

# RENTAL HOUSING DEVELOPMENT ASSISTANCE

## Application for G. O. Bond Financing

Project Name: The Willows

Project Address: 1330/1332 Lamar Square Drive, Austin, TX Zip Code 78704

No. of units: 64 Project type: ☒ Predevelopment ☐ Acquisition ☐ Rehabilitation ☒ New construction

Amount of funds requested: \$2,250,000  
negotiable – will commit to more than 40- year affordability.

Terms: Deferred Forgivable Loan, 0%, terms

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).

Mary Lee Community  
 Name

PO Box 3174/ (physical is 1339 Lamar Square Drive, 78704)  
 Street Address

Austin TX, 78764 512-443-5777  
 City State, Zip Telephone #

Nancy Cates / Development Director (512) 443-5777 (512) 443-5807  
Becca Bruce Dobberfuhr / Consultant (512) 633-8359  
 Contact Person Contact's Telephone # Fax #

74-2960018  
 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.

Mary Lee Community  
 Legal Name of Developer

  
 Signature of Authorized Officer

Don Lilljedahl/ Director  
 Title

September 18, 2007  
 Date

The Willows will reserve 20 units (31%) for people with mobility disabilities and two percent (2 units) to be made adaptable for persons with hearing and/or visual disabilities. All of the first floor units will have mobility accessibility. Mary Lee regularly adapts units (mobility, sight and hearing) to meet the needs of residents who apply for housing. Units will be adapted as needed.

The project will comply with accessibility design standards established by the City's S.M.A.R.T. Housing Initiative, and any applicable requirements listed by the City of Austin, AHFC and Federal requirements including but not limited to ADA, Fair Housing, and Section 504 of the Rehabilitation Act of 1973.

### **Relocation**

The Willows is currently occupied by residents. The Mary Lee Foundation and the Mary Lee Community has experience in relocation and will follow appropriate measures for the temporary relocation of the residents of The Willows. Relocation was required during the rehabilitation of The Cornerstone project at 1322 Lamar Square which also received funding from Austin Housing Finance Corporation.

### **Supportive Services**

Residents of the Willows will have access to supportive services offered to all residents of the Mary Lee campus. Services vary from client to client but may include money management, medication supervision, transportation, computer training, and assistance with applications for mainstream services such as Medicaid/Medicare, Supplementary Security Income and Social Security Disability Income, Special Transit Services, Food Stamps, and Rental Assistance. Case management is available to all residents on the Mary Lee campus. Fees range from free of charge to approx. \$100/month depending on the frequency and level of service. Mary Lee discounts the fees for supportive services on a case-by-case basis. The Mary Lee Foundation also sponsors a food pantry where clients can receive fresh produce and canned foods twice a month.

Mary Lee's Community Center is located at the entrance to the campus on Lamar Square Drive. It is a large multipurpose center that is used for service programs including a computer lab. An on-site nurse is also available for medication administration. La Familia Medical Clinic, located next door at Lamar Plaza Shopping Center, provides discounted rates for individuals without insurance and the attending physician will make house calls to Mary Lee residents.

Residents also have access on-site to employment referrals, through a partnership with the Vaughn House and REI, where Mary Lee residents are offered janitorial jobs at State offices.

The Daybreak program is a day center for special needs individuals on the Mary Lee campus. The program provides affordable therapeutic activities on a daily basis, along with physical and mental exercise, computer training, meal preparation, classes in interpersonal relationships, stress management, gardening, bus mobility, functional math and reading classes, all reinforced with periodic supervised field trips into the community.

### **Compatibility with current Neighborhood Plan**

The Willows project falls within the Zilker Neighborhood Planning Area. The Zilker Neighborhood has not completed the City of Austin's Neighborhood Planning process, however Mary Lee regularly meets with the Zilker Neighborhood leaders to advise them of the development of Mary Lee properties and to allow for feedback on future planning. Mary Lee has met with Jeff Jack of the Zilker Neighborhood several times to discuss the Willows project. A letter of support from the Zilker Neighborhood is included.

## **Project Description – The Willows, 1330/1332 Lamar Square Drive, Austin, TX 78704**

The Willows project is part of 2000 Mary Lee Foundation Master Plan to create and maintain affordable housing and services for people with disabilities in central Austin. The sponsor purchased the property in 2001 with the plan to renovate and upgrade the property. Through extensive discussions with the City of Austin and local engineers regarding the long-term viability and capacity of the site, the original structures will be demolished and a four-story, 64-unit multifamily building constructed. The new building will more than triple the current number of affordable units as well as add an office, two elevators, a much needed community room, and a laundry facility.

The impetus for adding more units has been an overwhelming need for low-income, efficiency units from the disability community as well as many inquires for housing from Hurricane Rita and Katrina evacuees. The change in ownership and income structure of the Stoneridge Apartment complex next door, as well as the development of several "high end" condos a few blocks away, has also created a greater need for affordable housing in the area.

### **Financing**

The total project cost is \$4,472,560. Mary Lee Community is requesting \$2,250,000 from the Austin Housing Finance Corporation. These funds will be leveraged with a grant from the Federal Home Loan Bank of San Francisco of \$750,000 (requested), debt financing of \$1,000,000 from Bank of America (term sheet included, a commitment letter is forthcoming), and \$486,560 in private foundations, including \$50,000 from the Lola Wright Foundation (requested). AHFC funds will be used for construction (both demolition and new construction), and soft costs. AHFC funds may be used for pre-development costs, if eligible. Financing information is included after page 12 of the application.

Please note that Bank of America is sponsoring the Federal Home Loan Bank application therefore Mary Lee will work with Bank of America on debt financing. Mary Lee began working with WaMu for debt financing and Federal Home Loan Bank (San Francisco) sponsorship in April 2007, however due to changes in their staff Mary Lee was told in late August that WaMu did not have room for sponsorship in the fall round. Bank of America had room for Federal Home Loan sponsorship, but required the use of Bank of America for the debt piece as a requirement of Federal Home Loan Bank sponsorship.

### **Location, Type of Structure, Existing Structures, and Proposed Tenants**

The Willows is located at 1330 and 1332 Lamar Square Drive, Austin, Texas 78704 (A map is included). The existing structures (currently 20 apartment units) were built in 1969 according to the Travis County Appraisal District (TCAD report included), but will be demolished to allow for the new construction of new four-story, multifamily building. The Willows will consist of 39 efficiency units, 18 one-bedrooms and 7 two-bedroom units, and will reserve 50% of the units for individuals at 30% MFI and below.

<b>Number of Units</b>	<b>Unit Type</b>	<b>Unit SF</b>	<b>Percent of MFI</b>
<b>26</b>	EFF	350 SF	<b>30%</b>
13	EFF	350 SF	50%
<b>6</b>	1 bed/1 bath	550 SF	<b>30%</b>
10	1 bed/1 bath	550 SF	50%
2	1 bed/1 bath	550 SF	80%
5	2 bed/1 bath	750 SF	50%
2	2 bed/1 bath	750 SF	80%
<b>64 Units</b>			

The Willows will primarily serve people with disabilities, a mission of the organization since 1963, but will also provide units to non-disability residents to maintain integration within the community. At least 60% of the units will be reserved for special needs households. Of the 64 units, 13 (20%) will be reserved for individuals who meet the McKinney Act definition of Homeless. Mary Lee Community regularly publicizes to the disability community as well as other protected classes for available housing on the Mary Lee campus. Outreach will be in the form of brochures/handouts, site signs, and community contacts such as The Texas Department of Human Services, local Housing Authorities, the Area Agency on Aging and Travis County MHMR. Referrals will also come from the Brain Injury Rehabilitation Center located on the Mary Lee campus. Mary Lee currently has a waiting list of more than 50 households.

