



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 Foundation Communities, Inc.	Owner Name FC Waters Park Housing, LP
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Street Address
12190 N Mopac Expwy

City Austin	State TX	Zip 78758
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Contact Name Sabrina Butler	Contact Telephone 512-610-4025
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Contact Email
sabrina.butler@foundcom.org

Federal Tax ID Number 74-2563260	D-U-N-S Number (visit www.dnb.com for free DUNS#.) 556352268
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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 Foundation Communities, Inc.	Title of Authorized Officer Walter Moreau
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Walter Moreau
Signature of Authorized Officer

1/30/2019
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 **Waterloo Terrace** 2) Project Type **100% Affordable** 3) New Construction or Rehabilitation? **New Construction**

4) Location Description (Acreage, side of street, distance from intersection) **12190 N Mopac Expwy** 5) Mobility Bond Corridor **Burnet Rd**

6) Census Tract **18.29** 7) Council District **District 7** 8) Elementary School **SUMMITT EL** 9) Affordability Period **40 years**

10) Type of Structure **Multi-family** 11) Occupied? **Yes** 12) How will funds be used? **ion, Pre-development, and Cons**

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	27					27
Up to 40% MFI	27					27
Up to 50% MFI	78					78
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	132	0	0	0	0	132

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	13	Continuum of Care Units	27
Accessible Units for Sensory Impairments	3		

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

<u>Sources</u>	
Debt	
Third Party Equity	15148485
Grant	
Deferred Developer Fee	
Other	5731624
City of Austin	6400000

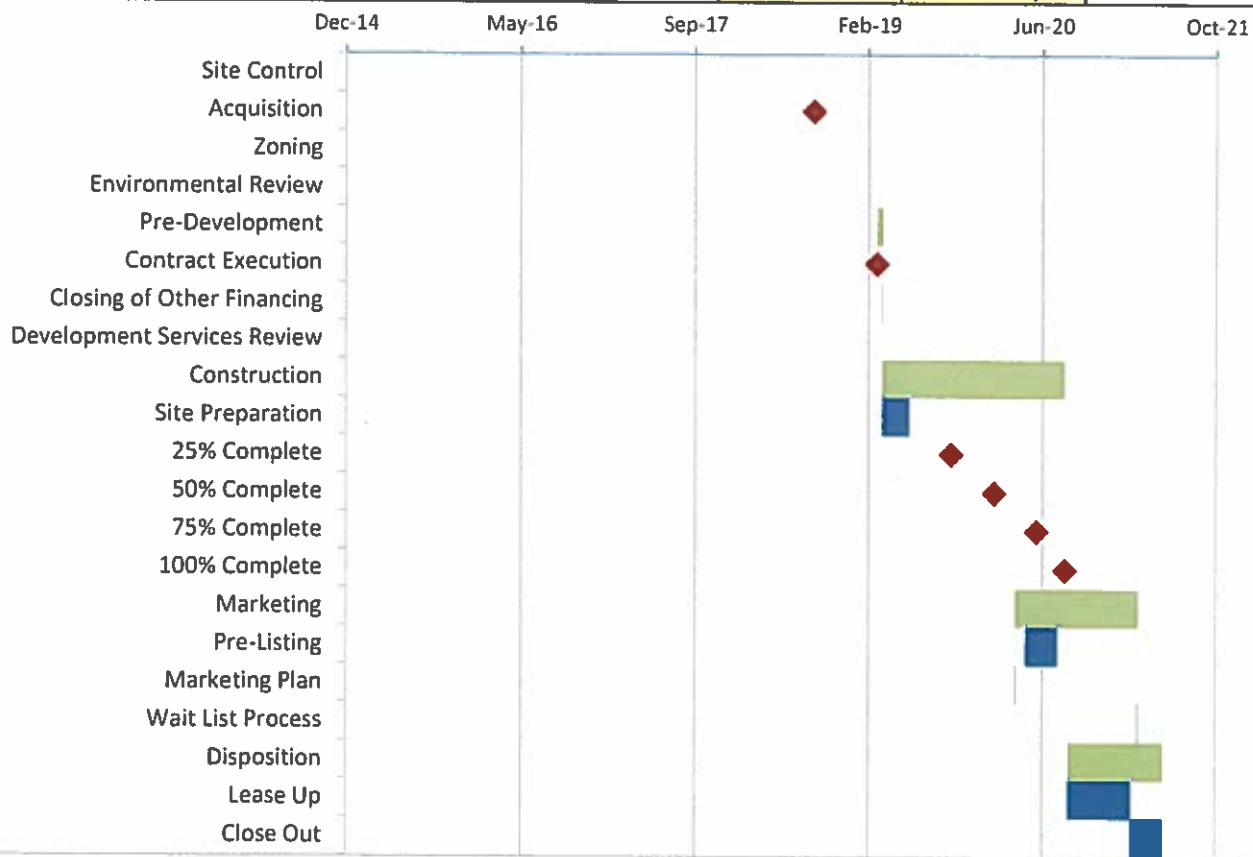
<u>Uses</u>	
Acquisition	4261000
Off-Site	
Site Work	
Sit Amenities	
Building Costs	17723106
Contractor Fees	690000
Soft Costs	1692004
Financing	1241532
Developer Fees	1672467

Total \$ 27,280,109

Total \$ 27,280,109

Development Schedule

	Start Date	End Date
Site Control	Aug-18	Jan-00
Acquisition	Aug-18	
Zoning	No zoning change	
Environmental Review	NA - GO Bonds	
Pre-Development	Mar-19	Mar-19
Contract Execution	Mar-19	
Closing of Other Financing	Mar-19	Mar-19
Development Services Review		
Construction	Mar-19	Aug-20
Site Preparation	Mar-19	May-19
25% Complete	Sep-19	
50% Complete	Jan-20	
75% Complete	May-20	
100% Complete	Aug-20	
Marketing	Apr-20	Mar-21
Pre-Listing	May-20	Jul-20
Marketing Plan	Apr-20	Apr-20
Wait List Process	Mar-21	Mar-21
Disposition	Sep-20	May-21
Lease Up	Sep-20	Feb-21
Close Out	Feb-21	May-21



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	10,000		
Environmental Review	32,254		Includes soils report
Engineering	0		Included in architecture
Survey	11,460		
Architectural	886,573		
Subtotal Pre-Development Cost	\$940,287	\$0	
Acquisition			
Site and/or Land	4,261,000	3,200,000	
Structures			
Other (specify)			
Subtotal Acquisition Cost	\$4,261,000	\$3,200,000	
Construction			
Infrastructure	0		
Site Work	1,694,325		
Demolition	53,500		
Concrete	717,634		
Masonry	331,515		
Rough Carpentry	1,574,470	1,000,000	all carpentry
Finish Carpentry			
Waterproofing and Insulation	189,950		
Roofing and Sheet Metal	372,850		
Plumbing/Hot Water	1,920,125	1,000,000	
HVAC/Mechanical	3,609,142	1,200,000	
Electrical	2,036,980		
Doors/Windows/Glass	417,445		
Lath and Plaster/Drywall and Acoustical	496,441		
Tiel Work			
Soft and Hard Floor	366,159		
Paint/Decorating/Blinds/Shades			
Specialties/Special Equipment	151,958		
Cabinetry/Appliances	226,708		
Carpet	15,420		
Other (specify)	3,375,984		steel/metals, elevator, general conditions, fireproofing, fire spr
Construction Contingency	862,500		
Subtotal Construction Cost	\$18,413,106	\$3,200,000	
Soft & Carrying Costs			
Legal	55,000		
Audit/Accounting	11,284		
Title/Recordin	100,000		
Architectural (Inspections)	0		Included in architectural predevelopment
Construction Interest	1,022,146		Includes const. loan fees, closing costs, inspections
Construction Period Insurance	38,500		
Construction Period Taxes	50,028		
Relocation	0		
Marketing	115,000		Includes cost of lease-up staffing, etc. until 50% occupancy ach
Davis-Bacon Monitoring	0		
Other (specify)	2,273,758		market study, permits, consultants, soft cost contingency, tax
Subtotal Soft & Carrying Costs	\$3,665,716	\$0	
TOTAL PROJECT BUDGET	\$27,280,109	\$6,400,000	

Project Name	Waterloo Terrace	
Project Type	100% Affordable	
Council District	District 7	
Census Tract	18.29	
AHFC Funding Request Amount	\$6,400,000	
Estimated Total Project Cost	\$27,280,109	
High Opportunity	YES	
High Displacement Risk	NO	
High Frequency Transit	No	
Imagine Austin	Yes	
Mobility Bond Corridor	Burnet Rd	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	27	# of rental units at < 30% MFI
District Goal	4.06%	% of annual goal reached with units
High Opportunity	11.92%	% 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	11.66%	% of annual goal reached with units
Geographic Dispersion	20.77%	% of annual goal reached with units
Mobility Bond Corridor	24.58%	% of annual goal reached with units
SCORE	15	% of Goals * 20
< 40% MFI	27	# of rental units at < 40% MFI
< 50% MFI	78	# of rental units at < 50% MFI
District Goal	15.79%	% of annual goal reached with units
High Opportunity	46.36%	% 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	45.34%	% of annual goal reached with units
Geographic Dispersion	80.77%	% of annual goal reached with units
Mobility Bond Corridor	95.60%	% of annual goal reached with units
SCORE	43	% 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	57	MAXIMUM SCORE = 350
INITIATIVES AND PRIORITIES		
Continuum of Care	27	Total # of units provided up to 100 per year
Continuum of Care Score	4	(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	4	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	79	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	0	Educational Attainment, Environment, Community Institutions, Social Cohesion,
Accessible Units	16	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	2	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	1	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	12	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	23%	% of total project cost funded through AHFC request
Leverage Score	19	25 - (% leverage * 25)
AHFC Per Unit Subsidy	\$48,484.85	Amount of assistance per unit
Subsidy per unit score	19	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$48,484.85	Amount of assistance per bedroom
Subsidy per Bedroom Score	19	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	0.00	Measured at the 5 Year mark
Debt Coverage Ratio Score	0	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	57	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	126	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

May, James

From: Sabrina Butler <sabrina.butler@Foundcom.org>
Sent: Wednesday, January 30, 2019 4:14 PM
To: May, James
Cc: Tillie Croxdale
Subject: Waterloo Terrace RHDA Application
Attachments: Waterloo_RHDA_Application-1.30.19.xls; Waterloo RHDA App signature page.pdf

Jamey –

Attached is the completed application workbook, and signed application cover page, for Waterloo Terrace. Since NHCD has previously reviewed and funded this application, I am following your guidance that only the workbook is needed by the February 1 funding deadline. If you require any additional information about the project as you process the new request, please let me know.

The application contemplates a total funding award of \$6,400,000, which is inclusive of the \$3,200,000 that the city has already approved and funded back in August 2018. We are asking for an additional \$3,200,000. As I mentioned previously, I am hopeful that we will still be able to access a federal funding source that would reduce our additional funding request by \$850,000. However, we won't know for a couple weeks what the impact of the extended federal government shutdown was on our ability to access these funds within our tight development timeline, so I am asking for city funds to make up the difference in case this funding is no longer available to the project.

Since this is our first time completing the new application form, I wanted to flag a few things and see if you would like to see them presented differently:

1. On the Summary Form I checked "yes" for occupied, but please note that there are only commercial uses on the site. If this is only intended to be checked in the case of residential occupancy, let me know and I can revise.
2. I have somewhat arbitrarily suggested hard cost line items to utilize the AHFC funds in column C on the Development Budget tab. I assume that this is fungible and can change based on costs of each AHFC-funded draw, so long as all costs are eligible?
3. I think the expectation for the Operating Pro Forma Debt Service section is that we only show mandatory debt service and other required payments. Yes? We will have cash-flow contingent investor asset management fees, services fees, and contingent debt service payments on soft loans. But I think you are not expecting to see these here. Let me know if otherwise.
4. I plan to print the workbook and deliver a hard copy to your attention at NHCD tomorrow per the application submission instructions – unless you prefer NOT to receive a hard copy, in which case let me know.

Thank you in advance for your consideration and support!

Sabrina

Sabrina Butler
Director of Real Estate Development | Foundation Communities
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Austin, TX 78704
Direct: 512.610.4025
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follow us on twitter

February 13, 2018

David Potter
Austin Housing Finance Corporation
The Street - Jones Building
1000 East 11th Street
Austin, Texas 78702

RE: *Waters Park Studios Apartments – Request for City of Austin Funding
2018 Low Income Housing Tax Credit Cycle*

Dear David:

Please find attached a copy of the *Application for Rental Development Funding for Waters Park Studios*- approximately 132 units of permanent supportive housing located in Northwest Austin. The site is in close proximity to an abundance of retail, employment, work opportunities, and medical centers. We are so excited to be pursuing a PSH development to help provide affordable housing for Austin that helps meet the City's goals of geographic dispersion.

Waters Park Studios scores a 162 on the RHDA Program Scoring Criteria. **Key hi-lights of the site include:** units set aside for the chronically homeless and all units affordable to 50% MFI with an average income of just \$15,960. Waters Park Studios will provide an affordable, attractive home with 24-hour staffing and wraparound services that include case management, supported employment, education, counseling, and emergency financial assistance.

We have submitted a request of RHDA Program funding in the amount of \$4,000,000. We feel this amount is justified given the deep income targeting and the drop of pricing in the tax credit market.

Thank you for your time and consideration of our application. If you have any questions, please contact Sabrina Butler at 512-610-4025.

Best,

Walter Moreau
Executive Director



CONSIDER SMOKE-FREE HOUSING

The City of Austin encourages the development of smoke-free rental housing. Smoke-free housing protects the health of residents by decreasing exposure to harmful secondhand smoke. Also, apartment owners and managers reap the benefits of more efficient and less expensive unit turnovers, potentially lower insurance premiums, and reduced risk of fires.

Smoke-free policies are legally permissible and can be a marketing advantage for attracting and retaining residents. More than 80 percent of people living in the Austin area do not use tobacco, and a 2011 survey conducted by the Austin/Travis County Health and Human Services Department found that 77 percent of renters in Travis County would prefer to live in tobacco-free housing.

Find out how you can protect the health of residents, make your property safer, and save money by downloading a copy of "A Manager's Guide to Smoke-Free Housing Policies" at: <http://www.livetobaccofreeaustin.org/owners.php>.

Please answer the following questions.

Is this development intended to have restrictions on smoking? Yes No

If "Yes," what level of restriction is intended?

No smoking anywhere on the property, inside or outside

No smoking Inside residents' units

No smoking in outdoor exclusive use areas such as individual balconies or patios

No smoking in outdoor common areas such as pool, parking lot, green spaces, etc.

No smoking outdoors within a reasonable distance from building entrances (such as 15 – 25 feet) to prevent smoke from entering another resident's open windows or doors.

2. **A. Non-profit applicants/developers, attached copies of the following:**

1. A "certificate of status" issued by the Texas Secretary of State.
2. Federal IRS certification granting non-profit tax-exempt status.
3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
4. Board resolution approving the proposed project and authorizing the request for funding

B. For-profit applicants/developers, attach copies of the following:

1. For Corporations, Limited Partnerships, and Limited Liability Companies, a copy of a "certificate of status" issued by the Texas Secretary of State.
2. A current financial statement
3. Proof of sufficient reserves or a line of credit available, if necessary, in order to complete the proposed project.

3. **Project Type (Please check any that apply.)** This project is considered:

Traditional Rental Housing (serving low-income households, and resident services may or may not be provided)

Transitional Housing (case management services provided and residency limited to a certain length of time, usually no more than 24 months)

Permanent Supportive Housing (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. Numbers of proposed PSH Units:

132 Total Number of Units in project

7 Total Number of Permanent Supportive Housing (PSH) Units Proposed

B. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

1. Persons needing "**Housing First**," a Permanent Supportive Housing model typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are least likely to be able to proactively seek and obtain housing on their own. Housing First approaches also include rapid re-housing which provides quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis.

NUMBER OF UNITS _____

Individuals or families headed by individuals that are:

2. **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.

NUMBER OF UNITS 7

3. Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.

NUMBER OF UNITS _____

4. Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:

a. have experienced a long-term period without living independently in permanent housing;

- b. have experienced persistent instability as measured by frequent moves over such period; and
- c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

5. _____ A single adult or household led by an adult 'aging out' of state custody of the foster care or juvenile probation system, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

6. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING B.1, B.2, B.3, or B.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below.

Foundation Communities is applying for funding in the amount of **\$4,000,000** from the City of Austin for the new construction of Waters Park Studios – approximately 132 units of affordable supportive housing located in Northwest Austin. Two land parcels will be combined to form the Development Site. The parcels are located at 12207 Waters Park Rd, Austin, 78759 and 12190 N Mo Pac Expy, Austin, 78758.

Waters Park Studios will build on Foundation Communities' successful model of housing-plus-services proven effective for single adults with high needs, low incomes, and housing instability. Waters Park Studios will provide an affordable, attractive home with 24-hour staffing and wraparound services that include case management, supported employment, education, counseling, and emergency financial assistance. The property will serve individuals transitioning from homelessness, people with mental and/or physical disabilities, veterans, older adults who live on fixed incomes, children aging out of foster care, and those with chronic diseases. All residents will have incomes at 50% Median Family Income or lower, with an average income of just \$15,960.

This apartment community is designed as one building that includes common area spaces wrapped around an interior courtyard. The building is three stories and includes surface parking. The site is located in a high opportunity area of Northwest Austin in the shadow of The Domain – a sprawling outdoor mall, retail center, restaurant and employment mecca – as well as across Mopac Expressway from St. David's North Austin Medical Center. The area provides unparalleled employment opportunities, access to medical care and proximity to amenities. These are all resources that will greatly benefit the target population.

With Waters Park Studios, FC continues to expand to meet demand for affordable permanent Supportive Housing. The need for Supportive Housing is so high that FC maintains waiting lists at all properties. For Supportive Housing, these waitlists are closed at 40 names for each property. Waters Park Studios will expand FC's Supportive Housing portfolio from just 88 units in 2003 to 859 units upon completion.

Currently, Waters Park Studios scores very competitively in the 2018 9% Housing Tax Credit cycle. Foundation Communities is striving to make our funding request to the City all at one time instead of coming in a few different times. As Supportive Housing with very low rents, Waters Park Studios cannot support any hard debt and must rely on fundraising to fill the gap. The City of Austin funding is a critical layer of funding and will leverage millions of additional funding to complete the capital stack. In addition, the drop in tax credit pricing due to uncertainty in the tax credit market makes this gap funding essential. The City's acknowledgement of a funding application is critical to the tax credit application.

a. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents.

All of Waters Park Studios will be available to extremely and very low-income individuals. Sixty percent of the units (78 units) will be reserved for individuals with incomes below 50% of the Median Family Income. Twenty percent of the units (27 units) will be reserved for individuals with incomes below 40% of the Median Family Income and the remaining twenty percent of the units (27 units) will be reserved for individuals with incomes below 30% of the Median Family Income. The reality is that most residents will have incomes below 30% MFI. Five percent of the units (7 units) will be reserved for chronically homeless as established by the HEARTH act. While we expect to serve more than 7 units with resident who were formerly chronically homeless, it is challenging to reserve units for this population without rental subsidies and additional supportive service funding in hand. We expect the remaining 125 units to include a mix of populations such as individuals on a fixed income (elderly and/or persons with disabilities), persons with low wage employment, homeless persons and persons on the verge of homelessness. Supportive services will be made available to all residents at Waters Park Studios. The goal of the supportive services will be to promote stable housing through programs that increase access to health assistance, promote increased and stable income, and provide services that support self-development. The menu of supportive services at our permanent supportive housing properties typically include:

- Case management
- Adult education classes
- Money management classes
- Information and referral to community services
- Home health assistant
- Education savings program
- Free tax preparation
- Financial stability programs
- 24-hour computer lab
- Monthly food pantry
- Welcome Home Baskets

Please see Section 16 for a more detailed explanation of services to be provided at Waters Park Studios.

b. Include the type of structure (multi-family or single-family), number and size of units in square feet.

Waters Park Studios will be a 132-unit single room occupancy supportive housing rental community for individuals. Each 518 square foot efficiency unit will contain a kitchenette and bathroom. Common spaces for resident use will include a resident lounge, meeting room, clothes care center, and supportive service staff office.

The unit mix for the property is as follows:

Unit Type	# of units	Square Footage
0 bedroom/1bath	132	518 sq. ft. per unit
		68,376 sq. ft. (total rentable square feet)
		7,397 sq. ft. (common area spaces)
Total Sq. Ft.		75,773 sq. ft

c. Indicate whether the property is occupied at the time this application is being submitted.

The development site of Waters Park Studios features the combination of two land parcels. The property is not currently occupied with any residential tenants. One parcel has an owner-occupied business, for which Foundation Communities has provided a short, optional lease-back option after acquisition that will terminate before construction start. The second site has a commercial tenant, but the current lease allows for a 30-day lease cancellation. The construction will include the demolition of both structures after vacated. Waters Park Studios itself is new construction.

d. Indicate whether the project meets the requirements of the City’s Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD), or is located less than .25 miles from a transit stop (not just a transit route).

Waters Park Studios is not located within a VMU, PUD, or TOD. Waters Park Studios is within .454 miles of a transit stop, but not within .25 miles of a transit stop.

- e. **Indicate whether the project will preserve existing affordable rental units.**
Waters Park Studios is new construction and therefore will be adding **132** new units to Austin's affordable housing stock. No existing units will be preserved as part of the project.
- f. **If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.**
Waters Park Studios is new construction therefore this section is not applicable. While there do exist structures on each site, they will be demolished in preparation for the new construction of Waters Park Studios.
- g. **Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).**
Waters Park Studios will not be reserving units for Section 8 vouchers. Instead, vouchers will be accepted at our property.
- h. **Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.**
At a minimum, 10% of the total units 132 (**13**) will be designed for persons with Mobility Impairments using Section 504 and Fair Housing Accessibility as guidelines. In addition, at a minimum, 2% of total units (**3**) will be made accessible for persons with hearing and visual impairments.
- i. **Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).**
The proposed Waters Park Studios is not located in a current Neighborhood Plan.
- j. **Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.**

The total cost to construct the 132-unit Waters Park Studios is approximately \$24,992,554. The sources of funds for this project include:

City of Austin, in the total amount of \$4,000,000. These funds will be used to pay for acquisition and/or hard and/or soft costs. Since this project is serving a population that can only afford to pay a minimal amount in monthly rent, the project will only be feasible if there is no debt service to repay. We request these funds from the City to be in the form of a deferred forgivable loan with a loan term of at least 40 years.

We understand that the City funds will be the first piece of funding brought into the project, but the timing is critical to ensure the financial feasibility of our application in the LIHTC 9% tax credit cycle. In order to count City funding, a 9% tax credit applicant needs to provide proof of the City funding application. The City funds must be committed before an applicant signs and submits their 9% tax credit commitment notice, if awarded 9% tax credits.

TDHCA Low Income Housing Tax Credits (LIHTC), in the amount of approximately \$14,098,590 (\$1,500,000 annual allocation). The 9% tax credits will be used for construction costs. A pre-application was submitted on January 9, 2018 and a final application will be submitted on March 1, 2018. We will have final approval of tax credit award from TDHCA by August 1, 2018.

TDHCA Multifamily Direct Loan, in the amount of \$1,000,000. The funding application for these funds will be submitted at the same time as the 9% HTC application referenced above. We will be applying under the Supportive Housing set-aside which provides deferred, forgivable funding to Supportive Housing projects and those projects with significant units set-aside for persons with Extremely Low Incomes.

Owner Equity in the amount of \$4,710,628. Foundation Communities will commit \$4,710,628 of its own funding to Waters Park Studios as a placeholder for private fundraising that will be pursued during the development of the project. We plan to reach out and apply to private sources, such as Federal Home Loan Bank, NeighborWorks America and local foundations to fund this amount. If private fundraising does not reach this level, then Foundation Communities is committed to providing equity in the amount of \$4,710,628 from its own reserves.

Deferred Developer Fee in the amount of \$819,509.

City of Austin Fee Waivers in the amount of \$363,827 are provided to the property through meeting the SMART Housing program requirements and will be used as match for the Multifamily Direct Loan program.

Please attach the following to the description of the above items:

- k. **A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.**

Please see **ATTACHMENT 5** for a map of the property location and distance to the nearest Capital Metro Transit Stop.

- l. **A flood plain map generated by www.ATXFloodPro.com with the property parcel identified and the legend displayed showing the various types of FEMA Flood Plain zones.**

Please see **ATTACHMENT 5** for a flood plain map of the property location generated by ATC Flood Pro.

- 5. **Site Control and Demonstration of Value. Include evidence of site control such as a warranty deed or a current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the property.**

Foundation Communities, Inc. has a contract for purchase for the two parcels that will be combined for form the proposed site for Waters Park Studios. Please see **ATTACHMENT 6: Contracts** and **ATTACHMENT 7: Current Tax Documentation**.

- 6. **Zoning. Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.**

Please see **ATTACHMENT 8: Zoning Verification Letter** from Wendy Rhoades confirming the zoning for the proposed use.

- 7. **S.M.A.R.T. Housing™. Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.**

Please see **ATTACHMENT 9** for SMART Housing Certification.

- 8. **Development Team and Capacity. Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (MBE/WBE), or if any of the entities are also **non-profit** organizations.**

	Name and Contact Information	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Nonpr ofit? (Mark X if Yes)
Owner	FC Waters Park Housing, LP, 3036 S. 1 st Street, Austin, TX 78704			
Developer	Foundation Communities, Inc., 3036 S. 1 st Street, Austin, TX 78704			x
Architect	Forge Craft Architecture, 608 West Monroe St. Suite C, Austin, TX 78704			
Engineer	Civiltude, 1210 Rosewood Ave, Austin, Texas,	x		

	78702			
Construction Lender	TBD			
Other Lenders	TBD			
Attorney	A. Rick Hightower, 901 South Mopac Expwy, Bldg 1 Ste 300, Austin, Texas 78746			
Accountant	Ann Clift, CFO, Foundation Communities, Inc., 3036 S. 1st Street, Austin, TX 78704			x
General Contractor	TBD			
Consultant (if applicable)	True Casa Consulting, LLC, 4613 Cedar Point Dr, Austin, 78723			
Property Management Provider	Foundation Communities, Inc., 3036 S. 1st Street, Austin, TX 78704			x
Other: Supportive Services Providers	Foundation Communities, Inc., 3036 S. 1st Street, Austin, TX 78704			x

Foundation Communities has 25 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. As the owner and manager of more than 3,300 apartments across 23 properties- 20 in Austin and three in Dallas/Fort Worth area- providing quality homes for both families and individuals. Eight of our existing communities were new construction projects financed with tax credits with one additional community (132 units) currently in design and construction. Fourteen of our communities were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). Six properties are single room occupancy permanent supportive housing, two properties are duplexes and the remaining 15 properties are multifamily properties

Housing Development Team - Our Housing Development Team consists of the following FC staff (Please see **ATTACHMENT 10** for resumes):

Walter Moreau, Executive Director. During his 25-year career, Moreau has secured subsidy financing of more than \$200 million to create more than 3,000 units of service-enriched, nonprofit-owned affordable housing. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

Megan Matthews, Development Project Manager and licensed Architect, oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues (such as energy and water conservation) while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and The Jordan at Mueller and was on the design team for four of those communities. Megan coordinates the RFQ and bid processes for the architect, engineers, and general contractor and is the direct link between the third party design and construction professionals and FC's Development team. FC has been privileged to work with a number of quality general contractors and invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested).

Vicki McDonald, Director of Real Estate Operations, oversees the income and assets of the FC portfolio. She has over 30 years of experience in owning and managing multifamily, office and retail developments. For 25 years, she owned and operated Vista Properties, a real estate firm specializing in the management, leasing and brokerage of income producing assets. Vicki is the link between the development team and property management as well as filling in on project management as the pipeline demands.

Sabrina Butler, Director of Housing Finance, pursues new development opportunities and identifies and packages subsidy and conventional financing for multi-family housing. Packaging includes running project proformas, applying for the funding, bidding out equity/mortgages, coordinating closings, and ensuring compliance with construction-related funding provisions. Sabrina also coordinates due diligence reports such as the Phase I ESA, appraisal, market studies, property condition reports, and surveys. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing and community development finance.

Tillie Croxdale, Real Estate Project Manager, underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Housing Finance with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelors in Architecture and Masters in Real Estate Finance and several years' experience in the affordable housing field.

Please also provide narrative information about the skills you or your development team members have in the following areas:

a) Project Management

Megan Matthews currently oversees the construction of Garden Terrace Phase III and the design of The Jordan at Mueller. Megan coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team.

b) Market Analysis

Foundation Communities typically engages a third party firm to conduct market studies for each of our proposed projects. The market study is ordered in the contract feasibility period. Sabrina Butler receives bids and engages each project's market analyst.

c) Site Selection and Control

Walter Moreau has 20 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, availability of low-cost land, preservation of affordable housing opportunities and availability of sites in close proximity to existing FC properties. Vicki McDonald is a licensed real estate broker and is involved in all real estate contract negotiations. In addition, FC contracts with a private, third party land broker to locate sites. Sabrina Butler works with the title company to ensure all requirements are met on the buyer side and oversees the closing on behalf of Foundation Communities.

d) Planning and Construction

Foundation Communities contracts with third-party general contractors and has been privileged to work with a number of quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). Megan Matthews also oversees the hiring of the design and engineering team.

e) Design, Architecture and Engineering

Megan Matthews also oversees the hiring of the design and engineering team. Typically, Megan issues an RFQ to an invited list of bidders (open to all interested parties.) The list is narrowed down based on responses and then the FC development team including Walter, Vicki, Sabrina and Megan meet the finalists and make a selection based on presentations.

f) Legal and Accounting

Rick Hightower has been the general counsel for Foundation Communities for the past 15+ years and handles most real estate transactions. Foundation Communities has historically worked with Kutak Rock as a tax credit counsel on LIHTC projects. All accounting is performed in-house by an accounting team led by Ann Clift, CFO. Tax returns, audits and cost certifications for tax credit properties are contracted out to Novogradac and Company, LLC.

g) Federal Funding Rules:

Foundation Communities has extensive experience working with programs funded by HUD and their associated federal regulations including: Federal Labor Standards, Davis Bacon Reporting, Section 3, Affirmative Marketing, Environmental Clearances, Public Notices and Procurement Standards. Please see **ATTACHMENT 11** for the Foundation Communities Development Resume. Please see the FC Development

Resume as **ATTACHMENT 11** for a list of properties and the funding sources in place at each property. Also, please see Question 11 for more detailed information on Financing Experience.

h) Other funding source rules (e.g. Low Income Housing Tax Credits):

Please see the FC Development Resume and **ATTACHMENT 11** for a list of properties and the funding sources in place at each property. Also, please see Question 12 for more detailed information on Financing Experience.

9. Environmental Assessments. The City of Austin Brownfields Redevelopment Office has Environmental Protection Agency funding available until September 1, 2017 to provide free Phase I Environmental Site Assessments, Asbestos Inspections and Lead-based Paint Surveys to assist with property transactions, developments and redevelopments. The Office can also complete Phase II ESAs at no cost for eligible entities. Please contact the office to see if you are eligible to receive these free services to assist with your project at <http://austintexas.gov/brownfields> or brownfields@austintexas.gov.

10. Development Schedule. Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	<u>August 31, 2018- In Progress</u>
Environmental and/or historic review (AHFC)	<u>January – March 2018 –In Process</u>
Securing and packaging project financing	<u>July – October 2018- In Process</u>
Construction Specifications and Cost estimates	<u>December 2018 – March 2019</u>
Construction Bids	<u>March 2019</u>
Construction Start	<u>April 2019</u>
Anticipated Draws (list all)	<u>May 2019 June 2019 July 2019 August 2019</u>
End Construction	<u>June 2020</u>
Start of Rent-up	<u>July 2020</u>
Completion & Operation	<u>January 2021</u>

11. Accessible and Adaptable Units. Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

- Units adaptable for persons with mobility disabilities
- 13 Units accessible for persons with mobility disabilities
- Units adaptable for persons with sight and hearing disabilities
- 3 Units accessible for persons with sight and hearing disabilities

12. Developer Capacity. Provide narrative information on recent, similar, and successful experience in affordable housing development. Include experience using multiple fund sources, managing affordable rental developments, and previous working history with the Austin Housing Finance Corporation.

Recent Development Experience: Waters Park Studios will draw upon the recently completed new construction of Cardinal Point, Homestead Oaks, Bluebonnet Studios, Live Oak Trails, and Lakeline Station, as well as The Jordan At Mueller currently in design. Please see **ATTACHMENT 11** for a description of these projects in the FC Development Resume. Waters Park Studios will draw heavily on the design of Bluebonnet

Studios and Capital Studios, both newly constructed Supportive Housing communities designed by the same architect.

Foundation Communities, Inc. has experience utilizing all funding tools available for the development of affordable multifamily housing. We have an excellent track record of securing funding in competitive allocations of the 9% LIHTC. We also have solid relationships with multiple lenders. Three most recently completed projects utilize the following five layers of funding: 9% LIHTCs, City of Austin RHDA funding, FHLB AHP program, construction/permanent loan and private fundraising.

LIHTCs and BONDS

Foundation Communities has applied for and been awarded 9% LIHTCs for 11 developments. Two of these awards were forward commitments by the Texas Department of Housing Board of Directors giving testament to Foundation Communities track record of high-quality developments with compelling missions. FC's development team is well-versed in the LIHTC program and application process. Tax credit applications are completed through a combination of in-house staff and affordable housing consulting firm True Casa. Staff also closely follows the drafting of the Qualified Allocation Plan and is aware of changes to threshold and scoring items that impact a high-scoring application. FC has a staff team that has over 15 years of tax credit compliance with a record of no significant findings. FC also has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, BBVA Compass and Capital One Bank. Foundation Communities built and financed the Southwest Trails Apartments utilizing 4% LIHTC and private activity bonds. Bonds were issued by Austin Housing Finance Corporation.

City of Austin RHDA

The City of Austin has been a major contributor on every project completed by Foundation Communities in the past 15 years. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin NHCD/AHFC staff.

FHLB AHP Program

Foundation Communities has applied for and received 11 awards through the FHLB Affordable Housing Program.

Private Mortgages

Foundation Communities has excellent relationships with several lenders that allow for competitive rates and pricing. We currently have private mortgages with Compass BBVA, Bank of America, Wells Fargo and Greater Texas Federal Credit Union.

Private Fundraising

Unlike most affordable housing developers, Foundation Communities has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last two years FC secured two large private foundation grants, \$2.4 million from the St. David's Health Foundation and \$2 million from the Michael and Susan Dell Foundation, to help with construction of health and education amenities onsite at new affordable housing developments. FC hosts an annual Welcome Home lunch which raises approximately \$1 million from individual donors to fund support services.

In the last four years, Foundation Communities has been successful in raising over \$10 million in private funds to embark on a growth phase for our organization completing 433 units in 2016.

Property Management Experience: Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 20 Austin properties. Foundation Communities earns property management and asset management fees that help support the overall nonprofit mission. The success of Foundation Communities' property management is demonstrated through its high occupancy (usually averaging more than 95 percent), low turnover (under 32 percent), ability to keep all properties performing within their operating budgets, completion of capital repairs of over \$535/unit, and a relatively high percentage of move outs going to homeownership (20 percent).

A majority of Foundation Communities' 23 properties feature a federal source of funding. Specifically, Foundation Communities' staff has experience with the compliance and reporting requirements of the Low Income Housing Tax Credit program, HOME program, and HUD Continuum of Care Funding Programs.

Please find attached **ATTACHMENT 11** for a list of the properties managed by Foundation Communities and the funding programs in place at the specific property. Waters Park Studios will be staffed with a property manager, assistant property manager, lead maintenance, assistant maintenance and 24-hour front desk clerks.

13. Detailed Project Budget. Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award.

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Appraisal	\$6,500			
Environmental Review	\$20,000			
Engineering	\$69,773			
Survey	\$20,000			
Architectural	\$515,235			
Market Analysis	\$7,500			
Soils Report	\$6,500			
TOTAL PREDEVELOPMENT	\$645,508			
ACQUISITION				
Site and/or Land	\$4,260,000		\$4,000,000	
Structures				
Other (specify) Closing Costs	\$1,000			
TOTAL ACQUISITION	\$4,261,000			
HARD COSTS				
Infrastructure				
Site work	\$1,857,000			
Demolition	\$122,900			
Concrete	\$647,025			
Masonry	\$260,510			
Metals	\$405,827			
Woods and Plastics	\$2,634,821			
Waterproofing & Insulation	\$226,565			
Roofing & Sheet Metal	\$225,476			
Plumbing/Hot Water (includes HVAC)	\$2,747,907			
HVAC				
Electrical	\$1,619,406			
Doors/Windows/Glass	\$420,648			
Finishes	\$1,659,356			
Specialties	\$163,342			
Equipment	\$214,806			
Elevators	\$174,313			
FFE	\$150,000			
General Requirements	\$856,006			
Overhead and Profit	\$1,140,389			
Site Amenities	\$230,178			
Construction Contingency	\$680,504			
TOTAL CONSTRUCTION	\$16,436,979			
SOFT & CARRYING COSTS				
Legal	\$75,000			
Audit/Accounting	\$30,000			
Title/Recording/Closing Costs	\$135,000			
Architectural (Inspections)	\$17,500			
Construction Interest	\$593,250			
Loan Fees	\$130,000			
Construction Period Insurance	\$48,000			

Construction Period Taxes	\$75,000			
Relocation	\$65,000			
Building Permit Fees	\$365,807			
Tax Credit Fees	\$64,044			
Developer Fee	\$1,772,467			
Reserves (rent up and operating)	\$278,000			
TOTAL SOFT & CARRYING	\$3,649,068			
TOTAL PROJECT BUDGET	\$24,992,554		\$4,000,000	

14. Funds Proposal. Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** – Complete **Tables A & B (below)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity - Foundation Commu Inc.			\$ 4,710,628	COMMITTED	Construction/hard/soft costs
Private Financing					
Tax Credit Equity			\$14,098,590	Pre-App Submitted 1/9/18	Construction/hard/soft costs
TDHCA Multifamily Direct Loan	40	0%	\$1,000,000		Pre-Dev, Hard or Soft Costs
Other Sources- City Fee Waivers			\$ 363,827	COMMITTED	
Deferred Developer Fee			\$ 819,509	COMMITTED	Construction/hard/soft costs
Proposed RHDA Funds	40	0%	\$ 4,000,000	THIS APPLICATION	Acquisition/Construction/hard/s
TOTAL			\$24,992,554		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$645,508	\$4,890
Acquisition	\$4,261,000	\$32,280
Hard Costs	\$16,436,979	\$124,523
Soft & Carrying Costs	\$3,649,068	\$27,644
TOTAL	\$24,992,554	\$189,337

- b. **Leveraging** – Complete **Table C (below)**.

TABLE C: PERCENTAGE OF RHDA FUNDS	
RHDA Funds	\$4,000,000
Other Funds	\$20,992,554
Total Project Cost	\$24,992,554
RHDA Funds ÷ Total Project Cost=	16.00%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number “1” as the denominator in the equation.

Please see 20-year Operating Proforma as ATTACHMENT 12.

15. **Good Neighbor Policy.** Please refer to the City’s Good Neighbor Guidelines and demonstrate compliance with the Good Neighbor Policy by completing the Good Neighbor Checklist and providing the documentation requested.

Per a conversation with Ellis Morgan on 1/22/2018, a Good Neighbor Checklist is not required at this time.

16. **Description of Supportive Services.** If supportive services are NOT to be provided, please stop here. For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information:

a. A description of the supportive services to be provided to residents and/or clients.

Foundation Communities is committed to providing not only the housing, but, as part of our mission to create housing where residents succeed, the essential support services to stabilize and empower individuals living in permanent supportive housing. Foundation Communities’ model of housing-plus services provides the supportive services that individuals need to successfully transition to stability. The target population of Waters Park Studios will be mixed serving a small percentage of chronic homeless and a larger percentage of individuals on fixed incomes and low-wage workers. Like the population, the array of services offered at Waters Park Studios will be mixed with some residents needing more and some needing less.

Services typically offered at FC’s Permanent Supportive Housing properties include:

- Mental health counseling and supported treatment;
- Individual and group substance abuse supported treatment;
- Daily living skills training;
- Budgeting and money management skills;
- Advocacy for benefits and entitlements including Social Security, Medicaid, and Food Stamps;
- Health, wellness and recreational activities;
- Supports for family reconnections;
- Vocational and supported employment services;
- Food pantry
- GED and ESL classes
- Eviction prevention
- Case management
- Home health assistant
- Education savings program
- Free tax preparation
- 24-hour computer lab
- Welcome Home Baskets

b. The number and types of residents/clients expected to be served annually.

Waters Park Studios will house 132 individuals at any given time. The service needs of the property will vary according to the resident profile. We are targeting 7 of the units to chronic homeless and expect the service needs of this population to be extremely high. We expect the balance of units to be filled by individuals on fixed incomes and low-income workers who will still require a variety of services, but at a lower degree. With an average turnover of 30%, we expect to serve approximately 172 individuals a year with some degree of services.

c. Describe the developer's experience and qualifications in providing the services to be offered.

Foundation Communities, as the primary supportive service provider at Waters Park Studios, has 25 years experience in the provision of supportive services to its residents. At all of our properties, we enable our residents to increase their personal development, education, safety, and health at one convenient location in their neighborhood. Talented volunteers help us increase adults' earning potential through classes in English as a Second Language, GED preparation, and computer skills, as well as employment counseling and social service referrals. Our new College Hub provides nontraditional students the wraparound services they need to be successful in college. Our newest program area, Health Initiatives, brings healthier living to entire families in the form of nutrition and cooking, active play, and exercise. We provide free tax preparation for more than 20,000 low-income workers and retirees each year. Refunds amount to nearly \$34 million annually, and can equal 25% of a family's yearly income. Additionally, we empower more than 600 families each year to become smart consumers through economic education and financial coaching; at least 50% of them reduce their debt. We assist students with the Cash for College program. Leveraging our tax centers and some of the same volunteers, Insure Central Texas (ICT) provides a deeper level of service to our clients by assisting with enrollment under the Affordable Care Act (ACA).

Foundation Communities has been increasingly involved in serving the homeless since 2001, when, working with the Homeless Alliance, we began looking at opportunities to develop supportive housing units for Austin's homeless population. In 2003, with the purchase and redevelopment of an abandoned nursing home, Garden Terrace opened its doors. This was not only Foundation Communities' first single room occupancy (SRO)/permanent supportive housing (PSH) community, it was the first intentional SRO development in Austin. We followed with the opening of Spring Terrace in 2006, Skyline Terrace in 2008 Arbor Terrace in 2012, Capital Studios in 2014, and Bluebonnet Studios in 2016 for a total of 707 PSH SRO units.

Providing apartments in our SRO communities does not in itself end homelessness on a long-term basis. Our strategy of 'wrap around' supportive services helps our clients maintain housing and avoid a return to the streets. Our low income PSH residents include individuals coming out of homelessness, those with severe and persistent mental illness, people with physical disabilities, homeless and/or disabled veterans, older adults, those suffering from chronic disease (e.g., hypertension, diabetes), and young adults aging out of foster care with persistent mental and behavioral issues. We strive to provide – and increase – the services that will foster maximum stability and progress in our residents. Each community is staffed by Case Managers and Supportive Services Coordinators, who meet regularly with residents and assists them with maintaining housing through accessing rental assistance, increasing income through employment, accessing public benefits to meet basic needs (such as food stamps, SSI/SSDI, unemployment benefits, etc), assisting with educational opportunities, and addressing behavioral issues. The Supportive Service Coordinator also works closely with property management to help tenants negotiate payment plans or take steps to address the issues preventing them from being self-sufficient. Case Managers work more intensely, and on a regular basis, with special needs vulnerable tenants.

We have established a partnership with Lone Star Circle of Care to offer a "medical home" for many of our residents, including psychiatric services, as this is critical to maintaining their stability. FC also retains a nurse practitioner on staff to meet regular medical needs in this extremely vulnerable population. Other services provided include: an on-site food pantry residents can access monthly and on an emergency basis, computer classes, cooking classes, literacy tutoring, and counseling.

We further leverage services through partnerships and innovations including:

- Medication management and home chore assistance through a contract with Family Eldercare
- A direct assistance fund that case managers can strategically use to support client goals (eg. books for school or clothing for employment)
- The Terraces also receive and give referrals from many area agencies

- d. **If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.**

While Foundation Communities will be the main supportive service provider at Waters Park Studios, we rely on partnerships with the following organizations to broaden and strengthen our service delivery:

- **Caritas of Austin:** provides HUD subsidized rent and case management services for chronically homeless and disabled unaccompanied adults living in our PSH communities.
- **Salvation Army/Passages:** provides HUD subsidized rent and case management services for formerly homeless individuals living at our PSH communities.
- **PLAN of Central Texas, Inc.:** provides intensive clinical case management, peer to peer supports, and clinical supervision to residents in our PSH housing.
- **Austin Recovery, Inc. –** provides inpatient detox and substance abuse treatment services to residents.
- **Communities for Recovery:** provides peer to peer recovery aftercare services to residents.
- **Austin Clubhouse, Inc.:** provides a work-ordered day program, as well as employment readiness supports, and transitional/supportive employment services.
- **Family Eldercare:** provides designated payee services, as well as in-home support including meal preparation assistance, transportation, housekeeping assistance, and medication reminder assistance to residents in our PSH communities (not just for older adults).
- **The University of Texas School of Nursing:** each semester, nursing students in the advanced community nursing practicum provide medical case management to our residents assisting them in better identifying and meeting their healthcare needs.
- **Integral Care (formerly Austin/Travis Co. MHMR):** Co-facilitate Mental Health First Aid trainings for the Austin community.
- **NAMI – Austin:** Provides funding for free counseling and therapy sessions at Capital Area Counseling for supportive housing residents.
- **Capital Area Food Bank:** partners in providing food pantries at our supportive housing communities. Also does Healthy Cooking Classes at with residents at our properties.
- **YMCA of Austin:** Partners with our SRO resident services to provide reduced rate family memberships for residents to participate in Fresh Start Fitness program. 12 residents can participate for 90 days, after which they can continue personal membership in an income-based program, usually \$10/month.
- **Austin Area Mental Health Consumers Self Help and Advocacy Center:** Partners in providing peer-to-peer wellness groups at our supportive housing communities.
- **Downtown Austin Community Court (DACC):** Partners in providing units of PSH in our communities for chronically homeless/disabled individuals who are chronic users of DACC resources.
- **Project Transitions:** Partners in providing units of PSH for individuals living with HIV/AIDS.
- **Lone star Circle of Care:** Provides integrated care (behavioral health & primary health care) for residents.
- **Bluebonnet Trails Community Services:** provides outreach, screening, assessment, and referral for individuals attempting to recover from substance use disorders.
- **Veteran Affairs Supportive Housing Program:** provides TBRA vouchers for homeless veterans.
- **Capital Area Counseling:** partnership providing counseling/therapy to PSH residents.
- **Basic Need Coalition:** Active participation.
- **Ending Community Homelessness Organization (ECHO):** Both our Director of Supportive Housing and Director of Supportive Services are active members and participate with the Housing Work Group. These groups combine the efforts of roughly 75 participating agencies.
- **Referrals:** FC's Supportive Housing receive and give referrals from many area agencies, including Austin Travis County Integrated Care, SafePlace, Lifeworks, Salvation Army, Goodwill, Foundation for the Homeless, Aids Services of Austin, Green Doors, and the U.S. Department of Veteran Affairs.

- e. **Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.**

Supportive Service Staff (Please see **ATTACHMENT 13** for staff resumes):

Julian Huerta – Deputy Director - provides leadership for all Foundation Communities' resident and community services. Julian develops and directs education, financial stability and supportive housing programs that serve

more than 20,000 working poor families and homeless adults annually. He brings over 20 years' experience in program development, nonprofit administration and fundraising.

Mario Cortez, Director of Supportive Housing. Mario has 15 years of experience working with homeless and low-income populations, and holds a Masters in Social Work. Prior to joining Foundation Communities, he spent 3 years developing the Keep Austin Housed AmeriCorps project. He Co-Chairs the Social Services Case Management Network & the Housing Stability Committee of the Basic Needs Coalition, sits on the Executive Committee of the Basic Needs Coalition, and leads planning for Stand Up and Be Counted. Mario oversees all supportive housing programs.

Sofia Barbato, Supportive Services Program Supervisor, has worked with Foundation Communities for 6 years as Supportive Services Program Manager. Barbato holds a Master of Divinity and Master of Education from the University of Notre Dame. As the Supportive Services Program Supervisor Barbato's serves as the lead resident services staff member promoting the health and well-being of residents through leadership and planning of effective service delivery methods.

Andrea Albalawi, LMSW – Director of Health Initiatives. Andrea oversees all our health programming across 23 affordable housing communities. She works to address women's health issues and implement fitness and nutrition programming. She holds a B.A. in Anthropology and a Master's in Social Work from the University of Texas at Austin. Andrea is also a licensed social worker and a USA Triathlon certified race director. She gained experience implementing health initiatives while working with Abu Dhabi Health Authority, Dubai Foundation for Women and Children, National Association of Social Workers Board of Directors, Heidelberg, Germany, and The University of Texas School of Public Health.

Supportive Service Coordinators and Case Managers work at the permanent supportive housing communities. Working closely with property managers, they develop creative programs and establish and oversee partnerships that support residents in successfully maintaining housing, accessing education and employment services and contributing to a positive sense of community. Case managers work with a smaller number of high-needs clients on a regular basis, e.g., weekly, to provide these individuals with the more intensive support they need to maintain housing and stability. A Case Manager will be hired for Ben White Studios that meets the job qualifications attached.

f. Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:

1. Sources of Funds: Identify sources and amounts of funds that will be or are expected to be utilized to provide supportive services.

Services will be funded through cash flow from the property, the St. David's Foundation – Healthy Minds program, PSH Supportive Service funding from the City of Austin, and Private Fundraising from individual donors.

Sources:

Project Cash Flow w/in Operating budget	\$128,000
St. David's Foundation – Healthy Minds	\$46,425
City of Austin PSH Supportive Services Funding	\$28,750
Private Fundraising – Ind. Donors	\$105,080
TOTAL	\$308,255

Please see **ATTACHMENT 14** for a detailed Supportive Service budget.

2. Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

Please see **ATTACHMENT 14** for a detailed supportive services budget for Waters Park Studios

ATTENTION:

Please submit with the Application a completed "self-evaluation" using the following Scoring Criteria.

**RHDA PROGRAM
SCORING CRITERIA**

REQUIRED INFORMATION:

1. Applicant Information	<u> x </u>	10. Accessible/Adaptable Units	<u> x </u>
2a. Non-profit Required Items	<u> x </u>	11. Experience/Qualifications	<u> x </u>
OR		12. Project Budget	<u> x </u>
2b. For-profit Required Items	<u> x </u>	13. Funds Proposal:	
3. Project Description	<u> x </u>	a. Sources	<u> x </u>
4. Site Control/Value	<u> x </u>	b. Uses	<u> x </u>
5. Zoning	<u> x </u>	c. Leveraging	<u> x </u>
6. S.M.A.R.T. Housing	<u> x </u>	d. Operating Proforma	<u> x </u>
7. Development Team	<u> x </u>	14. Good Neighbor Checklist	<u> N/A </u>
8. Development Schedule	<u> x </u>	15. Flood Plain Map	<u> x </u>
9. Developer Capacity	<u> x </u>		

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **240** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

CORE VALUES POINTS

(Affordable Housing Core Values: Deeper levels of affordability, long-term affordability, and geographic dispersion of affordable units throughout the City.)

Score

1. AFFORDABLE UNITS (maximum 25 points)

 25

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the percentage of units at a given MFI level is not a multiple of 10, round up to the next closest multiple of 10 to get the score for that particular MFI level

% MFI	% of Affordable Units in Project (only count units reserved for 50% MFI and below)					
	10% of units	20% of units	30% of units	40% of units	50% of units	60% of units
50%	3	5	10	15	20	25
40%	5	10	15	20	25	
30%	10	15	20	25		

Score

2. AFFORDABILITY PERIOD (25 points)

 25

25 points: Affordability period is:

 99 years;

OR

 25 40 years, and project is applying for Low Income Housing Tax Credits. Note: AHFC funding is contingent upon the award of Low Income Housing Tax Credits.



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 FOUNDATION COMMUNITIES, INC. (file number 114499001), a Domestic Nonprofit Corporation, was filed in this office on March 05, 1990.

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 February 13, 2018.



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State

**ATTACHMENT 2:
IRS LETTERS**

Internal Revenue Service

Date: August 24, 2004

Foundation Communities, Inc.
3036 South First Street
Austin, TX 78704-6391

**Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201**

Person to Contact:
Janet M. Duncan 31-07676
Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 6:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
74-2563260
Group Exemption Number:
7171

Dear Sir or Madam:

This is in response to your request of July 6, 2004, regarding your organization's tax-exempt status.

In May 1990 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

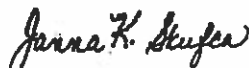
Our records indicate that your organization is also classified as a public charity under section 509(a)(2) of the Internal Revenue Code.

Based on the information supplied, we recognized the subordinates named on the list your organization submitted as exempt from federal income tax under section 501(c)(3) of the Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION
C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:
74-2563260

Case Number:
755122043

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
May 23, 1990

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bobby E. Scott
District Director

**ATTACHMENT 3:
AUDIT**

FOUNDATION COMMUNITIES, INC.

**Consolidated Financial Statements
as of and for the Years Ended
December 31, 2016 and 2015 with
Supplementary Information and
Independent Auditors' Report**

MAXWELL
& LOCKE
RITTER

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MAXWELL LOCKE & RITTER LLP

Accountants and Consultants

An Affiliate of CPAmerica International

tel (512) 370-3200 fax (512) 370-3250

www.mlrllp.com

Austin: 401 Congress Avenue, Suite 1100
Austin, TX 78701

Round Rock: 411 West Main Street, Suite 200
Round Rock, TX 78664

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Foundation Communities, Inc.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Foundation Communities, Inc. (a nonprofit organization) and its affiliates, (collectively, "Foundation Communities"), which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Foundation Communities as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedule of Community Housing Development Organization property tax reinvestment public expenditure test is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The supplemental schedules of financial position by entity and activity by entity have not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2017, on our consideration of Foundation Communities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation Communities' internal control over financial reporting and compliance.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, Foundation Communities changed its method of accounting for debt issuance costs in 2016 as required by the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2015-03. Our opinion is not modified with respect to this matter.

Maxwell Locke + Ritter LLP

Austin, Texas
May 15, 2017

FOUNDATION COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 16,505,021	\$ 15,270,179
Accounts and notes receivable:		
Trade	2,887,643	6,510,090
Grants and pledges	8,710,208	7,659,625
Interest	2,369,680	1,727,434
Notes receivable	52,845,550	43,992,009
Development fees	7,456,854	3,064,816
	74,269,935	62,953,974
Escrow and security deposits	787,071	324,616
Prepaid expenses	168,551	209,907
Investment in partnerships	1,366,440	1,366,849
Property and equipment, net	50,016,895	50,378,410
Intangible assets, net	6,168	13,333
Goodwill	5,902,524	5,902,524
TOTAL ASSETS	149,022,605	136,419,792
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	4,734,288	8,156,299
Deferred revenue	434,390	203,676
Resident security deposits	664,520	651,182
Interest rate swap agreements	552,761	732,181
Notes payable, net of unamortized debt issuance costs of \$630,232 and \$699,968	32,579,852	30,344,976
Forgivable loans payable, net of unamortized debt issuance costs of \$71,269 and \$75,607	40,581,955	39,522,245
Total liabilities	79,547,766	79,610,559
Net assets:		
Unrestricted	48,076,657	36,170,045
Temporarily restricted	16,165,725	14,856,731
Permanently restricted	5,232,457	5,782,457
Total net assets	69,474,839	56,809,233
TOTAL LIABILITIES AND NET ASSETS	\$ 149,022,605	\$ 136,419,792

See notes to consolidated financial statements.

FOUNDATION COMMUNITIES, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue:				
Rental income	17,348,224	--	--	17,348,224
Contributions and grants	7,201,583	8,400,470	450,000	16,052,053
Interest	1,285,438	--	--	1,285,438
Other property contractual fees	7,210,461	--	--	7,210,461
Net assets released from restriction	8,091,476	(7,091,476)	(1,000,000)	--
Total revenue	41,137,182	1,308,994	(550,000)	41,896,176
Expenses:				
Programs:				
Community social services	8,581,788	--	--	8,581,788
Property operations and maintenance	6,191,412	--	--	6,191,412
Depreciation and amortization	5,046,080	--	--	5,046,080
Interest expense	2,722,576	--	--	2,722,576
Utilities	1,570,968	--	--	1,570,968
Insurance	485,991	--	--	485,991
Real estate taxes	330,795	--	--	330,795
Management and general:				
General and administrative	3,595,376	--	--	3,595,376
Fundraising	705,584	--	--	705,584
Total expenses	29,230,570	--	--	29,230,570
Change in net assets	11,906,612	1,308,994	(550,000)	12,665,606
NET ASSETS, BEGINNING OF YEAR	36,170,045	14,856,731	5,782,457	56,809,233
NET ASSETS, END OF YEAR	48,076,657	16,165,725	5,232,457	69,474,839

See notes to consolidated financial statements.

FOUNDATION COMMUNITIES, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue:				
Rental income	16,796,242	--	--	16,796,242
Contributions and grants	8,197,030	6,645,693	480,000	15,322,723
Interest	786,902	--	--	786,902
Other property contractual fees	2,387,837	--	--	2,387,837
Net assets released from restriction	4,408,590	(3,408,590)	(1,000,000)	--
Total revenue	<u>32,576,601</u>	<u>3,237,103</u>	<u>(520,000)</u>	<u>35,293,704</u>
Expenses:				
Programs:				
Community social services	7,972,820	--	--	7,972,820
Property operations and maintenance	6,061,669	--	--	6,061,669
Depreciation and amortization	5,150,821	--	--	5,150,821
Interest expense	3,174,708	--	--	3,174,708
Utilities	1,538,018	--	--	1,538,018
Insurance	520,639	--	--	520,639
Real estate taxes	304,631	--	--	304,631
Management and general:				
General and administrative	3,360,571	--	--	3,360,571
Fundraising	635,910	--	--	635,910
Total expenses	<u>28,719,787</u>	<u>--</u>	<u>--</u>	<u>28,719,787</u>
Change in net assets before distribution to SWA Housing, Ltd. investor limited partner	3,856,814	3,237,103	(520,000)	6,573,917
Distribution to SWA Housing, Ltd. investor limited partner	<u>(425,000)</u>	<u>--</u>	<u>--</u>	<u>(425,000)</u>
Change in net assets	3,431,814	--	--	6,148,917
NET ASSETS, BEGINNING OF YEAR	<u>32,738,231</u>	<u>11,619,628</u>	<u>6,302,457</u>	<u>50,660,316</u>
NET ASSETS, END OF YEAR	<u>36,170,045</u>	<u>14,856,731</u>	<u>5,782,457</u>	<u>56,809,233</u>

See notes to consolidated financial statements.

FOUNDATION COMMUNITIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	12,665,606	6,148,917
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Goodwill	--	(5,204,619)
Noncash acquisition of operating assets and liabilities of SWA Housing, Ltd.	--	(1,209,457)
Noncash forgiveness on forgivable loans payable	(231,310)	(1,014,930)
Depreciation and amortization	5,046,080	5,150,821
Unrealized gain on interest rate swap agreements	(179,420)	(16,092)
Investment in new partnerships	409	233
(Increase) decrease in assets:		
Accounts and notes receivable:		
Trade	3,622,447	(2,129,134)
Grants and pledges	(1,050,583)	(2,589,370)
Interest	(642,246)	947,693
Notes	(8,853,541)	(7,534,390)
Development fees	(4,392,038)	1,493,478
Escrow and security deposits	(462,455)	111,811
Prepaid expenses	41,356	(117,567)
(Decrease) increase in liabilities:		
Accounts payable	(3,422,011)	3,842,537
Deferred revenue	230,714	(47,112)
Resident security deposits	13,338	56,179
Net cash provided by (used in) operating activities	<u>2,386,346</u>	<u>(2,111,002)</u>
CASH FLOWS FROM INVESTING ACTIVITIES-		
Purchases of property and equipment	(4,677,400)	(3,454,357)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long-term borrowings on notes payable	3,853,086	7,513,249
Principal payments on notes payable	(1,618,210)	(7,081,430)
Long-term borrowings on forgivable loans payable	1,291,020	4,259,931
Net cash provided by financing activities	<u>3,525,896</u>	<u>4,691,750</u>
Net change in cash and cash equivalents	1,234,842	(873,609)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>15,270,179</u>	<u>16,143,788</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>16,505,021</u>	<u>15,270,179</u>
SUPPLEMENTAL DISCLOSURE-		
Cash paid for interest	<u>3,544,242</u>	<u>3,096,255</u>

See notes to consolidated financial statements.

FOUNDATION COMMUNITIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 1: Description of the Organization and its Mission

Foundation Communities, Inc. ("FCI") is a Texas nonprofit corporation that provides development, asset management, educational and social services, and property management to its affiliates. FCI and its affiliates are collectively referred to as Foundation Communities.

Foundation Communities' stated purpose is to create housing where families succeed through programs and services for low income families and individuals that include: affordable housing; on-site learning centers offering educational programs for youth and adults; supportive housing including case management; asset building opportunities which include financial literacy education, matched savings accounts, and free income tax preparation assistance; and health initiatives that focus on wellness, prevention, and community resources.

