

ATTACHMENT 5

RENTAL HOUSING DEVELOPMENT ASSISTANCE

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

Project Name: Wildflower Terrace

Project Address: Northeast Corner of Berkman Drive and Tom Miller Street Zip Code: 78723

Total # units to be assisted: 86

Total # units in project/property: 201

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

Amount of funds requested: \$2,000,000

Terms: 0%, fully 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).

Applicant: Austin DMA Housing, LLC (to be formed)

Developer: DMA Development Company, LLC – same contact information
Name

4101 Parkstone Heights Drive, Suite 310
Street Address

<u>Austin</u>	<u>Texas, 78746</u>	<u>512-328-3232</u>
City	State, Zip	Telephone #

<u>Janine Sisak</u>	<u>512-328-3232 ext. 166</u>	<u>512-328-4584</u>
Contact Person	Contact's Telephone #	Fax #

TBD


Applicant's Federal Tax ID Number or SS#

74-2907408

Developer's 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.**

DMA Development Company, LLC
Legal Name of Developer


Signature of Authorized Officer

President
Title

2/25/09
Date

2. For non-profit applicants/developers only, include copies of the following:

- a. Articles of Incorporation
- b. Certificate of Incorporation filed with the State of Texas
- c. Federal IRS certification granting non-profit status
- d. Names, addresses and phone numbers of current board members
- e. Certified financial audit for most recent year which include the auditor's opinion and management letters.
- f. Board resolution approving the proposed project and authorizing the request for funding

Not Applicable.

3. Project Description - In one page or less, describe the project including the information listed below:

a. Location by street address and include an area map with properties indicated.

The site is located at the northeast corner of the intersection of Berkman Drive and Tom Miller Street in the Tower District of the newly developed Mueller community. This development will be located just south of the former Mueller Airport control tower and adjacent to the Southwest and Southeast Greenways. Please see the maps and written directions attached behind Tab 1. The site is located in Census Tract 3.03, which does not have any other low income properties serving seniors.

b. Describe the type of project indicated above and if the project is considered transitional housing or permanent supportive housing. Include the type of structure (multi-family or single-family), square footage, number and size of units.

The proposed project is a 201 unit affordable senior apartment community. The four-story building will include a mix of 1 bedroom and 2 bedroom apartments, with features such as ceiling fans, 9 foot ceilings, energy-rated appliances, and washer/dryer hookups. Of the total 201 units, 157 will be one bedroom units ranging in size from 707 – 842 square feet. 44 units will have two bedrooms and range from 986 – 1,098 square feet. Residents will have garage parking with a limited access gate. Common amenities will include a community activity room with covered terrace, movie theater, fitness center, art studio, library, laundry facilities, business center, outdoor courtyard, and management/leasing offices. See attached Site Plan behind Tab 3.

c. Proposed tenants including number and type of individuals to be served, and yearly income relative to all funding source requirements of 30%, 50%, 60% or 80% MFI. If the project will serve families with special needs, describe the population to be served and the supportive services program.

The proposed development will primarily serve active adults age 55 or older. Approximately 171 of the 201 units will be income restricted to those with incomes less than 60% of the Area's median income. 42% of the total units will be for tenants with approximate incomes less than 60% of the area's median income. 30% will be for tenants with approximate incomes less than 50% of the area's median income. 13% will be for tenants with approximate incomes less than 30% of the area's median income. 15% will be non-income restricted. For a family of 1, those approximate income levels are \$29,880, \$24,900, and \$14,940 respectively. For a family of 2, those approximate income levels are \$34,140, \$28,450, and \$17,070 respectively. The total restricted income percentage of the Development is 85%.

d. Indicate whether the project is occupied at the time of proposal submission.

There are no existing structures on the site, therefore no residents will be displaced or relocated.

- e. **Location of the project relative to the "Opportunity Map of Austin" attached to the Program Guidelines.**

Please see attached Opportunity Map behind Tab 3.

- f. **Project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).**

The project meets the requirements of the Mueller Planned-Unit Development District. Per City Ordinance No. 040826-61, which set forth the limitations and conditions of the PUD, the project is located an area designated as mixed-residential which permits multi-family and mixed use buildings. Additionally, City Ordinance No. 041216-83 created a tax increment financing reinvestment zone under Chapter 311 of the Texas Tax Code, which designated the Mueller property as a tax increment financing district named "Reinvestment Zone #16, City of Austin, Texas."