### **Section 8, Units Accessible and Adaptable**

The Willows will accept Section 8 vouchers from eligible applicants. None of the units will be specifically reserved for Section 8, since most referrals to the Mary Lee campus do not have a Section 8 voucher.

**11. Detailed Project Budget** - Use the following table to provide a complete project budget. Add line item categories as necessary.

<b>DETAILED PROJECT BUDGET</b>		
	<b>Cost</b>	<b>Description</b>
<b>PREDEVELOPMENT</b>		
Appraisal	\$10,000	Required b bank & appraisal for rehab.
Environmental Review	\$9,000	Update to Phase I, and soils report
Engineering	\$50,000	Civil, mechanical, structural
Survey	\$5,000	
Architectural	\$75,000	Design and construction oversight
<b>TOTAL PREDEVELOPMENT</b>	<b>\$149,000</b>	
<b>ACQUISITION</b>		
Site and/or Land	\$363,000	Outstanding mortgage balance including buildings
Structures		
Other (specify)		
<b>TOTAL ACQUISITION</b>	<b>\$363,000</b>	
<b>CONSTRUCTION</b>		
Infrastructure	\$59,000	
Site work	\$126,000	earthwork, utilities, paving
Demolition	\$157,000	Includes asbestos/lead abatement
Concrete	131,250	foundation
Masonry	\$262,500	Wood frame/millwork
Rough carpentry	\$384,300	Wood frame/millwork
Finish carpentry		
Waterproofing & Insulation	\$152,250	Thermal & moisture
Roofing & Sheet Metal	\$84,000	
Plumbing/Hot Water	\$215,250	
HVAC	\$266,910	
Electrical	\$336,000	
Doors/Windows/Glass	\$177,450	
Lath & Plaster/ Drywall & Acoustical	\$115,500	
Tile work		
Soft & Hard Floor	\$63,000	
Paint/Decorating/Blinds/Shades	\$52,500	
Specialties/Special Equipment	\$44,100	
Cabinetry/Appliances	\$68,250	
Carpet		
Other -Elevators	\$150,000	Two elevators and equipment
Other – landscape/building sprinkler	\$90,000	Landscape, signage, building sprinkler
Other – solar/rainwater	\$90,000	Solar panels, rainwater
Construction Contingency	\$220,000	
<b>TOTAL CONSTRUCTION</b>	<b>\$3,245,760</b>	
<b>SOFT &amp; CARRYING COSTS</b>		
Legal	\$25,000	Bank legal fees
Audit/ Accounting		
Title, Recording	\$6,000	
Architectural (Inspections)	\$11,500	permits
Construction Interest	\$25,300	Construction & perm loan, fees
Construction Period Insurance	\$35,000	Builder's risk and liability insurance
Construction Period Taxes		
Relocation	\$18,000	Temporary relocation, moving expenses
Developer Fee	\$175,000	
Davis-Bacon Monitoring		
Other: Consultant	\$20,000	
<b>TOTAL PROJECT BUDGET</b>	<b>\$4,472,560</b>	

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

- Sources and Uses of Funds** – Complete Tables A & B below, identifying all sources and uses of funds to implement the project and include evidence of funds anticipated (financial statements, letters of commitments, etc.).
- 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.
- Operating Pro Forma** – Complete Table D below, preparing a minimum five (5) year financial Operating Pro Forma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Pro Forma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR.

<b>TABLE A: SOURCES OF FUNDS SUMMARY</b>					<b>Intended Use of Fund (Predevelopment, Acquisition, Construction, Soft Costs)</b>
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
Private Financing (List Lenders Below)					
Bank of America	18 term 30 yr Amort	7.5%	\$1,000,000	Term sheet	Construction, soft costs acquisition
Other Sources (List Below)					
Federal Home Loan Bank – San Fran	15 yrs	n/a	\$750,000	Requested	Predevelopment, Construction
Foundations, fundraising		n/a	\$472,560	Ongoing	Predevelopment, Soft costs, Construction
Proposed RHDA Funds			\$2,250,000		Soft costs, Construction Predevelopment

<b>TABLE B: USES OF FUNDS SUMMARY</b>		
	Total Cost	Cost/Unit
Predevelopment	\$149,000	\$2,328/unit
Acquisition	\$363,000	5,672/unit
Hard Costs	\$3,644,760	\$56,949/unit
Soft & Carrying Costs	\$315,800	\$4,934/unit
Other Costs		
<b>Total Project Costs</b>	<b>\$4,472,560</b>	<b>\$69,884/unit</b>

<b>TABLE C: LEVERAGE SUMMARY</b>	
<b>TOTAL RHDA FUNDS</b>	<b>\$2,250,000</b>
<b>TOTAL OTHER FUNDS</b>	<b>\$2,222,560</b>

**ALSO SEE ATTACHED SPREADSHEET**

**TABLE D: OPERATING PROFORMA**

Number of Units of a given Unit Size	Unit Size	Monthly Income	Annual Income
26	EFF	\$9,100	\$109,200
13	EFF	\$5,135	\$61,620
6	1bed/1bath	\$2,400	\$28,800
10	1 bed/1 bath	\$5,500	\$66,000
2	1 bed/1 bath	\$1,500	\$18,000
5	2 bed/1 bath	\$3,375	\$40,500
2	2 bed/1 bath	\$1,700	\$20,400
<b>FULL OCCUPANCY ANNUAL INCOME</b>			<b>\$344,520</b>
<b>Less Vacancy Loss (Indicate % and Amount of Loss – 7.0%)</b>			<b>(\$24,116)</b>
<b>GROSS ANNUAL INCOME (includes \$900/yr laundry income)</b>			<b>\$321,304</b>

<b>Inflation Factor for Income</b>	1.5%
<b>Inflation Factor for Expenses</b>	2.5%