The following are FCI's affiliates:

- Buckingham Mutual Housing Corporation ("Buckingham") was incorporated in 1991 and commenced operations on June 1, 1991.
- Cherry Creek Mutual Housing Corporation ("Cherry Creek") was incorporated in 1989 and commenced operations on June 1, 1989.
- Crossroads Mutual Housing Corporation ("Crossroads") was incorporated in 1990 and commenced operations on April 1, 1990.
- St. Elmo Mutual Housing Corporation (dba Sierra Ridge) ("St. Elmo") was incorporated in 1991 and commenced operations on March 1, 1991.
- Daffodil Mutual Housing Corporation ("Daffodil") was incorporated in 1996 and commenced operations on February 26, 1996.
- Sleepy Hollow Mutual Housing Corporation ("Sleepy Hollow") was incorporated in 1995 and commenced operations on June 1, 1995.
- Shadow Brook Mutual Housing Corporation ("Shadow Brook") was incorporated in 1995 and commenced operations on June 1, 1995.
- Peter's Colony Mutual Housing Corporation ("Peter's Colony") was incorporated in 1995 and commenced operations on June 1, 1995.
- Village Green Mutual Housing Corporation (dba Vintage Creek) ("Village Green") was incorporated in 1999 and commenced operations on February 15, 2000.
- Garden Terrace Housing Corporation ("Garden Terrace") was incorporated in 2001 and commenced operations on February 28, 2002.
- Spring Terrace Housing Corporation ("Spring Terrace") was incorporated in September 2006 and commenced operations in December 2006.

- Central Texas/Searight Housing Corporation (“CTSHC”) was formed in 1998 as the sole general partner and .01% owner of Searight Park, Ltd., owner of Trails at the Park apartment complex. The 99.99% limited partnership interest was sold to raise tax credit equity for the project. Trails at the Park is an affordable housing project, construction of which was completed in early 2000. The project costs, totaling approximately \$15,400,000, were financed by owner tax credits, mortgages, FCI reimbursable reserves, and grants. FCI was the developer and is the manager of this project through its affiliation with CTSHC. In November 2013, ownership of Trails at the Park apartment complex was transferred to CTSHC and the partnership dissolved.
- Central Texas/SWA Mutual Housing Corporation (“CTSWA”) was created in March of 1999 and commenced operations on February 1, 2000. CTSWA is the majority shareholder of CTSWA Funding Corporation, a for profit corporation that acts as the sole general partner and .01% owner of SWA Housing, Ltd., owner of the Southwest Trails apartment complex. The 99.99% limited partnership interest was sold to raise tax credit equity. Construction of Southwest Trails, a 160 unit affordable housing project in the Oak Hill area of Austin began in October of 2000. Construction was completed in the fall of 2001. FCI, through its affiliation with CTSWA, was the developer and is the manager of this project. The project costs, totaling approximately \$12,750,000, were financed by owner tax credits, the sale of private activity bonds, grants, and FCI reimbursable reserves. In March 2015, CTSWA (non-profit affiliate of FCI) purchased the limited partnership interest in SWA Housing, Ltd. The investor limited partner received \$425,000 for the sale of the interest in the partnership. SWA Funding Corp. (for-profit non-FCI affiliate) continues to own the general partnership interest. As of December 31, 2016 and 2015, the partnership continues to own the low-income housing development. It is anticipated that the partnership will wind up its affairs and the property will be transferred in its entirety to CTSWA upon refinancing the property in 2017.
- FC Skyline Terrace Housing, L.L.C. (“Skyline LLC”) was formed in 2006 as the sole general partner and .01% owner of Skyline Terrace Housing, L.P., owner of the Skyline Terrace project. The 99.99% limited partnership interest was sold in 2007 to raise tax credit equity for the project. Skyline Terrace is a 100 unit affordable housing project undergoing renovations to the existing structure that began in 2007 and were completed in March 2008. The project costs, totaling approximately \$10,450,000, were financed by the owner tax credits and FCI reimbursable reserves and grants. FCI was the developer and is the manager of this project through its affiliation with Skyline Terrace.
- FC M Station Housing, L.L.C. (“M Station LLC”) was formed in 2010 as the sole general partner and .01% owner of M Station Housing, L.P., owner of the M Station project. The limited partnership interest was sold to raise tax credit equity for the project. M Station is a 150 unit affordable housing project completed during 2011. FCI was the developer and is the manager of this project through its affiliation with M Station. The project costs, totaling approximately \$21,000,000, were financed by owner tax credits, the sale of private activity bonds, grants, and FCI reimbursable reserves.
- FC Shady Oaks Housing, L.L.C. (“Shady Oaks LLC”) was formed in 2010 as the sole general partner and .01% owner of Shady Oaks Housing, L.P., owner of the Sierra Vista project. The limited partnership interest was sold in December 2010 to raise tax credit equity for the project. Sierra Vista is a 238 unit affordable housing project renovated during 2011 and 2012. FCI was the developer and manager of this project through its affiliation with Shady Oaks. Central Texas PC Mutual Housing Corporation (“Central Texas PC Mutual”) purchased and operated Sierra Vista Apartments between February and December 2010 when the property was transferred to Shady Oaks Housing, L.P.
- FC Austin One Housing Corporation was formed in 2007. In 2010, FC Austin One Housing Corporation entered into a contract to purchase existing property to be developed into another affordable housing property. As of December 31, 2011 the purchase was complete and renovations were complete on 120 units of residential supportive housing. In 2011, FC Austin One Housing Corporation changed its name to Arbor Terrace Housing Corp. (“Arbor Terrace”).

- FC Austin Two Housing Corporation (“FC 2”) was formed in 2010. On December 31, 2012, FC 2 acquired the 99.99% limited partner interest in Searight Park, Ltd., owner of Trails at the Park Apartments. In 2013, the general partner entity, CTSHC acquired the property and the partnership dissolved. At December 31, 2016 and 2015, FC 2 had no assets or liabilities.
- FC Austin Three Housing Corporation (“FC 3”) was formed in 2011. In April 2013, FC 3 purchased two duplexes that were anticipated to become part of the tract for a future housing development but were sold to another non-profit in 2014. At December 31, 2016 and 2015, FC 3 had no assets or liabilities.
- FC Austin Four Housing Corporation (“FC 4”) was formed in 2011. At December 31, 2016 and 2015, FC 4 had no assets or liabilities.
- FC Downtown Studios Housing LLC (“Capital Studios LLC”) was formed in 2012 as the sole general partner and .01% owner of Capital Studios Housing, L.P. The limited partnership interest was sold in 2013 to raise tax credit equity for the Capital Studios project. Capital Studios is new construction of 135 units of affordable housing project with a completion date in November 2014. The project costs, totaling approximately \$21,000,000, were financed by owner tax credits, grants, and FCI reimbursable reserves.
- FC Austin Five, Six, Seven and Eight Housing Corporations (“FC 5, FC 6, FC 7, FC 8”) were formed in 2013. None of these organizations had any assets or liabilities at December 31, 2016 and 2015.
- FC Homestead Housing LLC (“Homestead LLC”) was formed in 2013 as the sole general partner and .01% owner of FC SW Housing, L.P. The limited partnership interest was sold in 2014 to raise tax credit equity for the Homestead Oaks Apartments project. Homestead Oaks is new construction of 140 units of affordable housing with a completion date in December 2015. The project costs, totaling approximately \$23,000,000, were financed by owner tax credits, grants, and FCI reimbursable reserves.
- FC Homestead General Contractor JV was formed in 2014 to construct the Homestead Oaks Apartment project in conjunction with Bailey Elliott Construction, Inc. Foundation Communities, Inc. is the 99% partner in the joint venture. The JV was dissolved upon completion of the Homestead Oaks project in 2015 and had no assets or liabilities at December 31, 2016.
- FC Highway 71 Housing, LLC (“Live Oak LLC”) was formed in 2014 as the sole general partner and .01% owner of FC Southwest Trails Housing, L.P. The limited partnership interest was sold in 2015 to raise tax credit equity for the Live Oak Trails Apartments project. Live Oak Trails is new construction of 58 units of affordable housing with a completion date in 2016. The project costs, totaling approximately \$15,000,000, were financed by owner tax credits, grants, and FCI reimbursable reserves.
- FC SOLA Housing LLC (“Bluebonnet LLC”) was formed in 2014 as the sole general partner and .01% owner of FC Bluebonnet Studios Housing, L.P. The limited partnership interest was sold in 2015 to raise tax credit equity for the Bluebonnet Studios project. Bluebonnet Studios is new construction of 107 units of affordable housing with a completion date in 2016. The project costs, totaling approximately \$20,000,000, were financed by owner tax credits, grants, and FCI reimbursable reserves.
- FC Lakeline Housing LLC (“Lakeline LLC”) was formed in 2014 as the sole general partner and .01% owner of FC Rutledge Spur Housing, L.P. The limited partnership interest was sold in 2015 to raise tax credit equity for the Lakeline Station Apartments project. Lakeline Station is new construction of 128 units of affordable housing with a completion date in 2016. The project costs, totaling approximately \$27,000,000, were financed by owner tax credits, grants, and FCI reimbursable reserves.
- FC 4Points Housing LLC (“4Points LLC”) was formed in 2015 as the sole general partner and .01% owner FC Cardinal Point Housing L.P. The limited partnership interest was sold in 2016 to raise tax credit equity for the Cardinal Point Apartments project. Cardinal Point will be new construction of 120 units of affordable housing with an expected completion date in 2017.

The financial statements of all the affiliates listed above are consolidated into the financial statements of FCI as FCI has control over and economic interest in them. The Board of Directors for FCI also serve as the Directors of the affiliated corporations. Funds are solicited, controlled, and disbursed at the direction of FCI for the benefit of the affiliated corporations. All inter-organizational transactions and balances have been eliminated between the affiliated corporations.

The 2016 and 2015 consolidated financial statements do not include the accounts of Skyline Terrace Housing, L.P., M Station Housing, L.P., Shady Oaks Housing, L.P., Capital Studios Housing, L.P., FC SW Housing, L.P., FC Southwest Trails Housing, L.P., FC Bluebonnet Studios Housing, L.P., FC Rutledge Spur Housing, L.P. and FC Cardinal Point Housing, L.P. since FCI does not have control over those entities. Related party transactions with these entities are disclosed in Notes 16, 17, 18, 19, 20, 21, 22, 23 and 24. Skyline Terrace Housing, L.P., M Station Housing, L.P., Shady Oaks Housing, L.P., Capital Studios Housing, L.P., FC SW Housing, L.P., FC Southwest Trails Housing, L.P., FC Bluebonnet Studios Housing, L.P., and FC Rutledge Spur Housing, L.P. are reported as separate entities and have their own audited financial statements. FC Cardinal Point Housing, L.P. is also reported as a separate entity and will have a separate audit report when construction is completed and rental operations begin in 2017.

Buckingham, Cherry Creek, Crossroads, St. Elmo, Daffodil, Sleepy Hollow, Shadow Brook, Peter's Colony, Village Green, Garden Terrace, Spring Terrace, CTSHC, CTSWA, Arbor Terrace, FC 2, FC 3, FC 4, FC 5, FC 6, FC 7 and FC 8 are Texas nonprofit 501(c)(3) corporations that either own and operate duplex and apartment communities or own partnership interests in low-income housing tax credit partnerships. FC Highway 71 Housing, LLC, FC SOLA Housing, LLC, FC Lakeline Housing, LLC, and FC 4Points Housing, LLC are owned 100% by Foundation Communities and have not elected status as taxable corporations. Their purpose is to promote charitable and educational activities and includes improving overall community stability through the development and management of affordable housing alternatives for low income individuals and providing educational activities to expand opportunities for the residents

Skyline LLC, M Station LLC, Shady Oaks LLC, Homestead LLC and SWA Funding Corp. are for profit entities and are therefore not included in the group exemption maintained for the other affiliated corporations but are included in these reports because they are 100% owned by FCI. FC Downtown Studios Housing LLC is 49% owned and controlled by FCI, and as a for profit entity, it is also excluded from the group exemption maintained for the other affiliated corporations.

Note 2: Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Under the accrual basis of accounting, revenue is recognized when earned regardless of when collected, and expenses are recognized when the obligation is incurred regardless of when paid. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Foundation Communities and changes therein are classified and reported as follows:

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

Temporarily restricted net assets - Net assets subject to donor imposed stipulations, which limit their use by Foundation Communities to a specific purpose and/or the passage of time. When a restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. See Note 14 for restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations, which require them to be maintained permanently by Foundation Communities. See Note 15 for restrictions.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Fair Value Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

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

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, Foundation Communities considers unrestricted highly liquid assets with an original maturity of three months or less as cash and cash equivalents.

Investments in Partnerships

Investments in partnerships are accounted for under the equity method of accounting. The equity method is required because Foundation Communities is a non-controlling general partner that has guaranteed 100% of the partnerships' debt.

Trade Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the amount Foundation Communities expects to collect on outstanding balances. No allowance for doubtful accounts has been recorded as management believes all significant accounts receivable to be collectible. Management records bad debts using the direct charge-off method. U.S. GAAP requires that the allowance method be used to record bad debts; however, the effect of using the direct charge-off method is not materially different from the results that would have been obtained using the allowance method.

Grants and Pledges Receivable

Grants and pledges receivable are recorded at the amount Foundation Communities expects to receive from grantors and donors. Promises to give are recorded at fair value if expected to be collected in one year and at net present value if expected to be collected in more than one year. Conditional promises to give are recognized when conditions on which they depend are substantially met. Foundation Communities did not record a net present value discount on contributions receivable at December 31, 2016 or 2015, as the amount would be insignificant. No allowance for uncollectible grants receivable has been recorded as, historically, Foundation Communities has not experienced material uncollectible amounts.

Notes Receivable

Notes receivable represent loans issued to the tax credit partnerships. Notes receivable are stated at unpaid principal balances and represent subordinate lien positions on the tax credit partnerships' real estate. Refer to Notes 5, 16, 17, 18, 19, 20, 21, 22, 23 and 24 for additional information.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. The composite method is used for the housing unit buildings and improvements. Under the composite method, proceeds from the retirement of assets are credited to accumulated depreciation. Gains or losses on disposition of property and equipment (other than housing unit buildings and improvements) are credited or charged to operations. Foundation Communities capitalizes expenditures over \$500. However, certain expenditures for major renewals and betterments that generally cost less than \$500 related to major renovation projects are also capitalized, as well as the costs that relate to the acquisition and development of properties. Interest costs are capitalized while development is in progress. Maintenance and repairs are charged to expense as incurred.

Construction in progress represents construction costs and land development costs incurred on incomplete properties not yet available for occupancy. Construction in progress is stated at cost and is not depreciated. Depreciation on construction in progress commences when the assets are ready for their intended use.

Intangible Assets

All intangible assets have been determined to have finite lives and as such are being amortized over their respective useful lives. Leasehold interests are being amortized on a straight-line basis over 30 years.

Impairment of Long-Lived Assets and Intangible Assets Subject to Amortization

Long-lived assets subject to amortization are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. Management believes there has been no impairment of such assets as of December 31, 2016 and 2015.

Debt Issuance Costs

Debt issuance costs associated with debt are recorded as a reduction of the related outstanding debt balance, and amortized to interest expense over the term of the related debt arrangement.

Goodwill

Represents the net of the fair value of the assets acquired and the liabilities assumed through CTSHC's acquisition of the Trails at the Park apartment property on December 31, 2012 and the acquisition of the limited partners' interest on SWA Housing, Ltd. on March 3, 2015. No impairment existed at December 31, 2016 or 2015.

Interest Rate Swap Agreements

Interest rate swaps are valued based on market values provided by the third party intermediary. Foundation Communities has two interest rate swap agreements with a bank that are accounted for as cash flow hedges. These agreements are used to manage exposure to fluctuations in variable interest rates on three note payable agreements. Foundation Communities records the interest rate swap agreements based on the fair value at the statement of financial position date. The corresponding change in the fair value of the agreements is recognized in the current period as an adjustment to interest expense.

Rental Income Recognition

Rental income is recognized as the rent becomes due under the terms of the related agreements. The apartment and duplex units are leased under non-cancelable operating leases with up to twelve-month terms.

Government Grant Revenue Recognition

Revenue from certain grants received from federal, state, and local governments are earned based on Foundation Communities incurring allowable costs or providing services. Therefore, revenue is recognized as those costs are incurred or the services are provided.

Contributions

All contributions are recorded at fair value and are considered to be available for operations of Foundation Communities unless specifically restricted by the donor. Unconditional pledges to give cash and other assets are reported as either temporarily or permanently restricted net assets, if they are received with donor stipulations that limit the use of donated assets. Conditional pledges to give are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional. Contribution revenue for the year ended December 31, 2016 and 2015 includes \$1,549,364 and \$1,585,363, respectively, of interest imputed on twenty eight no interest loans with interest imputed between 3% and 6% received from governmental entities (see Note 11). There is no effect on the change in net assets for the year ended December 31, 2016 and 2015, as offsetting interest expense has been recorded for the same amount.

Functional Allocation of Expenses

The expense information contained in the consolidated statements of activities is presented on a functional basis. Accordingly, certain expenses are allocated between functional categories.

Federal Income Taxes

FCI and its affiliates are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, with the exception of Skyline LLC, M Station LLC, Shady Oaks LLC, Homestead LLC, and SWA Funding Corp. which are for profit entities solely owned by FCI and Capital Studios LLC which is majority controlled by FCI. As of December 31, 2016 and 2015, there was no significant tax liability related to these for profit entities. No provision for income taxes has been included in Foundation Communities' consolidated financial statements. Foundation Communities is subject to routine examinations of its returns; however, there are no examinations currently in progress.

Recently Issued Accounting Pronouncements

In May 2014 and August 2015, the FASB issued Accounting Standards Updates ("ASU") No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective for fiscal years beginning after December 15, 2018, and is to be applied retrospectively and early application permitted. Foundation Communities is currently evaluating the impact the new standard will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statement of operations for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019 and early adoption is permitted. Foundation Communities is currently evaluating the impact the standard will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statements of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statements of activities the amount of the change in each of these two classes of net assets. The standard will no longer require the presentation or disclosure of the indirect method of reporting cash flows if an entity elects to use the direct method, however it will be required for an entity to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. Foundation Communities is currently evaluating the impact the standard will have on its consolidated financial statements.

Change in Accounting Principle for Recently Adopted Accounting Pronouncement

As a result of changes in the accounting standards for debt issuance costs, debt issuance costs related to a recognized debt liability are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts, rather than as a deferred charge presented as an asset. The standard was adopted effective January 1, 2016 and the guidance was applied retrospectively to debt issuance costs existing as of that date and recognized subsequent to that date.

Reclassification

Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net assets.

Note 3: Concentrations of Credit Risk

Financial instruments which potentially subject Foundation Communities to concentrations of credit risk consist principally of cash and cash equivalents, investments in partnerships, and receivables. Foundation Communities places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Management believes no significant risk exists with respect to cash and cash equivalents. Investments in partnerships are exposed to various risks, such as interest rate market and credit risks. Due to the level of risk associated with these investments, it is possible that changes in the near-term could materially affect the amounts reported in the statement of financial position. Foundation Communities does not maintain collateral for its receivables and does not believe significant risk exists at December 31, 2016 and 2015. One grantor accounted for 46% of gross receivables at December 31, 2016.

Note 4: Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at December 31:

	<u>2016</u>	<u>2015</u>
Cash available for operations	\$ 3,690,470	\$ 4,804,240
IDA/AFI designated cash *	330,420	340,790
Reserve for contingencies **	6,352,904	5,987,780
Reserve for security deposits	664,520	651,182
Reserve for Real Estate Investments***	4,386,247	1,773,117
Temporarily restricted cash balance	999,999	1,711,239
Permanently restricted cash balance	80,461	1,831
Total	<u>\$ 16,505,021</u>	<u>\$ 15,270,179</u>

*FCI maintains separate accounts for the funds designated for the resident matched savings program, which provide matching funds to residents who save money for a qualified purchase of a home, education, or small business purpose.

**FCI maintains a central reserve for all affiliated properties to cover possible contingencies for replacements and cash flow shortages due to market fluctuations or unexpected expenses on their affiliates at a board designated level of at least \$1,000 per unit. Properties with excess cash flow make annual contributions to the central reserve.

***FCI set up a Real Estate Investment Expansion Fund in 2012 to provide a means of raising funds for future expansion of affordable housing projects. Initial funds were obtained from refinancing of Cherry Creek Duplexes and Buckingham refinancing in 2013.

Note 5: Accounts Receivable

Trade Receivables

Trade receivables represent primarily construction costs incurred by Foundation Communities to be reimbursed per contract terms with governmental agencies and loan bridged financing agreements. Trade receivables also include uncollected rents from residents at low-income housing properties, uncollected management fees from tax credit properties not included in the consolidated group and accruals of payroll related items. Trade receivables consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Construction progress billings	\$ 2,823,555	\$ 5,854,789
Uncollected rents	18,734	44,008
Uncollected management fees	29,410	21,698
Other receivable amounts	15,944	589,595
Total	<u>\$ 2,887,643</u>	<u>\$ 6,510,090</u>

Grants and Pledges

Grants and pledges receivable consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Grants	\$ 6,381,759	\$ 5,536,779
Undesignated pledges	2,328,449	2,122,846
Total	<u>\$ 8,710,208</u>	<u>\$ 7,659,625</u>

The maturity of these receivables was as follows as of December 31:

	<u>2016</u>	<u>2015</u>
Due in less than one year	\$ 6,673,363	\$ 6,537,774
Due in one to five years	2,036,845	1,121,851
Total	<u>\$ 8,710,208</u>	<u>\$ 7,659,625</u>

Reconciliation of the beginning and ending balances in grants and pledges receivable was as follows as of December 31:

Balance, December 31, 2014	\$ 5,070,255
Receipt of new grants and pledges	14,394,519
Payments on receivables	(11,725,145)
Write off uncollectible	(80,004)
Balance, December 31, 2015	7,659,625
Receipt of new grants and pledges	15,246,447
Payments on receivables	(14,039,958)
Write off uncollectible	(155,906)
Balance, December 31, 2016	<u>\$ 8,710,208</u>

Interest Receivable

Interest receivable consists of interest accrued on notes receivable from tax credit partnerships not included in the consolidated group (see Notes 16, 17, 18, 19, 20, 21, 22, 23 and 24) consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Interest receivable - Skyline Terrace Housing, L.P.	\$ 126,791	\$ 113,881
Interest receivable - M Station Housing, L.P.	445,505	380,505
Interest receivable - Shady Oaks Housing, L.P.	356,934	261,333
Interest receivable - Capital Studios Housing, L.P.	233,081	486,499
Interest receivable - FC SW Housing, L.P.	229,687	131,294
Interest receivable - FC Southwest Trails Housing, L.P.	194,963	86,408
Interest receivable - FC Bluebonnet Studios Housing, L.P.	302,601	114,470
Interest receivable - FC Rutledge Spur Housing, L.P.	340,978	153,044
Interest receivable - FC Cardinal Point Housing, L.P.	139,140	--
Total	<u>\$ 2,369,680</u>	<u>\$ 1,727,434</u>

Notes Receivable

Notes receivable from tax credit partnerships (See Notes 16, 17, 18, 19, 20, 21, 22, 23 and 24) plus one note receivable received through donation consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Note receivable - Skyline Terrace Housing, L.P.	\$ 2,000,000	\$ 2,000,000
Note receivable - Skyline Terrace Housing, L.P.	1,450,000	1,450,000
Note receivable - Skyline Terrace Housing, L.P.	750,000	750,000
Note receivable - Skyline Terrace Housing, L.P.	850,000	850,000
Note receivable - M Station Housing L.P.	2,000,000	2,000,000
Note receivable - M Station Housing L.P.	3,000,000	3,000,000
Note receivable - M Station Housing, L.P.	1,500,000	1,500,000
Note receivable - Shady Oaks Housing, L.P.	3,000,000	3,000,000
Note receivable - Shady Oaks Housing, L.P.	2,550,000	2,550,000
Note receivable - Capital Studios Housing, L.P.	6,523,050	7,833,133
Note receivable - Capital Studios Housing, L.P.	1,000,000	1,000,000
Note receivable - FC SW Housing, L.P.	1,326,273	2,211,373
Note receivable - FC SW Housing, L.P.	1,000,000	1,000,000
Note receivable - FC Southwest Trails Housing, L.P.	2,983,851	819,242
Note receivable - FC Southwest Trails Housing, L.P.	2,045,690	1,545,690
Note receivable - FC Bluebonnet Studios Housing, L.P.	3,994,420	3,294,420
Note receivable - FC Bluebonnet Studios Housing, L.P.	1,430,000	980,000
Note receivable - FC Bluebonnet Studios Housing, L.P.	3,916,621	945,874
Note receivable - FC Bluebonnet Studios Housing, L.P.	1,500,000	--
Note receivable - FC Rutledge Spur Housing, L.P.	2,475,000	2,475,000
Note receivable - FC Rutledge Spur Housing, L.P.	500,000	500,000
Note receivable - FC Rutledge Spur Housing, L.P.	294,820	294,820
Note receivable - FC Rutledge Spur Housing, L.P.	3,236,507	1,165,729
Note receivable - FC Cardinal Point Housing, L.P.	3,519,318	2,800,355
Note receivable - KJ Smith (donated note)	--	26,373
Total	<u>\$ 52,845,550</u>	<u>\$ 43,992,009</u>

Development Fees Receivable

Foundation Communities earns development fees on new low-income housing projects. Unpaid balances upon construction completion bear terms that payments are subject to cash flow from the property. Development fees receivable consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Development fees receivable - M Station Housing, L.P.	\$ 396,000	\$ 455,000
Development fees receivable - Shady Oaks Housing, L.P.	285,000	615,000
Development fees receivable - Capital Studios Housing, L.P.	649,039	905,030
Development fees receivable - FC SW Housing, L.P.	1,502,293	--
Development fees receivable - FC Southwest Trails Housing, L.P.	1,220,181	305,045
Development fees receivable - FC Bluebonnet Studios Housing, L.P.	1,055,133	263,783
Development fees receivable - FC Rutledge Spur Housing, L.P.	2,083,829	520,958
Development fees receivable - FC Cardinal Point Housing, L.P.	265,379	--
Total	<u>\$ 7,456,854</u>	<u>\$ 3,064,816</u>

Note 6: Investment in Partnerships

Investment in partnerships consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Investment in Skyline Terrace Housing, L.P.	\$ 1,362,632	\$ 1,362,651
Investment in M Station Housing, L.P.	(518)	(442)
Investment in Shady Oaks Housing, L.P.	(420)	(371)
Investment in FC Downtown Studios Housing, L.P.	(75)	11
Investment in FC SW Housing, L.P.	900	1,000
Investment in FC Southwest Trails Housing, L.P.	974	1,000
Investment in FC Bluebonnet Studios Housing, L.P.	957	1,000
Investment in FC Rutledge Spur Housing, L.P.	990	1,000
Investment in FC Cardinal Point Housing, L.P.	1,000	1,000
Total	<u>\$ 1,366,440</u>	<u>\$ 1,366,849</u>

These investments were recorded at fair value using the income approach and were measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as follows:

Balance, December 31, 2014	\$ 1,367,082
Investment in new partnerships	1,000
Equity in net partnerships loss	<u>(1,233)</u>
Balance, December 31, 2015	1,366,849
Equity in net partnerships loss	<u>(409)</u>
Balance, December 31, 2016	<u>\$ 1,366,440</u>

Note 7: Property and Equipment

Property and equipment consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Building and improvements	\$ 101,693,048	\$ 98,780,583
Construction and renovations in progress	148,060	92,063
Furniture, appliances, and equipment	<u>6,844,200</u>	<u>6,306,619</u>
	108,685,308	105,179,265
Less accumulated depreciation	<u>(67,970,176)</u>	<u>(63,035,025)</u>
	40,715,132	42,144,240
Land	<u>9,301,763</u>	<u>8,234,170</u>
Property and equipment, net	<u>\$ 50,016,895</u>	<u>\$ 50,378,410</u>

Depreciation expense was approximately \$5,039,000 and \$5,143,000 for the years ended December 31, 2016 and 2015, respectively.

Note 8: Intangible Assets

Intangible assets consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Org. Costs	\$ 27,026	\$ 27,026
Less accumulated amortization	<u>(20,858)</u>	<u>(13,693)</u>
Intangibles assets, net	<u>\$ 6,168</u>	<u>\$ 13,333</u>

Amortization expense was approximately \$7,000 for each of the years ended December 31, 2016 and 2015.

Note 9: Business Combinations

On March 13, 2015, CTSWA acquired 99.99% ownership of SWA Housing, Ltd. No consideration was provided to SWA Housing, Ltd. limited partners. Goodwill of \$5,204,619 arising from the acquisition was assigned to the acquiring affiliate. No impairment existed at December 31, 2016 or 2015.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date, as well as the fair value at the acquisition date of the noncontrolling interest in SWA Housing Ltd., solely owned by CTSWA:

Recognized amounts of identifiable assets acquired and liabilities assumed:	
Financial assets	\$ 246,649
Property and equipment, net	5,954,958
Intangible assets, net	196,445
Less financial liabilities	<u>(11,603,671)</u>
Total net identifiable net assets	(5,205,619)
Less noncontrolling interest in SWA Housing, Ltd.	<u>1,000</u>
Goodwill	<u>\$ (5,204,619)</u>

The fair value of the financial assets acquired includes cash and receivables under operating leases. The fair value of the acquired intangible assets relates to loan origination fees. SWA Housing, Ltd. does not have any collection items or conditional promises to give. The fair value of the liabilities assumed include a \$5,020,120 note payable to a financial institution, \$6,412,076 due to Foundation Communities and \$171,475 in tenants prepaid rent and other accrued current liabilities. The fair value of the noncontrolling interest in SWA Housing, Ltd. was determined by applying the equity method of accounting. All inter-organizational transactions and balances were eliminated as part of the consolidation process.

The remaining \$697,905 recorded as goodwill on the consolidated statements of financial position as of December 31, 2016 and 2015, relates to the acquisition of the 99.99% ownership of Searight Park, Ltd by FC 2 on December 31, 2012. No impairment existed at December 31, 2016 or 2015. In November 2013, Searight Park, Ltd. was dissolved and the Trails at the Park Apartments were transferred to CTSHC the former general partner in the partnership and affiliate of Foundation Communities.

Note 10: Notes Payable

Notes payable consisted of the following as of December 31:

	2016	2015
Cherry Creek:		
Promissory note, with a fixed interest rate of 3.50%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases and income leases, and income from the property. Principal and interest payable in monthly installments of \$25,107; due December 31, 2027.	\$ 2,759,136	\$ 2,958,089
Debt issuance costs, net of amortization.	(21,096)	(23,014)
Buckingham:		
Promissory note, with a floating LIBOR interest rate which was swapped for a fixed interest rate of 3.30%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases, and income from the property. Principal and interest payable in monthly installments of \$33,333; due January 5, 2028.	4,433,333	4,833,333
Debt issuance costs, net of amortization.	(32,356)	(35,297)
Shadow Brook:		
Promissory note, bearing interest at 4.5%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases, and income from the property. Principal and interest payable in monthly installments of \$24,972; due August 1, 2029.	2,878,736	3,042,519
Debt issuance costs, net of amortization.	(70,701)	(76,319)
Line of credit bearing variable interest rate at LIBOR + 2.65%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases, and income from the property. Interest payable in monthly installments; due May 26, 2017.	3,733,629	1,830,543

Village Green:

Promissory note, with a floating LIBOR interest rate which was swapped for a fixed interest rate of 5.75%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases and income leases, and income from the property.

Principal and interest payable in monthly installments of \$33,500; remaining balance payable February 5, 2028.

3,471,081 3,619,461

Debt issuance costs, net of amortization.

(167,219) (174,686)

Central Texas Searight Housing Corp. (Trails at the Park):

Promissory note, with a fixed interest rate of 3.5%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases and income leases, and income from the property. Principal and interest payable in monthly installments of \$40,736; due November 5, 2030.

5,379,865 5,675,585

Debt issuance costs, net of amortization.

(155,400) (199,978)

SWA Housing, Ltd. (Southwest Trails):

Promissory note, with a fixed interest rate of 7.35%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases and income leases, and income from the property. Principal and interest payable in monthly installments of \$35,411; due June 1, 2042.

4,889,032 4,952,081

Debt issuance costs, net of amortization.

(183,460) (190,674)

FCI (Expansion Fund - Note 1):

Promissory note in the amount of \$3,000,000 with initial due date of October 17, 2016, extended to November 1, 2018, bearing an interest rate of 0%. Payment due at maturity.

3,000,000 3,000,000

FCI (Expansion Fund - Note 2):

Promissory note in the amount of \$2,000,000 with a maturity date of November 1, 2018, bearing an interest rate of 0%. Monthly payments of \$33,333 through maturity date.

733,333 1,133,333

FCI (EQ2):

Promissory note in the amount of \$750,000 with a maturity date of September 9, 2022, bearing an interest rate of 2%. Interest payable quarterly in payments of \$3,750 through maturity date with balance due at maturity.

750,000 --

FCI (Airport Blvd. property):

Promissory note in the original amount of \$1,200,000 with a maturity date of July 1, 2026, bearing an interest rate of 3.27%. Monthly payments of \$6,819 through maturity date.

1,181,939 --
\$ 32,579,852 \$ 30,344,976

The loan agreements contain various covenants, including the requirement to maintain certain financial ratios. Failure to comply with the covenants could result in the debt being called by the lender.

Future required principal payments on debt obligations were as follows as of December 31, 2016:

	Principal	Amortization of Debt Issuance Costs	Notes Payable, net
2017	\$ 5,703,896	\$ 69,737	\$ 5,634,159
2018	4,864,411	69,737	4,794,674
2019	1,578,969	69,737	1,509,232
2020	2,129,187	69,737	2,059,450
2021	1,692,709	69,737	1,622,972
Thereafter	17,240,912	281,547	16,959,365
Total	<u>\$ 33,210,084</u>	<u>\$ 630,232</u>	<u>\$ 32,579,852</u>

In prior years, Foundation Communities reported debt issuance costs as a deferred charge in the statement of financial position and amortization of such costs in the statement of activities as depreciation and amortization. To comply with new U.S. GAAP presentation requirements, in 2016 Foundation Communities began reporting such costs as a direct deduction from the face amount of the related debt (as shown in the table below) and reclassified prior year amounts, resulting in a reduction of total 2015 assets by \$699,968. The change did not affect net assets.

Similarly, Foundation Communities now reports amortization of debt issuance costs, \$69,737 during the year ended December 31, 2016, as interest expense and reclassified 2015 amounts accordingly. As a result, reported interest expense during the year ended December 31, 2015 was increased and depreciation and amortization decreased by \$69,736, with no net effect on the change in net assets.

	2016	2015
Principal amount	\$ 33,210,084	\$ 31,044,944
Less unamortized debt issuance costs	<u>(630,232)</u>	<u>(699,968)</u>
Long-term debt, net of unamortized debt issuance costs	<u>\$ 32,579,852</u>	<u>\$ 30,344,976</u>

Note 11: Forgivable Loans Payable

Foundation Communities receives financial assistance for land acquisition and property development costs from the City of Austin administered through the CHDO Program of Austin Housing Finance Corporation (“AHFC”), Texas Department of Housing and Community Affairs (“TDHCA”) and other grantors. Under the terms of agreements with AHFC, TDHCA and other grantors, funds are provided to Foundation Communities in the form of forgivable loans. The agreements provide for the forgivable loan to be secured by deeds of trust on the property acquired under the agreement. The loan under each agreement is forgiven upon adhering to the Land Use Restrictions to provide housing to income qualified residents for the time period specified in each agreement. Amounts received are reported as forgivable loans payable until all conditions necessary to secure the forgiveness of the debt are met, at which time the forgivable loans are recognized as grant revenue. Forgivable loans payable represent amounts received for which all conditions necessary to secure the forgiveness of the debt had not yet been met.

Forgivable loans payable consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Crossroads:		
Promissory note bearing no interest, collateralized by land, building and improvements, furniture and equipment, all interest in tenant leases and income from the property. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the restrictive covenants until the maturity date of June 17, 2108. Foundation Communities records interest expense based on the imputed rate of 4.5%, the market rate of interest at the origination date.	\$ 900,000	\$ 900,000
Debt issuance costs, net of amortization.	(71,269)	(75,607)
CTSWA (Southwest Trails):		
Promissory note, bearing interest at 6.0%, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases, and income from the property. Principal and interest payable in two installments, the first on December 21, 2011, unless forgiven, and the second and final on December 21, 2020. Provided the maker has not defaulted on any of the terms or conditions of the note on the applicable due date, said installment payments shall be forgiven.	500,000	500,000
Promissory note in the amount of \$596,506 due February 28, 2021, bearing no interest, collateralized by land, buildings and improvements. No monthly installments are due on the loan. Rather, the lender will forgive the loan upon compliance with 20 year affordability requirements identified in a Certification Affidavit provided in the final application. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	596,506	596,506
Garden Terrace:		
Promissory note in the amount of \$1,600,000 with an initial due date of February 28, 2032, bearing no interest, collateralized by land, buildings and improvements. No monthly installments are due on the loan. Rather, the lender will extend the loan to February 28, 2064 upon compliance with 30 year affordability requirements identified in the loan documentation. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	1,600,000	1,600,000
Promissory note in the amount of \$1,000,000 with a renewed maturity date of January 9, 2023, bearing no interest, collateralized by land, buildings and improvements. No monthly installments are due on the loan. Rather, the lender will forgive the balance upon maturity contingent upon the property adhering to Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	1,000,000	1,000,000

Promissory note, bearing no interest, collateralized by land, buildings and improvements, furniture and equipment, all interest in tenant leases, and income from the property. Payment of principal and interest deferred until February 28, 2032. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	175,750	175,750
Promissory note in the amount of \$500,000 due June 1, 2038, bearing no interest, collateralized by land, buildings and improvements. No monthly installments are due on the loan. Rather, the lender will forgive the loan upon compliance with 30 year affordability requirements identified in a Certification Affidavit provided in the final application. Foundation Communities imputes 6% interest expense based on the market rate of interest at the origination date.	500,000	500,000
Promissory note in the amount of \$176,070 with a due date of September 30, 2035, bearing no interest, collateralized by land, buildings and improvements owned by Garden Terrace Housing Corp. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	86,682	--
Spring Terrace:		
Promissory note in the amount of \$786,446 with an initial due date of December 19, 2035, bearing no interest. No monthly installments are due on the loan. At maturity, the payment terms are to be restructured based on actual net operating income. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	786,446	786,446
Promissory note up to an amount of \$682,010 with an initial due date of December 19, 2035, bearing no interest. No monthly installments are due on the loan. At maturity, the payment terms are to be restructured based on actual net operating income. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	682,010	682,010
FCI (Skyline Terrace):		
Promissory note in the amount of \$1,450,000 with an initial due date of January 1, 2048, bearing no interest, collateralized by land, buildings, and improvements owned by Skyline Terrace Housing, L.P. No monthly installments are due on the loan. Rather, the lender will waive repayment of principal contingent upon the property adhering to the Land Use Restriction Agreement until the maturity date. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.	1,450,000	1,450,000

<p>Promissory note in the amount of \$1,118,309 with an initial due date of August 23, 2036, bearing no interest, collateralized by land, buildings, and improvements owned by Skyline Terrace Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.</p>	1,118,309	1,118,309
<p>Promissory note in the amount of \$881,691 with an initial due date of March 1, 2039, bearing no interest, collateralized by land, buildings, and improvements owned by Skyline Terrace Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 6.0%, the market rate of interest at the origination date.</p>	881,691	881,691
<p>Promissory note in the amount of \$1,516,850 with an initial due date of June 12, 2048, bearing no interest, collateralized by land, buildings, and improvements owned by Skyline Terrace Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 4.5%, the market rate of interest at the origination date.</p>	1,516,850	1,516,850
FCI (M Station):		
<p>Promissory note in the amount of \$2,000,000 with a due date of November 30, 2108, bearing 3% interest, secured by land for the M Station project. Payment due at maturity or date FCI is required to repay AHFC.</p>	2,000,000	2,000,000
FCI (Shady Oaks):		
<p>Promissory note in the amount of \$3,000,000 with a due date of January 1, 2109, bearing no interest, collateralized by land, buildings and improvements owned by Shady Oaks Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	3,000,000	3,000,000
FCI (Capital Studios):		
<p>Promissory note in the amount of \$4,660,000 with a due date of July 1, 2053, bearing no interest, collateralized by land, buildings and improvements owned by Capital Studios Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	4,660,000	4,660,000

FCI (Live Oak Trails):

Promissory note in the amount of \$1,250,000 with a due date of September 1, 2054, bearing no interest, collateralized by land, buildings and improvements owned by FC Southwest Trails Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	1,250,000	1,250,000
Promissory note in the amount of \$295,690 with a due date of July 31, 2055, bearing no interest, collateralized by land, buildings and improvements owned by FC Southwest Trails Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	295,690	295,690
Promissory note in the amount of \$500,000 with a due date of July 31, 2055, bearing no interest, collateralized by land, buildings and improvements owned by FC Southwest Trails Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	500,000	—

FCI (Bluebonnet):

Promissory note in the amount of \$2,000,000 with a due date of September 1, 2054, bearing no interest, collateralized by land, buildings and improvements owned by FC Bluebonnet Studios Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	2,000,000	2,000,000
Promissory note in the amount of \$1,000,000 with a due date of September 1, 2054, bearing no interest, collateralized by land, buildings and improvements owned by FC Bluebonnet Studios Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	1,000,000	1,000,000
Promissory note in the amount of \$294,420 with a due date of June 30, 2035, bearing no interest, collateralized by land, buildings and improvements owned by FC Bluebonnet Studios Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.	294,420	294,420

<p>Promissory note in the amount of \$700,000 with a due date of June 30, 2035, bearing no interest, collateralized by land, buildings and improvements owned by FC Bluebonnet Studios Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	700,000	--
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FCI (Lakeline):

<p>Promissory note in the amount of \$2,475,000 with a due date of October 1, 2054, bearing no interest, collateralized by land, buildings and improvements owned by FC Rutledge Spur Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	2,475,000	2,475,000
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<p>Promissory note in the amount of \$500,000 with a due date of June 30, 2055, bearing no interest, collateralized by land, buildings and improvements owned by FC Rutledge Spur Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	500,000	500,000
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<p>Promissory note in the amount of \$294,820 with a due date of June 30, 2035, bearing no interest, collateralized by land, buildings and improvements owned by FC Rutledge Spur Housing, L.P. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal contingent upon the property adhering to the Restrictive Covenants until the maturity date. Foundation Communities records interest expense based on the imputed rate of 3%, the market rate of interest at the origination date.</p>	294,820	294,820
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FC Austin One Housing Corp (Arbor Terrace):

<p>Promissory note in the amount of \$7,260,290 with a due date of July 1, 2042, bearing no interest, collateralized by land, buildings and improvements owned by AHFC and leased to FC Austin One Housing Corp. Annual payments will become due beginning July 1, 2013. No monthly installments are due on the loan. Rather, the lender will defer payments and forgive the principal each year contingent upon the property adhering to the restrictive covenants until the maturity date. Interest is imputed at 4% based upon the market rate of interest at the origination date.</p>	6,014,050	6,245,360
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<p>Promissory note in the amount of \$2,000,000 with a due date of June 30, 2110, bearing no interest, collateralized by land, buildings and improvements owned by AHFC and leased to FC Austin One Housing Corporation. Interest is imputed at 4% based upon the market rate of interest at the origination date.</p>	2,000,000	2,000,000
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FCI (Cardinal Point):

Promissory note in the amount of \$1,875,000 with a due date of August 31, 2055, bearing no interest, collateralized by land, buildings and improvements owned by AHFC and leased to Foundation Communities. Interest is imputed at 3% based upon the market rate of interest at the origination date.

	<u>1,875,000</u>	<u>1,875,000</u>
	<u>\$ 40,581,955</u>	<u>\$ 39,522,245</u>

There are no future required principal payments under the forgivable loans. Future amortization of debt issuance costs was as follows as of December 31, 2016:

2017	\$ 4,338
2018	4,338
2019	4,338
2020	4,338
2021	4,338
Thereafter	<u>49,579</u>
Total	<u>\$ 71,269</u>

In prior years, Foundation Communities reported debt issuance costs as a deferred charge in the statement of financial position and amortization of such costs in the statement of activities as depreciation and amortization. To comply with new U.S. GAAP presentation requirements, in 2016 Foundation Communities began reporting such costs as a direct deduction from the face amount of the related debt (as shown in the table below) and reclassified prior year amounts, resulting in a reduction of total 2015 assets by \$75,607. The change did not affect net assets.

Similarly, Foundation Communities now reports amortization of debt issuance costs, \$4,338 during the year ended December 31, 2016, as interest expense and reclassified 2015 amounts accordingly. As a result, reported interest expense during the year ended December 31, 2015 was increased and depreciation and amortization decreased by \$4,338, with no net effect on the change in net assets.

	<u>2016</u>	<u>2015</u>
Principal amount	\$ 40,653,224	\$ 39,597,852
Less unamortized debt issuance costs	<u>(71,269)</u>	<u>(75,607)</u>
Long-term debt, net of unamortized debt issuance costs	<u>\$ 40,581,955</u>	<u>\$ 39,522,245</u>

Note 12: Line of Credit

FCI has three lines of credit agreements with three separate financial institutions.

The first line of credit provides for a variable rate of interest (2.950% at December 31, 2016 and 2015) and expires on November 5, 2018. The credit limit is \$3,000,000 and is collateralized by the land, building and improvements owned by Buckingham. There were no amounts outstanding and no draws during the year under this line of credit as of December 31, 2016 or 2015.

The second line of credit provides for a variable rate of interest (LIBOR plus 2.65%) and expires on May 26, 2017. The credit limit is \$6,000,000 and is collateralized by the land, building and improvements owned by Shadow Brook. As of December 31, 2016 and 2015 the outstanding balance was \$3,733,629 and \$1,830,543, respectively. These balances are included in the Notes Payable in Note 10.

The third line of credit provides for a variable rate of interest (LIBOR plus 2.25%) with no expiration date. The line of credit is collateralized by the Central Reserve fund held by FCI in an amount not to exceed \$6,200,000. There were no amounts outstanding and no draws during the year under this line of credit as of December 31, 2016 or 2015.

Note 13: Interest Rate Swap Agreements

In 2013, Buckingham entered into an interest rate swap agreement with a bank to hedge their exposure to interest rate fluctuations resulting from their variable interest rate note payable agreements. In 2008, Village Green entered into a similar agreement. The two interest rate swaps were valued using the market approach and inputs were considered level 2 in the fair value hierarchy.

Level 2 hierarchy inputs are inputs other than quoted prices in active markets for identical assets or liabilities that are observable for the asset or liability either directly or indirectly. In the case of the interest rate swap agreements, the observable inputs are the relevant interest rates. Under the interest rate swap agreements, the affiliates agree to exchange the LIBOR based variable interest payment charged on the note payable agreements for a fixed interest payment that approximates 3% on Buckingham and 6% on Village Green. The original notional amount of the interest rate swap agreements approximated the respective outstanding principal balances at the time the agreements were entered into. The original notional amounts decrease as principal payments are made on the underlying note payable agreements. The interest rate swap agreements expire in January 2028 and February 2028 for Buckingham and Village Green, respectively. In the event of default, Foundation Communities would be exposed to interest rate fluctuations. Foundation Communities does not anticipate nonperformance by the bank. Foundation Communities records the estimated fair value of these swap agreements on the consolidated statements of financial position. The fair value at December 31, 2016 and 2015 resulted in a liability of \$20,445 and \$71,692, respectively, for Buckingham; and a liability of \$532,316 and \$660,489 for Village Green, respectively. The change in the fair value of the interest rate swap agreements is recorded as an adjustment to interest expense.

Note 14: Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2016 and 2015 were restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Affordable housing programs	\$ 15,081,095	\$ 12,859,695
Asset building programs	537,250	725,150
Learning center programs	190,000	570,000
Supportive housing programs	348,990	460,700
Healthy living programs	<u>8,390</u>	<u>241,186</u>
Total temporarily restricted net assets	<u>\$ 16,165,725</u>	<u>\$ 14,856,731</u>

Included in temporarily restricted net assets are ten and eleven subsidies from the Federal Home Loan Bank (“FHLB”) and AHFC totaling \$8,900,000 and \$8,050,000 at December 31, 2016 and 2015, respectively. Information from these subsidies is included below.

In 2001, the Federal Home Loan Bank of Dallas (“FHLBD”) granted a direct subsidy of \$500,000 to CTSWA. The FHLBD Grant and Subsidy agreements require the Southwest Trails property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required. This compliance requirement remained in effect until November of 2016.

In 2004, the Federal Home Loan Bank of Atlanta (“FHLBA”) granted a direct subsidy of \$500,000 to Garden Terrace. The FHLBA Grant and Subsidy agreements require the Garden Terrace property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until November of 2017. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2004, the City of Austin granted a direct subsidy of \$150,000 to Village Green. The City Grant and Subsidy agreements require the Village Green property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required. This compliance requirement remained in effect until July of 2016.

In 2006, the FHLBD granted a direct subsidy of \$350,000 to Spring Terrace. The FHLBD Grant and Subsidy agreements require the Spring Terrace property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until November 7, 2021. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2006, the Federal Home Loan Bank of San Francisco (“FHLBS”) granted a direct subsidy of \$750,000 to FCI. The FHLBS Grant and Subsidy agreements require the Skyline Terrace property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until September 1, 2021. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2009, the FHLBS granted a direct subsidy of \$300,000 to FCI. The FHLBS Grant and Subsidy agreements require the Garden Terrace property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until January 16, 2023. In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2011, the FHLBS granted a direct subsidy of \$1,500,000 to FCI. The FHLBS Grant and Subsidy agreements require the M Station property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (September 2, 2011). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2012, the FHLBS granted a direct subsidy of \$1,000,000 to FCI. The FHLBS Grant and Subsidy agreements require the Sierra Vista property owned by Shady Oaks Housing, L.P. to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (May 2012). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2012, the FHLBA granted a direct subsidy of \$1,000,000 to Arbor Terrace. The FHLBA Grant and Subsidy agreements require the Arbor Terrace property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (August 2012). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2014, the FHLBS granted a direct subsidy of \$1,000,000 to FCI. The FHLBS Grant and Subsidy agreements require the Capital Studios property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (November 2014). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2015, the FHLBS granted a direct subsidy of \$1,000,000 to FCI. The FHLBS Grant and Subsidy agreements require the Homestead Oaks property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (December 2015). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

In 2016, the FHLBS granted a direct subsidy of \$1,500,000 to FCI. The FHLBS Grant and Subsidy agreements require the Bluebonnet Studios property to be occupied by and affordable for households whose income is at or below certain levels as specified in the agreement. This compliance requirement will remain in effect until fifteen years following the date construction was completed (December 2016). In the event of sale of the property or noncompliance with the aforementioned compliance requirements, recapture of the subsidy is required.

FCI was awarded a \$4,000,000 grant in September 2016 by the Community Development Financial Institutions Fund for a Capital Magnet Fund. These funds were provided to capitalize an affordable housing fund. FCI will use these funds to build and develop 833 units of affordable housing over the next five years.

Note 15: Permanently Restricted Net Assets

As of December 31, 2016 and 2015, Foundation Communities had been awarded a total of \$5,232,457 and \$5,782,457, respectively, in capital fund grants by Neighborworks America. These funds were awarded to establish and maintain a capital fund for the expressed purpose of funding the costs of acquiring, constructing, or rehabilitating real properties, and funding pre-development costs such as architectural and engineering. Under the terms of the agreement, loan repayments and proceeds from capital projects must be returned to the capital fund to ensure its perpetuity; thus, these funds have been accounted for as permanently restricted. Should Foundation Communities fail to comply with any of the terms of the agreement, or become defunct, the remaining grant funds, proceeds, and the loan and capital projects portfolios representing the uses of these funds shall revert back to Neighborworks America. Neighborworks America issued capital conversions to reduce the permanently restricted funds by \$1,000,000 to make those funds available for operations during both years ending 2016 and 2015.

Capital fund grants are originally received by FCI and then passed through to the affiliates in the form of notes or grants. The Capital Fund consisted of the following at December 31:

	2016	2015
Cash and cash equivalents	\$ 81,460	\$ 1,831
Notes receivable from:		
Village Green	834,135	834,135
Spring Terrace	131,275	1,131,275
Shady Oaks, LLC	500,000	500,000
M Station, LLC	1,000,000	1,000,000
Capital Studios, LLC	1,197,000	1,197,000
Arbor Terrace	58,587	200,000
Bluebonnet, LLC	1,430,000	980,000
Total permanently restricted net assets	\$ 5,232,457	\$ 5,782,457

Note 16: Related Party Transactions - Skyline Terrace Housing, L.P.

Note Receivable

Skyline Terrace Housing, L.P. received funding of \$5,050,000 from FCI for the purpose of paying development and renovations for the affordable housing project. FCI received \$1,450,000 from TDHCA, \$750,000 from the FHLBS (see Note 14) and \$2,000,000 (\$1,118,309 and \$881,691) from AHFC. An additional \$850,000 was subsequently loaned to Skyline Terrace Housing, L.P. by FCI. The principal amounts bears interest at 0.25%. The notes do not have a due date; however, they must be paid upon winding up of Skyline Terrace Housing, L.P. As of December 31, 2016 and 2015, the outstanding principal balance was \$5,050,000, and interest of \$126,791 and \$113,881, respectively, was accrued.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities was entitled to a development fee of \$898,000. As of December 31, 2016 and 2015, there was no outstanding balance.

Property Management Fee

As compensation for managing the property, Foundation Communities is entitled to a property management fee in the amount of 6% of the monthly rental collections. During the years ended December 31, 2016 and 2015 Foundation Communities earned \$38,029 and \$35,539 in total fees and \$3,399 and \$3,047 were receivable at December 31, 2016 and 2015, respectively.

Note 17: Related Party Transactions - M Station Housing, L.P.

Note Receivable

M Station Housing, L.P. received funding of \$6,500,000 from FCI for the purpose of paying for land acquisition and development costs for the affordable housing project. FCI received \$2,000,000 from AHFC and those funds are included in the balance from M Station. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 1%. The additional \$3,000,000 received by M Station was loaned by FCI in 2011. Funding sources include \$1,500,000 from FHLBS (see Note 14), \$1,000,000 from Neighborworks America (see Note 15) and \$2,000,000 from private donors and FCI's unrestricted funds. At December 31, 2016 and 2015, the outstanding principal balance was \$6,500,000, and interest of \$445,505 and \$380,505 had accrued, respectively.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$2,266,571. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from M Station Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$396,000 and \$455,000, respectively, was receivable.

Property Management Fee

As compensation for managing the property, Foundation Communities is entitled to a property management fee in the amount of 5% of the monthly rental collections. During the year ended December 31, 2016 and 2015 Foundation Communities earned \$69,628 and \$68,621, respectively, in total fees and \$6,260 and \$6,895 was receivable at December 31, 2016 and 2015, respectively.

General Partnership Asset Management Fee

As compensation for management of the partnership, M Station, LLC is entitled to an asset management fee in the amount of \$5,000 per year. Payment of the fees are subject to cash flow distribution rights as outlined in the Limited Partnership agreement. As of December 31, 2016 and 2015, \$20,000 and \$15,000 respectively, were receivable as a result of this fee.

Note 18: Related Party Transactions - Shady Oaks Housing, L.P.

Note Receivable

As of December 31, 2010, FCI had funded \$3,000,000 received from AHFC to Shady Oaks Housing, L.P. for purpose of acquisition and development costs for the affordable housing project. In 2011 FCI loaned Shady Oaks an additional \$2,550,000 for development costs. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 1%. At December 31, 2016, and 2015, the outstanding principal balance was \$5,550,000 and interest of \$356,934 and \$261,333, respectively, was accrued at December 31, 2016 and 2015.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$1,493,850 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from Shady Oaks Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$285,000 and \$615,000 was receivable, respectively.

Property Management Fee

As compensation for managing the property, Foundation Communities is entitled to a property management fee in the amount of 5.1% of the monthly rental collections. During the years ended December 31, 2016 and 2015, Foundation Communities received \$96,025 and \$90,400, respectively, in total fees. As of December 31, 2016 and 2015, \$8,427 and \$7,290 respectively, were receivable as a result of this fee.

General Partnership Asset Management Fee

As compensation for management of the partnership, Shady Oaks, LLC is entitled to an asset management fee in the amount of \$5,000 per year. Payment of the fees are subject to cash flow distribution rights as outlined in the Limited Partnership agreement. As of December 31, 2016 and 2015, \$25,000 and \$20,000 respectively, were receivable as a result of this fee.

Note 19: Related Party Transactions - Capital Studios Housing, L.P.

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$8,833,133 to Capital Studios Housing, L.P. for purpose of acquisition and development costs for the affordable housing project. FCI received \$4,660,000 from AHFC as well as \$1,000,000 from FHLBS (see Note 14) and those funds are included in the balance from Capital Studios. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 3%. At December 31, 2016, and 2015 the outstanding principal balance was \$7,523,050 and \$8,833,133 and interest of \$233,081 and \$486,499, respectively, was accrued at December 31, 2016 and 2015.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$1,409,492 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from Capital Studios Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$649,039 and \$905,030 was receivable, respectively.

Property Management Fee

As compensation for managing the property, Foundation Communities is entitled to a property management fee in the amount of 6% of the monthly rental collections. During the year ended December 31, 2016 and 2015, Foundation Communities earned \$57,900 and \$55,199, respectively, in total fees. As of December 31, 2016 and 2015, \$5,314 and \$4,466 respectively, were receivable as a result of this fee, respectively.

Note 20: Related Party Transactions - FC SW Housing, L.P. (Homestead)

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$2,326,273 and \$2,211,373 to FC SW Housing, L.P. for purpose of acquisition and development costs for the Homestead Apartments affordable housing project. FCI received \$1,000,000 from FHLBS (see Note 14). Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 3%. At December 31, 2016 and 2015, the outstanding principal balance was \$2,326,273 and \$2,211,373, respectively, and interest of \$229,687 and \$131,294, was accrued at December 31, 2016 and 2015, respectively.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$2,123,831 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from FC SW Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$1,502,293 and \$0 was receivable, respectively. Additionally, at December 31, 2016 and 2015, \$0 and \$1,640,844, respectively, in construction costs funded by FCI was receivable.

Property Management Fee

As compensation for managing the property, Foundation Communities is entitled to a property management fee in the amount of 5.25% of the monthly rental collections. During the years ended December 31, 2016 and 2015, Foundation Communities received \$61,837 and \$0, respectively, in total fees. As of December 31, 2016 and 2015, \$6,010 and \$0 respectively, were receivable as a result of this fee.

General Partnership Asset Management Fee

As compensation for management of the partnership, Homestead, LLC is entitled to an asset management fee in the amount of \$5,000 per year. Payment of the fees are subject to cash flow distribution rights as outlined in the Limited Partnership agreement. As of December 31, 2016 and 2015, \$5,000 and \$0 respectively, were receivable as a result of this fee.

Note 21: Related Party Transactions - FC Southwest Trails Housing, L.P. (Live Oak Trails)

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$5,029,541 and \$2,364,932 to FC Southwest Trails Housing, L.P. for purpose of acquisition and development costs for the Live Oak Trails affordable housing project. FCI received \$2,045,690 from AHFC and those funds are included in the balance from Live Oak. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 3%. At December 31, 2016 and 2015, the outstanding principal balance was \$5,029,541 and \$2,364,932, respectively, and interest of \$194,963 and \$86,408, respectively, was accrued at December 31, 2016 and 2015.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$1,220,181 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from FC Southwest Trails Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$1,220,181 and \$305,045, respectively, was receivable. At December 31, 2016 and 2015, \$48,602 and \$1,187,653, respectively, in construction costs funded by FCI was receivable.

Note 22: Related Party Transactions - FC Bluebonnet Housing, L.P. (Bluebonnet Studios)

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$10,841,041 and \$5,220,294, respectively, to FC Bluebonnet Housing, L.P. for purpose of acquisition and development costs for the Bluebonnet Studios affordable housing project. FCI received \$3,994,420 from AHFC and \$1,500,000 from FHLBS (See Note 14) and those funds are included in the balance from Bluebonnet. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 2.5%. At December 31, 2016 and 2015, the outstanding principal balance was \$10,841,041 and \$5,220,294, respectively, and interest of \$302,601 and \$114,470, respectively, was accrued at December 31, 2016 and 2015.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$1,055,133 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from FC Bluebonnet Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$1,055,133 and \$263,783, respectively, was receivable. At December 31, 2016 and 2015, \$29,811 and \$1,337,308, respectively, in construction costs funded by FCI was receivable.

Note 23: Related Party Transactions - FC Rutledge Spur Housing, L.P. (Lakeline Station)

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$6,506,327 and \$4,435,549, respectively, to FC Rutledge Spur Housing, L.P. for purpose of acquisition and development costs for the Lakeline Station affordable housing project. FCI received \$3,269,820 from AHFC and those funds are included in the balance from Lakeline. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 3%. At December 31, 2016 and 2015, the outstanding principal balance was \$6,506,327 and \$4,435,549, respectively, and interest of \$340,978 and \$153,042, respectively, was accrued at December 31, 2016 and 2015.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$2,083,829 upon completion of construction and other requirements set forth in the partnership agreement. The unpaid development fee bears no interest. Payments on the amounts due for the development fee are made from FC Rutledge Spur Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. As of December 31, 2016 and 2015, \$2,083,829 and \$520,958, respectively, was receivable. At December 31, 2016 and 2015, \$1,809,633 and \$1,688,984, respectively, in construction costs funded by FCI was receivable.

Note 24: Related Party Transactions - FC Cardinal Point Housing, L.P. (Cardinal Point)

Note Receivable

As of December 31, 2016 and 2015, FCI had funded \$3,519,318 and \$2,800,355, respectively, to FC Cardinal Point Housing L.P for purpose of acquisition and development costs for the Cardinal Point affordable housing project. FCI received \$1,875,000 from AHFC and those funds are included in the balance from Cardinal Point. Note terms are annual payments to the extent of available cash flow. The principal amounts bears interest at 3%. As of December 31, 2016 and 2015, \$139,140 and \$0 was receivable, respectively.