- g. **Project will preserve existing affordable rental units.**

There is no existing housing currently on the site. The project will bring new affordable rental units online and maintain their affordability for a 40 year compliance period.

- h. **If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.**

There are no existing structures currently on the site.

- i. **Units reserved for Section 8 families.**

There are no units reserved for Section 8 households, although the community will accept Section 8 voucher holders.

- j. **Units accessible and adaptable for persons with mobility, sight or hearing disabilities.**

All units will be designed as adaptable, but will provide a greater level of accessibility than required of adaptable units. Specifically, all units will include accessibility features such as grab bars, roll-in showers, and sufficient turning radius in the kitchen and bathrooms. Additionally, ten percent of the units will be designed as fully accessible for people with mobility impairments, while another two percent will be designed as accessible for those with vision and hearing impairments.

- k. **Compatibility with current Neighborhood Plan (if applicable).**

Not Applicable. The site is located in a non- Neighborhood Planning area.

- l. **In addition to providing an Itemized Development Budget through your response to Question 11, summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of AHFC funds requested, amount and provider of other funding and the stage of those commitments.**

The total project cost will be approximately \$25 Million. The construction funding sources include a construction loan from JP Morgan Chase Bank in the amount of \$12,000,000, a loan from the City of Austin in the amount of \$2,000,000, an interim loan from Mueller Foundation in the amount of \$500,000, and investor

equity in the amount of \$8,639,136. The majority of the developer fee (\$1,830,713) will not be paid during construction, so the total construction sources balance the total construction uses.

The construction loan from JP Morgan Chase Bank will carry an interest rate of approximately 6.5% and will require interest-only payments during the term of the loan. Construction loan interest, assuming the loan is fully drawn for one year, will be approximately \$900,000.

The Austin Housing Finance Corporation loan, which will be a combination of HOME funding and General Obligation funding to be determined by the City, is a fully forgivable loan and therefore will have no payments during the construction period.

The loan from the Mueller Foundation will carry a reasonably commercial interest rate and will have a two year term. This loan will not require any payments during its term.

The permanent loan and a portion of the investor equity will pay off the construction loan as well as the Mueller Foundation loan.

The permanent loan from Community Development Trust and underwritten by JPMorgan Chase Bank will be in the amount of \$7,300,000. The loan will carry an interest rate based on the 10-year Treasury rate, plus a spread, which is currently projected to be 8.5%.

The total equity available from RBC Capital Markets as a permanent source of funding will be \$14,398,560.

The Austin Housing Finance Corporation loan in the amount of \$2,000,000 will also be available as a permanent source of funding. It is a fully forgivable loan which is non-amortizing and does not require any repayment as long as the applicant is not in default of the loan agreement.

The final source of permanent funding will be the developer fee note in the amount of \$1,271,289.

4. Site Control and Demonstration of Value

Include evidence of site control such as warranty deed or current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the project. The appraisal or other documentation must indicate that the value of the project is at least 80% of the total debt including any new debt incurred if this loan were to be made.

Evidence of site control is included behind Tab 6.

5. Zoning

Include a letter from the City of Austin's Development Review and Inspection Department (DRID) 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 DRID. Should the project receive funding approval, appropriate zoning must be in place prior to execution of loan documents.

A letter from the City of Austin confirming that the current zoning of the site for the proposed project is compatible with the anticipated use is included behind Tab 7.

6. S.M.A.R.T. Housing

Include letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing requirements.

A letter from the City of Austin confirming that the project has been reviewed and meets S.M.A.R.T. Housing requirements is included behind Tab 8.

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	Austin DMA Housing, L.P.		X	
Developer	DMA Development Company, LLC		X	
Architect	Hailey Group Architects			
Engineer	TBD			
Construction Lender	J.P. Morgan Chase Bank			
Other Lenders	Community Development Trust Mueller Foundation			
Attorney	Coates Rose Yale Ryman Lee			
Accountant	Novogradac & Company, LLP			
General Contractor	Carleton Construction, Ltd.	X		
Consultant	N/A			
Property Management Provider	DMA Properties, LLC		X	
Other:	N/A			

8. **Development Schedule.** Complete the grid below. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	December 2009
Environmental and/or historic review (AHFC)	March – May 2009
Securing and packaging project financing	September 2009
Construction Specifications and Cost estimates	February 2010
Construction Bids	March-April 2010
Construction Start	April-May 2010
Anticipated Draws (list all)	Monthly from April 2010
End Construction	July 2011
Start of Rent-up	April 2011
Completion & Operation	July 2011

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.