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Gross Annual Income</b>	<b>\$321,304</b>	<b>\$326,123</b>	<b>\$331,015</b>	<b>\$335,980</b>	<b>\$341,020</b>
<b>EXPENSES</b>					
Utilities	\$33,000	\$33,825	\$34,671	\$35,537	\$36,426
Insurance	\$26,500	\$27,163	\$27,842	\$28,538	\$29,251
Maintenance Repair	\$26,480	\$27,142	\$27,821	\$28,516	\$29,229
Property Taxes	\$12,500	\$12,813	\$13,133	\$13,461	\$13,798
Management	\$22,660	\$23,227	\$23,807	\$24,402	\$25,012
Marketing/Supplies/Office	\$7,654	\$7,845	\$8,041	\$8,243	\$8,449
Maintenance Reserve	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Other – Payroll	\$61,280	\$62,812	\$64,382	\$65,992	\$67,642
Other – Legal/audit	\$7,500	\$7,688	\$7,880	\$8,077	\$8,279
Other – Pest control	\$2,680	\$2,747	\$2,816	\$2,886	\$2,958
<b>TOTAL EXPENSES</b>	<b>\$216,254</b>	<b>\$221,260</b>	<b>\$226,392</b>	<b>\$231,652</b>	<b>\$237,043</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$105,050</b>	<b>\$104,863</b>	<b>\$104,623</b>	<b>\$104,329</b>	<b>\$103,977</b>
<b>Sources of Funds &amp; Debt Service</b>					
Bank of America	(\$83,402)	(\$83,402)	(\$83,402)	(\$83,402)	(\$83,402)
<b>TOTAL ANNUAL Debt Service (DS)</b>	<b>(\$83,402)</b>	<b>(\$83,402)</b>	<b>(\$83,402)</b>	<b>(\$83,402)</b>	<b>(\$83,402)</b>
<b>CASH FLOW AFTER DEBT SERVICE (CF = NOI – DS)</b>	<b>\$21,647</b>	<b>\$21,460</b>	<b>\$21,221</b>	<b>\$20,926</b>	<b>\$20,575</b>
<b>DEBT COVERAGE RATIO (DCR = NOI/DS)</b>	<b>1.26</b>	<b>1.26</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>

**\*\*See attached spreadsheet for 15 yr proforma.**

# Targeting Worksheet: Rental Projects

Version 3.3 Updated 3/23/07

Project Name	The Willows	MSA/PMSA	Austin-Round Rock	State	Texas
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## Instructions

1. In the spaces below, enter the annual 50% (very-low) AMI, adjusted for family size, based on the HUD income limit guidelines provided with the application.
2. Attach a copy of the relevant page showing the income data for this project.

2007	Household size	1 Person	2 Person	3 Person	4 Person	5 Person	6 person	7 Person	8 Person
	50% AMI (HUD Very Low)	24,900	28,450	32,000	35,550	38,400	41,250	44,100	46,950
	100% AMI	49,800	56,900	64,000	71,100	76,800	82,500	88,200	93,900
	Half-person	53,350	60,450	67,550	73,950	79,650	85,350	91,050	

Number of Units	Bedrooms per Unit	Assumed Occupancy per Unit (1.5 persons/bedroom)	Target AMI %	AMI Adjusted for Family Size	Target Income for Unit	30% Rent Cap	Total Rent Received for Unit	Rental Subsidy	Rent Paid by Household	30% Rent Test Pass/Fail
				0						
26	0	1.0	30%	49,800	14,940	374	350	0	350	Pass
13	0	1.0	50%	49,800	24,900	623	395	0	395	Pass
6	1	1.5	30%	53,350	16,005	400	400	0	400	Pass
10	1	1.5	50%	53,350	26,675	667	550	0	550	Pass
2	1	1.5	80%	53,350	42,680	1,067	750	0	750	Pass
5	2	3.0	50%	64,000	32,000	800	675	0	675	Pass
2	2	3.0	80%	64,000	51,200	1,280	850	0	850	Pass
				0						
				0						
				0						
				0						
				0						
				0						
				0						
				0						
				0						
64	Income-restricted units						344,520		344,520	
	Income-restricted manager units (included above)									
	Non Income-restricted manager unit(s)									
	Other Non income-restricted units									
64	Total units in project (non-restricted and restricted)									
93.75%	Percentage of units targeted to 50% AMI or below (must be at least 20%)									
0.50	Average bedroom size									

# 15-Year Operating Pro Forma: Rental Projects

Version 3.3 Updated 3/23/07

Project Name			The Willows		Total Units		64		Project Based Rental Subsidy (Indicate "Yes" or "No")					no	
Income Assumptions			Rate of Increase	1.5%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Gross Residential Rents-Restricted Income Units					344,520	349,688	354,933	360,257	365,661	371,146	376,713	382,364	388,099	393,921	
Gross Residential Rents-Restricted Income Units Subsidy					-	-	-	-	-	-	-	-	-	-	
Gross Residential Rents-Non-restricted Income Units					-	-	-	-	-	-	-	-	-	-	
Less Vacancy			% of Gross Rents =	7.0%	(24,116)	(24,478)	(24,845)	(25,218)	(25,596)	(25,980)	(26,370)	(26,765)	(27,167)	(27,574)	
Scheduled Commercial Rents					-	-	-	-	-	-	-	-	-	-	
Less Vacancy			% of Gross Rents =		-	-	-	-	-	-	-	-	-	-	
Laundry, Parking					900	914	927	941	955	970	984	999	1,014	1,029	
Other					-	-	-	-	-	-	-	-	-	-	
Other					-	-	-	-	-	-	-	-	-	-	
Total Effective Gross Income					321,304	326,123	331,015	335,980	341,020	346,135	351,327	356,597	361,946	367,375	
Expense Assumptions			Rate of Increase	2.5%											
Management Fee			Dollars per Unit/Mo. =	\$ 30	22,860	23,227	23,807	24,402	25,012	25,638	26,279	26,936	27,609	28,299	
Legal & Audit					7,500	7,688	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,366	
Advertising					-	-	-	-	-	-	-	-	-	-	
Gas & Electric					-	-	-	-	-	-	-	-	-	-	
Water, Sewer, Waste Removal					33,000	33,825	34,671	35,537	36,426	37,336	38,270	39,227	40,207	41,212	
Supplies					7,654	7,845	8,041	8,243	8,449	8,660	8,876	9,098	9,326	9,559	
Payroll					61,280	62,812	64,382	65,992	67,642	69,333	71,066	72,843	74,664	76,530	
Insurance					26,500	27,163	27,842	28,538	29,251	29,982	30,732	31,500	32,288	33,095	
Pest Control					2,680	2,747	2,816	2,886	2,958	3,032	3,108	3,186	3,265	3,347	
Maintenance / Repair					26,480	27,142	27,821	28,516	29,229	29,960	30,709	31,476	32,263	33,070	
Operating Reserves			Dollars per Unit =		-	-	-	-	-	-	-	-	-	-	
Replacement Reserves			Dollars per Unit =	\$ 250	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	
Real Estate Taxes (exempt if in CA)					12,500	12,813	13,133	13,461	13,798	14,143	14,496	14,859	15,230	15,611	
Local & State Assessments					-	-	-	-	-	-	-	-	-	-	
Partnership Management Fee (tax credits only)					-	-	-	-	-	-	-	-	-	-	
Other					-	-	-	-	-	-	-	-	-	-	
Other					-	-	-	-	-	-	-	-	-	-	
Other					-	-	-	-	-	-	-	-	-	-	
Other					-	-	-	-	-	-	-	-	-	-	
Total Expenses			Operating Cost/Unit	\$ 3,379	216,254	221,260	226,392	231,652	237,043	242,569	248,233	254,039	259,990	266,090	
Net Operating Income					105,050	104,863	104,623	104,329	103,977	103,566	103,094	102,558	101,956	101,286	
Debt Service (Hard Debt Only from S&U Statement)					83,402	83,402	83,402	83,402	83,402	83,402	83,402	83,402	83,402	83,402	
Debt Service Coverage Ratio					1.260	1.26	1.25	1.25	1.25	1.24	1.24	1.23	1.22	1.21	
Cash Flow					21,647	21,460	21,221	20,926	20,575	20,164	19,692	19,156	18,554	17,883	
Residual Receipts Payment to															
Residual Receipts Payment to															
Operating Grant															
Operating Grant															
Net Cash Flow					21,647	21,460	21,221	20,926	20,575	20,164	19,692	19,156	18,554	17,883	