Development Fee Earned

In consideration for acting as the developer of the project, Foundation Communities is entitled to a development fee of \$2,163,448 upon completion of construction and other requirements set forth in the partnership agreement. Payments on the amounts due for the development fee are made from FC Cardinal Point Housing, L.P.'s limited partner equity as determined in the partnership agreement and then remaining balances will be paid from the partnership's cash flow from operations. The \$1,298,069 balance of fees will be earned in 2017 upon construction completion. As of December 31, 2016 and 2015, \$265,379 and \$0, respectively, was receivable. At December 31, 2016 and 2015, \$935,509 and \$0, respectively, in construction costs funded by FCI was receivable.

Note 25: Related Party Transactions - Personal Contributions from Board Members

Board contributions for the years ended December 31, 2016 and 2015 were \$12,683 and \$5,343, respectively.

Foundation Communities has a conflict of interest policy by which each Board member must abide. This policy requires Board members to disclose any potential conflict of interest involving themselves or a family member in regard to any matter which involves Foundation Communities.

Note 26: Leasehold Interests - Spring Terrace and Arbor Terrace

In 2005, Foundation Communities, through FC Ashford, acquired a hotel property for approximately \$2,850,000. In December 2005, FC Ashford sold the building and land to Austin Housing Finance Corporation, an unrelated third party, for approximately \$2,000,000 and retained a leasehold interest in the building valued at approximately \$850,000. Under the terms of the leasehold interest, Foundation Communities' affiliate, Spring Terrace, is allowed to use the building as a rental housing facility for qualified homeless and low-income individuals. The lease term is 99 years and begins on the date of the initial tenant occupancy. The leasehold interest of \$872,210 is included in property and equipment at December 31, 2016 and 2015, and will be amortized over the expected useful life of the building.

In 2011, Arbor Terrace entered into a leasehold agreement with Austin Housing Finance Corporation in conjunction with Austin Housing Finance Corporation providing \$2,000,000 to acquire existing property now known as Arbor Terrace. Under the terms of the leasehold interest, Arbor Terrace is allowed to use the building as a rental housing facility for qualified homeless and low-income individuals. The lease term is 99 years and begun on June 6, 2011. Construction on the renovations to the property was completed in August 2012.

Note 27: Endowment Funds

During 2007, Foundation Communities established the Foundation Communities Next Generation Fund (the "Fund"), a permanent endowment fund, at the Austin Community Foundation ("the Foundation"). The assets are irrevocably held by the Foundation and are managed to accomplish Foundation Communities' designated charitable purpose. The Fund's assets are not recorded in the consolidated statement of financial position of Foundation Communities as the Foundation reserves the power to modify any condition or restriction on the distributions from the Fund. The balance in the Fund as of December 31, 2016 and 2015 was \$219,901 and \$205,099, respectively. No distributions were received from the Fund during the years ended December 31, 2016 and 2015, respectively.

Annually the Foundation's Board of Governors makes a determination of the amount to grant to Foundation Communities, based on the Foundation's spending policy. The Foundation's current spending policy is that five percent of the Fund's value as of December 31 each year shall be the available for distribution in the following year. Such distribution will be available to Foundation Communities pursuant to a letter of instruction from Foundation Communities, but subject to the Foundation's Board of Governors approval. If the amount available to grant is not distributed in a single year, any remaining balance available to grant will carry over to subsequent years.

Note 28: Employee Benefit Plans

In 1999, Foundation Communities adopted a defined contribution, 401(k) employee benefit plan covering substantially all of its employees. Employees who elect to participate can contribute up to 75% of their gross pay to the plan up to \$17,500 and up to \$23,000 if the participant is over 50 years of age. In accordance with the plan document, Foundation Communities has elected to match the employee contribution up to 2% of the employee's gross pay. In addition, the employer may elect, on an annual basis through action of the Board of Directors, to make an additional contribution of up to the maximum allowable under the plan provisions. Foundation Communities' matching contributions expense for the years ended December 31, 2016 and 2015 totaled \$409,167 and \$365,932, respectively.

Note 29: Compliance with Community Housing Development Organizations' Tax Exemptions

Included in the supplementary information to these audited financial statements is a schedule titled *Community Housing Development Organization Property Tax Reinvestment Public Expenditure Test* that is included to show Foundation Communities' compliance with the exemption from ad valorem taxation for certain community housing developmental organization requirements of Texas Property Tax Code 11.182 and 11.1825.

Note 30: Contingencies

Foundation Communities receives government grants for specific purposes that are subject to review and audit by government agencies. Such audits could result in a request for reimbursement for expenditures disallowed under terms and conditions of the appropriate agency. In the opinion of Foundation Communities' management, such disallowances, if any, would not be significant.

Note 31: Subsequent Events

Foundation Communities has evaluated subsequent events through May 15, 2017 (the date the consolidated financial statements were available to be issued), and no events have occurred from the consolidated statement of financial position date through that date that would impact the consolidated financial statements.

SUPPLEMENTARY INFORMATION

FOUNDATION COMMUNITIES, INC.
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
PROPERTY TAX REINVESTMENT PUBLIC EXPENDITURE TEST

YEAR ENDED DECEMBER 31, 2016

2016 Expenditures

Property	No. Units	Appraisal District Value 2016	Exempted Value 2016	Taxing Jurisdiction	Tax Rate 2016	Total Estimated Exemption Tax 2016	40% Test Amount	Capital Improve.	Total Res. Serv.	Rent Reductions	Total Qual. Expend.	Percent Expend.
Arbor Terrace (FC Austin Hsg One)	120	\$ 5,638,420	\$ 5,638,420	Trans CAD	2.23%	\$ 130,643	\$ 53,257	\$ 13,358	\$ 118,311	\$ 207,591	\$ 339,169	64%
Buckingham	166	\$ 11,563,399	\$ 11,454,249	Trans CAD	2.23%	\$ 254,804	\$ 101,993	\$ 198,091	\$ 177,171	\$ 52,755	\$ 429,917	42%
Cherry Creek	122	\$ 7,653,342	\$ 7,653,342	Trans CAD	2.23%	\$ 170,224	\$ 64,089	\$ 156,391	\$ 128,963	\$ 20,802	\$ 206,156	45%
Crossroads	92	\$ 3,656,106	\$ 5,626,106	Trans CAD	2.23%	\$ 125,462	\$ 50,185	\$ 156,163	\$ 75,391	\$ 69,316	\$ 300,870	60%
Daffodil	40	\$ 2,766,046	\$ 2,415,070	Trans CAD	2.23%	\$ 61,584	\$ 24,634	\$ 68,357	\$ 82,791	\$ 30,684	\$ 171,832	69%
Garden Terrace	85	\$ 6,280,879	\$ 6,280,879	Trans CAD	2.23%	\$ 140,864	\$ 56,025	\$ 62,045	\$ 355,62	\$ 119,426	\$ 536,833	95%
Spring Terrace	142	\$ 3,844,875	\$ 3,844,875	Trans CAD	2.23%	\$ 85,741	\$ 34,296	\$ 161,992	\$ 263,416	\$ 277,080	\$ 701,488	264%
Sierra Ridge (St. Elmo)	149	\$ 12,048,279	\$ 12,048,279	Trans CAD	2.23%	\$ 268,887	\$ 107,471	\$ 331,998	\$ 117,905	\$ 42,723	\$ 492,626	48%
Trails at the Park (CTSIC)	160	\$ 8,268,009	\$ 4,134,000	Trans CAD	2.23%	\$ 92,889	\$ 36,875	\$ 145,781	\$ 204,872	\$ 371,469	\$ 723,122	198%
Vintage Creek (Village Green)	200	\$ 15,502,514	\$ 15,502,514	Trans CAD	2.23%	\$ 345,707	\$ 138,283	\$ 216,311	\$ 283,004	\$ 66,391	\$ 596,726	43%
Peter's Colony	160	\$ 11,138,500	\$ 11,138,500	Denton CAD	2.24%	\$ 249,502	\$ 99,801	\$ 205,355	\$ 253,409	\$ 195,975	\$ 654,739	65%
Shadow Brook	405	\$ 14,093,589	\$ 14,093,589	Tarrant CAD	2.65%	\$ 371,488	\$ 149,392	\$ 293,587	\$ 531,242	\$ 57,018	\$ 881,817	59%
Sleepy Hollow	128	\$ 3,978,100	\$ 3,978,100	Tarrant CAD	2.65%	\$ 105,420	\$ 42,168	\$ 198,727	\$ 88,868	\$ 6,094	\$ 291,689	69%
Southwest Trails	160	\$ 6,342,712	\$ -	Trans CAD	2.23%	\$ -	\$ -	\$ 119,416	\$ 136,923	\$ 206,176	\$ 452,575	71%
TOTALS	2,127	\$ 114,965,801	\$ 103,987,963			\$ 2,403,675	\$ 961,470	\$ 2,357,752	\$ 2,806,528	\$ 1,713,500	\$ 6,877,780	71%

40% of the total tax amount = Necessary property expenses to maintain exemption



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Foundation Communities, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Foundation Communities, Inc. and its affiliates (collectively, "Foundation Communities"), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Foundation Communities' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation Communities' internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation Communities' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Foundation Communities' consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Foundation Communities' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation Communities' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maxwell Locke + Ritter LLP

Austin, Texas
May 15, 2017



MAXWELL LOCKE & RITTER LLP

Accountants and Consultants
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Round Rock, TX 78664

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS

To the Board of Directors of
Foundation Communities, Inc.:

Report on Compliance for Each Major Federal and State Program

We have audited the compliance of Foundation Communities, Inc. and its affiliates (collectively, "Foundation Communities") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the State of Texas Uniform Grant Management Standards ("UGMS"), which includes the State of Texas Single Audit Circular, that could have a direct and material effect on each of Foundation Communities' major federal and state programs for the year ended December 31, 2016. Foundation Communities' major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Foundation Communities' major federal and state programs based on our audit for the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and UGMS. Those standards, the Uniform Guidance, and UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Foundation Communities' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with its major federal and state programs. However, our audit does not provide a legal determination of Foundation Communities' compliance.

Affiliated Company
ML&R WEALTH MANAGEMENT LLC
"A Registered Investment Advisor"
This firm is not a CPA firm

Opinion on Each Major Federal and State Program

In our opinion, Foundation Communities' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

Management of Foundation Communities is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Foundation Communities' internal control over compliance with the types of requirements that could have a direct and material effect on its major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal and state programs and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Foundation Communities' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

Maxwell Locke + Ritter LLP

Austin, Texas
May 15, 2017

FOUNDATION COMMUNITIES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED DECEMBER 31, 2016

Federal or State Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency Pass-Through Number	Expenditures
FEDERAL AWARDS			
<u>U.S. DEPARTMENT OF TREASURY</u>			
Internal Revenue Service			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21 009	N/A	105,600
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21,009	N/A	58,702
Passed through United Way of Metropolitan Dallas			
Volunteer Income Tax Assistance (VITA) Matching Grant Program	21 009	N/A	41,465
Total CFDA 21.009			205,767
Passed through Neighborworks of America			
Neighborworks Capital Grant	21 000	N/A	450,000
Neighborworks Expendable Grant	21 000	N/A	250,000
Total CFDA 21 000			700,000
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Assets for Independence Demonstration Program	93 602	N/A	50,142
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed through Texas Education Agency			
Twenty-First Century Community Learning Centers	84 287	N/A	79,570
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Passed through Austin Housing Finance Corporation			
CDBG-Entitlement Grants Cluster			
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14 218	B-02-MC-48-0500	1,600,000
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14 218	B-10-MC-48-0500	1,101,066
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14 218	B-12-MC-48-0500	1,150,000
Total CFDA 14 218 and CDBG-Entitlement Grant Cluster			3,851,066
HOME Investment Partnerships Program Loan	14 239	M-02-MC-48-0500	500,000
HOME Investment Partnerships Program Loan	14 239	M-06-MC-48-0500	956,003
HOME Investment Partnerships Program Loan	14 239	M-02-MC-48-0500	175,750
HOME Investment Partnerships Program Loan	14 239	M-14-MY-48-0500	294,420
HOME Investment Partnerships Program Loan	14 239	M-14-MY-48-0500	295,690
HOME Investment Partnerships Program Loan	14 239	M-14-MY-48-0500	294,820
HOME Investment Partnerships Program Loan	14 239	M-14-MY-48-0500	86,682
Passed through Texas Department of Housing and Community Affairs			
HOME Investment Partnerships Program Loan	14 239	M-06-SG-48-0100	1,450,000
HOME Investment Partnerships Program Loan	14 239	M-01-SG-48-0100	1,000,000
HOME Investment Partnerships Program Loan	14 239	M-05-SG-48-0100	786,446
Total CFDA 14 239			5,839,811
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Neighborhood Stabilization Program Loan	14 228	B-08-DN-48-0001	6,245,360
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed through Safeplace			
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16 736	2015-WH-AX-0006	79,749
Passed through Travis County			
Edward Byrne Memorial Competitive Grant Program - Justice Reinvestment Initiatives	16 751	4400001395	12,377
TOTAL EXPENDITURES OF FEDERAL AWARDS			17,063,842
STATE AWARDS			
<u>TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS</u>			
Housing Trust Fund Loan - for Southwest Trails			596,506
Housing Trust Fund Loan - for Spring Terrace			682,010
TOTAL EXPENDITURES OF STATE AWARDS			1,278,516
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS			\$ 18,342,358

See notes to the schedule of expenditures of federal and state awards.

FOUNDATION COMMUNITIES, INC.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2016**

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Foundation Communities under programs of the federal and state government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State of Texas Uniform Grant Management Standards ("UGMS"). Because the Schedule presents only a selected portion of the operations of Foundation Communities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Foundation Communities.

Note 2: Summary of Significant Accounting Policies

The Schedule includes the federal and state activity of Foundation Communities and is presented on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance or UGMS, where certain types of expenditures are not allowed or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the consolidated financial statements.

Foundation Communities has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Included in the Schedule are balances at December 31, 2016 of loans from the Neighborhood Stabilization Program, HOME, CDBG and the Texas Department of Housing and Community Affairs for the construction and remodeling of affordable low income housing projects. The Uniform Guidance and UGMS require that the Schedule include the total amount of federal and state awards expended for loan or loan guarantee programs which include the value of new loans made or received during the year plus the beginning of the period balance of loans from previous years for which the federal or state government imposes continuing compliance requirements.

Note 3: Loan or Loan Guarantee Programs

The following table includes the balances of loans and loan guarantee programs outstanding at December 31, 2016 in accordance with 2 CFR Section 200.502(b) which could differ from balances presented in the Schedule.

Program	CFDA Number	Outstanding Loan Balance at December 31, 2016
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14.218	\$1,600,000
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14.218	\$1,101,066
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants Program Loan	14.218	\$1,150,000
HOME Investment Partnerships Program Loan	14.239	\$500,000
HOME Investment Partnerships Program Loan	14.239	\$956,003
HOME Investment Partnerships Program Loan	14.239	\$175,750
HOME Investment Partnerships Program Loan	14.239	\$294,420
HOME Investment Partnerships Program Loan	14.239	\$295,690
HOME Investment Partnerships Program Loan	14.239	\$294,820
HOME Investment Partnerships Program Loan	14.239	\$86,682
HOME Investment Partnerships Program Loan	14.239	\$1,450,000
HOME Investment Partnerships Program Loan	14.239	\$1,000,000
HOME Investment Partnerships Program Loan	14.239	\$786,446
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii - Neighborhood Stabilization Program Loan	14.228	\$6,014,050*

*Difference from Schedule of Expenditures of Federal and State Awards is due to a portion of the debt forgiven during the year ended December 31, 2016.

FOUNDATION COMMUNITIES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings required to be reported in accordance with *Government Auditing Standards* for the years ended December 31, 2016 and 2015.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs required to be reported in accordance with the Uniform Guidance or UGMS for the years ended December 31, 2016 and 2015.

ATTACHMENT 4:

RESOLUTION

**RESOLUTION
BOARD OF DIRECTORS OF
Foundation Communities, Inc.
Waters Park Studios**

WHEREAS, Foundation Communities, Inc., a non-profit Community Housing Development Organization, is applying for funding from the Austin Housing Finance Corporation in Rental Housing Development Assistance Funding for the following project:

Rental Housing Development Assistance Funding for a proposed affordable housing, rental community located at 12207 Waters Park Road, 78759 and 12190 N Mopac Expwy, 78758 in Austin, Texas. The funding will be used for acquisition and/or construction costs.

NOW, THEREFORE, the Board of Directors of Foundation Communities, Inc. hereby authorizes making an application for funding to the Austin Housing Finance Corporation.

Adopted and approved by the Board of Directors on the 13th day of February, 2018.

FOUNDATION COMMUNITIES, INC.



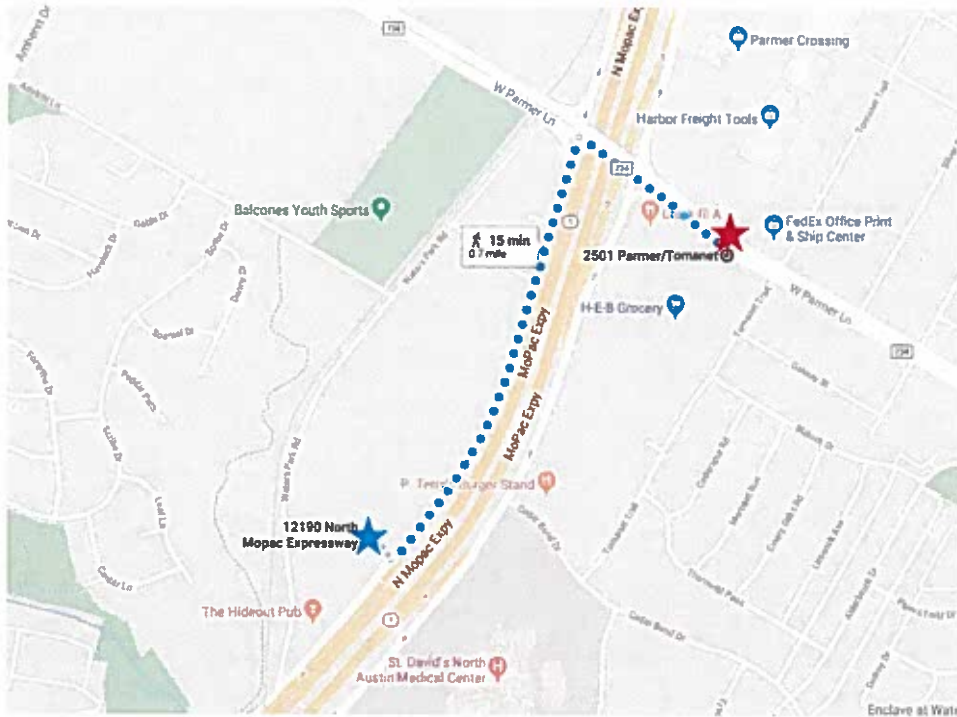
NICHELE WALLIS, Chair

Board of Directors of Foundation Communities, Inc.

ATTACHMENT 5:
MAPS

WATERS PARK STUDIOS

Distance to nearest transit (June 2018 changes) – Route 142 – Metric Flyer



★ Project Location ★ Transit Stop

Waters Park Studios



Parcel
 FEMA Floodplain
 100 Year (Detailed-AE)
 100 year (Shallow-AO)
 100 Year (Approx-A)
 X Protected by Levee
 500 Year

This custom map was created with FloodPro and is for informational purposes only. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding the specific accuracy or completeness of the map. Final determination of floodplain status for a property must be based on topographic survey by a Texas registered professional. For regulatory purposes, floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 264 528 Feet

Prepared: 1/19/2018





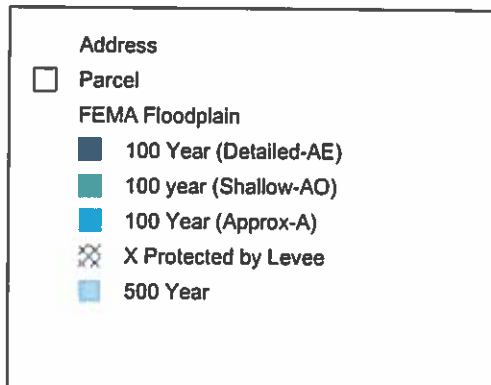
FEMA Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 200 400 Feet



Prepared: 2/13/2018



**ATTACHMENT 6:
CONTRACTS**



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY
USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
© 2004 Association of REALTORS, Inc. 2010

1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Robert A & Vickie Chaffee

Address: 12190 N Mo Pac Expy, Austin, TX 78758-2908
 Phone: _____ E-mail: _____
 Fax: _____ Other: _____

Buyer: Foundation Communities, Inc. (a Texas Non-Profit Corporation) or Affiliates RAC VC
 un

Address: 3038 S 1st St, Austin, TX 78704-6352
 Phone: (512)610-4033 E-mail: walter.moreau@foundcom.com
 Fax: (512)447-0288 Other: _____

2. PROPERTY:

A. "Property" means that real property situated in Travis County, Texas at 12190 N Mo Pac (address) and that is legally described on the attached Exhibit A LOT 2 *(1.08AC) GARNER & KISSMAN SUBD or as follows:

- B. Seller will sell and convey the Property together with:
- (1) all buildings, improvements, and fixtures;
 - (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
 - (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
 - (4) Seller's interest in all licenses and permits related to the Property;
 - (5) Seller's interest in all third party warranties or guarantees, if transferable, relating to the Property or any fixtures;
 - (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
 - (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except:
- Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1830).)

3. SALES PRICE: At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing	\$	<u>3,000,000.00</u>
B. Sum of all financing described in Paragraph 4	\$	_____
C. Sales price (sum of 3A and 3B)	\$	<u>3,000,000.00</u>

(TAR-1801) 1-1-18

Initialed for Identification by Seller RA VC and Buyer AM

Page 1 of 14

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4. **FINANCING:** Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- A. ~~Third Party Financing:~~ One or more third party loans in the total amount of \$ _____ . This contract:
 - (1) ~~is not contingent upon Buyer obtaining third party financing.~~
 - (2) ~~is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR 1934).~~
- B. ~~Assumption:~~ In accordance with the attached Commercial Contract Financing Addendum (TAR 1934), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____ .
- C. ~~Seller Financing:~~ The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR 1934) in the amount of \$ _____ .

5. **EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$20,000.00 as earnest money with Stewart Title (title company) at 901 S Mopac Ste 3-100, Austin, TX 78746 (address) Shawna Fletcher (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ 10,000.00 with the title company to be made part of the earnest money on or before:
 - (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) June 1, 2018
 Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. **TITLE POLICY, SURVEY, AND UCC SEARCH:**

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Within 30 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 60 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. ~~Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.~~
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) ~~Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.~~
- (2) ~~Buyer does not require Seller to furnish a UCC search.~~

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the Items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. Feasibility Period: Buyer may terminate this contract for any reason within by March 1, 2018 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 30 days after the effective date, Seller will deliver to Buyer. (Check all that apply.)

- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- (g) copies of all current warranties and guarantees relating to all or part of the Property;
- (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- (j) a copy of the "as-built" plans and specifications and plat of the Property;
- (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- (p) **Phase 1 Environmental Study (if available)**

(2) **Return of Property Information:** If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. **Contracts Affecting Operations:** Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;

- (3) any non-occupancy of the leased premises by a tenant;
- (4) any advance sums paid by a tenant under any lease;
- (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. **Estoppel Certificates:** Within 90 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than January 1, 2018 by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Gall Whitfield dba The Whitfield Company
 Agent: Gall Whitfield
 Address: 1101 S Capital of Texas Hwy Ste A101
 Phone & Fax: (512)476-9900
 E-mail: gall@thawhitfieldco.com
 License No.: 0316233

Cooperating Broker: _____
 Agent: _____
 Address: _____
 Phone & Fax: _____
 E-mail: _____
 License No.: _____

Principal Broker: (Check only one box.)
 represents Seller only.
 represents Buyer only.
 is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)
 (Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
 3.000 % of the sales price.

Cooperating Broker a total cash fee of:
 _____ % of the sales price.

The cash fees will be paid in Travis County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) _____ days after the expiration of the feasibility period.
 August 31, 2018 (specific date).

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a general special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
- (3) an assignment of all leases to or on the Property;
- (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
- (5) a rent roll current on the day of the closing certified by Seller as true and correct;
- (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
- (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.
11. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
12. **SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*
Buyer at Buyers expense may obtain a Phase One Environmental Report. Seller will cooperate with Buyer to fill out reports and allow access to the Property. Seller shall be allowed to Lease back the Property for six (6) months after closing for \$500 per month.
Project Entitlements. Seller hereby authorizes Buyer to, upon or after the Effective Date of the Contract, make application to any and all applicable governmental entities and authorities regulating development of the Property (the "Governmental Authorities") for approval of all permits necessary to construct and develop a multifamily housing project and related roadways, parking, drainage/water quality facilities, utilities, infrastructure and amenities on the Property (the "Project"), including without limitation: (a) all approvals which are required for development of the Project; and (b) all site development permits, building permits and other approvals which are required for the Project (collectively the "Project Entitlements"). However, Buyer shall have the right to contact all governmental authorities to assure its satisfaction with all review matters, however no change of any kind will be made without the express written consent of Seller. Buyer shall bear all costs associated with obtaining the Project Entitlements from the Governmental Authorities. Seller agrees to reasonably cooperate with Buyer in obtaining the Project Entitlements (at no cost to Seller and with no obligation to appear or otherwise participate in any hearings, meetings or proceedings) and to sign any applications or other documents which may be required Continued... See Addendum Special Provisions 1
13. **SALES EXPENSES:**
- A. **Seller's Expenses:** Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed and any bill of sale;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. **Buyer's Expenses:** Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation fees of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee; and
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A.** If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)
 enforce specific performance, or seek such other relief as may be provided by law.
- B.** If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C.** Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A.** If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
(1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;

- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
(3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any Insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.
- B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
(2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.
17. **ATTORNEY'S FEES:** If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.
18. **ESCROW:**
- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
 - (1) Property Description Exhibit identified in Paragraph 2;
 - (2) Commercial Contract Condominium Addendum (TAR-1930);
 - (3) Commercial Contract Financing Addendum (TAR-1931);
 - (4) Commercial Property Condition Statement (TAR-1408);
 - (5) Commercial Contract Addendum for Special Provisions (TAR-1940);

- (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- (7) Notice to Purchaser of Real Property in a Water District (MUD);
- (8) Addendum for Coastal Area Property (TAR-1915);
- (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- (10) Information About Brokerage Services (TAR-2501); and
- (11)

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer may may not assign this contract. ~~If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.~~ *to AN AFFILIATE OR ENTITY CONTROLLED BY FOUNDATION COMMUNITI*

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To

determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on December 11, 2017, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: Robert A & Vickie Chaffee

Foundation Communities, Inc. (a Texas Non-Profit
Buyer: Corporation)

By: [Signature]
 By (signature): [Signature]
 Printed Name: Robert A. Chaffee
 Title: _____

By: [Signature]
 By (signature): [Signature]
 Printed Name: Walter Morgan
 Title: Executive Director

By: _____
 By (signature): [Signature]
 Printed Name: Vickie Chaffee
 Title: Owner

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- \$ _____, or
- _____ % of the sales price, or
- _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: Dirk Jordan

Buyer's attorney: A. Rick Hightower ^{W/1}

Address: 702 Rio Grande Street
Austin TEXAS 78701

Address: 901 South Mopac Expy Bldg 1 Ste 300
3006 Bee Caves Rd Ste D, 2001

Phone & Fax: 512 796-9198

Austin TX 78746
Phone & Fax: (512)480-8882

E-mail: dirk@dirkjordan.com

E-mail: rick@arhtexas.com

Seller's attorney requests copies of documents, notices, and other information:

Buyer's attorney requests copies of documents, notices, and other information:

- the title company sends to Seller.
- Buyer sends to Seller.

- the title company sends to Buyer.
- Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- A. the contract on this day December 12, 2017 (effective date);
- B. earnest money in the amount of \$ 20,000 in the form of wire on December 12, 2017.

Title company: Stewart Title of Austin, LLC

Address: 901 S. Mopac Expy
Bldg. 3, Ste 100

By: Shauna Fletcher

Phone & Fax: 512-472-9231; 512-472-3101

Assigned file number (GF#): _____

E-mail: shauna.fletcher@stewart.com

**COMMERCIAL LEASE ADDENDUM FOR CONTINGENT
TERMINATION**


**ADDENDUM TO THE COMMERCIAL LEASE
BETWEEN THE UNDERSIGNED PARTIES
CONCERNING THE LEAST PREMISES AT 12190 N.
MOPAC EXPW, AUSTIN, TEXAS 78757**

Landlord: Robert Chaffee & Vickie Chaffee
Tenant: Late European, LLC

A. Tenant Agrees to the following:

- (1). Tenant agrees that Landlord can Terminate the Lease upon 30 days written notice without compensation or payment to Tenant.
- (2). Tenant agrees that the consideration for this agreement is the release from the obligations under the lease for any rents due after the date of the termination of this lease.
- (3). Tenant agrees that this Agreement does not release it from any of the payments and obligations under the lease. These will continue until fully paid, including interest and penalties.

Landlord: Robert A. and Vickie Chaffee Tenant: Late
European, LLC

By: Robert Chaffee
Signature: 

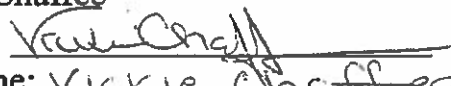
By: Steve Late
Signature: 

Printed Name: ROBERT Chaffee

Printed Name: STEVE LATE

Title: owner

Title: PRESIDENT

By: Vickie Chaffee
Signature: 
Printed Name: VICKIE Chaffee
Title: owner



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT AMENDMENT

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**AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER
 CONCERNING THE PROPERTY AT**

12190 N Mo Pac

Effective December 12, 2017, Seller and Buyer amend the contract as follows: (Check all applicable boxes.)

A. **Sales Price:** The sales price in Paragraph 3 of the contract is changed to:

Cash portion payable by Buyer at closing.....	\$	<u>2,600,000.00</u>
Sum of all financing described in the contract.....	\$	_____
Sales price (sum of cash portion and sum of all financing).....	\$	<u>2,600,000.00</u>

B. **Property Description:** The Property's legal description in Paragraph 2A of the contract is changed to:

C. **Repairs:** Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:

(TAR-1932) 1-26-10

Initialed for Identification by Seller: TRC.VC and Buyer: UM

Page 1 of 2

The Whitefield Company, 1101 S Capital of Texas Hwy, Ste A-101 Austin, TX 78746

Phone: 512-476-9900

Fax: 512-462-3727

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12190 N Mo Pac

Amendment to Commercial Contract concerning 12190 N Mo Pac

- D. **Extension of Feasibility Period:** For nominal consideration, the receipt of which Seller acknowledges, and the consideration described under (1) or (2) below, if any, Buyer's right to terminate under Paragraph 7B of the contract is extended until 11:59 p.m. on _____.
- (1) The independent consideration for Buyer's right to terminate that will be deducted from the earnest money if Buyer terminates the contract under Paragraph 7B(1) is increased to a total amount of \$ _____. (Insert an amount greater than the amount in Paragraph 7B(1) of the contract.)
- (2) Buyer has paid Seller additional consideration of \$ _____ for the extension. This additional consideration will will not be credited to the sales price upon the closing of the sale.
- E. **Closing:** The closing date in Paragraph 10A of the contract is changed to _____.
- F. **Expenses:** At closing Seller will pay the first \$ _____ of Buyer's expenses under Paragraph 13 of the contract.
- G. **Waiver of Right to Terminate:** Upon final acceptance of this Amendment, Buyer waives the right to terminate under Paragraph 7B of the contract.
- H. **Other Modifications:**

Seller: _____

Buyer: Foundations Communities, Inc.

By: _____

By: _____

By (signature): [Signature]
Printed Name: Robert A. Chaffee
Title: owner

By (signature): [Signature]
Printed Name: Walter Moreau
Title: Executive Director

By: _____

By: _____

By (signature): [Signature]
Printed Name: Vickie Chaffee
Title: owner

By (signature): _____
Printed Name: _____
Title: _____



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Daniel K & Cathy J Baird

Address: 12207 Waters Park Rd. Austin, TX 78759-2110

Phone: (512) 445-9171

Fax: _____

E-mail: ~~dan@baire.com~~

Other: _____

danielk DKB

Baird

Buyer: Foundation Communities, Inc. (a Texas Non-Profit Corporation)

OR AFFILIATES DKB CJB AM

Address: 3030 S 1st St. Austin, TX 78704-5292

Phone: (512) 910-4933

Fax: (512) 447-0260

E-mail: walter.morisy@foundcom.com

Other: _____

CATHY BAIRD CJB AM

@ms.cba

2. **PROPERTY:**

A. "Property" means that real property situated in Travis County, Texas at 12207 Waters Park Rd (address) and that is legally described on the attached Exhibit A or as follows: ABS 859 SUR 19 ROGERS JAOR 1.45

B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guarantees, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except:

Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

- A. Cash portion payable by Buyer at closing \$ 2,075,000
- B. Sum of all financing described in Paragraph 4 \$ ~~2,075,000~~
- C. Sales price (sum of 3A and 3B) \$ 2,075,000

(TAR-1801) 1-1-18

Initialed for identification by Seller DKB CJB and Buyer WA

Page 1 of 14

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www.tאר.com

Phone: 972.972.9999

Fax: 972.972.9999

12011 Walnut Park

4. ~~FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:~~

- ~~A. Third Party Financing: One or more third party loans in the total amount of \$ _____ This contract:~~
 - ~~(1) is not contingent upon Buyer obtaining third party financing.~~
 - ~~(2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1031).~~
- ~~B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1031), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.~~
- ~~C. Seller Financing: The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1031) in the amount of \$ _____.~~

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$20,000.00 as earnest money with Stewart Title (title company) at 901 S Mopac Ste 3-100, Austin, TX 78746 (address) Shawna Fletcher (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
 - (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
 - (ii) _____Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
 - (a) will not be amended or deleted from the title policy.
 - (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.
- (3) Within 30 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

Commercial Contract - Improved Property concerning 12207 Waters Park Rd

B. Survey: Within 60 days after the effective date:

- (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. ~~Seller will reimburse Buyer~~ _____ ~~(insert amount) of the cost of the survey at closing, if closing occurs.~~
- (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- (1) ~~Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.~~
- (2) ~~Buyer does not require Seller to furnish a UCC search.~~

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. **Present Condition:** Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: _____

B. **Feasibility Period:** Buyer may terminate this contract for any reason within by March 1, 2018 days after the effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

(1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

C. **Inspections, Studies, or Assessments:**

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must

(a) employ only trained and qualified inspectors and assessors;

(b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;

(c) abide by any reasonable entry rules or requirements of Seller;

(d) not interfere with existing operations or occupants of the Property; and

(e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. **Property Information:**

(1) **Delivery of Property Information:** Within 30 days after the effective date, Seller will deliver to Buyer. (Check all that apply.)

Commercial Contract - Improved Property concerning 12207 Waters Park Rd

- (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- (g) copies of all current warranties and guaranties relating to all or part of the Property;
- (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- (j) a copy of the "as-built" plans and specifications and plat of the Property;
- (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- (p) **Phase 1 Environmental Study (if available)** _____; and

(2) **Return of Property Information:** If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. **Contracts Affecting Operations:** Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;

(TAR-1801) 1-1-16

Initialed for identification by Seller DKB, WB and Buyer MM
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12207 Waters

Commercial Contract - Improved Property concerning 12207 Waters Park Rd

- (3) any non-occupancy of the leased premises by a tenant;
- (4) any advance sums paid by a tenant under any lease;
- (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within 90 days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than January 1, 2018 by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

DKB
CJB
WM

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Gail Whitfield dba The Whitfield Company
 Agent: Gail Whitfield
 Address: 1101 S Capital of Texas Hwy Ste A101
 Phone & Fax: (512)476-9900
 E-mail: gail@thewhitfieldco.com
 License No.: 0316233

Cooperating Broker: _____
 Agent: _____
 Address: _____
 Phone & Fax: _____
 E-mail: _____
 License No.: _____

Principal Broker: (Check only one box.)
 represents Seller only.
 represents Buyer only.
 is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)
 (Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
 3.000 % of the sales price.

Cooperating Broker a total cash fee of:
 _____ % of the sales price.

The cash fees will be paid in Travis County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) _____ days after the expiration of the feasibility period.
 August 31, 2018 (specific date).

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ~~general~~ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
- (3) an assignment of all leases to or on the Property;
- (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
- (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
- (5) a rent roll current on the day of the closing certified by Seller as true and correct;
- (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
- (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in the Property a written statement that:
- (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. **SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. (If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)

Buyer at Buyers expense may obtain a Phase One Environmental Report. Seller will cooperate with Buyer to fill out reports and allow access to the Property. Seller shall be allowed to Lease back the Property for six (6) months after closing for \$500 per month.

Project Entitlements. Seller hereby authorizes Buyer to, upon or after the Effective Date of the Contract, make application to any and all applicable governmental entities and authorities regulating development of the Property (the "Governmental Authorities") for approval of all permits necessary to construct and develop a multifamily housing project and related roadways, parking, drainage/water quality facilities, utilities, infrastructure and amenities on the Property (the "Project"), including without limitation: (a) all approvals which are required for development of the Project; and (b) all site development permits, building permits and other approvals which are required for the Project (collectively the "Project Entitlements"). However, Buyer shall have the right to contact all governmental authorities to assure its satisfaction with all review matters, however no change of any kind will be made without the express written consent of Seller. Buyer shall bear all costs associated with obtaining the Project Entitlements from the Governmental Authorities. Seller agrees to reasonably cooperate with Buyer in obtaining the Project Entitlements (at no cost to Seller and with no obligation to appear or otherwise participate in any hearings, meetings or proceedings) and to sign any applications or other documents which may be required Continued... See Addendum Special Provisions 1

13. **SALES EXPENSES:**

A. **Seller's Expenses:** Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. **Buyer's Expenses:** Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

16. DEFAULT:

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)

enforce specific performance, or seek such other relief as may be provided by law.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;

- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. **ATTORNEY'S FEES:** If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. **ESCROW:**

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange falls to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief. (Check only one box.)

- A. Seller is not aware of any material defects to the Property, except as stated in the attached Commercial Property Condition Statement (TAR-1408); *DKB CJB WM*
- B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply.)

- (1) Property Description Exhibit Identified in Paragraph 2;
- (2) Commercial Contract Condominium Addendum (TAR-1930);
- (3) Commercial Contract Financing Addendum (TAR-1931);
- (4) Commercial Property Condition Statement (TAR-1408);
- (5) Commercial Contract Addendum for Special Provisions (TAR-1940);

- (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- (7) Notice to Purchaser of Real Property in a Water District (MUD);
- (8) Addendum for Coastal Area Property (TAR-1915);
- (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- (10) Information About Brokerage Services (TAR-2501); and
- (11) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer may may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.
23. **TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.
24. **EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.
25. **ADDITIONAL NOTICES:**
- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
 - B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
 - C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
 - D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
 - E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
 - F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To

determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on October 30, 2017, the offer will lapse and become null and void.

WM

DKS 30 Oct 2017

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: Daniel K & Cathy J Baird

Foundation Communities, Inc. (a Texas Non-Profit
Buyer: Corporation)

By: Daniel K. Baird
 By (signature): _____
 Printed Name: DANIEL K. BAIRD
 Title: _____

By: Walter Mason
 By (signature): _____
 Printed Name: Walter Mason
 Title: Executive Director

By: Cathy J Baird
 By (signature): _____
 Printed Name: Cathy J Baird
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

AGREEMENT BETWEEN BROKERS
(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:
 \$ _____, or
 _____ % of the sales price, or
 _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____
 By: _____ By: _____

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: A. Rick Hightower
 Address: _____ Address: 3008 Bee Caves Rd Ste D-200
 Phone & Fax: _____ Austin TX 78748
 E-mail: _____ Phone & Fax: (512)480-8882
 E-mail: rick@arttexas.com

Seller's attorney requests copies of documents, notices, and other information:
 the title company sends to Seller.
 Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:
 the title company sends to Buyer.
 Seller sends to Buyer.

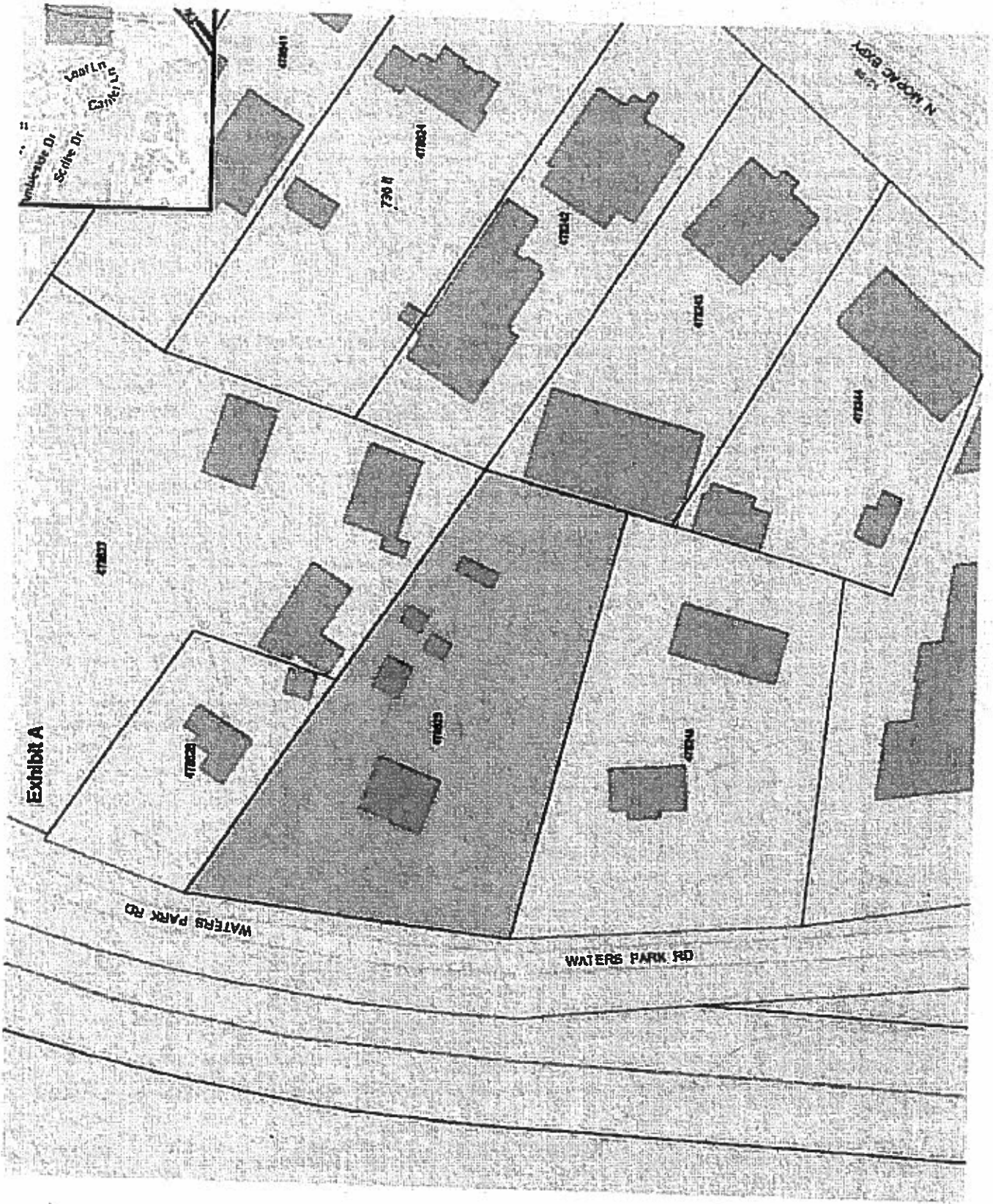
ESCROW RECEIPT

The title company acknowledges receipt of:
 A. the contract on this day November 1, 2017 (effective date);
 B. earnest money in the amount of \$ 20,000 in the form of CK # 45267
 on November 2, 2017

Title company: Stewart Title
 By: Shawna Fletcher
 Assigned file number (GF#): 149428

STEWART TITLE OF AUSTIN, LLC
 Address: 901 SOUTH MOPAC
BUILDING III, SUITE 100 512-472-9231 (office)
 Phone & Fax: AUSTIN, TX 78746 512-472-2101 (fax)
 E-mail: shawna.fletcher@stewart.com

Exhibit A.





TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT AMENDMENT

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
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AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER
CONCERNING THE PROPERTY AT

12207 Waters Park Rd

Effective 11-01-2017, Seller and Buyer amend the contract as follows: (Check all applicable boxes.)

A. **Sales Price:** The sales price in Paragraph 3 of the contract is changed to:

Cash portion payable by Buyer at closing.\$ _____

Sum of all financing described in the contract.\$ _____

Sales price (sum of cash portion and sum of all financing)\$ _____

B. **Property Description:** The Property's legal description in Paragraph 2A of the contract is changed to:

C. **Repairs:** Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:

D. Extension of Feasibility Period: For nominal consideration, the receipt of which Seller acknowledges, and the consideration described under (1) or (2) below, if any, Buyer's right to terminate under Paragraph 7B of the contract is extended until 11:59 p.m. on _____

(1) The independent consideration for Buyer's right to terminate that will be deducted from the earnest money if Buyer terminates the contract under Paragraph 7B(1) is increased to a total amount of \$ _____ . (Insert an amount greater than the amount in Paragraph 7B(1) of the contract.)

(2) Buyer has paid Seller additional consideration of \$ _____ for the extension. This additional consideration will will not be credited to the sales price upon the closing of the sale.

E. Closing: The closing date in Paragraph 10A of the contract is changed to _____ .

F. Expenses: At closing Seller will pay the first \$ _____ of Buyer's expenses under Paragraph 13 of the contract.

G. Waiver of Right to Terminate: Upon final acceptance of this Amendment, Buyer waives the right to terminate under Paragraph 7B of the contract.

H. Other Modifications:

6. B. Survey- Buyer shall have 150 days from the effective date of the contract to obtain a new survey. Notwithstanding any other provision of this Contract, Buyer shall have no obligation to purchase the Property, and no transfer of title to the Buyer may occur, unless and until the Texas Department of Housing and Community Affairs (the "Department") has provided Buyer and/or Seller with a written notification that: (A) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (i) the purchase may proceed, or (ii) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (B) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The Department shall use its best efforts to conclude the environmental review of the property expeditiously.

Seller: Daniel K & Cathy J Baird

Buyer: FOUNDATION REPAIR, INC

By: _____
By (signature): Daniel K. Baird
Printed Name: Daniel K. Baird
Title: N/A

By: _____
By (signature): Walter Moritz
Printed Name: WALTER MORITZ
Title: EXECUTIVE DIRECTOR

By: _____
By (signature): Cathy J Baird
Printed Name: Cathy J Baird
Title: N/A

By: _____
By (signature): _____
Printed Name: _____
Title: _____



**TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT AMENDMENT**

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS IS NOT AUTHORIZED.
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**AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER
CONCERNING THE PROPERTY AT**

12207 Waters Park Rd

Effective November 1, 2017, Seller and Buyer amend the contract as follows: (Check all applicable boxes.)

A. **Sales Price:** The sales price in Paragraph 3 of the contract is changed to:

Cash portion payable by Buyer at closing	\$	<u>1,660,000.00</u>
Sum of all financing described in the contract	\$	_____
Sales price (sum of cash portion and sum of all financing)	\$	<u>1,660,000.00</u>

B. **Property Description:** The Property's legal description in Paragraph 2A of the contract is changed to:

C. **Repairs:** Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:

Amendment to Commercial Contract concerning 12267 Waters Park Rd

- D. **Extension of Feasibility Period:** For nominal consideration, the receipt of which Seller acknowledges, and the consideration described under (1) or (2) below, if any, Buyer's right to terminate under Paragraph 7B of the contract is extended until 11:59 p.m. on _____.
- (1) The independent consideration for Buyer's right to terminate that will be deducted from the earnest money if Buyer terminates the contract under Paragraph 7B(1) is increased to a total amount of \$ _____ - (Insert an amount greater than the amount in Paragraph 7B(1) of the contract.)
- (2) Buyer has paid Seller additional consideration of \$ _____ for the extension. This additional consideration will will not be credited to the sales price upon the closing of the sale.
- E. **Closing:** The closing date in Paragraph 10A of the contract is changed to _____.
- F. **Expenses:** At closing Seller will pay the first \$ _____ of Buyer's expenses under Paragraph 13 of the contract.
- G. **Waiver of Right to Terminate:** Upon final acceptance of this Amendment, Buyer waives the right to terminate under Paragraph 7B of the contract.
- H. **Other Modifications:**

Seller: Daniel K. Baird Cathy Baird

Buyer: Foundation Communities, Inc.

By: _____
By (signature): Daniel K. Baird
Printed Name: Daniel K. Baird
Title: Seller

By: _____
By (signature): Walter Hosen
Printed Name: Walter Hosen
Title: Executive Director

By: _____
By (signature): Cathy J Baird
Printed Name: Cathy J Baird
Title: Seller

By: _____
By (signature): _____
Printed Name: _____
Title: _____

**ATTACHMENT 7:
TAX DOCUMENTATION**

Travis CAD

Property Search > 478243 CHAFFEE ROBERT A & VICKIE for Year 2018

Tax Year: 2018 - Values not available

Property

Account

Property ID: 478243 Legal Description: LOT 2 *(1.00AC) GARNER & KISSMAN SUBD
 Geographic ID: 0260100502 Zoning: GR
 Type: Real Agent Code: ID:2490
 Property Use Code:
 Property Use Description:

Location

Address: 12190 N MO-PAC EXPRESSWAY Mapsco:
 TX 78758
 Neighborhood: VEHICLE SHOWROOM Map ID: 025911
 Neighborhood CD: 80NOR

Owner

Name: CHAFFEE ROBERT A & VICKIE Owner ID: 239914
 Mailing Address: 805 BLUE HILLS DR % Ownership: 100.0000000000%
 DRIPPING SPRINGS, TX 78620-3911

Exemptions:

Values

(+) Improvement Homesite Value:	+	N/A	
(+) Improvement Non-Homesite Value:	+	N/A	
(+) Land Homesite Value:	+	N/A	
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	N/A	N/A
(+) Timber Market Valuation:	+	N/A	N/A
<hr/>			
(=) Market Value:	=	N/A	
(-) Ag or Timber Use Value Reduction:	-	N/A	
<hr/>			
(=) Appraised Value:	=	N/A	
(-) HS Cap:	-	N/A	
<hr/>			
(=) Assessed Value:	=	N/A	

Taxing Jurisdiction

Owner: CHAFFEE ROBERT A & VICKIE
 % Ownership: 100.0000000000%
 Total Value: N/A

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	N/A	N/A	N/A	N/A
02	CITY OF AUSTIN	N/A	N/A	N/A	N/A
03	TRAVIS COUNTY	N/A	N/A	N/A	N/A

0A	TRAVIS CENTRAL APP DIST	N/A	N/A	N/A	N/A
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	N/A	N/A	N/A	N/A
68	AUSTIN COMM COLL DIST	N/A	N/A	N/A	N/A
Total Tax Rate:		N/A			
				Taxes w/Current Exemptions:	N/A
				Taxes w/o Exemptions:	N/A

Improvement / Building

Improvement #1: SVC/REPAIR GAR'G State Code: F1 Living Area: 4800.0 sqft Value: N/A

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	S - 3		1980	4800.0
501	CANOPY	A - *		1980	620.0
501	CANOPY	A - *		1980	3100.0
541	FENCE COMM LF	C6 - *		1980	300.0
551	PAVED AREA	AI - *		1980	5950.0
551	PAVED AREA	CA - *		1980	880.0
327	STORAGE COMM'L	A - *		1972	96.0

Improvement #2: DEALERSHIP State Code: F1 Living Area: 4490.0 sqft Value: N/A

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	D - 4		1972	4490.0
482	LIGHT POLES	* - *		1972	4.0
521	FIREPLACE	MI1 - *		1972	2.0
591	MASONRY TRIM SF	AVG - *		1972	150.0
50	Sketch Only	SO - *			0.0
611	TERRACE	CA - *		1972	144.0
611	TERRACE	CS - *		1972	150.0
408	LOADING RAMP	A - *		1972	180.0
408	LOADING RAMP	A - *		1972	238.0
541	FENCE COMM LF	C6 - *		1972	300.0
551	PAVED AREA	AA - *		1972	8600.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	1.0000	43560.00	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$420,696	\$653,400	0	1,074,096	\$0	\$1,074,096
2016	\$311,428	\$653,400	0	964,828	\$0	\$964,828
2015	\$315,336	\$522,720	0	838,056	\$0	\$838,056
2014	\$304,464	\$522,720	0	827,184	\$0	\$827,184
2013	\$246,610	\$522,720	0	769,330	\$0	\$769,330

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/21/1986	WD	WARRANTY DEED	GUTH RICHARD V &		09869	00227	

				ANITA M GRESH	CHAFFEE ROBERT A & VICKIE		
2	8/5/1986	CD	CORRECTION DEED	GUTH RICHARD V ET AL	GUTH RICHARD V & ANITA M GRESH	09820	00310
3	4/1/1982	WD	WARRANTY DEED	J-MAR FIREPLACE CENTER INC	GUTH RICHARD V ET AL	07722	00770

Questions Please Call (512) 834-9317

This site requires cookies to be enabled in your browser settings

This year is not certified and ALL values will be represented with "N/A".

Website version: 1.2.2.23

Database last updated on: 1/17/2018 1:37 AM

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Travis CAD

Property Search > 478625 BAIRD DANIEL K & CATHY J for Year 2018 - Values not available
 2018

Property

Account

Property ID:	478625	Legal Description:	ABS 659 SUR 19 ROGERS J ACR 1.45
Geographic ID:	0262100102	Zoning:	LO
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Location

Address:	12207 WATERS PARK RD TX 78759	Mapsco:	
Neighborhood:	59NOR	Map ID:	025911
Neighborhood CD:	59NOR		

Owner

Name:	BAIRD DANIEL K & CATHY J	Owner ID:	443326
Mailing Address:	12207 WATERS PARK RD AUSTIN , TX 78759-2119	% Ownership:	100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	N/A	
(+) Improvement Non-Homesite Value:	+	N/A	
(+) Land Homesite Value:	+	N/A	
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	N/A	N/A
(+) Timber Market Valuation:	+	N/A	N/A
<hr/>			
(=) Market Value:	=	N/A	
(-) Ag or Timber Use Value Reduction:	-	N/A	
<hr/>			
(=) Appraised Value:	=	N/A	
(-) HS Cap:	-	N/A	
<hr/>			
(=) Assessed Value:	=	N/A	

Taxing Jurisdiction

Owner: BAIRD DANIEL K & CATHY J
 % Ownership: 100.0000000000%
 Total Value: N/A

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	N/A	N/A	N/A	N/A
02	CITY OF AUSTIN	N/A	N/A	N/A	N/A
03	TRAVIS COUNTY	N/A	N/A	N/A	N/A

0A	TRAVIS CENTRAL APP DIST	N/A	N/A	N/A	N/A
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	N/A	N/A	N/A	N/A
68	AUSTIN COMM COLL DIST	N/A	N/A	N/A	N/A
Total Tax Rate:		N/A			
				Taxes w/Current Exemptions:	N/A
				Taxes w/o Exemptions:	N/A

Improvement / Building

Improvement #1: OFF/RETAIL (SFR) State Code: F5 Living Area: 1918.0 sqft Value: N/A

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WV - 5-		1962	1918.0
011	PORCH OPEN 1ST F	* - 5-		1962	20.0
031	GARAGE DET 1ST F	WV - 5-		1962	440.0
095	HVAC RESIDENTIAL	* - *		1962	1918.0
301	BARN SF	I - *		1962	300.0
571	STORAGE DET	WW - 2		1962	80.0
612	TERRACE UNCOVERD	* - 5-		1962	168.0
327	STORAGE COMM'L	A - *		2012	204.0
327	STORAGE COMM'L	A - *		2012	204.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	1.4500	63162.00	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$347,894	\$252,648	0	600,542	\$0	\$600,542
2016	\$280,560	\$252,648	0	533,208	\$0	\$533,208
2015	\$291,782	\$88,427	0	380,209	\$0	\$380,209
2014	\$291,782	\$88,427	0	380,209	\$0	\$380,209
2013	\$229,269	\$88,427	0	317,696	\$0	\$317,696

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	1/10/2003	WD	WARRANTY DEED	RABUN GERALD & CAROL J	BAIRD DANIEL K & CATHY J	00000	00000	2003011408TR
2	11/3/1986	WD	WARRANTY DEED	ANDERSON GEORGE R	RABUN GERALD & CAROL J	09965	00587	
3	7/13/1981	WD	WARRANTY DEED	BRIDGES CHARLES RAY	ANDERSON GEORGE R	07503	00408	

Questions Please Call (512) 834-9317

This site requires cookies to be enabled in your browser settings.

This year is not certified and ALL values will be represented with "N/A".

**ATTACHMENT 8:
ZONING**



City of Austin

Founded by Congress, Republic of Texas, 1839
Planning and Zoning Department
One Texas Center, 505 Barton Springs Road
P.O. Box 1088, Austin, Texas 78767

January 10, 2018

Sabrina Butler
Director of Housing Finance
Foundation Communities
3036 S. 1st Street
Austin, TX 78704

Re: Zoning Verification for the Properties located at 12207 Waters Park Road, Austin, Texas, further described as 1.45 acres of land, more or less, out the James Rogers Survey, and 12190 North MoPac Expressway, Austin, Texas, described as Lot 2, Garner & Kissman Subdivision

Dear Ms. Butler:

This letter is to confirm that the property located at 12207 Waters Park Road is zoned limited office (LO) district and 12190 North MoPac Expressway, is zoned community commercial (GR) district.

Under the LO zoning classification applicable to 12207 Waters Park Road, a congregate living use is a conditional use, and approval of a Conditional Use Permit site plan by the Zoning and Platting Commission is required prior to establishing the use. Under the GR zoning classification applicable to 12190 North MoPac Expressway, a congregate living use is permitted provided the applicable zoning and land development regulations (height, setback, parking, etc.) and building codes are addressed. The Applicant's proposed supportive housing Development on these parcels is permitted under the provisions of the zoning ordinances that apply to the location of the Development without a need for rezoning.

Sincerely,

Wendy Rhoades
Planning and Zoning Department

ATTACHMENT 9: SMART HOUSING



City of Austin

P.O. Box 1088, Austin, TX 78767
www.cityofaustin.org/housing

Neighborhood Housing and Community Development Department

February 5, 2018

**S.M.A.R.T. Housing Certification-
Foundation Communities, Inc. –Waters Park Studios – (Project ID 422)**

TO WHOM IT MAY CONCERN:

Foundation Communities, Inc. (development contact: Walter Moreau: 512-610-4016; walter.moreau@foundcom.org) is planning to develop the Waters Park Studios, a 132 unit multi-family development at 12207 Waters Park Road, 78759 and 12190 N Mopac Expwy, Austin TX 78758. The project is subject to a 5 year minimum affordability period, unless project funding requirements are longer.

Since 100% of the units will serve households at or below 50% MFI, the development will be eligible for 100% waiver of all fees listed in the S.M.A.R.T. Housing Ordinance adopted by the City Council. The unit mix is as follows: 20% of the units (27 units) will serve households at or below 30% Median Family Income (MFI); 20% of the units (27 units) will serve households at or below 40% Median Family Income (MFI); and 60% of the units (78 units) will serve households at or below 50% Median Family Income (MFI). The expected fee waivers include, but are not limited to, the following fees:

Capital Recovery Fees
Building Permit
Concrete Permit
Electrical Permit
Mechanical Permit
Plumbing Permit

Site Plan Review
Misc. Site Plan Fee
Construction Inspection
Subdivision Plan Review
Misc. Subdivision Fee
Zoning Verification

Land Status Determination
Building Plan Review
Parkland Dedication (*by separate ordinance*)

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

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

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

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- ◆ Enter into a Restrictive Covenant securing the affordability requirements.

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

Please contact me by phone 512.974.3128 or by email at Sandra.harkins@austintexas.gov if you need additional information.

Sincerely,



Sandra Harkins, Project Coordinator
Neighborhood Housing and Community Development

Cc: Laurie Shaw, Capital Metro
Maureen Meredith, PZD
Marilyn Lamensdorf, PARD
Heidi Kasper, AEGB
Carl Wren, DSD

Catherine Doar, AE
Gina Copic, NHCD
Stephen Castleberry, DSD
Elizabeth Robinson, DSD
Zulema Flores, DSD

Alma Moleri, DSD
Ellis Morgan, NHCD
Katherine Murray, Austin Energy
Alice Flora, AWU

**ATTACHMENT 10:
DEVELOPMENT STAFF RESUMES**



FOUNDATION COMMUNITIES STAFF RESUMES - Walter Moreau

Walter Moreau

walter.moreau@foundcom.org | 512-610-4016

AREAS OF EXPERTISE

Nonprofit leadership, asset building, asset management, strategic planning, green construction, program design

EXPERIENCE

Executive Director

1997-Present

Foundation Communities
Austin, TX

- Leads the development and growth of Foundation Communities in pursuit of our mission to create housing where families succeed.
- Ensures that FC is a financially self-reliant organization with low debt. 80% of our operating budget is covered by rental income and the balance is raised from a diverse base of institutional investors and individual donors. Oversees annual fundraising of over \$6 million.
- Provides leadership of our growing portfolio of 3,000 units with a market value of over \$200 million. We have a staff of more than 350, an annual operating budget of over \$30 million, and current real estate development projects of over \$100 million.
- Led the creation and funding of 15 new affordable housing communities, overcoming numerous “not in my backyard” opposition efforts.
- Developed our supportive housing model for extremely low income and homeless single adults. We provide a home and wraparound services for 600 SRO residents.
- Maintains green building as a top priority—FC is the largest private producer of solar power in the region.
- Launched our first learning center in 2004, which today has grown to ten centers and over 700 students in free afterschool academic programs. Learning centers have become the heart of each community and offer pre-k, elementary, teen and adult programming.
- Created an array of health programs for residents and surrounding neighborhoods, ranging from Zumba to psychiatric nurse teams and everything in between.
- Created our “Community Financial Centers,” which offer free tax prep (over 30,000 returns and \$45 million in refunds), IDA savings accounts, college financial aid, financial coaching, and health insurance enrollment (over 11,000 clients enrolled in the last two years).

