

RENTAL HOUSING DEVELOPMENT ASSISTANCE

Application for G. O. Bond Financing – Rev. 10/17/08

Project Name: M StationProject Address: 2906 E. Martin Luther King Jr. Blvd., Austin, TX Zip Code 78702Total # units to be assisted: 90 units Total # units in project/property: 150 unitsProject type: ☒ Acquisition ☐ Rehabilitation ☐ New construction ☐ Refinance ☐ Rent Buy-DownAmount of funds requested: \$2,000,000 Terms: deferred, forgivableRole of applicant in Project (check all that apply): ☐ Owner ☒ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Foundation Communities, Inc.
Name

3036 S. 1st Street, Suite 200
Street Address

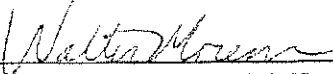
Austin TX, 78704 (512) 447-2026
City State, Zip Telephone #

Jennifer Hicks (512) 447-2026 x. 25 (512) 447-0288
Contact Person Contact's Telephone # Fax #

74-2563260
Federal Tax ID Number or SS#

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

Foundation Communities, Inc.
Legal Name of Developer


Signature of Authorized Officer

Executive Director
Title

(revised as of 2/27/09)
Date

RENTAL HOUSING DEVELOPMENT ASSISTANCE

Application for G. O. Bond Financing – Rev. 10/17/08

Project Name: M Station

Project Address: 2906 E Martin Luther King Jr. Blvd., Austin, TX Zip Code 78702

Total # units to be assisted: 89 units Total # units in project/property: 148 units

Project type: ☒ Acquisition ☐ Rehabilitation ☐ New construction ☐ Refinance ☐ Rent Buy-Down

Amount of funds requested: \$2,000,000 Terms: deferred, forgivable

Role of applicant in Project (check all that apply): ☐ Owner ☒ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the “lead” organization).

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Foundation Communities, Inc. [Signature]
Legal Name of Developer Signature of Authorized Officer

Executive Director 1/21/09
Title Date

2. **For non-profit applicants/developers only, include copies of the following:**
- a. Articles of Incorporation – **ATTACHMENT 1**
 - b. Certificate of Incorporation filed with the State of Texas – **ATTACHMENT 2**
 - c. Federal IRS certification granting non-profit status – **ATTACHMENT 3**
 - d. Names, addresses and phone numbers of current board members – **ATTACHMENT 4**
 - e. Certified financial audit for most recent year which include the auditor's opinion and management letters. – **ATTACHMENT 5**
 - f. Board resolution approving the proposed project and authorizing the request for funding – **ATTACHMENT 6**

3. **Project Description -**

Foundation Communities (FC) requests funding from the City of Austin for General Obligation Bond Proceeds in the amount of \$2,000,000 to fund the acquisition of land that will be used to develop M Station Apartments – an innovative, mixed-income rental community for families located at 2906 E. Martin Luther King Blvd. that will be a model of green building and located near the MLK Station on the Austin MetroRail. The 150-unit development will truly be mixed income with 10% of the units for families with extremely low incomes (less than \$21,350 for a family of four), 80% of the units for lower income working families (earning less than \$42,660 for a family of four), and 10% of the units leased at market rents.

M Station is located in a high-opportunity area that will offer amazing amenities and conveniences for the lower income families who will call it home. The project is located one block from the MLK Stop on the new Capital MetroRail slated to open in March 2009 and will be the first transit-oriented housing in Austin that is affordable to families. A state-of-the-art childcare center will be developed on-site that will offer residents discounted rates and provide an additional childcare resource to families in the neighborhood. Only three blocks away from the site is Campbell Elementary School – a blue-ribbon school that recently received an “Exemplary” rating from the Texas Education Agency and will offer children of M Station a high-quality education. Lastly, the property is located across the street from a large tract of land that will offer a wealth of resident amenities including community and teaching gardens for the Sustainable Food Center, the Austin Children's Museum community science workshop, the headquarters of local non-profit - People Fund and a BMX/Skateboard park.

M Station will be designed to push the envelope on green standards for affordable housing resulting in lower utility bills for residents and lower operating costs for Foundation Communities. M Station has a green building goal to cut the utility usage in half for the property compared to typical apartments. This will reduce the impact on the environment and the utility bills residents pay. The project will meet the Enterprise Green Communities criteria, as well as achieve at least a four star rating from the City of Austin's Green Building Program. Foundation Communities is already a leader in Austin in solar power production, so we have the expertise to maximize the incorporation of solar PV arrays into the design. The site's location along Boggy Creek enhances the green space available for the property and will help make a concrete-covered abandoned lot into an urban oasis with trails and pedestrian walkways.

M Station will help families truly succeed by minimizing the costs associated with the largest portions of a family's budget:

- 1) **Housing** – The current rent for a two-bedroom apartment in Austin is \$950 per month. M Station will offer families an affordable place to live with rents ranging from \$342 to \$822 for a two bedroom apartment.
- 2) **Utilities** – M Station will be developed to achieve the highest standards of green building and sustainable design resulting in very low utility bills for our residents.