180 Units adaptable for persons with mobility disabilities
21 Units accessible for persons with mobility disabilities
196 Units adaptable for persons with sight and hearing disabilities
5 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, units, etc.) SF	Year Completed
Sandia Crossing – 1115 N. Magnolia St., Luling, TX	40	New	Multifamily 1,2, & 3 bdrm units	2000
The Oaks at Winding Way – 2631 Winding Way Drive, Gonzales, TX	40	New	Multifamily 1,2, & 3 bdrm units	2000
Mariposa Gardens – 501 South Highway 359, Mathis, TX	66	New	Multifamily 1,2, & 3 bdrm units	2001
Legend Oaks – 101 Legend Hills Blvd., Llano, TX	48	New	Senior 1 & 2 bedrooms	2002
Mission Oaks – 411 Swift Street, Refugio, TX	32	New	Multifamily 1,2, & 3 bdrm units	2003
Prairie Commons – 9850 Military Parkway, Dallas, TX	72	New	Multifamily 2 & 3 bdrm units	2004
Grove Park Terrace – 200 Parks School House Road, Waxahachie, TX	60	New	Multifamily 1,2, & 3 bdrm units	2004
Westview Ranch – 225 Westview Ave., Pearsall, TX	72	New	Multifamily 1,2, & 3 bdrm units	2005
Village at Morningstar – 3401 Magnolia Ave., Texas City, TX	100	New	Senior Apartments 1 & 2 bedroom	2006
The Arbors at Rose Park – 2702 South 7 th Street, Abilene, TX	80	New	Senior Apartments 1 & 2 bedroom	2007

- c. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement the proposed project. Of particular importance is the developer's experience with successfully completing a) projects that triggered Davis-Bacon and other Federal Labor Standards, b) federally-funded projects involving temporary or permanent relocation of tenants, or c) projects involving the testing and appropriate treatment of Lead-based paint and/or asbestos, if the proposed project will involve any of those three dimensions. If this is the applicant's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.

Founded in 1998 in Austin, DMA Development Company, LLC (DDC), has developed 17 affordable housing communities in which it has an ownership position, of which six are senior communities. DMA Development Company, LLC was an outgrowth of Diana McIver & Associates, Inc. (DMA), which has a successful history of providing development consulting services to nonprofit organizations, with a focus on special needs housing. Since 1980, DMA has assisted nonprofit sponsors with the development or rehabilitation of more than 13,000 affordable housing units in 43 states, with a primary emphasis on housing for seniors. The staff of DMA Development Company has extensive experience working on projects that involved using Davis-Bacon wage standards. Its consulting arm, Diana McIver & Associates, has consulted on more than 300 HUD Section 202 projects, each of which involved Davis-Bacon wage rates.

DMA Development Company, LLC, is 100% owned by Diana McIver and certified by the Texas General Services Commission as a Historically Underutilized Business.

- d. Indicate who will provide property management services. Provide documentation to demonstrate the entity's level of experience and track record in operating federally-funded properties of similar size.

DMA Properties, LLC will provide property management services for the proposed project. DMA Properties, LLC (DP), was formed in March 2002 for the purpose of providing property management services to multifamily rental communities developed by DMA Development Company, LLC (DDC), and Diana McIver & Associates, Inc. (DMA).

DMA Properties is headquartered at 4101 Parkstone Heights Drive, Suite 310, Austin, Texas, and shares staff and office space with DDC and DMA. DMA Properties is 100% owned by Diana McIver and is certified by the Texas Building and Procurement Commission as a Historically Underutilized Business.

