

RENTAL HOUSING DEVELOPMENT ASSISTANCE

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

Project Name: VinCare Services of Austin Foundation: St. Louise House - Permanent Supportive Housing

Project Address: 3200 S. Lamar Zip Code: 78704

Total # units to be assisted: 24 Total # units in project/property: 24

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

Amount of funds requested: \$1,500,000

Terms: 0% Interest Forgivable Deferred Loan - 99 years

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).

VinCare Services of Austin Foundation

Name

2026 Guadalupe Street

Street Address

Austin TX, 78705 512-302-0027
City State, Zip Telephone #

Sharon Bieser 512-302-0027 512-326-2290
Contact Person Contact's Telephone # Fax #

74-2968167
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.

VinCare Services of Austin Foundation Sharon Bieser

Legal Name of Developer

Executive Director

Title

Sharon Bieser

Signature of Authorized Officer

6/24/09

Date

3. Project Description

VinCare Services of Austin Foundation respectfully requests **\$1,765,294** towards the acquisition and rehabilitation of a 24-unit apartment complex located at 2104 Berkett Drive, Austin, Texas 78745. VinCare requests \$1,750,000 for the acquisition of the property, \$1,132 for soft costs, and \$14,162 for the rehab of two apartments after accessibility modifications are complete. This 24 unit apartment complex constitutes multi-family housing; the property is comprised of 8 2/1 units (941 sq. feet each), 13 2/1.5 units (918 sq. feet each), and 3 2/1.5 units (987 sq. feet) for a total of 22,423 sq. feet of living space. The property will be used to provide transitional housing with on-site supportive services to homeless women with children who fall below 30% of the MFI. Lengths of stay will range from 6 - 24 months. Of the 24 units, 22 will house families and 2 units will be reserved for the on-site supportive services component of the St. Louise House II program. The initial budget for onsite supportive services, technology upgrades, and other program related expenses for the first year of operation is \$157,701.

VinCare is in the preliminary stages of securing funding for St. Louise House II; a capital campaign is scheduled to launch in June of 2008. Austin Housing Finance Corporation acquisition and rehab funds will be leveraged with anticipated support from the Seton Fund in the amount of \$250,000, individual donors, and various foundations in order to fund the supportive services component of St. Louise House II.

Eventually doubling in size from the current 12 unit St. Louise House I facility to a 24 unit facility will allow VinCare to serve 35 families – or 105 individuals – annually.¹ In 2007, all families served by St. Louise House I earned less than 30 percent of the MFI.²

VinCare Services of Austin will continue to publicize its service offerings through inclusion in the 2-1-1 directory. Applications for the program are available in English and Spanish via the organization's website. Referrals will continue to be accepted from agencies such as SafePlace, Lifeworks, the Salvation Army, Marywood, Posada Esperanza, and Foundation for the Homeless, etc.

Of the 24 units available at the Berkett Drive property, 22 are currently occupied. Currently there are five Section 8 units at the 2104 Berkett Drive property. VinCare Services will honor the current leases of all residents, ultimately transitioning all 24 units of the Berkett Drive property to provide transitional housing and supportive services for homeless women with children.

Two units will be rehabilitated for accessibility and adaptability purposes.

VinCare will provide both housing and on-site supportive services to its clients. The program staff include an experienced Licensed Master Social Worker who will be the full time St. Louise House Lead Case Manager and two full time case managers with significant experience serving families and communities. All residents develop personal responsibility plans in consultation with their designated case manager. On-site resident services include: debt counseling; legal referrals; job coaching and employment support (resume creation, interview skill development, job-search support); referrals for education and training (GED, ESL, technical skills training, higher ed); referrals for physical, emotional, and mental healthcare; household management; parenting skills; childcare assistance, etc.

According to the attached documentation from the City of Austin, Garrison Park, the neighborhood planning area for the Berkett property, is a future planning area.

¹ This estimate is based on historical St. Louise House data for the 66 families served by the program since 2001. The average family size has been 1 mother and two children; the maximum length of stay has been 19 months.

² HUD estimated the Rounded 2007 MFI for the Austin/Round Rock MSA as \$69,300.
http://www.huduser.org/datasets/il/il2007/2007MedCalc.odt?inputname=METRO12420M12420* Austin-Round+Rock%2C+TX+MSA&selection_type=hmf&wherefrom=mfi&year=2007

7. Development Team

Identify the entities anticipated to be involved in implementing the project including lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any entity 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 a non-profit entity.