- 3) **Transportation** – M Station is located across the street from the MLK Station stop on the Capital Metrorail line affording residents direct access into downtown. In addition, Foundation Communities plans to partner with Austin Car Share to encourage families to reduce car use and save money.
- 4) **Childcare** – Plans for M Station include a 6,000 foot state-of-the-art child care facility that will provide an affordable childcare solution for residents at the property. Foundation Communities plans to partner with a local nonprofit childcare provider such as Open Door Pre-School or Child, Inc. The childcare would be open to the community, but residents of M Station would be able to receive preference and a discount.

Foundation Communities is thrilled about this unique opportunity to develop a prime piece of property located minutes from downtown and the University of Texas into affordable housing for families. The alternative would be the development of ultra-modern, high-end condos that are becoming more prevalent in East Austin. Our desire is to integrate M Station into the neighborhood fabric of East Austin by designing streetscapes, trails and sidewalks that encourage safe cycling and walking conditions through the neighborhood. The child care center will also bring an asset into the community that would not be there otherwise. In the MLK TOD Station area planning, both affordable housing and childcare were named as highly desirable for the tracts of land that surround the station. M Station would accomplish both.

- a. **Location** - The property is located at 2906 E Martin Luther King Blvd. See **ATTACHMENT 7** for a map of the site location.
- b. **Type of Structure** - M Station will be a 150-unit multifamily rental community for families. The property will also contain a leasing office, clothes care center, supportive service staff offices, classrooms, computer lab and a child-care facility. 10% of the units at the property will be designated as transitional supportive housing as part of the Children’s HOME Initiative – an FC program that combines reduced rent with intensive supportive services to help families achieve self-sufficiency.

The unit mix for the property is as follows:

<u>Unit Type</u>	<u># of Units</u>	<u>Square Footage</u>
1 bedroom/1 bath	32	712 sq. ft.
2 bedroom/2 bath	60	975 sq. ft.
3 bedroom/3 bath	58	1,200 sq. ft.

- c. **Proposed Tenants** - The target population of M Station is families with children. 10% of the property (15 units) will be set-aside for homeless families as part of FC’s transitional supportive housing program – the Children’s HOME Initiative program. M Station will have 15 units (10% of the property) that are accessible to persons with mobility disabilities. In addition, all ground floor units will be made adaptable to persons with mobility disabilities. The property will also have 3 units (2% of the property) that are accessible for persons with hearing and/or visual disabilities.

Of the 150 units, 10% will be for tenants with approximate incomes less than 30% of the Area’s Median Family Income (AMFI), 50% will be for tenants with approximate incomes of less than 50% of the AMFI, 30% will be for tenants with approximate incomes of less than 60% of the AMFI, 5% will be for tenants with approximate incomes of less than 80% AMFI and 5% are market rate for tenants with unrestricted incomes. For a family of four, those approximate income levels are \$21,350 for 30% AMFI, \$35,550 for 50% AMFI, \$42,660 for 60% AMFI, and \$56,900 for 80% AMFI.

- d. **Occupation** - M Station is new construction and not occupied.
- e. **Opportunity Map of Austin** - M Station is located in a “high” opportunity area according to “Map 2: Comprehensive Opportunity Map, City of Austin.” Please see **ATTACHMENT 8** for documentation.
- f. **VMU, PUD, TOD** - M Station is located in a TOD in the MLK TOD Station Area planning area.

- g. **Preservation** – Not applicable.
- h. **Existing Structure**- Not applicable.
- i. **Section 8** - The M Station property will not be receiving any project-based Section 8 vouchers, but will be accepting families with Section 8 Housing Choice vouchers.
- j. **Accessible and adaptable units** - M Station will have 15 units (10% of the property) that are accessible to persons with mobility disabilities. In addition, all ground floor units will be made adaptable to persons with mobility disabilities. The property will also have 3 units (2% of the property) that are accessible for persons with hearing and/or visual disabilities.
- k. **Neighborhood Plan** - M Station is located in the Rosewood Neighborhood Planning Team area. We are actively meeting with the Rosewood Neighborhood and other nearby neighborhood associations to garner support and feedback for the project. The MLK TOD Station Area Regulating Plan is on the third reading for Council adoption and will layer on top of existing neighborhood plans (including Rosewood.) M Station will be designed and built according to the TOD regulating plan. Goal two of the Rosewood Neighborhood Plan is to promote affordable housing in the Rosewood neighborhood. The current zoning will allow for the M Station project.
- l. **Funding Plan** - The total project development cost will be approximately \$19,376,950. Funding includes:

City of Austin, in the amount of \$2,000,000, used for acquisition costs. We understand that it will be the first piece of funding brought into the project, but the timing is critical to ensure the capture of points associated with a scoring item on the LIHTC 9% tax credit application. The scoring item gives 18 points for applicants who have secured a contribution from the Local Political Subdivision in the amount of equal to or greater than 5% of the total development costs. If our application does not gain these points, it will likely not be competitive within the region and will not be eligible for the housing tax credit funding. This application requests the awarded funds from the City to be in the form of a grant or a deferred, forgivable loan.

TDHCA Low Income Housing Tax Credits (LIHTC), in the amount of approximately \$12,019,430. The 9% tax credits will be used for acquisition and construction costs. Foundation Communities is actively talking to investors and will have a buyer secured by the application submission on February 27, 2009. A pre-application was submitted on January 7, 2009 and we are eagerly awaiting results of the regional application log. We will have final approval from TDHCA by August 1, 2009.

NeighborWorks America, in the amount of approximately \$390,000, to be used for construction costs. Application for funds will be submitted in early March 2009.