DMA Properties, LLC, currently has the following properties under management:

- Sandia Crossing, Luling, Texas.
- The Oaks at Winding Way, Gonzales, Texas.
- Mariposa Gardens, Mathis, Texas.
- Legend Oaks, Llano, Texas.
- Grove Park Terrace, Waxahachie, TX.
- Mission Oaks, Refugio, Texas.
- Prairie Commons, Dallas, Texas.
- Westview Ranch, Pearsall, TX.
- The Village at Morningstar, Texas City, TX.
- The Arbors at Rose Park, Abilene, TX
- The Pines at Willowbrook, Hinesville, GA

Primary staff for DMA Properties, LLC, are:

Diana McIver, President. Diana McIver is the President and 100% owner of both DMA Properties and DMA Development Company. She has thirty years of experience in the area of affordable housing and has assisted nonprofits in the development of more than \$600,000,000 in affordable housing through various state, local and federal programs. She is past President of the Texas Affiliation of Affordable Housing Providers, a state-wide industry trade association. In 2001, Diana received a federal appointment to the Commission on Affordable Housing and Health Care Needs for Seniors in the 21st Century, and her early career involved work with the U.S. Senate Special Committee on Aging and the National Center for Housing Management. She is the majority stockholder in MicroMain Corporation, which produces MicroMain XM, a Computerized Maintenance Management Software program which tracks facility maintenance.

Sergio Amaya, Vice President. Sergio Amaya has twenty seven years of experience in property and asset management, and joined DMA Properties in February 2005. In this role, Mr. Amaya oversees the day to day operations of the property management company, which include eleven tax credit properties. In addition, he oversees any and all activities related to budgeting, operations, personnel, maintenance, compliance, and investor relations. Prior to joining DMA Properties, Mr. Amaya was Managing Director for Kennedy Wilson where he supervised a portfolio of residential multifamily properties in Austin, Dallas, College Station, San Marcos and San Antonio. Prior to that, he was President of the Austin Management Group for seven years where he developed a full-scale property management firm and oversaw day-to-day operations of a small owner-managed real estate investment company, which included multifamily and commercial properties in Texas and Florida. In addition, Mr. Amaya was Vice President of Parkford Management for 8 years where he was responsible for the overall supervision of more than 15,000 multifamily units, including portfolios with tax credit properties. His supervisory responsibilities included all regions of the United States.

Janine Sisak, General Counsel. Janine Sisak has eight years of experience in affordable housing, particularly with the development of properties financed with Housing Tax Credits or HUD Section 202/811 Grants. She joined DMA in 2001 and since January 2004, she has served as Asset Manager for properties owned by DMA. She was promoted to General Counsel for the firm in October 2006. Janine received her BA in Economics from Tufts University and her J. D. from Fordham University School of Law.

Patricia Hensley, Operations Support. Patricia Hensley joined DMA Properties in September 2007. She is responsible for managing, organizing, scheduling and maintaining information related to the eleven properties managed by DMA Properties. In addition, Patricia also assists in the day to day operations of DMA Properties. She also oversees office management for all DMA Companies. Patricia has an Associates degree in Business Arts and is currently working on her Bachelor's degree.

Additionally, DMA Properties employs fifteen persons directly involved in the management of the eleven properties in Luling, Gonzales, Mathis, Llano, Waxahachie, Dallas, Refugio, Pearsall, Texas City, Abilene, and Hinesville, GA

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.

PLEASE SEE ATTACHED DEVELOPMENT COST SCHEDULE BEHIND TAB 9.

DETAILED PROJECT BUDGET				
	Cost	Prior RHDA Funds	RHDA Funds Requested	Description
PREDEVELOPMENT				
Appraisal				
Environmental Review				
Market Study				
Engineering				
Survey				
Testing/Inspections (soils)				
Architectural				
TOTAL PREDEVELOPMENT				
ACQUISITION				
Site and/or Land				
Structures				
Other (specify)				
TOTAL ACQUISITION				
CONSTRUCTION				
Infrastructure				
Site work				
Parking Garage				
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				
Furnishings/Equipment				
Permits/ Water Quality/ Misc.				
General Requirements				
Contractor Overhead				
Contractor Profit				

Construction Contingency				
TOTAL CONSTRUCTION				
SOFT & CARRYING COSTS				
Lender's Inspection Fees				
Lender's Legal Fees				
Borrower's Legal Fees				
Bond				
Audit/Accounting				
Title/Recording				
Construction Interest				
Construction Insurance				
Construction Loan Origination Fee				
Perm Loan Orig Fees				
Perm Loan App Fees				
Financing Legal				
Title and Recording				
Real Estate Taxes				
Tax Credit Fees				
Tax Credit Commitment				
Tax Opinion				
Syndicator Legal Fees				
Developer Fee				
Mueller Fees				
Operating Reserves				
Debt Service Reserve				
Marketing				
Davis-Bacon Monitoring				
TOTAL PROJECT BUDGET				

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

PLEASE SEE ATTACHED SUMMARY OF SOURCES BEHIND TAB 10.