Project Name	The Willows
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Income Assumptions	Rate of Increase	1.5%	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Residential Rents-Restricted Income Units			399,830	405,827	411,914	418,093	424,364
Gross Residential Rents-Restricted Income Units Subsidy			-	-	-	-	-
Gross Residential Rents-Non-restricted Income Units			-	-	-	-	-
Less Vacancy	% of Gross Rents =	7.0%	(27,988)	(28,408)	(28,834)	(29,267)	(29,706)
Scheduled Commercial Rents			-	-	-	-	-
Less Vacancy	% of Gross Rents =		-	-	-	-	-
Laundry, Parking			1,044	1,060	1,076	1,092	1,109
Other			-	-	-	-	-
Other			-	-	-	-	-
<b>Total Effective Gross Income</b>			<b>372,886</b>	<b>378,479</b>	<b>384,156</b>	<b>389,919</b>	<b>395,768</b>

Expense Assumptions	Rate of Increase	2.5%	Year 11	Year 12	Year 13	Year 14	Year 15
Management Fee	Dollars per Unit/Mo. =	\$ 30	29,007	29,732	30,475	31,237	32,018
Legal & Audit			9,601	9,841	10,087	10,339	10,597
Advertising			-	-	-	-	-
Gas & Electric			-	-	-	-	-
Water, Sewer, Waste Removal			42,243	43,299	44,381	45,491	46,628
Supplies			9,798	10,043	10,294	10,551	10,815
Payroll			78,444	80,405	82,415	84,475	86,587
Insurance			33,922	34,770	35,640	36,531	37,444
Pest Control			3,431	3,516	3,604	3,694	3,787
Maintenance / Repair			33,897	34,744	35,613	36,503	37,416
Operating Reserves	Dollars per Unit =		-	-	-	-	-
Replacement Reserves	Dollars per Unit =	\$ 250	16,000	16,000	16,000	16,000	16,000
Real Estate Taxes (exempt if in CA)			16,001	16,401	16,811	17,231	17,662
Local & State Assessments			-	-	-	-	-
Partnership Management Fee (tax credits only)			-	-	-	-	-
Other			-	-	-	-	-
Other			-	-	-	-	-
Other			-	-	-	-	-
Other			-	-	-	-	-
<b>Total Expenses</b>	Operating Cost/Unit	\$ 3,379	<b>272,342</b>	<b>278,751</b>	<b>285,319</b>	<b>292,052</b>	<b>298,954</b>
<b>Net Operating Income</b>			<b>100,544</b>	<b>99,729</b>	<b>98,837</b>	<b>97,866</b>	<b>96,814</b>
<b>Debt Service</b> (Hard Debt Only from S&U Statement)			<b>83,402</b>	<b>83,402</b>	<b>83,402</b>	<b>83,402</b>	<b>83,402</b>
<b>Debt Service Coverage Ratio</b>			<b>1.21</b>	<b>1.20</b>	<b>1.19</b>	<b>1.17</b>	<b>1.16</b>
<b>Cash Flow</b>			<b>17,142</b>	<b>16,326</b>	<b>15,435</b>	<b>14,464</b>	<b>13,412</b>
<b>Residual Receipts Payment to</b>							
<b>Residual Receipts Payment to</b>							
<b>Operating Grant</b>							
<b>Operating Grant</b>							
<b>Net Cash Flow</b>			<b>17,142</b>	<b>16,326</b>	<b>15,435</b>	<b>14,464</b>	<b>13,412</b>

### **13. Neighborhood Support**

Include letters of support from all organizations registered with the City of Austin within the area of the proposed project.

The Willows project is located in Zilker Neighborhood. Mary Lee has a long, good standing relationship with the Zilker Neighborhood. Mary Lee Foundation first purchased properties on Lamar Square Drive in 1974. At this time frequent police calls, rampant drug use and prostitution were common place. Mary Lee has spent the last 16 years "cleaning up" this section of the Zilker Neighborhood and improving the condition of the properties along Lamar Square Drive. The neighborhood has applauded Mary Lee for their efforts and for providing affordable housing.

There has always been an open dialog about the renovations and new construction that has taken place. For the Willows project the staff of Mary Lee have met with Jeff Jack (president of Zilker Neighborhood) and other neighborhood leaders several times to discuss the project.

The neighborhood is supportive of the efforts of the Mary Lee Foundation/Mary Lee Community in providing affordable housing within the community.

A letter from the Zilker Neighborhood Association is included.

# RENTAL HOUSING DEVELOPMENT ASSISTANCE

## Application for G. O. Bond Financing

Project Name: The Willows

Project Address: 1330/1332 Lamar Square Drive, Austin, TX Zip Code 78704

No. of units: 64 Project type: ☒ Predevelopment ☐ Acquisition ☐ Rehabilitation ☒ New construction

Amount of funds requested: \$2,250,000  
negotiable – will commit to more than 40- year affordability.

Terms: Deferred Forgivable Loan, 0%, terms

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).

Mary Lee Community  
 Name

PO Box 3174/ (physical is 1339 Lamar Square Drive, 78704)  
 Street Address

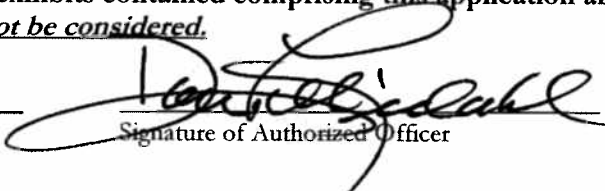
Austin TX, 78764 512-443-5777  
 City State, Zip Telephone #

Nancy Cates / Development Director (512) 443-5777 (512) 443-5807  
Becca Bruce Dobberfuhr / Consultant (512) 633-8359  
 Contact Person Contact's Telephone # Fax #

74-2960018  
 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.

Mary Lee Community  
 Legal Name of Developer

  
 Signature of Authorized Officer

Don Lilljedahl/ Director  
 Title

September 18, 2007  
 Date

2. **For non-profit applicants/developers only, include copies of the following:**
- a. Articles of Incorporation  
Attached
  - b. Certificate of Incorporation filed with the State of Texas  
Attached
  - c. Federal IRS certification granting non-profit status  
Attached
  - d. Names, addresses and phone numbers of current board members  
Attached
  - e. Certified financial audit for most recent year which include the auditor's opinion and management letters.  
Attached
  - f. Board resolution approving the proposed project and authorizing the request for funding  
Attached
- ♦ A copy of the CHDO certification for the Mary Lee Community is also attached.