Permanent loan from Bank of America, in the amount of approximately \$4,967,520 to be used for construction costs.

- 4. **Site Control and Demonstration of Value** - Please find attached **ATTACHMENT 9**: Earnest Money Contract and **ATTACHMENT 10**: Current Tax Documentation. The Travis Central Appraisal District actually shows a very low valuation of the eight acres of land. Although we do not have an appraisal, based on market values of similar tracts in the area, we are confident that the price of \$3 million is comparable to other tracts of land. In addition, we feel the site's location in close proximity to the Capital MetroRail and downtown make it a prime location for the development of affordable housing. If we were to have tried to buy this land a year ago, it would have been priced much higher.
- 5. **Zoning** – The current zoning for the property is compatible with the proposed use. **ATTACHMENT 11** is a placeholder for the zoning review letter which has been ordered from the City of Austin's Development Review and Inspection Department and will be available in the next few days.

6. **S.M.A.R.T. Housing** - The project has submitted a SMART Housing application and is waiting on certification. Please see **ATTACHMENT 12** for application until letter is provided.
7. **Development Team**

	Name(s) & Any Comments on Role	MBE ? (Mark X if Yes)	WBE ? (Mark X if Yes)	Non-profit? (Mark X if Yes)
Owner	M Station Housing, LP (Limited Partnership)			
Developer	Foundation Communities, Inc.			X
Architect	Hatch + Ulland Owen Architects			
Engineer	Axiom Engineers, Inc.			
Construction Lender	Bank of America			
Other Lenders	Syndicator to be determined			
Attorney	A. Rick Hightower			
Accountant	To Be Determined			
General Contractor	To Be Determined			
Consultant (if Applicable)	Not Applicable			
Property Management Provider	Foundation Communities, Inc.			X
Social Service Provider:	Foundation Communities, Inc. Open Door Pre-School			X

8. **Development Schedule.**

	DATE(S)
Acquisition and/or holding	<u>August 2009</u>
Environmental and/or historic review (AHFC)	<u>April 2009</u>
Securing and packaging project financing	<u>January 2008 - ongoing</u>
Construction Specifications and Cost estimates	<u>December 2009</u>
Construction Bids	<u>January 2010</u>
Construction Start	<u>Late January 2010</u>
Anticipated Draws (list all)	<u>January 2010 to September 2010</u>
End Construction	<u>September 2010</u>
Start of Rent-up	<u>October 2010</u>
Completion & Operation	<u>December 2010</u>

9. **Accessible and Adaptable Units**

All first floor units Units adaptable for persons with mobility disabilities

15 units

Units accessible for persons with mobility disabilities

Units adaptable for persons with sight and hearing disabilities

3 units

Units accessible for persons with sight and hearing disabilities

10. Experience and Qualifications – Rental Development and Property Management

a. Is this the developer's first housing project? ☐ Yes ☒ No

b. Completed projects (complete table below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed
Buckingham Place 743-B Yarsa, Austin, TX, 78748	164	Rehab	Duplexes	1991
Cherry Creek 5510-B Fernview, Austin, TX 78745	122	Rehab	Duplexes	1989
Crossroads 8801 McCann, Austin, TX 78757	92	Rehab	Apartments	1990
Daffodil 6009 Daffodil, Austin, TX 78744	40	Rehab	Apartments	1996
Garden Terrace 1015 W. William Cannon, Austin, TX 78745	103	Rehab	SRO	2003 and 2008
Peters Colony 1810 E. Peters Colony Rd., Carrollton, TX 75007	160	Rehab	Apartments	1995
Shadow Brook 2020 S. Cooper, Arlington, TX 76013	403	Rehab	Apartments	1995
Sierra Ridge 201 W. St. Elmo, Austin, TX 78745	149	Rehab	Apartments	1991
Sleepy Hollow 3903 Ichabod Circle, Arlington, TX 76013	128	Rehab	Apartments	1995
Southwest Trails 8405 Old Bee Caves Rd., Austin, TX 78735	160	New	Apartments	2001
Spring Terrace 7101 N. I-35, Austin, TX 78752	142	Rehab	SRO	2006
Skyline Terrace 1212 W. Ben White Blvd. Austin, TX 78704	100	Rehab	SRO	2008
Trails at the Park 815 W. Slaughter Lane, Austin, TX 78748	200	New	Apartments	2000
Vintage Creek	200	Rehab	Apartments	2000

7224 Northeast Drive, Austin, TX 78723				
TOTAL UNITS	2,163			

- c. **Development Experience** - Foundation Communities has 20 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. As the owner and manager of 11 affordable housing properties (1,472 units) in Austin and 3 affordable housing properties (691 units) in North Texas, Foundation Communities has built a strong development team and has worked together on many projects. Twelve of our communities were purchased as existing properties. Each has greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). Two of our properties were new construction projects, Southwest Trails and Trails at the Park, utilizing the Low Income Housing Tax Credit Program (LIHTC).