Private Consultant

1992-1994

Austin, TX

- Worked with fifteen nonprofit and public affordable housing clients on a variety of projects. Raised over \$8.5 million in subsidy funds for the development of 446 units in both urban and rural settings.
- Facilitated the sale and financing of four communities (871 units / \$9.2 million in value) from the Resolution Trust Corporation to nonprofit owners.
- Designed a Neighborhood Energy Conservation Program for Dallas Habitat for Humanity.
- Wrote three technical reports for the U.S. Department of Health and Human Services on financial management issues for grantees of the Ryan White Care Act.

Megan Emma Matthews

Work Experience

Foundation Communities | Austin, Texas
Development Project Manager
June 2017 - current

- Determines the feasibility of land for new developments through zoning and entitlement research, site planning, and code compliance.
- Facilitates the design and construction of sustainable and beautiful affordable housing by acting as the pivot point between architects, contractors, consultants, City officials, and granting agencies to ensure compliance with all project requirements, timelines, and budgets.
- Ensures new construction projects comply with high level ratings from Leadership in Energy and Environmental Design (LEED), Austin Energy Green Building (AEGB) program, and Enterprise Green Communities (EGC).

hatch+ulland owen architects | Austin, Texas
Architect + Project Manager
June 2011 - June 2017

- Initially hired as an Intern and quickly promoted to Project Manager by demonstrating my ability to handle multiple projects at a time. Later promoted to Architect through the national licensure process.
- Collaborated with teammates on a wide variety of project types ranging from small single-family residential to large commercial projects.
- Managed the design and construction administration for over 700 multi-family housing units in the Austin area with a focus on affordable housing.
- Involved with several AEGB certified projects, as well as projects pursuing LEED and Living Building Challenge certification.

Foundation Communities | Austin, Texas
Capital Audit Intern
May 2010 - around September 2012

- Created a database for each Foundation Communities property to help others assess the replacement value of aging building components in order to better inform future budgets.
- Populated the aforementioned database through site visits and meetings with each property manager and maintenance staff member to gather quantitative and qualitative information about each building component.

Skills

- Conceptual Site and Building Design
- Project Management
- Green Building Design
- Client/Staff Relations
- Code Compliance (Building, Energy, and Accessibility)
- Cost Summaries/Schedules
- Materials Research
- Construction Administration and Observation

Education & License

2007 - 2012
The University of Texas at Austin

- Bachelor of Architecture
- Business Foundations Program Certificate

2014
Texas Architect #24488

Technology

- AutoCAD Architecture 2017
- Adobe Photoshop
- Adobe InDesign
- SketchUp
- Microsoft Office Suite



FOUNDATION COMMUNITIES STAFF RESUMES - Vicki Beal McDonald

Vicki Beal McDonald

ann.clift@foundcom.org | 512-610-4032

AREAS OF EXPERTISE

Asset management, supervision of property construction and remodeling

EXPERIENCE

Director of Asset Management

2005-Present

Foundation Communities
Austin, TX

- Oversees FC's real estate portfolio, valued at over \$100 million.
- Key member of FC's development team, assisting in renovation of existing properties and acquisition and construction of new properties.

Activities in this role:

- Provided oversight on renovation of Spring Terrace, Skyline Terrace, Sierra Vista and Arbor Terrace—a total of 482 units.
- Provided oversight on construction of M Station, Capital Studios, Homestead, Bluebonnet Studios, Lakeline Station and Live Oak Trails—a total of 718 units.
- Currently working with development team on expansion of Cardinal Point Apartments and Garden Terrace.

Owner

1984-2006

Vista Properties
Austin, TX

- Owned and operated Vista properties, a real estate firm that specialized in the management, leasing and brokerage of income-producing assets including multifamily, office and retail portfolios.
- Performed property and asset management services for a variety of institutional and individual real estate owners across six-state service area.
- Brokered over fifty million dollars' worth of commercial real estate.

ACCREDITATIONS

- Licensed Texas Real Estate Broker
- Member, Certified Commercial Investment Institute
- Member, Texas Apartment Association

SABRINA F. BUTLER

WORK EXPERIENCE

Foundation Communities (Austin, TX)

Director of Housing Finance 2017 – Present

Oversee the financing of Foundation Communities' current and future affordable residential communities. Play a lead role with other senior and development staff from initial feasibility analysis to ongoing coordination of each phase of development, including:

- ◆ Evaluate potential sites to determine feasibility for use as affordable housing and negotiate purchase agreements. Establish financing plans for new developments and monitor project finances throughout the development process, including oversight of monthly draws.
- ◆ Apply for and report on pre-development, construction, and permanent financing from conventional and public funding sources. Solicit proposals for and secure equity investments and private debt placement. Oversee loan closings and coordination of initial reporting.
- ◆ Monitor and evaluate impact of changing state and federal regulations on existing and pipeline projects, review applicability of potential new funding sources, engage with local and national peer networks.
- ◆ Apply for and, with Asset Management, ensure ongoing compliance with property tax exemption.

BRIDGE Housing (San Francisco, CA)

Director of Portfolio 2014 – 2017

Responsible for long-term strategic planning and short-term financing transactions for affordable housing portfolio of one of the largest and most well-known non-profit affordable housing developers on the West Coast. Responsible for coordination and implantation of organization's energy/water conservation and renewable energy initiatives.

- ◆ **Internal Leadership:** Joined BRIDGE Housing when its Portfolio department was undergoing transformation. Worked closely with the Vice President of Portfolio to build a new team from the ground up, including development of the short- and long-term staffing structure and refinement of department goals. Ongoing, role included advising on annual business strategy for team, collaboration on development of new procedures, supervision of small staff, leading energy/water and renewable energy efforts for existing portfolio of over 10,000 housing units.
- ◆ **Industry Leadership:** Frequent and ongoing collaboration with industry leaders on housing and sustainability related policies, including advising on new policy proposals and responding to proposed regulations; participation in peer networks to facilitate sharing of best practices to advance industry; regular presenter at housing conferences
- ◆ **Programmatic:** Identified and implemented short- and long-term strategies for assigned portfolio of over 50 real estate assets, balancing sustainability of individual assets with corporate revenue targets; negotiated and executed on exit strategies for original project investors; evaluated energy and water retrofit and renewable energy opportunities and oversaw implementation/installation; coordinated data management and evaluation of energy conservation efforts against company targets

Resources for Community Development (Berkeley, CA)

Director of Asset Management 2011 – 2014

Asset Manager 2009 – 2011

Oversaw the housing and commercial portfolio of a highly regarded regional affordable housing developer & operator. Ensured the long-term financial, physical, and operational sustainability of the properties while balancing RCD's economic objectives, social mission, and sustainability goals.

- ◆ **Internal Leadership:** Developed & implemented annual business plan; met annual income targets for department; supervised small internal team as well as contracted property management company; reported on

portfolio performance to upper management and board of directors; worked collaboratively with other departments on a variety of projects to improve efficiency and communication within and between teams

- ◆ Industry Leadership: Frequent presenter at industry conferences; participated in advocacy groups and initiatives; coordinated working group of local asset managers for networking and information sharing; participated in respected industry training and certification program
- ◆ Financial: Evaluated new deal structure and feasibility, including projects with complex financing; prepared and reviewed of financial budgets and projections for 50+ individual real estate holding entities annually; monitored, reviewed, and analyzed financial performance of individual entities and full portfolio; anticipated future trends based on historical experience and external factors

Low Income Investment Fund (San Francisco, CA)

Loan Officer 2007 –2009

Credit Associate 2006 – 2007

- ◆ Loan underwriting of affordable housing, charter school, child care, and other nonprofit borrowers: analysis of borrower financial strengths and weaknesses; organizational analysis; project feasibility; and evaluation of real estate or other collateral
- ◆ Client relationship management and customer service, including marketing and new client development
- ◆ Deal negotiation, from initial inquiry through loan approval and loan document execution
- ◆ Oversight of loan closing processes, construction and predevelopment loan disbursements, ongoing asset management of portfolio, and loan restructurings/work outs

Self-Help Credit Union/Ventures Fund (Durham, NC)

Commercial Lending Consultant; Intern 2005 –2006

- ◆ Evaluation of energy efficiency financing opportunities in small businesses, charter schools, & homes
- ◆ Development of new loan monitoring system for commercial real estate and community facilities loans
- ◆ Assisted with borrowers' financial analysis and debt service capacity

First Step Fund/Americorps*VISTA (Kansas City, MO)

Community Resources Developer 2003 – 2004

- ◆ Recruited and managed volunteer speakers and mentors for the microenterprise training program
- ◆ Coordinated outreach to potential clients, volunteers, and agency partners via public presentations, networking, and creation of new marketing materials
- ◆ Grantwriting, including successful proposal for organization's first Spanish-language training

Internships (Oakland, CA) 2002 – 2003

- ◆ Variety of internships in transit advocacy, environmental justice, and homeless services

EDUCATION

University of North Carolina at Chapel Hill: *Master of Regional Planning May 2006*

University of California at Berkeley: *Bachelor of Arts with Honors in American Studies Spring 2003*

PROFESSIONAL CERTIFICATIONS

NeighborWorks: *Certified Housing Asset Manager (CHAM) November 2015*

Duke University: *Nonprofit Management Certificate May 2006*

SKILLS

Soft Skills: Negotiating; presentations & public speaking; strategic planning; troubleshooting & problem solving; relationship building; collaboration; group coordination; policy development & implementation

Technical Skills: Advanced experience in Microsoft Office Suite (Excel, Word, PowerPoint, Outlook) and various data management systems; financial analysis and projections; data analysis; financial underwriting/risk analysis; writing; editing/proof reading

VOLUNTEER WORK

- ◆ California Housing Partnership Corporation GREEN Advisory Board Member
- ◆ Alameda County AIDS Housing Needs Assessment Work Group
- ◆ Elementary School PTAs/Committees: Communications; Equity Committee; Grant Writing
- ◆ Oakland Committee, East Bay Housing Organizations (EBHO)
- ◆ Oakland Indie Awards Judge
- ◆ Orange County (N.C.) Affordable Housing Advisory Board Member
- ◆ UNC Urban Planning Dept.: Diversity Committee; Alumni/Career Services Committee



FOUNDATION COMMUNITIES STAFF RESUMES - Tillie Croxdale

Tillie Croxdale

tillie.croxdale@foundcom.org | 512-610-0829

AREAS OF EXPERTISE

Affordable housing finance and development, property management, asset management, energy management and capital planning

EXPERIENCE

Real Estate Project Manager

2015-Present

Foundation Communities
Austin, TX

- Assists with securing financing, preparing loan and grant applications, following public agency and lender compliance requirements and conducting feasibility analyses for new development opportunities.

Facilities Administrator

2013-2015

Holsten Management Corporation
Chicago, IL

- Assisted with capital planning.
- Maintained productive relationships with vendors.
- Responded to building violations issues.
- Monitored new construction and inspected units and common areas.
- Prepared properties for external agency inspections.

Property Manager

2011-2013

Heartland Alliance/Heartland Housing
Chicago, IL

- Managed a 137 unit tax credit development with a target population of individuals that were formerly homeless and struggled with mental illness, substance abuse and/or physical disabilities.
- Supervised a staff of eight and was responsible for collections, occupancy, operations, maintenance, tax credit compliance and resident relations.

ACCREDITATIONS

- Building Operator Certification from Midwest Energy Alliance
- Green Property Management Certification from Enterprise Community Partners
- Tax Credit Specialist from National Council for Housing Management

PROJECTS LIST

- Homestead Oaks – 140 units, 3226 W. Slaughter Lane. Construction completed 2015.
- Live Oak Trails – 58 units, 8500 W. Highway 71. Construction completed 2016.
- Bluebonnet Studios – 107 units, 2301 S. Lamar Blvd. Construction completed 2016.
- Lakeline Station – 128 units, 13635 Rutledge. Opening 2016.
- Cardinal Point – 120 units, 11011 ½ Four Points Drive. Opening 2017.



FOUNDATION COMMUNITIES STAFF RESUMES - Ann Elise Clift, CPA

Ann Elise Clift, CPA

ann.clift@foundcom.org | 512-610-4032

AREAS OF EXPERTISE

Real estate and nonprofit accounting and management

EXPERIENCE

Chief Financial Officer

2008-Present

Foundation Communities
Austin, TX

- Manages accounting and finance for construction and operations of FC properties.
- Produces monthly consolidated financial statements.
- Creates budgets for all FC programs and properties.
- Established FC's Central Reserve funds in 1997 and Growth Fund in 2013
- 25 years of audits for FC with no findings.

Staff Accountant

2001-2008

Foundation Communities
Austin, TX

- Prepared monthly and annual financial reports and records.
- Prepared and analyzed budgets for each of FC's new and existing properties and programs to ensure our growth was financially sound.

Independent CPA

1994-2001

Austin, TX

- Provided bookkeeping services to various small businesses.
- Clients encompassed a multitude of different industries including construction, homeowner associations, restaurants, media production services, retail establishments and nonprofit organizations.
- Compiled monthly combined financial reports for Foundation Communities.

ACCREDITATIONS

- Licensed Certified Public Accountant
- Member, Texas Society of Certified Public Accountants

**ATTACHMENT 11:
DEVELOPMENT RESUME**



FOUNDATION COMMUNITIES RESUME



FOUNDATION COMMUNITIES

At Foundation Communities, we create housing where individuals and families succeed. By combining affordable housing and social services, we empower low-income residents by teaching them the tools and providing the support they need to stabilize and improve their economic standing. Free, on-site programs within our communities eliminate barriers like cost and transportation. **We work in four focus areas:**

1

OPENING DOORS TO HOMES

We own and manage more than 3,200 apartments across 22 properties—19 in Austin and three in the Dallas/Fort Worth area—providing quality homes for both families and individuals. We are committed to having the greenest properties possible, from construction to remodeling to educating residents.

2

HEALTHY COMMUNITIES

All FC residents have access to health amenities, resources, and food pantries. We have 707 supportive housing apartments where single adults who have been homeless, are on fixed incomes, or who have chronic health problems and disabilities can reach their maximum level of self-sufficiency. To support families coming out of homelessness, we created the Children's HOME Initiative. These 135 apartments, integrated throughout our affordable housing communities, provide reduced rents and case management support to help vulnerable families move from crisis and instability to long-term self-sufficiency.

3

LEARNING IN A COMMUNITY

This year, our on-site Learning Centers will give 1,000 children of working parents considerable academic support and a safe place to go when school is out. 85% of these students maintain or improve their grades. Adult education is a priority as well. At these same Learning Centers, adult classes offered include computer skills, English as a Second Language, and financial literacy.

4

SAVING FOR THE FUTURE

We provide free tax preparation in Austin for more than 20,000 low income workers and retirees each year, with the help of 700 IRS-certified volunteers. Refunds amount to more than \$32 million per year, and can equal 25 percent of a family's annual income. More than 600 families annually become smart consumers through financial education and one-on-one financial coaching; at least 50% of them reduce their debt. Matched savings plans assist families in saving to purchase a home, attend college, or start a business. The Cash for College programs assist over 1,000 students annually with federal student aid forms and potential scholarships; most of these students are the first in their families to attend college.

BUILDING/PROPERTIES:

Foundation Communities builds and manages award-winning affordable housing in Austin. FC now has 22 properties and has developed seven new affordable housing communities in the past five years, with another to open in 2017.

Under construction, opening in 2017:

CARDINAL POINT: 120 units of family housing at 11011 ½ Four Points Drive, new learning center.



BLUEBONNET STUDIOS:

107 units of service-enriched permanent supportive housing at 2301 South Lamar Blvd., opening December 2016



LAKELINE STATION:

128 units of family housing at 13635 Rutledge Spur; new learning center, opening December 2016



LIVE OAK TRAILS:

58 units of family housing at 8500 Highway 71; children will use the learning center at Southwest Trails, FC's property right next door, opening December 2016

HOMESTEAD OAKS:

140 units of family housing at 3226 W. Slaughter Lane, new learning center. Opened 2015, full occupancy 2016.



CAPITAL STUDIOS:

135 units of permanent supportive housing at 309 East 11th St.; new construction, opened 2014. The first affordable housing to be built in downtown Austin in more than 40 years. Austin Business Journal's Commercial Real Estate Award for Multi-Family Development (rental).



ARBOR TERRACE:

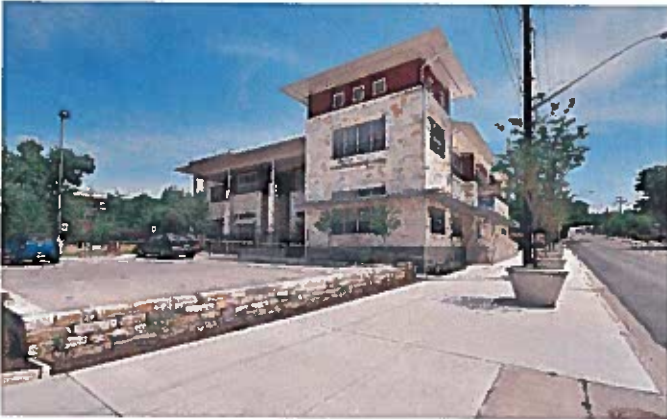
120 units of permanent supportive housing; opened 2012. Rehab of former extended-stay hotel. ABJ Commercial Real Estate Award/Multi-Family Development (rental).



M STATION:

150 units of family housing; opened 2011. New construction. LEED Platinum certification, Enterprise Green Communities certification, and Austin Energy Green Building 5-Star rated community. Numerous awards, including Austin Green Award; Reader's Choice Award/Affordable Housing Finance Magazine, Affordable Property of the Year/Austin Apartment Association, Social Impact Award/ABJ Commercial Real Estate Awards.





EDUCATION

Foundation Communities has 11 on-site Learning Centers, with two more under construction, that serve 1000 children each year with educational programming. Offerings range from pre-literacy for 3-and 4-year-olds to teen programs. 800 elementary school kids who live in our housing and the surrounding communities attend our year-round afterschool and summer program, where we work with local elementary schools to identify students' needs. This academically-focused program (3 hours each school day, 5-6 hours in the summer) includes reading, homework help, physical activity, and enrichment.

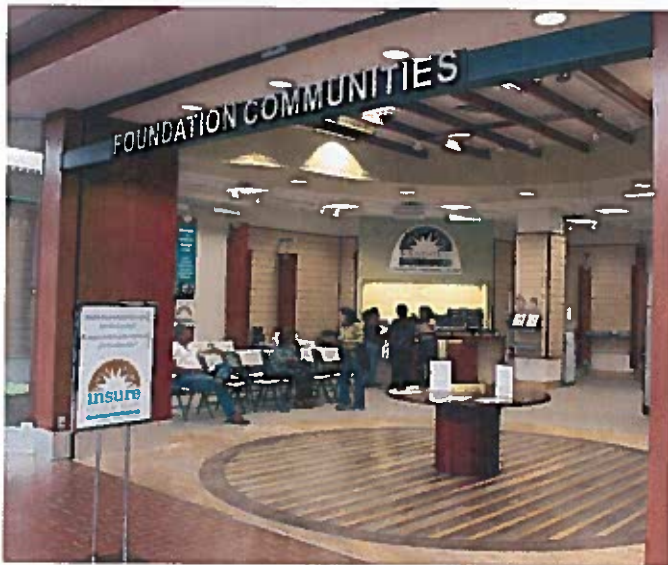
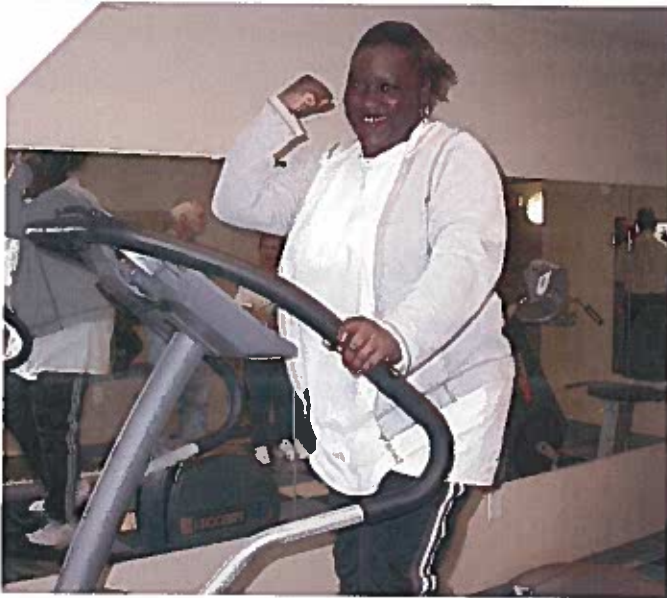
We also serve adults and entire families in our education programs. Free Minds is a year-long cooperative program with UT and ACC, designed for adults who have never attended college or are returning after a long absence, they receive six college humanities credits upon completion. Other adult classes include computer skills, English as a Second Language, exercise classes, and healthy cooking.



FINANCIAL STABILITY

Foundation Communities' Financial Stability programs help more than 25,000 people each year across our community.

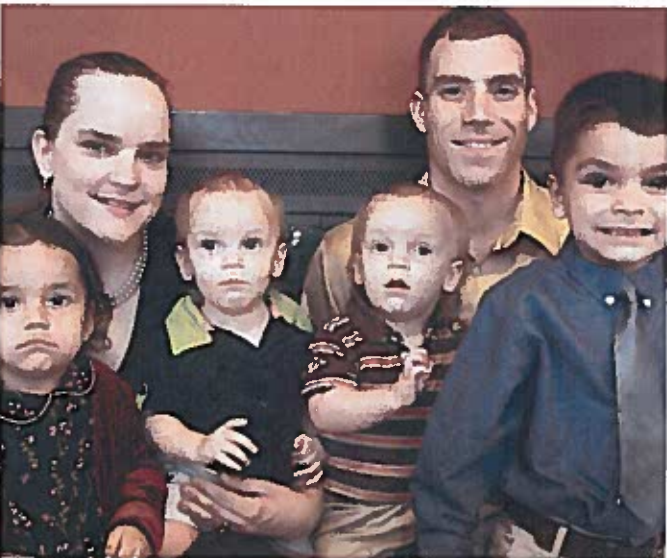
- The Community Tax Centers prepare more than 20,000 tax returns each year in Central Texas, totaling more than \$32 million in refunds.
- Incentivized savings allow families to save for emergencies, higher education, home purchase, or starting a business.
- Financial education and financial coaching give individuals and families the resources they need for economic stability and success, including credit repair and budgeting.
- Cash for College helps students with FAFSA forms and figuring out how to apply for college and for scholarships. We work with the Mexican Consulate to administer scholarships to immigrant families.



HEALTH INITIATIVES

Health Initiatives are fundamental to family success and bring healthy living education, activities, and resources to our residents and the community.

- We connect residents to local health resources, in addition to on-site programming: free health fairs, exercise classes (Zumba to yoga), healthy food pantries, gardens, support groups for substance abuse and recovery, and bilingual nutrition and cooking classes.
- Insure Central Texas has enrolled more than 15,000 people in marketplace insurance enrollment under the Affordable Care Act; Community Health Workers and Navigators help patients with complicated medical conditions (cancer, AIDS) find plans that work with their medical providers.
- Green Initiatives are engaged from construction through instruction; whole families benefit from healthier products and cost savings. As lifetime owners of our properties, we create the greenest homes possible, using solar panels and other features to save money in the long run.



FOUNDATION COMMUNITIES

We have an active board made up of residents and community leaders. Staff members are drawn from a wide variety of cultures and skills. The common thread: commitment to Foundation Communities' mission and to serving the community.

Community volunteers tutor students, serve as scholarship mentors, prepare taxes, work as financial coaches, and prepare "Welcome Home" baskets and supper club meals for Foundation Communities' residents.

Financing is fully diversified and, as much as possible, sustainable. 80% of our \$35 million budget comes from apartment rentals. The rest is grants and individual donations. We receive grants from governmental sources (federal, state, county, city), foundations, and corporations. Individual donors include "Homebuilders," who make multi-year pledges.



FOUNDATION COMMUNITIES PARTNERS—Services and Programs

Learning Centers:

Creative Action
 Oak Hill Rotary Club
 City Square
 Any Baby Can
 Literacy Coalition of Central Texas
 Breakthrough Austin
 College Forward
 Boy Scouts & Girl Scouts of Central Texas
 Inner City Outings
 Texas Civil Rights Project

(Children's Home Initiative)

CHI Partners:

Assistance League of Austin
 Capital Area Counseling
 Capital Area Food Bank
 Goodwill Industries of Central Texas
 Travis County Child Protective Services
 Housing Authority of the City of Austin
 The University of Texas School of Social Work
 Ending Community Homeless Coalition
 City of Austin Health and Human Services Department
 St. David's Foundation
 Religious Coalition to End Homelessness

Financial Programs:

LifeWorks
 Round Rock Public Library
 Workforce Commission
 Housing Authority of Austin
 United Way
 Financial Literacy Coalition of Central Texas
 IRS
 UT McCombs School of Business

Health Initiatives:

WeViva
 Keep Austin Fed
 Sustainable Food Center
 Planned Parenthood
 University of Texas School of Public Health
 Texas A&M Agrilife Extension
 Capital Area Food Bank
 Phoenix House
 LiveStrong
 Kids Vision for Life
 Lifeworks
 National Alliance on Mental Illness
 Seton Healthcare
 Mobile Mammography
 Gilbert's Gazelles

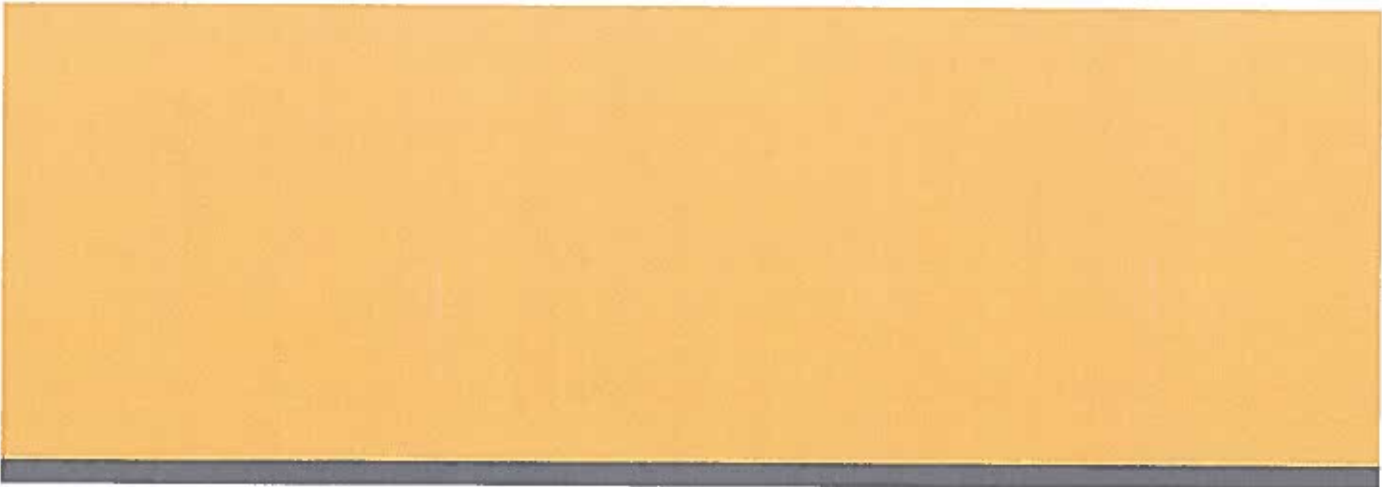
Permanent Supportive Housing:

Passages
 Easter Seals
 Casey Foundation
 Austin Energy
 Lone Star Circle of Care
 Caritas of Austin
 Salvation Army
 Austin Recovery
 Communities for Recovery
 Austin Clubhouse
 Family Eldercare
 The University of Texas at Austin School of Nursing
 Integral Care (formerly Austin/Travis Co. MHMR)
 YMCA of Austin
 Austin Area Mental Health Consumers
 Self Help and Advocacy Center
 Downtown Austin Community Court
 Project Transitions
 Veterans Affairs Supportive Housing program



ADMINISTRATIVE OFFICE
3036 S. 1st St.
Austin, TX 78704
Phone: 512-447-2026
Fax: 512-447-0288

COMMUNITY FINANCIAL CENTER
2600 W. Stassney Ln.
Austin, TX 78745
Tax center: 512-610-7374
Fax: 512-916-4420



Experience in Development of Mixed Finance Low-Income Housing

Address	# of Units	New or Rehab	Type	Year Completed	Income Mix
Arbor Terrace 2501 S. IH 35 Austin, TX 78741	120	Rehab	SRO	2012	90 units – 30% MFI 30 units – 50% MFI
Bluebonnet Studios 2301 S. Lamar Blvd Austin, TX 78704	107	New	SRO	2016	22 units – 30% MFI 21 units – 40% MFI 64 units – 50% MFI
Buckingham Place 743-B Yarsa Austin, TX 78748	164	Rehab	Duplexes	1991	83 units – 50% MFI 83 units – 80% MFI
Capital Studios 309 E. 11 th Street Austin, TX 78701	135	New	SRO	2014	27 units – 30% MFI 27 units – 40% MFI 81 units – 50% MFI
Cardinal Points 11017 & 11016 Austin, TX 78701	120	New	Apts	2018 - under construction	12 units – 30% MFI 60 units – 50% MFI 48 units – 60% MFI
Cherry Creek 5510-B Fernview Austin, TX 78745	122	Rehab	Duplexes	1989	37 units – 50% MFI 85 units -80% MFI
Crossroads 8801 McCann Austin, TX 78757	92	Rehab	Apts	1990	14 units – 30% MFI 31 units – 50% MFI 47 units – 80% MFI
Daffodil 6009 Daffodil Austin, TX 78744	40	Rehab	Apts	1996	10 units – 30% MFI 30 units – 50% MFI 30 units – 80% MFI
Garden Terrace 1015 W. William Cannon Austin, TX 78745	103	Rehab	SRO	2003 and 2008	35 units – 30% MFI 65 units – 50% MFI 3 units - UR
Homestead Oaks 3226 W. Slaughter Lane Austin, TX 78748	140	New	Apts	2015	14 units – 30% MFI 70 units – 50% MFI 42 units – 60% MFI 14 units - MKT

Address	# of Units	New or Rehab	Type	Year Completed	Income Mix
Lakeline Station 13635 Rutledge Spur Austin, TX 78717	128	New	Apts	2016	13 units – 30% MFI 64 units – 50% MFI 51 units – 60% MFI
Live Oak Trails 8500 W. Highway 71 Austin, TX 78735	58	New	Apts	2016	12 units – 30% MFI 12 units – 40% MFI 34 units – 50% MFI
M Station 2906 E. MLK Austin, TX 78702	150	New	Apts	2011	15 units – 30% MFI 75 units=50% MFI 45 units=60% MFI 15 units - MKT
Peters Colony 1810 E. Peters Colony Rd, Carrollton, TX 75007	160	Rehab	Apts	1995	15 units=30% MFI 50 units=50% MFI 48 units=80% MFI 8 units=UR
Shadow Brook 2020 S. Cooper, Arlington, 76013	403	Rehab	Apts	1995	201 units=50% MFI 202 units=80% MFI
Sierra Ridge 201 W. St. Elmo Austin, TX 78745	149	Rehab	Apts	1991	15 units=30% MFI 128 units=50% MFI 6 units=80% MFI
Sierra Vista 4320 S. Congress Ave., Austin, TX 78745	238	Rehab	Apts	2012	24 units=30% MFI 166 units=50% MFI 48 units=60% MFI
Sleepy Hollow 3903 Ichabod Cr, Arlington, 76013	128	Rehab	Apts	1995	64 units=50% MFI 64 units=80% MFI
Southwest Trails 8405 Old Bee Caves Rd., Austin, 78735	160	New	Apts	2001	96 units=50% MFI 64 units=60% MFI
Spring Terrace 7101 N. I-35 Austin, TX 78752	142	Rehab	SRO	2006	14 units=30% MFI 126 units=50% MFI 2 units=UR

Address	# of Units	New or Rehab	Type	Year Completed	Income Mix
Skyline Terrace 1212 W. Ben White. Austin, 78704	100	Rehab	SRO	2008	72 units=30% MFI 28 units=40% MFI
Trails at the Park 815 W. Slaughter Ln, Austin, 78748	200	New	Apts	2000	46 units=50% MFI 104 units=60% MFI 50 units=80% MFI
Vintage Creek 7224 Northeast Dr, Austin, 78723	200	Rehab	Apts	2000	23 units=50% MFI 57 units=60% MFI 120 units=80% MFI

Completed Projects in Past 10 Years:

Year Funding Completed	Project Name	Funding Tools
2014	Bluebonnet Studios	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, TCAP, Enterprise Green Communities, NeighborWorks America, Private Fundraising
2014	Live Oak Trails	9% LIHTC, City of Austin RHDA Program, Department of Justice Funds, Private Fundraising
2014	Lakeline Stations	9% LIHTC, City of Austin RHDA Program, Department of Justice Funds, Private Fundraising
2013	Homestead Oaks	9% LIHTC, City of Austin RHDA Program, HUD 221(d)(4) loan, FHLB AHP, NeighborWorks America, Private Fundraising
2012	Capital Studios	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, Enterprise Green Communities, NeighborWorks America, Private Fundraising
2011	Arbor Terrace	Neighborhood Stabilization Program via TDHCA, City of Austin RHDA Program, FHLB Atlanta, NeighborWorks America
2010	Sierra Vista	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, NeighborWorks America, Private Fundraising, Permanent Mortgage with Impact Capital via Bank of America
2009	M Station	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, Enterprise Green Communities, NeighborWorks America, Private Fundraising, Permanent Mortgage with Impact Capital via Bank of America
2006	Skyline Terrace	9% LIHTC, City of Austin RHDA, TDHCA HOME, FHLB San Francisco, NeighborWorks America, Enterprise Green Communities, Private Fundraising
2005	Spring Terrace	City of Austin RHDA, TDHCA HOME and HTF, FHLB Dallas, NeighborWorks America, Enterprise Green Communities, Private Fundraising

**ATTACHMENT 12:
OPERATING PROFORMA**

TABLE D: OPERATING PROFORMA			
Unit Size (BR/BA)	Number of Units	Monthly Rental Income	Annual Rental Income
0 Bedroom/1 Bathroom (515 sf)	132	\$82,455	\$989,460
Total Units	132	\$82,455	\$989,460
FULL OCCUPANCY ANNUAL INCOME			\$989,460
Less Vacancy Loss @ 7.50%			(\$75,528)
Other Income			\$17,580
GROSS ANNUAL INCOME			\$931,512

Inflation Factor - Income	2%
Inflation Factor - Expenses	3%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20
Gross Annual Income	\$931,512	\$950,142	\$969,145	\$988,528	\$1,008,299	\$1,113,243	\$1,229,110	\$1,357,037
EXPENSES								
Utilities	\$111,764	\$115,117	\$118,570	\$122,128	\$125,791	\$145,827	\$169,053	\$195,979
Insurance	\$48,031	\$49,472	\$50,956	\$52,465	\$54,059	\$62,670	\$72,651	\$84,223
Maintenance/Repair	\$85,249	\$87,806	\$90,441	\$93,154	\$95,949	\$111,231	\$128,947	\$149,485
Property Taxes	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$58,715	\$68,067	\$78,908
Administrative	\$58,337	\$60,087	\$61,890	\$63,746	\$65,659	\$76,117	\$88,240	\$102,294
Management Fee	\$46,576	\$47,508	\$48,458	\$49,427	\$50,415	\$55,663	\$61,456	\$67,852
Payroll	\$245,040	\$252,391	\$259,963	\$267,762	\$275,795	\$319,722	\$370,645	\$429,679
Marketing	\$2,850	\$2,936	\$3,024	\$3,114	\$3,208	\$3,719	\$4,311	\$4,997
Other Expenses	\$10,268	\$10,576	\$10,893	\$11,220	\$11,557	\$13,397	\$15,531	\$18,005
Maintenance Reserve	\$33,000	\$33,990	\$35,010	\$36,060	\$37,142	\$43,058	\$49,915	\$57,866
TOTAL EXPENSES	\$686,115	\$706,233	\$726,945	\$748,268	\$770,222	\$890,116	\$1,028,816	\$1,189,288
NET OPERATING INCOME (NOI)	\$245,397	\$243,910	\$242,200	\$240,260	\$238,076	\$223,127	\$200,294	\$167,749
Sources of Funds & Debt Service								
TOTAL ANNUAL Debt Service (DS)	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
Cash-flow after Debt Service (CF = NOI - DS)	\$245,396	\$243,909	\$242,199	\$240,259	\$238,075	\$223,126	\$200,293	\$167,748
Cash Flow to Supportive Services (see Supportive Service Budget)	(\$128,000)	(\$131,840)	(\$135,795)	(\$139,869)	(\$144,065)	(\$148,387)	(\$152,839)	(\$157,424)
Debt Coverage Ratio (DCR = NOI/DS)	117396.00	112068.55	106404.29	100389.57	94010.28	74739.02	47454.44	10324.29

*Proforma subject to change as the tax credit application is finalized. Final proforma will be provided upon tax credit app submission.

**ATTACHMENT 13:
SUPPORTIVE SERVICES STAFF
RESUMES**

Julian Huerta

julian.huerta@foundcom.org
512-610-4013

AREAS OF EXPERTISE

Planning, implementing and evaluating educational opportunities and social services

EXPERIENCE

Director of Programs
Foundation Communities

1998-Present
Austin, TX

- Develops and directs educational and social service programs that assist families residing in affordable housing communities to increase their self-sufficiency.
- Hires, trains and supervises professional staff at multiple sites.
- Researches and authors grant proposals to public and private sources.
- Collects participation and outcomes data, conducts program assessments, and submits reports to funding agencies and Board of Directors.
- Collaborates with other community-based organizations and public agencies to maximize opportunities available to residents.

Executive Director
Literacy Austin

1996-1997
Austin, TX

- Provided leadership for all programs, hired and supervised staff, and prepared and implemented annual budget in order to achieve agency mission.
- Directed public relations, community outreach and fundraising initiatives, including proposal writing, corporate and individual solicitations and special events.
- Collaborated with United Way, Community Action network partners and, citizen groups and other community-based organizations to coordinate and maximize services to disadvantaged residents of Travis County.

Information Systems Coordinator
American Institute for Learning

1993-1996
Austin, TX

- Collected and analyzed data from multiple education and human service programs.
- Oversaw eligibility determination, assessment and enrollment of participants.
- Hired, trained and supervised Information Systems, intake and clerical staff.
- Participated in the evaluation of agency programs, including designing and conducting research on client outcomes.

Mario Cortez

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Cedar Creek, Texas 78612
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zetroc13@msn.com

Professional Experience

Foundation Communities, Austin Texas

12/09 – present

Director of Supportive Housing

- Oversees Foundation Communities' Supportive Housing programs that houses 407 households at seven Foundation Communities properties.
- Establishes partnerships with local non-profit agencies to create additional supportive housing units at Foundation Communities properties.
- Participates on leadership team charged with expanding Foundation Communities supportive housing programs and units.
- Maintains program participation and outcome data, program budgets, and submits reports on program progress to funders.
- Oversees all aspects of the Children's HOME Initiative, including hiring, training and supervising case managers, establishing program policies and procedures and interfacing with property management staff to establish and enforce leasing policies.
- Administers direct financial assistance programs designed to address immediate financial needs and long-term personal stability needs of all Foundation Communities residents.

Foundation Communities, Austin Texas

1/08 – 12/09

Program Coordinator, Children's HOME Initiative

- Oversees all aspects of the Children's HOME Initiative, including hiring, training and supervising case managers, establishing program policies and procedures and interfacing with property management staff to establish and enforce leasing policies.
- Performs client outreach and intake that include evaluating applications, interviewing applicant families, determining suitability for the program and guiding approved families through the leasing approval process.
- Maintains program participation and outcome data and submits reports on program progress to senior management and funders.
- Administers direct financial assistance programs designed to address immediate financial needs and long-term personal stability needs of all Foundation Communities residents.
- Establishes partnerships with community social service organizations to provide needed services for participating families.

Front Steps, Inc., Austin Texas

7/04 – 1/08

Program Coordinator, Keep Austin Housed AmeriCorps Program

- Developed and managed all operational program activities and internal reporting methods in accordance with federal regulations and state provisions.
- Developed and managed systems to track performance outcome data and reported on program progress to federal and state entities.
- Established effective partnerships with social service organizations and developed and managed a network of 12 agency partnerships with Keep Austin Housed.
- Coordinated the recruitment, selection, and placement process of 25 AmeriCorps members annually and managed members' service terms.
- Developed and implemented an annual training plan focused on building and strengthening the professional skills of each member and provided supervisory support in members' professional development.

Foundation for the Homeless, Inc., Austin, Texas <i>Director of Social Services</i> <ul style="list-style-type: none"> • Coordinated and supervised case management services. • Served as community liaison and collaborated with community service providers to enhance services to the homeless population. • Acted as lead personnel in evaluating and monitoring program participants' compliance with service plans. • Maintained program documentation in accordance with agency guidelines and reported outcome data to funding sources. • Provided field instruction to interns from the UT School of Social Work. 	7/03 – 7/04
Woodside Trails Therapeutic Camp, Smithville, Texas <i>MSSW Student Intern</i> <ul style="list-style-type: none"> • Worked with adolescent boys on issues of sexual victimization/perpetration, anger management, abuse, neglect, and addressed a variety of mental health disorders. • Provided individual, group and family therapy to twelve adolescents and their families. • Utilized a variety of therapeutic models (Play, CBT, Reality, and Narrative) and techniques. • Participated in Comprehensive Treatment Plans and Treatment Planning Reviews. • Coordinated services with Juvenile Probation and Child Protective Services. 	1/03 – 7/03
Foundation for the Homeless, Inc., Austin, Texas <i>Intake Manager</i> <i>Passages Case Manager</i> <ul style="list-style-type: none"> • Conducted shelter intakes and evaluated family eligibility for agency shelters. • Facilitated service planning process with homeless families, brokered community resources, administered crisis intervention, and advocated for clients as they worked toward self-sufficiency. • Supervised Passages Case Managers and oversaw case management program. • Worked with senior staff on efforts of program development, volunteer recruitment and trainings. • Organized and lead effort of data collection and database building to establish comprehensive measurable objectives for agency's service delivery system. 	6/02 – 7/03 10/97 – 5/02
American Institute for Learning, Austin, Texas <i>BSW Student Intern</i> <ul style="list-style-type: none"> • Served as counselor intern for GED classroom and the Career Resource Center. • Provided educational and general counseling for culturally diverse, at-risk youth. • Facilitated adolescent male support group (ages 16-18) with an emphasis on gang related topics. • Created and edited student involved newsletter for the Career Resource Center. 	9/96 – 5/97
Helping Our Brothers Out, Inc., Austin, Texas <i>Client Services Specialist</i> <ul style="list-style-type: none"> • Administered direct client services and provided crisis intervention to general homeless population. • Developed and maintained database that documented governmental benefits for approximately two thousand clients. • Assisted with recruitment, orientation and supervision of agency volunteers. • Maintained monthly reports for client services, volunteer participation, and community service workers. 	7/93 – 12/95

Education

Master of Science in Social Work The University of Texas at Austin, Austin, Texas Concentration: Clinical	8/03
Bachelor of Social Work The University of Texas at Austin, Austin, Texas Generalist Practice	5/97

Honors & Affiliations

- Basic Needs Coalition, Housing Stability Committee – Co-Chair 2008 – 2010
- Social Services Case Management Network, Co-Chair 2008 – 2010
- ECHO Point-In-Time Homeless Count – Co-Chair 2009-2010
- Butler Award nominee (Keep Austin Housed) for True Spirit of Collaboration 2007
- Mentor, Alumni and Community Mentoring Program for Students Of Color – University of Texas at Austin School of Social Work 2006 – 2009
- Certified Field Instructor, The University of Texas at Austin School of Social Work 2004 – present
- Phi Alpha National Social Work Honor Society 2003
- The Honor Society of Phi Kappa Phi 2003
- Caring Forever Award, Community award presented by Sheppard of the Hills Presbyterian Church 2002
- Homeless Task Force/Ending Community Homelessness Coalition (ECHO) 1998 – present

Work Experience

October 2008-present	Foundation Communities <i>Financial Coaching Coordinator</i>	Austin, TX
	Program Management	
	<ul style="list-style-type: none">• Oversee the consistent growth of the Financial Coaching program, more than doubling participation from the start of the program to serving 605 clients in 2015• Maintain partnerships with organizations that help with outreach and provide other supports• Developed training and resource materials for Volunteer Financial Coaches and clients• Maintain accuracy and timeliness of training and resource materials• Coordinate with Greeters to manage the program's day-to-day operations<ul style="list-style-type: none">◦ manage appointments through the program's scheduling system for over 500 clients a year◦ serve as a resource for clients and volunteers with questions about financial issues and resources◦ serve as the Greeters for all financial programs at both Community Financial Center locations, directing and answering questions for clients and volunteers	
	Volunteer Management	
	<ul style="list-style-type: none">• Collaborate with Volunteer Coordinator to interview, select and train about 50 Volunteer Financial Coaches each year• Collaborate with Volunteer Coordinator and Financial Education Coordinator to select and train about 10 Volunteer Money Management Instructors each year• Provide ongoing training opportunities for volunteers	
	Capacity Building	
	<ul style="list-style-type: none">• Provide the Institutional Giving Department program numbers, descriptions and client stories for grant applications for Financial Capability Programs• Compile data and write reports for program funders	
	Other programs	
	<ul style="list-style-type: none">• Supervise the coordination of Financial Literacy programs, including Money Management Classes, Improve Your Credit Days and Homebuyer Education Classes, which serve about 150 clients per year• Work with the Special Housing Programs Coordinator to administer the Fresh Start Loan program, helping clients get out of about \$30,000 of payday and auto title loan debt to date• Administer the Safety Net Savings Program, allowing 65 savers to access over \$8,000 in incentives for saving for emergencies to date• Administer the Emergency and Utility Assistance Programs, providing more than 150 Foundation Communities' residents to access over \$80,000 a year in rent, utility and other assistance, allowing them to maintain housing and utility services	
June 2004-October 2008	Foundation Communities <i>Adult Education Coordinator</i>	Austin, TX
	<ul style="list-style-type: none">• Taught English as a Second Language (ESL) to adults at two Foundation Communities Learning Centers• Developed activities, materials and assessments for ESL class students• Recruited, trained and managed volunteer ESL instructors• Taught Money Management course for adults using Foundation Communities' curriculum, "Making More Sense of Your Dollar," in English and Spanish• Provided individual credit counseling to participants in the Money Management course	
June 2003-May 2004	Century Motorcars <i>Insurance Specialist</i>	Austin, TX
	<ul style="list-style-type: none">• Verified that all vehicles financed by Century Motorcars were properly insured• Issued orders for repossession of cars that were not properly insured• Collected and recorded car payments	

- Contacted clients who were behind on car payments or who allowed insurance coverage to lapse, and contacted their references in order to resolve the issue
- Learned valuable lessons about sub-prime lending practices that target low income, high-credit-risk clients

June 2002-May 2004 **Foundation Communities Youth Program Assistant/ESL Instructor** Austin, TX

- Provided a positive, supportive environment for the children of low income families after school and during the summer at the Sierra Ridge Learning Center
- Assisted children in the After School Program at with homework
- Led physical, educational and recreational activities for children in the After School and Summer Programs
- Taught English as a Second Language to adults at two Foundation Communities' Learning Centers

Sep 1998-May 2002 **Pentacon Industrial Group Sales Assistant** Austin, TX and El Paso, TX

- Helped finance all four years of college through part-time work at Pentacon
- Operated specialized distribution software to confirm purchase order accuracy
- Maintained filing system up to date and in order

Certification

August 2014 **NeighborWorks Center for Homeownership Education and Counseling**
 Certification in Financial Capability

Skills

Language

- Fluent in Spanish (oral and written)

Computer Knowledge

- Fully proficient in Microsoft Word, PowerPoint, Excel, Outlook, and Windows
- Fully proficient in web-based scheduling system, Appointment-Plus and web-based client tracking system, Outcome Tracker
- Experienced in managing data in Microsoft Access

Personal Skills

- Well organized
- Excellent oral and written communication skills

Education

May 2002 **The University of Texas at Austin**
 Bachelor of Business Administration, Marketing

Honors and Activities **Presidential Achievement Scholarship**
 Earned and maintained the four-year scholarship from UT through academic achievement

1999-2000 **Hispanic Business Students Association**
Executive Vice President

- Received *Most Outstanding Organization* award from UT Leadership Board
- Coordinated events for Professional Development Committee
- Coordinated events for Recruitment and Retention Committee
- Participated in Corporate Mentor program

1999-2000 **National Hispanic Business Association**
University of Texas at Austin Representative

- Helped coordinate the 10th annual NHBA Leadership Conference
- Coordinated joint activities for NHBA and HBSA

EMMANUEL ZAPATA

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SUMMARY

Successful program manager with extensive experience managing multiple projects while meeting challenging deadlines, adept at promoting and developing team cohesiveness in high-pressure environments.

EMPLOYMENT

FC Bilingual Adult Education Coordinator

June 2011-Present

Coordinated English as a Second Language, Computer Literacy, Financial Education¹, and Homebuyer Education² classes

- Screened, interviewed, hired, and trained 13 part-time employees and 2 yearly Americorps members for the English as a Second Language classes in order to staff multiple classes in two different Family properties
- Worked with Supportive Services in each Studio property in order to provide Computer Literacy classes for residents
- Served as lead liaison for the Digital Empowerment Community of Austin and the Workforce and Education readiness continuum
- Networked with internal programs and outside organizations to recruit students and promote classes
- Maintained open lines of communication with the Grants Administrator in order to ensure compliance with all contracts and grants
- Compiled data and distributed reports for internal and external review while ensuring strict adherence to the set budgets
- Collaborated with the Volunteer Engagement Team to guarantee programs were adequately staffed
- Trained and managed volunteers for all programs with the exception of Homebuyer Education Classes
- Completed student follow-up reviews to collect data on student outcomes and opinions
- Created and provided programming and structure for all educational programs ranging from additional materials to full units

FC Community Tax Center Coordinator

10/2012-5/2013

- Guided the CTC to an unprecedented 13% growth in tax returns filed compared to the year before, completing over 18,000 returns
- Interviewed, hired, and trained over 18 seasonal employees, making sure they felt included and ready to succeed as a team
- Led bi-weekly meetings covering program and tax law changes making sure all staff members were up to date on best practices and new developments in the field

¹ Ended 9/2012

² Ended 9/2012

- Became point of contact for all host sites collecting and negotiating MOU's, handling site setup and breakdown
- Facilitated the transition of new tax preparation software usage at sites, becoming a trusted technical resource for staff and volunteers
- Ensured all sites adhered to strict confidentiality practices in order to protect client data
- Provided additional support to Transmitting Coordinator availing with daily deadlines and e-filing returns to the IRS during peak periods
- Assisted with data collection for internal and external reporting purposes
- Participated in the ITIN program becoming a Certified Acceptance Agent
- Taught UT practicum students the ins and outs of the ITIN application process
- Produced training materials for site managers still in use today
- Served as the lead contact for the IRS SPEC agent in charge of the region

FC CTC Supervising Manager

12/2009--5/2011

- Hired and trained seasonal CTC managers with partner Supervising Manager
- Recognized staff and volunteers for their contributions on a regular basis
- Supervised the quality control of returns prepared and collected returns from all sites in a timely manner, encouraging a friendly and productive environment for staff and volunteers
- Became site liaison for partner agencies, coordinating inventory and supplies
- Certified to advanced tax preparation level

FC CTC Dolores Church Site Manager

1/2009--5/2009

- Created a positive team environment where volunteers and other employees felt appreciated and supported
- Trained incoming volunteers on procedure and tax law, becoming a trusted resource
- Communicated regularly with supervisors to review best practices
- Dealt with complex issues client cases and endeavored to resolve them utilizing all resources available

Texas Dept of Transportation Data Entry Specialist

8/2008-12/2008

- Helped transition the TxDOT records from printed documents to confidential databases
- Improved upon existing standards of data entry to facilitate speed and accuracy of the transition
- Supported different programs in implementing new standards of practice

EDUCATION

Texas State University

Bachelors of Science in Biology

May 2008

Kori Hattemer

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(254) 493-4967 • kori.hattemer@gmail.com

EDUCATION

- Master of Public Affairs, LBJ School of Public Affairs, University of Texas at Austin, 2012
 - Bachelor of Science, Kinesiology with honors, University of Texas at Austin, 2008
-

RELEVANT EXPERIENCE

Foundation Communities, Austin, TX

June 2016 to Present

Director of Financial Programs

- Overseeing the implementation of innovative and effective financial programs, including tax preparation services, college support services, one-on-one financial coaching, emergency assistance, and financial education.
- Managing a team of program coordinators and direct service providers.
- Securing funding to support all financial programs and efficiently managing financial programs budget.

Corporation for Enterprise Development, Washington, DC

October 2012 to June 2016

Associate Director, Savings & Financial Capability, October 2015 to Present

- Provided strategic and operational oversight to the planning, implementation, and evaluation of a wide range of initiatives aimed at increasing the capacity of organizations to deliver financial capability services effectively.
- Built a strong team through recruitment, supervision, and professional development.
- Established and maintained strategic relationships with external practitioners, subject matter experts, and funders to identify new opportunities for collaboration.

Senior Program Manager, Savings & Financial Capability, January – October 2015

- Created and managed project budget and work plans to meet organizational and funder objectives.
- Ensured project staff had adequate expertise and capacity to meet project deliverables.
- Developed and delivered in-person and virtual learning events for diverse audiences around the country.
- Drafted and edited various communications materials, including practice briefs, blog posts, concept papers, project proposals, and grant reports.

Program Manager, Savings & Financial Capability, October 2012 – January 2015

- Provided technical assistance to organizations working to design, implement, and evaluate financial capability services.
- Disseminated findings and lessons learned about savings and financial capability initiatives through practice briefs, blog posts, and webinars.

Center for Public Policy Priorities, Austin, TX

May 2011 – May 2012

Policy Research Assistant

- Co-authored an annual report on the impact of public policy on various aspects of child well-being in Texas.
- Co-authored policy briefs on metro, state, and national-level census data.

Office of State Representative Ruth Jones McClendon, Austin, TX

January – May 2011

Legislative Intern

- Collaborated with staff to draft and revise legislation in areas including education, health, and criminal justice.
- Analyzed and prepared policy briefs on legislation within designated issue areas.

American Lung Association, Austin, TX

April 2008 – January 2010

Program Director

- Procured funding for and managed community initiatives in a three-county area.
- Recruited and trained volunteer educators and professional advisory board

NATASHA BROCKINGTON

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Austin, TX 78753

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Education	Bachelor of Science in Business Education <i>Daemen College, Amherst, New York</i>	August, 2000 - May, 2004
Experience	College Hub Manager Foundation Communities, Austin TX <ul style="list-style-type: none">• Program design and implementation• Lead community outreach efforts• Establish relationships with community partners• Analyze data• Adhere to standards set by funders	December 2016- Present
	Director of GED and Literacy Services <i>LifeWorks, Austin TX</i> <ul style="list-style-type: none">• Oversee GED and Literacy services• Develop and manage relationships with community contacts including referral sources, school personnel, and other service providers in the community• Plan professional development activities for team• Integrate delivery of program services with all other agency service divisions• Monitor program budget and make necessary adjustments as needed	October 2006 -Present
	GED Instructor <i>Austin Community College, Austin, TX</i> <ul style="list-style-type: none">• Taught reading and math skills, social justice and community issues, and cultural awareness to students at varying levels• Assessed individual student progress and adapted curriculum according to the needs of students• Evaluated student progress in relation to their preparedness for specific GED exams• Coordinated with test providers to arrange GED exams around testing dates and scores• Maintained records in accordance with best practices and policies	January 2014-August, 2014
	ESL Instructor <i>Austin Independent School District, Austin TX</i> <ul style="list-style-type: none">• Developed and delivered lesson plans utilizing a broad range of techniques• Provided a nurturing, supportive, and positive learning environment• Used assessment data to develop appropriate goals and objectives for the student• Maintained student data• Counseled and supported students in developing and accomplishing Individual Learning Plans and goals.	September 2013-December 2013
	Secondary Education Teacher-Business Education <i>Thomas Stone High School, Waldorf, MD</i> <ul style="list-style-type: none">• Taught Business Education courses to secondary students• Complied with Maryland Technology Literacy Standards to teach course content• Prepared objectives and outlines for courses of study and assisted in developing curriculum• Counseled students dealing with behavior and academic problems• Completed parental correspondence and conferences to discuss student progress and academic standards and expectations	August, 2004 - August, 2006
Professional Development	Handle with Care Training Child and You Care Basic Course Crucial Conversations Training Reaching the Adult Learner Diversity and Blended Cultures Training Establishing Boundaries with At-Risk Youth Training	September 2016 August 2016 March 2016 January 2016 August 2015 August 2015

Andrea Braun Albalawi, LMSW

111 Perpetuation Drive, Austin, TX 78734
andrea.mssw@gmail.com • 512-785-2105

CAPABILITIES

- Extensive experience in implementing large-scale health fairs, fitness events and health education campaigns
- Development of new programs including adult fitness and nutrition, children's physical activity, women and family health, integrated primary and behavioral health, healthcare access, domestic violence, child protection, human trafficking
- Proficiency in conducting research, analyzing data (SPSS, Excel, Access) and developing evaluation instruments
- Experienced in organizational strategic planning, SMART objectives, and key performance deliverables
- Excellent leadership and decision making skills and accountability

WORK EXPERIENCE HIGHLIGHTS

Foundation Communities- Austin, TX

Sept 2012 - Present

Director of Health Initiatives

- Create a comprehensive plan, including a timeline and key deliverables, to coordinate, improve and expand health initiatives targeting FC communities
- Collaborate with UT School of Public Health to develop an evaluation of FC Afterschool Physical Activity program and the improvement of existing CATCH and Peer Led Active Play activities in the youth afterschool programs
- Oversee health fairs, 5K races, community walks, wellness events, mobile screenings and healthcare providers at FC properties for FC and neighborhood residents
- Represent FC in key neighborhood-based and community-wide health initiatives; help lead community-building efforts in 78745 in conjunction with key partners to implement place-based strategies focused on reducing childhood obesity and improving health outcomes for children
- Work with key partners to expand access to integrated health care (mental health and primary care) for residents of our Permanent Supportive Housing (PSH) facilities and to help all residents establish a health care home, utilizing appropriate public and private providers and other resources.
- Increase chronic disease management programs and services at FC properties, especially PSH
- Optimize the integration of fitness and nutrition programming into afterschool and adult education programs on-site at FC properties
- Ensure the availability of resources to address women's health issues, including family planning and prenatal care; increase access to parenting classes
- Develop resources, including volunteers and funding, to launch and sustain these initiatives; develop, manage, and maintain strong partner relationships
- Create and oversee the program budget, including approval of expenditures
- Develop metrics and measurement systems for assessing the impact of our work and produce reports for internal decision-makers and key funders

Dubai Foundation for Women and Children- Dubai, UAE

March 2008 – July 2012

Director of Programs & Research

- Oversaw all activities and staff of the Department of Programs & Research
- Promoted from Program Development Manager to Director of Programs & Research
- Wrote grant proposals for research funding and oversaw research projects and statistical reporting
- Spearheaded the development of the first *Social Work Master* degree program for UAE national university, in collaboration with The University of Texas at Austin, School of Social Work

- Supervised volunteers and international social work interns from the UT School of Social Work
- Conducted staff trainings on professional ethics, confidentiality, professional boundaries, crisis intervention, conflict resolution, cultural competence, compassion fatigue and self-care, restorative justice, diversity, child abuse, bullying, sexual abuse survivors, trafficking, domestic violence
- Presented at schools, universities, embassies, consulates, international organizations, and the Dubai Police on relevant social issues, including child abuse, domestic violence and human trafficking
- Establish annual goals, budgets and key performance indicators for measurement and reporting
- Developed agency programs, policies, procedures, forms, and job descriptions, in accordance with United Nations and international accreditation standards
- Conducted Strategic Planning sessions complete with goals, objectives, and performance measures
- Wrote the first regional report on human trafficking, *2012 Human Trafficking Measurement Report: Trends, Challenges and Achievements*, documenting best practices, challenges and achievements
- Developed the database for the collection of client statistics for trans-national data sharing

General Authority for Health Services- Abu Dhabi, UAE

November 2004 – July 2006

Social Worker II-Health Education Division

- Designed and implemented health education campaigns, including Cardiovascular Disease, Smoking, Obesity, Substance Abuse, Safe Sex, Breast Cancer, and Hepatitis
- Supervised field activities, including training and managing 250 nurses in 200 sites, screening 200,000 community members for cardiovascular diseases & tracking \$4 million budget
- Designed screening methodologies, logistics, training materials, and policies for above initiatives
- Evaluated project outcomes, designed databases, and collected and monitored statistics
- Wrote a 150 page in-depth review of cardiovascular disease project finding for publication

Human Appeals International- Dubai, UAE

June 2003 – November 2004

Consultant

- Wrote grant proposals to attain funding for the Charity Cards Project
- Edited the *Annual Report on Humanitarian Aid to Iraq* and drafted correspondences to funders
- Coordinated with the American University to establish a student volunteerism program

Family Eldercare- Austin, TX, USA

May – August 2004

Fan Drive Coordinator

- Coordinated the distribution of 7200 fans and 150 air conditioners to poverty-stricken individuals
- Managed 40+ participating agencies and supervised and trained over 100 volunteers
- Compiled client demographic data in the ACCESS database for data analysis and reporting
- Tracked expenditures to stay within the \$100,000 summer fan drive budget
- Coordinated media relations and participated in broadcasted television and radio interviews

Center for Public Policy Priorities- Texas Fragile Families- Austin, TX

Jan 2003 – May 2003

Graduate Research Intern

- Collected and analyzed qualitative data for an 11-city, statewide fatherhood demonstration project
- Conducted qualitative interviews with state agency collaborators at the Texas Attorney General, Health Department, Juvenile Justice, Housing Authority, and Hogg Foundation
- Wrote a 50-page qualitative analysis for the *Lessons Learned* book on fatherhood initiatives

Center for Social Work Research at the University of Texas- Austin, TX Nov 2000 – Jan 2003

Research Assistant

- Worked on large research projects on social welfare, border poverty, and childcare
- Implemented database using Nudist for a multi-method research study on social welfare reform

Green Leaf Refugee Service Program,- Austin, TX

Aug 2001 – May 2002

Case Manager

- Provided case management and counseling to refugees, partnering with local resettlement agencies
- Created a Refugee Resource Directory of local services and educational opportunities for refugees
- Assessed the refugee service delivery system in Travis County to determine gaps in services

LifeWorks - Austin, TX

July 1997 – Jan 2001

Team Leader/Youth Care Worker III

- Supervised and trained direct care staff and volunteers working in shelter services
- Conducted orientations, intakes, life skills and housing groups, case management, and follow-ups
- Developed the Life Skills Training courses and the Youth & Staff Policies for national accreditation

EDUCATION

Master of Science in Social Work, *Administration & Planning Concentration* May 2003

The University of Texas of Austin, TX

Bachelor of Arts in Cultural Anthropology, *Minor in Biology* Dec 1995

The University of Texas of Austin, TX

Other Credentials

Race Director Certification, Level 1

Sept 2014

USA Triathlon

Licensed Master Social Worker, License # 52469

Nov 2010-Present

Texas State Board of Social Work Examiners

COMMUNITY SERVICE

- Served on the Board of Directors for NASW International Chapter Aug 2008-May 2011
- Doctors Without Borders, Dubai, UAE Dec 2003 – Aug 2005
- First Aid Instructor American Red Cross, Austin TX June 1999 – Dec 2002
- Easter Seals of Central Texas, Austin, TX Sept 1999 – Dec 1999
- Texas Governor's Office on People with Disabilities, Austin, TX April 1997 – July 1997
- US Peace Corps-Health Education, West Africa Dec 1996 – April 1997

LANGUAGE & COMPUTER SKILLS

- Fluent in English; Basic Spanish
- Proficient in MS Office, ACCESS, SPSS, Web Page Design, and several MIS and Internet programs

**ATTACHMENT 14:
SUPPORTIVE SERVICE BUDGET**

**Supportive Service Budget
Waters Park Studios**

Sources

Project Cash Flow	\$128,000
St. David's Foundation (SDF) - Healthy Minds	\$46,425
City of Austin (COA) PSH Supportive Services Funding	\$28,750
Private Fundraising - Individual Donors	\$105,080
TOTAL SOURCES	\$308,255

Year 1

Uses

Notes

Program Manager Salary	\$45,000	one full-time position
Supportive Service Coordinator Salary	\$40,000	one full-time position
24-Hour Desk Clerks	\$102,500	24 hour front desk clerks
Payroll Taxes	\$16,875	
Worker's Comp	\$487	
Retirement	\$4,688	
Health Insurance	\$16,875	
Supplies/Printing	\$1,000	
Training/Travel/Mileage	\$1,000	
Direct Aid - Food Bank	\$4,500	
Direct Aid - Transportation	\$1,500	
Direct Aid - Medical	\$3,500	
Welcome Home Baskets	\$155	household items given to residents upon move-in contracted w/ H.A.N.D. & Lone Star Circle of Care (includes part-time psychiatrist and part-time certified nurse assistant)
Clinical Mental Health Treatment/Prevention Services	\$56,250	
Detox Services (Substance Abuse)	\$1,675	contracted w/ Austin Recovery
Inpatient Residential Treatment (Substance Abuse)	\$8,500	contracted w/ Austin Recovery
Supported Employment Program	\$3,750	contracted w/ Austin Clubhouse, Inc.
TOTAL	\$308,255	

**ATTACHMENT 15:
OPPORTUNITY MAP DOCUMENTATION**

Waters Park Studios – Comprehensive Opportunity Map



**ATTACHMENT 16:
MBE CERTIFICATION**

SMBR Certified Vendors

Disclaimer: The information provided is for your convenience and is not intended to replace the official availability list of a solicitation. Contact SMBR's Contract Compliance Division at 512-974-7600 to request a copy of the availability list or a new availability list for new scopes identified.