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

- a. 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.
- b. Location by street address and include an area map with properties indicated.
- c. Type of structure (multi-family or single-family), square footage, number and size of units.
- d. If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.
- e. 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 outreach or referral plan that will be used to publicize the availability of housing and/or supportive services.
- f. Units reserved for Section 8 families.
- g. Units accessible and adaptable for persons with mobility, sight or hearing disabilities.
- h. Whether the project is occupied at the time of proposal submission.
- i. Supportive services to be provided such as chemical dependency counseling, education and training, employment referral, health services, tenant counseling, etc..
- j. Compatibility with current Neighborhood Plan (if applicable).

- ♦ See attached project description
- ♦ Location map, site map and TCAD map
- ♦ Neighborhood Planning Areas Map
- ♦ TCAD property information for 1330 and 1332 Lamar Square Drive

## **Project Description – The Willows, 1330/1332 Lamar Square Drive, Austin, TX 78704**

The Willows project is part of 2000 Mary Lee Foundation Master Plan to create and maintain affordable housing and services for people with disabilities in central Austin. The sponsor purchased the property in 2001 with the plan to renovate and upgrade the property. Through extensive discussions with the City of Austin and local engineers regarding the long-term viability and capacity of the site, the original structures will be demolished and a four-story, 64-unit multifamily building constructed. The new building will more than triple the current number of affordable units as well as add an office, two elevators, a much needed community room, and a laundry facility.

The impetus for adding more units has been an overwhelming need for low-income, efficiency units from the disability community as well as many inquires for housing from Hurricane Rita and Katrina evacuees. The change in ownership and income structure of the Stoneridge Apartment complex next door, as well as the development of several "high end" condos a few blocks away, has also created a greater need for affordable housing in the area.

### **Financing**

The total project cost is \$4,472,560. Mary Lee Community is requesting \$2,250,000 from the Austin Housing Finance Corporation. These funds will be leveraged with a grant from the Federal Home Loan Bank of San Francisco of \$750,000 (requested), debt financing of \$1,000,000 from Bank of America (term sheet included, a commitment letter is forthcoming), and \$486,560 in private foundations, including \$50,000 from the Lola Wright Foundation (requested). AHFC funds will be used for construction (both demolition and new construction), and soft costs. AHFC funds may be used for pre-development costs, if eligible. Financing information is included after page 12 of the application.

Please note that Bank of America is sponsoring the Federal Home Loan Bank application therefore Mary Lee will work with Bank of America on debt financing. Mary Lee began working with WaMu for debt financing and Federal Home Loan Bank (San Francisco) sponsorship in April 2007, however due to changes in their staff Mary Lee was told in late August that WaMu did not have room for sponsorship in the fall round. Bank of America had room for Federal Home Loan sponsorship, but required the use of Bank of America for the debt piece as a requirement of Federal Home Loan Bank sponsorship.

### **Location, Type of Structure, Existing Structures, and Proposed Tenants**

The Willows is located at 1330 and 1332 Lamar Square Drive, Austin, Texas 78704 (A map is included). The existing structures (currently 20 apartment units) were built in 1969 according the Travis County Appraisal District (TCAD report included), but will be demolished to allow for the new construction of new four-story, multifamily building. The Willows will consist of 39 efficiency units, 18 one-bedrooms and 7 two-bedroom units, and will reserve 50% of the units for individuals at 30% MFI and below.

<b>Number of Units</b>	<b>Unit Type</b>	<b>Unit SF</b>	<b>Percent of MFI</b>
<b>26</b>	EFF	350 SF	<b>30%</b>
13	EFF	350 SF	50%
<b>6</b>	1 bed/1 bath	550 SF	<b>30%</b>
10	1 bed/1 bath	550 SF	50%
2	1 bed/1 bath	550 SF	80%
5	2 bed/1 bath	750 SF	50%
2	2 bed/1 bath	750 SF	80%
<b>64 Units</b>			

The Willows will primarily serve people with disabilities, a mission of the organization since 1963, but will also provide units to non-disability residents to maintain integration within the community. At least 60% of the units will be reserved for special needs households. Of the 64 units, 13 (20%) will be reserved for individuals who meet the McKinney Act definition of Homeless. Mary Lee Community regularly publicizes to the disability community as well as other protected classes for available housing on the Mary Lee campus. Outreach will be in the form of brochures/handouts, site signs, and community contacts such as The Texas Department of Human Services, local Housing Authorities, the Area Agency on Aging and Travis County MHMR. Referrals will also come from the Brain Injury Rehabilitation Center located on the Mary Lee campus. Mary Lee currently has a waiting list of more than 50 households.

### **Section 8, Units Accessible and Adaptable**

The Willows will accept Section 8 vouchers from eligible applicants. None of the units will be specifically reserved for Section 8, since most referrals to the Mary Lee campus do not have a Section 8 voucher.

The Willows will reserve 20 units (31%) for people with mobility disabilities and two percent (2 units) to be made adaptable for persons with hearing and/or visual disabilities. All of the first floor units will have mobility accessibility. Mary Lee regularly adapts units (mobility, sight and hearing) to meet the needs of residents who apply for housing. Units will be adapted as needed.

The project will comply with accessibility design standards established by the City's S.M.A.R.T. Housing Initiative, and any applicable requirements listed by the City of Austin, AHFC and Federal requirements including but not limited to ADA, Fair Housing, and Section 504 of the Rehabilitation Act of 1973.

### **Relocation**

The Willows is currently occupied by residents. The Mary Lee Foundation and the Mary Lee Community has experience in relocation and will follow appropriate measures for the temporary relocation of the residents of The Willows. Relocation was required during the rehabilitation of The Cornerstone project at 1322 Lamar Square which also received funding from Austin Housing Finance Corporation.

### **Supportive Services**

Residents of the Willows will have access to supportive services offered to all residents of the Mary Lee campus. Services vary from client to client but may include money management, medication supervision, transportation, computer training, and assistance with applications for mainstream services such as Medicaid/Medicare, Supplementary Security Income and Social Security Disability Income, Special Transit Services, Food Stamps, and Rental Assistance. Case management is available to all residents on the Mary Lee campus. Fees range from free of charge to approx. \$100/month depending on the frequency and level of service. Mary Lee discounts the fees for supportive services on a case-by-case basis. The Mary Lee Foundation also sponsors a food pantry where clients can receive fresh produce and canned foods twice a month.

Mary Lee's Community Center is located at the entrance to the campus on Lamar Square Drive. It is a large multipurpose center that is used for service programs including a computer lab. An on-site nurse is also available for medication administration. La Familia Medical Clinic, located next door at Lamar Plaza Shopping Center, provides discounted rates for individuals without insurance and the attending physician will make house calls to Mary Lee residents.

Residents also have access on-site to employment referrals, through a partnership with the Vaughn House and REI, where Mary Lee residents are offered janitorial jobs at State offices.

The Daybreak program is a day center for special needs individuals on the Mary Lee campus. The program provides affordable therapeutic activities on a daily basis, along with physical and mental exercise, computer training, meal preparation, classes in interpersonal relationships, stress management, gardening, bus mobility, functional math and reading classes, all reinforced with periodic supervised field trips into the community.