Finance Experience - Our finance experience also includes work with the following programs:

- City of Austin – General Obligation Bond Funding
- City of Austin – Housing Implementation Program (HIP)
- City of Austin – HOME Program
- City of Austin – CDBG Program
- TDHCA – 9% and 4% Housing Tax Credits
- TDHCA – Housing Trust Fund
- TDHCA – SECO Energy Grant Program
- TDHCA – HOME Program
- 501(c)(3) Bond Program
- Federal Home Loan Bank (Affordable Housing Program)
- Resolution Trust Corporation – Affordable Housing Disposition Program
- Multi-family Private Activity Bonds
- City of Arlington – CDBG Program
- Neighborhood Reinvestment Corporation Grant Program
- HUD Section 8 Moderate Rehabilitation SRO Program
- HUD Supportive Housing Program

Housing Development Team - Our Housing Development Team consists of the following FC staff (Please see **ATTACHMENT 13** for resumes):

Walter Morean, Executive Director, oversees asset management and provides overall organizational leadership. For new developments, oversees and assists with project development and financing. Walter has 20 years of housing development experience.

Sunshine Mathon, Design and Development Director, assists in the programming, design and construction management of all development projects. He has a focus on green building and sustainability issues, such as energy and water conservation, use of recycled content materials and indoor environmental quality.

Sandra Lumley, Property Director, oversees all aspects of property management all units in Austin, ensuring FC's high quality standards. Sandra has extensive knowledge of the compliance requirements for a variety of funding programs at the local, state and Federal level. Sandra has 30 years of housing development experience.

Vicki McDonald, Asset Manager, 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 the past

25 years, she has owned and operated Vista Properties, a real estate firm specializing in the management, leasing and brokerage of income producing assets.

Jennifer Hicks, Director of Housing Finance, pursues new development opportunities and identifies and applies for subsidy and conventional financing for multi-family housing. Jennifer has 8 years of housing development experience.

Julian Huerta, Director of Programs, develops and directs all educational and asset-building programs that assist families residing in FC housing communities. Huerta has 15 years of resident service provision experience.

Project Similar in Size and Scope- Please see **ATTACHMENT 14** for descriptions of past two new construction projects.

Davis Bacon/ Federal Labor Standards - Foundation Communities has had experience with Davis Bacon and Federal Labor Standards on six past developments: Skyline Terrace, Spring Terrace, Southwest Trails, Garden Terrace, Vintage Creek Learning Center and Shadow Brook Learning Center. Jennifer Hicks, Director of Housing Finance, has overseen the Davis Bacon compliance on the above projects and will oversee Davis Bacon compliance, if applicable, on M Station.

Temporary or Permanent Relocation - The Uniform Relocation Act will not be applicable to M Station since it is a new construction project. The URA has not been applicable to any of FC's previous developments.

Testing and Treatment of Lead-based paint and/or asbestos - Foundation Communities is aware of the guidelines for testing and treatment of lead-based paint and asbestos. The property is new construction and therefore lead-based paint and asbestos is not applicable.

- d. **Property Management** - Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 11 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' 14 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. The average size of FC properties is 158 units, so the proposed project is actually smaller than average.

11. **Detailed Project Budget** – The \$2,000,000 in GO Bond funds requested for M Station will be used for property acquisition. Please see **ATTACHMENT 15** for detailed development budget.

12. **Funds Proposal** -

Table A: Sources of Funds (Below)

Table B: Uses of Funds (Below)

Table C: Leverage (Below)

Table D: Operating Proforma – Please see **ATTACHMENT 16**.

TABLE A: SOURCE OF FUNDS SUMMARY						
	Term	Rate	Interim Sources	Permanent Sources	Evidence	Intended Use Of Funds
Other Sources						
AHFC GO Bond Funding		0%	\$2,000,000	\$2,000,000	Application	Acquisition
Low Income Housing Tax Credits		Equity	\$3,004,857	\$12,019,430	Application	Acq/Hard/Soft/All
NeighborWorks America		Grant	\$390,000	\$390,000	Will be applying	Hard/Soft
Interim Loan – Bank of America	24 mos	5%	\$13,532,093	\$0	Application	Hard/Soft/All
Permanent Loan – Bank of America	360 mos	8%	\$0	\$4,967,520	Application	Hard/Soft/All
In-Kind Equity/Deferred Dev Fee			\$450,000	\$0	n/a	Hard/Soft/All
TOTAL SOURCES			\$19,376,950	\$19,376,950		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Acquisition	\$3,015,000	\$20,100
Hard Costs	\$11,628,000	\$77,520
Soft & Carrying Costs	\$1,303,500	\$8,690
Financing Costs	\$1,118,500	\$7,457
Developer Overhead and Fee	\$2,011,950	\$13,413
Reserves	\$300,000	\$2,000
Total Project Costs	\$19,376,950	\$129,180

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$2,000,000
TOTAL OTHER FUNDS	\$17,376,950
LEVERAGE (%)	89%

13. Neighborhood Support

Foundation Communities has been in communication with the neighborhood associations in close proximity to the M Station site location. The property is directly within the Austin Heights Neighborhood Association. Foundation Communities met with the steering committee of the Austin Heights Neighborhood Association on January 13th to give them an overview of the project and ask for their support. We will be meeting with the full membership of the Austin Heights Neighborhood on February 10th for a vote of support. We were very well-received and expect a letter of support. The letter will be forwarded to AHFC staff once received.