- 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 and “Supportive Housing Projects.”

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					
Private Financing (List Lenders)					
Other Sources (List Below)					
Proposed RHDA Funds			\$2,000,000		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$100,000	\$498
Acquisiton	\$1,200,000	\$5,970
Hard Costs	\$17,980,774	\$89,456
Soft & Carrying Costs	\$5,308,174	\$26,409
Other Costs (Reserves)	\$380,700	\$1,894
Total Project Costs	\$24,964,849	\$124,228

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$2,000,000
TOTAL OTHER FUNDS	\$22,969,849
LEVERAGE (%)	8.7%

SUPPORTIVE SERVICES PLAN

The entire DMA team strongly believes that housing for the elderly should reflect the needs and wants of the persons who reside there and that the facility should be capable—in both its design and operations—to react to the changing needs of the residents. Based on its past experience in serving elderly residents, DMA Properties, LLC is well equipped to meet both the resident's shelter and non-shelter needs as they change due to the aging process.

DMA Properties, LLC expects to serve 201 senior households annually. As residents “age in place,” many will likely need some level of supportive services. Supportive services will be offered at a level appropriate to the needs of the individual resident. Within each of these services is a continuum which allows for meeting a different level of service need depending on whether the individual is independent, nearly independent, nearly frail or frail. The varying levels will range from informational and educational activities to the actual provision of services on-site.

The types of services to be offered to residents will include the following:

- *Social and Recreational Activities:* These activities may include potluck suppers, birthday parties, dances, sightseeing tours, trips to special events, card games, exercise classes, etc.
- *Information and Referral:* The on site manager and/or the supportive services coordinator will assist residents in locating resources in the community, such as case management, homemaker services, attendant care, legal services, health screening, and volunteer programs.
- *Nutrition/Meal Service:* Although meals will not be provided at the onset, the proposed development includes a community room with the capability to double as a dining room with a warming kitchen.
Health Services: Space will be made available for periodic health screening programs available through local community organizations. Residents who would benefit from home health services will be referred to affordable alternatives.

Staff Resumes

See Project Description, page 9 for resumes of key personnel. DMA Properties, LLC has more than 3 years experience in providing similar support services in each of its senior properties including Legend Oaks, The Village at Morningstar, and the Arbors at Rose Park.

Operating Budget

The services described above are voluntary, and will generally be provided at low or no charge to the resident. For instance, the on-site resident manager or the residents' council will organize the social and educational activities and will be responsible for finding volunteer guest speakers or presenters. Any nominal expense associated with these activities will be funded out of the larger project budget. The operating proforma included in Tab 11 includes \$4,800 annually, or \$400 a month for the provision of supportive services which is more than sufficient to pay for all supplies and related expenses necessary to carry out these activities.

The residents will also have access to information and referral free of charge. The on-site manager and/or supportive service coordinator will have information and brochures available so that residents can locate the appropriate service providers in the community. Generally, the services themselves—like homechore assistance, health care assistance, etc—are funded through Older American Act or local and state programs and are available at no cost, on a sliding fee scale, or co-pay system to low-income elderly participants. Similarly, programs like Meals on Wheels and door-to-door van service are provided to the resident at a low fixed fee, on per meal or per ride basis.

In this respect, since these services are funded by service providers in the larger community or through state and federal programs, the property will not have to fund these services out of its operating budget. Throughout the initial period of occupancy, the property manger will develop relationships and funding arrangements with social service providers to ensure that as the resident population ages, funding sources will be in place to allow residents to "age in place" with supportive services.

Supportive Services Agreement

The following is a draft of the final Supportive Services Agreement between Austin DMA Housing, LLC and DMA Properties, LLC.