### **Compatibility with current Neighborhood Plan**

The Willows project falls within the Zilker Neighborhood Planning Area. The Zilker Neighborhood has not completed the City of Austin's Neighborhood Planning process, however Mary Lee regularly meets with the Zilker Neighborhood leaders to advise them of the development of Mary Lee properties and to allow for feedback on future planning. Mary Lee has met with Jeff Jack of the Zilker Neighborhood several times to discuss the Willows project. A letter of support from the Zilker Neighborhood is included.

#### **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.

A special warranty deed is included for Lots 1 and 2, Block A, third resubdivision of South Lamar Square (1330 and 1332 Lamar Square Drive).

An appraisal is included from an earlier version of the project (52 units of rehab. and new construction). This appraisal certifies the value of the land (\$1,300,000). The total market value in this appraisal was \$75,000 per unit (including land). Given these figures the total value of the project is at least 80% of the total debt. A new appraisal is required by Bank of America for debt financing. Once Bank of America completes their appraisal for funding a copy can be forwarded to AHFC upon request. At this time Mary Lee has not been given the list of approved appraisers required by Bank of America.

TCAD tax documentation on the existing structures is included in the previous section. Both 1330 and 1332 Lamar Square Drive are currently property tax exempt under the charitable organization exemption, therefore the TCAD appraisal information does not reflect market value.

#### **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 zoning letter showing MF-4 zoning which is appropriate for the use is included. A certification (required for the Federal Home Loan Bank funding) signed by Christopher Johnson of City of Austin's Watershed Protection and Development Review/Development Assistance Center is also included for each property

#### **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 is included.





## City of Austin

P.O. Box 1088, Austin, TX 78767  
[www.cityofaustin.org/housing](http://www.cityofaustin.org/housing)

### Neighborhood Housing and Community Development Department

Gina Copic, S.M.A.R.T. Housing Program Manager

(512) 974-3180, Fax: (512) 974-3112, [regina.copic@ci.austin.tx.us](mailto:regina.copic@ci.austin.tx.us)

September 14, 2007 (revised from August 16, 2007 and September 8, 2006)

#### S.M.A.R.T. Housing Certification

Mary Lee Community - The Willows - 1330 & 1332 Lamar Square Dr.

#### TO WHOM IT MAY CONCERN:

The Mary Lee Community (development contact Nancy Cates, 443-5777 (o); [ncates@maryleefoundation.org](mailto:ncates@maryleefoundation.org)) is planning to develop ~~64~~ **new multi-family units** as part of an existing development at **1330 & 1332 Lamar Square Drive** in the Zilker Neighborhood Planning Area. Board of Adjustment fees for this development may be waived if the applicant has met (or has demonstrated a good-faith effort to offer to meet) with applicable neighborhood associations.

NHCD certifies that the proposed construction meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since **100%** of the units will serve income-eligible households (**50%** of the units at or below **30%** MFI, **44%** at or below **50%** MFI, **6%** of the units at or below **80%** MFI) the development will be eligible for **100%** waiver of the fees listed in Exhibit A of the S.M.A.R.T. Housing Resolution adopted by the City Council. The expected fee waivers include, but are not limited to, the following fees:

Capital Recovery Fees  
Building Permit  
Site Plan Review  
Construction Inspection  
Demolition Permit

Concrete Permit  
Electrical Permit  
Subdivision Plan Review  
Regular Zoning Fee  
Board of Adjustment Fee

Mechanical Permit  
Plumbing Permit  
Zoning Verification  
Land Status Determination  
Building Plan Review

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

- ◆ Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Austin Energy: Katie Jensen, 482-5407).
- ◆ Submit plans to NHCD demonstrating compliance with accessibility and transit-oriented standards.

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

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection by NHCD to certify that accessibility and transit-oriented standards have been met.

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

Please contact me at 974-3126 if you need additional information.

  
Steve Barney

Neighborhood Housing and Community Development

Cc: Gina Copic, NHCD  
John Umphress, Austin Energy  
Robby McArthur, WWW Taps  
Maureen Meredith, NPZD

Maneesh Chaku, NHCD  
Danny McNabb, WPDR  
Dick Peterson, Austin Energy

Yolanda Parada, WPDR  
Guy Brown, WPDR  
Lisa Nickle, WPDR

## 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	Mary Lee Community			X
Developer	Mary Lee Community			X
Architect	Ray Payne			
Engineer	Vic Winter (structural) , David Carroll (civil), Paul Wilkerson/Power Systems (mechanical)			
Construction Lender	Bank of America			
Other Lenders	Bank of America – perm. loan			
Attorney	Claude Ducloux			
Accountant	Brown, Graham & Company, CPA			
General Contractor	To be Determined			
Consultant (if Applicable)	Becca Bruce Dobberfuhr/ Vacri Development		X	
Property Management Provider	Mary Lee Foundation			
Other:	Trisha Williamson/TerCorp, Inc. (Appraisal)		X	

City -  
certified  
WBE

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	Done
Environmental and/or historic review (AHFC)	Nov 2007
Securing and packaging project financing	Aug.-Dec. 2007
Construction Specifications and Cost estimates	Nov.- Dec. 2007
Construction Bids	January 2008
Construction Start	March 2008
Anticipated Draws (list all)	March 2008-March 2009
End Construction	Feb./March 2009
Start of Rent-up	December 2008
Completion & Operation	Feb./March 2009

**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.

64 Units adaptable for persons with mobility disabilities

20 \* Units accessible for persons with mobility disabilities

\*\* Units adaptable for persons with sight and hearing disabilities

2 Units accessible for persons with sign and hearing disabilities

\*All ground floor units will be accessible to persons with mobility disabilities.

\*\*Mary Lee regularly adapts units (mobility, sight and hearing) to meet the needs of residents who apply for housing. Units will be adapted as needed.

**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
1312 Lamar Sq. – The Flagship	22	22 rehab.	Apartment	2006
1322 Lamar Sq. - Cornerstone	30	8 new/22 rehab.	Apartment	2005
1319 Lamar Sq. - Charles Place	16	16 rehab.	Apartment	2003
<b>Totals</b>	<b>68</b>			

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 important 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 and 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.

As evidenced in the table above, Mary Lee Foundation/Mary Lee Community has completed three multifamily projects, totaling 68 units in the last five years. The Willows project will be of similar size and scope to the last three projects. The Mary Lee Community, the sponsor for this project and under the umbrella of the Mary Lee Foundation, was the owner/developer for the Cornerstone project which developed 30 units completed in 2005. The Mary Lee Community shares the same development staff as the Mary Lee Foundation, so their development capacity is one in the same.

Mary Lee Community has been involved with all levels of development from conception to construction completion and operation. All of the projects noted above received federal funding. Both Cornerstone and The Flagship required relocation of existing residents. All projects triggered Federal Labor Standards, including Davis-Bacon reporting, and all projects dealt with the treatment of lead-based paint and/or asbestos. During the development of the Cornerstone project, which involved all three of these conditions, the Mary Lee Community successfully worked through all these issues.

- 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.

Property management of the Willows will be provided by the Mary Lee Foundation. The Mary Lee Foundation, founded in 1963, and its affiliates, currently manages 173 housing units in Austin.