Foundation Communities has also been in conversation with the Rosewood Neighborhood Planning Area. FC Staff met with the Rosewood Neighborhood Planning Area team on January 15th to give them an overview of our project and ask for support. It was agreed that we will meet with the McKinley Heights Neighborhood Association (a voting member of the Rosewood Neighborhood Planning Area) on February 12th. The McKinley Heights Neighborhood is adjacent to our property, but does not contain our property. Once we meet with the McKinley Heights Neighborhood, they will let the Rosewood Neighborhood Planning Area if they vote in support of our property. We are very hopeful that we can garner a letter of support from the Rosewood Neighborhood Planning Area.

FC staff will also be meeting with members of the Chestnut Neighborhood Association. While the association does not contain our property, the Chestnut neighborhood is adjacent. We will be meeting with the Chestnut Neighborhood Association on January 27th. **ATTACHMENT 17** is a placeholder for the forthcoming letters of support.

- 14. Description of Supportive Services** – Foundation Communities will provide free, supportive service programs that will educate, support and improve financial standing for residents of M Station. Supportive Service programs to be offered ON-SITE at M Station include:

Child Care – Foundation Communities will contract with a local nonprofit childcare provider (Open Door Pre-School or Child Inc.) to run a childcare program on-site at M Station. The partner provider will be in charge of all costs associated the program including utility costs for the childcare building provided by Foundation Communities. Foundation Communities will provide the space for the childcare provider for free in exchange for discounted rates for families of M Station.

Adult Classes - Foundation Communities believes it is important to offer “at your door” education opportunities to adults. We offer classes for adults on the following topics:

- English as a Second Language
- Money Management (offered in English and Spanish)
- Homebuyer Education
- Computer training

Children’s HOME Initiative – 10% of the units (15 units) at M Station will be available for families participating in FC’s Children’s HOME Initiative (CHI) program. The CHI program provides low-cost transitional housing for up to 18 months to families who are considered Extremely Low Income (at or below 30% of the area’s MFI). By engaging in case management services, families are able to outline their path toward permanent affordable housing and work to achieve an independent and healthy lifestyle. The following services will be provided for residents participating in the CHI program at M Station:

- Computer training
- Intensive Case Management
- Individualized Family Support
- Crisis Management
- Financial Literacy
- Debt Management
- Children’s Advocacy
- Educational Support
- Career Awareness & Enrichment
- Long-term Goal Development
- Resource Brokering

Supportive Service programs provided by Foundation Communities, but located OFF-SITE include:

Financial Education - A ten-hour personal finance course, offered in English and Spanish, will help M Station residents evaluate their financial status and set financial goals. The course includes a one-on-one credit counseling session and follow-up.

Financial Coaching - Families of M Station will have the opportunity to meet individually with a trained volunteer. The volunteer works with the resident on a variety of personal finance issues which may include a credit report review, creating a credit repair plan or a debt reduction plan, establishing a household budget, exploring ways to reduce expenses, or setting financial goals. Financial Coaching sessions may be a single one hour session up to eight hours of individual sessions, depending on the situation.

Matched Savings Accounts - Individual Development Accounts will be offered to families of M Station to help them save money for buying a first home, funding post-secondary education or opening or expanding a small business. Account holders earn matching funds (\$1-\$3 for each dollar saved) in special savings accounts. All participants commit to making regular monthly deposits and completing personal finance courses.

Microenterprise - Community Tax Centers provide services to self-employed and small business owners with five employees or fewer (including the owner), helping them to file their taxes and educating them about tax and liability implications and best practices.

College Savings & Financial Assistance - Families may open a Texas 529 College Savings Plan and receive up to \$100 in incentives for their contributions. Trained staff are available at the Community Tax Centers and financial aid events to help students complete the Free Application for Federal Student Aid (FAFSA) to obtain grants and loans for college.

15. Experience and Qualifications (Supportive Services)

Foundation Communities, as the primary supportive service provider at M Station, has 17 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. Through strategic partnerships, last year FC gave 800 children of working parents a safe place to go when school's out right where they live and helped 85% of students maintain or improve grades. 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. Each year, we also empower more than 100 families to become smart consumers through economic education and at least 50% of them to reduce debt. More than 140 families have earned a 2-to-1 match in special savings accounts to purchase a home, attended college, or started a business. We also provide free income tax preparation for 17,000 low-income workers and retirees with the help of 400 IRS-certified volunteers.

Supportive Service Staff (Please see **ATTACHMENT 18** for staff resumes):

Julian Huerta – Director of Programs, Foundation Communities - provides leadership for all Foundation Communities' resident and community services. He has many years experience in the provision of social and educational services and in program management, evaluation and fundraising. Mr. Huerta holds a Masters Degree in Community and Regional Planning from the University of Texas and has been with FC for ten years.

Mario Cortez – CHI Program Coordinator - has 15 years of experience working with homeless and low-income populations. He has a Master of Science in Social Work from the University of Texas at Austin, and has spent the last 3 years developing the Keep Austin Housed AmeriCorps project into Austin's largest collaboration of homeless service providers. He brings with him a great understanding of service delivery systems, client-centered case management models, outcome-based program development and management strategies, and a proven record in establishing effective partnerships among service organizations.

Erika Leos - Adult Education Coordinator, is responsible for teaching the ten-hour financial education course (in both English and Spanish) available to residents of Foundation Communities and a required component of participants in the Individual Development Account (IDA) Matched Savings Program. Leos also oversees the English as a Second Language program offered on Foundation Communities' properties. Leos earned a Bachelor's of Business Administration from the University of Texas at Austin in 2002.

