housing co-op

Membership & Development Director

- Managed membership and administrative systems to maximize efficiency
- Engaged board members in creating and aligning to organizational development goals
- Led and supported organization's social justice efforts
- Revived and grew the organization's Alumni Association resulting in increased engagement

Education & Training Coordinator

- Developed and delivered curriculum in line with our strategic goals (Co-op Certified Program)
- Designed and participated in strategic planning sessions in support of the Education Council

Member Services Coordinator

- Streamlined efficiency of administrative systems and member related services
- Managed leasing process for new members, from application to housing contract to move in

Cooperation Texas, Austin, TX- Jan 2012 - Sept 2012

Cooperative Opportunities & Outreach Program (CO-OP) Coordinator

- Identified and engaged community partners with organization's mission
- Recruited and managed volunteers to support and champion the mission
- Led public outreach efforts by facilitating introductory co-op workshops

Board and Community Service

Executive Committee Member

Austin Housing Coalition, Austin, TX

February 2019 - Present

Membership Committee Member

One Voice Central Texas, Austin, TX

January 2018 – Present

Board Member

NASCO Development Services, Chicago, IL

October 2017 – Present

Volunteer (Currently Inactive) Breakthrough, Austin, TX	Sept 2015 – Present
Board Member, Governance Committee Member National Cooperative Business Association, Washington, DC	May 2015 – Present
Council Member ACC Alumni Advisory Council, Austin, TX	August 2017 – March 2018
Board Member North American Students of Cooperation (NASCO) Properties, Chicago, IL	March 2015 - June 2016
Board President, Commit to Co-ops Campaign Committee, Elections Committee, Hiring Committee Austin Cooperative Business Association, Austin, TX	April 2013 - April 2015
Steering Committee, Cooperation among Cooperatives Committee Chair Austin Co-op Think Tank (ACTT), Austin, TX	Feb 2012 - March 2013
Board Member, Development Officer, Financial Sustainability Committee Chair, Hiring Committee, Executive Committee, Personnel Grievance Committee North American Students of Cooperation (NASCO), Chicago, IL	June 2009 - June 2012
Fundraiser, Scholarship Selection Committee Education First, Austin, TX	Nov 2008 - Feb 2009

Conference Organizing & Presentations

Conference Organizer, Volunteer Coordinator, "Women in Co-ops" Co-facilitator Conference Organizer, Volunteer Coordinator Austin Cooperative Business Association Austin Cooperative Summit, Austin, TX	April 2014 & 2015
Conference Organizer, Volunteer Coordinator, "Co-ops 101" Co-facilitator ACTT & National Cooperative Business Association Austin Cooperative Summit, Austin, TX	Jan 2013
"Mapping Cooperative Education Initiatives in North America" Co-facilitator Association of Cooperative Educators Research and Education Conference, Quebec, Canada	June 2012
"Cradle to Grave: A Life in Co-ops" Facilitator "Participatory Education" Co-facilitator "Cooperative Leadership" Facilitator "Board Roles & Responsibilities" Co-facilitator "Member Education" Facilitator "UN International Year of the Cooperative" Co-facilitator "Cooperative Skills" Roundtable Organizer North American Students of Cooperation (NASCO) Institute	2009, 2010, 2011, 2012, 2013, 2014, 2016

Education

Master of Science in Organizational Leadership & Ethics
St. Edward's University
Thesis: Leadership Development in Worker Cooperatives Aug 2011

Bachelor of Arts in English, UTeach Liberal Arts: English
University of Texas at Austin May 2007

Certificates & Continuing Education

Executive Leadership Academy, Mission Capital 2018

Certificate in Marketing & Promotions, ACC Center for Nonprofit Studies 2016

Teaching Certificate, 8-12 English and Language Arts *expired 2014*

Certificate in Grant Writing, ACC Center for Nonprofit Studies 2011

Publications

"Austin's Wheatsville Co-op Rocks!"
Grassroots Economic Organizing (GEO) June 2014

Co-op Certified (curriculum developer)
College Houses March 2012

Cooperative Memberships

Member
University Federal Credit Union 2018 – Present

Owner
Wheatsville Food Co-op 2010 – Present

Member
Velocity Credit Union 2009 – Present

Founding Owner
Black Star Co-op 2008 – Present

**Member, Treasurer, Central Budgeting Committee Member, Meeting Facilitator,
Membership Coordinator, Social Coordinator, Interim House Manager**
21st St. Co-op 2002 - 2005

Member
Pearl St. Co-op 2001

Address any reply to: 300 E. 8th St., Austin, Tex. 78701

Department of the Treasury



District Director
Internal Revenue Service

Date: FEB 8 1972 | In reply refer to:
A: FA:EO: CNP
AUS:EO:72-261

▷ College House, Inc.
2208 Nueces
Austin, Texas 78705

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.

If your gross receipts each year are normally more than \$5,000, you are required to file Form 990, Return of Organization Exempt From Income Tax, by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file a return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Please keep this determination letter in your permanent records.

Sincerely yours,

R. L. Phinney
R. L. Phinney
District Director



September 28, 2018

To the Board of Directors
College Houses, Inc.
Austin, Texas

In planning and performing our audit of the financial statements of College Houses, Inc. as of and for the year ended May 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered College Houses' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College Houses' internal control. Accordingly, we do not express an opinion on the effectiveness of College Houses' internal control.

However, during our audit we became aware of the following matters, which we believe represent opportunities for further strengthening internal controls and operating efficiency.

Outdated Checks and Unclaimed Property Laws

During our audit we noted several outstanding checks, some over several years old, listed on monthly bank reconciliations. We recommend that outstanding checks and other reconciling items more than one year old be investigated, considered for escheatment, and removed from the bank reconciliation. We also recommend that management consult with the Cooperative's attorney to determine how unclaimed checks should be handled with respect to state unclaimed property laws.

Additional Spot Checks of Canceled Check Images

During our audit we were pleased to note that the outsourced accountant regularly reviews the Cooperative's monthly bank statements, including canceled check images, and documents her work. As an additional detective control over the cash disbursements process, we recommend that the Executive Director perform occasional "spot checks" on the canceled check images to ensure that the checks appear to be for reasonable amounts and legitimate business purposes. As with all internal control procedures, we recommend that this review be clearly documented.

Adopt a Formal Capitalization Policy

A capitalization policy guides the accounting staff in determining whether certain purchases should be expensed or capitalized as fixed assets. We recommend that management consider implementing a capitalization threshold to direct the accounting staff toward the proper choice of capitalizing versus expensing. We can propose a sample capitalization policy which can be tailored to the Cooperative's needs.

Utilize a Specialized Software for Tracking Fixed Assets

The Cooperative owns hundreds of fixed assets that have been capitalized and are being depreciated over several years. Management currently tracks the information related to the cost and depreciation of the individual items on Excel spreadsheets. We recommend that management purchase and utilize a software package that specializes in maintaining fixed asset information. This could help the accounting staff track the fixed asset costs and related depreciation amounts more effectively. We will be happy to assist the Cooperative with setting up this new software and importing the fixed asset data.

New York Office:
230 Park Avenue, 3rd Floor
New York, NY 10169
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:
419 N Lee Street
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:
2921 Landmark Place
Suite 300
Madison, WI 53713
P: (608) 274-4020
F: (608) 308-1616

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Documentation of Review of House-Level Purchases

Invoices related to purchases of goods and supplies by house officers are reviewed by the Cooperative's accounting staff to verify that the items appear to be reasonable and for legitimate house use. However, this review is not being documented. We recommend that the accounting staff sign the house purchase invoices to document their reviews. Any problems or matters requiring additional follow up should be noted.

Recently-issued Accounting Standards

During the next several years not-for-profit organizations will face the task of implementing three new Financial Accounting Standards Board (FASB) Accounting Standards Updates (ASU) that will have an impact on their financial reporting:

- ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted.
- ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Most not-for-profit organizations must apply this standard for fiscal years beginning after December 15, 2018. Earlier adoption is permitted for any fiscal year beginning after December 15, 2016.
- ASU 2016-02, *Leases (Topic 842)*. Most not-for-profit organizations must apply this standard for fiscal years beginning after December 15, 2019. Earlier adoption is permitted.

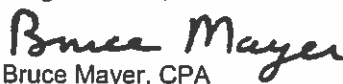
ASU 2016-14 has the earliest effective date; however, some implementation steps for the other two standards should start soon, and some organizations may need to begin with a different standard because of unique implementation complexities. The attachment at Appendix I examines each of the three standards in more detail. Given the significant reporting and disclosure changes involved, we recommend that College House begin evaluating its current accounting system to identify whether any changes need to be made to comply with the upcoming changes in the near future.

We will review the status of these comments during our next audit engagement. We have discussed these comments and suggestions with College House personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within College Houses, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Wegner CPAs, LLP


Bruce Mayer, CPA
Partner

Appendix I

ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities

ASU 2016-14 will affect every not-for-profit organization; however, the FASB has indicated that it intends this standard to be an update, not a complete overhaul, of the current financial reporting model for not-for-profit organizations. The new standard simplifies and improves how a not-for-profit organization classifies its net assets as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The goal of this standard is to improve how not-for-profit organizations communicate their financial performance and condition to their stakeholders while also reducing certain complexities in preparing financial statements.