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:

Wildflower Terrace

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
Infrastructure Contingency
Subtotal Acquisition Cost

1,100,000		
100,000		
\$1,200,000	\$0	\$0

OFF-SITES¹

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

SITE WORK⁴

Demolition
On 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

420,000		420,000
35,000		35,000
41,600		41,600
0		0
0		0
273,400		273,400
197,000		197,000
0		0
301,600		301,600
0		0
0		0
0		0
55,000		55,000
\$1,323,600	\$0	\$1,323,600

DIRECT CONSTRUCTION COSTS⁵:

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

2,835,000		2,835,000
878,295		878,295
393,400		393,400
3,060,143		3,060,143
85,000		85,000
418,800		418,800
817,420		817,420
716,295		716,295
353,610		353,610
409,425		409,425

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.	

DIRECT CONSTRUCTION COSTS (Continued):

Shings	226,607		226,607	
Special Construction	0		0	
Conveying Systems (Elevators)	150,000		150,000	
Mechanical (HVAC; Plumbing)	2,242,602		2,242,602	
Electrical	1,239,856		1,239,856	

Individually itemize costs below:

Accessory Buildings	0		0	
Carports and/or Garages	0		0	
Lead-Based Paint Abatement	0		0	
Asbestos Abatement	0		0	
Other* (Specify)	0		0	

Subtotal Direct Const. Costs

\$13,826,453	\$0	\$13,826,453	
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TOTAL DIRECT CONST. & SITE WORK

\$15,150,053	\$0	\$15,150,053	
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OTHER CONSTRUCTION COSTS

General requirements (<6%)	5.89%	891,674		891,674	
Field supervision (within GR limit)					
Contractor overhead (<2%)	1.97%	298,450		298,450	
G & A Field (within overhead limit)					
Contractor profit (<6%)	5.89%	891,674		891,674	
Contingency (<5%)	4.98%	755,000		755,000	
Subtotal Ancillary Hard Costs		\$2,836,798	\$0	\$2,836,798	

TOTAL DIRECT HARD COSTS

\$17,986,851	\$0	\$17,986,851	
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INDIRECT CONSTRUCTION COSTS⁴

Architectural - Design fees	382,000		382,000	
Architectural - Supervision fees	38,000		38,000	
Engineering fees	245,000		245,000	
Real estate attorney/other legal fees	100,000		100,000	
Accounting fees	20,000		20,000	
Impact Fees	40,000		40,000	
Building permits & related costs	81,455		81,455	
Appraisal	10,000		10,000	
Market analysis	6,400		6,400	
Environmental assessment	5,000		5,000	
Soils report	20,000		20,000	
Survey	25,000		25,000	
Marketing	0			
Course of construction insurance	55,000		55,000	
Hazard & liability insurance	75,000		75,000	
Real property taxes	50,000		50,000	
Personal property taxes	0		0	
Tenant relocation expenses	0		0	
Furnishing	200,000		200,000	
Subtotal Indirect Const. Cost	\$1,352,855	\$0	\$1,352,855	

DEVELOPER FEES⁴

Housing consultant fees ⁵				
General & administrative				
Profit or fee	2,490,000		2,490,000	
Subtotal Developer's Fees	\$2,490,000	\$0	\$2,490,000	

12.01%

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	900,000		900,000	
Loan origination fees	180,000		180,000	
Title & recording fees	125,000		125,000	
Closing costs & legal fees	50,000		50,000	
Inspection fees	12,000		12,000	
Credit Report	0		0	
Discount Points	0		0	
Other ² (specify)	0		0	

PERMANENT LOAN(S)

Loan origination fees	0			
Title & recording fees	25,000			
Closing costs & legal	50,000			
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Application Fee/LOC Fee	12,245			

BRIDGE LOAN(S)

Interest	0		0	
Loan origination fees	0		0	
Title & recording fees	0		0	
Closing costs & legal fees	0		0	
Other ² (specify)	0		0	

OTHER FINANCING COSTS⁴

Tax credit fees	66,020			
Tax and/or bond counsel	0		0	
Payment bonds				
Performance bonds	127,000		127,000	
Credit enhancement fees	0		0	
Mortgage insurance premiums	0		0	
Cost of underwriting & issuance	0		0	
Syndication organizational cost	0			
Tax opinion	12,500			
Contractor Guarantee Fee	0		0	
Developer Guarantee Fee	0		0	
Other ⁴ (specify)	0		0	
Subtotal Financing Cost	\$1,559,765	\$0	\$1,394,000	

RESERVES

Rent-up				
Operating	211,986			
Replacement				
Escrows	168,392			
Subtotal Reserves	\$380,378	\$0	\$0	

TOTAL HOUSING DEVELOPMENT COSTS^o

- Commercial Space Costs¹	\$24,969,849	\$0	\$23,223,706	
TOTAL RESIDENTIAL DEVELOPMENT COSTS	\$24,969,849			

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.	