[Download this file](#)

1 Results

Vendor Information	Contact Information	Ethnicity	Certification Type	End Date
Civiltude, LLC 1210 Rosewood Ave. Austin, TX 78702	Fayez Kazi Phone:(512) 761-6161 Fax: (512) 761-6167 info@civiltude.com	Asian	Minority/Disadvantaged Owned Business	12/08/18
<p>Disclaimer: The information provided is for your convenience and is not intended to replace the official availability list of a solicitation. Contact SMBR's Contract Compliance Division at 512-974-7600 to request a copy of the availability list or a new availability list for new scopes identified.</p>				

MEMORANDUM OF UNDERSTANDING
BETWEEN ECHO & FC WATERLOO TERRACE HOUSING, LP

This document sets forth the terms of the memorandum of understanding between Ending Community Homelessness Coalition (ECHO) and FC Waters Park Housing, LP, dba Waterloo Terrace (Owner), to be located at 12190 N Mopac Expy, Austin, Texas.

ECHO is the lead agency for the HUD funded Continuum of Care (CoC) for Austin/ Travis County. For the purpose of this memorandum of understanding, "ECHO Parties" will include ECHO and all of its partner organizations who will be making referrals to Waterloo Terrace under the direction of ECHO, including Caritas of Austin, Front Steps, etc. FC Waters Park LP is the owner an affordable housing apartment complex to be located at [INSERT ADDRESS OF PROPERTY], to be known as Waterloo Terrace. Foundation Communities will develop and provide property management services upon completion. Construction is expected to start in spring of 2019 and a Certificate of Occupancy issued by end of 2020.

Purpose

The purpose of this MOU is to establish how these entities will work together to provide permanent supportive housing at Waterloo Terrace for up to 27 Individuals participating in Continuum of Care housing programs facilitated by ECHO Parties.

Responsibilities

Owner will:

1. Make available up to 27 units at Waterloo Terrace for lease to clients of ECHO Parties referred through the Coordinated Entry process under the terms of this memorandum of understanding.
2. Employ Tenant Selection Criteria that is sufficiently low-barrier to screen in qualified applicants within ECHO Parties' client population and is mutually agreed upon by both parties, specifically in the areas of rental history and criminal background criteria. (EXHIBIT A)
3. Enter Waterloo Terrace residents referred by ECHO Parties under the terms of this memorandum of understanding into the Homeless Management Information System (HMIS) as required by City funding.

ECHO Parties will:

1. Refer up to 27 qualified applicants for the units. The applicants will be clients participating in Permanent Supportive Housing (PSH) or Rapid Rehousing (RRH), or similar, programs for chronically homeless and/or homeless persons.
2. Provide case management services to its clients living at Waterloo Terrace and work cooperatively with Waterloo Terrace staff to help clients maintain their housing.
3. Provide written verification of each referred client's homeless status.
4. Pay move-in costs and monthly rent for units occupied by clients of its programs, according to the terms of the programs in which the clients are participating (PSH, RRH or similar).
5. Provide a risk mitigation guarantee of up to \$1400 for clients, referred into the 27 units, who are determined to have negative rental history as defined by Water's Park Tenant Selection Criteria as defined in Exhibit A. For clients so identified, ECHO Parties will provide an individual guarantee for each new move in, which will cover any rental losses, damages, or legal costs incurred by Owner above and beyond the rental deposit collected by Owner, up to the \$1400 limit. For clients that do not meet the rental history criteria as defined by Water's Park Tenant Selection Criteria, ECHO Parties will provide a risk mitigation guarantee of up to \$2000. Each guarantee will be individually documented and remain in place for the duration of each client's tenancy at Waterloo Terrace.
6. Provide priority referrals to clients participating in PSH programs over clients participating in other programs that do not provide permanent housing assistance.

Terms of the Memorandum of Understanding

- 1. Owner is required to fulfill funding obligations as stated in its Land Use Restriction Agreements (LURAs) with the City of Austin, the Texas Department of Housing and Community Affairs, and the requirements of any other capital funders over and above all other memorandum of understandings.**
- 2. Units will be made available on a predetermined schedule during the initial lease-up of Waterloo Terrace after a Certificate of Occupancy is issued.**
- 3. Once lease-up is complete, units will be available from the first tax credit unit (per LURA requirements) to become available until the terms of this memorandum and the City LURA requirements are fulfilled, up to 27 units. Units will be identified by Owner based on availability and are not fixed units.**
- 4. If a unit is not leased within 10 business days of notification to ECHO of such available unit, Owner may proceed in filling the unit with an applicant from the project's waitlist by other low-income applicants. In such case, if the number of units covered in this memorandum of understanding has fallen below 27, Owner will continue to notify ECHO of all future vacancies and follow the same procedure until the number of units reaches 27.**
- 5. Owner reserves the right to place applicants in 30%, 40% or 50% units based on availability and the length of the subsidy provided to that applicant through ECHO Parties.**
- 6. Applicants referred by ECHO will be subject to Owner's typical application process that includes an income, credit and criminal history review. Each such applicant must have income that is below 50 percent of the area Median Family Income (MFI). Owner reserves the right to have final approval of all resident lease agreements.**
- 7. Owner will not be required to accept or retain any resident who does not meet the qualifications and requirements as determined by Owner. This memorandum of understanding will not be affected by the refusal of Owner to accept an applicant as it is specifically agreed that Owner has the right to accept or reject any applicant that does not meet our leasing criteria as stated in this memorandum of understanding.**

Amendments

This memorandum of understanding may be amended at any time with agreed changes being documented, accepted and signed by Owner and ECHO.

Termination

Owner and ECHO agree to cooperate in carrying out the terms of this memorandum of understanding. Failure to do so by either party, or violation of any stipulations of the memorandum of understanding by either party shall warrant termination of the memorandum of understanding with thirty (30) days' notice.

Either party shall have the right to terminate this memorandum of understanding upon 60 days prior written notice to the other party.

Liability & Indemnification

ECHO Parties will provide commercially reasonable coverage for a fidelity bond, general liability insurance and professional services insurance, and shall cause Owner and Foundation Communities listed to be listed as an Additional Insured.

ECHO shall indemnify, save and hold harmless Owner and Foundation Communities against any and all expense and liability of any kind arising out of any negligent act or omission of any ECHO employee which Owner or Foundation Communities may sustain, incur or be required to pay arising out of this contract due to such negligence acts or omissions; provided, however, that the provisions of this paragraph shall not apply to liabilities or expenses caused by or resulting from the willful or negligent acts or omissions of Owner, Foundation Communities, or any of their respective officers or employees.

ECHO acknowledges that Owner would not have entered into the above-described resident leases outside of the execution of this memorandum of understanding.

If it becomes necessary for either party hereto to engage an attorney to enforce the rights and remedies of such party (non-breaching party) hereunder, after such non-breaching party has notified the other party (breaching party) and provided 10 business days to remedy the situation, the non-breaching party may recover reasonable attorneys' fees from the breaching party, even if suit has not been filed. In any lawsuit to enforce the provisions of this memorandum of understanding, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non-prevailing party, including all out-of-pocket costs of litigation.

Each party shall indemnify and hold harmless the other party from any and all expenses and liability resulting from or arising out of any negligence or misconduct on such party's part to the extent that the amount exceeds the applicable insurance carried on either party.

Duration of Memorandum of understanding

This memorandum of understanding will be made effective as of 3/1/20 and will remain effective for a period of one year, expiring on 2/28/21.

By signing below, both parties agree to the terms of this memorandum of understanding.

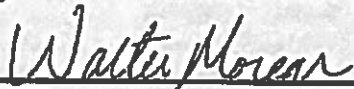


7/31/18

Ann Howard, Executive Director

Date

ECHO



7/31/18

Walter Moreau

Date

Executive Director, Foundation Communities

Authorized Agent for FC Waters Park Housing, LP

EXHIBIT A

CREDIT HISTORY / RESIDENTIAL HISTORY:

Waterloo Terrace Staff will obtain a credit report from a Credit Bureau on each applicant. All rental history reflected on the credit bureau will be verified. The name of the third party screening company will be provided upon request. Residential History must be provided on the application for the last two years and may include apartments (other rentals), shelters or transitional housing, friends/family or homelessness. Verification of homelessness will be requested if applicable.

Applicants who have skipped/left without notice, been asked to move, terminated or non-renewed by management for non-rent issues or have a history of lease violations at any previous rental property will be denied. Applicants who owe money for damages will not be considered for occupancy. Applicants who owe money for non-payment of rent under \$2000 will be considered for occupancy.

Applicants who do not meet the rental history described above, but otherwise meet all of the Tenant Selection Criteria for Waterloo Terrace and who have not been evicted for any reason more than once in the past two years and who do not owe sums for damages in excess of \$2000 will be required to pay an additional security deposit in the amount of \$1400 and subject to the Security Deposit rules outlined in the TAA lease.

~~Applicants with rental history at a Foundation Communities property:~~ Applicants who currently owe money to any community owned and managed by Foundation Communities will be denied. Applicants with negative rental history at any community owned and managed by Foundation Communities within the past 24 months will be denied. Negative rental history is defined as having been evicted, skipped/left without notice, asked to move by management or non renewed. Applicants who were evicted for non-rent breaches of lease at any community owned and managed by Foundation Communities will be denied permanently.

This does not apply to applicants who who were charged for any damages and/or received any lease violations that are directly related to protections under the Violence Against Women Act (VAWA).

CRIMINAL HISTORY CRITERIA:

1) The following criminal convictions will be permanently excluded/denied:

- Capital Murder, Murder, or any Murder Related Offense
- Rape, Sexual Assault, Lifetime Registered Sex Offenders, or crimes of a Sexual Nature.
- Kidnapping
- Arson
- Felony Manufacture of Methamphetamines*
* FC may request further information for felony drug manufacturing charges that are not specific

2) Felony convictions involving violence or use/possession of a weapon (including Manslaughter) will be excluded for 7 years from the date of conviction. This includes felony (not misdemeanor) convictions for any type of assault, terroristic threat, obstruction or retaliation, violation of a protective order, burglary of habitation, aggravated robbery, and harassment. We reserve the right to determine whether an act qualifies as violent for the purposes of screening our applicants.

3) Non-violent felonies will be excluded for 3 years from the date of conviction.

4) All Class A misdemeanors will be excluded for 1 year from the date of conviction.

Applications with pending criminal charges will be considered denied unless proof of dismissal can be immediately provided. Mitigating Circumstances will be considered for criminal convictions older than 20 years except in the case of lifetime registered sex offenders and those convicted of manufacturing methamphetamine.

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

GENERAL WARRANTY DEED WITH VENDOR'S LIEN

STATE OF TEXAS

§
§
§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS

That Robert A. Chaffee and Vickie Chaffee (collectively referred to as the "*Grantor*"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash, and other good and valuable consideration to it paid by FC WATERS PARK HOUSING, LP, a Texas limited partnership ("*Grantee*"), the receipt and sufficiency of which is hereby fully acknowledged and confessed by Grantor, and the further consideration of the execution and delivery by Grantee of those certain Promissory Notes (the "*Note*") of even date herewith in the original principal sum of Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) and Three Million Three Hundred Seventy Thousand Six Hundred Fifty eight and No./100 Dollars (3,370,658.00), all payable to the order of Foundation Communities, Inc., a Texas non-profit corporation and bearing interest as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which Note is secured by the vendor's lien retained in favor of Foundation Communities, Inc., a Texas non-profit corporation, and is additionally secured by a deed of trust of even date herewith from Grantee to Cathleen C. Slack, Trustee, and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN AND TRANSFER unto Grantee, the following real property situated in Travis County, Texas, together with any and all improvements, rights, privileges, hereditaments and appurtenances thereto, being hereafter referred to as the "*Property*", to wit:

Lot 2, of GARNER & KISSMAN SUBDIVISION, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 24, Page 43, Plat Records of Travis County, Texas.

This conveyance, however, is expressly made and accepted subject to any and all existing encumbrances, conditions and restrictions and governmental regulations, relating to the Property as described in Exhibit "A", attached hereto and incorporated herein by reference for all purposes being hereafter referred to as "**Permitted Exceptions**".

TO HAVE AND TO HOLD the Property, subject as aforesaid, unto Grantee, Grantee's successors and assigns forever, and Grantor does hereby bind themselves and their heirs, successors and assigns to warrant and forever defend all and singular the Property unto Grantee, its successors and assigns against every person whomsoever claiming, or to claim the same, or any part thereof.

Ad valorem taxes with respect to the Property are prorated as of this date and by acceptance of this General Warranty Deed, Grantee assumes payment of all ad valorem taxes and special and

general assessments of whatever nature applicable to the Property for the year 2018 and subsequent years, as well as all special and general assessments of whatever nature applicable to the Property.


But it is expressly agreed that the Vendor's Lien, as well as Superior Title in and to the above-described Property is retained against the Property, premises and improvements until the above-described Note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. The Vendor's Lien, together with the superior title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

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

Executed to be effective as of the 31st day of August, 2018.

GRANTOR:


Robert A. Chaffee


Vickie Chaffee

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 30th day of August, 2018, by Robert A. Chaffee and Vickie Chaffee.

Given under my hand and seal of office this 30th day of August ~~July~~, 2018.



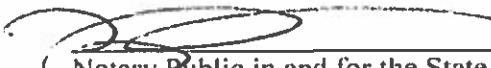

Notary Public in and for the State of Texas

EXHIBIT "A"
PERMITTED EXCEPTIONS

1. Building setback line, 25 feet in width, along the front property line, as recorded in/under Volume 24, Page 43 of the Plat Records of Travis County, Texas.
2. 10' electric easement, across (middle) subject property, as recorded in/under Volume 24, Page 43, Map/Plat Records, Travis County, Texas.
3. Easement, Right of Way and/or Agreement granted to LCRA, by instrument recorded in/under Volume 645, Page 250 of the Deed Records, Travis County, Texas.
4. Easement, Right of Way and/or Agreement granted to City of Austin, by instrument recorded in/under Volume 2410, Page 147 of the Real Property Records, Travis County, Texas.
5. Easement, Right of Way and/or Agreement granted to City of Austin, by instrument recorded in/under Volume 659, Page 564 of the Deed Records, Travis County, Texas.
6. Easement, Right of Way and/or Agreement granted to City of Austin, by instrument recorded in/under Volume 2680, Page 475 of the Real Property Records, Travis County, Texas.

GRANTEE'S MAILING ADDRESS:

FC Waters Park Housing, LP
3036 S. 1st Street
Austin, Texas 78704

{067.00205245.1}
Page | 3

General Warranty Deed with Vendor's Lien



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana Debeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

August 31 2018 11:21 AM

FFF-5 34 00 2018120352

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

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

STATE OF TEXAS §
COUNTY OF TRAVIS § KNOW ALL MEN BY THESE PRESENTS:
§

That Daniel K. Baird and Cathy J. Baird (collectively referred to as the "*Grantor*"), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) cash, and other good and valuable consideration to it paid by FC WATERS PARK HOUSING, LP, a Texas limited partnership ("*Grantee*"), the receipt and sufficiency of which is hereby fully acknowledged and confessed by Grantor, and the further consideration of the execution and delivery by Grantee of those certain Promissory Notes (the "*Note*") of even date herewith in the original principal sum of Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) and Three Million Three Hundred Seventy Thousand Six Hundred Fifty eight and No./100 Dollars (3,370,658.00), all payable to the order of Foundation Communities, Inc., a Texas non-profit corporation and bearing interest as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which Note is secured by the vendor's lien retained in favor of Foundation Communities, Inc., a Texas non-profit corporation, and is additionally secured by a deed of trust of even date herewith from Grantee to Cathleen C. Slack, Trustee, and by these presents does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN AND TRANSFER unto Grantee, the following real property situated in Travis County, Texas, together with any and all improvements, rights, privileges, hereditaments and appurtenances thereto, being hereafter referred to as the "*Property*", to wit:

Being 1.45 acres of land, more or less, out of the JAMES ROGERS SURVEY in Travis County, Texas, being the same tract described in Warranty Deed recorded in Document Number 2003011408 of the Official Public Records of Travis County, Texas. Said 1.45 acre tract being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

This conveyance, however, is expressly made and accepted subject to any and all existing encumbrances, conditions and restrictions and governmental regulations, relating to the Property as described in Exhibit "B", attached hereto and incorporated herein by reference for all purposes being hereafter referred to as "**Permitted Exceptions**".

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee and Grantee's successors and assigns, forever; and Grantor does hereby bind Grantor and Grantor's heirs, successors and assigns to WARRANT AND FOREVER DEFEND the Property and all and singular the rights and appurtenances thereto in anywise belonging unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by,

through or under Grantor, but not otherwise.

Ad valorem taxes with respect to the Property are prorated as of this date and by acceptance of this General Warranty Deed, Grantee assumes payment of all ad valorem taxes and special and general assessments of whatever nature applicable to the Property for the year 2018 and subsequent years, as well as all special and general assessments of whatever nature applicable to the Property.

But it is expressly agreed that the Vendor's Lien, as well as superior title in and to the above-described Property is retained against the Property, premises and improvements until the above-described Note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. The Vendor's Lien, together with the superior title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

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

Executed to be effective as of the 31st day of August, 2018.

GRANTOR:

Daniel K. Baird
Daniel K. Baird

Cathy J. Baird
Cathy J. Baird

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this 30th day of August, 2018, by Daniel K. Baird and Cathy J. Baird.

Given under my hand and seal of office this 30th day of ~~July~~ August 2018.



Michelle Persles
Notary Public in and for the State of Texas

EXHIBIT "A"
LEGAL DESCRIPTION

ALL THAT CERTAIN PARCEL OR TRACT OF LAND OUT OF THE JAMES ROGERS SURVEY IN TRAVIS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN 1.45 ACRE TRACT OF LAND DESCRIBED IN A WARRANTY DEED WITH VENDOR'S LIEN TO GERALD RABUN AND WIFE, CAROL J RABUN RECORDED IN VOLUME 9965, PAGE 587 OF THE DEED RECORDS OF SAID COUNTY, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS

BEGINNING at a one half inch diameter iron rod found on the east right-of-way line of Waters Park Road (*formerly known as Old Upper Georgetown Highway*) at the northwest corner of said 1.45 acre tract, being the southwest corner of that certain 0.494 acre tract of land described in a Warranty Deed with Vendor's Lien to Roselinda V Conde and Rodolfo S Conde recorded in Volume 13071, Page 1772 of said Deed Records, for the northwest corner and **PLACE OF BEGINNING** hereof

THENCE with the north line of said 1.45 acre tract, South 54 degrees 20 minutes 52 seconds East, pass the southeast corner of said 0.494 acre tract, being the southwest corner of that certain Lot 1, Block A, AQC Commercial Subdivision (*a subdivision recorded in Book 93, Page 222 of the Plat Records of said county*) at approximately 199.20 feet and continuing on for a total distance of 396.62 feet to a one half inch diameter iron rod found at the northeast corner of said 1.45 acre tract, being the southeast corner of said Lot 1, being the southwest corner of that certain Lot 1, Garner & Kissman Subdivision (*a subdivision recorded in Book 24, Page 43 of said Plat Records*), being the northwest corner of that certain Lot 2 of said Garner & Kissman Subdivision, for the northeast corner hereof

THENCE with the east line of said 1.45 acre tract, being the west line of said Lot 2, South 16 degrees 28 minutes 07 seconds West, a distance of 111.93 feet to a one half inch diameter iron rod found at the southeast corner of said 1.45 acre tract, being the northeast corner of that certain 1.33 acre tract of land described in a Warranty Deed with Vendor's Lien to Cameron Plaza, Inc. recorded in Document No. 2000102048 of the Official Records of said county, for the southeast corner hereof

THENCE with the south line of said 1.45 acre tract, being the north line of said 1.33 acre tract North 74 degrees 12 minutes 00 seconds West, a distance of 336.69 feet to a one half inch diameter iron rod found in said east right-of-way line, at the southwest corner of said 1.45 acre tract, being the northwest corner of said 1.33 acre tract, for the southwest corner hereof

THENCE with said east right-of-way line, being the west line of said 1.45 acre tract, the following courses

- 1 North 6 degrees 37 minutes 59 seconds East, a distance of 81.08 feet to a one half inch diameter iron rod set
- 2 North 8 degrees 18 minutes 57 seconds East, a distance of 169.97 feet to the **PLACE OF BEGINNING** and containing a calculated area of 1.45 acres of land, more or less, subject to conditions, restrictions or easements of record or by prescriptive use, if any

BEARINGS OF LINES referred to the south line of said 1.45 acre tract as found marked upon the ground and taking its direction to be North 74 degrees 12 minutes West

This description is accompanied by Accutex Survey Systems Plat No. C-032 b

EXHIBIT "B"
PERMITTED EXCEPTIONS

Electric Transmission Lines Easement, Right of Way and/or Agreement granted to the City of Austin, by instrument dated November 2, 1940, recorded in/under Volume 659, Page 564 of the Deed Records, Travis County, Texas.

GRANTEE'S MAILING ADDRESS:
FC Waters Park Housing, LP
3036 S. 1st Street
Austin, Texas 78704

{067.00205247.2}
Page | 4

Special Warranty Deed with Vendor's Lien



FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

DANA DEBEAUVOIR, COUNTY CLERK
TRAVIS COUNTY, TEXAS

August 31 2018 11:21 AM

FFF-5 38 00 20181130259

**APPRAISAL REPORT
C18-AHA-121
INVOLVING AN APARTMENT MARKET ANALYSIS
FOR A HOUSING TAX CREDIT (HTC) DEVELOPMENT**

OF

**TDHCA #18099
WATERS PARK STUDIOS
A 132-UNIT PROPOSED SUPPORTIVE HOUSING HTC APARTMENT
DEVELOPMENT. THE SUBJECT PROPERTY IS LOCATED ON THE WEST LINE OF
MOPAC EXPRESSWAY NORTH, AND THE EAST LINE OF WATERS PARK ROAD,
SOUTH OF FM 734 IN
AUSTIN, TRAVIS COUNTY, TEXAS 78758**

PREPARED FOR

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AUTHORIZED BY
MS. SABRINA BUTLER
FC WATERS PARK HOUSING, LP
C/O FOUNDATION COMMUNITIES, INC.
3036 SOUTH 1ST STREET
AUSTIN, TEXAS 78704**

BY

***AFFORDABLE HOUSING ANALYSTS*
3912 AVENUE O
GALVESTON, TEXAS, 77550**

**EFFECTIVE DATE OF THE MARKET ANALYSIS
JANUARY 24, 2018**

**DATE OF THE REPORT
MARCH 28, 2018**

AFFORDABLE HOUSING ANALYSTS
Appraisers/Market Analyst/Consultants

March 28, 2018

Ms. Sabrina Butler
FC Waters Park Housing, LP
c/o Foundation Communities, Inc.
3036 South 1st Street
Austin, Texas 78704

Reference: Waters Park Studios: A 132-unit Supportive Housing development proposed to be constructed and operated as a Housing Tax Credit (HTC) apartment project. The subject property is located on the west line of MoPac Expressway north, and the east line of Waters Park Road, south of FM 734 in Austin, Travis County, Texas 78758.

Greetings:

At your request, I have completed an Appraisal Report (TDHCA-compliant Market Study) for the purpose of providing a market analysis for the above-referenced property. Elements of this study, such as determination of Market Rent, classify this document as an appraisal report. However, we have not determined Market Value for the property. The effective date of the study is January 24, 2018. The date of the report is March 28, 2018. Robert O. Coe, II visited the subject site on January 24, 2018.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section. Based on my analysis of the subject property's primary market area, there is sufficient demand to successfully construct and absorb the proposed Waters Park Studios as of January 24, 2018.

No one provided significant real property appraisal assistance in the preparation of the market analysis.

I am not qualified to detect or identify hazardous substances, which may, or may not, be present on, in, or near this property. The presence of hazardous materials may negatively affect feasibility. I have analyzed the subject property as though free of hazardous materials. I urge the user of this report to obtain the services of specialists for the purpose of conducting an environmental audit to ensure that the subject property is free of hazardous materials.

Texas Department of Housing and Community Affairs
FC Waters Park Housing, LP
c/o Foundation Communities, Inc.
Ms. Sabrina Butler

I certify that I have read and understood the 2018 Uniform Multifamily Rules 10.303 and 10.304. I certify that I consider the services provided conform to the Department's Market Analysis Rules and Guidelines, described in Section 10.303 of the Uniform Multifamily Rules in effect for the application round (2018) in which the Market Analysis may be submitted.

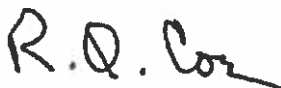
I certify that I have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that my fee is in no way contingent upon the conclusion. I certify that I am a disinterested party and will not materially benefit from the development in any other way than receiving a fee for the Market Analysis, and that the fee is in no way contingent upon the outcome of the Market Analysis. I am neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to my current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of my conclusions.

All occupancy levels cited throughout this report refer only to physical occupancy unless otherwise specified in the text.

The Texas Department of Housing and Community Affairs is granted full authority to rely on the findings and conclusions of this report.

Respectfully,

Affordable Housing Analysts



Robert O. (Bob) Coe, II
TX-1333157-G
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

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MARKET ANALYSIS SUMMARY								
Provider:	Affordable Housing Analysts			Date:	3/28/2018			
Contact:	Bob Coe			Phone:	281-387-7552			
Development:	Waters Park Studios			Target Population:	SRO			
				Definition of Elderly Age:				
Site Location:	W/L MoPac Expy N and E/L Waters Park Rd., S of FM 734			City:	Austin		County:	Travis
Site Coordinates:	Longitude		Latitude					
	W97.708385		N30.414833		(decimal degree format)			
Primary Market Area (PMA) page 31								
18.595 Square Miles								
CENSUS TRACTS								
48453001805	48453001822	48453001829						
48453001806	48453001823	48453001843						
48453001819	48453001824	48453001844						
48453001820	48453001826	48453001845						
48453001821	48453001828	48453001846						
ELIGIBLE HOUSEHOLDS BY INCOME page 68								
HH size	30% of AMGI		40% of AMGI		50% of AMGI		60% of AMGI	
	min	max	min	max	min	max	min	max
1	\$1	\$17,100	\$17,101	\$17,087	\$17,088	\$28,500		
MULTIFAMILY HOUSING in PMA page 43								
		# Developments	Total Units	Avg Occupancy				
All Multifamily Housing		102	25,469	91.4%				
All Placed-in-Service after 2014		5	1,345	94.0%				
All LIHTC Developments		4	704	99.7%				
Unstabilized Comparable LIHTC								
Other Subsidized / Affordable								
AFFORDABLE HOUSING INVENTORY in PMA page 43								
Proposed, Under Construction, and Unstabilized Comparable Developments in PMA								
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy	
Other Affordable Developments in PMA								
TDHCA #	Development	Status	Type	Target Population	Comp Units	Total Units	Occupancy	
03459	Park at Summer Grove FKA Century Park	in service	new const	general	n/a	240	100%	
98174	The Lodge at Meritown	in service	new const	senior	n/a	204	99%	
11123	Allegre Point	in service	new const	general	n/a	184	100%	
14226	Art at Bratton's Edge	in service	new const	general	n/a	76	100%	
Check box if this development is included in the calculation of the average physical occupancy to qualify for the 15% GCR for Tax-Exempt Bond Developments per §10.302(i)(1). Attach a PMA map, with affordable developments labeled, showing the 20 minute drive time ring. *See footnote 1								
Average occupancy of affordable housing in 20 minute drive time ring						%		
Note: For developments targeting Seniors, fill in Population and Household data for both the General population and the Senior population								

PMA DEMOGRAPHIC DATA											
	GENERAL			SENIORS							
	current year	place-in-service	five year	current year	place-in-service	five year					
	2018	2020	2023	2018	2020	2023					
Population p. 39	92,523	95,067	98,882								
Households p. 39											
Total HH	37,706	39,034	40,361								
Renter HH	24,511	25,377	26,243								
Homeowner HH	13,195	13,657	14,118								
DEMAND CALCULATION p. 68											
	Total Households										
	Program Only Restricted Units	Assisted Units	* See footnote 2	Program Only Restricted Units	Assisted Units						
Subject Units	132			Min Income	\$ 1						
Unstabilized Comparable Units	0			Max Income	\$ 28,500						
RELEVANT SUPPLY	132	0		Potential Demand	697						
				10% External Demand	70	0					
				Other Demand							
				GROSS DEMAND	767	0					
	RELEVANT SUPPLY / GROSS DEMAND = GROSS CAPTURE RATE					17.2%					
CAPTURE RATE BY AMGI BAND p. 76 * include program only restricted units											
AMGI Band Capture Rates	Demand	10% External Demand	Subject Units	Comp Units	Capture Rate						
30% AMGI	248	25	27	0	9.89%						
40% AMGI	104	10	27	0	23.68%						
50% AMGI	345	35	78	0	20.53%						
CAPTURE RATE BY UNIT p. 76 * include program only restricted units											
SUBJECT UNIT MIX			PROPOSED RENT		p. 76	DEMAND by UNIT TYPE p. 76					
AMGI Level	Beds	Baths	Size (sqft)	Gross	Net	MARKET RENT	Demand	10% External Demand	Subject Units	Comp Units	Unit Capture Rate
30%	0	1	518	\$427	\$427	\$1,100	248	25	27	0	9.9%
40%	0	1	518	\$570	\$570	\$1,100	104	10	27	0	23.7%
50%	0	1	518	\$712	\$712	\$1,100	345	35	78	0	20.5%

Footnotes:

- 1 This is only required for developments that will utilize the 15% GCR for Tax-Exempt Bond Developments rule §10.302(j)(1).
- 2 Program only restricted units include HTC and MDL restricted units. Assisted units include any unit that has a RAD, Section 8, PHU, or PBV associated with them.

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- 1) Any legal description or plats reported herein are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings, or other exhibits are included only to assist the intended users to better understand and visualize the subject property the environs, and the competitive data. I have made no survey of the subject property and assume no responsibility associated with such matters.
- 2) The value assumes responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- 3) The information contained herein has been gathered from sources deemed to be reliable, but I assume no responsibility for its accuracy. The value/opinions rendered herein are based on preliminary analyses of the subject and market area.
- 4) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. I urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- 5) I assume no responsibility for any hidden agreements known as "side reports", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- 6) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other valuation and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- 7) I, by reason of this report, am not required to give testimony in court with reference to the property unless notice and proper arrangements have been previously made therefore.
- 8) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.

Assumptions and Limiting Conditions – Continued

- 9) No subsoil data or analysis based on engineering core borings or other tests were furnished to me. I have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable.
- 10) No responsibility is assumed for hidden defects or for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in this report.
- 11) The construction and physical condition of the improvements described herein are based on a site visit. No liability is assumed by us for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering, which might be required to discover such factors. I urge the user of this report to retain an expert in this field.
- 12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to my attention nor did I become aware of such during my site visit. I have no knowledge of the existence of such materials on or in the property unless otherwise stated. I, however, am not qualified to test such substances or conditions. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. I urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- 13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future; rather, they are the best estimate of current market thinking of what future trends will be. I assume no responsibility for any changes in economic or physical conditions which occur following the effective date of this report that would influence or potentially affect the analyses, opinions, or conditions in the report. Any subsequent changes are beyond the scope of this report. No warranty or representation is made that these projections will materialize.
- 14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.
- 15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.

Assumptions and Limiting Conditions – Continued

- 16) This assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- 17) This report has been prepared in a “non-disclosure” state. Real estate prices and other data, such as rents, prices, and financing are not a matter of public record. Although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, I may have relied on verification obtained and reported to us by persons outside my office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease or other significant commitment of funds to the subject property.
- 18) The Americans With Disabilities Act (ADA) became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more requirements of the act. If so, this fact could have a negative impact upon the value of the property. However, since I have no direct evidence relating to the issue of compliance, I did not consider possible noncompliance with requirements of ADA in forming an opinion of the value of the property.
- 19) Acceptance or use of this report constitutes agreement by the client and any other users that any liability for errors, omissions or judgment is limited to the amount of the fee charged for this report. Use of this report constitutes acknowledgement and acceptance of the general assumptions and limiting conditions, special assumptions (in any), extraordinary assumptions (if any), and hypothetical conditions (in any) on which this report is based.

ENVIRONMENTAL ASSUMPTIONS

This report is subject to the following environmental assumptions:

- 1) There is a safe, lead-free, adequate supply of drinking water.
- 2) The subject property is free of soil contamination.
- 3) There is no uncontained friable asbestos or other hazardous asbestos material on the property. The appraiser is not qualified to detect such substances.
- 4) There are no uncontained PCB's on or near the property.
- 5) The radon level is at or below EPA recommended levels.
- 6) Any functioning underground storage tanks (UST's) are not leaking and are properly registered; any abandoned UST's are free from contamination and were properly drained, filled and sealed.
- 7) There are no hazardous waste sites on or near the subject property that negatively affect the value and/or safety of the property.
- 8) There is no significant urea formaldehyde (UFFI) insulation or other urea formaldehyde material on the property.
- 9) There is no flaking or peeling of lead-based paint on the property.
- 10) The property is free of air pollution.
- 11) There are no wetlands/flood plains on the property (unless otherwise stated in the report).
- 12) There are no other miscellaneous hazardous substances and/or detrimental environmental conditions on or in the area of the site (excess noise, radiation, light pollution, magnetic radiation, acid mine drainage, agricultural pollution, waste heat, miscellaneous chemical, infectious medical wastes, pesticides, herbicides, and the like).

SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY

Disclosure of Competency: *Affordable Housing Analysts* is a professional real estate appraisal and consulting firm, providing service to a variety of corporate, institutional, governmental, and private clientele. In the past 12 months, I have completed numerous assignments involving similar properties. I am a State Certified General Real Estate Appraiser with the State of Texas, and have prepared/reviewed numerous market studies and appraisal assignments of properties similar to this assignment.

Identification of Property: The subject property is located on the west line of MoPac Expressway north, and the east line of Waters Park Road, south of FM 734, in Austin, Travis County, Texas 78758. The subject site contains ±2.4496 acres (±106,705 square feet), and appears to be relatively flat in topography. The subject is proposed to be developed and operated as a 132-unit HTC Supportive Housing apartment development.

Primary Market: The subject's primary market is generally defined as that area contained within census tracts 48453001805, 48453001806, 48453001819, 48453001820, 48453001821, 48453001822, 48453001823, 48453001824, 48453001826, 48453001828, 48453001829, 48453001843, 48453001844, 48453001845, 48453001846, 48453001847, 48453001848, 48453001849, and 48453001850. This area is contained in all or a portion of the following zip codes 78727, 78753, and 78758. The area is generally bound by Howard Lane to the north, the railroad tracks to the west, Highway 183 and Powell Lane to the south, and Interstate 35 to the east. The average rental rate for apartments in the subject's primary market area is reported at \$1.29 per square foot per month. The average rent and occupancies in this submarket are skewed downward somewhat due to a number of older projects with a modest level of amenities. The average physical occupancy in the subject's market area was reported at 91.37%. Occupancy rates and rental rates in this primary market area have remained strong over the past few years, with overall stable rental rates.

Comparable Properties: The selected comparable apartments surveyed in the primary market area of the subject generally exhibited strong occupancy rates, with an average occupancy level of 95% and an average rental rate of ±\$1.32 per square foot per month. According to my research (including contacting the local HUD offices), there are 4 existing HTC projects with 10 units or higher in the subject's primary market area in which the rents are based on income or otherwise restricted. Park at Summer Grove, Allegre Pointe, and Art @ Bratton's Edge are the most comparable Family HTCs within the PMA, although all are General properties. All three reported 100% occupancy

Demand: The primary market area for the subject property had an estimated 37,706 households in 2018 and is projected to have 40,361 households by 2023. Approximately 65.01% of these households were renter households in 2018. The population growth in the primary market area between 2000 and 2010 was 6.07%, between 2010 and 2018 was 11.15% and between 2018 and 2023 is projected to be 6.87%. The population is growing within the primary market area.

Evaluation of Subject Property: The subject property will have efficiency-bedroom units. The subject property is proposed to have 100.00% in efficiency units. Because the subject property is supportive housing targeting the homeless, having all efficiency units is considered appropriate.

Based on discussions with leasing agents, and my own analysis of the selected comparables in the primary market, the unit mix is appropriate for a Supportive Housing project, and will complement the local affordable housing market.

The subject property has a projected per unit development cost that is within the typical range for projects of this type and caliber. Development of the project is the maximally productive use of the site and I consider it to be an acceptable location for this development.

Rental Rates: The client's reported rents, averaging \pm \$1.206 per square foot (rent-restricted), are considered very competitive for a project in this market considering the subject will be "all bills paid."

Income: Based on the developer's provided rent schedule, gross potential annual revenue for the subject property, including \$11.10 per unit "other revenue" totals \$1,007,040. Other revenue (primary sources are laundry, vending, application fee, cable TV, etc.) estimated by the developer appears low but reasonable based on information in my files and discussions with apartment developers and management companies which are active in the Austin Region.

Need for Affordable Housing: Occupancies of the affordable housing projects are high, with some maintaining waiting lists. Therefore, the subject property need only achieve moderate penetration to be feasible. This is a realistic scenario considering the limited supply of quality affordable Supportive Housing in the subject's primary market area.

Capture Rate: Based on my research, there are no other Supportive Housing projects under construction comparable to the subject within the PMA, none approved, none proposed with priority, and none unstabilized in the primary market area. There are no active Supportive Housing applications on the bond list. There are no market rate Supportive Housing complexes that were recently built, and none proposed. Per TDHCA guidelines, all of the subjects restricted units should be included in the capture calculations. The subject contains 132 units, of which 132 will be rent-restricted. Therefore, a total of 132 units require absorption, of which 132 units will be rent-restricted. There are approximately 3,046 (Envionics Analytics) and 767 (HISTA) potential households (relevant to the rent restricted units) based on income eligibility, household size, and housing preference in the subject's primary market.

Spotlight Capture Rate for 132 Affordable Supportive Housing Units	4.33%
HISTA Capture Rate for 132 Affordable Supportive Housing Units	17.21%

THE CAPTURE RATE ABOVE IS OVERSTATED. I HAVE NOT INCLUDED DEMAND FROM SECTION 8 AND OTHER DEMAND SOURCES (OTHER THAN THE AUTOMATIC 10%). BECAUSE THE CAPTURE RATE WAS WITHIN TDHCA'S GUIDELINES WITHOUT THE INCLUSION OF THESE DEMAND SOURCES, THAT DEMAND WAS NOT QUANTIFIED IN THIS REPORT.

Absorption: I was able to locate only two SRO Supportive Housing HTC developments which have been completed and stabilized within the recent past in the Austin area. Capital Studios, which is a 135-unit SRO Supportive Housing project which was completed in November 2014

and attained stabilized occupancy in January 2015, which equates to an average absorption of approximately 34 units per month. Bluebonnet Studios is a 107-unit SRO Supportive Housing HTC which opened 12/1/2016 and was 100% occupied 3/15/2017, which equates to an average absorption of over 30 units per month. Point at Ben White is 250-unit (all units rent-restricted) Family 4% HTC/PAB property (located south of the subject PMA) which reportedly began leasing in November 2014 and reached stabilized occupancy within 4 months, which equates to an average absorption of approximately 62 units per month. I estimate absorption at 15 to 25 units a month and the property should stabilize within 5 to 8 months of opening.

Effect of Subject Property on Existing Apartment Market: Based on the high occupancy levels of the existing properties in the market, the subject's stabilized occupancy, and the lack of good quality affordable housing, along with the recent strong absorption history, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Any negative impact from the subject property should be of reasonable scope and limited duration.

The following table depicts the existing similar SRO complexes in Austin

FOUNDATION COMMUNITIES EXISTING SROs			
	Units	Avg 2017 OCC	2/28/2018 Occ
Bluebonnet Studios *	107	98%	92%
Capital Studios	135	98%	97%
Skyline Terrace	100	93%	97%
Arbor Terrace	120	98%	98%
Spring Terrace **	142	94%	95%
Garden Terrace	103	99%	99%
Total/Avg	707	97%	96%

* Below average occupancy due to 1st year renewal timing. Occupancy now 98%.

** Lower than average occupancy due to a renovation project.

Certification of Interest: The individual performing this study does not have any interest or prospective interest in the development of the subject property.

IDENTIFICATION OF PROPERTY

The subject property is located on the west line of MoPac Expressway north, and the east line of Waters Park Road, south of FM 734, in Austin, Travis County, Texas 78758, with physical addresses of 12190 North MoPac Expresssway North and 12207 Waters Park Road. The combined subject site is an irregularly-shaped tract containing a total of ±2.4496 acres (±106,705 square feet), appears to have sloping to the west topography, and appears to have adequate slope for drainage purposes. The subject site is currently effectively vacant (Mopac site is improved with an older commercial facility and the Waters Park Road site is improve with an older single-family residence used as an insurance office) and is proposed to be improved with a 132-unit Supportive Housing HTC apartment development. The property is identified as all or a portion of account number(s) 478625 & 478243 by the Travis County Appraisal District.

Description of Subject Property

Waters Park Studios is a 132-unit Supportive Housing apartment development proposed to be constructed and operated as a Housing Tax Credit property that will be master-metered for electricity and for water/sewer (landlord pays), with the landlord also paying for trash pickup. The units will be contained in three-story elevator-served buildings. The common areas will include fitness center, business center with computers and internet access, leasing office, fitness center, common laundry, food pantry, lounge, and a community room. The development will also offer barbecue/picnic areas, and controlled access to the building. The property is anticipated to be of good quality construction, comparable to Multiple Residences Class B structures as defined by Marshall Valuation Service. The property will be a Housing Tax Credit (HTC) complex with 100.00% of the units to be set aside for households earning at or below 60% of the Area Median Gross Income (AMGI), adjusted for family size (20.45% at 30% AMGI, 20.45% at 40% AMGI, 59.09% at 50% AMGI, 0.00% at 60% AMGI, and 0.00% at market levels). A visit to the subject site was performed by Robert O. Coe, II on January 24, 2018. The following table exhibits the unit mix for the proposed project, as supplied by the client.

SUBJECT UNIT MIX			
No. Units	Type	AVG. Size (SF)	Total Area
132	0 BR / 1 BA	518	68,376
132		518	68,376
Total Net Rentable Area (SF):			68,376

- Foundation:** Reinforced concrete slab
- Building Type:** Three-story elevator-served building
- Exterior Walls:** Masonry veneer (cement board, masonry and glass)
- Roofing:** Flat built-up roof

Unit Finish:	Partitions between units will be wood studs with painted sheetrock panels. Floor coverings will be ceramic tile flooring. Ceilings will be textured sheetrock. Kitchen packages will include a refrigerator, oven/range, microwave, and sink.
Unit Configuration:	Accommodation for each unit will comprise a living area, kitchen, efficiency (no enclosed bedroom) with closets, and one bathroom.
Unit Amenities:	Units will feature closets, kitchen packages, ceiling fans and miniblind.
Fixtures:	Plumbing and light fixtures are assumed to be adequate for an apartment complex in the subject area.
Water Heaters:	Hot water will be provided by electric water heaters.
Insulation:	Adequacy not known; assumed adequate.
Heating/Cooling:	Individual HVAC units with individually controlled thermostats.
Parking:	The subject will have adequate open parking.
Landscaping:	The landscaping is expected to be attractive and well-presented upon completion.
Exterior Amenities:	Enclosed community garden, and parking.
Fence:	No
Access Gates:	No (controlled access to building)
Laundry:	Central laundry facilities.
Building Area:	68,376 SF (NRA)
Total GBA:	76,227 SF (including common areas).
Land/Bldg. Ratio:	1.56:1 (NRA)
Units/Acre Ratio:	±53.89:1
Elevators/Stairs:	Yes/Yes
Occupancy:	±92.5% (stabilized)
Year Built:	Proposed

- Condition:** The complex will be in new condition when completed. The building is estimated to have a useful life of 55 years.
- Functional Utility:** The subject improvements are anticipated to be adequately functional when compared with competing properties in the neighborhood.

Statement of Ownership

Based on Travis County Appraisal District records and discussions with a representative of the owner, the subject property is currently owned by two parties: Robert A & Vickie Chaffee own the tract fronting on MoPac. They have owned the property for at least the last three years. This tract is under a purchase contract to Foundation Communities, Inc, and assigns for \$2,600,000, or approximately \$59.69 per square foot. The second tract which fronts Waters Park Road is owned by Daniel K. & Cathy Baird, who have owned the tract for over three years. This tract is under a purchase contract to Foundation Communities, Inc, and assigns for \$1,660,000, or approximately \$26.28 per square foot. No other arms-length transactions involving the subject are known to have occurred within the last three years.

Purpose of Appraisal Report

The purpose of this assignment is to analyze the subject property's multifamily market and determine whether sufficient potential demand exists to justify acquisition and construction of the subject property. For the purposes of this report, potential demand is the pool of households that are income qualified (household income does not exceed applicable program limits) and can afford the proposed development's rents (rents are no more than 50% of household income).

Definitions

The following applicable definition was abstracted from *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, copyright 2015.

Market Rent

The achievable rent at the subject property for a unit without rent and income restrictions determined by the Market Analyst or Underwriter after adjustments are made to actual rents on Comparable Units to account for differences in net rentable square footage, functionality, overall condition, location (with respect to the subject property based on proximity to primary employment centers, amenities, services and travel patterns), age, unit amenities, utility structure, and common area amenities. The achievable rent conclusion must also consider the proportion of market units to total units proposed in the subject property.

Source: Texas Uniform Multifamily Rules

Market Analysis

"A macroeconomic analysis that examines the general market conditions of supply, demand, and pricing of the demographics of demand for a specific area or property type."

SCOPE OF APPRAISAL ASSIGNMENT

Use of the Assignment

The use of this assignment is understood to be for decision-making purposes of the client, as well as the additional intended users.

Development and Reporting Process of the Assignment

Market data, including sales and lease information, was obtained from sources deemed to be reliable, including, but not limited to, on-site personnel. This report fully discusses all pertinent data, descriptions, and discussions germane to the subject of this report. A copy of this report and the data included herein have been retained in my files.

Effective Date of the Assignment

The descriptions, analyses, and conclusions of this report are applicable as of January 24, 2018.

Date of the Report

The preparation of this report was completed on March 28, 2018.

Data Sources

Austin CCD All rental information for the comparable properties has been verified by the market analyst. Census data was obtained from Environics Analytics (Spotlight) and Ribbon Demographics, recognized sources of demographic data throughout the United States and the U.S. Census Bureau.

Housing Tax Credit, Multifamily Bond, and Section 8 – Summarized

The Housing Tax Credit (HTC), originally formulated as the “Low Income Housing Tax Credit,” was created by the Tax Reform Act of 1986 to spur the development of affordable housing for residents of moderate means. It is not federally subsidized housing. It is not housing for the impoverished, unemployed, or homeless. The Tax Credit Program was instituted to provide quality housing at reasonable costs.

The Multifamily Bond Program is similar to the HTC program in that it provides quality housing at affordable costs for residents of moderate means. The TDHCA issues tax-exempt and taxable multifamily MRB’s to fund loans to for-profit and qualifying nonprofit organizations for the acquisition or development of affordable rental units. Bond properties typically receive some tax credits as well as bonds. A recommendation is made to the TDHCA governing board and, if approved, additional approval is required by the Texas Bond Review Board. Properties financed through the programs are subject to unit set aside restrictions for lower income tenants and persons with special needs, tenant program initiatives, maximum rent limitations, and other requirements as determined by TDHCA and its board.

Tenants at HTC and bond properties must be income qualified. The income qualifications will adjust annually based on the median income for Travis County.

The following table illustrates the maximum 2017 income for HTC/PAB projects (2018 income limits have not been released).

Travis - County Housing Tax Credit 2017 Income Ceilings for Qualifying Tenants				
Size of Household	Median Income			
	30%	40%	50%	60%
1 Person Household	\$ 17,100	\$ 22,800	\$ 28,500	\$ 34,200
2 Person Household	\$ 19,560	\$ 26,080	\$ 32,600	\$ 39,120
3 Person Household	\$ 21,990	\$ 29,320	\$ 36,650	\$ 43,980
4 Person Household	\$ 24,420	\$ 32,560	\$ 40,700	\$ 48,840
5 Person Household	\$ 26,400	\$ 35,200	\$ 44,000	\$ 52,800
6 Person Household	\$ 28,350	\$ 37,800	\$ 47,250	\$ 56,700
7 Person Household	\$ 30,300	\$ 40,400	\$ 50,500	\$ 60,600
8 Person Household	\$ 32,250	\$ 43,000	\$ 53,750	\$ 64,500

In addition, HTC and bond projects will limit rents to an annually adjusted cap that is keyed to the median income for the Travis County. The cap for a project can go up annually over time, but can never be reduced below the cap that was in effect upon placing the project in service. The subject structure is designed to operate below the cap, so that increases in operating expenses may be met with corresponding increases in rental rates, without immediate limitation imposed by the rent cap.

The following chart illustrates the maximum 2017 rents for HTC and bond projects for families at 30%, 40%, 50%, and 60% of median income (2018 rent limits have not been released). Handicapped units are no longer separated by the Texas Department of Housing and Community Affairs (TDHCA).

Maximum Permitted Rents						
2017	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR
30%	\$427	\$458	\$549	\$635	\$708	\$781
40%	\$570	\$611	\$733	\$847	\$945	\$1,042
50%	\$712	\$763	\$916	\$1,058	\$1,181	\$1,303
60%	\$855	\$916	\$1,099	\$1,270	\$1,417	\$1,563

The Housing and Community Development Act of 1974 authorized the Housing Assistance Payments Program (Section 8). Section 8 provides rental assistance to low-income families, elderly, disabled, and handicapped individuals. This Program provides financial assistance to eligible families whose annual gross income does not exceed 50% of HUD's median income guidelines (in most instances). Demographic projections indicate a continuing population and household growth in segments that generally create the largest demand on affordable housing supply.

MARKET AREA ANALYSIS

General Location

Austin is the state capital of Texas and is the county seat of Travis County. It is bordered on the north by Williamson County and on the south by Hays County. Bastrop and Caldwell Counties adjoin Travis County to the southeast. The city is strategically located near the center of the state and surrounded by the three largest metropolitan areas in Texas that form a triangle around it. The Dallas-Fort Worth area is 170 miles to the north, Houston is 130 miles to the east and San Antonio is 60 miles to the southwest.

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Demographics

Growth Trends

The City of Austin and its Metropolitan Statistical Area (MSA - which includes Travis County, Williamson County, Hays County, Caldwell County, and Bastrop County) has experienced rapid population growth over the last thirty years. The MSA passed the 1,000,000 population threshold in 1997, passed the 1,500,000 threshold in 2005, passed the 2,000,000 population in 2016, and is projected to pass the 2,200,000 threshold by 2021.

For years, this MSA consisted of a three-county group; however, in 1988, two additional counties were added to the group, bringing the MSA to its current composition. Austin forms the heart of this MSA and is situated in both Travis and Williamson Counties. The area is currently named the Austin-Round Rock-San Marcos Metropolitan Statistical Area.

Because of its draw as a destination for migrating talent, metro Austin's population surpassed 2.0 million in 2015. The decade ending 2015 saw a 37.7% increase in population, and growth was 3.0% for the year ending July 2015. Austin ranked first among the 50 largest U.S. metros based on net migration as a percent of total population in 2015. In addition, 7.1% of Austin residents in 2014 lived elsewhere one year earlier. That is also the largest rate among the top 50 U.S. metros. The table on the following page details growth trends.

Greater Austin Profile: Population							
Population & Population Growth							
	1990	2000	2010	2015	Percent change		
					1990-2000	2000-2010	2010-2015
Austin MSA	846,227	1,249,763	1,716,289	2,000,860	47.7%	37.3%	16.6%
Bastrop Co.	38,263	57,733	74,171	80,527	50.9%	28.5%	8.6%
Caldwell Co.	26,992	32,194	38,066	40,522	22.0%	18.2%	6.5%
Hays Co.	65,614	97,589	157,107	194,739	48.7%	61.0%	24.0%
Travis Co.	576,407	812,280	1,024,266	1,176,558	40.9%	26.1%	14.9%
Williamson Co.	139,551	249,967	422,679	508,514	79.1%	69.1%	20.3%
Texas	16,986,335	20,851,820	25,145,561	27,469,114	22.8%	20.6%	9.2%
United States	248,709,873	281,421,906	308,745,538	321,418,820	13.2%	9.7%	4.1%
10 largest cities							
Austin	494,290	656,562	790,390	931,830	32.8%	20.4%	17.9%
Cedar Park	8,862	26,049	48,937	65,945	193.9%	87.9%	34.8%
Georgetown	16,117	28,339	47,400	63,716	75.8%	67.3%	34.4%
Hutto	627	1,250	14,698	22,722	99.4%	1075.8%	54.6%
Kyle	2,280	5,314	28,016	35,733	133.1%	427.2%	27.5%
Leander	3,399	7,596	26,521	37,889	123.5%	249.1%	42.9%
Pflugerville	5,776	16,335	46,936	57,122	182.8%	187.3%	21.7%
Round Rock	31,559	61,136	99,887	115,997	93.7%	63.4%	16.1%
San Marcos	29,072	34,733	44,894	60,684	19.5%	29.3%	35.2%
Taylor	11,437	13,575	15,191	16,702	18.7%	11.9%	9.9%

Source: U.S. Bureau of the Census, www.census.gov/popest/

The table below details forecast for population trends.

Population Projections					
	2010	2020	2030	2040	2050
Austin MSA	1,716,289	2,306,857	3,035,547	3,960,317	5,176,940
Bastrop Co.	74,171	100,746	140,463	195,452	272,723
Caldwell Co.	38,066	49,202	63,015	77,373	92,180
Hays Co.	157,107	246,119	372,120	556,982	824,070
Travis Co.	1,024,266	1,277,007	1,519,407	1,749,761	2,011,009
Williamson Co.	422,679	633,783	940,542	1,380,749	1,976,958
State of Texas	25,145,561	30,541,978	37,155,084	44,955,896	54,369,297
Growth rates					
	2010-2020	2020-2030	2030-2040	2040-2050	
Austin MSA	34.4%	31.6%	30.5%	30.7%	
Texas	21.5%	21.7%	21.0%	20.9%	

Source: Texas State Data Center, 2014 Population Projections, <http://txsdc.utsa.edu/Data/TPEPP/Projections/index.aspx>.

General Characteristics of Population: The general characteristics of Austin's population reflect a young and highly educated group. Further, their household income levels are some of the highest in the state:

Educational Attainment of Persons 25 Years or Older, 2014			
	Austin MSA	Texas	United States
High school graduate or higher	88.9%	82.2%	86.9%
At least some college	69.3%	57.0%	59.2%
Bachelor's degree or higher	41.5%	27.8%	30.1%
Graduate degree	15.1%	9.6%	11.4%

Source: U.S. Bureau of the Census, <http://www.census.gov/acs/www/>.

Population Distribution by Age, 2014			
	Austin MSA	Texas	United States
0-17	24.2%	26.4%	23.1%
18-24	10.2%	10.2%	9.9%
25-44	32.8%	28.0%	26.4%
45-64	23.3%	23.9%	26.2%
65+	9.5%	11.5%	14.5%

Source: U.S. Bureau of the Census, <http://www.census.gov/popest/index.html>.

Income, 2014			
	Austin MSA	Texas	United States
Median household income	\$63,603	\$53,035	\$53,657
Median family income	78,927	62,830	65,910
Per capita income	32,549	27,125	28,889

Source: U.S. Bureau of the Census, <http://www.census.gov/aacs/www/>.

The University of Texas is situated in the heart of Austin's CBD and is one of the 10 largest colleges in the U.S. According to *The Public Ivies: America's Flagship Public Universities* (2001) by Howard and Matthew Greene, The University of Texas at Austin is one of America's "Public Ivy" institutions of higher education, defined by the authors as a public institution that "provides an Ivy League collegiate experience at a public school price." There are six other public/private universities and colleges located in the Metro area. As a result, the population is highly educated:

Ten Largest Public University Campuses By Enrollment As Of Fall 2014

Ranking	University	Location	Enrollment
1	Arizona State University	Tempe, Arizona	60,168
2	University of Central Florida	Orlando, Florida	59,770
3	Ohio State University	Columbus, Ohio	57,466
4	Florida International University	Miami, Florida	53,980
5	Texas A&M University	College Station, Texas	52,449
6	University of Texas at Austin	Austin, Texas	51,145
7	Michigan State University	East Lansing, Michigan	49,300
8	University of Florida	Gainesville, Florida	49,042

9	University of Minnesota	Minneapolis/Saint Paul, Minnesota	48,308
10	Indiana University	Bloomington, Indiana	46,817

Source: http://en.wikipedia.org/wiki/List_of_United_States_university_campuses_by_enrollment

Government Influences

Federal & State Government: Austin is the state capitol of Texas and, consequently, is home to a large number of state agencies. It is also the location of offices for more than 50 federal agencies, a regional IRS service center (recently expanded), and nearly 350 state and national associations. In 1993, the United States Defense Department closed Bergstrom Air Force Base due to national military cutbacks however the site has undergone a redevelopment into the site of the Austin-Bergstrom International Airport. A new (2012) seven-story United States District Courthouse building is located in the Central Business District. Funding for this \$116 million project was provided by the American Recovery and Reinvestment Act stimulus bill. Just a block away, Travis County recently purchased a block of land for a record price of \$21.75 million dollars to build a 500,000 SF county courthouse in the future.