The primary changes in the new standard are as follows:

- Combination of the permanently restricted and temporarily restricted classes of net assets into a single class, *net assets with donor restrictions*. Unrestricted net assets will be referred to as *net assets without donor restrictions*.
- Reporting the underwater amounts of donor-restricted endowment funds in *net assets with donor restrictions* and enhancing disclosures about underwater endowments.
- Disclosure about the liquidity and availability of financial assets to meet cash needs for general expenditures within the next year.
- Reporting expenses by both functional and natural classes by all organizations, not just voluntary health and welfare organizations, and additional guidance for allocating costs.
- An option to omit the reconciliation of the change in net assets to operating cash flows when an organization presents the statement of cash flows using the direct method. The standard continues to permit organizations to choose between the direct method and indirect method of reporting operating cash flows.
- Requirement to report investment return net of investment expenses.
- Disclosure, as of the end of the reporting period, of the amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources that are free of donor-imposed restrictions.

The new liquidity and availability disclosures will require information that may not be currently tracked by not-for-profit organizations. Also, some organizations may need to revisit their policies and practices about internal designations of net assets.

ASU 2014-09, Revenue Recognition

ASU 2014-09 introduces a comprehensive, principles-based framework for recognizing revenue and supersedes virtually all industry-specific revenue recognition guidance. The standard applies to any entity that enters into contracts with customers to transfer goods or services. For not-for-profit organizations, the standard may affect revenue recognition for items such as tuition, room and board, fee for service arrangements, membership dues, or special events. Because the standard affects only exchange transactions, accounting for items such as contributions and split-interest agreements will not change.

Government grants have been identified as one of the potentially biggest issues for not-for-profit organizations regarding application of this standard. Organizations have struggled to determine whether government grants should be accounted for as contributions or if they are considered

exchange transactions, and ASU 2014-09 does not provide any immediate answers. The FASB has a project on its agenda with the goal of improving and clarifying the existing guidance on revenue recognition of grants by not-for-profit organizations.

Even for exchange transactions that are clearly within the scope of the new standard, it is not yet entirely clear how to apply the standard. Both the FASB and the American Institute of Certified Public Accountants have formed task forces to inform the FASB about potential implementation issues that could arise when organizations implement the new standard and to help resolve those issues.

Most not-for-profit organizations have not determined how the standard will affect them. At this time it could be unwise for not-for-profit organizations to launch a full-scale implementation effort. However, organizations that are primarily supported by exchange transactions should currently spend some time testing their existing recognition policies against the recognition process in ASU 2014-09 and determine

if there are any revenues for which new information systems need to be designed to implement the standard. Then, the organization will be ready when the clarification provided by additional new standards is available.

ASU 2016-02, Lease Accounting

ASU 2016-02 applies to any entity that enters into a lease (with a few exceptions that are unlikely to affect most not-for-profit organizations). Although the new standard applies to both lessees and lessors, the changes in this standard will have their greatest effects for entities that are lessees because the standard requires those entities to recognize right-to-use assets and lease obligations associated with all leases in the statement of financial position.

By requiring that essentially all leases be reported as assets and liabilities, the financial statements of many not-for-profit organizations will change dramatically. Although lessees are allowed to make an accounting policy election not to recognize lease assets and lease liabilities for leases with a term of twelve months or less, the relief afforded by that election is limited because it is not available if there is an option to extend the lease beyond twelve months and the organization is reasonably certain to exercise that option. The election also is not available if the lease includes an option to purchase the underlying asset and the organization is reasonably certain to exercise that option.

For most not-for-profit organizations determining the effort necessary to implement the standard requires locating all of its leases. Capital leases and their terms are probably tracked currently, but operating leases may require more effort because the current accounting standard does not require organizations to track the lease terms that are necessary to implement the new standard. Furthermore, capital leases of smaller dollar value items such as copiers, computers, and similar other equipment may have been dismissed in the past as immaterial, but the impact of those leases on financial statements will need to be reassessed under the new standard.

After the leases are located, the relevant terms from the leases have to be extracted in order to complete the present value calculations that determine the amounts to be recognized for the lease assets and liabilities.



FINANCIAL STATEMENTS

May 31, 2018 and 2017

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Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
College Houses, Inc.
Austin, Texas

We have audited the accompanying financial statements of College Houses, Inc., which comprise the statement of financial position as of May 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of College Houses, Inc. as of May 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New York Office:

230 Park Avenue, 3rd Floor
New York, NY 10169
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:

419 N Lee Street
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:

2921 Landmark Place
Suite 300
Madison, WI 53713
P: (608) 274-4020
F: (608) 308-1616

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

Prior Period Financial Statements

The financial statements of College Houses, Inc. as of May 31, 2017 were audited by other auditors whose report, dated October 25, 2017, expressed an unmodified opinion on those statements.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
September 28, 2018

COLLEGE HOUSES, INC.
STATEMENTS OF FINANCIAL POSITION
 May 31, 2018 and 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,635,130	\$ 1,589,908
Accounts receivable - net	83,440	103,032
Prepaid expenses	20,313	31,379
Total current assets	1,738,883	1,724,319
Property and equipment - net	13,274,794	13,567,127
OTHER ASSETS		
Note receivable	-	10,300
Investments	62,334	56,418
Investments in other cooperatives	342,482	342,482
Total other assets	404,816	409,200
Total assets	\$ 15,418,493	\$ 15,700,646
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 128,112	\$ 126,371
Accrued expenses	32,397	35,569
Deferred revenue	66,707	108,322
Member deposits	223,170	210,195
Current portion of long-term notes payable	427,000	420,000
Total current liabilities	877,386	900,457
LONG TERM LIABILITIES		
Long-term notes payable - net	11,147,876	11,556,760
Interest rate swap agreement	-	150,268
Total liabilities	12,025,262	12,607,485
NET ASSETS		
Unrestricted	3,393,231	3,093,161
Total liabilities and net assets	\$ 15,418,493	\$ 15,700,646

See accompanying notes.

COLLEGE HOUSES, INC.
STATEMENTS OF ACTIVITIES
Years ended May 31, 2018 and 2017

	2018	2017
REVENUE		
Room rentals	\$ 3,669,129	\$ 3,759,507
Member charges and dues	165,702	180,126
Grants and contributions	12,655	22,101
Investment return	5,916	6,569
Interest income	1,033	1,728
Other income	147,163	136,538
	4,001,598	4,106,569
EXPENSES		
Centralized house	675,273	705,932
Utilities	643,988	648,432
Salaries	550,960	572,526
Depreciation	521,052	530,362
Interest	454,339	434,644
Maintenance	282,991	299,166
Professional services	231,464	162,686
Member engagement	205,583	210,066
Maintenance - nonroutine	167,192	135,204
Insurance	87,937	90,587
Board and governance expenses	61,594	59,397
Office	33,112	43,352
Credit card fee expense	31,633	29,350
Bad debt expense	18,431	36,773
Miscellaneous	50,247	27,452
	4,015,796	3,985,929
Change in net assets from operations	(14,198)	120,640
Gain in value of interest rate swap	314,268	252,313
Change in net assets	300,070	372,953
Net assets - beginning of year	3,093,161	2,720,208
Net assets - end of year	\$ 3,393,231	\$ 3,093,161

See accompanying notes.

COLLEGE HOUSES, INC.
STATEMENTS OF CASH FLOWS
Years ended May 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 300,070	\$ 372,953
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	521,052	530,362
Amortization of loan fees	29,448	29,448
Accrued interest added to notes receivable	-	(300)
Unrealized gain on investments	(5,916)	(6,569)
Bad debts	18,431	36,773
Gain in value of interest rate swap	(314,268)	(252,313)
(Increase) decrease in assets		
Accounts receivable	1,461	(44,751)
Prepaid expenses	11,066	(14,152)
Increase (decrease) in liabilities		
Accounts payable	1,741	(36,015)
Accrued expenses	(3,172)	2,032
Deferred revenue	(41,615)	(12,975)
Member deposits	12,975	17,522
Net cash provided by operating activities	<u>531,273</u>	<u>622,015</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(228,719)	(266,700)
Proceeds from notes receivable	10,000	-
Proceeds from sale of investments	-	50,201
Net cash used in investing activities	<u>(218,719)</u>	<u>(216,499)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest rate swap termination	164,000	-
Payment of loan fees	11,332	-
Principal payments on notes payable	(442,664)	(403,000)
Net cash used in financing activities	<u>(267,332)</u>	<u>(403,000)</u>
Net change in cash	45,222	2,516
Cash - beginning of year	<u>1,589,908</u>	<u>1,587,392</u>
Cash - end of year	<u><u>\$ 1,635,130</u></u>	<u><u>\$ 1,589,908</u></u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 455,526	\$ 433,894

See accompanying notes.

COLLEGE HOUSES, INC.
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2018 and 2017

College Houses, Inc. (College Houses) was incorporated in the state of Texas in October 1965 as a nonprofit, tax-exempt cooperative. Its purpose is to provide a positive educational and social living environment for students attending schools and universities in Austin, Texas. To achieve its mission, College Houses operates seven houses managed by its members in a cooperative living environment. College Houses' revenue primarily stems from rental income assessed to its members.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

College Houses reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accounts Receivables

College Houses uses the allowance method to account for uncollectible receivable balances. The allowance for doubtful receivables is based on management's estimate of potential uncollectible accounts. When accounts become uncollectible they are charged to the allowance. The allowance was \$33,519 and \$32,731 at May 31, 2018 and 2017.