Karen Lyons – Director of Asset Building - is responsible for all aspects of FC's Asset Building Programs. She was the past Director of FC's IDA savings program. Her experience includes five years of experience teaching ESL and a long involvement with immigrant issues. She has a BA in Education.

16. Financial Information (Supportive Services)

Supportive Service Budget USES

Direct Expenses	Amount	Notes
1 full-time Case Manager for the CHI Program	\$33,000	One FTE salary
1 part-time Adult Education Coordinator	\$18,000	One PTE salary
Taxes and Benefits	\$10,200	20% of salary
Supplies and Printing	\$1,000	for client meetings and classes
Training/Travel	\$1,000	Professional education
Direct Aid to Clients	\$1,500	Bus passes, work search expenses, etc.
TOTAL	\$64,700	

Sources of Funds – The funding for the supportive services to be provided at M Station will be raised from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs in place at our existing family properties. We have a donor base that is dedicated to the support of our service programs. Past funders we will tap include:

- Michael and Susan Dell Foundation – Children's HOME Initiative and financial programs
- Schwab Foundation – financial programs
- Lowe Foundation – Children's HOME Initiative
- Rachael and Ben Vaughan Foundation – Children's HOME Initiative
- Amerigroup Foundation

Supportive Service Budget SOURCES (*adjusted for 3% inflation each year.)

Sources	Year 1 Amount	Year 2 Amount	Year 3 Amount	TOTAL
Foundations and Corporations	\$65,000	\$67,000	\$69,000	\$201,000

17. Accounting Requirements Applicable to all Applications

By submitting this application, the applicant/developer agrees to comply with all reporting, record keeping and on-going monitoring requirements applicable to GO Bond financing of the proposed project.

- 18. Anti-Lobbying Agreement** - By submitting this application, the applicant/developer, its employees, representatives, or agents agree not to discuss the contents of the applicant/developer's application with any member of the AHFC Board of Directors or their staff, Housing Bond Review Committee (HBRC) or staff of NHCD/AHFC (other than the designated Single Point of Contact) prior to HBRC's meeting to review all applications submitted.

ATTENTION:

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

Revised 2-27-09

Volume 1, Tab 3. ACTIVITY OVERVIEW

Part A. Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the eligible basis columns and the Requested Credit calculation below.

DEVELOPMENT NAME:

M Station

TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.

Expected Payee Taxpayer Identification Number (TIN)¹
(and % of cost if item involves multiple payees)

ACQUISITION

Site acquisition cost
Existing building acquisition cost
Closing costs & acq. legal fees
Other² (specify)
Subtotal Acquisition Cost

3,000,000		
15,000		
\$3,015,000	\$0	\$0

OFF-SITES³

Off-site concrete
Storm drains & devices
Water & fire hydrants
Off-site utilities
Sewer lateral(s)
Off-site paving
Off-site electrical
Other² (specify)
Subtotal Off-Sites Cost

0		
0		
0		
0		
0		
0		
0		
0		
\$0	\$0	\$0

SITE WORK⁴

Demolition
Rough grading
Fine grading
On-site concrete
On-site electrical
On-site paving
On-site utilities
Decorative masonry
Bumper stops, striping & signs
Landscaping
Pool and decking
Athletic court(s), playground(s)
Fencing
Other² (specify)
Subtotal Site Work Cost

0		
349,738		349,738
63,333		63,333
151,932		151,932
125,700		125,700
203,000		203,000
188,577		188,577
0		0
14,200		14,200
135,000		135,000
0		0
89,788		89,788
28,732		28,732
0		0
\$1,350,000	\$0	\$1,350,000

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

DIRECT CONSTRUCTION COSTS⁵:

Concrete
Masonry
Metals
Woods and Plastics
Thermal and Moisture Protection
Roof Covering
Doors and Windows
Finishes
Specialties
Equipment

825,896		825,896
232,203		232,203
462,276		462,276
1,910,409		1,910,409
144,110		144,110
105,424		105,424
423,109		423,109
1,288,145		1,288,145
147,441		147,441
207,408		207,408

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

74-2574739

DIRECT CONSTRUCTION COSTS (Continued):

Furnishings

Special Construction

Conveying Systems (Elevators)

Mechanical (HVAC; Plumbing)

Electrical

Individually itemize costs below:

Accessory Buildings

Carports and/or Garages

Lead-Based Paint Abatement

Asbestos Abatement

 Other⁴ (Specify)

Subtotal Direct Const. Costs

TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)
Total	Eligible Basis (If Applicable)		
Cost	Acquisition	New/Rehab.	