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^r

Owner's Requested Credits

		318,565	Commercial Space costs (deduct from basis)
	\$0	\$22,905,141	
		130%	
	\$0	\$29,776,683	
		9%	
\$2,679,901	\$0	\$2,679,901	
		82.77%	
\$2,000,000	\$0	\$2,218,154	

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.

Austin DMA Housing, LLC
Development Owner Name

Carleton Construction, Ltd.
Contractor Name

By: _____
Signature
Its: Manager of Managing Member
2/26/2009
Date

By: _____
Signature
Its: Vice President
2/26/2009
Date

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					
Private Financing (List Lenders)					
Other Sources (List Below)					
Proposed RHDA Funds			\$2,000,000		

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$100,000	\$498
Acquisiton	\$1,200,000	\$5,970
Hard Costs	\$17,980,774	\$89,456
Soft & Carrying Costs	\$5,308,375	\$26,409
Other Costs (Reserves)	\$380,700	\$1,894
Total Project Costs	\$24,964,849	\$124,228

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	\$2,000,000
TOTAL OTHER FUNDS	\$22,969,849
LEVERAGE (%)	8.7%

Volume 1, Tab 4: Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Wildflower Terrace**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	\$ 12,000,000	\$ 7,300,000	JP Morgan Chase/CDT
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit				
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		\$ 8,639,136	\$ 14,398,560	RBC Capital Markets
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant		\$ 2,000,000	\$ 2,000,000	City of Austin
14	Private Loan or Grant		\$ 500,000		Mueller Foundation
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee		\$ 1,830,713	\$ 1,271,289	DMA Development Company, LLC
TOTAL SOURCES OF FUNDS			\$ 24,969,849	\$ 24,969,849	
TOTAL USES OF FUNDS			\$ 24,969,849	\$ 24,969,849	

(1) Indicate Exclusive Use Financing Participant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrastructure funds used only for off-site construction

Volume 1, Tab 2. ACTIVITY OVERVIEW

Development Name: **Wildflower Terrace**

City: **Austin**

Part D. Annual Operating Expenses

General & Administrative Expenses

Accounting	\$	8,500.00
Advertising	\$	5,000.00
Legal fees	\$	1,200.00
Leased equipment	\$	7,200.00
Postage & office supplies	\$	4,000.00
Telephone	\$	9,600.00
Other	\$	
Total General & Administrative Expenses:	\$	35,500.00

Management Fee: Percent of Effective Gross Income: 4.50% \$ 73,000.00

Payroll, Payroll Tax & Employee Benefits

Management	\$	83,509.00
Maintenance	\$	81,706.00
Other	\$	

Total Payroll, Payroll Tax & Employee Benefits: \$ 165,215.00

Repairs & Maintenance

Elevator	\$	3,600.00
Exterminating	\$	6,000.00
Grounds	\$	12,000.00
Make-ready	\$	14,000.00
Repairs	\$	40,000.00
Pool	\$	-
Other Janitorial Supplies	\$	6,000.00

Total Repairs & Maintenance: \$ 81,600.00

Utilities (Enter development owner expense)

Electric	\$	33,500.00
Natural gas	\$	
Trash	\$	12,000.00
Water & sewer	\$	66,000.00
Other Describe	\$	

Total Utilities: \$ 111,500.00

Annual Property Insurance: Rate per net rentable square foot: \$ 0.37 \$ 60,000.00

Property Taxes:

Published Capitalization Rate: 8.00%	Source: Travis County CAD
Annual Property Taxes:	\$ 211,000.00
Payments in Lieu of Taxes:	\$
Other Taxes Describe	\$

Total Property Taxes: \$ 211,000.00

Reserve for Replacements: Annual reserves per unit: \$ 250 \$ 50,250.00

Other Expenses

Cable TV	\$	
Supportive service contract fees	\$	4,800.00
TDHCA Compliance fees	\$	6,840.00
Security	\$	
Other Mueller Community Association Assessment	\$	48,240.00