Property and Equipment

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Purchases of property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets.

Investments

College Houses carries investments in mutual funds at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the statements of activities.

Loan Fees

Loan fees of \$747,692 and \$736,360 at May 31, 2018 and 2017 are being amortized over the lives of the underlying loans on a straight-line basis. Amortization of loan fees is recorded as interest expense in the statements of activities and was \$29,448 for the years ended May 31, 2018 and 2017. Accumulated amortization was \$189,068 and \$159,620 at May 31, 2018 and 2017.

Income Tax Status

College Houses is public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

COLLEGE HOUSES, INC.
NOTES TO THE FINANCIAL STATEMENTS
 May 31, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Date of Management’s Review

Management has evaluated subsequent events through September 28, 2018, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATION OF CREDIT

College Houses maintains cash balances in three financial institutions. The Federal Deposit Insurance Corporation insures accounts at each institution up to \$250,000. At May 31, 2018 and 2017 College Houses’ uninsured balances at one of the financial institutions were approximately \$1,098,000 and \$1,039,000.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment at May 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 718,076	\$ 718,076
Buildings and improvements	22,662,577	22,437,223
Furniture and equipment	<u>217,323</u>	<u>217,323</u>
Property and equipment	23,597,976	23,372,622
Less accumulated depreciation	<u>(10,323,182)</u>	<u>(9,805,495)</u>
Property and equipment - net	<u>\$ 13,274,794</u>	<u>\$ 13,567,127</u>

NOTE 4 – NOTE RECEIVABLE

At May 31, 2017, College Houses had a note receivable of \$10,300 from Bloomington Cooperative. College Houses received a \$10,000 payment on the note during the year ended May 31, 2018. The remaining \$300 was written off as uncollectible.

COLLEGE HOUSES, INC.
NOTES TO THE FINANCIAL STATEMENTS
 May 31, 2018 and 2017

NOTE 5 – FAIR VALUE MEASUREMENTS

Fair values of assets and liabilities measured on a recurring basis at May 31, 2018 and 2017 were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
2018				
Investments				
Mutual funds	\$ 62,334	\$ 62,334	\$ -	\$ -
Fair value measurements	<u>\$ 62,334</u>	<u>\$ 62,334</u>	<u>\$ -</u>	<u>\$ -</u>
2017				
Investments				
Mutual funds	\$ 56,418	\$ 56,418	\$ -	\$ -
Interest rate swaps	150,268	-	150,268	-
Fair value measurements	<u>\$ 206,686</u>	<u>\$ 56,418</u>	<u>\$ 150,268</u>	<u>\$ -</u>

Fair values for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for interest rate swaps are determined by borrowing rates available for loans with similar terms and maturities.

NOTE 6 – INVESTMENTS IN OTHER COOPERATIVES

Investments in other cooperatives consisted of the following at May 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
National Cooperative Bank	\$ 295,332	\$ 295,332
Shared Capital Cooperative	29,150	29,150
Wheatville Food Co-op	15,000	15,000
Black Star Co-op	3,000	3,000
Investments in other cooperatives	<u>\$ 342,482</u>	<u>\$ 342,482</u>

Investments in other cooperatives are not readily marketable and are therefore recorded at cost. The investment in Shared Capital Cooperative may be redeemed at various increments through 2023. The other investments may be redeemed at face value only at the discretion of the other cooperatives' boards of directors.

COLLEGE HOUSES, INC.
NOTES TO THE FINANCIAL STATEMENTS
 May 31, 2018 and 2017

NOTE 7 – NOTES PAYABLE

Notes payable at May 31, 2018 and 2017 consisted of the following:

	2018	2017
Note payable to Austin Housing Finance Corporation. Secured by real estate and equipment. 0% interest until maturity. The note shall be forgiven in its entirety if College Houses is in compliance with all terms and conditions on December 1, 2039. Interest rate on matured or unpaid amounts is 10%. No payments required prior to maturity.	\$ 837,500	\$ 837,500
Note payable stemming from proceeds of tax-exempt bonds (Series 2012 bonds) issued by the Capital Area Cultural Education Facilities Finance Corporation. The note is payable to Wells Fargo Bank and carried a variable interest rate of 70.1% of the LIBOR rate plus 1.82%. In June 2018, the terms were modified to fix the rate at 3.36% through May 2022 as described in Note 9. Secured by real and personal property. Repayment of principal corresponds with the required bond redemptions.	11,296,000	11,716,000
Notes payable	12,133,500	12,553,500
Less current portion of notes payable	427,000	420,000
Less unamortized loan fees	558,624	576,740
Long-term notes payable less unamortized loan fees	\$ 11,147,876	\$ 11,556,760

The notes are subject to certain covenants as outlined in the loan agreements.

Future minimum principal payments on notes payable for years ending May 31 are as follows:

2019	\$ 427,000
2020	448,000
2021	465,000
2022	473,000
2023	489,000
Thereafter	9,831,500
Notes payable	\$ 12,133,500

NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES

Management estimates that \$3,473,308 and \$3,552,063 of expenses were for program services and \$545,488 and \$433,866 were for management and general purposes for the years ended May 31, 2018 and 2017.

COLLEGE HOUSES, INC.
NOTES TO THE FINANCIAL STATEMENTS
May 31, 2018 and 2017

NOTE 9 – INTEREST RATE SWAP AGREEMENT

College Houses used an interest rate swap agreement as part of its interest rate management strategy. In 2012 College Houses entered into a no-hedge interest rate swap agreement to effectively convert its variable rate loan to a fixed rate of 3.29%. Prior to termination, College Houses recorded an asset or a liability related to the fair value of the interest rate swap agreement. The fair value calculation was based on the difference between the fixed rate per the swap agreement and the current market rate. Management calculated the fair value at May 31, 2017 to be a liability of \$150,268.

In April 2018 College Houses exercised its option to terminate the rate agreement, fixing the interest rate on its underlying loan at 3.36% through May 2022. In return, College Houses eliminated the interest rate swap agreement liability and received a payment from its lender of \$164,000. This resulted in a gain in the value of the interest rate swap of \$314,268 which was recorded in the statements of activities for the year ended May 31, 2018.

NOTE 10 – REVENUE

Revenue is primarily generated through the collection of monthly student member fees to cover rent, meals, and utilities. College Houses rents rooms to its student members through lease contracts that last no longer than twelve months and generally follow the academic year. Amounts charged but not yet paid are recorded as accounts receivable. Amounts paid but not yet charged are recorded as deferred revenue.

College Houses also collects a deposit from each member, which may be retained to cover damages to the premises that exceed normal wear and tear and nonpayment of assessed charges. These member deposits are recorded as a liability in the statements of financial position.

NOTE 11 – RETIREMENT PLAN

College Houses sponsors a 403(b) retirement plan that covers all full-time employees. College Houses makes matching contributions of up to 5% of compensation for participating employees. Retirement expense for the years ended May 31, 2018 and 2017 was \$14,795 and \$16,940.

Attendance

Present	Present	Present	Present	Present	Present	Present
21st	Halstead	Laurel	Nueces	Opsis	Pearl	Taos
Ravi Lawton	Shayla Hill	Robert Burns	Kohei Takada	Heather Rose	Jo Williams	Clemens Koolen

Present	Present	Present	Present	Present
21st	Halstead	Laurel	Pearl	Taos
Jessica Howard	Serena Fang for Leigh Gonik	Rachel Barrera	Jayce Williams for Veronica Jones	Lauren Bare

Empty	Present	Present
CBR	CBR	CBR
To be filled in Spring 2019	Richard Martin	Krystal Parsons

Staff Support: Kim G.

Guests: Ryan Crowley (Taos), Aaron Scherz (Taos), Gabe Borg (Pearl St.)

Meeting Start Time: 6:04 PM

1. **Welcome and introductions by Rob B.**
2. **Agenda Approval by Rob B.**
 - **Motion to approve agenda (Clemens K. /2nd Jo W.). Motion passes by consensus.**
3. **Minutes Approval (11/6/2018) by Ravi L.**
 - Add Aaron Scherz to November BOD meeting minutes.
 - Strike "bear" comment from November BOD meeting minutes.
 - **Motion to approve minutes with the above changes (Ravi L. /2nd Jo W.). Motion passes by consensus.**
4. **Financial Report by Clemens K.**
 - October 2018 Financial Report
 - Current ratio is 1.38, up from 1.29. Good because we want it to be above 1.15.
 - Debt to equity ratio is 3.58, down from 3.69. Good because we want it to be below 4.0.

- Not many changes from September report.