0		0	
0		0	
131,311		131,311	74-2574739
2,113,314		2,113,314	74-2574739
1,071,048		1,071,048	74-2574739
365,335		365,335	74-2574739
0		0	
0		0	
0		0	
0		0	
\$9,427,429	\$0	\$9,427,429	

TOTAL DIRECT CONST. & SITE WORK

\$10,777,429	\$0	\$10,777,429
--------------	-----	--------------

OTHER CONSTRUCTION COSTS

General requirements (<6%)

Field supervision (within GR limit)

Contractor overhead (<2%)

G & A Field (within overhead limit)

Contractor profit (<6%)

Contingency (<5%)

Subtotal Ancillary Hard Costs

6.00%	646,646	646,646	74-2574739
2.00%	215,549	215,549	74-2574739
6.00%	646,646	646,646	74-2574739
5.00%	538,871	538,871	74-2574739
	\$2,047,711	\$2,047,711	

TOTAL DIRECT HARD COSTS

\$12,825,140	\$0	\$12,825,140
--------------	-----	--------------

INDIRECT CONSTRUCTION COSTS⁴

Architectural - Design fees

Architectural - Supervision fees

Engineering fees

Real estate attorney/other legal fees

Accounting fees

Impact Fees

Building permits & related costs

Appraisal

Market analysis

Environmental assessment

Soils report

Survey

Marketing

Course of construction insurance

Hazard & liability insurance

Real property taxes

Personal property taxes

Tenant relocation expenses

 Other⁴ (specify)

Subtotal Indirect Const. Cost

400,000	0	400,000	20-0525879
70,000		70,000	20-0525879
180,000		180,000	20-1962894
150,000	0	150,000	47-0597598
30,000	0	30,000	
95,000		95,000	
30,000		30,000	
10,000		10,000	
6,400		6,400	76-0419951
15,000		15,000	
25,000		25,000	
30,000		30,000	
10,000			
80,000		80,000	
60,000		60,000	
70,000		70,000	
0		0	
0		0	
0		0	
\$1,261,400	\$0	\$1,261,400	

DEVELOPER FEES⁴

 Housing consultant fees⁵

General & administrative

Profit or fee

0		0	
0		0	
2,274,359		2,274,359	74-2563260

Subtotal Developer's Fees

15.00%

TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.
\$2,274,359	\$0	\$2,274,359

Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)

TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)
Total	Eligible Basis (If Applicable)		
Cost	Acquisition	New/Rehab.	

FINANCING:

CONSTRUCTION LOAN(S)⁴

Interest
Loan origination fees
Title & recording fees
Closing costs & legal fees
Inspection fees
Credit Report
Discount Points
Other² (specify)

740,000		740,000	94-1687665
229,358		229,358	94-1687665
70,000		70,000	94-1687665
30,000		30,000	94-1687665
16,500		16,500	94-1687665
0		0	
0		0	
0		0	

PERMANENT LOAN(S)

Loan origination fees
Title & recording fees
Closing costs & legal
Bond premium
Credit report
Discount points
Credit enhancement fees
Prepaid MIP
Other² (specify)

73,650			94-1687665
20,000			94-1687665
20,000			94-1687665
0			
0			
0			
0			
0			
0			

BRIDGE LOAN(S)

Interest
Loan origination fees
Title & recording fees
Closing costs & legal fees
Other² (specify)

0			
0			
0			
0			
0			

OTHER FINANCING COSTS⁴

Tax credit fees
Tax and/or bond counsel
Payment bonds
Performance bonds
Credit enhancement fees
Mortgage insurance premiums
Cost of underwriting & issuance
Syndication organizational cost
Tax opinion
Contractor Guarantee Fee
Developer Guarantee Fee
Other² (specify)

92,000			
0	0	0	
0			
15,000			47-0597598
\$1,306,508	\$0	\$1,085,258	

Subtotal Financing Cost

RESERVES

Rent-up
Operating
Replacement
Escrows
Subtotal Reserves

50,000			
250,000			
\$300,000	\$0	\$0	

TOTAL HOUSING DEVELOPMENT COSTS⁵

- Commercial Space Costs⁶

TOTAL RESIDENTIAL DEVELOPMENT COSTS

\$20,982,407	\$0	\$17,436,757
\$20,982,407		

TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN) ¹ (and % of cost if item involves multiple payees)
Total	Eligible Basis (If Applicable)		
Cost	Acquisition	New/Rehab.	

The following calculations are for HTC Applications only.

Deduct From Basis:

Fed. grant proceeds used to finance costs in eligible basis

Fed. B.M.R. loans used to finance costs in eligible basis

Non-qualified non-recourse financing

Non-qualified portion of higher quality units (42.(d)(5))

Historic Credits (residential portion only)

Total Eligible Basis

**High Cost Area Adjustment: (100% or 130%)

Total Adjusted Basis

Applicable Fraction^o

Total Qualified Basis

Applicable Percentage^o

Owner's Requested Credits

	\$0	\$17,435,757
		\$1.3
	\$0	\$22,667,784
		90%
\$20,401,006	\$0	\$20,401,006
		9.00%
\$1,836,091	\$0	\$1,836,091

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated estimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

M STATION HOUSING LP
Development Owner Name

Bailey Elliott Construction, Inc.
Contractor Name

By: [Signature]
Signature
Its: DIRECTOR
2/28/09
Date

By: [Signature]
Signature
Its: President
February 25, 2009
Date

Volume 1 Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on " # of Bedrooms" and "Unit Size", then within the same " # of Bedrooms" and "Unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.

501(c)(3) Mortgage Revenue Bond: (MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%). Market Rate(MRBMR).

HOME: High (H/H), Low (L/H), Employee Occupied non LI unit
(M/R/O) Market Rate (MR)

Other: describe any "Other" rental assistance or cost reductions at the space provided.
documentation supporting the rental assistance or reductions must be provided

Housing Trust Fund (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF90%), Market Rate (MR)

units funded under more than one program. The "Program Alert Line" should be the most restrictive - for example, a LH and TC/GMS unit would use the "LH Program Alert line."