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	VinCare Services of Austin Foundation			X
Developer	VinCare Services of Austin Foundation			X
Architect				
Engineer	Bradley Patterson, P.E.			
Construction Lender				
Other Lenders	American Bank of Commerce (ABC Bank) Mike Shaw, Senior Vice President			
Attorney	Blazier, Christensen, Bigelow & Virr, P.C.			
Accountant	Kristy Lira Cortez, CPA			
General Contractor	On-Call Management Services Inc.		X	
Consultant (if Applicable)	Randy Merritt, CCIM McAllister & Associates			
Property Management Provider	VinCare Services of Austin Foundation			X
Other:				

9. 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

___2___ Units accessible for persons with mobility disabilities

_____ Units adaptable for persons with sight and hearing disabilities

___2___ 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
700 Nelray Boulevard	12	Rehab	Apartments	2002-Present
Zilker Apartments	5	Lease	Apartments	2001-2002

VinCare Services of Austin will provide property management services for the St. Louise House II complex. VinCare has experience overseeing the monthly rental collection and property maintenance of 12 apartment units at its current St. Louise House I property. St. Louise House I was purchased with support from the Austin Housing Finance Corporation and CDBG funds. Since 2002, St. Louise House has served 63 families at its current location.

Prior to VinCare's acquisition of its current Nelray Blvd. site, the St. Louise House program was operated out of leased space in South Austin. VinCare provided 5 units of housing and supportive services while in Zilker Apartments; seven families received support at this location.

Friedland & Associates, at the time of the appraisal, were not aware of asbestos or other hazardous chemicals in the 2104 Berkett property structure. Based on the property's 1983 construction date, lead based paint was not used.

VinCare will adhere to the City of Austin's anti-displacement and relocation plans; proper notice will be given to all current 2104 Berkett Dr. tenants in order to minimize the impact of the property's transition to housing for homeless women with children.

11. Detailed Project Budget - Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary to detail the specific funding being requested. Delineate all prior and currently requested RHDA funding by individual line-item.

DETAILED PROJECT BUDGET				
	Cost	Prior RHDA Funds	RHDA Funds Requested	Description
PREDEVELOPMENT				
Appraisal	\$2,000			Expense Incurred by VinCare
Environmental Site Assessment	\$1,600			Phase I Assessment – Expense Incurred by VinCare
Environmental Review	\$427			Preliminary Records Check- Expense Incurred by VinCare
Engineering	\$750			On-site Inspection & Report- Expense Incurred by VinCare
Termite Inspection	\$162			Expense Incurred by VinCare
Survey	\$2,600			Title Survey – Expense Incurred by VinCare
Architectural				
Earnest Money	\$75,000			Expense Incurred by VinCare
TOTAL PREDEVELOPMENT	\$82,539			
ACQUISITION				
Site and/or Land	\$1,750,000		\$1,750,000	24 Unit Complex
Structures				
Other (specify)				
TOTAL ACQUISITION	\$1,750,000		\$1,750,000	
CONSTRUCTION				
Infrastructure				
Site work				
Demolition				
Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				

Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other (Please specify)				
Accessibility Rehabilitation	\$14,162		\$14,162	On-Call Mgmt. Srvs. 2 Unit Bid
TOTAL CONSTRUCTION	\$14,162		\$14,162	
SOFT & CARRYING COSTS				
Legal	\$1,235			Expense Incurred by VinCare
Audit/Accounting				
Title/Recording	\$1,132		\$1,132	Expense to be Incurred at Closing
Architectural (Inspections)	\$1,200			Expense Incurred by VinCare
Loan Fees	N/A			
Davis-Bacon Monitoring	N/A			
Zoning Verification	\$441			Zoning Verification – 24 Units Expense Incurred by VinCare
Other: (Specify)				
TOTAL SOFT & CARRYING	\$4,008		\$1,132	
TOTAL PROJECT BUDGET	\$1,850,709		\$1,765,294	

12. 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, letters of commitments, etc.).
- b. **Leveraging** – Complete Table C below. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.
- 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. Refer to Program Guidelines for additional information related to DCR.

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of F (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity – Earnest Money			\$75,000	Balance Sheet	Predevelopment
Owner Equity – Predevelopment Expenses			\$10,415	Invoices	Predevelopment & Soft costs
Private Financing (List Lenders)					
Other Sources (List Below)					
Proposed RHDA Funds	99year	0%	\$1,765,294	Sales Contract, Construction Bid, Closing Cost Estimate	Acquisition, Rehab, Soft Costs
TOTAL:			\$1,850,709		

TABLE B: USES OF FUNDS SUMMARY

	Total Cost	Cost/Unit
Predevelopment	\$82,539	\$3,439
Acquisiton	\$1,750,000	\$72,916
Hard Costs	\$14,162	\$590
Soft & Carrying Costs	\$4,008	\$167
Other Costs		
Total Project Costs	\$1,850,709	\$77,112