5. House Reports

- **Pearl:** Finished officer elections for vacant spring positions, Pedernales Falls camping trip, high attendance at meetings, murals getting approved, held mental health event with 50 attendees, new election and meeting process, boat party awards, secret santa, art collective pool tournament, Darkroom Co-op show, Labor Holiday, key project
- **Opsis:** Murals getting approved, Labor Czar elections, Social & Education officer positions combined into EvCo!
- **21st:** Labor Holiday, Birthday, couch burning, Labor related membership reviews, 9 new officers for the spring, quiet hours going into effect for finals
- **Halstead:** Labor Holiday, Thanksgiving dinner for over 100 people, officer reviews, officer elections for IHM, Committee Rep, MemCo, and Kitchen Manager, Membership review, elevator mishap (someone got stuck and there was some unsettling movement)
- **Nueces:** Emergency meeting, officer reviews, officer elections at next meeting for Labor Czar and MemCo
- **Laurel:** Member moved to Halstead, membership review, elections, Labor Holiday, application process review
- **Taos:** Thanksgiving 2x, Labor Holiday, painting second floor walls, 3 membership reviews, cup raid (no bowls!), officer reviews and elections, end of semester formal: robots v. monkeys

6. Committee reports

- Executive:** COLA: 3%, Taos space discussion, member/staff relationships
- Facilities and Operations:** \$100,000 from CIP dedicated to interior scope of work for 21st St. summer project, differences in labor, gathering data to make changes to interim processes
- Finance:** Medical emergency, UBEO contract, scholarships, Gretchen F. (Interim ED) recommendations, planning giving, Super Co-op/21st St. income verified incentive
- Governance:** Illegal activities section of Rules of Op, bulk auto-accepting for 21st St., Exec. committee will include committee chairs, quorum, master key policy, update Exec. in Rules of Op, by-laws for next semester
- Strategic Initiatives:** Reviewed and re-assigned 2014 AORTA recommendations, fundraising and stakeholder engagement, uncashed checks fund, substance use and consent workshops, CBR, UT/ACC Outreach

7. Consent Agenda by Rob B.

- **Motion to approve items on consent agenda that are not contingent on other items on the agenda. (Jayce W. / 2nd Jessica H.). Motion passes by consensus.**

8. Audit by Wegner, CPA

- Clean audited financials

- Books in good shape - process went well
- Reviewed financial statement, position sheet
- Current ratios: 2:1
- Debt to Equity: 3.5
- Consistent and predictable income and expenses
- Reviewed management letter
- ED to submit memo to the BOD responding to the letter
- Corporate Treasurer to spot check cancelled checks

9. 21st St. Walkways by Rob B.

- Reviewed documents
- BOD members brought concerns about auto-accepting 21st St. members for the summer
- Jess and Ravi will attend house meetings to address directly address concerns
- Utilize systems already in place for small amounts of transferring members
- Staff and committees have done an excellent job gathering information
- A member felt that we could have a more cooperative banking institution
- Consistent leadership is present for this project at this time; timing is right for summer 2019
- 21st St. is grateful to the BOD and committees for the work on making this project happen and excited for the future!
- **Motion to approve items on consent agenda pertaining to the 21st St. Walkways, except Pearl St. bulk auto-accepting members for the summer. 21st St. Co-op will be shut down during the summer of 2019 to re-do the walkways and balconies. (Ravi L./2nd Jess H.) 11 in favor, 1 against, 1 abstention. Motion passes by majority.**

10. RHDA Application by Rob B.

- **Motion to approve Kim Garmany, Executive Director, submitting the RHDA application for the 21st St. Walkways project. (Clemens K./2nd Lauren B.) Motion passes by consensus.**

11. Staff Work Plans by Kim G.

- Reviewed highlights from splashboard
- Everyone is working hard to have a strong finish to the semester and a smooth interim

12. Summer Legal Work Update by Kim G.

- Reviewed document and progress in the three action areas
- Contract for Accommodations has been reviewed by legal counsel and Governance
- Strategic Initiatives and Mark have workshops scheduled for test runs in the spring.
- Illegal Activities section in the Rules of Operation has been reviewed numerous times and is ready for final approval.
- **Motion to approve Illegal Activities section of the Rules of Operation. (Clemens K. 2nd Jayce W.) Motion passes by consensus.**

13. NCB BOD Election by Kim G.

- Kim jumped the gun on this election. They are calling candidates at this time, if anyone is interested!
- **Motion to table until Executive Committee deems it necessary. (Clemens K./2nd Ravi L.) Motion passes by consensus.**

14. ICC & CH BOD Dinner by Rob B.

- **Motion to cordially invite the Board of Directors from the ICC Austin to dinner to meet, converse, and discuss our future within the cooperative movement. (Ravi L./2nd Clemens K.) Motion passes by consensus.**

15. January Board Meeting by Rob B.

- **Motion to make first spring BOD meeting on Tuesday, January 22nd from 6-9 pm. (Clemens K./2nd Jayce W.) Motion passes by consensus.**

16. ACBA Board of Directors by Rob B.

- **Motion to approve supporting Robert William Fondus Burns in his appointment to the ACBA Board of Directors as a representative of College Houses. (Clemens K./2nd Jo W.) Motion passes by consensus.**

17. Committee Agendas by Rob B.

18. Adjourn

Meeting End Time: 9:00 PM

SANDERS ARCHITECTURE

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PRINCIPAL

Christopher L Sanders, AIA

Experience

Sanders Architecture, Austin, Texas: Principal, 2009-Present
Andersson Wise Architects, Austin, Texas: Staff Architect, 2001-2009
Ann Beha Architects, Boston, Massachusetts: Intern Architect, 1999-2001
Gilham, Gander + Chin Architects, Boston, Massachusetts: Intern Architect 1997-1999
Baum Freitag + Leesch, Weimar, Germany: Intern Architect, 1997
Leo A. Daly Architects, Washington DC: Intern Architect, 1996

Education

Master of Architecture:
Texas A&M University, May 1997

Bachelor of Environmental Design:
Texas A&M University, May 1993

Professional Registration
Architect, State of Texas, No. 18903

Professional Involvements
American Institute of Architects
Texas Society of Architects

Community Involvements
Lady Bird Johnson Wildflower Center: Advisory Council 2004-2011, Gardens and Site Management Committee Chair
Waller Creek Conservancy: Board of Directors 2011-Present, Design Committee Co-Chair

sanders-architecture.com

AWARDS & PUBLICATIONS

- 2013 Spring, "A New Welcome to the Wildflower Center", Wildflower Magazine
- 2014 March/April, "Perks of Being a Wildflower", Design Bureau
- 2014 Green Dot Award, LBJ Wildflower Center Admissions Kiosk
- 2014 Austin AIA Design Award, LBJ Wildflower Center Admissions Kiosk
- 2014 September 4, Austin Business Journal, Juniper, "Uchi-Inspired Chef Goes Italian with Latest Venture"
- 2015 Summer, "Temple Ranch Pool Cabana, Duval County", Texas Lifestyle Magazine
- 2015 January, The Interiors Issue, Tribeza
- 2015 May/June "Award Winning", NHome Texas
- 2015 August 10, Helen Thompson In House, Tarrytown Residence, "Redo Redux"
- 2015 September 9, Austin American-Statesman, Juniper, "Year-long project turns former plant into elaborate restaurant"
- 2016 March, "Palate Meets Palette", Modern Luxury Austin
- 2016 Winter/Spring, Best of Design Issue, Modern Luxury Interiors
- 2016 Spring, "Austin's Cookin'", Private Clubs
- 2016 February, "ACL Live Getting Sister Music Venue in Downtown Austin", Austin American Statesman
- 2016 March, "Look Inside the Newest Downtown Live Music Club", Austin Business Journal
- 2016 Austin AIA Design Award, Juniper
- 2016 September/October, "Backpage", Texas Architect
- 2017 May/June, "High Design", Luxe Interiors + Design
- 2018 June 17, "Southern Hospitality", Austin American Statesman
- 2018 August, "The Texas Turnaround", Southern Living Magazine
- 2018 August/September, "Austin Idea House Brims with Inspiration", Home Design & Decor Magazine
- 2018 October, "Dream Team, Dream Location: The 2018 Southern Living Idea House, Texas Living Magazine
- 2018 Fall/Winter, "The Interior Design at Maverick Takes a Cue from the Big Apple", Casa - San Antonio Magazine
- 2018 December/2019 January, "Southtown's Free Spirit", Home Design & Decor Magazine

PROJECTS

Block 21, Mixed-use Development 2009	Jones Lake House 2011	Camp Young Judaea Experiential Learning Center 2016	WSH Conference Room Remodel 2016
AWAY Spa 2010	Lot 19, Teton Village 2012, 2015	Hughes Landing Kayak Kiosk 2015	Hanna Residence 2016
Avalon Realty Offices 2010	Temple Ranch Pool Cabana 2013	Rubin Residence 2015	Boyd Residence 2016
Stratus Properties Corporate Offices 2010	Fischer Firefly Recording Studio 2015	La Traviata Restaurant 2014	Wright Residence 2016
Shands Residence 2010	Fischer Music Venue 2012	College Houses Condition Assessment 2016	Piper Residence 2016
Lady Bird Johnson Wildflower Center Admissions Kiosk 2011	Tarrytown Residence 2015	Amarrra 3 Entry Pavilion 2015	Sanders Residence 2016
W Residences Sales Office 2010	Armstrong Residence 2014	Boggy Slough Guest Houses 2016	Maverick Restaurant 2017
Mason Ranch House 2010	Westlake Residence 2015	3Ten ACL Live 2016	Carranzo Guard House & Mail Kiosk 2017
Austin City Limits Offices 2010	Block 21 Executive Offices 2013	Sales Center Austin Proper Residences 2015	Mitchell Ranch Residence 2017
Lynch House 2011	Wright Residence 2013	Kappler Residence 2016	Zaroff Residence 2017
Cespedes Residence 2011	Bergfield Residence 2013	Brewton-Love Residence 2016	Starkloff Pool House 2017
Austin City Limits Retail Space 2011	Kerbey Lane Studio 2014	Hunt River House 2016	Southern Living Idea House 2018
Armbrust & Brown Corporate Offices 2011	Martin Ranch Barn 2015	Lost Pines Bathhouses & Pool House 2016	
	Juniper Restaurant 2015		

CONTACT

ring
512-482-9258

visit
3706 Kerbey Lane
Austin, Texas 78731

explore
sanders-architecture.com

inquire
info@sanders-architecture.com

ARCHITECTURAL STAFF

Catherine Craig, RA
Jena Hammond, Assoc. AIA
Isabelle Bogran
Norma Montoya

Biography

Richard Martin has been practicing structural engineering for over 25 years, working for several reputable Austin engineering firms, leading to opening MJ Structures in 2004. His experiences encompass simple and complex projects including various large commercial projects through small residential projects. Throughout his career, Richard has had opportunities with an assortment of structural systems including concrete, steel and wood, and often combinations of systems. Seeking economy in complex structural systems, collaborating to help achieve architectural visions and striving for appropriately sustainable framing solutions are particular areas of interest.