Zoning Ordinances: The City of Austin and the areas under its extra territorial jurisdiction (ETJ) are currently operating under a complex zoning ordinance adopted in 1989. Austin has one of the strictest development codes in the nation. Majority of these ordinances address water quality, storm water flooding, and park land and shoreline preservation. In certain environmentally sensitive areas, which are typically areas with flowing water draining into the Edwards Aquifer Recharge Zone, maximum impervious coverage is routinely limited to 15% or less. Strict development standards in most of Austin, plus the proliferation of special interest group's input to the decision-making process regarding property usage, causes a longer than typical time frame in obtaining land-use approvals.

The most recent Watershed Regulation Areas map divides the Metro area into two zones, the Desired Development Zone and the Drinking Water Protection Zone. Properties located in the Drinking Water Protection Zone are typically those with the most development restrictions.

Utilities

Water: Austin benefits from a number of water resources. Lady Bird Lake and Lake Austin, two large man-made reservoirs formed by the damming of the Colorado River, serve as Austin's primary source of drinking water. The city owns and operates two water-purifying plants that have a rated combined maximum capacity of 310 million gallons/day (mgd) and a storage capacity of 167 million gallons in 34 reservoirs. Their capacity is more than adequate to meet the current community's needs. This city had recently closed the Thomas C. Green Water Treatment Plant at the end of 2008 due to the age, condition, location, and limited function of the facility. The recent upgrades to the Ullrich WTP provided the capacity necessary to close the 80 year old plant. The city is currently in the process of building a new water treatment plant, known as Water Treatment Plant 4, on 94 acres of land located at the southwest corner of Ranch Road 620 and Farm to Market 2222 in close proximity to the local 3M administrative facility. While not currently needed, the city is also building a new water plant with the anticipation that the city's population will grow by 500,000 in the next 30 years. It also has received extended permit rights

to obtain water for this approved plant from Lake Travis through the Lower Colorado River Authority. Development of this site is currently in the planning phases. This first phase of this proposed water treatment plant is expected to be operational by 2014 and projected to treat 50 mgd with the ultimate capacity reaching 300 mgd after all the phases are built. At the present time, the city, as a whole, appears to have sufficient and abundant water supplies to meet demand into the foreseeable future. In addition, the Austin Water Utility has executed an agreement with LCRA that guarantees water supply for the City's corporate limits and ETJ to the end of the century. LCRA has rights to more than 2.1 million acre-feet of water per year.

The Edwards Aquifer, a large underground reservoir that extends southwest from Austin, provides water for a small portion of the metropolitan area's southwest population, primarily within Hays County. The Edwards Aquifer Regulatory Committee's function is to review development over the aquifer to protect the integrity of this water source. The aquifer presently is being heavily pumped, and water rationing has been necessary in some extremely dry years. Responsible water and wastewater management will be of importance to the future prosperity of the southwest metropolitan area, which presently depends upon the aquifer as their major source of water.

Wastewater: The City of Austin Water Utility, the region's largest municipal supplier, operates three wastewater plants with a current combined permitted capacity of approximately 160+ million gallons per day (mgd). In addition, there is a fourth wastewater treatment plant, referred to as the Hornsby Bend plant, which treats solid waste at about an average of 1.1 to 1.2 mgd. Thus, the current wastewater capacity is more than adequate to handle the city's wastewater needs.

Electricity, Gas & Telephone: Electricity for the city is provided by the City of Austin serviced by Austin Energy, a publicly owned utility company. The current total generation capacity is 2,600+ megawatts majorly produced by using natural gas fuel with several plants producing electricity by using coal, nuclear, or wind fuel. Other major providers of electricity in the metropolitan area include Pedernales Electric Cooperative, Bastrop Power & Light, Bluebonnet Electric Cooperative, City of Lockhart, Energy Future Holdings (formerly TXU), Georgetown Utilities Systems, and San Marcos Electric Utility. The electric capacity is, presently, more than adequate to support the population base. Atmos Energy, CenterPoint, and Texas Gas Service are suppliers of natural gas for the area. Telephone service is provided primarily through AT&T.

Economic Profile & Indicators

Many factors can be considered in looking at an economic profile and major economic indicators of a community. In this case, a brief description of the history of the local economy is given followed by more detailed information regarding current national and metropolitan area's economy.

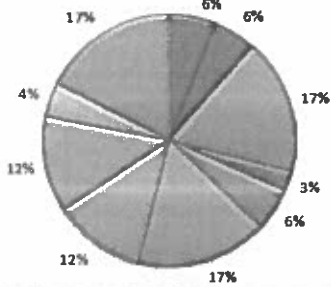
The Austin MSA unemployment rate as reported in December 2017 at 2.7%, unchanged from November 2017. Most recent trends suggest the employment is stabilized at levels significantly better than previous recessionary levels. The chart on the following page provides a summary of the employment categories for the Austin MSA.

Austin-Round Rock MSA

December 2017

(Bastrop, Caldwell, Hays, Travis, Williamson)

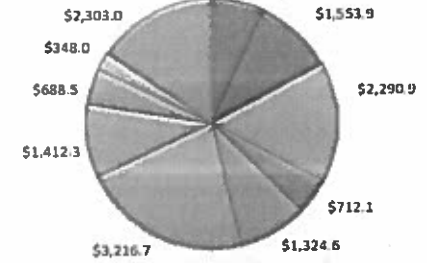
Industry Composition



- Mining, Logging, and Construction
- Manufacturing
- Trade, Transportation and Utilities
- Information
- Financial Activities
- Professional and Business Services
- Education and Health Services
- Leisure and Hospitality
- Other Services
- Government

Wages by Industry (in millions)

2nd Quarter 2017



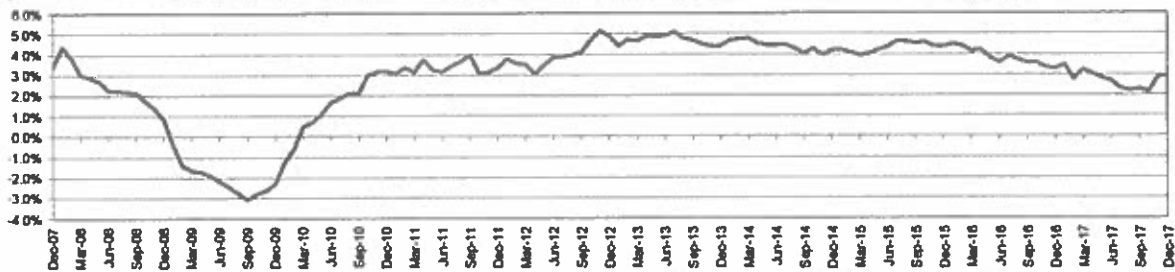
Employment by Industry

Industry Size Class

June 2017

				Monthly Change		Annual Change		Size Class	Employees per firm	Number of firms	Employment in Size Class		% Total Employment
	Dec-17	Nov-17	Dec-16	Actual	%	Actual	%				Employment	%	
Total Nonfarm	1,048,800	1,047,600	1,018,800	1,200	0.1%	30,000	2.9%	9	1000+	96	285,521	28.8%	
Mining, Logging, and Construction	63,300	63,000	60,300	300	0.5%	3,000	5.0%	8	500-999	136	94,211	9.5%	
Manufacturing	58,300	58,400	56,300	-100	-0.2%	2,000	3.6%	7	250-499	281	97,007	9.8%	
Trade, Transportation, and Utilities	182,500	179,900	176,800	2,600	1.5%	5,700	3.2%	6	100-249	978	148,461	15.0%	
Information	28,000	27,600	28,900	400	1.5%	-900	-3.1%	5	50-99	1,422	97,508	9.8%	
Financial Activities	58,400	58,800	57,700	-400	-0.7%	700	1.2%	4	20-49	3,718	113,027	11.4%	
Professional and Business Services	175,500	175,600	171,100	-100	-0.1%	4,400	2.6%	3	10-19	4,959	67,268	6.8%	
Education and Health Services	123,400	124,000	118,500	-600	-0.5%	4,800	4.0%	2	5-9	6,868	45,132	4.6%	
Leisure and Hospitality	129,700	129,300	123,200	400	0.3%	6,500	5.3%	1	1-4	22,788	42,572	4.3%	
Other Services	46,300	46,500	44,700	-200	-0.4%	1,600	3.6%	0	0	6,552	0	0.0%	
Government	183,400	184,500	181,200	-1,100	-0.6%	2,200	1.2%				47,898	990,707	100.0%

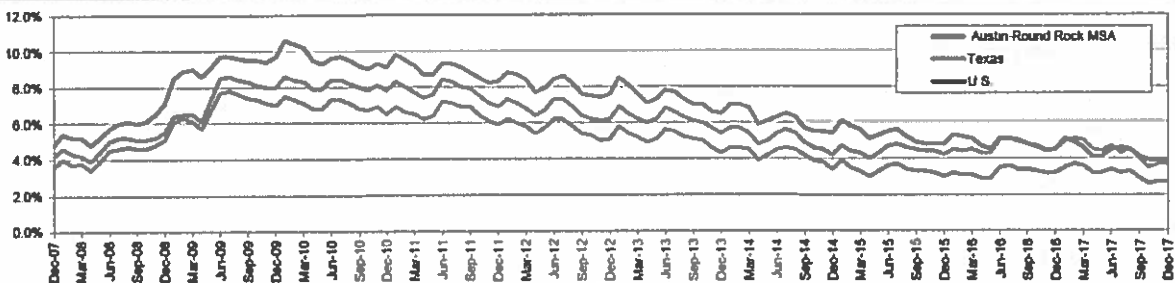
Annual Growth Rate for Total Nonagricultural Employment



Unemployment Information (all estimates in thousands)

	Austin Round Rock MSA				Texas (Actual)				United States (Actual)			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
Dec-17	1,150.4	1,119.6	30.8	2.7	13,545.3	13,044.0	501.3	3.7	159,880.0	153,602.0	6,278.0	3.9
Nov-17	1,147.4	1,116.1	31.3	2.7	13,500.9	13,001.6	499.3	3.7	160,466.0	154,180.0	6,286.0	3.9
Dec-16	1,120.1	1,084.6	35.5	3.2	13,353.3	12,747.3	606.0	4.5	158,968.0	151,798.0	7,170.0	4.5

Historical Unemployment Rates



Available at <http://www.tracer2.com>

Major Employers: The State of Texas alone employs over 65,000 people in the Austin area. While all of the major government employers are important, The University of Texas is felt to be the nucleus of growth in the current economy. According to the National Association of College and University Business Officers, the University of Texas System ranks fifth in total size of endowment at \$12.2 billion ranked behind Harvard University, Yale University, Stanford University, and Princeton University in that order. This indicates a benefit of approximately \$120,000 per student enrolled based on 50,000 students. UT presently has 288 endowed chairs, 506 endowed professorships, and 265 endowed faculty fellowships and lectureships.

The following table shows the largest five public employers in the metro.

AUSTIN'S LARGEST EMPLOYERS			
Rank	Company	Description	Employed
1	Dell Inc.	Computer	13,000
2	Seton Healthcare	Health care	10,945
3	HEB	Retail grocery store	11,277
4	St. David's Healthcare	Health care	8,369
5	IBM Corp	Information technology	6,000

Source: *Austin Business Journal*

Housing

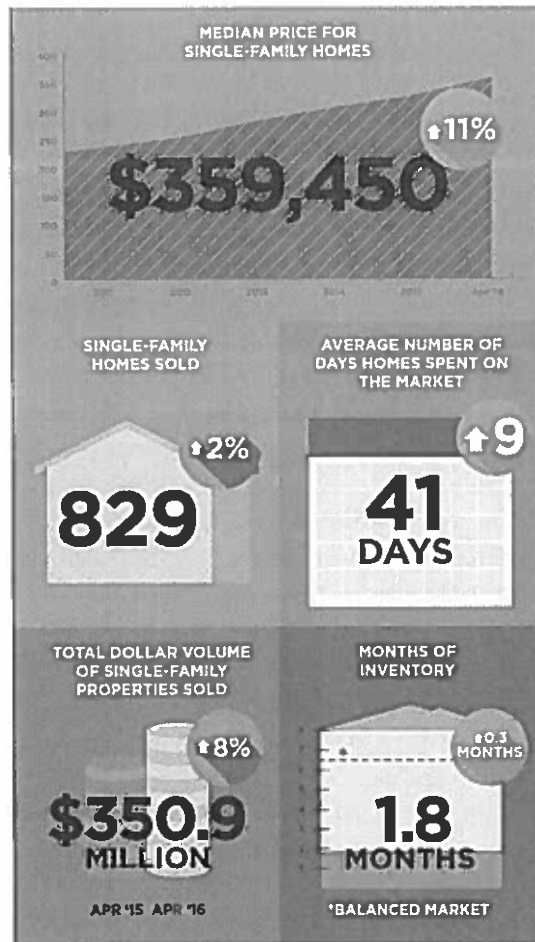
The Austin-area continued to break records in home sales and median price for single-family homes for the month of April. In April 2016, single-family home sales increased 12.5 percent year-over-year to 3,863 home sales in the Central Texas region. Nearly 80 percent of those homes were sold outside of Austin's city limits. In the five-county MSA, single-family home sales rose 5.1 percent year-over-year to 2,600 home sales during the same time frame.

Hays County experienced the largest annual gain in home sales in April 2016, with single-family home sales jumping 17.8 percent year-over-year to 338 home sales. Williamson County was the only county in the Austin-Round Rock MSA to experience a decline in home sales in April 2016, with single-family home sales dropping 5.1 percent year-over-year to 816 home sales. In the City of Austin, single-family home sales held steady at 829 home sales, a 1.7 percent increase from April 2015 and nearly equivalent to the home sales volume in all of Williamson County in April 2016. "Hays County is one of Austin's few surrounding areas with entry-level homes priced less than \$200,000, a price point with high demand," said Mark Sprague, State Director of Information Capital for Independence Title. "In Williamson County, demand is highest for homes priced between \$200,000 and \$400,000, but there is not sufficient housing stock to meet demand, particularly in Round Rock and Pflugerville." The rate of growing home prices also slowed in Williamson County in April 2016, with the median price for single-family homes increasing only two percent year-over-year to \$255,000. Conversely, the median price in Travis County increased 7.8 percent from April 2015 to \$339,500, while median price within the City of Austin jumped 10.6 percent during the same time frame to \$359,450.

Despite small gains across the region in April 2016, monthly housing inventory in the Austin-Round Rock MSA remained low at 2.3 months. This is nearly two-thirds less than the 6.5 month-level the Real Estate Center at Texas A&M University cites as a market in which supply and demand for homes is balanced. In Austin, housing inventory remained at near-critical levels of 1.8 months, an increase of 0.3 months from April 2015.

However, Austin is one of the U.S. cities most at risk for falling home prices for the next two years due to the effect of sagging oil prices on the state's economic prospects according to the winter 2016 housing and mortgage market report by California-based Arch Mortgage Insurance Co., which ranked the Austin-Round Rock area No. 2 nationally on its list of cities that could experience housing price slumps. Austin has a 26 percent chance of declining home prices, up 9 percentage points from a year ago, which the Arch researchers consider "moderate" risk. The report highlights the heightened risk of falling home prices across Texas. The five most at-risk cities nationwide are all in the Lone Star State, with Houston at No. 1 (36 percent chance of falling home prices), Dallas at No. 3 (26 percent), Fort Worth at No. 4 (26 percent) and San Antonio at No. 5 (26 percent).

The tables below detail some statistics for the Austin housing market.



Date	Sales	Dollar Volume	Average Price	Median Price	Total Listings	Months Inventory
2010	19,547	4,819,525,215	246,460	188,715	130,868	6.3
2011	21,033	5,281,578,407	249,645	188,514	108,893	5.6
2012	25,196	6,705,676,185	263,503	201,349	84,329	3.7
2013	29,966	8,601,250,563	284,998	218,836	65,305	2.4
2014	30,145	9,268,596,048	305,250	238,183	67,841	2.3
2015	31,536	10,451,715,164	330,344	259,616	71,965	2.3
2016 (April)	9,378	3,148,513,030	333,462	268,842	22,469	2.1

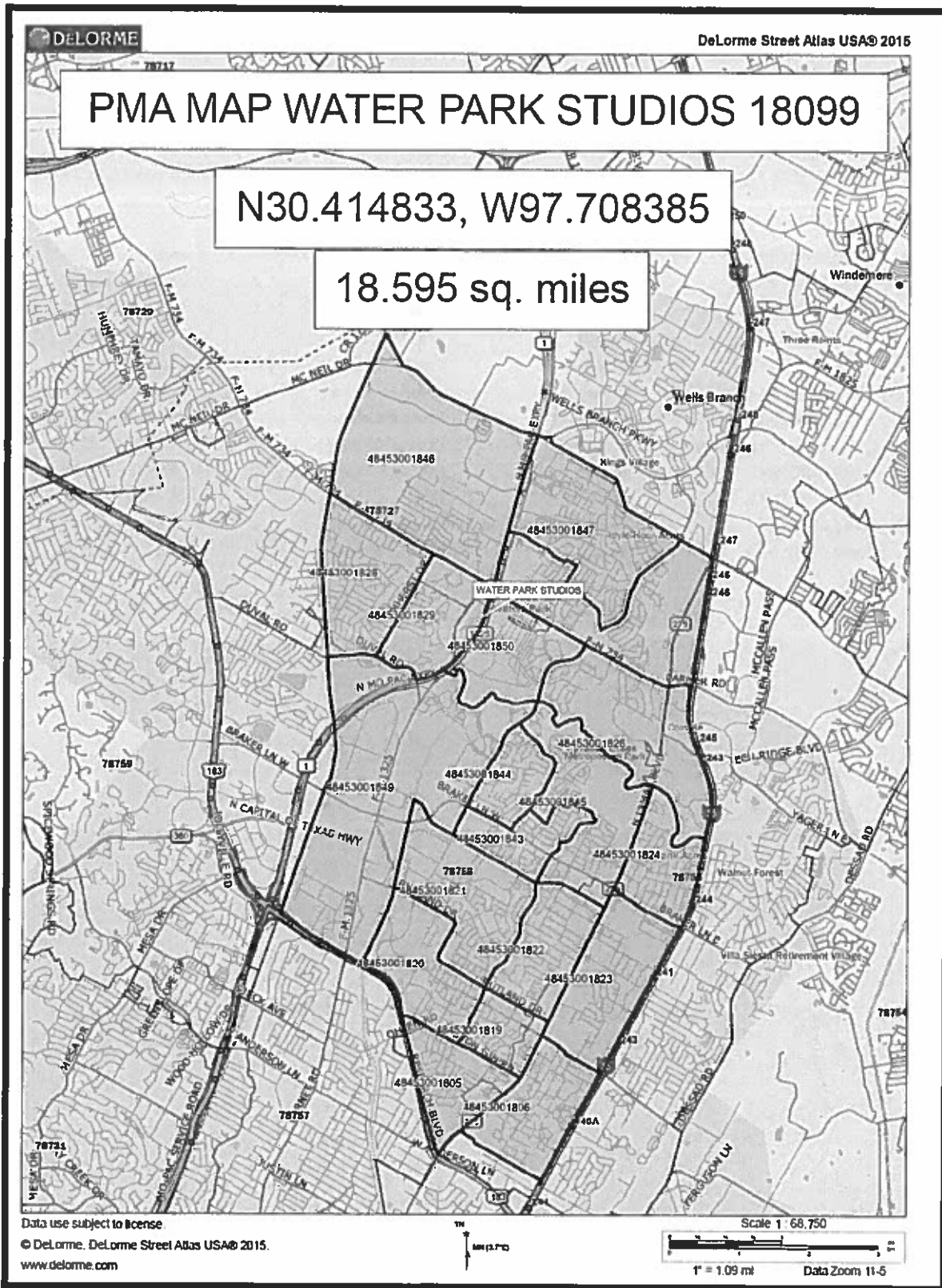
Summary and Conclusion

In conclusion, the Metro has continued to experience positive net job and population growth albeit the falling of oil prices and lagging national recovery from the Great Recession. Low oil prices and a strong U.S. dollar cooled the Texas economy's growth in 2015, and likely will continue to do so, according to most forecasts. In the midst of that, though, Austin keeps chugging along, with only a little slowing at the edges of this fast-growing region. Given the pace of its ongoing expansion and the size it has attained, the metro economy probably will moderate no matter the effect of oil prices, said Brian Kelsey, principal of Civic Analytics, an Austin-based economic consulting firm.

The long-term outlook for the Austin metropolitan area is positive with some experts forecasting that the local residential real estate market could be undersupplied in the next three years based on record low home starts. The sustained low energy prices that forced layoffs across many parts of the state in 2015 could weigh on Austin's growth, especially if tax collections suffer and state government payrolls are pared. However, most experts predict the Austin MSA will continue to significantly outpace the state and national economy in the long run.

PRIMARY MARKET AREA DEFINED

PRIMARY MARKET AREA MAP

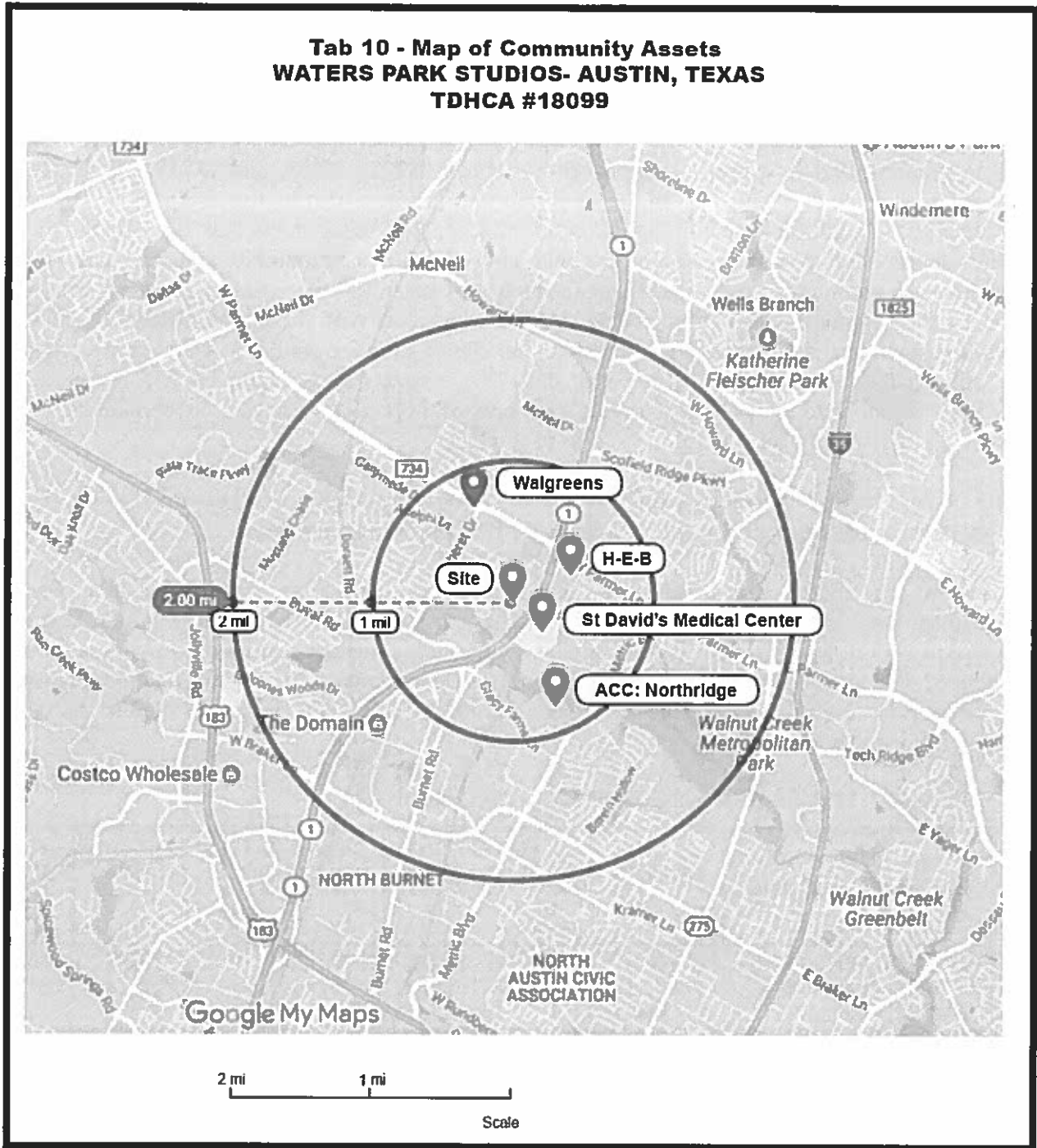


Geographies Selected:

	<u>Geocode/ ID</u>	<u>State</u>	<u>County</u>	<u>MCD</u>
1	48453001805	Texas	Travis County	Austin CCD
2	48453001806	Texas	Travis County	Austin CCD
3	48453001819	Texas	Travis County	Austin CCD
4	48453001820	Texas	Travis County	Austin CCD
5	48453001821	Texas	Travis County	Austin CCD
6	48453001822	Texas	Travis County	Austin CCD
7	48453001823	Texas	Travis County	Austin CCD
8	48453001824	Texas	Travis County	Austin CCD
9	48453001826	Texas	Travis County	Austin CCD
10	48453001828	Texas	Travis County	Austin CCD
11	48453001829	Texas	Travis County	Austin CCD
12	48453001843	Texas	Travis County	Austin CCD
13	48453001844	Texas	Travis County	Austin CCD
14	48453001845	Texas	Travis County	Austin CCD
15	48453001846	Texas	Travis County	Austin CCD
16	48453001847	Texas	Travis County	Austin CCD
17	48453001848	Texas	Travis County	Austin CCD
18	48453001849	Texas	Travis County	Austin CCD
19	48453001850	Texas	Travis County	Austin CCD

AMENITIES PROXIMITY MAP

Tab 10 - Map of Community Assets
WATERS PARK STUDIOS- AUSTIN, TEXAS
TDHCA #18099



Subject Primary Market Area

For the purposes of this report, the subject’s primary market area is generally defined as that area contained within census tracts 48453001805, 48453001806, 48453001819, 48453001820, 48453001821, 48453001822, 48453001823, 48453001824, 48453001826, 48453001828, 48453001829, 48453001843, 48453001844, 48453001845, 48453001846, 48453001847, 48453001848, 48453001849, and 48453001850. The area is bound by Howard Lane to the north, the railroad tracks to the west, Highway 183 and Powell Lane to the south, and Interstate 35 to the east, and is within all or part of zip codes 78727, 78753, and 78758. The PMA is irregular in shape and generally follows natural land features such as watercourses and county boundaries, in addition to major Highways and roads. The census tracts that make up the PMA were chosen for a variety of reason including amenities, economic centers, and renter percentages, and median incomes. Through the use of several Census tables, Google Earth, and driving the neighborhood, I attempted to select census tracts with the optimum level of income qualified renters and amenities. The development site is ideal for the PMA and to draw demand because of its accessibility to all areas of the PMA. Since the development will be the most recently constructed multifamily project and one of only a few newer developments, it is expected to help draw tenants from all areas of the PMA.

Due to an adequate network of highways and primary thoroughfares, the subject property is readily accessible from the populated areas within the primary market area.

Based on the Census Bureau Business Statistics Report, the subject zip code 78753 has a significant concentration of jobs within the PMA with 10,433 paid employees, and an average annual payroll of \$44,376, which is conducive to producing income-qualified households for the proposed subject. The remaining zip codes are also conducive to producing income-qualified households for the subject. Business statistics from the Census Bureau are detailed in the table on the following page.

CB1500CZ11: ZIP Code Business Statistics: Total for Zip Code: 2015

Geographic area name	Number of establishments	Paid employees for pay period	First-quarter payroll (\$1,000)	Annual payroll (\$1,000)	Average Payroll
ZIP 78727 (Austin, TX)	503	10,433	157,583	644,603	\$44,376
ZIP 78753 (Austin, TX)	1,043	22,163	314,999	1,107,154	\$33,803
ZIP 78758 (Austin, TX)	1,490	34,788	535,392	2,177,593	\$40,303
Total					\$39,494

PHYSICAL LOCATION ANALYSIS

Location

The subject property is located on the west line of MoPac Expressway north, and the east line of Waters Park Road, south of FM 734, in Austin, Travis County, Texas 78758. The subject is located in the central portion of the primary market area.

Site Description

The subject site is an irregularly shaped tract of land containing a total of ±2.4496 acres (±106,705 square feet), and appears to be slope to the west in topography.

Surrounding Land Uses

Land uses adjacent to the subject site include older retail development and effectively vacant land to the north, older commercial development and effectively vacant land to the south, Mopac Expressway and St. David's medical center to the east, effectively vacant land to the west.

Zoning

The subject is located in Travis County (Counties in Texas do not have zoning power except for limited instances around some reservoirs, military establishments, historic sites and airports, and in large counties over "communication facility structures") and the City of Austin, which utilizes zoning to regulate development. Property usage may also be governed by deed restrictions specific to a property. The subject site is reportedly zoned LO and GR, which allows for the proposed project development (see zoning letter in Addenda). The appraisers were not provided a copy of any deed restrictions, and my conclusions are subject to revision should any adverse deed restrictions be present that are detrimental to the subject site.

Floodplain

Based on InterFlood map number 48453C0265K dated January 6, 2016, the subject site appears to be located within unshaded Zone X, an area determined to be outside the 100 and outside the 500-year flood plains. This determination is made by graphic plotting only, and is not guaranteed. The client is advised to obtain the services of a surveyor to determine the exact flood plain status.

Utilities/Public Services

All public utilities are available to the subject site. Water and sewer services are available from the City of Austin. I have assumed that sufficient utilities are available to the site to develop the site to its highest and best use. I have not independently verified these facts. Electricity is provided by mainly by Austin Energy, natural gas is provided by or through Texas Gas Service, and local telephone service is provided by or through the AT&T.

Nuisances

There do not appear to be any nuisances adjacent to the subject property. No adverse easements or encroachments were noted, either on the subject or nearby properties.

Accessibility

The subject's site is accessible from the Austin Central Business District by proceeding north on Mopac Expressway approximately 7.5 miles to the subject site on the left. Please refer to the included maps for a visual reference of road layout.

Streets

At the subject site, Waters Park Road is a two-lane, two-way asphalt paved roadway with open drainage. The service road to Mopac Expressway is a two-lane one-way (south) concrete-paved roadway with curb and gutter drainage for storm water transmission.

Topography

Based on our observation, the site appears to be sloping to the west, and at street grade.

Easements/Encroachments

Based on my site visit and review of available maps, no easements or encroachments were noted which would be *detrimental* to development of the subject property.

Soil and Sub-Soil Conditions

No soil engineer's report was available to us and no recent soil tests are known to have been performed. Based on my observation of surrounding development in the immediate area and lack of further evidence to the contrary, I have assumed a stable soil condition that would ensure the structural integrity of any improvement which may be constructed. My value conclusions could change should these assumptions prove incorrect. I caution and advise the user of this report to obtain engineering studies which may be required to ascertain any structural integrity.

Environmental Conditions

No environmental report was available to us and no recent environmental tests were performed. Because I have no evidence to the contrary, I have assumed that the property is free of any material which would adversely affect the value, including, but not limited to, asbestos and toxic waste. My conclusions are subject to revision should these assumptions prove incorrect. I caution and advise the user of this report to obtain environmental studies which may be required to ascertain status of the property with regard to asbestos and other hazardous materials.

NEIGHBORHOOD TRENDS

The subject's neighborhood is bound by Howard Lane to the north, the railroad tracks to the west, Highway 183 and Powell Lane to the south, and Interstate 35 to the east. The area is generally contained in all or a portion of zip codes 78727, 78753, and 78758. These boundaries have been defined because the properties within them tend to exhibit similar characteristics, physical features, price desirability, and they are affected by similar physical, economic, governmental, and social forces.

PMA Major Thoroughfares

North/South Arteries: Interstate Highway 35, Lamar Boulevard, MOPAC, and FM 1325

East/West Arteries: Highway 183, FM 734, and Braker Lane

Land Use Patterns

The neighborhood is a viable, heterogeneous area in the northwest central portion of the Austin MSA. Land uses in the neighborhood consist of a variety of commercial and residential land uses, including, but not limited to, single-family residential subdivisions, multifamily, retail, and service developments. Commercial developments are found primarily along the major thoroughfares. Residential development is located in various middle to upper-income subdivisions throughout the neighborhood, with commercial development located along the aforementioned thoroughfares. The majority of housing in the area was constructed subsequent to the 1980's (with 1986 being the median year built). A significant amount of both new residential and commercial construction has taken place in the subject neighborhood over the past few years. The general consensus among real estate professionals is that growth is expected to be steady into the near future.

Schools

The subject site is located in the Austin Independent School District, and is within the attendance zones of Summitt Elementary, Murchison Middle, and Anderson High Schools.

Shopping Centers

The nearest retail is located at along Parmer Lane and Mopac Expressway.

Recreational Centers

The site is located within close proximity to number parks and outdoor recreational centers including Riata Park, Balcones District Park, and Domain Central Park.

Libraries

The subject site is located within close proximity to numerous libraries including the Millwood Branch Library at 12500 Amhurst Drive.

Public Services

Police protection for the subject area is provided through City of Austin Police Department and the Travis County Sheriff's Department. Fire protection services for the subject area are provided by the Emergency Service Districts. The Sheriff's Office, the Fire Department and

EMS are connected to the Emergency Enhanced 911 System and can respond to an emergency within minutes.

Religious Facilities

There are numerous Baptist, Methodist, Catholic and other denominational churches within three miles of the subject.

Utilities and Services

Electricity is mainly provided by Austin Energy, natural gas is provided by or through Texas Gas Service, and local telephone service is provided by or through the AT&T. The neighborhood is served by the Austin Independent School District, with schools of all levels located throughout the area.

AREA DEVELOPMENT AND GROWTH TRENDS

The real estate market in the Greater Austin area experienced a rise in foreclosures and falling property values predominately in the residential market when the recession hit the area. The economy appears to have bounced back and is stable.

It appears that commercial properties, including single and multi-tenant facilities, are experiencing stable demand. Although in most instances, rental rates and occupancy levels have increased over the past decade, near future projections are for modest increases.

Demographic Profile

The primary market area had an estimated 2018 population of 92,523. The following table displays historical and projected population growth based on Environics Analytics data (which is based on census data).

Population	2000	2010	2018	2023
Primary Market Area	78,478	83,242	92,523	98,882
Overall Growth	-	6.07%	11.15%	6.87%
Annual Growth		0.61%	1.39%	1.37%

1

The primary market area’s population (segmented by age) is depicted in the following table. The market area has a relatively balanced population in terms of age distribution.

Market Area Population By Age (2018)	
Age Group	Primary (%)
Under Age 5	7.84%
Age 5-14	14.23%
Age 15-24	11.18%
Age 25-34	20.66%
Age 35-44	16.09%
Age 45-54	12.22%
Age 55-64	9.70%
Age 65-74	5.53%
Age 75-84	1.91%
Age 85 +	0.64%
Total (may not add to 100% due to rounding)	100.00%
Median Age of Total Population	33.16

2

Households

Environics Analytics estimates 37,706 households in the primary market area for 2018, and a projected 40,361 households for the year 2023.

- 1 Environics Analytics Pop-Facts: Demographic Snapshot Report for Primary Market Area; Page 1: www.EASpotlight.com
- 2 Environics Analytics Pop-Facts: Demographic Snapshot Report for custom market area (PMA); Page 2: www.EASpotlight.com

Tenure (Number of Persons By Household)

Data on the number of persons per household in the primary market area is presented in the following table.

Market Area # of Persons Per Household (2018)	
No. of Persons	Primary (%)
With 1 Person	34.02%
With 2 Persons	29.38%
With 3 Persons	15.19%
With 4 Persons	10.47%
With 5 Persons	5.82%
With 6 Persons	2.82%
With 7+ Persons	2.30%
Total (may not add to 100% due to rounding)	100.00%
Average Household Size	2.45

3

Tenure (Owner-Occupied vs. Rental Units)

In 2018, the primary market area had ±13,195 (34.99%) owner-occupied housing units and ±24,511 (65.01%) renter occupied units, according to Environics Analytics estimates.

Market Area Income Per Household

The primary market area had an estimated 2018 *average* household income of \$74,882 with a *median* household income of \$54,977. The following table delineates income per household in the subject's market areas.

Market Area Income/Household (2018)	
	Primary (%)
Under \$15,000	8.02%
\$15,000 - \$24,999	10.42%
\$25,000 - \$34,999	11.34%
\$35,000 - \$49,999	15.90%
\$50,000 - \$74,999	18.31%
\$75,000 - \$99,999	12.55%
\$100,000 - \$149,999	14.19%
\$150,000 +	9.28%
Total (may not add to 100% due to rounding)	100.01%
2018 Average Household Income	\$74,882
2018 Median Household Income	\$54,977

4

As illustrated in the preceding chart, ±45.68% of the households living in the primary market area earn less than \$50,000 per year, with ±29.78% earning less than \$35,000 per year, and

3 Environics Analytics Pop-Facts: Demographic Snapshot Report for custom market area (PMA); Page 6: www.EASpotlight.com

4 Environics Analytics Pop-Facts: Demographic Snapshot Report for custom market area (PMA); Page 6: www.EASpotlight.com

±18.44% earning less than \$25,000 per year. Approximately 8.02% of the primary market area households earn less than \$15,000 per year.

ECONOMIC VIABILITY

Market Area Employment

The 2018 workforce by occupation data, as estimated by Environics Analytics, is presented in the table below.

Market Area Workforce by Occupation (2018)	
Occupation	Primary (%)
Architecture/Engineering	2.57%
Arts/Design/Entertainment/Sports/Media	2.57%
Building/Grounds Cleaning/Maintenance	6.27%
Business/Financial Operations	4.73%
Community/Social Services	1.20%
Computer/Mathematical	6.87%
Construction/Extraction	9.72%
Education/Training/Library	3.98%
Farming/Fishing/Forestry	0.04%
Food Preparation/Serving Related	8.94%
Healthcare Practitioner/Technician	2.86%
Healthcare Support	2.23%
Installation/Maintenance/Repair	2.32%
Legal	0.72%
Life/Physical/Social Science	0.73%
Management	8.64%
Office/Administrative Support	12.22%
Production	4.74%
Protective Services	1.24%
Sales/Related	10.37%
Personal Care/Service	2.51%
Transportation/Material Moving	4.55%
Total (may not add to 100% due to rounding)	100.02%
Civilian Workforce	51,349

5

Given the characteristics of the subject's neighborhood (including its employment base, occupational distribution, as well as development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes), the outlook for the area is generally stable.

5 Environics Analytics Pop-Facts: Demographic Snapshot Report for custom market area (PMA); Page 9: www.EAspotlight.com

COMPARABLE PROPERTY ANALYSIS

Multifamily Development Trends

The following pages detail apartment trends within the PMA (zip codes 78727, 78753, and 78758). The data referenced was prepared by *EnrichedData.com* via ongoing surveys involving each property included in the data set. The data is “live” data, which is updated as information is received for these properties; therefore, the data is current as of the date of my report preparation.

The following chart indicates development in the subject’s primary market area over the past several years.

Year	Projects						Units					
	ClassA	ClassB	ClassC	ClassD	ClassU	Total	ClassA	ClassB	ClassC	ClassD	ClassU	Total
Pre-1990s	0	13	39	17	2	71	0	2,586	5,229	1,630	239	9,684
1998	0	1	0	0	0	1	0	104	0	0	0	104
1999	0	1	0	0	0	1	0	156	0	0	0	156
2002	1	1	0	0	0	2	284	176	0	0	0	460
2006	1	0	0	0	0	1	335	0	0	0	0	335
2008	1	0	0	0	0	1	79	0	0	0	0	79
2009	2	0	0	0	0	2	757	0	0	0	0	757
2010	1	0	0	0	0	1	175	0	0	0	0	175
2012	0	1	0	0	0	1	0	201	0	0	0	201
2014	2	0	0	0	0	2	547	0	0	0	0	547
2015	3	0	0	0	0	3	798	0	0	0	0	798
Prop	1	0	0	0	0	1	190	0	0	0	0	190

As indicated, there are no proposed or under construction market rate complexes in the primary market area.

According to the most recent *EnrichedData.com*, there were 102 operating apartment projects in this market area (zip codes 78727, 78753, and 78758) containing a total of 25,469 units. The overall occupancy rate for all operating apartment projects in this market area was 91.37%. The average rental rate for these properties was \$1.29 per square foot. The following table depicts an overview of the most recent data in the primary market area.

Apartment Market Statistical Overview - Summary					
Primary Market Area, February 2018					
PMA-All Apartments					
Property / Unit Information					
	A	B	C	D	Overall
Total # Projects	37	31	29	5	102
Total # Units	12,137	6,510	6,122	700	25,469
Total # Units 0BR	0.10%	1.20%	2.50%	0.00%	3.90%
Total # Units 1BR	26.40%	15.50%	13.30%	1.50%	56.80%
Total # Units 2BR	15.40%	8.80%	8.40%	1.30%	33.90%
Total # Units 3BR	2.70%	1.20%	0.90%	0.10%	4.80%
Total # Units 4BR	N/A	0.20%	N/A	N/A	0.20%
Avg Units per Project	328	210	211	140	250
Avg SF	897.98	727.29	709.75	840.64	803.33
Total # Units Under Construction	N/A	N/A	N/A	N/A	N/A
Total # Units Proposed	N/A	N/A	N/A	N/A	N/A
Occupancy					
	A	B	C	D	Overall
Avg Physical Occupancy	89.89%	93.39%	92.98%	83.96%	91.37%
Avg Pre-Leased Occupancy	87.05%	94.43%	89.28%	84.56%	89.40%
Rental Rates					
	A	B	C	D	Overall
Avg Market Rent/SF	\$1.28	\$1.35	\$1.26	\$1.05	\$1.29
Avg Market Rent/SF 0BR	\$1.67	\$1.43	\$1.68	\$1.56	\$1.60
Avg Market Rent/SF 1BR	\$1.37	\$1.46	\$1.29	\$1.05	\$1.36
Avg Market Rent/SF 2BR	\$1.19	\$1.15	\$1.10	\$1.02	\$1.15
Avg Market Rent/SF 3BR	\$1.19	\$0.92	\$1.11	\$1.16	\$1.11
Avg Market Rent/SF 4BR	N/A	\$0.92	N/A	N/A	\$0.92
Avg Market Rent/Unit	\$1,124.83	\$940.52	\$855.11	\$871.91	\$1,000.44
Avg Market Rent/Unit 0BR	\$945.63	\$630.78	\$659.05	\$700.00	\$660.73
Avg Market Rent/Unit 1BR	\$1,008.63	\$873.18	\$783.14	\$731.81	\$911.21
Avg Market Rent/Unit 2BR	\$1,277.37	\$1,048.13	\$995.24	#####	\$1,137.03
Avg Market Rent/Unit 3BR	\$1,569.22	\$1,086.89	\$1,159.74	#####	\$1,372.37
Avg Market Rent/Unit 4BR	N/A	\$1,242.00	N/A	N/A	\$1,242.00
Absorption (In Units)					
	A	B	C	D	Overall
Current Month-to-Date	0	0	0	0	0
Current Quarter-to-Date	2	-41	-24	-2	-64
Year-to-Date	3	-38	-26	-2	-63

Absorption

Absorption is defined as the “change in the number of occupied units within a given time frame” and can be used as a proxy for market demand. Thus, positive absorption indicates strong demand, while negative absorption implies decline in demand. The table below illustrates the most current quarterly *EnrichedData.com* absorption data for the subject’s primary market area.

Survey Period (PMA)	A	B	C	D	Overall
4Q 2011	-37	-26	-87	11	-138
1Q 2012	-29	60	5	34	70
2Q 2012	73	66	77	55	271
3Q 2012	-19	61	55	2	99
4Q 2012	-59	-58	87	5	-25
1Q 2013	61	47	-36	-6	67
2Q 2013	249	46	90	-1	385
3Q 2013	57	44	-10	0	90
4Q 2013	-49	-87	-85	0	-222
1Q 2014	23	43	-33	17	50
2Q 2014	189	28	48	-4	262
3Q 2014	265	-21	44	-15	272
4Q 2014	-99	-26	-37	-15	-177
1Q 2015	35	55	2	10	102
2Q 2015	120	-23	37	2	136
3Q 2015	2	53	3	-2	56
4Q 2015	-27	-59	-48	-2	-136
1Q 2016	53	-11	48	-11	80
2Q 2016	0	2	0	0	2
3Q 2016	-21	-10	-13	0	-44
4Q 2016	-60	16	3	0	-41
1Q 2017	0	0	0	0	0
2Q 2017	0	0	0	0	0
3Q 2017	-37	-43	-29	49	-60
4Q 2017	-617	-82	-52	-28	-780

I was able to locate only two SRO Supportive Housing HTC developments which have been completed and stabilized within the recent past in the Austin area. Capital Studios, which is a 135-unit SRO Supportive Housing project which was completed in November 2014 and attained stabilized occupancy in January 2015, which equates to an average absorption of approximately 34 units per month. Bluebonnet Studios is a 107-unit SRO Supportive Housing HTC which opened 12/1/2016 and was 100% occupied 3/15/2017, which equates to an average absorption of over 30 units per month. Point at Ben White is 250-unit (all units rent-restricted) Family 4% HTC/PAB property (located south of the subject PMA) which reportedly began leasing in November 2014 and reached stabilized occupancy within 4 months, which equates to an average absorption of approximately 62 units per month.

Occupancy

The average occupancy for apartments in the subject’s primary market area was reported at 91.37% in the most recent *EnrichedData.com* apartment market data program for the subject’s primary market area and 91.92% in the latest quarterly report shown below. The table below illustrates the most current quarterly *EnrichedData.com* occupancy percentages for the subject’s primary market area.

Survey Period (PMA)	A	B	C	D	Overall
4Q 2011	95.44%	91.98%	92.03%	74.89%	93.07%
1Q 2012	95.16%	92.60%	91.37%	80.22%	93.09%
2Q 2012	95.64%	93.04%	92.32%	83.17%	93.71%
3Q 2012	95.15%	94.55%	93.55%	83.30%	94.25%
4Q 2012	94.23%	94.23%	95.15%	83.41%	94.15%
1Q 2013	92.81%	94.49%	94.26%	83.25%	93.34%
2Q 2013	94.46%	95.18%	95.85%	83.14%	94.67%
3Q 2013	95.66%	95.66%	95.99%	83.41%	95.40%
4Q 2013	93.89%	95.17%	94.83%	83.04%	94.14%
1Q 2014	91.86%	94.93%	93.78%	84.86%	92.92%
2Q 2014	91.93%	95.36%	94.26%	83.72%	93.14%
3Q 2014	95.12%	95.64%	95.30%	83.12%	94.97%
4Q 2014	94.64%	95.10%	95.20%	81.52%	94.53%
1Q 2015	94.39%	95.48%	94.67%	82.36%	94.41%
2Q 2015	95.09%	95.67%	95.14%	82.48%	94.90%
3Q 2015	95.56%	96.11%	95.41%	81.92%	95.29%
4Q 2015	95.47%	95.61%	95.05%	81.30%	95.02%
1Q 2016	95.76%	95.29%	95.47%	80.30%	95.14%
2Q 2016	95.82%	95.30%	95.51%	80.30%	95.19%
3Q 2016	95.74%	95.23%	95.40%	80.30%	95.10%
4Q 2016	95.16%	95.41%	95.33%	80.30%	94.85%
1Q 2017	94.99%	95.50%	95.33%	80.30%	94.80%
2Q 2017	95.27%	95.94%	94.71%	81.31%	94.92%
3Q 2017	95.15%	95.60%	94.48%	81.17%	94.72%
4Q 2017	90.55%	94.58%	92.64%	84.52%	91.92%

Typically, new HTC projects in the Greater Austin area have achieved stabilized occupancy at a rapid pace, most likely due to the projects being newer and superior compared to older multifamily projects. Pre-leasing should begin prior to completion of the construction. Park at Summer Grove, Allegre Pointe, and Art @ Bratton's Edge are the most comparable Family HTCs within the PMA, although all are General properties. All three reported 100% occupancy. The following table depicts the current occupancies of Foundation Communities similar SRO facilities in Austin.

FOUNDATION COMMUNITIES EXISTING SROs			
	Units	Avg 2017 OCC	2/28/2018 Occ
Bluebonnet Studios *	107	98%	92%
Capital Studios	135	98%	97%
Skyline Terrace	100	93%	97%
Arbor Terrace	120	98%	98%
Spring Terrace **	142	94%	95%
Garden Terrace	103	99%	99%
Total/Avg	707	97%	96%

* Below average occupancy due to 1st year renewal timing. Occupancy now 98%.

** Lower than average occupancy due to a renovation project.

Rental Rates

The average rental rate for apartments in the subject's primary market area is reported in the most recent *EnrichedData.com* survey for the subject's primary market area at \$1.28 PSF in the latest quarterly report. Class B rents are at \$1.35 PSF. The table below illustrates the most current quarterly *EnrichedData.com* apartment market data program rental rates for the subject's primary market area.

Survey Period (PMA)	A	B	C	D	Overall
4Q 2011	\$1.03	\$0.94	\$0.92	\$0.71	\$0.97
1Q 2012	\$1.04	\$0.96	\$0.94	\$0.71	\$0.98
2Q 2012	\$1.05	\$0.97	\$0.95	\$0.73	\$1.00
3Q 2012	\$1.08	\$0.98	\$0.96	\$0.79	\$1.01
4Q 2012	\$1.08	\$0.99	\$0.97	\$0.80	\$1.02
1Q 2013	\$1.08	\$1.00	\$0.99	\$0.80	\$1.03
2Q 2013	\$1.06	\$1.01	\$1.00	\$0.80	\$1.03
3Q 2013	\$1.10	\$1.03	\$1.04	\$0.83	\$1.06
4Q 2013	\$1.10	\$1.05	\$1.05	\$0.84	\$1.07
1Q 2014	\$1.10	\$1.06	\$1.06	\$0.85	\$1.07
2Q 2014	\$1.11	\$1.07	\$1.07	\$0.85	\$1.08
3Q 2014	\$1.11	\$1.08	\$1.08	\$0.88	\$1.08
4Q 2014	\$1.11	\$1.09	\$1.10	\$0.92	\$1.10
1Q 2015	\$1.12	\$1.11	\$1.12	\$0.96	\$1.11
2Q 2015	\$1.12	\$1.11	\$1.12	\$0.96	\$1.12
3Q 2015	\$1.13	\$1.12	\$1.13	\$0.96	\$1.12
4Q 2015	\$1.13	\$1.13	\$1.14	\$0.95	\$1.13
1Q 2016	\$1.13	\$1.14	\$1.14	\$0.94	\$1.13
2Q 2016	\$1.13	\$1.15	\$1.14	\$0.94	\$1.13
3Q 2016	\$1.13	\$1.15	\$1.14	\$0.94	\$1.14
4Q 2016	\$1.14	\$1.16	\$1.15	\$0.94	\$1.14
1Q 2017	\$1.14	\$1.16	\$1.15	\$0.94	\$1.14
2Q 2017	\$1.26	\$1.24	\$1.21	\$0.95	\$1.23
3Q 2017	\$1.28	\$1.30	\$1.23	\$1.00	\$1.26
4Q 2017	\$1.28	\$1.35	\$1.25	\$1.05	\$1.28

Profile of the Area Tenant

The profile of the area tenant is generally divided into three groups, who will tend to migrate to three apartment project types: Class B projects, older Class C projects, and projects with a significant number of Section 8 renters. The Class B projects are generally occupied by lower level professionals who work in major area businesses, such as the oil and gas industry. The older Class C projects are generally occupied by blue-collar workers, or those with lower to lower-middle income level jobs. Occupants of the projects with a large percentage of Section 8 housing may or may not be employed.

Without some sort of government incentive, current construction costs preclude construction of anything but a Class A project (\pm \$1.00 to \pm \$1.50+ per square foot per month rental rate), and many Class C apartments in poor condition have already been renovated. It appears that the only increase in Class C supply will be the deteriorating Class B projects.

Evaluation of the Existing Low-Income Housing

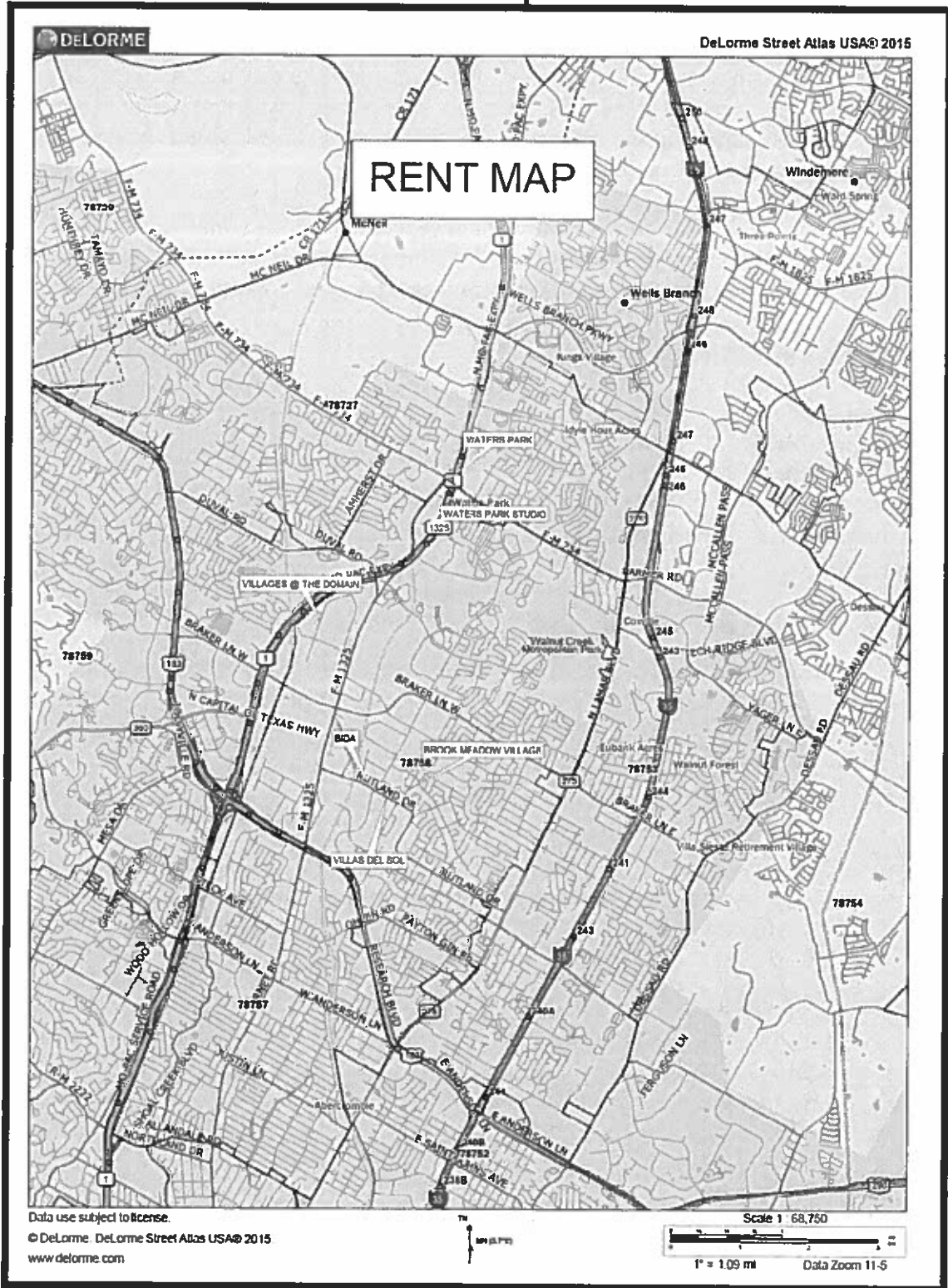
The primary market area was estimated to have 37,706 households in 2018. The projected number of households in the year 2023 is 40,361. Considering that 65.01% of the population lived in rental housing in the subject's market area in 2018, there is potentially a sufficient demand for the subject property. It should also be noted in markets with lower incomes the rental percentage is artificially suppressed by the limited amount of affordable housing.

According to my research (including contacting the local HUD office), there are 4 existing HTC projects with 10 units or higher in the subject's primary market area in which the rents are based on income or otherwise restricted. Based on my research, there are no other Supportive Housing projects under construction comparable to the subject within the PMA, none approved, none proposed with priority, and none unstabilized in the primary market area. There are no active Supportive Housing applications on the bond list.

Comparable Housing Conclusions

The majority of the apartment facilities in the subject's primary market are older, less appealing projects. It is my opinion that rental rates will show flat growth or nominal increases over the next few years. With continued demand and moderate new construction, the supply of available apartment product is stable. This trend is expected to continue, which will likely result in occupancies remaining high in the area. Although rents are slowly increasing, there are limited indications of external obsolescence in the market. With respect to affordable housing projects, due to the overall lack of recently-constructed Supportive Housing affordable housing projects in the subject's primary market area, and based on the performance of the current low income housing projects, it appears as though there is pent-up demand in the subject's primary market area. The HTC properties in the north central portion of the Austin MSA I was able to contact all reported high occupancies. As previously indicated, there are 3 existing Family and one Seniors HTC projects within the subject's primary market area with an average occupancy of almost 100.00%. With average rental rates in all projects at \$1.29 PSF, and occupancy rates averaging 91.37% overall, it is reasonable to project that a new affordable housing project with very competitive amenities and an average rent of ±\$1.206 per square foot per month (all bills paid), such as the subject property, would perform favorably in this market. The maps on the following pages show the HTC properties in the PMA and the rental comparables utilized in my analysis.

Rent Map



RENT COMPARABLES

The subject site is proposed to be improved with a separately-metered 132-unit complex proposed HTC Supportive Housing apartment development. The proposed property is expected to have good overall market appeal. The primary market area was researched for properties which would be most similar to the subject in all categories. I stayed within the general area of the PMA and utilized Family complexes.

The following pages detail rent comparables which best represent the competition for the subject property. These include apartment projects in the primary market area which are as similar as possible to the subject property in terms of unit mix, age, physical condition, and property type.

The comparable rentals utilized are:

Comparable 1	Water's Park
Comparable 2	Vida
Comparable 3	Villas del Sol
Comparable 4	Villages at the Domain
Comparable 5	Brook Meadow Village

The comparable rentals are more fully described on the following pages.