Total Other Expenses: \$ 59,880.00

TOTAL ANNUAL EXPENSES Expense per unit: \$ 4218.63 \$ 847,945.00

Expense to Income Ratio: 52.26%

NET OPERATING INCOME (before debt service) \$ 774,730.70

Annual Debt Service

Mortgage	\$	673,568
Describe Source	\$	
Describe Source	\$	

TOTAL ANNUAL DEBT SERVICE Debt Coverage Ratio: 1.15 \$ 673,568.00

NET CASH FLOW \$ 101,162.70

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: Wildflower Terrace		City: Austin										
		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			\$1,730,124	\$1,764,726	\$1,800,021	\$1,836,021	\$1,872,742	\$2,067,658	\$2,282,862	\$2,520,464	\$2,782,796	\$3,072,432
Secondary Income			24,120	24,602	25,094	25,596	26,108	\$28,826	31,826	35,138	38,796	42,833
POTENTIAL GROSS ANNUAL INCOME			\$1,754,244	\$1,789,329	\$1,825,115	\$1,861,618	\$1,898,850	\$2,096,484	\$2,314,688	\$2,555,602	\$2,821,591	\$3,115,265
Provision for Vacancy & Collection Loss			131,568	134,200	136,884	139,621	142,414	157,236	173,602	191,670	211,619	233,645
Rental Concessions												
EFFECTIVE GROSS ANNUAL INCOME			\$1,622,676	\$1,655,129	\$1,688,232	\$1,721,996	\$1,756,436	\$1,939,248	\$2,141,086	\$2,363,932	\$2,609,972	\$2,881,620
EXPENSES												
General & Administrative Expenses		\$	35,500.00	\$36,565	\$37,662	\$38,792	\$39,956	\$46,319	\$53,697	\$62,249	\$72,164	\$83,658
Management Fee			73,000	75,190	\$77,446	\$79,769	\$82,162	\$95,248	\$110,419	\$128,006	\$148,394	\$172,029
Payroll, Payroll Tax & Employee Benefits			165,215	170,171	\$175,277	\$180,535	\$185,951	\$215,568	\$249,903	\$289,706	\$335,846	\$389,340
Repairs & Maintenance			81,600	84,048	\$86,569	\$89,167	\$91,842	\$106,469	\$123,427	\$143,086	\$165,876	\$192,296
Electric & Gas Utilities			33,500	34,505	\$35,540	\$36,606	\$37,705	\$43,710	\$50,672	\$58,742	\$68,099	\$78,945
Water, Sewer & Trash Utilities			78,000	80,340	\$82,750	\$85,233	\$87,790	\$101,772	\$117,982	\$136,773	\$158,558	\$183,812
Annual Property Insurance Premiums			60,000	61,800	\$63,654	\$65,564	\$67,531	\$78,286	\$90,755	\$105,210	\$121,968	\$141,394
Property Tax			211,000	217,330	\$223,850	\$230,565	\$237,482	\$275,307	\$319,156	\$369,990	\$429,920	\$497,235
Reserve for Replacements			50,250	51,758	\$53,310	\$54,910	\$56,557	\$65,565	\$76,008	\$88,114	\$102,148	\$118,417
Other Expenses			59,880	61,676	\$63,527	\$65,432	\$67,395	\$78,130	\$90,574	\$105,000	\$121,724	\$141,111
TOTAL ANNUAL EXPENSES			\$847,945	\$873,383	\$899,585	\$926,572	\$954,370	\$1,106,376	\$1,282,593	\$1,486,877	\$1,723,698	\$1,998,238
NET OPERATING INCOME			\$774,731	\$781,746	\$788,647	\$795,424	\$802,067	\$832,872	\$858,493	\$877,055	\$886,274	\$883,382
DEBT SERVICE												
First Deed of Trust Annual Loan Payment			673568	673568	673568	673568	673568	673568	673568	673568	673568	673568
Second Deed of Trust Annual Loan Payment												
Third Deed of Trust Annual Loan Payment												
Other Annual Required Payment:												
NET CASH FLOW			\$101,163	\$108,178	\$115,079	\$121,856	\$128,499	\$159,304	\$184,925	\$203,487	\$212,706	\$209,814
Debt Coverage Ratio		#DIV/0!	1.15	1.16	1.17	1.18	1.19	1.24	1.27	1.30	1.32	1.31