Project Experience

The Backyard Development (on the boards) <i>Engineer of Record</i>	Approximately 2,000,000 sf of 2, 3 and 4 story office buildings, multifamily residential, structured parking, data center and central plant buildings with contemporary design and complex articulation.
SoCo Hotel <i>Engineer of Record</i>	Three story concrete two way flat slab 90 room hotel, with restaurant and retail over 3 stories of below grade concrete parking structure on South Congress Avenue.
Violet Crown Cinemas (TX, NM, VA) <i>Engineer of Record</i>	Two story new construction and single story remodels in existing buildings. Framing is supports unusual geometries large public spaces and with sound separation limitations.
WJE Office <i>Engineer of Record</i>	Single story office constructed with non- reinforced plain concrete walls, exposed steel and wood roof framing.
College Houses Super Co-op <i>Engineer of Record</i>	Steel frame with precast concrete plank 7 story community focused dormitory (90,000 total sf including 48,000 sf conditioned space, \$11 million)
1400 South Congress Mixed Use Complex <i>Engineer of Record</i>	Residential building framed with castellated steel beams, wood form deck, concrete slabs. Office/retail complex framed with steel beams and bar joists.
I-35 Makeover, Austin <i>Engineer of Record</i>	Curved, tapered, steel pipe bents support lighting wrapping the belly of IH-35 bridge between 6th and 8th Streets
Austin City Lofts <i>Project Manager²</i>	Two way concrete flat plate 14 story residential building. Foundation supported on two differing materials and basement depressed below flood plain (\$22 million).
Austin Convention Center Expansion <i>Project Manager²</i>	Steel framed 500,000 sf expansion. 270 foot long floor trusses over exhibit space. Slender columns with post and cable network at shingled glass atrium (\$90 million).
Southwest Performing Arts Center <i>Project Manager²</i>	Steel framed performance center with long span pre-engineered roof trusses. Complex roof and wall geometry. Cantilevered balcony level.
Austin Bergstrom International Airport, <i>Project Engineer¹</i>	West Concourse Expansion - Composite steel beams with steel columns and wind frames. Exposed roof trusses.
TPWD World Birding Center <i>Engineer or Record²</i>	Steel and concrete base supporting Quonsut arched roof shells. Bird viewing blind framed with "woven" steel rods overlooking resaca.
Government Canyon Visitors Center <i>Engineer or Record²</i>	Reclaimed steel oil pipe framed visitors and education center.
St. Theresa Multifunction Building <i>Engineer of Record</i>	Two story steel frame elementary school class room building with exposed steel and wood roof framing. Concrete pilasters and insulated CIP walls surround the perimeter.
St. Edward's Trustee Hall <i>Project Manager²</i>	Concrete pan joist framed 3 story academic building. Sculpted concrete brise soleil with interlaced stairs and window apertures.
Pickle Elementary School <i>Project Manager²</i>	Steel framed structure with complex shaped concrete tilt walls (\$13.6 million).
Joe Dan Mills Elementary School <i>Project Engineer¹</i>	Two story steel framed structure with steel bar joist roof.

¹Project experience while at Jaster-Quintanilla & Associates; ²Project experience while at Architectural Engineers Collaborative

Education

University of Waterloo, Waterloo, Canada

1993 Bachelor of Science with Honours, Civil Engineering (Structural) with Management Sciences Option

Professional

Structural Engineers Association of Texas (SEAOt): State Director 2004

SEAOt Austin Chapter: Past President 2004, President 2003, Vice-President 2002, Secretary 2000-2001

National Council of Structural Engineers Association (NCSEA): Member

American Institute of Steel Construction (AISC)

Jacob J. Pietsch

EXPERIENCE

College Houses, Non-Profit Student Housing Cooperatives

Membership Director, November 2015-Present

- Managed the College Houses leasing process and maintained compliance documentation for partnerships.
- Provided student emergency services in coordination with the Executive Director: gathered documentation from, responded to, and supported members with casework. Coordinated with universities, police, fire, EMS, families, and emergency contacts.
- Supervised and trained full-time Administrative Coordinator and the administrative intern.
- Prepared and conducted member trainings and orientations.
- Staff support for the Policy committee of the College Houses Board of Directors. Responsible for producing and distributing agendas, meeting minutes, and materials biweekly. Prepared reports, conducted research, drafted policy, and offered recommendations.

Administrative Coordinator, November 2014-November 2015

- Served as primary membership contact for current residents, prospective residents, and families. Generated and processed applications, criminal background checks, leases, contract breaks, evictions, waitlist offers, and check in and check out documentation for 5 properties.
- Provided general reception: walk-ins, phone calls, payment processing, information requests, and package distribution. Modernized administrative systems: redeveloped workflows to integrate Google Apps and DocuSign, replacing paper-based systems.
- Managed office, including equipment contracts and supply purchases.

Department of Rhetoric and Writing, UT Austin

Instructor, August 2013-May 2014

- Taught RHE 306, a persuasive writing and civic literacy course for 27 first-year students. Developed syllabus, curriculum, lesson plans.
- Graded assignments, conducted one-on-one student conferences, and delivered lectures on writing.

Managing Editor, Praxis: A Writing Center Journal, June 2013-May 2014

- Directed the peer-review, editorial, and design process for a premier academic journal on writing center theory, research, and administration.
- Recruited, selected, and managed a team of 30 graduate and undergraduate associate editors and copyeditors.
- Redeveloped publication timeline and clearly defined employee job descriptions to resolve a history of journal management friction points.

Writing Consultant, Teaching Assistant: Undergraduate Writing Center, April 2007-July 2010 & June 2012-July 2013

- Conducted 400+ contact hours of individualized writing consultations in all disciplines to build undergraduates' writing skills and confidence.

Advise Texas: College Advising Corps, UT Austin

High School College Adviser, July 2010-June 2012

- Encouraged low-income, first generation, and underrepresented students to consider, plan for, and apply to colleges.
- Increased impact of advising by creating monthly "Senior Success Kit" curricula for 47 teachers.
- Interviewed and hired 30 applicants for Texas A&M's inaugural chapter of Advise TX.
- Advocated for student interests and promoted Advise TX through presentations and policy recommendations to the State P-16 Council, Texas Higher Education Coordinating Board, College for All Texans Foundation, and members of the US Senate and the US House of Representatives.

Texas Interdisciplinary Plan Scholars, UT Austin

Lead Peer Mentor, August 2007-May 2009

- Developed Peer Leadership Academy curriculum for 85 peer mentors. Co-instructed a weekly mentor-training seminar for 30 peer mentors.
- Completed over 100 hours of certified training on conflict resolution, organizational planning, and cultural/gender/LGBTQA awareness.
- Mentored 12 freshmen through their transitions to college with weekly academic support meetings, completing 200 student contact hours.

EDUCATION

Master of Public Affairs

LBJ School of Public Affairs
UT Austin, GPA 3.4, May 2014

BA, Rhetoric and Writing

Minor in Communication Studies
UT Austin, GPA 3.2, May 2010



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767-1088

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

October 18, 2016

Jacob Pietsch
Membership Director
1906 Pearl Street
Austin, TX 78705

Re.: 2016 Rental Housing Development Assistance (RHDA) Monitoring
Super Co-Op, 1905 Nueces, Austin, TX 78705

Dear Mr. Pietsch:

On July 22, 2016, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s). The purpose of the monitoring was to assess compliance with local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC) dated November 30, 2009.

I am pleased to inform you that College Houses Super Co-Op has cleared all deficiencies and is now compliant with the terms of the loan agreement.

If you have any questions or need additional information, please contact me at (512) 974-3110 or Susan.Kinel@austintexas.gov.

Regards,

Susan Kinel
Neighborhood Housing and Community Development

XC: Angela Atwood, Executive Director, College Houses
Chase Clements, NHCD

Market Assessment – 21st St. Co-op Walkways

i. Evaluate general demographic, economic, and housing conditions

1. Target Populations and Area Demographic Makeup

The demographics of the West Campus neighborhood are dynamic and ever-changing, due to the shorter-term nature of student living arrangements. As all residents of the rehabilitated property will be students or recent graduates, the best source of demographic data is the demographics of the University of Texas at Austin:

Gender

- Women: 52.7%
- Men: 47.3%

Ethnicity/Race

- White: 41.1%
- Hispanic: 20.9%
- Asian: 19.0%
- Foreign: 10.1%
- Black: 4.0%
- 2 or more (excl. Hispanic/Black): 2.6%
- Unknown: 1.2%
- Black (2 or more, excl. Hispanic): 0.8%
- American Indian: 0.1%
- Hawaiian/Pac. Islander: 0.1%

The property will not target any specific demographic population, other than the requirement that all residents must be students. Therefore, the above demographics also serve as the target population.