TABLE C: LEVERAGE SUMMARY

TOTAL RHDA FUNDS	\$1,765,294
TOTAL OTHER FUNDS	\$85,415

Operating - forma - St. Louise House II

INCOME:

Rent Sch.	Units	Rent	Yr. Rent
1bd/1	0	0	-
2bd/1	8	475	45,600
2bd/1	16	514	98,688
2bd/2	0	0	-
3bd/1	0	0	-
3bd/2	0	0	-
4bd/2	0	0	-

Gross Rental Income 144,288

less vacancy 8.0%

Other income

EFFECTIVE GROSS INCOME (EGI)

Assumptions			
Yr. increase in income/rent	3.00%		
Yr. increase in expenses	3.00%		
Total Units	24		

Financing / Terms / Debt Service	
RHDA loan @ 0% for 99 yrs.:	\$ 1,765,294

	YR 1 '09	YR 2 '10	YR 3 '11	YR 4 '12	YR 5 '13	YR 6 '14	YR 7 '15	YR 8 '16	YR 9 '17
	144,288	29,684	5,280	5,438	5,602	5,770	5,943	6,121	6,305
	11,543	2,375	422	435	448	462	475	490	504
	133,157	268,517	324,221	333,948	343,966	354,285	364,914	375,861	387,137
	265,902	295,826	329,079	338,951	349,119	359,593	370,381	381,492	392,937

OPERATING EXPENSES:

Real Estate Taxes - 2007**

Insurance

Maint. & Repairs

Property Management

Utilities/Trash/Pest Control

Accounting

Legal

Replacement Reserve

Subtotal Operating Expenses

Resident Services

**TOTAL EXPENSES

NET OPERATING INCOME (NOI)

LESS DEBT SERVICE:

RHDA Loan - 1,765,294 @ 0% / 99 yrs.

TOTAL DEBT SERVICE (DS)

CASH FLOW (CF)

DCR (NOI / DS)

108 unit/mo.	31,205	32,141	16,552	17,049	17,560	18,087	18,629	19,188	19,764
32 unit/mo.	9,204	9,480	9,764	10,057	10,359	10,670	10,990	11,320	11,659
63 unit/mo.	18,233	18,780	19,344	19,924	20,522	21,137	21,771	22,425	23,097
50 unit/mo.	14,400	14,832	15,277	15,735	16,207	16,694	17,194	17,710	18,241
105 unit/mo.	30,275	31,183	32,118	33,082	34,074	35,097	36,149	37,234	38,351
9 unit/mo.	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,074	3,167
3 unit/mo.	900	927	955	983	1,013	1,043	1,075	1,107	1,140
16 unit/mo.	4,484	4,619	4,757	4,900	5,047	5,198	5,354	5,515	5,680
	111,201	114,537	101,419	104,462	107,596	110,824	114,149	117,573	121,100
	152,701	179,250	225,616	232,384	239,356	246,537	253,933	261,551	269,397
	263,902	293,787	327,035	336,847	346,952	357,361	368,081	379,124	390,497
	2,000	2,040	2,043	2,104	2,168	2,233	2,300	2,369	2,440
	1	1	1	1	1	1	1	1	1
	1	1	1	1	1	1	1	1	1
	1,999	2,039	2,042	2,103	2,167	2,232	2,299	2,368	2,439
	2,000	2,040	2,043	2,104	2,168	2,233	2,300	2,369	2,440

* Beginning in YR 3, the property will be fully occupied by homeless families under 30% of the MFI. At that point, VinCare anticipates a 50% decrease in property tax owed.

** St. Louise House II expects to provide 11 transitional units by YR 1's end. SLH II will be at full capacity with 22 transitional units by YR 2's end. At this point, the total expenses per transitional unit will decrease substantially.