The following is a list of properties that Mary Lee currently manages and their experience with federally-funded properties at the campus in Austin, Texas.

**Rental Housing Owned and Managed By Mary Lee Foundation/Mary Lee Community**

<b>Name/Location</b>	<b># of Units</b>	<b>Federally-Funded</b>
1312 Lamar Sq. - Flagship	22	HUD 202
1316 Lamar Sq.	11	
Villa Elaina – 1318 Lamar. Sq.	22	TDHCA
Charles Place – 1345/1347 Lamar Sq.	16	HUD 811
Cornerstone – 1322 Lamar Sq.	30	TDHCA, AHFC
Brain Injury – 1326 Lamar Sq.	8*	
Brain Injury – 1328 Lamar Sq.	8*	
Willows – 1330/1332 Lamar Sq.	20	
Southpointe - 1334 Lamar Sq.	14*	
Southpointe 2 – 1336 Lamar Sq.	12*	
Southpointe 1 – 1338 Lamar Sq.	10*	
<b>Total</b>	<b>173 Units</b>	

\*State Licensed Program.

For forty-four years, the Mary Lee Foundation has managed multifamily housing and has received funding from a variety of public and private institutions. Mary Lee provides housing and non-housing services to minority persons, the elderly, and persons with disabilities. The Foundation, the umbrella entity, serves more than 350 persons annually (including day programming). Of those served in Mary Lee housing approximately 24 percent are minorities, 20 percent are seniors, at least 60 percent are persons with disabilities, and 26 percent were formerly homeless.

Charlene Crump, the Executive Director and founder, has served the organization for 44 years. The Director, Don Lilljedahl, has been with the Foundation for 38 years. Additionally, Mary Lee benefits from the work of other key staff including:

- ♦ Administrator of Brain Injury Rehabilitation (licensed),
- ♦ Administrator of Mental Retardation Programs (3 licensed programs),
- ♦ Director of Operations (Janie Martinez has been with Mary Lee for over 30 years),
- ♦ Director of Development,
- ♦ Property Manager (Max Courtney has been with Mary Lee for 14 years),
- ♦ Assistance Property Manager ( Deborah Stevens has been with Mary Lee for 9 years),
- ♦ Case Manager (Sharon Hammer has been with Mary Lee for 14 years), and
- ♦ Controller.

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

- Sources and Uses of Funds** – Complete Tables A & B below, identifying all sources and uses of funds to implement the project and include evidence of funds anticipated (financial statements, letters of commitments, etc.).
- 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.
- Operating Pro Forma** – Complete Table D below, preparing a minimum five (5) year financial Operating Pro Forma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Pro Forma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR.

<b>TABLE A: SOURCES OF FUNDS SUMMARY</b>					<b>Intended Use of Fund (Predevelopment, Acquisition, Construction, Soft Costs)</b>
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
Private Financing (List Lenders Below)					
Bank of America	18 term 30 yr Amort	7.5%	\$1,000,000	Term sheet	Construction, soft costs acquisition
Other Sources (List Below)					
Federal Home Loan Bank – San Fran	15 yrs	n/a	\$750,000	Requested	Predevelopment, Construction
Foundations, fundraising		n/a	\$472,560	Ongoing	Predevelopment, Soft costs, Construction
Proposed RHDA Funds			\$2,250,000		Soft costs, Construction Predevelopment

<b>TABLE B: USES OF FUNDS SUMMARY</b>		
	Total Cost	Cost/Unit
Predevelopment	\$149,000	\$2,328/unit
Acquisition	\$363,000	5,672/unit
Hard Costs	\$3,644,760	\$56,949/unit
Soft & Carrying Costs	\$315,800	\$4,934/unit
Other Costs		
<b>Total Project Costs</b>	<b>\$4,472,560</b>	<b>\$69,884/unit</b>

<b>TABLE C: LEVERAGE SUMMARY</b>	
<b>TOTAL RHDA FUNDS</b>	<b>\$2,250,000</b>
<b>TOTAL OTHER FUNDS</b>	<b>\$2,222,560</b>

**11. Detailed Project Budget** - Use the following table to provide a complete project budget. Add line item categories as necessary.

<b>DETAILED PROJECT BUDGET</b>		
	<b>Cost</b>	<b>Description</b>
<b>PREDEVELOPMENT</b>		
Appraisal	\$10,000	Required b bank & appraisal for rehab.
Environmental Review	\$9,000	Update to Phase I, and soils report
Engineering	\$50,000	Civil, mechanical, structural
Survey	\$5,000	
Architectural	\$75,000	Design and construction oversight
<b>TOTAL PREDEVELOPMENT</b>	<b>\$149,000</b>	
<b>ACQUISITION</b>		
Site and/or Land	\$363,000	Outstanding mortgage balance including buildings
Structures		
Other (specify)		
<b>TOTAL ACQUISITION</b>	<b>\$363,000</b>	
<b>CONSTRUCTION</b>		
Infrastructure	\$59,000	
Site work	\$126,000	earthwork, utilities, paving
Demolition	\$157,000	Includes asbestos/lead abatement
Concrete	131,250	foundation
Masonry	\$262,500	Wood frame/millwork
Rough carpentry	\$384,300	Wood frame/millwork
Finish carpentry		
Waterproofing & Insulation	\$152,250	Thermal & moisture
Roofing & Sheet Metal	\$84,000	
Plumbing/Hot Water	\$215,250	
HVAC	\$266,910	
Electrical	\$336,000	
Doors/Windows/Glass	\$177,450	
Lath & Plaster/ Drywall & Acoustical	\$115,500	
Tile work		
Soft & Hard Floor	\$63,000	
Paint/Decorating/Blinds/Shades	\$52,500	
Specialties/Special Equipment	\$44,100	
Cabinetry/Appliances	\$68,250	
Carpet		
Other -Elevators	\$150,000	Two elevators and equipment
Other – landscape/building sprinkler	\$90,000	Landscape, signage, building sprinkler
Other – solar/rainwater	\$90,000	Solar panels, rainwater
Construction Contingency	\$220,000	
<b>TOTAL CONSTRUCTION</b>	<b>\$3,245,760</b>	
<b>SOFT &amp; CARRYING COSTS</b>		
Legal	\$25,000	Bank legal fees
Audit/Accounting		
Title/Recording	\$6,000	
Architectural (Inspections)	\$11,500	permits
Construction Interest	\$25,300	Construction & perm loan, fees
Construction Period Insurance	\$35,000	Builder's risk and liability insurance
Construction Period Taxes		
Relocation	\$18,000	Temporary relocation, moving expenses
Developer Fee	\$175,000	
Davis-Bacon Monitoring		
Other: Consultant	\$20,000	
<b>TOTAL PROJECT BUDGET</b>	<b>\$4,472,560</b>	

### **13. Neighborhood Support**

Include letters of support from all organizations registered with the City of Austin within the area of the proposed project.

The Willows project is located in Zilker Neighborhood. Mary Lee has a long, good standing relationship with the Zilker Neighborhood. Mary Lee Foundation first purchased properties on Lamar Square Drive in 1974. At this time frequent police calls, rampant drug use and prostitution were common place. Mary Lee has spent the last 16 years "cleaning up" this section of the Zilker Neighborhood and improving the condition of the properties along Lamar Square Drive. The neighborhood has applauded Mary Lee for their efforts and for providing affordable housing.