2. Economic Conditions and Trends

The Austin-Round Rock region economy grew by 6.9 percent in 2017, according to the Bureau of Economic Analysis. The Median Family Income of 1-person households in Travis County was \$60,200 in 2018.

Further, the Austin area unemployment rate fell to a low of 2.7% in 2018 (Local Area Unemployment Statistics. Retrieved 2019-01-29, from <https://data.bls.gov/timeseries/LAUMT481242000000003>). However, from internal surveys of residents living in College Houses properties, we know that only 4.74% of current residents in our housing are employed for 40 hours per week or more.

The following income data is based on internal surveys of residents living in College Houses properties as of December 2018.

Total household income (Note: 76.1% of respondents included their parents in their household)

<\$25,000	\$25K-\$50K	\$50K-\$75K	\$75K-\$100K	\$100K-\$250K	>\$250,000
30.09%	13.72%	15.04%	16.81%	20.35%	3.98%

3. General Housing Conditions and Trends in the Community

According to the U.S. Department of Housing and Urban Development, the Travis County rental market is balanced, with a 6.4% vacancy rate as of March 2018. The projected demand for new rental units in Travis County is 19,650 from 4/1/2018 through 4/1/2021. The average rent for an apartment in the Travis County submarket was \$1,203 in March 2018, an increase of 5% from the year before.

According to HUD, an estimated 7% of all Travis County renter households were students at the University of Texas at Austin, representing an estimated 16,765 student rental households. Student apartments had a 3.3% vacancy rate and an average rent of \$2,069. Student apartment rents were over \$800 higher than the average, partly due to the fact that 32% of student units have three or more bedrooms.

According to data from RentCafe.com, the average rent of a studio apartment in West Campus was \$1151 per month in 2018. Across Austin, rent for a studio apartment increased by 10.2% from May 2015 to September 2018 (Austin, TX Rental Market Trends. Retrieved 2019-01-30, from <https://web.archive.org/web/20180907101645/https://www.rentcafe.com/average-rent-market-trends/us/tx/austin>.) The College Houses and ICC Austin cooperatives are the only housing providers in the neighborhood that offer 100% of property units at rates affordable below 50% MFI.

ii. Identify the geographic area of likely tenants

The majority of tenants who will reside in the rehabilitated property will come from the Austin metro area. In particular, we expect residents from neighborhoods with a high density of students, such as the university neighborhood overlay district, and census tracts 23.18, 23.17, and 23.14 in the East Riverside neighborhood.

iii. Quantify the pool of eligible tenants

The only eligibility requirement for the property is that tenants be actively enrolled higher education students. The total combined enrollment of UT Austin and Austin Community College in the Fall 2018 term was 87,448, according to the institutions' own data. This serves as a reasonable estimate for the pool of eligible tenants.

If the present application is funded, we acknowledge that 30% of the units at the 21st Street Cooperative will be reserved for residents with incomes verified to be at 50% MFI or lower. According to U.S. News and World Report, there are 16,197 UT undergraduates who receive need-based financial aid who can fill these reserved units. (University of Texas—Austin. Retrieved 2019-01-30, from <https://www.usnews.com/best-colleges/university-of-texas-3658>.)

iv. Analyze the competition

The City of Austin Housing Inventory tool lists 37 properties in Central Austin that provide affordable student housing. While rental rates and availability is not readily available at each of these properties, it is likely that most properties offer about 10% of their units at an affordable rate based on 80% MFI. In contrast the 21st Street Cooperative property offers 100% of its units rates affordable below 50% MFI. Specifically, the property will have 20 double occupancy units affordable at 30% MFI, and 60 single occupancy rooms affordable at 50% MFI, resulting in 100 total beds of affordable housing.

Due to the unique dorm-style unit type of the 21st Street Cooperative, and due to the fact that nearly all affordable housing listed by the City was constructed recently, there are few truly comparable units to identify. It is preferable to keep in mind these fundamental differences when reviewing this comparison.

Property Name	21st Street Cooperative	The Block on Rio Grande
Location	West Campus Neighborhood	West Campus Neighborhood
Year of Construction	1974	2008
Target Population	College Students	College Students
Property Condition	Some repairs needed as addressed in this application	Nearly new construction
Unit Mix (affordable units only)	Dorm style single and double occupancy	1br and Efficiency
Unit Amenities	Meal plan included (17 meals/week) High speed internet included All bills included	Washer & dryer included Internet & cable TV included Private Bath
Occupancy	Property is consistently occupied at levels above 95% at the start of each Fall lease period. We expect occupancy at 95% or above in Fall 2019.	As of January 31, 2019, 50/85 total units available for Fall 2019 lease period. 7 of these units were listed as S.M.A.R.T. units.
Turnover	Turnover averages approximately 50% each year	Based on current occupancy as of January 31, 2019, turnover across all units is appr. 59%

v. Asses the market demand

The 21st Street Cooperative property is consistently occupied at levels above 95% at the start of each Fall lease period. With improved habitability from the project laid out in this application, plus general rising demand for housing in the region, we fully expect this trend to continue or improve. Therefore, we expect occupancy at 95% or above in Fall 2019.

Additionally, as discussed in (iv), this property is unique in offering a high level of amenities at rental cost that falls below 50% MFI. Due to a lack of direct competition which can match these benefits, we expect demand to remain high.

vi. Evaluate the effective demand and the capture rate

Project units (beds) / pool of eligible tenants = $100 / 87,448 = 0.114\%$

vii. Estimate the absorption period

The 21st Street Cooperative property is consistently occupied at levels above 95% at the start of each Fall lease period. The project laid out in this application will not interrupt the leasing process for leases beginning in Fall 2019, therefore we fully expect over 95% of units to be successfully leased by August 2019.

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.

(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.

(4) Application requirements

Provide communications plan

Provide documentation showing the content of the notice, and proof of delivery

Provide signed copy of this checklist.

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


Signed

Kim Garmany
printed name

2/1/19
date



January 31, 2019

Dearest Neighbors,

With great excitement, we would like to announce that College Houses will embark on a major renovation of the walkways and balconies of the 21st St. Co-op (707 W. 21st St.) during the summer of 2019. The 100-person student housing cooperative will be vacated and closed from the end of May until mid-August of 2019.

21st St. Co-op has been providing affordable, cooperative housing to students in West Campus for 44 years, and we look forward to serving the community for many more years to come. This project is critical to ensuring that we continue to improve our facilities and are able to offer quality affordable housing to those students most in need. To learn more about College Houses and 21st St. Co-op, please visit us at www.collegehouses.org/about.

In accordance with Austin City Council resolution 20110113-040, we are reaching out to all of our neighbors to open the lines of communication, and promote positive, open dialogue between our organization and you, our neighbors. We understand that engaging in "open dialogue ... can prevent misunderstandings, facilitate prompt resolution of any of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences" (City of Austin Good Neighbor Guidelines). You can find a representative from our staff at the University Area Partners monthly membership meetings, or I'm happy to meet with you over the phone or in person.

Thank you in advance for your patience and understanding!

In Cooperation,

A handwritten signature in blue ink that reads "Kim Garmany".