APARTMENT RENT COMPARABLE ONE							
Name:	Water's Park						
Location:	3401 W. Parmer Lane, Austin						
Year Built:	1995						
Construction:	Gdn/3						
Date Surveyed:	February 2018						
Contact:	Liz 512-490-1100						
Total No. of Units:	442						
Average Unit Size (SF):	879						
Average Month Rent (PSF):	\$1.22						
Occupancy:	94%						
# Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF	
110	1 BR / 1 BA	650	\$920	\$1.42	\$101,200	71,500	
54	1 BR / 1 BA	718	\$950	\$1.32	\$51,300	38,772	
72	1 BR / 1 BA	838	\$1,040	\$1.24	\$74,880	60,336	
26	1 BR / 1 BA	898	\$1,135	\$1.26	\$29,510	23,348	
50	2 BR / 2 BA	912	\$1,030	\$1.13	\$51,500	45,600	
78	2 BR / 2 BA	1,041	\$1,150	\$1.10	\$89,700	81,198	
16	2 BR / 2 BA	1,234	\$1,300	\$1.05	\$20,800	19,744	
<u>36</u>	<u>3 BR / 2 BA</u>	<u>1,328</u>	<u>\$1,575</u>	<u>\$1.19</u>	<u>\$56,700</u>	<u>47,808</u>	
442		879	\$1,076	\$1.22	\$475,590	388,306	
This market rate project has no subsidies. Amenities include a fitness center, swimming pool, parking garage, and game room. Tenant pays utilities. No current concessions. The complex is well located with good access to the neighborhood's infrastructure and short drive times to the local economic centers.							
Unit Amenities		Site Amenities		Utilities			
Balcony/Patio	Y	Washer/Dryer	HU,L	Location		G	
Parking (\$ Fee)	0/\$0	Carpet/Blinds	Y	Security		Y	
AC: Central/Wall	C	Pool/Rec Area	P/R/E	Business Center		Y	
Range	Y	Heat (in rent?/type)	N/E	Appeal		G	
Refrigerator	Y	Cooking (in rent?/type)	N/E				
Disposal	Y	Other Electric	N				
Microwave	Y	Water/Sewer (in rent?)	N/N				
Dishwasher	Y	Storage	N				



APARTMENT RENT COMPARABLE TWO							
Name:	Vida						
Location:	1735 Rutland, Austin						
Year Built:	1983/2006						
Construction:	Gdn/2						
Date Surveyed:	February 2018						
Contact:	Rosy 512-834-8861						
Total No. of Units:	160						
Average Unit Size (SF):	595						
Average Month Rent (PSF):	\$1.34						
Occupancy:	95%						
Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF	
32	0 BR / 1 BA	450	\$767	\$1.70	\$24,544	14,400	
32	1 BR / 1 BA	550	\$840	\$1.53	\$26,880	17,600	
24	1 BR / 1 BA	645	\$920	\$1.43	\$22,080	15,480	
32	2 BR / 1 BA	816	\$1,055	\$1.29	\$33,760	26,112	
24	2 BR / 1.5 BA	875	\$1,085	\$1.24	\$26,040	21,000	
<u>16</u>	<u>2 BR / 2 BA</u>	<u>935</u>	<u>\$1,200</u>	<u>\$1.28</u>	<u>\$19,200</u>	<u>14,960</u>	
160		595	\$800	\$1.34	\$127,960	95,152	
The property offers hookups and secured access. Tenant pays utilities. No current concessions. The complex is well located with good access to the neighborhood's infrastructure and short drive times to the local economic centers.							
Unit Amenities		Site Amenities		Utilities			
Balcony/Patio	Y	Washer/Dryer	L	Location		G	
Parking (\$ Fee)	Open/\$0	Carpet/Blinds	Y	Security		Y	
AC: Central/Wall	C	Pool/Rec Area	P/R	Business Center		Y	
Range	Y	Heat (in rent?/type)	N/E	Appeal		F	
Refrigerator	Y	Cooking (in rent?/type)	N/E				
Disposal	Y	Other Electric	N				
Microwave	Y	Water/Sewer (in rent?)	N/N				
Dishwasher	Y	Storage	N				



APARTMENT RENT COMPARABLE THREE

Name: Villas del Sol
 Location: 1711 Rutland, Austin
 Year Built: 1983
 Construction: Gdn/2
 Date Surveyed: February 2018
 Contact: Angie 512-474-6767
 Total No. of Units: 294
 Average Unit Size (SF): 676
 Average Month Rent (PSF): \$1.34
 Occupancy: 100%

Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
24	0 BR / 1 BA	400	\$725	\$1.81	\$17,400	9,600
32	0 BR / 1 BA	476	\$825	\$1.73	\$26,400	15,232
36	1 BR / 1 BA	593	\$825	\$1.39	\$29,700	21,348
44	1 BR / 1 BA	605	\$850	\$1.40	\$37,400	26,620
40	1 BR / 1 BA	680	\$875	\$1.29	\$35,000	27,200
32	1 BR / 1 BA	715	\$875	\$1.22	\$28,000	22,880
16	2 BR / 1 BA	830	\$1,025	\$1.23	\$16,400	13,280
28	2 BR / 1 BA	842	\$1,050	\$1.25	\$29,400	23,576
16	2 BR / 1 BA	880	\$1,075	\$1.22	\$17,200	14,080
16	2 BR / 1 BA	911	\$1,090	\$1.20	\$17,440	14,576
8	2 BR / 2 BA	985	\$1,125	\$1.14	\$9,000	7,880
<u>2</u>	<u>2 BR / 2.5 BA</u>	<u>1,254</u>	<u>\$1,325</u>	<u>\$1.06</u>	<u>\$2,650</u>	<u>2,508</u>
294		676	\$905	\$1.34	\$265,990	198,780

This property is market-rate complex. The complex features limited access gates, clubhouse, pool, laundry facilities, and business center. No current concessions. The complex is well located with good access to the neighborhood's infrastructure and short drive times to the local economic centers.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	Y	Washer/Dryer	HU/L	Location	G
Parking (\$ Fee)	Open/\$0	Carpet/Blinds	Y	Security	Y
AC: Central/Wall	C	Pool/Rec Area	P/R	Business Center	N
Range	Y	Heat (in rent?/type)	N/E	Appeal	F
Refrigerator	Y	Cooking (in rent?/type)	N/E		
Disposal	Y	Other Electric	N		
Microwave	Y	Water/Sewer (in rent?)	N/N		
Dishwasher	Y	Storage	N		



APARTMENT RENT COMPARABLE FOUR						
Name:	Villages at the Domain					
Location:	11011 Domain Drive, Austin					
Year Built:	2010					
Construction:	Elev/4					
Date Surveyed:	February 2018					
Contact:	Amy 512-836-7300					
Total No. of Units:	438					
Average Unit Size (SF):	969					
Average Month Rent (PSF):	\$1.48					
Occupancy:	95%					
Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
14	0 BR / 1 BA	526	\$882	\$1.68	\$12,348	7,364
1	0 BR / 1 BA	560	\$978	\$1.75	\$978	560
13	0 BR / 1 BA	602	\$1,014	\$1.68	\$13,182	7,826
3	0 BR / 1 BA	607	\$935	\$1.54	\$2,805	1,821
47	1 BR / 1 BA	702	\$1,065	\$1.52	\$50,055	32,994
39	1 BR / 1 BA	780	\$1,251	\$1.60	\$48,789	30,420
50	1 BR / 1 BA	837	\$1,345	\$1.61	\$67,250	41,850
43	1 BR / 1 BA	850	\$1,305	\$1.54	\$56,115	36,550
3	1 BR / 1 BA	853	\$1,320	\$1.55	\$3,960	2,559
27	1 BR / 1 BA	871	\$1,358	\$1.56	\$36,666	23,517
8	1 BR / 1 BA	888	\$1,359	\$1.53	\$10,872	7,104
4	1 BR / 1 BA	924	\$1,291	\$1.40	\$5,164	3,696
24	1 BR / 1 BA	1,013	\$1,530	\$1.51	\$36,720	24,312
43	1 BR / 1 BA	1,030	\$1,476	\$1.43	\$63,468	44,290
1	1 BR / 1 BA	1,053	\$1,539	\$1.46	\$1,539	1,053
29	1 BR / 1 BA	1,143	\$1,695	\$1.48	\$49,155	33,147
10	2 BR / 2 BA	1,050	\$1,311	\$1.25	\$13,110	10,500
9	2 BR / 2 BA	1,148	\$1,695	\$1.48	\$15,255	10,332
2	2 BR / 2 BA	1,176	\$1,898	\$1.61	\$3,796	2,352
7	2 BR / 2 BA	1,176	\$1,722	\$1.46	\$12,054	8,232
3	2 BR / 2 BA	1,289	\$1,839	\$1.43	\$5,517	3,867
4	2 BR / 2 BA	1,316	\$1,974	\$1.50	\$7,896	5,264
14	2 BR / 2 BA	1,390	\$1,947	\$1.40	\$27,258	19,460
13	2 BR / 2 BA	1,451	\$2,009	\$1.38	\$26,117	18,863
3	2 BR / 2 BA	1,533	\$2,165	\$1.41	\$6,495	4,599
6	3 BR / 2 BA	1,404	\$2,016	\$1.44	\$12,096	8,424
<u>18</u>	<u>3 BR / 3 BA</u>	<u>1,870</u>	<u>\$2,184</u>	<u>\$1.17</u>	<u>\$39,312</u>	<u>33,660</u>
438		969	\$1,434	\$1.48	\$627,972	424,616
<p>This is a newer market-rate property. Complex amenities include a parking garage, business center, fitness center, media room, and swimming pool. Tenant pays utilities. No current concessions. The complex is well located with good access to the neighborhood's infrastructure and short drive times to the local economic centers.</p>						
Unit Amenities		Site Amenities		Utilities		
Balcony/Patio	Y	Washer/Dryer	H/U/L	Location	G	
Parking (\$ Fee)	PG/\$0	Carpet/Blinds	Y	Security	Y	
AC: Central/Wall	C	Pool/Rec Area	P/R/E	Business Center	Y	
Range	Y	Heat (in rent?/type)	N/E	Appeal	E	
Refrigerator	Y	Cooking (in rent?/type)	N/E			
Disposal	Y	Other Electric	N			
Microwave	Y	Water/Sewer (in rent?)	N/N			
Dishwasher	Y	Storage	N			



APARTMENT RENT COMPARABLE FIVE

Name: Brook Meadow Village
 Location: 10300 Golden Meadow, Austin
 Year Built: 1984/2005
 Construction: 2/3 Gdn
 Date Surveyed: February 2018
 Contact: Angele 512-339-9118
 Total No. of Units: 155
 Average Unit Size (SF): 711
 Average Month Rent (PSF): \$1.22
 Occupancy: 93%

Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
12	0BR / 1BA	400	\$675	\$1.69	\$8,100	4,800
12	1BR / 1BA	535	\$750	\$1.40	\$9,000	6,420
40	1BR / 1BA	601	\$800	\$1.33	\$32,000	24,040
11	1BR / 1BA	657	\$825	\$1.26	\$9,075	7,227
24	1BR / 1BA	727	\$875	\$1.20	\$21,000	17,448
10	1BR / 1BA	805	\$900	\$1.12	\$9,000	8,050
18	2BR / 1BA	815	\$950	\$1.17	\$17,100	14,670
16	2BR / 2BA	933	\$1,025	\$1.10	\$16,400	14,928
4	2BR / 2BA	1,030	\$1,075	\$1.04	\$4,300	4,120
<u>8</u>	<u>2BR / 2BA</u>	<u>1,072</u>	<u>\$1,125</u>	<u>\$1.05</u>	<u>\$9,000</u>	<u>8,576</u>
155		711	\$871	\$1.22	\$134,975	110,279

This market-rate property is located in the Triangle mixed use complex. Complex amenities include parking garage, business center, clubhouse, conference room, fitness center, media room, and swimming pools. Tenant pays utilities. No current concessions. The complex is well located with good access to the neighborhood's infrastructure and short drive times to the local economic centers.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	Y	Washer/Dryer	L	Location	G
Parking (\$ Fee)	0/\$0	Carpet/Blinds	Y	Security	Y
AC: Central/Wall	C	Pool/Rec Area	P/R	Business Center	N
Range	Y	Heat (in rent?/type)	N/E	Appeal	F
Refrigerator	Y	Cooking (in rent?/type)	N/E		
Disposal	Y	Other Electric	N		
Microwave	Y	Water/Sewer (in rent?)	N/N		
Dishwasher	Y	Storage	N		



Estimates of Market Rent by Comparison

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	A. Comparable No. 1 (address)		B. Comparable No. 2 (address)		C. Comparable No. 3 (address)		D. Comparable No. 4 (address)		E. Comparable No. 5 (address)	
	Water's Park	3401 W. Palmer Lane, Austin	Via	1735 Rutland, Austin	Vilas del Sol	1711 Rutland, Austin	Villages at the Domain	11011 Domain Drive, Austin	Brook Meadow Village	10300 Golden Meadow, Austin
06R 1BA	12190 North MoPac Expressway North and 12207 Waters Park Road	3401 W. Palmer Lane, Austin	1735 Rutland, Austin	1711 Rutland, Austin	Vilas del Sol	1711 Rutland, Austin	Villages at the Domain	11011 Domain Drive, Austin	Brook Meadow Village	10300 Golden Meadow, Austin
Characteristics	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	Jan-18		Jan-18		Jan-18		Jan-18		Jan-18	
4. Type of Project/Status	Gov/3		Gov/2		Gov/2		Gov/4		2/3 Gov	
5. Floor of Unit in Building	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	94%		95%		100%		95%		93%	
7. Concessions	No		No		No		No		No	
8. Year Built	1995	\$75	1995	\$75	1993	\$75	1995	\$50	1995	\$75
9. SF Area (Net Area)	518	-132	450	\$68	476	\$42	2010	\$50	400	\$118
10. Number of Bedrooms	0		0		0		0		0	
11. Number of Bath	1		1		1		1		1	
12. Number of Rooms	3		3		3		3		3	
13. Balc/Terrace/Patio	Y		Y		Y		Y		Y	
14. Garage / Carport / Open	Open/30		Open/30		Open/30		Open/30		Open/30	
15. Equipment	a) A/C		C		C		C		C	
	b) Range/Oven		Y		Y		Y		Y	
	c) Refrigerator		Y		Y		Y		Y	
	d) Disposal		Y		Y		Y		Y	
	e) Microwave		Y		Y		Y		Y	
	f) Dishwasher		Y		Y		Y		Y	
	g) Washer/Dryer		Y		Y		Y		Y	
	h) Carpet/Blinds		Y		Y		Y		Y	
	i) Pool/Res Area		Y		Y		Y		Y	
16. Services	a) Heat/Type		P/R		P/R		P/R/E		P/R	
	b) Cool/Type		N/E		N/E		N/E		N/E	
	c) Electricity		N		N		N		N	
	d) Water/Sewer/Trash		N/N		N/N		N/N		N/N	
17. Stucco	N		N		N		N		N	
18. Project Location	G		G		G		G		G	
19. Other a) Security	Y		Y		Y		Y		Y	
Other b) Business Center	Y		Y		Y		Y		Y	
Other c) Storage	G		F		F		E		F	
20. Unit Rent per Month	\$1,000		\$1,000		\$825		\$882		\$675	
21. Total Adjustment										
22. Indicated Rent	\$1,000		\$1,290		\$1,203		\$866		\$1,083	
23. Corner Subject Rent	\$1,000		\$1,290		\$1,203		\$866		\$1,083	
<p>Note: In the adjustments column, enter dollar amounts by which subject property values from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed. Previous versions are obsolete.</p>										
<p>Appraiser's Signature: <i>R. Q. ...</i> Date: 1/24/2018</p>										<p>Reviewer's Signature</p>

Explanation of Adjustments and Rent Conclusions

A Rent Comparability Grid was prepared for the subject's unit type. Whenever sufficient data was available, adjustments were based on a matched-pair analysis of the comparables. Adjustments were also based on conversations with leasing agents and real estate professionals in the area, information in my files, as well as personal observation and experience of the analysts in the subject's market area.

Restricted. All of the rents utilized in this analysis represent non-subsidized unrestricted rents currently quoted at the comparable properties.

Line 3. Date Last Leased. As all rents used in this analysis reflect current rates, no adjustments were necessary for this line item.

Line 4. Type of Project / Stories. The subject improvements will be composed of three-story elevator-served buildings. Managers interviewed indicated no price premium between the walkup style and townhome style of apartments or floor premiums. Thus, no adjustment is applicable to the comparables for this line item.

Line 5. Floor of Unit. As all rents used in this analysis have units available on all floor levels, no adjustments were necessary for this line item.

Line 6. Project Occupancy: Where possible, occupancies of the individual floorplans were utilized. Otherwise, overall occupancy levels were used. According to data collected, the immediate market area has historically maintained an overall occupancy level over 90% for all apartments. The occupancy of the comparables surveyed currently ranges from 93.00% to 100.00%. Thus, no adjustment is applicable to the comparables for this line item.

Line 7. Rent Concessions. At the present time, none of the comparables are offering concessions. No adjustments were required in this regard.

Line 8. Year Built: The subject property will reportedly be built in 2020. The comparable properties have years of construction ranging from to . Also included in this category would be any allowances for functional utility. Conversations with area apartment managers and professionals specializing in apartment properties, it is generally considered that the newer a property is, the higher rents it can achieve. Quoted rental differences were reported to be between \$2 and \$7 per year difference. In this instance, I have based my adjustments on \$3 per year of effective age difference.

Line 9. Sq. Ft. Area: A matched-pair analysis for size was attempted to determine a size adjustment. The adjustments would normally be calculated between the largest and smallest of each unit type with similar bedroom/bathroom counts. The following table depicts the matched-pair analyses performed.

Square Ft Diff	Complex Name	Unit Type	Square Footage	SF Diff	Rent	\$ Diff	\$/SF	Avg Rent Adj.
	Rental 1	1b/1b	912		\$1,030			
		1b/1b	650	262	\$920	\$110	\$0.42	
	Rental 1	2b/2b	1,234		\$1,300			
		2b/2b	1,041	193	\$1,150	\$150	\$0.78	
	Rental 2	1b/1b	645		\$920			
		1b/1b	550	95	\$840	\$80	\$0.84	
	Rental 3	0b/1b	476		\$825			
		0b/1b	400	76	\$725	\$100	\$1.32	
	Rental 3	1b/1b	715		\$875			
		1b/1b	593	122	\$825	\$50	\$0.41	
	Rental 3	2b/1b	911		\$1,090			
		2b/1b	830	81	\$1,025	\$65	\$0.80	
	Rental 4	0b/1b	607		\$935			
		0b/1b	526	81	\$882	\$53	\$0.65	
	Rental 4	1b/1b	1,143		\$1,695			
		1b/1b	702	441	\$1,065	\$630	\$1.43	
	Rental 5	1b/1b	805		\$900			
		1b/1b	535	270	\$750	\$150	\$0.56	
	Rental 5	2b/2b	1,072		\$1,125			
		2b/2b	933	139	\$1,025	\$100	\$0.72	
								\$0.79

A matched-pair analysis in other similar market areas has indicated a range of \$0.10 to \$1.00+ per square foot adjustment. Based on my experience and the opinions of leasing agents, an adjustment of \$1.00 PSF for each additional square foot of unit area is appropriate. In other markets, it is often found that no size adjustment is applicable within a size range of approximately 25 square feet. The comparables included in this analysis were supportive of this assertion. As such, I applied the concluded adjustments to the subject for size differences above 25 square feet.

Line 10. Bedrooms. Adjustments were necessary, as not all comps offer an efficiency unit. I used a matched pair analysis of units within the same complex with the same number of baths, but varying number of bedrooms, after adjustment for size differences. The table on the following page depicts the analysis.

Bedroom Diff	Complex Name	Unit Type	Square Footage	SF Diff	Rent	\$ Diff	\$/SF	Ind. Adj.
	Rental 2	1b/1b	550		\$840			
		0b/1b	450	100	\$767	73	0.73	-\$27.00
	Rental 2	2b/1b	816		\$1,055			
		1b/1b	645	171	\$920	135	0.79	-\$36.00
	Rental 3	1b/1b	593		\$825			
		0b/1b	476	117	\$825	0	0.00	-\$117.00
	Rental 3	2b/1b	830		\$1,025			
		1b/1b	715	115	\$875	150	1.30	\$35.00
	Rental 4	1b/1b	702		\$1,065			
		0b/1b	607	95	\$935	130	1.37	\$35.00
	Rental 5	1b/1b	535		\$750			
		0b/1b	400	135	\$675	75	0.56	-\$60.00
	Rental 5	2b/1b	815		\$950			
		1b/1b	805	10	\$900	50	5.00	\$40.00

The results of the analysis were inconclusive. Based on my experience in similar markets and the opinions of local leasing agents, an adjustment of \$100 for a bedroom was applied.

Line 11. Number of Baths: No adjustments were necessary.

Line 12. Number of Rooms: No adjustments are necessary for this factor.

Line 13. Private Balcony/Terrace/Patio: Based on the opinions of local leasing agents, although considered an amenity, the presence of a balcony/patio does not typically translate into additional rent. Thus, no adjustment was applicable for this line item.

Line 14. Garage/Carport/Other. The subject complex will feature open parking. Comparable 4 features structured parking. Complexes in the general area which rent parking garage spaces typically rent the spaces in the range of \$30-\$55. Rental 4 was adjusted downward \$50 in this regard.

Line 15. Equipment. (a, b, c, d, e, f, h) The subject apartment units feature a central heating system and air conditioning, refrigerator, small sink, range/oven, and microwave, as well as flooring/blinds. All of the comparables also offer all of these items, plus more cabinets, dishwasher, and full size sink. Since the subject is supportive housing and the tenants have access to the community kitchen, a nominal \$25 adjustment was applied in this regard. (g) The subject will offer central laundry facilities. Several of the comparables offer washer/dryer hook-ups in the units. A survey of local leasing agents indicated an adjustment in the range of \$25 for

the presence of washer/dryer connections. Thus, an adjustment of \$25 for this line item was utilized in our analysis. (i) The subject will feature a fitness area, and recreation area. Based on the opinions of local leasing agents, a pool results in an adjustment of \$10 and recreational areas and fitness area result in an adjustment of \$5 each.

Line 16 Services. The subject property will be “all bills paid.” Therefore, adjustments were required for items 16 a, b, c and d. Adjustments for this line item are based upon the most recent “Allowances for Tenant Furnished Utilities” from the Housing Authority of the City of Austin. The subject will also furnish access to basic cable TV, as do all of comparables. No additional adjustment was warranted.

Line 17. Extra Storage. Based on the opinions of local leasing agents; although considered an amenity, the presence of extra storage does not typically translate into additional rent. Thus, no adjustment was applicable for this line item.

Line 18. Location. The subject is considered to have a good location with an adequate amount of commercial support. No adjustment for required.

Line 19. Other. (a) Security - The subject property will offer controlled access to the buildings. All of the rentals offer access gates and/or security. (b) Business Center – Comparables without a business center were adjusted upward \$10. (c) Appeal – The subject is assumed to be of generally good appeal. Rentals 2, 3, and 5, are all older complexes and considered to be in fair condition, and were adjusted upward 10%. Rental 4 is a Class A facility with abundant amenities and was adjusted downward 10%.

Line 46. Conclusion of Market Rent – 0BR 1BA 518 square foot units. The adjusted rents for the subject’s 0BR 1BA 518 square foot unit range from \$875 to \$1,203 per month. Based on the above analysis, a concluded market rent of \$1,100 per month for the subject’s 0BR 1BA 518 square foot units is reasonable and well supported by the market data. Given the limited amount of recent construction of market-operated apartments in the subject’s area, a limited number of truly comparable properties were available, which resulted in relatively high adjustment percentages.

Concluded Market Rent Summary

No. Units	Type	Size (SF)	Mkt Rent/Mth	Mkt Rent (PSF)	Prepared in Grid (Y/N)
132	0 BR / 1 BA	518	\$1,100	\$2.12	Y

It should be noted that the above-concluded market rents do not take into consideration the fact that 100.00% of the subject units are rent-restricted. There are no recently constructed Supportive Housing complexes in Austin which feature market units.

A "stigma" of approximately 5% to 25% can typically be attributed to a tax credit versus a conventional market rate property. An analysis in other areas indicated a typical adjustment in the range of 20%-45% for the "stigma" factor. Typically, the lower the percentage of market units, the higher the "stigma" percentage reduction from market rent to achievable rent for the market units. The subject's proforma "market rents" are considered reasonable and achievable.

Restricted-Rent Analysis

Within the subject PMA there are 3 operating Family and one Seniors HTC complexes. The HTC properties in the area of north central Austin report attaining close to or at HTC maximums. The proposed subject rental rates, which are at the HTC maximum levels, are considered reasonable and attainable. Performing adjustment grids (HUD 92273) was not considered reliable or necessary due to the high occupancy rates and ability to achieve the maximum rents allowed by the properties in the area.

DEMAND ANALYSIS

The following is extracted from an email from Tom Cavanagh, Manager of Real Estate Analysis regarding market studies for Supportive Housing HTCs.

The definition has become much more specific.

The Developer will need to demonstrate that they and the proposed development meet the definition.

Demand is not expected to be from the general renter population.

It is expected to be from some specific population "in need of specialized and specific non-medical services in order to maintain independent living".

The Developer will need to specify what the target population is.

The market study will need to provide data to document a target population sufficient to support the proposed development.

The data will not be as simple as a census table or a HISTA report.

But it need to be from reliable sources that we can verify.

The \$1 minimum income means that in many cases the target population will not be able to meet normal minimum income levels.

But that also means the development will not be considered feasible unless the Developer can demonstrate either guaranteed project-based rental assistance, or sufficient financial resources to guarantee operations.

This is a major departure from the way Supportive Housing projects were analyzed and underwritten last year.

There are a few important clarifications that I need to point out upfront as they differ from the perceived expectations of the new requirements. First, partnerships between Foundation Communities and other groups whose mission is to assist the populations likely to be tenants at the Supportive Housing developments (homeless or near homeless, youth aging out of foster care, veterans, persons with disabilities and living on fixed incomes, families fleeing domestic abuse, etc.) typically do not make commitments this early in the process. This is especially true if vouchers are involved in the partnership as most vouchers are a part of a time-limited contract that do not line up with the long runway of an LIHTC affordable housing development. The vouchers are often secured just prior to or during lease-up and are rarely project-based. Second, these developments do not target only one population group, which could be perceived as a violation of Fair Housing. Finally, to ignore those households indicated to be income-eligible significantly under-estimates true demand. Income and target population are not mutually exclusive market characteristics; both are taken into consideration in equal measure when leasing up a Supportive Housing community. Income eligibility is part of Tax Credit requirements and therefore should not be disregarded.

Waters Park Studios will serve individuals transitioning out of homelessness, people with mental and physical disabilities, veterans, older adults, and those with chronic diseases. These

individuals may or may not have a voucher. In reality, a majority will not and will income qualify at the 30% or 40% Median Family Income level. However, the complex will accept other individuals who income-qualify and meet the complex’s rental requirements. The table below depicts the number and percentage of tenants who have a voucher and live at one of Foundation Communities’ Supportive Housing projects, as well as their average income with or without vouchers:

FOUNDATION COMMUNITIES EXISTING SROs							
	# Units	Vouchers	Voucher %	Non-Vouchers	Non-Voucher %	Avg Income w/o Vouchers	Avg Income w/Vouchers
Bluebonnet Studios	107	30	28%	77	72%	\$15,577	\$13,704
Capital Studios	135	38	28%	97	72%	\$16,338	\$14,509
Skyline Terrace	100	29	29%	71	71%	\$15,021	\$14,512
Arbor Terrace	120	57	48%	63	53%	\$14,702	\$11,130
Spring Terrace	142	49	35%	93	65%	\$15,146	\$14,159
Garden Terrace	103	37	36%	66	64%	\$14,583	\$10,981
Total/Avg	707	240	34%	467	66%	\$15,228	\$13,166

Of the existing tenants of Foundation Communities’ existing SRO complexes, approximately 66% do not require vouchers for rent payment but identify as one of the above-mentioned target populations for Supportive Housing. The Austin Housing Authority rarely ever project bases vouchers, which is likely the cause of their SROs having a relatively small percentage of vouchers.

Based on the above tables, of individuals qualifying on income alone is in the range of 53% to 72% of total demand. The market study must look at income to truly capture the actual market for the units.

As proof that the typical Supportive Housing complex does not target only one population, the following tables depict the tenant populations served by Foundation Communities. **It should be noted that the populations are not mutually exclusive and there are overlaps.**

FOUNDATION COMMUNITIES EXISTING SROs							
	# Units	Homeless	%	Disabilities	%	Seniors 55+	%
Bluebonnet Studios	107	27	25%	51	48%	46	43%
Capital Studios	135	41	30%	51	38%	72	53%
Skyline Terrace	100	61	61%	63	63%	69	69%
Garden Terrace	103	103	100%	71	69%	60	58%
Arbor Terrace	120	86	72%	57	48%	59	49%
Spring Terrace	142	103	73%	98	69%	81	57%
Total/Avg	707	421	60%	391	56%	387	55%

FOUNDATION COMMUNITIES (FC)

Foundation Communities’ Supportive Housing (SH) uses a housing-plus-services model proven effective for single adults with high needs, low incomes, and housing instability. FC provides affordable, attractive environments with 24-hour staffing and support services that include case management, supported employment, an onsite RN, counseling, and financial assistance. FC’s SH communities serve individuals transitioning out of homelessness, people with mental and/or physical disabilities, veterans, older adults, and those with chronic diseases. The average income at FC’s Supportive Housing communities is closer to a meager \$16,000/year.

The lack of affordable housing stands as the single most pressing challenge faced by Central Texans who have experienced homelessness, are aging, and who have mental and/or physical disabilities. Austin's skyrocketing population, coupled with an unprecedented demand for rental units, means enormous competition for limited apartments. In the last 10 years, average rents have risen 50%, while the median income has only increased 9%.

According to the City of Austin, only about 10% of Austin rentals are affordable, which leaves a gap of at least 48,000 units. The mismatch between renter incomes and availability of units is most severe for Austin's lowest-income and highest-needs populations. The service-enriched housing necessary for vulnerable individuals to stabilize is even rarer.

FC continues to work to meet demand for affordable housing plus services.

The need for supportive housing is so high that FC maintains waiting lists at all their properties. For Supportive Housing, these waitlists have closed at 30 names at each property. FC has expanded Supportive Housing for individuals from 88 units in 2003 to 727 units with the completion of Garden Terrace Phase III recently. With the addition of Waters Park Studios, Foundation Communities will own and operate an impressive 859 units of Supportive Housing in Austin, which has a substantial and meaningful impact in reducing and preventing homelessness in the community. In the past 14 years, FC has been able to increase its capacity to serve at-risk, special needs, and homeless adults by over 720%.

One of the most important things that Foundation Communities provides is a space--both physically and programmatically--for residents to build a tight-knit community in which they can achieve stability, well-being, and belonging. FC finds residents utilize every bit of common space, whether it's a large garden surrounded by live oaks or a small community kitchen. FC's name reflects the fact that connectedness to a community is foundational to success; FC recognizes that individuals need more than just a roof over their heads to be the best versions of themselves. From volunteer-led activities like Supper Clubs, which encourage informal monthly socialization, to the fun, safe, sober outings organized by their trained Peer Recovery Specialists, FC's supportive services create a true community. By holistically addressing the complexity of residents' needs on daily basis, Supportive Housing empowers them to achieve truly lasting and positive educational, health, and financial outcomes.

Foundation Communities works closely with a number of non-profit and governmental entities who refer their clients to FC's Supportive Housing communities as well as partnering with FC to provide services to FC's Supportive Housing residents. The following is a list of some of their larger partners:

Current Community Partners:

Passages
Easter Seals
Casey Foundation
Austin Energy
Lone Star Circle of Care
Caritas of Austin
Salvation Army

Austin Recovery
 Communities for Recovery
 Austin Clubhouse
 Family Eldercare
 The University of Texas at Austin School of Nursing
 Integral Care (formerly Austin/Travis Co. MHMR)
 YMCA of Austin
 Austin Area Mental Health Consumers
 Self Help and Advocacy Center
 Downtown Austin Community Court
 Project Transitions
 Veterans Affairs Supportive Housing program
 H.A.N.D. (A division of Meals on Wheels of Central Texas)
 CommUnityCare Mobile Clinic
 Justice Resource Institute

Financial Partners:

St. David's Foundation
 City of Austin
 Travis County
 Religious Coalition to Assist the Homeless
 Texas State Affordable Housing Corporation
 Anderson Charitable Foundation
 Stevenson Family

FC has an admirable track record of fundraising to help fund the development of their communities and the supportive services that are critical to the success of FC's Supportive Housings residents. FC reportedly raised over \$15,000,000 in 2017 with the majority of that funding targeted to FC's Supportive Services program. The table below depicts their SRO developments and how the capital stacks for each project were funded.

	TOTAL DEV COSTS	PRIVATE FUNDRAISING (includes FHLB AHP)	TDHCA MFDL	TDHCA NSP	City of Austin	Tax Credits	Deferred Developer Fee	% of non- TDHCA/HTC funds
Garden Terrace Phase I	\$4,566,000	\$1,590,250	\$1,000,000	\$0	\$1,775,750	\$0	\$200,000	78%
Garden Terrace Phase II	\$840,450	\$340,450	\$0	\$0	\$500,000	\$0	\$0	100%
Garden Terrace Phase III	\$3,326,745	\$950,000	\$1,000,000	\$0	\$1,376,070	\$0	\$2,675	70%
Spring Terrace	\$5,231,194	\$1,652,500	\$1,466,456	\$0	\$2,000,000	\$0	\$110,238	72%
Skyline Terrace	\$10,424,966	\$1,488,744	\$1,450,000	\$0	\$3,516,850	\$3,969,392	\$0	48%
Arbor Terrace	\$10,710,289	\$1,450,000	\$0	\$7,260,289	\$2,000,000	\$0	\$0	32%
Capital Studios	\$16,220,615	\$1,184,925	\$0	\$0	\$4,660,000	\$11,719,000	\$646,690	36%
Bluebonnet Studios	\$20,015,791	\$5,543,004	\$590,000	\$0	\$3,994,420	\$8,961,404	\$926,963	52%

Austin Homeless and Near Homeless

Based on the 2017 Point in Time Count for Austin (2018 has not yet been released), there were **2,036 people counted as homeless as of January 28, 2017** in Austin/Travis County. Of these, 834 were in cars, tents, parks, under bridges, and on the streets. 832 were in shelters and safe havens, and 370 were in transitional housing. It should be noted, that this represents only those who were physically counted. It is likely that this statistic significantly underestimates the accurate number of homeless in Austin/Travis County. It also does not reflect those who are “not literally homeless.”

Literally Homeless is defined as “individuals sleeping on the streets, in emergency shelters, or discharged from an institution where they resided for 90 days or less and were homeless upon institutional entry.”

Not Literally Homeless (also referred to as “Near Homeless”) is defined as “individuals at-risk of homelessness or receiving housing stabilization services.”

Based on the FYE 2017 Ending Homelessness Community Dashboard January 1-2017 to November 30, 2017 (ECHO 1-16-2018), there was an estimated 7,029 individuals considered to be “Literally Homeless.”

Based on the FYE 2017 Ending Homelessness Community Dashboard January 1-2017 to November 30, 2017 (ECHO 1-16-2018), there are an additional estimated 4,699 individuals considered to be “Not Literally Homeless.”

Adding the “Literally Homeless” and the “Not Literally Homeless” results in a total of 11,728 individuals served by the Ending Homelessness Community during 2017.

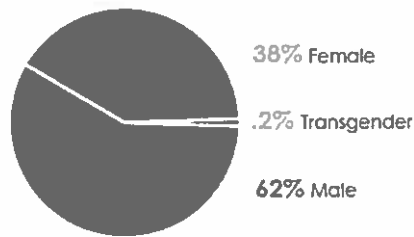
There are numerous sub-populations within those considered to be “the homeless.” The tables and graphs on the following pages depict the populations, and the problems they face (and/or what contributed to their being homeless or near homeless).

Utilizing the above homeless or near homeless population of 11,728 (ECHO) and 2,036 based on the Point-in-Time (PIT) Count, the following tables depict the resulting capture rates. For the AMI capture rates the total homeless or near homeless population was divided evenly between the 3 AMI levels:

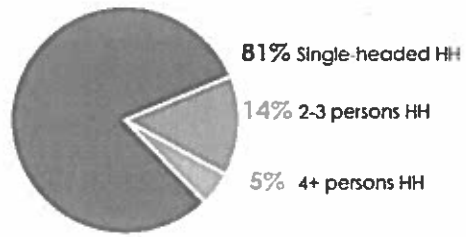
		ECHO	PIT
Gross Capture		1.13%	6.48%
AMI Level	30%	0.69%	3.98%
	40%	0.69%	3.98%
	50%	2.00%	11.49%

Persons Experiencing Homelessness Represent a Diverse Population

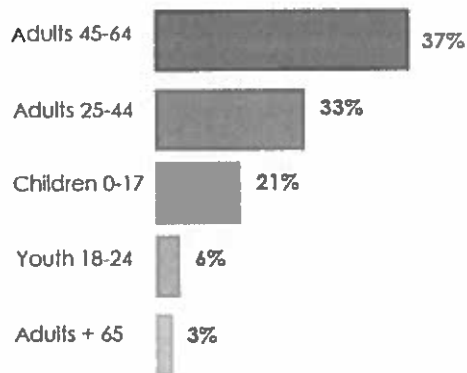
Gender



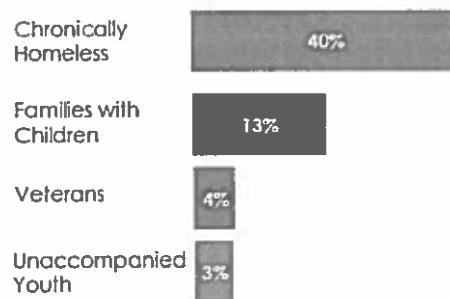
Household (HH) Size



Age



Subpopulations



- Categories not mutually exclusive.
- Ending Community Homelessness Coalition (ECHO). Summary Report of Coordinated Assessment Surveys of 5,836 Households." Homeless Management Information System (HMIS), 5 Dec. 2016.

Ending Community Homelessness Coalition (ECHO)

6

Persons Experiencing Homelessness Face Many Challenges

Persons experiencing homelessness often have many inter-related health, social and economic challenges that make it difficult to end homelessness on their own.



67%

Can't access employment/do not have earned income



62%

Report having no planned activities that bring them happiness or fulfillment



61%

Access healthcare through an emergency room or do not access any healthcare



56%

Have experienced trauma or abuse in their life



44%

Report currently experiencing mental health issues



42%

Of the homeless population are African American, despite the fact that African Americans only make up 8% of Travis County's population



36%

Report having legal stuff going on that may result in them being locked up or having to pay fines



29%

Report having experienced domestic violence in their lifetime



17%

Report consuming drugs and/or alcohol almost everyday or everyday for the past month

- Categories not mutually exclusive.
- Ending Community Homelessness Coalition (ECHO). "Summary Report of Coordinated Assessment Surveys of 5,836 Households." Homeless Management Information System (HMIS), 5 Dec. 2016.

ENVIRONICS ANALYTICS DEMOGRAPHICS CAPTURE ANALYSIS

Eligible Renter Analysis - Rent-Restricted Units

Based on typical standards of apartment management companies in the Austin MSA, to qualify for a Supportive Housing rent-restricted apartment, the annual rental should not exceed 50% of the annual gross income of the household. Utilizing the most recent demographic data, the following are calculations of the number of qualified residents in the immediate market area.

The developer’s minimum gross rent level at the subject property is \$427 per month, which at 50% equates to an annual income of \$10,248 in order to qualify for the rent-restricted units at the subject property. Since the subject is a Supportive Housing property, TDHCA guidelines say to set the minimum income at \$1. The maximum income level is estimated to be \$28,500, which is the maximum household income for a family of one making 50% of the area median income.

SUBJECT UNIT MIX (RESTRICTED)							
Type	No. Units	Net Rent	Utility	Gross Rent	Income Required	Max Income	
0BR	30%	27	\$427	\$427	\$1	\$17,100	
0BR	40%	27	\$570	\$570	\$13,680	\$22,800	
0BR	50%	<u>78</u>	\$712	\$712	\$17,088	\$28,500	
		132					

Thus, based on the above calculations, the total percentage of households eligible on an income basis in the subject’s primary market is 22.41%.

Likely Renters Based on Primary Market Area Income Per Household							
Income Bracket	Percent	Renter %		Income Eligible %		Eligible Renter %	
<\$14,999	8.02%	X	100.00%	X	100.00%	= 8.02%	
\$15,000 to \$24,999	10.42%	X	100.00%	X	100.00%	= 10.42%	
\$25,000 to \$34,999	11.34%	X	100.00%	X	35.00%	= 3.97%	
\$35,000 to \$49,999	15.90%	X	100.00%	X	0.00%	= 0.00%	
\$50,000 to \$74,999	18.31%	X	100.00%	X	0.00%	= 0.00%	
Total Household Percent Eligible to Rent						22.41%	

*Columns may not add exactly due to decimal rounding

DEMAND FROM SECONDARY MARKET AREA

The subject will likely draw from outside its primary market area. Based on my research and interviews with existing Supportive Housing HTC managers and leasing agents, a portion of the existing tenants in Supportive Housing HTC complexes move from outside the PMA. In some cases, this accounts for over 50% of total tenants.

The 2018 TDHCA Real Estate Analysis rule does not allow for a SMA, but allow an automatic 10% of demand from outside the PMA.

Demand from Section 8 Housing

The Housing and Community Development Act of 1974 authorized the Housing Assistance Payments Program (Section 8). Section 8 provides rental assistance to low-income families, elderly, disabled, and handicapped individuals. This Program provides financial assistance to eligible families whose annual gross income does not exceed 50% of HUD's median income guidelines (in most instances). Demographic projections indicate a continuing population and household growth in segments that generally create the largest demand on affordable housing supply.

Section 8 vouchers will also be accepted at the subject property. The demand created by Section 8 renters will be added to the demand for rent-restricted units. Because the demand was sufficient without inclusion of demand from Section 8 renters, I have not performed this analysis for this report.

Demand Calculations

All demographic information, including projected growth rates, has been obtained from Environics Analytics, Inc. Several variables are utilized in my demand calculations. *Percent Income Qualified* represents the percentage of renters who meet both the minimum and maximum income criteria outlined above. *Appropriate Household Size* is based on a maximum of ± 2 persons per bedroom at the subject complex (which offers efficiency-bedroom units). The average annual household growth (five-year average from 2018 to 2023 demographics data) has been extrapolated to the anticipated placed-in-service date (2020) or 30 months.

Demand from Other Sources encompasses households moving from outside the market area. Demand from other sources represents new demand that will be created by the development of the subject property. The addition of a quality affordable housing community will increase the desirability of the primary market area, resulting in a potential influx of renters that is not otherwise accounted for in the census projections.

DEMAND FROM NEW HOUSEHOLD GROWTH (RESTRICTED UNITS)	
	Primary Market
Avg Annual Household Growth - 2.5 year Projection	1,328
X Percent Income Qualified	22.41%
X Appropriate Household Size (1 person)	34.02%
X Appropriate Household Size (Supportive Housing)	100.00%
Demand From New Household Growth	101
DEMAND FROM EXISTING HOUSEHOLDS	
Total Existing Households	37,706
X Percent of Households in Turnover	100.00%
X Percent Income Qualified	22.41%
X Appropriate Household Size (1 person)	34.02%
X Appropriate Household Size (Supportive Housing)	100.00%
Demand From Turnover	2,875
Total Demand from Other Sources	-
Total Demand From New Household Growth & Turnover	2,976
Demand from Section 8 Vouchers	-
Demand from outside the PMA	70
TOTAL THEORETICAL DEMAND FOR AFFORDABLE RENTAL HOUSING	3,046

Capture Rate – Rent-Restricted Units

The TDHCA defines the Gross Capture Rate as “the Relevant Supply divided by the Gross Demand.” Relevant Supply is defined as “The Relevant Supply of proposed and unstabilized Comparable Units includes: (a) The proposed subject Units; (b) Comparable Units with priority over the subject, based on the Department’s evaluation process...”; (c) Comparable Units in previously approved but Unstabilized Developments in the Primary Market Area (PMA). Gross Demand is defined as “The sum of Potential Demand from the PMA, demand from other sources.” In the following analysis, only Supportive Housing projects are included, since Senior or Family projects are not “like” projects to the subject, and do not compete for the same tenant group.

Based on my research, there are no other Supportive Housing projects under construction comparable to the subject within the PMA, none approved, none proposed with priority, and none unstabilized in the primary market area. There are no active Supportive Housing applications on the bond list.

Per TDHCA guidelines, all of the subjects restricted units are included in the capture calculations. The subject contains 132 units, of which 132 will be rent-restricted. Therefore, a total of 132 units require absorption, of which 132 units will be rent-restricted. There are approximately 3,046 potential households based on income eligibility, housing preference, and taking into consideration the typical turnover rate in the subject’s primary market.

Spotlight Capture Rate for 132 Affordable Supportive Housing Units **4.33%**

HISTA DEMOGRAPHICS CAPTURE ANALYSIS

I have also calculated the capture rates per bedroom type, utilizing HISTA data. HISTA takes Environics Analytics demographics, and with the aid of some custom Census tables, calculates the renter numbers on a per-person household within the different income bands. HISTA does not provide population; therefore, both HISTA and an additional demographic source must be used.

Environics Analytics provides an overall renter percentage, a percentage of per-person households, and a percentage of population in each income band. With Environics Analytics, the analyst has the option to utilize the overall renter percentage, private sources, or the Census table to provide an appropriate renter percentage for the calculations. The table below details the subject property unit-mix in regards to the HISTA calculation.

SUBJECT UNIT MIX (RESTRICTED)							
Type	No. Units	Net Rent	Utility	Gross Rent	Income Required	Max Income	
OBR	30%	27	\$427		\$427	\$1	\$17,100
OBR	40%	27	\$570		\$570	\$13,680	\$22,800
OBR	50%	<u>78</u>	\$712		\$712	\$17,088	\$28,500
		132					

The following tables depict the present and projected demand based on income and household count.

ALL HOUSEHOLDS						
2018	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total
<\$10K	312	142	29	30	43	483
\$10K-\$20K	744	210	64	40	28	1,018
\$20K-\$30K	730	321	146	69	86	1,197
\$30K-\$40K	510	282	119	34	41	911
\$40K-\$50K	504	195	90	84	71	789
\$50K-\$60K	237	257	81	19	27	575
\$60K+	1,337	2,353	485	297	252	4,175
TOTAL	4,374	3,760	1,014	573	548	9,148

ALL HOUSEHOLDS						
2023	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total
<\$10K	365	146	25	29	45	536
\$10K-\$20K	785	207	45	41	26	1,037
\$20K-\$30K	775	324	131	70	91	1,230
\$30K-\$40K	613	305	118	44	35	1,036
\$40K-\$50K	638	190	112	87	83	940
\$50K-\$60K	318	287	109	19	30	714
\$60K+	1,887	2,927	610	345	342	5,424
TOTAL	5,381	4,386	1,150	635	652	10,917

SUBJECT DEMAND						
	2018	2023	(x)	2018	2023	Forecast
	HH	HH		Qual. HH	Qual. HH	Growth
<\$10K	483	536	99.99%	483	536	53
\$10K-\$20K	1,018	1,037	100.00%	1,018	1,037	19
\$20K-\$30K	1,197	1,230	85.00%	1,017	1,046	29
\$30K-\$40K	911	1,036	0.00%	0	0	0
\$40K-\$50K	789	940	0.00%	0	0	0
\$50K-\$60K	575	714	0.00%	0	0	0
\$60K+	4,175	5,424				
TOTAL	9,148	10,917	27.5%	2,518	2,619	101

The tables below depict the income bands for the subject’s proposed unit mix/AMI levels. Income overlaps were eliminated by setting the minimum of the next higher AMI level which the subject proposes to serve as the maximum for the lower AMI units.

Income Ranges			
	Min	Max	
0BR	30%	\$1	\$13,679
0BR	40%	\$13,680	\$17,087
0BR	50%	\$17,088	\$28,500

The next step is to project the bedroom type which various renter households would likely choose to rent, which was based on surveys of existing complexes in the area. The following table depicts the occupancy conclusions used in my HISTA capture analysis.

OCCUPANCY ASSUMPTIONS					
HH Size	1	2	3	4	5+
0BR	40%	0%	0%	0%	0%
1 BR	60%				

The next step is to project the percentage of income qualified households within each income band. The following table depicts the percentage of qualified income household conclusions used in my HISTA capture analysis.

Percentage of Income Qualified Households			\$10K	\$10K-\$20K	\$20K-\$30K	\$30K-\$40K	\$40K-\$50K	\$50K-\$60K
			0	10000	20000	30000	40000	50000
0BR 30%	\$1	\$13,679	99.99%	36.79%	0.00%	0.00%	0.00%	0.00%
0BR 40%	\$13,680	\$17,087	0.00%	34.07%	0.00%	0.00%	0.00%	0.00%
0BR 50%	\$17,088	\$28,500	0.00%	29.12%	85.00%	0.00%	0.00%	0.00%

The next step in the analysis is to multiply the demand by the appropriate occupancy assumptions and percentage of income qualified households to arrive at a final demand count for each unit type. The following table depicts the concluded demand.

Occupancy Assumptions x Percentage of Income Qualified Households x Households			
Bedroom Count	Demand	Growth	Total Demand
0BR 30%	234	14	248
0BR 40%	101	3	104
0BR 50%	335	10	345

Based on my research, there are no other Supportive Housing projects under construction comparable to the subject within the PMA, none approved, none proposed with priority, and

none unstabilized in the primary market area. There are no active Supportive Housing applications on the bond list.

The following table depicts the results of my capture analysis utilizing HISTA data.

CAPTURE (RESTRICTED UNITS)								
Type		No. Units	Demand	Growth	Section 8	Additional Demand	Total Demand	Capture Rate
OBR	30%	27	234	14		25	273	9.9%
OBR	40%	27	101	3		10	114	23.7%
OBR	50%	78	335	10		35	380	20.5%
HISTA		132	670	27		70	767	17.21%

CAPTURE (AMGI)								
Type		No. Units	Demand	Growth	Section 8	Add Demand	Total Demand	AMGI Capture Rate
	30%	27	234	14		25	273	9.89%
	40%	27	101	3		10	114	23.68%
	50%	78	335	10		35	380	20.53%

Detailed tables depicting the raw data utilized above are located in the addenda of this report.

CONCLUSIONS OF MARKET ANALYSIS

Evaluation of Subject Property

Upon completion of the improvements, the subject property is anticipated to have good curb appeal and an advantage over older competing properties in the immediate market area. The apartment units (all floorplans) have adequate functional utility, based on the information provided by the client. To the best of my knowledge, there will be no actual or suspect code violations and/or health and safety issues, based information provided by the client. It is my conclusion that the subject property will have a competitive advantage in its micro-market area into the near future.

According to the developer, 100.00% of units will be set aside for tenants making at or below 50% of the area median gross income. The pro-forma rental schedule supplied by the client indicated that the proposed monthly rental rates average \$1.206 per square foot (rent-restricted).

The subject property will be constructed under the Housing Tax Credit (HTC) program, which restricts rental rates and residents by income level. The subject property will have 100.00% of the complex rent-restricted. As such, the improvements will suffer from external obsolescence, due to the applicable income-restricted rents. Since the subject property will be a HTC property, the sale of tax credits reduces the overall development costs of the project, allowing the lower rents under the program. Any external obsolescence should be offset, thus making the proposed subject property a viable development.

The developer's projected rents for the subject's restricted units at 30%, 40%, and 50% of AMI are illustrated in the chart below. The amenities at the subject property will be competitive with most other good-quality projects in the subject's neighborhood. Further, the subject property will be very competitive due to its new condition.

SUMMARY OF DEVELOPER'S PROFORMA RENT					
No. Units	Type	% AMI	Avg Size (SF)	Rent/ Mth (Net)	Rent PSF
27	0 BR / 1 BA	30%	518	\$427	\$0.82
27	0 BR / 1 BA	40%	518	\$570	\$1.10
78	0 BR / 1 BA	50%	518	\$712	\$1.37

The developer's proforma rents are summarized in the Income Analysis section of this report.

Income Analysis

To test the viability of the proposed apartment development, I analyzed the developer's proposed rental rates and expenses. The developer's projected rental rates for the subject property average ±\$1.206 per square foot (rent-restricted), which is well below the range exhibited by competing market properties in the area. The developer's average projected rental rate for the proposed subject property is highly competitive for the subject's market area.

Based on the rent schedule, gross potential revenue for the proposed subject property is \$1,007,040 per year. Other revenue (primary source is vending, late fees, and parking, etc.) estimated by the developer appears on the low side but reasonable based on information in my files and discussions with apartment developers and management companies who are active in the Austin area. Other income includes revenue from vending, late fees, and parking, which is considered reasonable based on my survey of apartment complexes in the Austin or similar markets. Other typical sources of income not considered by the developer include forfeited security deposits and application fees.

POTENTIAL GROSS REVENUE					
No. Units	Type	% AMI	Avg. Size (SF)	Restr. Rent/ Mth (Net)	Total Rent
27	0 BR / 1 BA	30%	518	\$427	\$11,529
27	0 BR / 1 BA	40%	518	\$570	\$15,390
78	0 BR / 1 BA	50%	518	\$712	\$55,536
132			Average/Total:	\$624.66	\$82,455
Other Income	132 units at		\$11.10		\$1,465
MONTHLY POTENTIAL GROSS INCOME					\$83,920
MULTIPLIED BY TWELVE MONTHS					12
ANNUAL POTENTIAL GROSS INCOME					\$1,007,040

OPERATING EXPENSE ANALYSIS				
Item	TDHCA Region 7 (>76)		Subject Property	
	Per Unit	PSF	Per Unit	PSF
General & Administrative Management	\$408	\$0.51	\$1,488	\$2.87
Payroll & Payroll Tax	\$417	\$0.52	\$353	\$0.68
Repairs & Maintenance	\$1312	\$1.70	\$1,856	\$3.58
Utilities	\$621	\$0.81	\$646	\$1.25
Water, Sewer & Trash	\$259	\$0.40	\$499	\$0.96
Insurance	\$787	\$0.95	\$348	\$0.67
Property Tax	\$284	\$0.35	\$295	\$0.57
Reserve for Replacement	\$717	\$0.82	\$352	\$0.68
Totals	\$5,076	\$6.39	\$6,087	\$11.74

The subject proforma expenses look reasonable based on my experience and TDHCA averages.

Vacancy and Collection Loss

As previously discussed, there are 3 Family and one Seniors HTC projects within the PMA with an average occupancy of almost 100.00%. The rent comparables averaged 95%, and the average occupancy within the PMA was 91.37%. The following table depicts the occupancies of the existing Foundation Communities existing SRO Supportive Housing facilities in Austin.

FOUNDATION COMMUNITIES EXISTING SROs			
	Units	Avg 2017 OCC	2/28/2018 Occ
Bluebonnet Studios *	107	98%	92%
Capital Studios	135	98%	97%
Skyline Terrace	100	93%	97%
Arbor Terrace	120	98%	98%
Spring Terrace **	142	94%	95%
Garden Terrace	103	99%	99%
Total/Avg	707	97%	96%

* Below average occupancy due to 1st year renewal timing. Occupancy now 98%.

** Lower than average occupancy due to a renovation project.

Given the physical characteristics of the subject (i.e. location, good curb appeal, new condition, amenities, etc.), the strong occupancies reported at nearby HTC apartments, and that the subject will offer competitive rents at a new property, a stabilized occupancy rate of 92.5% is reasonable and achievable for the subject property.

Evaluation of Need of Affordable Housing

As the competing projects within the subject property's primary market area have high occupancy rates, and the nearest existing HTC projects also have high occupancy rates, it appears there is a shortage of affordable housing. Park at Summer Grove, Allegre Pointe, and Art @ Bratton's Edge are the most comparable Family HTCs within the PMA, although all are General properties. All three reported 100% occupancy. The subject property should be highly competitive in this market, and should achieve stabilized occupancy within 5 to 8 months after completion. As with most new projects, pre-leasing will take place during the construction phase. Based on my analysis of the subject property's primary market area, there is sufficient demand to construct and successfully absorb the proposed Waters Park Studios.

Capture Rate Conclusion

The TDHCA defines Capture Rate as "the sum of the proposed units for a given project plus any previously approved but not yet stabilized new units in the submarket divided by the total income-eligible targeted renter demand identified by the market analysis for the specific project's primary market or submarket." Based on my research, there are no other Supportive Housing projects under construction comparable to the subject within the PMA, none approved, none proposed with priority, and none unstabilized in the primary market area. There are no active Supportive Housing applications on the bond list. Based on the pent-up demand, the high existing occupancy rate, and the absorption of similar properties in the area, the subject is anticipated to be successfully absorbed within 5 to 8 months of completion of the proposed improvements. The subject contains 132 units, of which 132 will be rent-restricted. Therefore,

a total of 132 units require absorption, of which 132 units will be rent-restricted. There are approximately 3,046 (EnviroNics Analytics) and 767 (HISTA) potential households (relevant to the rent restricted units) based on income eligibility, housing preference in the subject's primary market.

Spotlight Capture Rate for 132 Affordable Supportive Housing Units	4.33%
HISTA Capture Rate for 132 Affordable Supportive Housing Units	17.21%

THE CAPTURE RATE ABOVE IS OVERSTATED. I HAVE NOT INCLUDED DEMAND FROM SECTION 8 AND OTHER DEMAND SOURCES (OTHER THAN THE AUTOMATIC 10%). BECAUSE THE CAPTURE RATE WAS WITHIN TDHCA'S GUIDELINES WITHOUT THE INCLUSION OF THESE DEMAND SOURCES, THAT DEMAND WAS NOT QUANTIFIED IN THIS REPORT.

Absorption Projections

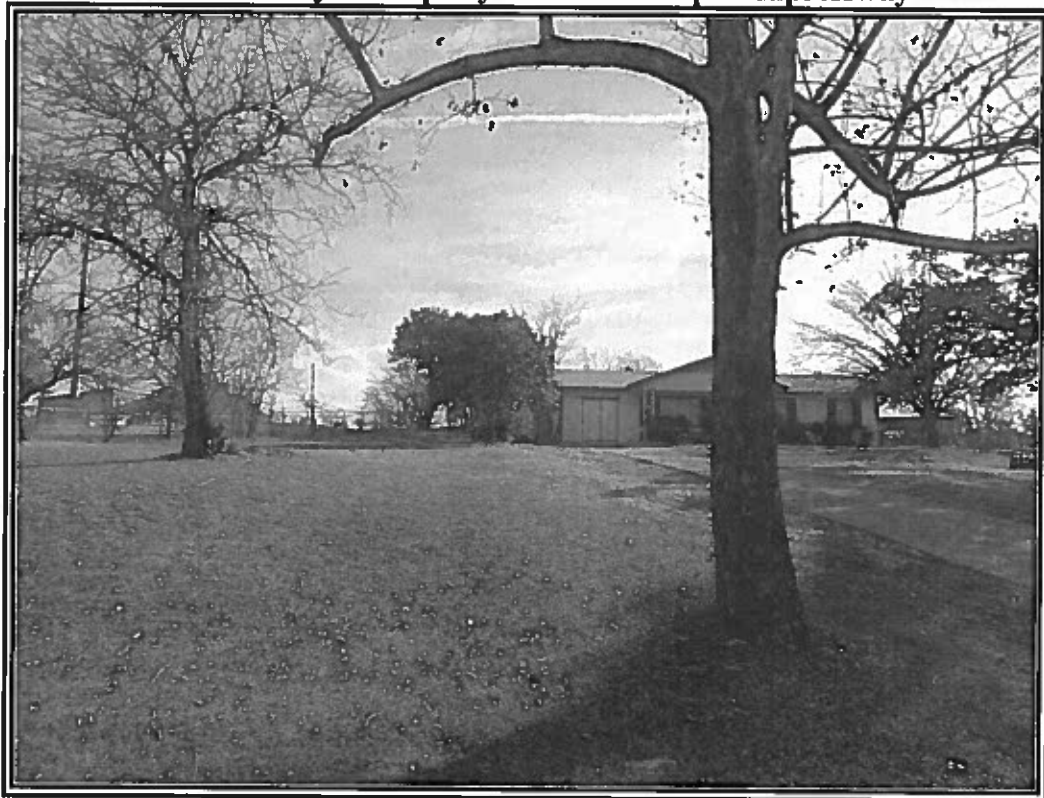
I was able to locate only two SRO Supportive Housing HTC developments which have been completed and stabilized within the recent past in the Austin area. Capital Studios, which is a 135-unit SRO Supportive Housing project which was completed in November 2014 and attained stabilized occupancy in January 2015, which equates to an average absorption of approximately 34 units per month. Bluebonnet Studios is a 107-unit SRO Supportive Housing HTC which opened 12/1/2016 and was 100% occupied 3/15/2017, which equates to an average absorption of over 30 units per month. Point at Ben White is 250-unit (all units rent-restricted) Family 4% HTC/PAB property (located south of the subject PMA) which reportedly began leasing in November 2014 and reached stabilized occupancy within 4 months, which equates to an average absorption of approximately 62 units per month. Considering the strong absorption history of similar properties and the lack of available quality affordable Supportive Housing units in this market, I project that the subject property will lease an average of 15 to 25 units per month until achieving stabilized occupancy. I anticipate that the subject property will achieve stabilized occupancy within 5 to 8 months following completion.

Effect of Subject Property on Existing Apartment Market

Based on the high occupancy levels of the existing properties in the market and the subject, along with the low level of recent construction, I project that the subject property will have minimal sustained negative impact upon the existing apartment market. Managers interviewed indicated a need for Supportive Housing affordable housing. All managers interviewed indicated minimal to no impact from the opening of the most recent HTC properties. Any negative impact from the subject property should be of reasonable scope and limited duration.



View of Subject Property west from Mopac Expressway



View of Subject Property facing north from Waters Park Drive



Street Scene – Mopac Service Road facing South (subject on the right)



Street Scene – Mopac Service Road facing north



Street Scene – Waters Park Drive facing South (subject on the left)



Street Scene – Waters Park Drive facing north

APPENDICES

SUMMARY OF PROPOSED (approved), NON-STABILIZED & U/C PMA PROJECTS				
Status	Project	Restricted	Mkt Units	Total
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Subject	Waters Park Studios	132	0	132
TOTAL		132	0	132

The above table includes only “like” projects to the subject, and only those that have been approved for construction. There have been no HTC Supportive Housing projects recently-completed and there are none under construction.

CERTIFICATION OF APPRAISAL ASSIGNMENT

I certify that, to the best of my knowledge and belief, ...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions conclusions, and recommendations.
- (3) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- (4) I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- (5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (7) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics of the Appraisal Institute, the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.
- (8) Robert O. Coe, II performed a site visit to the subject property.
- (9) No one provided significant real property appraisal assistance to the persons signing this certification.
- (10) Robert O. (Bob) Coe, II is a Candidate for Designation, Appraisal Institute, and as of the date of this report, has completed the Standards and Ethics Education Requirement of the Appraisal Institute for Candidates for Designation. The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives. The bylaws and regulations of the Institute require each member to control the use and distribution of each report signed by such member.
- (11) Robert O. (Bob) Coe, II, has prepared one additional assignment on the subject site for the last three years.

R. O. Coe

Robert O. (Bob) Coe, II
TX-1333157-G
State Certified General Real Estate Appraiser
Candidate for Designation, Appraisal Institute

ENGAGEMENT LETTER

Affordable Housing Analysts
Appraisers/Analysts/Consultants

January 3, 2018

Ms. Tillie Croxdale
Waters Park Studios
c/o Foundation Communities
3036 S. 1st Street
Austin, TX 78704

Greetings:

This agreement confirms the terms and objectives of the Appraisal assignment (TDHCA 9% market study) and the nature and limitations of services to be provided by *Affordable Housing Analysts*. My firm will review, analyze, and determine my opinion of the market demand for the development of a proposed ±140-unit Supportive Housing (HTC) Housing Tax Credit project to be known as Waters Park Studios, which is located at Waters Park Road and N. Mopac Expressway, Austin, Travis County, Texas. The purpose of the Market Study is to provide a market overview of the data necessary for the Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credit application, and for the client to make investment decisions about the proposed development.

This agreement is between *Affordable Housing Analysts* and:

Client: Waters Park Studios /c/o Foundation Communities

Intended User/Use: The client is the user of this report. Additional users are the TDHCA and assigns. The Market Analysis will be utilized in association with an application for tax credits through the TDHCA Housing Tax Credit (HTC) program. *Affordable Housing Analysts'* work file will contain the information necessary to support such a report/assignment.

Scope of Work

Type of Report: HTC Market Study

Subject Property: Development of a +/-140-unit Supportive Housing (HTC) Housing Tax Credit project to be known as Waters Park Studios, which is located at Waters Park Road and N. Mopac Expressway, Austin, Travis County, Texas.