There has always been an open dialog about the renovations and new construction that has taken place. For the Willows project the staff of Mary Lee have met with Jeff Jack (president of Zilker Neighborhood) and other neighborhood leaders several times to discuss the project.

The neighborhood is supportive of the efforts of the Mary Lee Foundation/Mary Lee Community in providing affordable housing within the community.

A letter from the Zilker Neighborhood Association is included.

#### **14. Description of Supportive Services**

Indicate whether supportive services will be provided to residents. If supportive services are to be provided to residents, provide a description of the services in one (1) page or less that includes the following information:

- a. A description of the supportive services to be provided to residents and/or clients.
- b. The number and types of clients expected to be served annually.
- c. The use of the proposed project relative to the services provided.
- d. If services are not provided by the developer of the project, a description of the organization providing the services and a memorandum of understanding outlining the relationship between the developer and service provider.

##### **The Willows – Supportive Services**

Mary Lee will offer an array of supportive and empowerment services to residents of the Willows project. It is anticipated that approximately 50% of the residents, or 32 households, will receive supportive services annually. The residents of Mary Lee properties typically range in supportive needs from those who are completely self sufficient to those requiring almost daily support services. Given the mission of the organization to serve people with disabilities (Mary Lee does not limit service to one type of disability, many residents have multiple disabilities) supportive services are key to a resident's ability to develop a sense of dignity, a feeling of self-worth, and the skills necessary to integrate socially and contribute to the community in which they live. For 44 years Mary Lee has viewed service to people with disabilities as two-fold – housing and services must go together.

##### **Case Management Services**

All residents who live on the Mary Lee campus can access case management services. Services vary from client to client but may include money management, medication supervision, transportation, and assistance with applications for mainstream services such as Medicaid/Medicare, Supplementary Security Income and Social Security Disability Income, Special Transit Services, Food Stamps, and Rental Assistance. Mary Lee also sponsors a food pantry where clients receive fresh produce and canned foods twice a month. Fees range from free of charge to approx. \$100/month depending on the frequency and level of service. Mary Lee discounts the fees for supportive services on a case-by-case basis.

Mary Lee's Community Center is located at the entrance to the campus on Lamar Square Drive. It is a large multipurpose center that is used for service programs including a computer lab. An on-site nurse is also available for medication administration. La Familia Medical Clinic, located next door at Lamar Plaza Shopping Center, provides discounted rates for individuals without insurance and the attending physician will make house calls to Mary Lee residents.

The Community Center is located at the entrance to the Mary Lee Foundation's campus on Lamar Square Drive. It is a large multipurpose center that is used for service programs including a computer lab.

##### **Daybreak Program**

The Daybreak program is a day center for special needs individuals in the community. The program provides affordable therapeutic activities on a daily basis, along with physical and mental exercise, computer training, meal preparation, classes in interpersonal relationships, stress management, gardening, bus mobility, functional math and reading classes, all reinforced with periodic supervised field trips into the community.

##### **Employment Opportunities**

Residents of the Mary Lee campus are eligible for paid positions on campus (primarily janitorial and yard maintenance). Many residents lack the work history and/or "clean record" to obtain positions with area employers. Mary Lee offers employment on a case-by case basis but does not discriminate against those with a criminal record.

Employment opportunities are also available through a partnership with the Vaughn House and Relief Enterprise of Texas (REI). Both organizations match Mary Lee residents with janitorial jobs at state offices in Austin.



**Health Services**

A registered nurse supervises the administration of medications. Medication support is available 24 hours a day. La Familia Medical Clinic and Lamar Plaza Drug Store are located next door to the campus. Persons without insurance can receive services for \$50 and office visit. The attending physician will also make house calls to Mary Lee residents. Lamar Plaza Drug Store will fill and deliver prescriptions as needed.

**15. Experience and Qualifications (Supportive Services)**

If supportive services will not be provided to the residents, you need not complete Questions 15. If supportive services will be provided, describe the developer's experience and qualifications in providing the services described in Question 14. Provide resumes of key personnel actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience and education.

For forty-four years, Mary Lee has provided housing and non-housing support to persons with special needs in Austin. Mary Lee owns and operates a licensed Intermediate Care Facility (Southpointe) for the mentally retarded and a Brain Injury Rehabilitation Center. Both of these programs are licensed by the Texas Department of Human Resources. Mary Lee also works with a variety of public and private service agencies to ensure that residents become integrated into their community. Case management services have been coupled with housing since Mary Lee was founded in 1963.

Charlene Crump, the Executive Director and founder, has served the organization for 44 years. The Director, Don Lilljedahl, has been with Mary Lee for 38 years.

Resumes are included in this section.

- ♦ Charlene Crump (Executive Director)
- ♦ Don Lilljedahl (Program Director)
- ♦ Max Courtney (Property Manager – coordinates with Case Manager)
- ♦ Deborah Stevens (Assistant Property Manager)
- ♦ Sharon Hammer (Case Manager)
- ♦ Debbie Vega (Supervises Administration of Medications, Registered Nurse)
- ♦ Chip Howe (Admissions Coordinator for MLF Rehabilitation Center)

Mary Lee Foundation has an annual operating budget of approximately \$5 million. Of its revenues, Mary Lee receives nearly 75 percent from state agency support. The state agencies that provide funds to Mary Lee include the Department of Rehabilitative and Assistive Services, Texas Commission for the Blind, Texas Department of Protective and Regulatory Services, and Texas Commission for the Deaf. The remaining revenue comes from private sources, rental income, sales, fundraising and donations.

**16. Financial Information (Supportive Services)**

If supportive services will not be provided to the residents, you need not complete Questions 16. If supportive services will be provided, the developer must demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:

- a. **Sources of Funds** - Identify sources and amounts of funds that will be utilized to provide services to the proposed project.

Funding for supportive services for the residents of the Willows will come from the Mary Lee Foundation and from cash proceeds of the Willows project. See the budget below.

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

**Supportive Services Budget (3 Years)**

**The Willows - 1330/1332 Lamar Square Drive, Austin, TX**

<b>Social Service Funding Sources</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Mary Lee Community		6,000.00	6,180.00	6,365.40
Mary Lee Foundation		14,900.00	15,347.00	15,807.41
<b>Total Funding Sources</b>		<b>20,900.00</b>	<b>21,527.00</b>	<b>22,172.81</b>
<b>Expenses (related to social services only):</b>			0.00	0.00
Administration:	5% of time (\$60,000)	3,000.00	3,090.00	3,182.70
Salaries/Payroll:	Property Management (5% of time \$40,000)	2,000.00	2,060.00	2,121.80
	Case Manager (50% of time - \$30,000)	15,000.00	15,450.00	15,913.50
Supplies:	\$75/Month	900.00	927.00	954.81
<b>Total Expenses</b>		<b>20,900.00</b>	<b>21,527.00</b>	<b>22,172.81</b>

**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.

Mary Lee Community will comply with all reporting, record keeping, and on-going monitoring requirements applicable to GO bond financing of the proposed project.