	YR 10 '18	YR 11 '19	YR 12 '20	YR 13 '21	YR 14 '22	YR 15 '23	YR 16 '24	YR 17 '25	YR 18 '26	YR 19 '27	YR 20 '28
	6,494	6,689	6,889	7,096	7,309	7,528	7,754	7,986	8,226	8,473	8,727
	519	535	551	568	585	602	620	639	658	678	698
	398,751	410,713	423,035	435,726	448,798	462,262	476,129	490,413	505,126	520,280	535,888
	404,725	416,867	429,373	442,254	455,522	469,187	483,263	497,761	512,694	528,075	543,917
	20,357	20,968	21,597	22,245	22,912	23,599	24,307	25,036	25,787	26,561	27,358
	12,009	12,369	12,740	13,123	13,516	13,922	14,339	14,770	15,213	15,669	16,139
	23,790	24,504	25,239	25,996	26,776	27,579	28,407	29,259	30,137	31,041	31,972
	18,789	19,352	19,933	20,531	21,147	21,781	22,435	23,108	23,801	24,515	25,250
	39,501	40,686	41,907	43,164	44,459	45,793	47,167	48,582	50,039	51,540	53,087
	3,262	3,360	3,460	3,564	3,671	3,781	3,895	4,012	4,132	4,256	4,383
	1,174	1,210	1,246	1,283	1,322	1,361	1,402	1,444	1,488	1,532	1,578
	5,851	6,026	6,207	6,393	6,585	6,783	6,986	7,196	7,412	7,634	7,863
	124,733	128,475	132,329	136,299	140,388	144,600	148,938	153,406	158,008	162,749	167,631
	277,479	285,804	294,378	303,209	312,305	321,674	331,325	341,264	351,502	362,047	372,909
	402,212	414,279	426,707	439,508	452,694	466,274	480,263	494,671	509,511	524,796	540,540
	2,513	2,588	2,666	2,746	2,828	2,913	3,000	3,090	3,183	3,279	3,377
	1	1	1	1	1	1	1	1	1	1	1
	1	1	1	1	1	1	1	1	1	1	1
	2,512	2,587	2,665	2,745	2,827	2,912	2,999	3,089	3,182	3,278	3,376
	2,513	2,588	2,666	2,746	2,828	2,913	3,000	3,090	3,183	3,279	3,377

A homeless family is eligible for services at St. Louise House II if: 1) the family consists of a single woman with dependent children, 2) the family is willing to participate in the program voluntarily and the female head of household is physically and mentally able to commit to active participation in case management and support services offered through the program, and 3) the family has income from employment, child support, TANF or the like. (All families pay income-based rent – usually \$20.00 – in addition to electric utilities and basic phone service.) St. Louise House II will eventually serve 105 individuals – or 33 families- annually. Families may remain at St. Louise House up to 24 months.

St. Louise House staff work with residents to develop a solution-focused service plan that includes individualized goals such as securing permanent/stable housing, employment, childcare, health care and education, as well as budgeting and debt reduction.

Families at St. Louise House II will receive intensive on-site supportive services. Specific examples include:

- case management with a special emphasis on long-term housing, increasing income, and improving self-care;
- individual employment assessments & job coaching;
- support related to the creation and attainment of educational goals;
- referrals to a broad range of community services;
- child care assistance;
- life skills trainings both onsite and through Catholic Charities;
- money management and debt reduction support;
- a furnished apartment (all furnishings can then be taken with them upon exit from the program);
- access to an on-site food pantry;
- assistance with transportation;
- children's activities;
- a playground;
- monthly community group meetings.

Ninety percent of St. Louise House program graduates transition to self-sufficiency and permanent housing. Data from the Community Action Network indicates that the annual cost borne by the Austin community to maintain a family of three's state of homelessness is \$51,600. This is more than double VinCare's annual cost to successfully transition the same family to self-sufficiency in permanent housing.¹ Investing in VinCare's St. Louise House program means valuable resources can eventually be allocated to meet other pressing community needs.

¹ According to the Community Action Network's April 2005 *Frequently Asked Questions About Basic Needs: Food, Clothing, Rent & Utilities*. "the cost of being homeless is as much as \$4,300 per month for a family of three" (including shelter, transitional housing, health care costs, emergency services, etc.) http://www.caction.org/fiaqs/BasicNeeds_2005.pdf

VinCare Services of Austin has provided transitional housing with onsite supportive services since 2001. The St. Louise House program opened with five families in leased space in South Austin. In 2003, VinCare Services purchased the current Nelray Blvd. site and grew to serve 11 families at once. St. Louise House I has served 70 families to date; 90 percent of these families have transitioned from the program to safe and stable permanent housing.

St. Louise House I currently operates with a Lead Case Manager who oversees admissions to the program as well as implementation of supportive services. Two case managers work under the Lead Case Manager's supervision to create long and short-term service plans that are solution-focused and individualized to each program participant's needs.

For the past three years, VinCare Services of Austin has been a United Way Capital Area partner agency. In 2007, VinCare was awarded a Health & Human Services contract by the City of Austin in order to support the St. Louise House program. The contract was extended to 2008.

VinCare receives referrals from SafePlace, Lifeworks, the Austin Shelter for Women & Children, the Salvation Army, Austin Family House, Child Protective Services, the Crime Prevention Institute, Casa Marianella, and Marywood.

VinCare's partnership with Catholic Charities of Central Texas brings a wide range of new resources to families served by St. Louise House I & II. In addition to life skills classes and trainings, St. Louise House I & II program participants have access to subsidized counseling services as needed.