Kim Garmany
Executive Director

kim@collegehouses.org

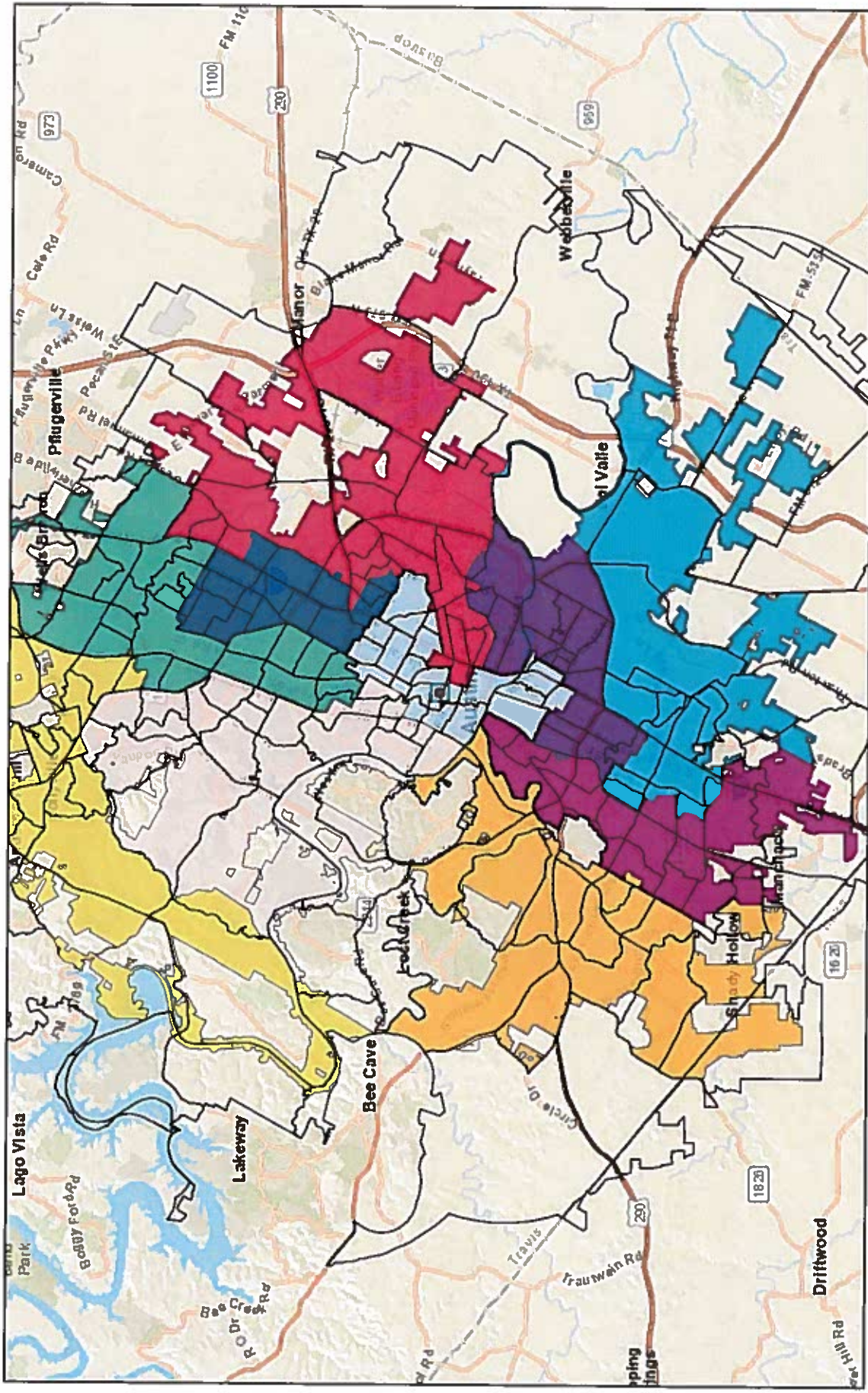
512-476-5678



21st St. Co-op – Good Neighbor Policy Implementation Plan

1. Identify Point of Contact – Kim Garmany
2. Identify neighbors within 500 ft of 707 W 21st St.
3. Draft and mail a letter containing information about the project
4. Contact local neighborhood groups to present information in person
 - a. University Area Partners
 - b. Central Austin Neighborhood Planning Advisory Committee
5. Schedule individual meetings with neighbors, as they are requested
6. Address any problems that arise in a timely fashion

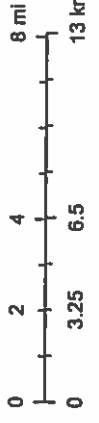
21st St. Census & Council



1/15/2019, 3:34:19 PM

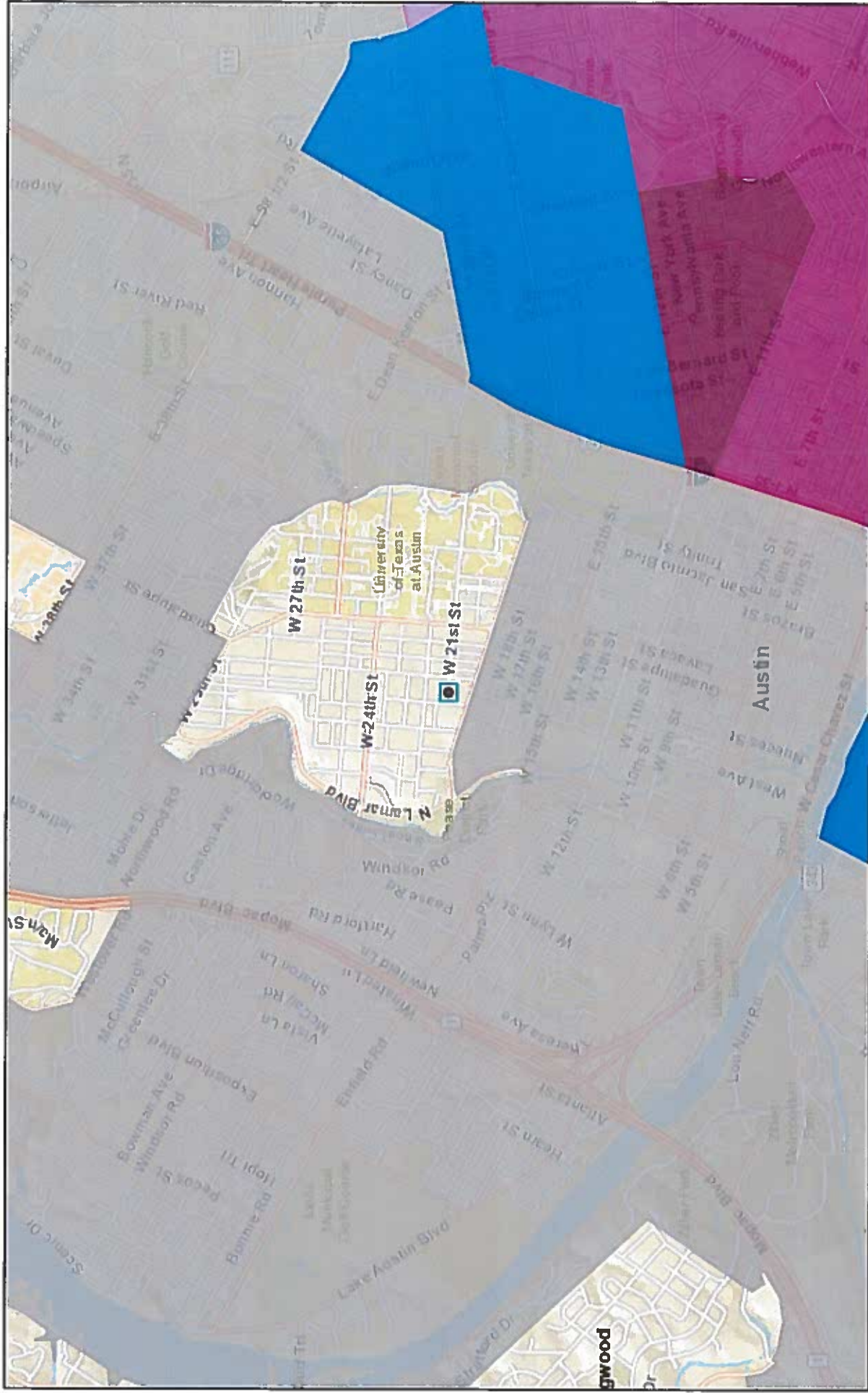
- Census Tracts
- 2
- 5
- 8
- 3
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- 4
- 7
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- 1

1:288,895



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Web AppBuilder for ArcGIS
 Austin Community College, Esri, HERE, Garmin, NGA, USGS, NPS |