Delivery of the Report: By execution of this engagement letter, the report has been ordered, and the completed report will be delivered to the client at least one week prior to April 2, 2018 assuming timely receipt of all of the following: signed engagement letter, retainer, and all requested information. A PDF of the PMA map requirements for application will be delivered at least one week prior to the full application deadline. The final report and PMA map will be delivered to you via PDF only. **If the Client is applying for disaster relief points that require applications by January 26, 2018, I must be notified as soon as possible. No hard copies will be provided and it is your responsibility to submit the report and map to the TDHCA.**

I certify that I have read and understood the 2018 Uniform Multifamily Rules 10.303 and 10.304. The Market Analysis will conform to the TDHCA's Market Analysis Rules and Guidelines, as described in Section 10.303 of the Uniform Multifamily Rules in effect for the application round (2018) in which the Market Analysis may be submitted.

Fee: My engagement shall begin on the day of receipt of this signed agreement, required information, and the payment of the retainer. My fee for the assignment is the sum of \$7,500.00, of which a non-refundable deposit of 50% (\$3,750.00) is due upon engagement, and the remaining 50% (\$3,750.00) is due upon completion of the assignment.

The contract fee for this assignment does not include time spent in negotiation, mediation, arbitration, depositions, testifying before any regulation or judicial forum, preparation for such hearing, or any other services other than the work described in the Scope of Work. The contract fee has been quoted on an estimate of the time it will take to complete the assignment described in the Scope of Work, at an hourly rate of \$250 per hour. The fee for this report is inclusive of the report only. Any changes to this agreement must be agreed to in writing, by the undersigned and the client. Any changes in the project specifications, or for services beyond the scope of the assignment, shall be priced based upon the scope of the request at that time, and may cause a delay in the delivery of the report if requested after engagement. Any follow up reports or letters will also require additional billings to the client. Any additional services required beyond the scope of the original assignment will be billed at \$250.00 per hour. Estimates prior to engagement for a particular request will be available to the client.

Necessary information (initial):

- Populations Served (aka Unit Mix and Rents)
- Development entity legal name, name of current ownership entity for the subject site, and identification of any identify of interest between the two parties.
- Map showing the site location
- Purchase contract(s)

To complete the final reports, it will be necessary for you to supply the following information

- Current Property Tax Statement
- Utility Allowance
- Annual Operating Expenses
- Building/Unit Type Configuration

- Specifications and Amenities (Part 1-4)

If possible, the following information should also be provided:

- Floor Plans
- Site Plan
- Relevant Development Information (Parts 1 & 2)
- Size and Quality of the Units (Part B)
- Tenant Support Services
- Proximity of Site to Amenities

Your signature on a copy of this letter confirms your acceptance of this assignment.

Thank you for considering my firm for this assignment. I look forward to working with you on this project.

Sincerely,

Accepted:



Robert O. (Bob) Coe, II

Client: ~~Ms. Tillie Crowdale~~ *Sabrina Butte*
Waters Park Studios
c/o Foundation Communities

January 3, 2018
Date

1/17/18
Date

By acceptance of this agreement, the client agrees to the payment terms and limiting conditions listed above. All reports remain the property of *Affordable Housing Analysts* until paid in full. Furthermore, if payment is not received, the client agrees to pay any and all collection and legal expenses incurred by *Affordable Housing Analysts* to secure full payment. Any and all litigation for payment of services is agreed by all parties to be conducted in Galveston County, Texas.

PMA DEMOGRAPHIC REPORT

Pop-Facts Demographics Snapshot | Summary



Trade Area: Water Park

Population		Households		Family Households	
2000 Census	78,476	2000 Census	32,820	2000 Census	17,544
2010 Census	83,242	2010 Census	33,609	2010 Census	18,415
2018 Estimate	82,523	2018 Estimate	37,708	2018 Estimate	20,388
2023 Projection	90,882	2023 Projection	40,351	2023 Projection	21,797
Population Growth		Household Growth		Family Household Growth	
Percent Change: 2000 to 2010	6.07	Percent Change: 2000 to 2010	3.03	Percent Change: 2000 to 2010	4.88
Percent Change: 2010 to 2018	11.15	Percent Change: 2010 to 2018	12.19	Percent Change: 2010 to 2018	10.77
Percent Change: 2018 to 2023	8.67	Percent Change: 2018 to 2023	7.04	Percent Change: 2018 to 2023	6.88

Benchmark: USA

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Pop-Facts Demographics Snapshot | Population & Race

ENVIRONICS
ANALYTICS

Trade Area: Water Park

Total Population: 92,523 | Total Households: 37,708

	Count	%
2018 Est. Population by Single-Classification Race		
White Alone	52,410	56.65
Black/African American Alone	9,468	10.23
American Indian/Alaskan Native Alone	958	1.03
Asian Alone	7,478	8.09
Native Hawaiian/Pacific Islander Alone	65	0.07
Some Other Race Alone	18,513	20.01
Two or More Races	3,800	3.89
2018 Est. Population by Hispanic or Latino Origin		
Not Hispanic or Latino	47,478	51.31
Hispanic or Latino	45,045	48.69
Mexican Origin	38,573	41.69
Puerto Rican Origin	576	1.28
Cuban Origin	923	2.05
All Other Hispanic or Latino	6,973	15.48
2018 Est. Pop by Race, Asian Alone, by Category		
Chinese, except Taiwanese	1,091	14.59
Filipino	307	4.11
Japanese	189	2.28
Asian Indian	2,310	30.89
Korean	445	5.95
Vietnamese	1,777	23.76
Cambodian	20	0.27
Hmong	0	0.00
Laotian	0	0.00
Thai	4	0.05
All Other Asian Races Including 2+ Category	1,355	18.12
2018 Est. Population by Ancestry		
Arab	639	0.69
Czech	443	0.48
Denish	85	0.09
Dutch	134	0.14
English	2,913	3.15
French (Excluding Basque)	832	0.90
French Canadian	107	0.12
German	4,989	5.39
Greek	205	0.22
Hungarian	154	0.17
Irish	2,888	3.10
Italian	801	0.87
Lithuanian	12	0.01
Norwegian	328	0.35
Polish	750	0.81
Portuguese	0	0.00
Russian	189	0.20
Scotch-Irish	645	0.70
Scottish	673	0.73
Slovak	114	0.12
Sub-Saharan African	1,710	1.85
Swedish	708	0.77
Swiss	24	0.03
Ukrainian	57	0.06
United States or American	1,549	1.67
Welsh	150	0.16
West Indian (Excluding Hispanic groups)	187	0.18
Other ancestries	58,880	63.54
Ancestries Unclassified	14,510	15.60
2018 Est. Pop Age 5+ by Language Spoken At Home		
Speak Only English at Home	47,244	51.11
Speak Asian/Pacific Isl. Lang. at Home	3,508	4.11
Speak Indo-European Language at Home	2,888	3.39
Speak Spanish at Home	30,308	35.54
Speak Other Language at Home	1,327	1.56
2018 Est. Hisp. or Latino Pop by Single-Class. Race		
White Alone	23,429	52.01
Black/African American Alone	620	1.39
American Indian/Alaskan Native Alone	770	1.71
Asian Alone	79	0.17
Native Hawaiian/Pacific Islander Alone	18	0.04
Some Other Race Alone	18,335	40.70
Two or More Races	1,768	3.99

Benchmark: USA

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Pop-Facts Demographics Snapshot | Population & Race

ENVIRONICS

Trade Area: Water Park

Total Population: 92,523 | Total Households: 37,708

	Count	%
2018 Est. Population by Sex		
Male	48,070	51.95
Female	44,453	48.05
2018 Est. Population by Age		
Age 0 - 4	7,252	7.84
Age 5 - 9	8,767	9.37
Age 10 - 14	8,397	9.07
Age 15 - 17	3,315	3.58
Age 18 - 20	3,001	3.24
Age 21 - 24	4,024	4.35
Age 25 - 34	19,115	20.66
Age 35 - 44	14,888	16.09
Age 45 - 54	11,304	12.22
Age 55 - 64	8,977	9.70
Age 65 - 74	5,120	5.53
Age 75 - 84	1,767	1.91
Age 85 and over	598	0.64
Age 18 and over	71,015	76.75
Age 18 and over	69,792	74.35
Age 21 and over	65,791	71.11
Age 65 and over	7,483	8.09
Median Age	--	33.16
Average Age	--	34.29
2018 Est. Pop Age 18+ by Marital Status		
Total, Never Married	31,218	43.29
Male, Never Married	18,650	25.73
Female, Never Married	12,568	17.57
Married, Spouse Present	24,058	33.38
Married, Spouse Absent	5,939	7.94
Widowed	2,454	3.40
Male, Widowed	512	0.71
Female, Widowed	1,942	2.69
Divorced	8,888	12.30
Male, Divorced	3,715	5.15
Female, Divorced	5,183	7.15
2018 Est. Male Population by Age		
Male: Age 0 - 4	3,728	7.73
Male: Age 5 - 9	3,483	7.25
Male: Age 10 - 14	3,275	6.81
Male: Age 15 - 17	1,714	3.57
Male: Age 18 - 20	1,578	3.28
Male: Age 21 - 24	2,100	4.37
Male: Age 25 - 34	10,557	21.86
Male: Age 35 - 44	7,808	16.29
Male: Age 45 - 54	8,008	12.50
Male: Age 55 - 64	4,484	9.29
Male: Age 65 - 74	2,431	5.06
Male: Age 75 - 84	751	1.58
Male: Age 85 and over	178	0.37
Median Age, Male	--	32.78
Average Age, Male	--	33.84
2018 Est. Female Population by Age		
Female: Age 0 - 4	3,524	7.83
Female: Age 5 - 9	3,284	7.39
Female: Age 10 - 14	3,122	7.02
Female: Age 15 - 17	1,601	3.60
Female: Age 18 - 20	1,423	3.20
Female: Age 21 - 24	1,924	4.33
Female: Age 25 - 34	8,558	19.25
Female: Age 35 - 44	7,085	15.94
Female: Age 45 - 54	5,288	11.91
Female: Age 55 - 64	4,513	10.15
Female: Age 65 - 74	2,689	6.05
Female: Age 75 - 84	1,016	2.29
Female: Age 85 and over	418	0.94
Median Age, Female	--	33.63
Average Age, Female	--	34.74

Benchmark: USA

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Pop-Facts Demographics Snapshot | Housing & Households



Trade Area: Water Park

Total Population: 82,523 | Total Households: 37,708

	Count	%
2018 Est. Households by Household Type		
Family Households	20,358	54.10
Non-Family Households	17,308	45.90
2018 Est. Group Quarters Population		
2018 Est. Group Quarters Population	308	0.33
2018 HHs By Ethnicity, Hispanic/Latino		
2018 HHs By Ethnicity, Hispanic/Latino	13,670	37.05
2018 Est. Family HH Type by Presence of Own Child		
Married Couple Family, own children	6,914	32.42
Married Couple Family, no own children	6,748	33.07
Male Householder, own children	1,000	4.90
Male Householder, no own children	1,401	6.67
Female Householder, own children	2,658	14.00
Female Householder, no own children	1,781	8.73
2018 Est. Households by Household Size		
1-Person Household	12,628	34.02
2-Person Household	11,078	29.28
3-Person Household	5,728	15.19
4-Person Household	3,949	10.47
5-Person Household	2,193	5.82
6-Person Household	1,055	2.82
7-or-more-person	857	2.30
2018 Est. Average Household Size	-	2.44
2018 Est. Households by Number of Vehicles		
No Vehicles	2,997	7.95
1 Vehicle	16,843	44.67
2 Vehicles	13,218	35.05
3 Vehicles	3,555	9.43
4 Vehicles	785	2.03
5 or more Vehicles	328	0.87
2018 Est. Average Number of Vehicles	-	1.58
2018 Est. Occupied Housing Units by Tenure		
Housing Units, Owner-Occupied	13,185	34.99
Housing Units, Renter-Occupied	24,511	65.01
2018 Owner Occ. HUs: Avg. Length of Residence		
2018 Owner Occ. HUs: Avg. Length of Residence	-	14.92
2018 Renter Occ. HUs: Avg. Length of Residence		
2018 Renter Occ. HUs: Avg. Length of Residence	-	4.98
2018 Est. Owner-Occupied Housing Units by Value		
Value Less Than \$20,000	238	1.80
Value \$20,000 - \$39,999	130	0.98
Value \$40,000 - \$59,999	31	0.23
Value \$60,000 - \$79,999	54	0.41
Value \$80,000 - \$99,999	285	2.16
Value \$100,000 - \$149,999	1,938	14.67
Value \$150,000 - \$199,999	3,017	22.86
Value \$200,000 - \$299,999	5,031	38.13
Value \$300,000 - \$399,999	1,878	12.70
Value \$400,000 - \$499,999	480	3.71
Value \$500,000 - \$749,999	138	1.03
Value \$750,000 - \$999,999	49	0.37
Value \$1,000,000 - \$1,499,999	21	0.16
Value \$1,500,000 - \$1,999,999	16	0.12
Value \$2,000,000 or more	85	0.64
2018 Est. Median All Owner-Occupied Housing Value	-	215,394.62

Benchmark: USA

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Pop-Facts Demographics Snapshot | Housing & Households

Trade Area: Water Park

Total Population: 92,523 | Total Households: 37,708

	Count	%
2018 Est. Housing Units by Units in Structure		
1 Unit Attached	2,480	6.07
1 Unit Detached	14,740	35.91
2 Units	2,032	5.07
3 to 4 Units	2,025	4.93
5 to 19 Units	8,838	23.97
20 to 49 Units	5,407	13.17
50 or More Units	4,175	10.17
Mobile Home or Trailer	280	0.63
Boat, RV, Van, etc.	25	0.08
2018 Est. Housing Units by Year Structure Built		
Built 2014 or Later	3,861	9.48
Built 2010 to 2013	494	1.18
Built 2000 to 2009	4,583	11.12
Built 1990 to 1999	7,228	17.81
Built 1980 to 1989	11,985	29.23
Built 1970 to 1979	9,230	22.54
Built 1960 to 1969	2,486	6.08
Built 1950 to 1959	778	1.90
Built 1940 to 1949	288	0.73
Built 1939 or Earlier	72	0.17
2018 Housing Units by Year Structure Built		
2018 Est. Median Year Structure Built	-	1,988.17
2018 Est. Households by Presence of People Under 18		
2018 Est. Households by Presence of People Under 18	11,594	30.75
Households with 1 or More People under Age 18		
Married Couple Family	6,958	60.01
Other Family, Male Householder	1,242	10.71
Other Family, Female Householder	3,238	27.91
NonFamily Household, Male Householder	120	1.03
NonFamily Household, Female Householder	38	0.33
2018 Est. Households with No People under Age 18		
Households with No People under Age 18	26,112	69.25
Households with No People under Age 18		
Married Couple Family	8,411	24.55
Other Family, Male Householder	1,154	4.42
Other Family, Female Householder	1,369	5.28
NonFamily, Male Householder	9,500	28.38
NonFamily, Female Householder	7,648	23.29

Benchmark: USA

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Pop-Facts Demographics Snapshot | Affluence & Education

ENVIRONICS

Trade Area: Water Park

Total Population: 82,523 | Total Households: 37,708

	Count	%
2018 Est. Pop Age 25+ by Edu. Attainment		
Less than 9th Grade	6,604	10.69
Some High School, No Diploma	4,558	7.58
High School Graduate (or GED)	14,298	23.14
Some College, No Degree	11,431	18.51
Associate's Degree	3,737	6.05
Bachelor's Degree	15,400	24.80
Master's Degree	4,343	7.03
Professional Degree	658	1.08
Doctorate Degree	642	1.38
2017 Est. Pop Age 25+ by Edu. Attain., Hisp./Lat.		
High School Diploma	6,435	37.31
High School Graduate	6,367	33.20
Some College or Associate's Degree	4,180	18.57
Bachelor's Degree or Higher	3,288	12.01
2018 Est. Households by HH Income		
Income < \$15,000	3,022	8.02
Income \$15,000 - \$24,999	3,830	10.42
Income \$25,000 - \$34,999	4,275	11.34
Income \$35,000 - \$49,999	5,994	15.90
Income \$50,000 - \$74,999	6,902	18.30
Income \$75,000 - \$99,999	4,731	12.55
Income \$100,000 - \$124,999	3,316	8.79
Income \$125,000 - \$149,999	2,038	5.40
Income \$150,000 - \$199,999	1,840	4.88
Income \$200,000 - \$249,999	824	2.19
Income \$250,000 - \$499,999	815	1.83
Income \$500,000+	221	0.59
2018 Est. Average Household Income	-	74,681.73
2018 Est. Median Household Income	-	64,977.43
2018 Median HH Inc. by Single-Class, Race or Eth.		
White Alone	-	62,783.61
Black or African American Alone	-	38,648.64
American Indian and Alaskan Native Alone	-	66,501.45
Asian Alone	-	78,555.49
Native Hawaiian and Other Pacific Islander Alone	-	97,899.07
Some Other Race Alone	-	38,188.18
Two or More Races	-	48,171.89
Hispanic or Latino	-	44,177.99
Not Hispanic or Latino	-	64,518.30
2018 Est. Families by Poverty Status		
2018 Families at or Above Poverty	18,975	83.22
2018 Families at or Above Poverty with children	7,853	38.60
2018 Families Below Poverty	3,423	16.78
2018 Families Below Poverty with children	2,947	14.45

Benchmark: USA

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Pop-Facts Demographics Snapshot | Education & Occupation

ENVIRONICS
ANALYTICS

Tract Area: Water Park

Total Population: 92,523 | Total Households: 37,708

	Count	%
2018 Est. Employed Civilian Population 16+ by Occupation Classification		
White Collar	29,467	57.44
Blue Collar	10,954	21.33
Service and Farming	10,888	21.22
2018 Est. Workers Age 16+ by Travel Time to Work		
Less than 15 Minutes	12,949	26.02
15 - 29 Minutes	20,918	43.00
30 - 44 Minutes	9,305	18.28
45 - 59 Minutes	3,059	6.29
60 or more Minutes	2,335	4.60
2018 Est. Avg Travel Time to Work in Minutes	-	25.48
2018 Est. Workers Age 16+ by Transp. to Work		
2018 Est. Workers Age 16+ by Transp. to Work	80,893	100.00
Drove Alone	37,478	73.63
Carpooled	7,132	14.07
Public Transport	1,902	3.75
Walked	751	1.48
Bicycle	238	0.47
Other Means	883	1.94
Worked at Home	2,211	4.35
2018 Est. Civ. Employed Pop 16+ by Class of Worker		
2018 Est. Civ. Employed Pop 16+ by Class of Worker	51,348	100.00
For-Profit Private Workers	37,889	73.79
Non-Profit Private Workers)	3,018	5.87
Local Government Workers	2,188	4.28
State Government Workers	3,142	6.12
Federal Government Workers	440	0.86
Self-Employed Workers	4,623	9.00
Unpaid Family Workers	51	0.10
2018 Est. Civ. Employed Pop 16+ by Occupation		
Architecture/Engineering	1,317	2.58
Arts/Design/Entertainment/Sports/Media	1,318	2.57
Building/Grounds Cleaning/Maintenance	3,219	6.27
Business/Financial Operations	2,428	4.72
Community/Social Services	815	1.20
Computer/Mathematical	3,525	6.87
Construction/Extraction	4,991	9.72
Education/Training/Library	2,048	3.98
Farming/Fishing/Forestry	21	0.04
Food Preparation/Serving Related	4,589	8.94
Healthcare Practitioner/Technician	1,489	2.88
Healthcare Support	1,145	2.23
Installation/Maintenance/Repair	1,191	2.32
Legal	372	0.72
Life/Physical/Social Science	374	0.73
Management	4,434	8.63
Office/Administrative Support	8,277	12.22
Production	2,435	4.74
Protective Services	637	1.24
Sales/Related	5,325	10.37
Personal Care/Service	1,267	2.46
Transportation/Material Moving	2,337	4.55
2018 Est. Pop Age 16+ by Employment Status		
2018 Est. Pop Age 16+ by Employment Status	32	0.04
In Armed Forces	51,814	73.10
Civilian - Employed	2,683	3.73
Civilian - Unemployed	18,419	23.12

Benchmark: USA

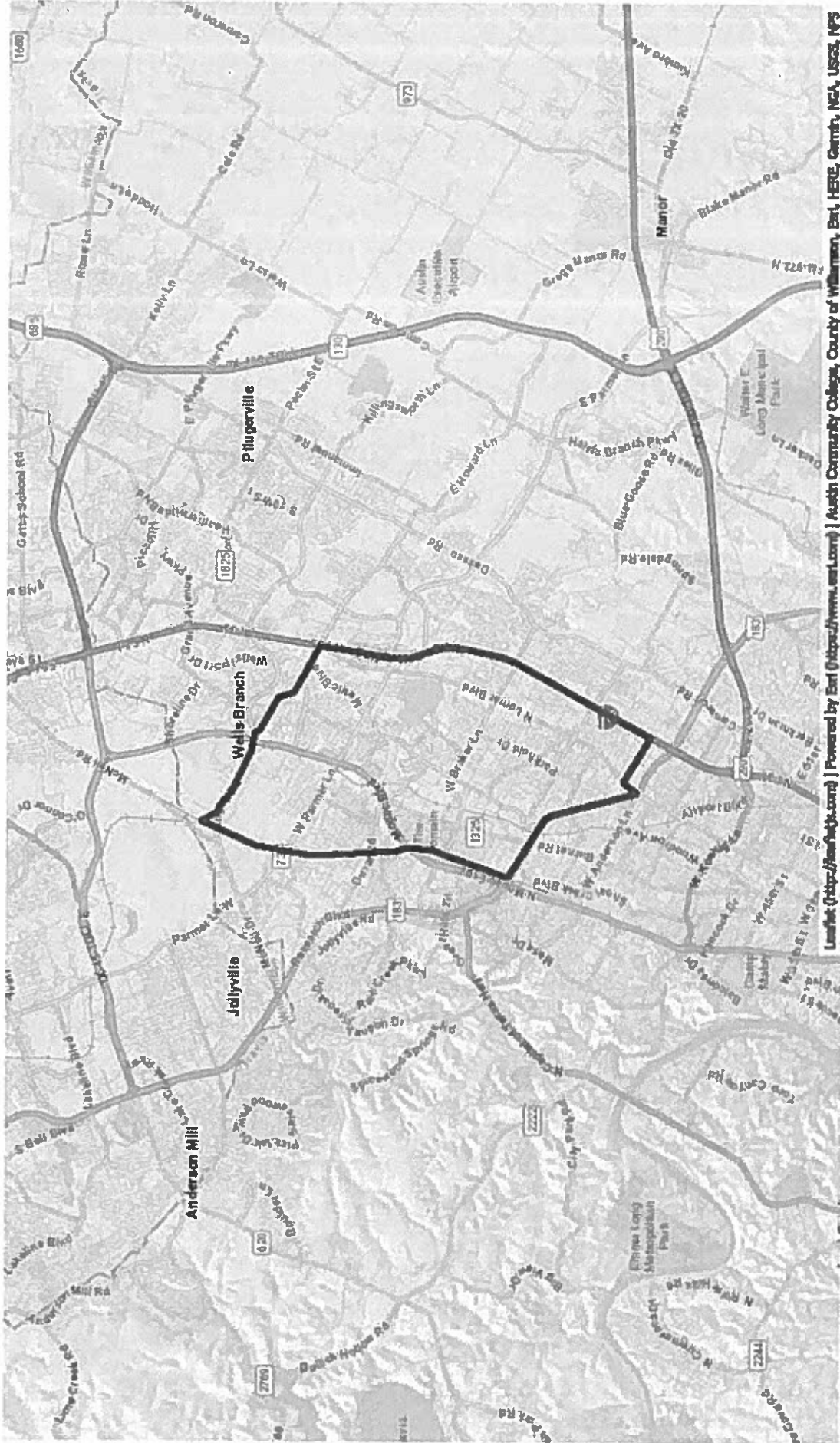
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Pop-Facts Demographics Snapshot | Map

ENVIRONICS

Tracts Area: Water Park

Total Population: 92,523 | Total Households: 37,708



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Benchmark USA

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DEVELOPER BUDGET & PROFORMA

OTHER FINANCING COSTS³

x credit fees
 x and/or bond counsel
 yment bonds
 rformance bonds
 edit enhancement fees
 ortgage insurance premiums
 ist of underwriting & issuance
 ndication organizational cost
 x opinion
 her (specify) - see footnote 1
 her (specify) - see footnote 1
Subtotal Financing Cost

64,044		
\$929,794	\$0	\$865,750

DEVELOPER FEES³

ousing consultant fees⁴
 eneral & administrative
 ofit or fee
Subtotal Developer Fees 9.97%

100,000		100,000
1,672,467		1,672,467
\$1,772,467	\$0	\$1,772,467

14.99%

RESERVES

int-up
 erating
 placement
 rows
Subtotal Reserves

50,000		
228,000		
\$278,000	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$24,992,554	\$0	\$13,596,799
--------------	-----	--------------

The following calculations are for HTC Applications only.

Subtract From Basis:

deral grants used to finance costs in Eligible Basis
 on-qualified non-recourse financing
 on-qualified portion of higher quality units §42(d)(5)
 storic Credits (residential portion only)
Total Eligible Basis
 High Cost Area Adjustment (100% or 130%)
Total Adjusted Basis
 plicable Fraction
Total Qualified Basis
 plicable Percentage⁶
Credits Supported by Eligible Basis
 (May be greater than actual request)

	\$0	\$13,596,799
		130%
	\$0	\$17,675,838
		100%
\$17,675,838	\$0	\$17,675,838
		9.00%
\$1,590,825	\$0	\$1,590,825

1.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Requested Score for 11.9(e)(2)

12

Time of contact for Cost Estimate: Scott Wilson

Phone Number for Contact: 512-610-4171

When a revised form is submitted, date of submission: _____

Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	20%	20%	27
	TC40%	20%	20%	27
	TC50%	59%	59%	78
	TC60%			0
	HTC LI Total			132
	EO			0
	MR			0
	MR Total			0
	Total Units			132
	MORTGAGE REVENUE BOND	MRB30%		
MRB40%				0
MRB50%				0
MRB60%				0
MRB LI Total				0
MRBMR				0
MRBMR Total				0
MRB Total				0

		% of LI	% of Total		
NATIONAL HOUSING TRUST FUND	HTF30%			0	
	HTF40%			0	
	HTF50%			0	
	HTF60%			0	
	HTF80%			0	
	HTF LI Total			0	
	MR			0	
	MR Total			0	
	HTF Total			0	
	DIRECT LOAN	30%	60%	60%	6
LH/50%		40%	40%	4	
HH/60%				0	
HH/80%				0	
Direct Loan LI Total				10	
EO				0	
MR Total				0	
Direct Loan Total			10		
OTHER				Total OT Units	0

BEDROOMS	0			132
	1			0
	2			0
	3			0
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
Cost Per Sq Ft	\$ 138.85	
HARD		
Cost Per Sq Ft	\$ 138.85	
BUILDING		
Cost Per Sq Ft	\$ 166.73	

Utility Allowances [§10.614]

Applicant must attach to this form as documentation to support the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614. This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter's insurance) please provide an estimate, description and documentation of those as well.

Utility	Who Pays	Energy Source	OBR	1BR	2BR	3BR	4BR	Source of Utility Allowance & Effective Date
Heating	Landlord	Electric	\$ 5	\$ 6	\$ 8	\$ 9	\$ 10	HACA - 06/01/2016
Cooking	Landlord	Electric	\$ 4	\$ 5	\$ 6	\$ 7	\$ 8	HACA - 06/01/2016
Other Electric	Landlord		\$ 24	\$ 26	\$ 32	\$ 37	\$ 42	HACA - 06/01/2016
Air Conditioning	Landlord	Electric	\$ 8	\$ 10	\$ 15	\$ 21	\$ 27	HACA - 06/01/2016
Water Heater	Landlord	Electric	\$ 8	\$ 10	\$ 14	\$ 18	\$ 20	HACA - 06/01/2016
Water	Landlord		\$ 45	\$ 45	\$ 53	\$ 61	\$ 69	HACA - 06/01/2016
Sewer	Landlord		\$ 78	\$ 80	\$ 98	\$ 117	\$ 135	HACA - 06/01/2016
Trash	Landlord		\$ 25	\$ 25	\$ 26	\$ 26	\$ 31	HACA - 06/01/2016
Flat Fee								
Other								
Total Paid by Tenant			\$ -	\$ -	\$ -	\$ -	\$ -	



Other (Describe)

If a revised form is submitted, date of submission: _____

ANNUAL OPERATING EXPENSES

General & Administrative Expenses			
Accounting	\$	15,915	
Advertising	\$	2,850	
Legal fees	\$	3,598	
Leased equipment	\$	0	
Postage & office supplies	\$	3,849	
Telephone	\$	15,470	
Other <u>Dues, fees, license, credit check, bank charges</u>	\$	14,232	
Other <u>Employee ad, training, mileage and uniforms</u>	\$	5,273	
Total General & Administrative Expenses:			\$ 61,187
Management Fee:	Percent of Effective Gross Income:	5.00%	\$ 46,576
Payroll, Payroll Tax & Employee Benefits			
Management	\$	115,000	
Maintenance	\$	80,724	
Other <u>describe</u>	\$		
Other <u>Payroll Taxes and Employee Benefits</u>	\$	49,316	
Total Payroll, Payroll Tax & Employee Benefits:			\$ 245,040
Repairs & Maintenance			
Elevator	\$	4,960	
Exterminating	\$	7,402	
Grounds	\$	10,449	
Make-ready	\$	3,491	
Repairs	\$	23,017	
Pool	\$	0	
Other <u>Alarm, Security System</u>	\$	401	
Other <u>Janitorial Contract</u>	\$	35,529	
Total Repairs & Maintenance:			\$ 85,249
Utilities (Enter Only Property Paid Expense)			
Electric <u>Existing Comps</u>	\$	65,860	
Natural gas <u>Not Applicable</u>	\$	0	
Trash <u>Existing Comps</u>	\$	11,843	
Water/Sewer <u>Existing Comps</u>	\$	30,234	
Other <u>Drainage Fee</u>	\$	3,827	
Other <u>describe</u>	\$		
Total Utilities:			\$ 111,764
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.57	\$ 38,940
Property Taxes:			
Published Capitalization Rate:	8.50%	Source:	Travis CAD
Annual Property Taxes	\$	46,525	
Payments In Lieu of Taxes	\$		
Total Property Taxes:			\$ 46,525
Reserve for Replacements:	Annual reserves per unit:	\$ 250	\$ 33,000
Other Expenses			
Cable TV	\$		
Supportive Services (Staffing/Contracted Services)	\$	125,000	
TDHCA Compliance fees	\$	9,768	
TDHCA Bond Administration Fees (TDHCA as Bond Issuer <u>Only</u>)	\$		
Security	\$	500	
Other <u>describe</u>	\$		
Other <u>describe</u>	\$		
Total Other Expenses:			\$ 135,268
TOTAL ANNUAL EXPENSES	Expense per unit:	\$ 6087	\$ 803,549
	Expense to Income Ratio:	86.26%	
NET OPERATING INCOME (before debt service)			\$ 127,963
Annual Debt Service			
<u>Supportive Housing - No Hard Debt</u>	\$	1	
	\$		
	\$		
	\$		
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:	#####	\$ 1
NET CASH FLOW			\$ 127,962

If a revised form is submitted, date of submission: _____

APPRAISAL DISTRICT RECORDS

Travis CAD

Property Search > 478625 BAIRD DANIEL K & CATHY J for Year 2017
 2017

Property

Account

Property ID:	478625	Legal Description:	ABS 659 SUR 19 ROGERS J ACR 1.45
Geographic ID:	0262100102	Zoning:	LO
Type:	Real	Agent Code:	
Property Use Code:			
Property Use Description:			

Location

Address:	12207 WATERS PARK RD TX 78759	Mapsc0:	
Neighborhood:	59NOR	Map ID:	025911
Neighborhood CD:	59NOR		

Owner

Name:	BAIRD DANIEL K & CATHY J	Owner ID:	443326
Mailing Address:	12207 WATERS PARK RD AUSTIN, TX 78759-2119	% Ownership:	100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$347,894	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$252,648	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$600,542	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$600,542	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$600,542	

Taxing Jurisdiction

Owner: BAIRD DANIEL K & CATHY J
 % Ownership: 100.0000000000%
 Total Value: \$600,542

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	1.192000	\$600,542	\$600,542	\$7,158.46
02	CITY OF AUSTIN	0.444800	\$600,542	\$600,542	\$2,671.21
03	TRAVIS COUNTY	0.369000	\$600,542	\$600,542	\$2,216.00

0A	TRAVIS CENTRAL APP DIST	0.000000	\$600,542	\$600,542	\$0.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.107385	\$600,542	\$600,542	\$644.90
68	AUSTIN COMM COLL DIST	0.100800	\$600,542	\$600,542	\$605.35
Total Tax Rate:		2.213985			
				Taxes w/Current Exemptions:	\$13,295.92
				Taxes w/o Exemptions:	\$13,295.91

Improvement / Building

Improvement #1: OFF/RETAIL (SFR) State Code: F5 Living Area: 1918.0 sqft Value: \$347,894

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WV - 5-		1962	1918.0
011	PORCH OPEN 1ST F	* - 5-		1962	20.0
031	GARAGE DET 1ST F	WV - 5-		1962	440.0
095	HVAC RESIDENTIAL	* - *		1962	1918.0
301	BARN SF	I - *		1962	300.0
571	STORAGE DET	WW - 2		1962	80.0
612	TERRACE UNCOVERD	* - 5-		1962	168.0
327	STORAGE COMM'L	A - *		2012	204.0
327	STORAGE COMM'L	A - *		2012	204.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	1.4500	63162.00	0.00	0.00	\$252,648	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$347,894	\$252,648	0	600,542	\$0	\$600,542
2016	\$280,560	\$252,648	0	533,208	\$0	\$533,208
2015	\$291,782	\$88,427	0	380,209	\$0	\$380,209
2014	\$291,782	\$88,427	0	380,209	\$0	\$380,209
2013	\$229,269	\$88,427	0	317,696	\$0	\$317,696

Questions Please Call (512) 834-9317

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Travis CAD

Property Search Results > 478243 CHAFFEE ROBERT A & VICKIE for Year 2017

Tax Year: 2017

Property

Account

Property ID:	478243	Legal Description:	LOT 2 *(1.00AC) GARNER & KISSMAN SUBD
Geographic ID:	0260100502	Zoning:	GR
Type:	Real	Agent Code:	ID:2490
Property Use Code:			
Property Use Description:			

Location

Address:	12190 N MO-PAC EXPRESSWAY TX 78758	Mapsco:	
Neighborhood:	VEHICLE SHOWROOM	Map ID:	025911
Neighborhood CD:	80NOR		

Owner

Name:	CHAFFEE ROBERT A & VICKIE	Owner ID:	239914
Mailing Address:	805 BLUE HILLS DR DRIPPING SPRINGS, TX 78620-3911	% Ownership:	100.0000000000%

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$420,696	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$653,400	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
<hr/>			
(=) Market Value:	=	\$1,074,096	
(-) Ag or Timber Use Value Reduction:	-	\$0	
<hr/>			
(=) Appraised Value:	=	\$1,074,096	
(-) HS Cap:	-	\$0	
<hr/>			
(=) Assessed Value:	=	\$1,074,096	

Taxing Jurisdiction

Owner: CHAFFEE ROBERT A & VICKIE
 % Ownership: 100.0000000000%
 Total Value: \$1,074,096

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	1.192000	\$1,074,096	\$1,074,096	\$12,803.23
02	CITY OF AUSTIN	0.444800	\$1,074,096	\$1,074,096	\$4,777.58
03	TRAVIS COUNTY	0.369000	\$1,074,096	\$1,074,096	\$3,963.41

0A	TRAVIS CENTRAL APP DIST	0.000000	\$1,074,096	\$1,074,096	\$0.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.107385	\$1,074,096	\$1,074,096	\$1,153.41
68	AUSTIN COMM COLL DIST	0.100800	\$1,074,096	\$1,074,096	\$1,082.69
Total Tax Rate:		2.213985			
				Taxes w/Current Exemptions:	\$23,780.32
				Taxes w/o Exemptions:	\$23,780.32

Improvement / Building

Improvement #1: SVC/REPAIR GAR'G State Code: F1 Living Area: 4800.0 sqft Value: \$231,256

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	S - 3		1980	4800.0
501	CANOPY	A - *		1980	620.0
501	CANOPY	A - *		1980	3100.0
541	FENCE COMM LF	C6 - *		1980	300.0
551	PAVED AREA	AI - *		1980	5950.0
551	PAVED AREA	CA - *		1980	880.0
327	STORAGE COMM'L	A - *		1972	96.0

Improvement #2: DEALERSHIP State Code: F1 Living Area: 4490.0 sqft Value: \$189,440

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	D - 4		1972	4490.0
482	LIGHT POLES	* - *		1972	4.0
521	FIREPLACE	MI1 - *		1972	2.0
591	MASONRY TRIM SF	AVG - *		1972	150.0
SO	Sketch Only	SO - *			0.0
611	TERRACE	CA - *		1972	144.0
611	TERRACE	CS - *		1972	150.0
408	LOADING RAMP	A - *		1972	180.0
408	LOADING RAMP	A - *		1972	238.0
541	FENCE COMM LF	C6 - *		1972	300.0
551	PAVED AREA	AA - *		1972	8600.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	1.0000	43560.00	0.00	0.00	\$653,400	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2018	N/A	N/A	N/A	N/A	N/A	N/A
2017	\$420,696	\$653,400	0	1,074,096	\$0	\$1,074,096
2016	\$311,428	\$653,400	0	964,828	\$0	\$964,828
2015	\$315,336	\$522,720	0	838,056	\$0	\$838,056
2014	\$304,464	\$522,720	0	827,184	\$0	\$827,184
2013	\$246,610	\$522,720	0	769,330	\$0	\$769,330

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/21/1986	WD	WARRANTY DEED	GUTH RICHARD V &		09869	00227	

				ANITA M GRESH	CHAFFEE ROBERT A & VICKIE		
2	8/5/1986	CD	CORRECTION DEED	GUTH RICHARD V ET AL	GUTH RICHARD V & ANITA M GRESH	09820	00310
3	4/1/1982	WD	WARRANTY DEED	J-MAR FIREPLACE CENTER INC	GUTH RICHARD V ET AL	07722	00770

Questions Please Call (512) 834-9317

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PLAT MAP/SITE PLAN

SPECIFICATIONS AND BUILDING UNIT TYPE CONFIGURATION - OVERALL PROJECT

UNIT TYPE	# BEDROOMS	# BATHROOMS	UNIT AREA	QUANTITY	TOTAL AREA	% OF TOTAL	
UNIT A	0	1	518 SF	58	30,044 SF	45%	
UNIT A1	0	1	518 SF	64	33,152 SF	48%	
UNIT A-HVI	0	1	518 SF	3	1,554 SF	2%	
UNIT A-ADA	0	1	518 SF	7	3,626 SF	5%	
TOTALS:					132	68,376 SF	100%

SQUARE FOOTAGES - OVERALL PROJECT

SPACE TYPE	TOTAL AREA
LIVING UNITS	68,376 SF
COMMON SPACE	7,851 SF
EXTERIOR WALKWAYS	15,193 SF
VERTICAL CIRCULATION	2,876 SF
UTILITY CLOSETS	3,262 SF

ACCESSIBLE MOBILITY UNITS CALCULATIONS - OVERALL PROJECT

UNIT DESC.	TOTAL UNITS	REQUIRED %	CALC. UNITS	UNITS REQ.	UNITS PROPOSED
1/1 (518 SOFT)	7	5%	6.6	7	7

ACCESSIBLE HEARING/VISUAL UNITS CALCULATIONS - OVERALL PROJECT

UNIT DESC.	TOTAL UNITS	REQUIRED %	CALC. UNITS	UNITS REQ.	UNITS PROPOSED
1/1 (518 SOFT)	3	2%	2.64	3	3

GENERAL SITE PLAN NOTES:

- SITE AREA: 106,705 SF, 2.450 acres
TOTAL LOT AREA
- THIS PROJECT IS NOT LOCATED IN A FLOODPLAIN

PARKING - OVERALL PROJECT

PARKING REQUIRED
CONGREGATE LIVING, 1 SPACE PER 4 BEDS
TOTAL: 132 BEDS / 4 = 33 SPACES REQUIRED

PARKING PROVIDED

ACCESSIBLE SPACES	7
REGULAR SPACES	52
COMPACT SPACES	0
BICYCLE PARKING	5
TOTAL	59 SPACES

TOTAL # OF SPACES: 59 PERCENTAGE OF TOTAL: 100%

FACILITY 1 - SURFACE LOT: 59 PERCENTAGE OF TOTAL: 100%

# ACCESSIBLE SPACES	DISTRIBUTION	VAN SPACES
7	7	2
TOTAL	7	2



POWER CHART
ARCHITECTURE • DESIGN
608 West 11th Street, Suite 100
Austin, Texas 78701
512.772.8153
www.powerchartarchitecture.com

Keith Blawie - Texas Architect
Registration # 21224
This document is not to be used
for regulatory
approval or
construction.

Waters Park Studios
Foundation Communities
12207 Waters Park Road & 12190 N. Mopac Expy.
Travis County

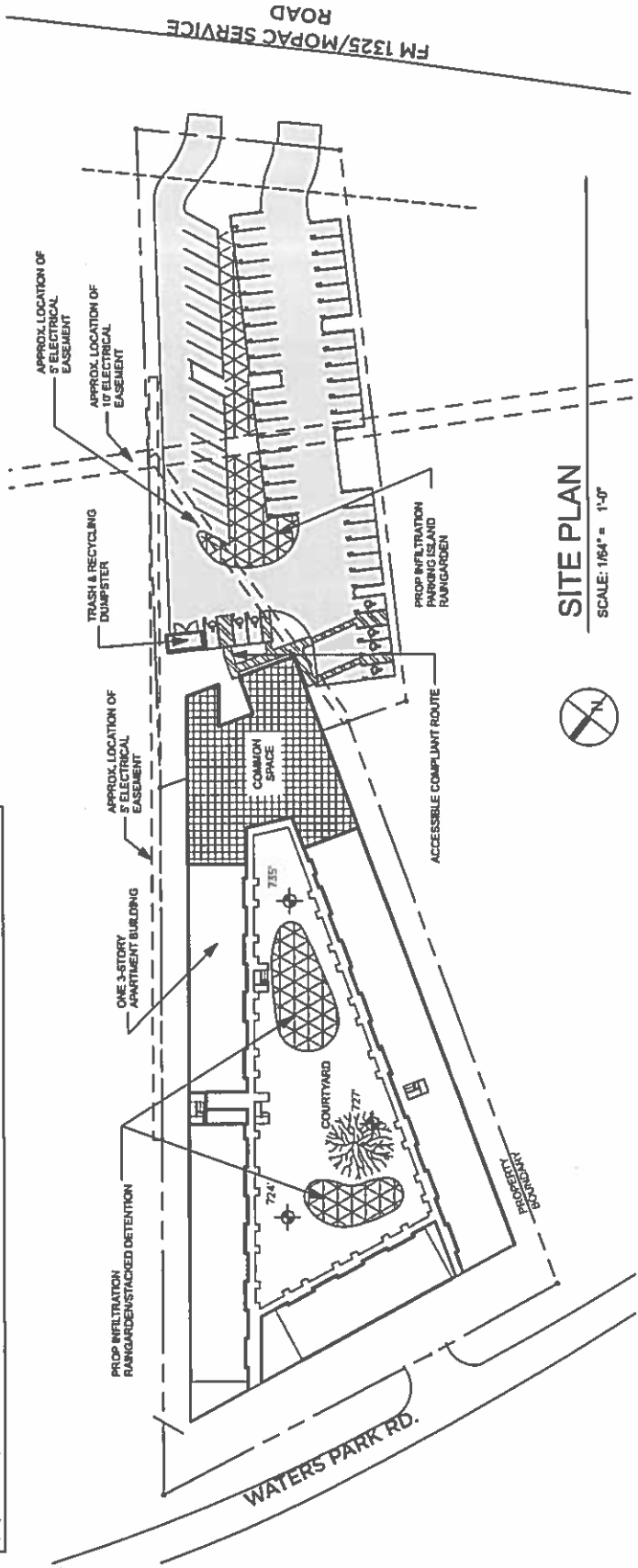
REV DATE DESCRIPTION

NO. 2
FEASIBILITY
DATE: 02/28/2018

NO. 1
SITE PLAN

S-1

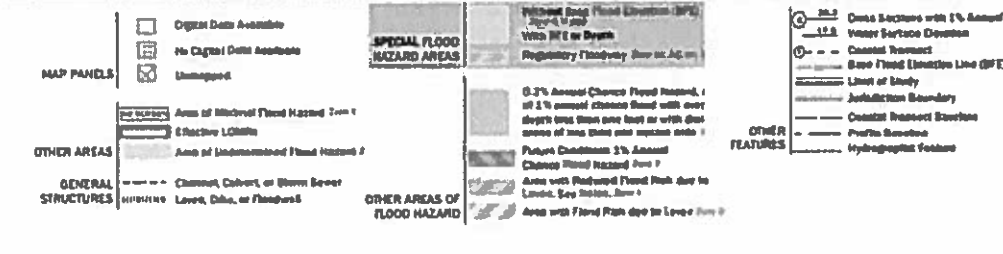
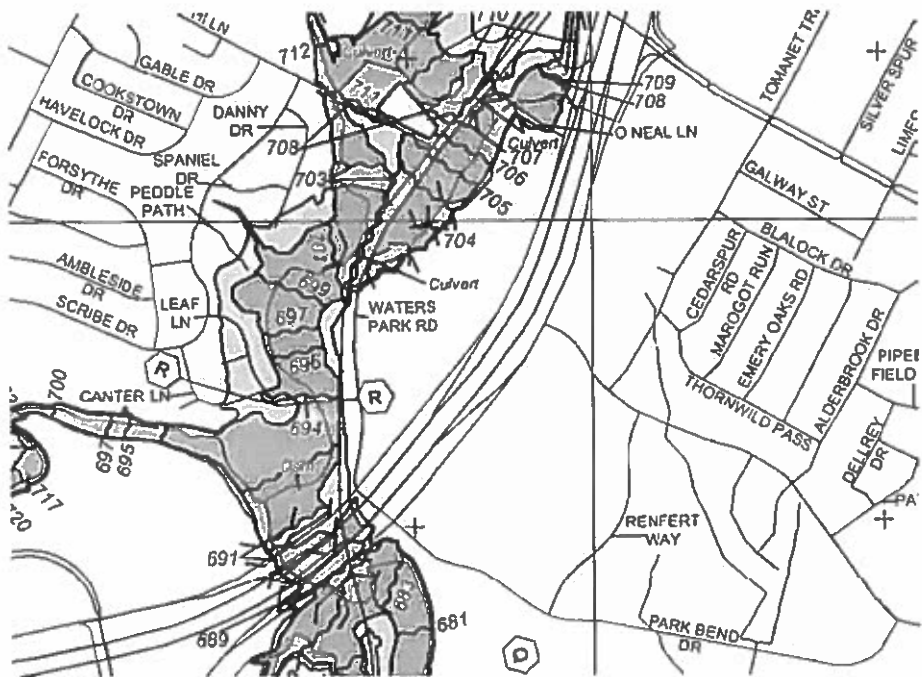
Scale: As Shown



SITE PLAN

SCALE: 1/8" = 1'-0"

FLOOD PLAIN MAP



PANEL 6265K

FIRM
FLOOD INSURANCE RATE MAP
TRAVIS COUNTY,
TEXAS
AND INCORPORATED AREAS

PANEL 266 OF 736
(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

NOTICE TO USER: The Map Number shown above identifies the Flood Insurance Rate Map. The Community Number shown above should be used on all FEMA applications for the subject community.

MAP NUMBER
49453C0265K
MAP REVISED
JANUARY 6, 2016

Federal Emergency Management Agency

LEGEND

100-YEAR FLOOD ELEVATION (DFE)
Elevation of the 100-year flood (DFE) is shown in light gray. The 100-year flood is the flood that has a 1% chance of being equaled or exceeded in any given year. The 100-year flood is the flood that has a 1% chance of being equaled or exceeded in any given year. The 100-year flood is the flood that has a 1% chance of being equaled or exceeded in any given year.

1% ANNUAL CHANCE FLOOD ELEVATION (DFE)
Elevation of the 1% annual chance flood (DFE) is shown in dark gray. The 1% annual chance flood is the flood that has a 1% chance of being equaled or exceeded in any given year. The 1% annual chance flood is the flood that has a 1% chance of being equaled or exceeded in any given year.

0.2% ANNUAL CHANCE FLOOD HAZARD
Areas with a 0.2% annual chance flood hazard are shown in light gray. The 0.2% annual chance flood hazard is the area where the flood depth is less than one foot in 100 feet.

1% ANNUAL CHANCE FLOOD HAZARD
Areas with a 1% annual chance flood hazard are shown in dark gray. The 1% annual chance flood hazard is the area where the flood depth is less than one foot in 100 feet.

AREA WITH FLOOD RISK DUE TO LEVEE, DIKE, OR FLOODWALL
Areas with flood risk due to levee, dike, or floodwall are shown in light gray.

OTHER FEATURES

- One Section with 1% Annual Water Surface Elevation
- Canal, Reservoir
- Base Flood Elevation Line (DFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Reservoir Structure
- Profile Structure
- Hydrographic Feature

FLOODPLAIN MAP

ESS
6534 Callejo Rd
Garland, Texas 75044
872-875-0580
WWW.ESS.NET

Waters Park Studios
1.45 and 1.0 acre Lots
12207 Waters Park Rd. / TCAD 478625
12190 North Mopac Expressway / TCAD 478243
Austin, Texas 78758 & 78779

N
↑

MISCELLANEOUS INFORMATION

**Allowances for Tenant
Furnished Utilities and other
Services**

U.S. Department of Housing and Urban
Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 09/30/2017)

Locality: Housing Authority of the City of Austin, TX		Unit Type: Multi-Family Elevator				Date (06/01/2016)	
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	\$3.00	\$4.00	\$4.00	\$5.00	\$6.00	\$6.00
	b. Bottle Gas/Propane						
	c. Electric	\$5.00	\$6.00	\$8.00	\$9.00	\$10.00	\$12.00
	d. Oil / Other						
Cooking	a. Natural Gas	\$2.00	\$2.00	\$2.00	\$3.00	\$4.00	\$4.00
	b. Bottle Gas/Propane						
	c. Electric	\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$10.00
Other Electric (Lights, Appliances, & Monthly Fee)		\$24.00	\$26.00	\$32.00	\$37.00	\$42.00	\$47.00
Air Conditioning		\$8.00	\$10.00	\$15.00	\$21.00	\$27.00	\$32.00
Water Heating	a. Natural Gas	\$4.00	\$5.00	\$7.00	\$9.00	\$10.00	\$11.00
	b. Bottle Gas/Propane						
	c. Electric	\$8.00	\$10.00	\$14.00	\$18.00	\$20.00	\$22.00
	d. Oil / Other						
Water		\$45.00	\$45.00	\$53.00	\$61.00	\$69.00	\$77.00
Sewer		\$78.00	\$80.00	\$98.00	\$117.00	\$135.00	\$154.00
Trash Collection		\$25.00	\$25.00	\$26.00	\$26.00	\$31.00	\$31.00
Range / Microwave Tenant-supplied		\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Refrigerator Tenant-supplied		\$13.00	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Other-- specify: Monthly Gas Fee \$15.61		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Actual Family Allowances				Utility or Service		per month cost	
To be used by the family to compute allowance. Complete below for the actual unit rented.				Heating		\$	
				Cooking		\$	
Name of Family				Other Electric		\$	
				Air Conditioning		\$	
Address of Unit				Water Heating		\$	
				Water		\$	
				Sewer		\$	
				Trash Collection		\$	
				Range / Microwave		\$	
				Refrigerator		\$	
Number of Bedrooms				Other		\$	
				Other		\$	
				Total		\$	



HISTA DATA

Renter Households						
Age 15 to 54 Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	530	152	167	56	116	1,021
\$10,000-20,000	718	285	224	352	286	1,865
\$20,000-30,000	1,263	616	310	261	382	2,832
\$30,000-40,000	1,196	771	566	322	221	3,076
\$40,000-50,000	987	536	406	97	407	2,433
\$50,000-60,000	441	744	488	63	215	1,951
\$60,000-75,000	660	399	326	293	204	1,882
\$75,000-100,000	765	735	324	226	274	2,324
\$100,000-125,000	409	610	119	161	48	1,347
\$125,000-150,000	50	343	165	38	69	665
\$150,000-200,000	90	138	105	209	120	662
\$200,000+	110	269	35	33	99	546
Total	7,219	5,598	3,235	2,111	2,441	20,604

Renter Households						
Aged 55+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	243	74	10	9	35	371
\$10,000-20,000	503	57	49	14	16	639
\$20,000-30,000	412	91	88	21	26	638
\$30,000-40,000	282	108	35	9	12	446
\$40,000-50,000	204	51	60	17	24	356
\$50,000-60,000	129	44	29	5	13	220
\$60,000-75,000	219	72	25	7	12	335
\$75,000-100,000	140	158	11	13	17	339
\$100,000-125,000	127	16	13	10	11	177
\$125,000-150,000	62	17	32	2	23	136
\$150,000-200,000	42	27	5	9	8	91
\$200,000+	88	19	9	4	39	159
Total	2,451	734	366	120	236	3,907

Renter Households						
Age 15 to 54 Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	487	119	158	52	95	911
\$10,000-20,000	596	221	177	288	229	1,511
\$20,000-30,000	1,066	481	259	244	330	2,380
\$30,000-40,000	1,093	631	542	290	198	2,754
\$40,000-50,000	915	492	439	104	439	2,389
\$50,000-60,000	517	766	551	85	269	2,188
\$60,000-75,000	715	398	391	329	237	2,070
\$75,000-100,000	866	780	342	232	305	2,525
\$100,000-125,000	541	745	163	210	88	1,747
\$125,000-150,000	84	532	233	70	103	1,022
\$150,000-200,000	135	210	148	288	159	940
\$200,000+	227	426	69	50	127	899
Total	7,242	5,801	3,472	2,242	2,579	21,336

Renter Households						
Aged 55+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	270	85	10	10	37	412
\$10,000-20,000	543	61	38	12	16	670
\$20,000-30,000	461	100	77	33	26	697
\$30,000-40,000	348	130	41	16	11	546
\$40,000-50,000	268	58	78	22	37	463
\$50,000-60,000	193	51	42	6	19	311
\$60,000-75,000	266	81	30	14	16	407
\$75,000-100,000	193	195	20	14	19	441
\$100,000-125,000	195	25	25	12	18	275
\$125,000-150,000	116	25	50	9	44	244
\$150,000-200,000	80	35	13	12	10	150
\$200,000+	159	34	29	7	62	291
Total	3,092	880	453	167	315	4,907

Owner Households						
Age 15 to 54 Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	66	9	1	21	7	104
\$10,000-20,000	24	9	32	9	33	107
\$20,000-30,000	83	33	22	32	128	298
\$30,000-40,000	66	29	51	34	22	202
\$40,000-50,000	87	56	65	72	79	359
\$50,000-60,000	138	60	130	58	105	491
\$60,000-75,000	278	349	106	56	197	986
\$75,000-100,000	178	338	218	242	88	1,064
\$100,000-125,000	161	199	260	228	267	1,115
\$125,000-150,000	77	312	258	124	28	799
\$150,000-200,000	43	262	80	236	136	757
\$200,000+	34	64	254	153	46	<u>551</u>
Total	1,235	1,720	1,477	1,265	1,136	6,833

Owner Households						
Aged 55+ Years						
Year 2018 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	69	68	19	21	8	185
\$10,000-20,000	241	153	15	26	12	447
\$20,000-30,000	318	230	58	48	60	714
\$30,000-40,000	228	174	84	25	29	540
\$40,000-50,000	300	144	30	67	47	588
\$50,000-60,000	108	213	52	14	14	401
\$60,000-75,000	153	301	89	66	27	636
\$75,000-100,000	198	573	122	77	34	1,004
\$100,000-125,000	123	436	62	31	25	677
\$125,000-150,000	70	277	52	32	5	436
\$150,000-200,000	58	184	22	24	42	330
\$200,000+	57	273	43	22	9	<u>404</u>
Total	1,923	3,026	648	453	312	6,362

Owner Households						
Age 15 to 54 Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	47	6	2	14	5	74
\$10,000-20,000	9	3	18	10	24	64
\$20,000-30,000	62	22	18	32	119	253
\$30,000-40,000	47	12	38	24	19	140
\$40,000-50,000	73	36	41	63	85	298
\$50,000-60,000	147	38	121	39	105	450
\$60,000-75,000	251	276	88	42	179	836
\$75,000-100,000	177	282	181	227	105	972
\$100,000-125,000	163	157	268	194	268	1,050
\$125,000-150,000	95	371	235	143	27	871
\$150,000-200,000	64	326	105	315	183	993
\$200,000+	48	95	402	217	58	<u>820</u>
Total	1,183	1,624	1,517	1,320	1,177	6,821

Owner Households						
Aged 55+ Years						
Year 2023 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	95	61	15	19	8	198
\$10,000-20,000	242	146	7	29	10	434
\$20,000-30,000	314	224	54	37	65	694
\$30,000-40,000	265	175	77	28	24	569
\$40,000-50,000	370	132	34	65	46	647
\$50,000-60,000	125	236	67	13	11	452
\$60,000-75,000	179	342	88	60	22	691
\$75,000-100,000	251	644	125	73	46	1,139
\$100,000-125,000	149	494	70	35	33	781
\$125,000-150,000	94	365	61	40	6	566
\$150,000-200,000	101	240	38	41	51	471
\$200,000+	104	447	61	28	15	<u>655</u>
Total	2,289	3,506	697	468	337	7,297

Geographies Selected:

	<u>Geocode/ ID</u>	<u>State</u>	<u>County</u>	<u>MCD</u>
1	48453001805	Texas	Travis County	Austin CCD
2	48453001806	Texas	Travis County	Austin CCD
3	48453001819	Texas	Travis County	Austin CCD
4	48453001820	Texas	Travis County	Austin CCD
5	48453001821	Texas	Travis County	Austin CCD
6	48453001822	Texas	Travis County	Austin CCD
7	48453001823	Texas	Travis County	Austin CCD
8	48453001824	Texas	Travis County	Austin CCD
9	48453001826	Texas	Travis County	Austin CCD
10	48453001828	Texas	Travis County	Austin CCD
11	48453001829	Texas	Travis County	Austin CCD
12	48453001843	Texas	Travis County	Austin CCD
13	48453001844	Texas	Travis County	Austin CCD
14	48453001845	Texas	Travis County	Austin CCD
15	48453001846	Texas	Travis County	Austin CCD
	48453001847	Texas	Travis County	Austin CCD
	48453001848	Texas	Travis County	Austin CCD
	48453001849	Texas	Travis County	Austin CCD
	48453001850	Texas	Travis County	Austin CCD

ANALYST QUALIFICATIONS

ROBERT O (BOB) COE, II
AFFORDABLE HOUSING ANALYSTS
3912 AVENUE O
GALVESTON, TEXAS 77550
281-387-7552
Email: robertocoe2@gmail.com

State Certified General Real Estate Appraiser
TX-1333157-G

Work Experience

10/2010-to-Present - Affordable Housing Analysts was formed to assist clients with their appraisal and consulting needs in complex transactions. Although the firm specializes in affordable housing related transactions, we have the experience and training to handle all commercial property needs.

1/2002 to 9/2010 – O'Connor & Associates. Staff appraiser and managed marketing and a team of appraisers/analysts in performing assignments related to affordable housing. Additionally, personally handled a significant portion of the most complex appraisal/consulting assignments

8/1994 to 7/2001 – National Realty Consultants. Staff appraiser.

1/1994-7/1994 – Carley, Gage & Associates. Staff appraiser.

10/1989 to 11/1993 – First City, Texas Bank, N.A. Assistant Vice President in Corporate Lending. Responsible for a portfolio of over \$2 Billion in loans to Fortune 500 clients.

10/1987 to 10/1989 - First City, Texas Bank, N.A. Credit Supervisor/Senior Analyst. Responsible for training and supervision of a staff of credit analysts.

Education

MBA (Finance) – Southern Methodist University, Dallas, Texas 1987

BBA (Finance) – University of Oklahoma, Norman, Oklahoma 1976

Appraisal/Business Appraisal Courses

- Appraisal Institute Courses
 - o Appraisal Principles (110)
 - o Income Capitalization (310)
 - o Highest & Best Use and Market Analysis (520)
 - o Report Writing (540)
 - o Advanced Income Capitalization (510)
 - o Advanced Sales Comparison and Cost Approach (530)

Institute of Business Appraisal

Mastering Business Appraisal Skills course

Professional Associations:

Associate Member of the Appraisal Institute - All requirements for the MAI designation (including successfully completing all require course work, the Comprehensive Examination, and the Experience Credit requirements) have been completed with the exception of completion of my Demonstration Appraisal.

Member of the Texas Affiliation of Affordable Housing Providers

Assignments:

I have appraised/consulted on a wide variety of commercial properties ranging from over 200 Housing Tax Credit assignments, to a golf course and residential subdivision, to water/sewer utility facilities, to mixed used developments including residential/retail/office uses. Some of my most memorable assignments included the Rice Hotel historic adaptation into apartments and retail space, the Hogg Palace office building adaptive reuse into office/retail/apartment use, the Dakota adaptive reuse from industrial to multifamily residential, and the proposed redevelopment of an apartment complex and marina along Clear Lake. I have prepared market studies and/or appraisals for proposed/existing residential subdivisions, hotels, shopping centers, industrial facilities, apartment complexes, and numerous other commercial property types.

You may wish to laminate the pocket identification card to preserve it.

ROBERT O COE II
3812 AVENUE O
GALVESTON, TX 77550

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 938-3001
Fax: (512) 936-3889

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1333157 G

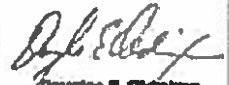
Issued: 03/15/2018

Expires:

12/31/2019

Appraiser: ROBERT O COE II

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1333157 G

Issued: 03/15/2018

Expires:

12/31/2019

Appraiser: ROBERT O COE II

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