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: **M Station**

City: **Austin**[illegible]

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING	TC30%	15
	TC40%	0
	TC50%	75
	TC60%	45
TAX	HTC LI Total	135
CREDITS	TCEO	0
	MR	15
	MR Total	15
	TC Total	150
MORTGAGE	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
REVENUE	MRB LI Total	0
BOND	MRBMR	0
	MRBMR Total	0
	MRB Total	0

HOUSING	HTF30%	0
	HTF40%	0
	HTF50%	0
	HTF60%	0
TRUST	HTF60%	0
FUND	HTF LI Total	0
	MR	0
	MR Total	0
	HTF Total	0
HOME	HOME HH	0
	HOME LH	0
	HOME LI Total	0
	MR/EO	0
	MR	0
	MR Total	0
OTHER	HOME Total	0
	Total OT Units	0

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

revised 2-27-09

Volume 1, Tab 2. ACTIVITY OVERVIEW												
Part E. 30 Year Rental Housing Operating Proforma												
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of rental income and expenses), and principal and interest debt service. The Department currently considers an annual growth rate of 3% for income and 4% for expenses to be reasonably conservative estimates. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit. While the 30-year proforma projects 30 years of data, the Department's standard for financial feasibility is 15 years.												
Development Name:		City: Austin										
M Station												
LEASE-UP		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30	
INCOME												
POTENTIAL GROSS ANNUAL RENTAL INCOME		\$1,282,956	\$1,308,615	\$1,334,787	\$1,351,483	\$1,368,713	\$1,533,251	\$1,692,833	\$1,869,025	\$2,063,554	\$2,278,331	
Secondary Income		19,800	\$20,196	\$20,609	\$21,012	\$21,432	\$23,663	\$26,125	\$28,845	\$31,847	\$35,162	
POTENTIAL GROSS ANNUAL INCOME		\$1,302,756	\$1,328,811	\$1,355,397	\$1,382,495	\$1,410,145	\$1,556,914	\$1,718,959	\$1,897,869	\$2,095,401	\$2,313,492	
Provision for Vacancy & Collection Loss		97,707	99,661	101,654	103,687	105,761	116,769	128,922	142,340	157,155	173,512	
Rental Concessions												
EFFECTIVE GROSS ANNUAL INCOME		\$1,205,049	\$1,229,150	\$1,253,733	\$1,278,808	\$1,304,384	\$1,440,145	\$1,590,037	\$1,755,529	\$1,938,246	\$2,139,980	
EXPENSES												
General & Administrative Expenses		\$ 62,300.00	\$64,169	\$66,094	\$68,077	\$70,119	\$81,287	\$84,234	\$109,243	\$126,643	\$148,814	
Management Fee		60,847	\$62,054	\$63,916	\$65,833	\$67,808	\$78,609	\$91,129	\$105,643	\$122,470	\$141,976	
Payroll, Payroll Tax & Employee Benefits		168,000	\$173,040	\$178,231	\$183,578	\$189,085	\$219,202	\$254,115	\$294,589	\$341,509	\$395,903	
Repairs & Maintenance		89,400	\$92,082	\$94,844	\$97,690	\$100,620	\$116,647	\$135,226	\$156,763	\$181,732	\$210,677	
Electric & Gas Utilities		27,400	\$28,222	\$29,069	\$29,941	\$30,839	\$35,751	\$41,445	\$48,046	\$55,699	\$64,570	
Water, Sewer & Trash Utilities		98,500	\$101,455	\$104,499	\$107,634	\$110,863	\$128,520	\$148,990	\$172,720	\$200,230	\$232,122	
Annual Property Insurance Premiums		32,000	\$32,960	\$33,949	\$34,967	\$36,016	\$41,753	\$46,403	\$56,112	\$65,049	\$75,410	
Property Tax		82,288	\$84,736	\$87,278	\$89,896	\$92,593	\$107,341	\$124,437	\$144,257	\$167,233	\$194,869	
Reserve for Replacements		45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$58,715	\$68,067	\$78,908	\$91,476	\$106,045	
Other Expenses:		21,200	\$21,836	\$22,491	\$23,166	\$23,861	\$27,961	\$32,067	\$37,174	\$43,095	\$49,959	
TOTAL ANNUAL EXPENSES		\$686,315	\$706,904	\$728,111	\$749,955	\$772,453	\$895,485	\$1,038,113	\$1,203,457	\$1,395,137	\$1,617,346	
NET OPERATING INCOME		\$518,735	\$522,246	\$525,622	\$528,853	\$531,931	\$544,660	\$551,924	\$552,072	\$543,110	\$522,635	
DEBT SERVICE												
First Debt of Trust Annual Loan Payment		\$432,334	\$441,252	\$441,252	\$441,252	\$441,252	\$441,252	\$441,252	\$441,252	\$441,252	\$441,252	
Second Debt of Trust Annual Loan Payment												
Third Debt of Trust Annual Loan Payment												
Other Annual Required Payment												
NET CASH FLOW		\$86,401	\$80,994	\$84,370	\$87,601	\$90,679	\$103,408	\$110,672	\$110,820	\$101,858	\$81,383	
Debt Coverage Ratio		1.20	1.18	1.19	1.20	1.21	1.23	1.25	1.25	1.23	1.18	