21st St. Gentrification Values



1/15/2019, 3:44:56 PM

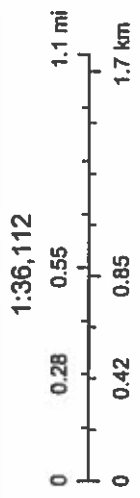
Gentrification_RHDAHODA_view

Late

- Early: Type 1
- Dynamic

- Continued Loss
- Not Gentrifying

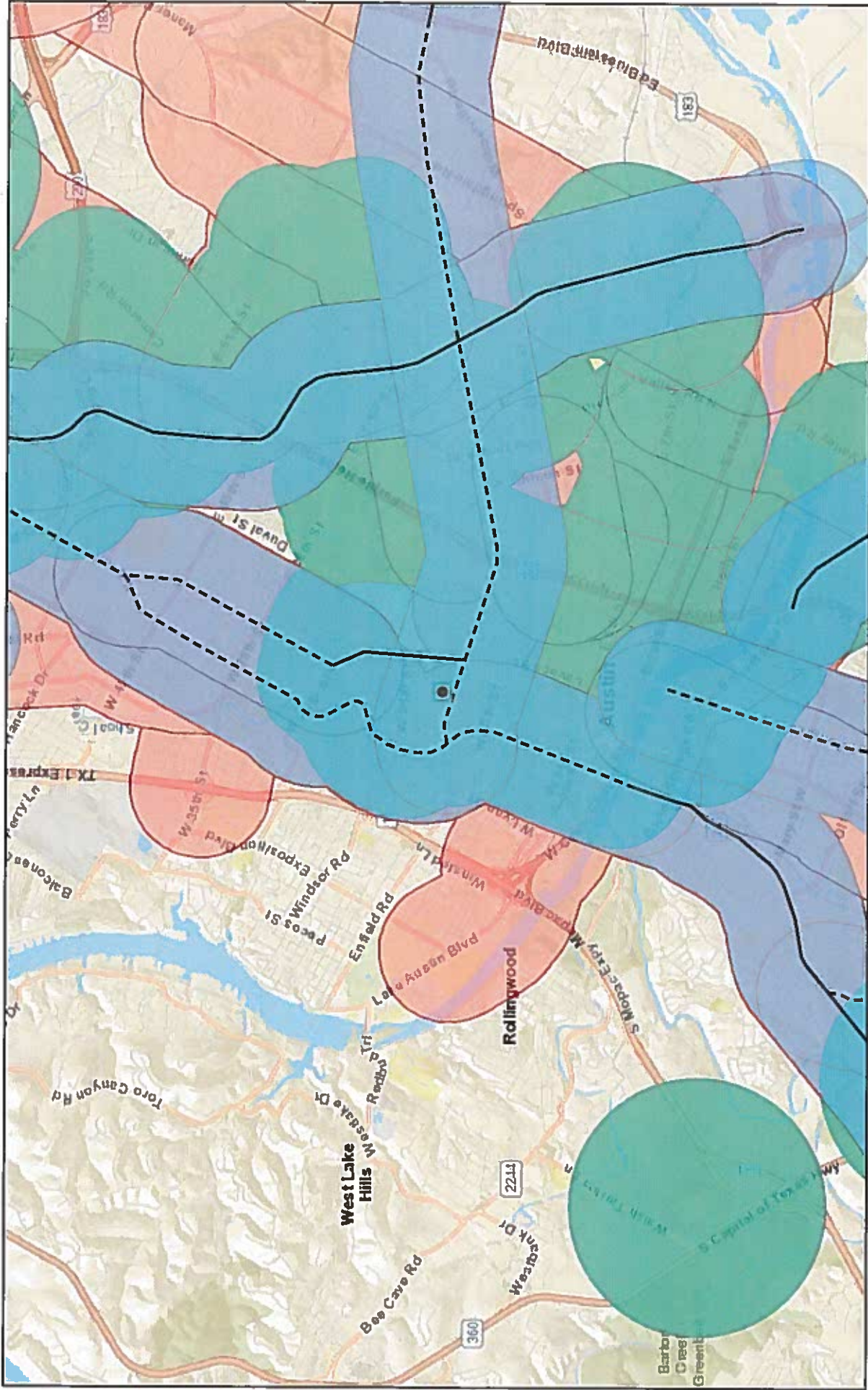
Missing Home Value Data



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan.

Web AppBuilder for ArcGIS

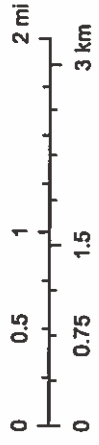
21st St. Imagine Austin & Mobility Corridors



1/15/2019, 3:53:16 PM

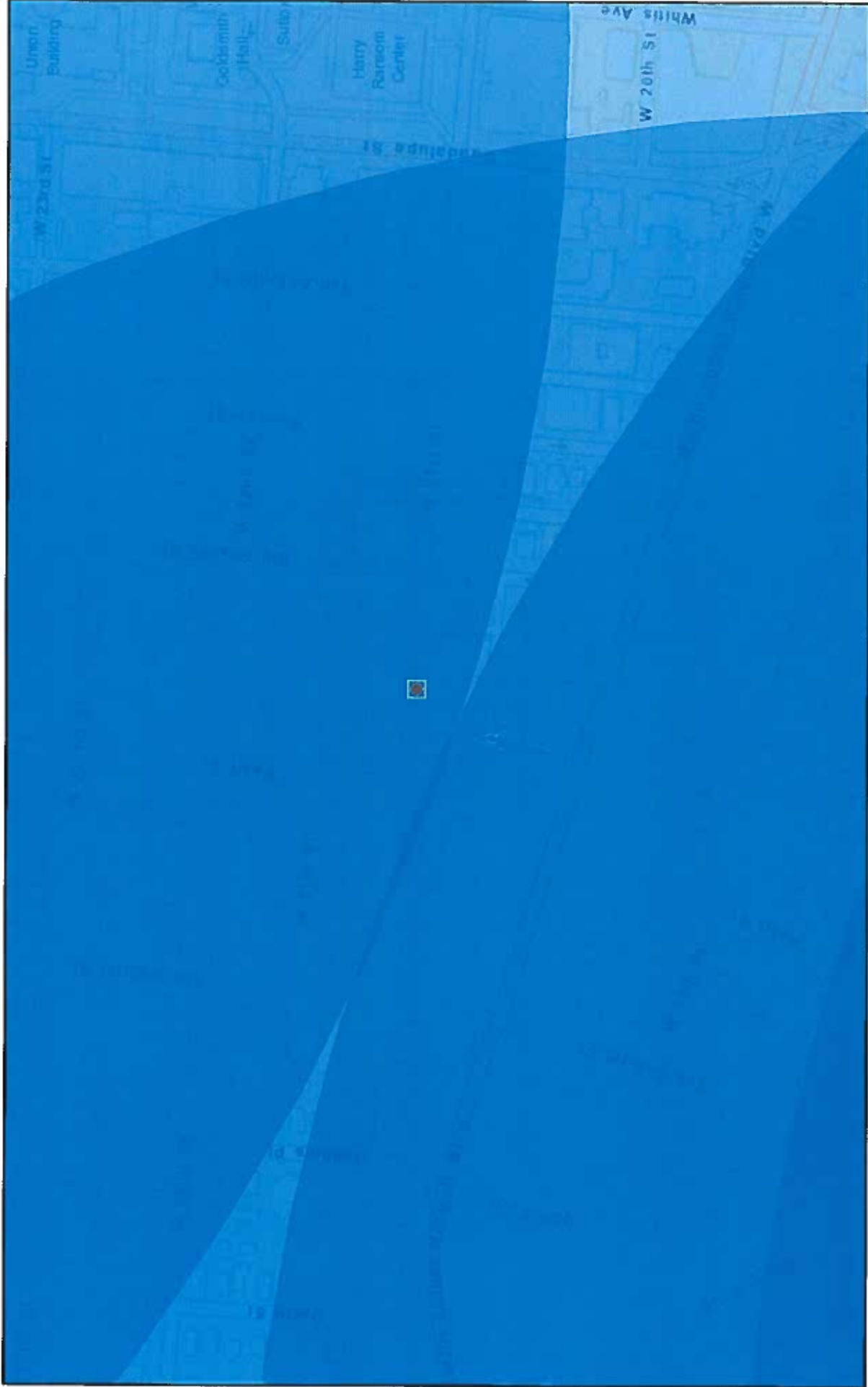
- 2016 Mobility Bond Corridor Projects
- Construction Eligible Corridor
- Preliminary Engineering and Design
- Mobility Bond Corridor: 1/2-Mile Buffer
- Imagine Austin Center: 1/2-Mile Buffer
- Imagine Austin Corridor: 1/2-Mile Buffer

1:72,224



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, AutoCAD, Microsoft, Swatch, etc. All rights reserved. Web AppBuilder for ArcGIS

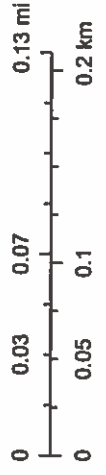
21st St. Healthy Food



1/15/2019, 3:57:07 PM

Healthy Food: 1-Mile Buffer

1:4,514





FLOODPLAIN INFORMATION REQUEST FORM

Tax Parcel ID: 0212011414	Date Processed: 01/29/2019
Property Address: 707 W 21ST ST	
FEMA Flood Insurance Information:	City of Austin Regulatory Information:
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/>

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: Kimberly Garmany
Mailing Address:
1906 Peaarl St.
Austin, TX 78705

Tax Parcel Identification Number

Agency: TCAD
Parcel ID: 0212011414

Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

MF-4-NP

Zoning Case Number(s)

Look up case info at https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp

C14-04-0021

Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

040826-57, 040902-58

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 Chaper 25-2 Division 6) visit:

<http://austintexas.gov/department/austin-city-code-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.



1/17/2019

0212011414

CERTIFICATE OF OCCUPANCY

BUILDING PERMIT NO. 9405133
DEPARTMENT OF PLANNING AND DEVELOPMENT
CITY OF AUSTIN, TEXAS

SUBDV: 228' X 160' OUTLOT 24, DIVISION D

ZONING: MF4

BLOCK:

PLAT: 0046

LOT:

THIS IS TO CERTIFY THAT, THE BUILDING OR STRUCTURE AT THE ADDRESS LISTED BELOW HAS BEEN INSPECTED FOR COMPLIANCE WITH THE REQUIREMENTS OF THE AUSTIN CITY CODE FOR THE GROUP AND DIVISION OF OCCUPANCY AND USE LISTED BELOW.

ADDRESS: 705 . 21 STREET W A

USE: REPAIR CONDO EXTERIOR MODIFICATIONS

GROUP AND DIVISION:

LAND OWNER: COLLEGE HOUSE

ADDRESS: _____

MAILING AMSTAR ENGINEERING

CONTRACTOR: TO BE DETERMINED

ADDRESS: 707 RIVER ROAD
AUSTIN TX 78734

PLUMBER: _____

NO. OF GAS METERS: _____

REMARKS: _____

DATE: 940808

James H. Smith
BUILDING OFFICIAL

BY: *P-3-*

P L E A S E N O T I C E

"NEITHER THE ISSUANCE OF THIS CERTIFICATE NOR THE INSPECTIONS MADE SHALL LESSEN THE RESPONSIBILITY OR LIABILITY OF ANY PERSON, FIRM OR CORPORATION, OWNING, OPERATING, CONTROLLING OR INSTALLING ANY APPLIANCE OR MATERIAL UPON THE PREMISES, OR DOING ANY WORK WHATSOEVER ON SUCH PREMISES.

THE CITY OF AUSTIN DOES NOT ASSUME ANY RESPONSIBILITY OR LIABILITY BY REASON OF THE INSPECTION, OR REINSPECTION OF THE PREMISES; OR THE ISSUANCE OF THIS "CERTIFICATE OF OCCUPANCY"; OR BY REASON OF ANY APPROVAL OR DISAPPROVAL."