



## HOUSING DEVELOPMENT ASSISTANCE (RHDA/OHDA)

Application for Housing Development Financing

**PLEASE NOTE:** AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the [Austin Strategic Housing Blueprint](#) and policy direction from the Austin City Council.

### Applicant Information

(If the developer involves multiple entities, is a partnership or joint venture, please provide the requisite information for each and identify the entity that will serve as the "lead" organization.)

**Developer Name**

Foundation Communities, Inc.

**Owner Name**

FC Austin Six Housing Corporation

**Street Address**

3036 S 1st St

**City**

Austin

**State**

TX

**Zip**

78704

**Contact Name**

Walter Moreau

**Contact Telephone**

512-610-4016

**Contact Email**

walter.moreau@foundcom.org

**Federal Tax ID Number**

74-2563260

**D-U-N-S Number (visit [www.dnb.com](http://www.dnb.com) for free DUNS#.)**

55-635-2268

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

**Legal Name of Developer/Entity**

Foundation Communities, Inc.

**Title of Authorized Officer**

Executive Director

*Walter Moreau*

Signature of Authorized Officer

4/25/2019

Date

**INSTRUCTIONS:** Applications will be reviewed on a quarterly basis. All applications submitted in the review period that achieve the minimum threshold score will be reviewed by an internal panel of NHCD staff. All awards will be made by the AHFC Board of Directors. To be considered for an award, please complete this application electronically, print, sign, and deliver to:

Department of Neighborhood  
Housing and Community  
1000 East 11th Street  
Austin, Texas 78702  
Attn: James May  
Community Development Manager

City of Austin

APR 25 2019

NHCD / AHFC



3036 South First Street  
Austin, TX 78704

tel: 512-447-2026  
fax: 512-447-0288

[www.foundcom.org](http://www.foundcom.org)

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August 23, 2019

City of Austin/ Austin Housing Finance Corporation  
P.O. Box 1088  
Austin, TX 78757

**Re: Lakeline Phase 2 RHDA application**

Dear James May,

Thank you for the opportunity to revise our application and improve our competitive benchmarks. We truly take to heart the goals of the City's Strategic Housing Blueprint and Lakeline Phase 2 is special because it aligns with so many of the City's housing goals. It is located in a high opportunity area of District 6, an Imagine Austin Activity Center, and is close to the Lakeline bus, metro, and park& ride station, jobs, retail, healthy food, and good schools. The middle and high school received an A from TEA's 2019 accountability rating system.

Out of all the council districts, District 6 has the highest affordable housing unit goals in the Strategic Housing Blueprint. Unfortunately, District 6 does not have a competitive advantage under the current trend of 9% tax credit scoring, and does not get the 30% QCT boost in 4% tax credits due to higher incomes in the District. Therefore, multifamily tax credit projects in District 6 will require a higher per-unit subsidy from the City of Austin.

Lakeline Phase 2 is a rare opportunity to add affordable units in District 6 while simultaneously sharing resources with of our existing affordable housing community, including our state-of-the-art learning center at Lakeline Station Apartments on the same block. Foundation Communities has been running after-school and summer learning programs for our residents for more than 20 years. We have a successful track-record of working closely with neighborhood schools and teachers to ensure students are meeting their academic goals, and also actively engage the parents in their children's education.

Please see attached updated application. We have reduced our request to \$5,000,000 and increased our 50% MFI unit commitment, resulting in a reduced per-unit and per-bedroom RHDA funding request.

We understand that RHDA has a large volume of requests and limited available funds this cycle. We wanted to present our full anticipated RHDA funding need for a complete picture, but please note that we are willing to consider staged funding with a smaller loan now of just \$2,950,000 to cover land cost, and a supplemental loan later for the difference of \$2,050,000.

Foundation Communities has also requested that AHFC partner with us on this project. Ideally, the land will ultimately be purchased by AHFC and ground leased back to the tax credit partnership. To reduce the risk to the city of early stage acquisition funding, we would be happy to pursue this transfer and ground lease concurrent with the RHDA funding. Thank you in advance for your consideration of this revised request.

Sincerely,

*Walter Moreau*

Walter Moreau  
Executive Director  
Foundation Communities  
(512) 610-4016

## Project Summary Form

1) <b>Project Name</b> Lakeline Station Phase II	2) <b>Project Type</b> 100% Affordable	3) <b>New Construction or Rehabilitation?</b> New Construction
4) <b>Location Description</b> (Acreage, side of street, distance from intersection) 13653 Rutledge Spur		5) <b>Mobility Bond Corridor</b> 
6) <b>Census Tract</b> 203.11	7) <b>Council District</b> District 6	8) <b>Elementary School</b> ANDERSON MILL EL
9) <b>Affordability Period</b> 40 years		
10) <b>Type of Structure</b> Multi-family	11) <b>Occupied?</b> No	12) <b>How will funds be used?</b> on, Pre-development, and Cons

### 13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI		2	6	4		12
Up to 40% MFI						0
Up to 50% MFI		14	36	22		72
Up to 60% MFI		8	18	10		36
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
<b>Total Units</b>	<b>0</b>	<b>24</b>	<b>60</b>	<b>36</b>	<b>0</b>	<b>120</b>

### 14) Summary of Units for Sale at MFI Level

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
<b>Total Units</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 15) Initiatives and Priorities

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	12.0	Continuum of Care Units	4
Accessible Units for Sensory Impairments	3		

### Use the City of Austin GIS Map to Answer the questions below

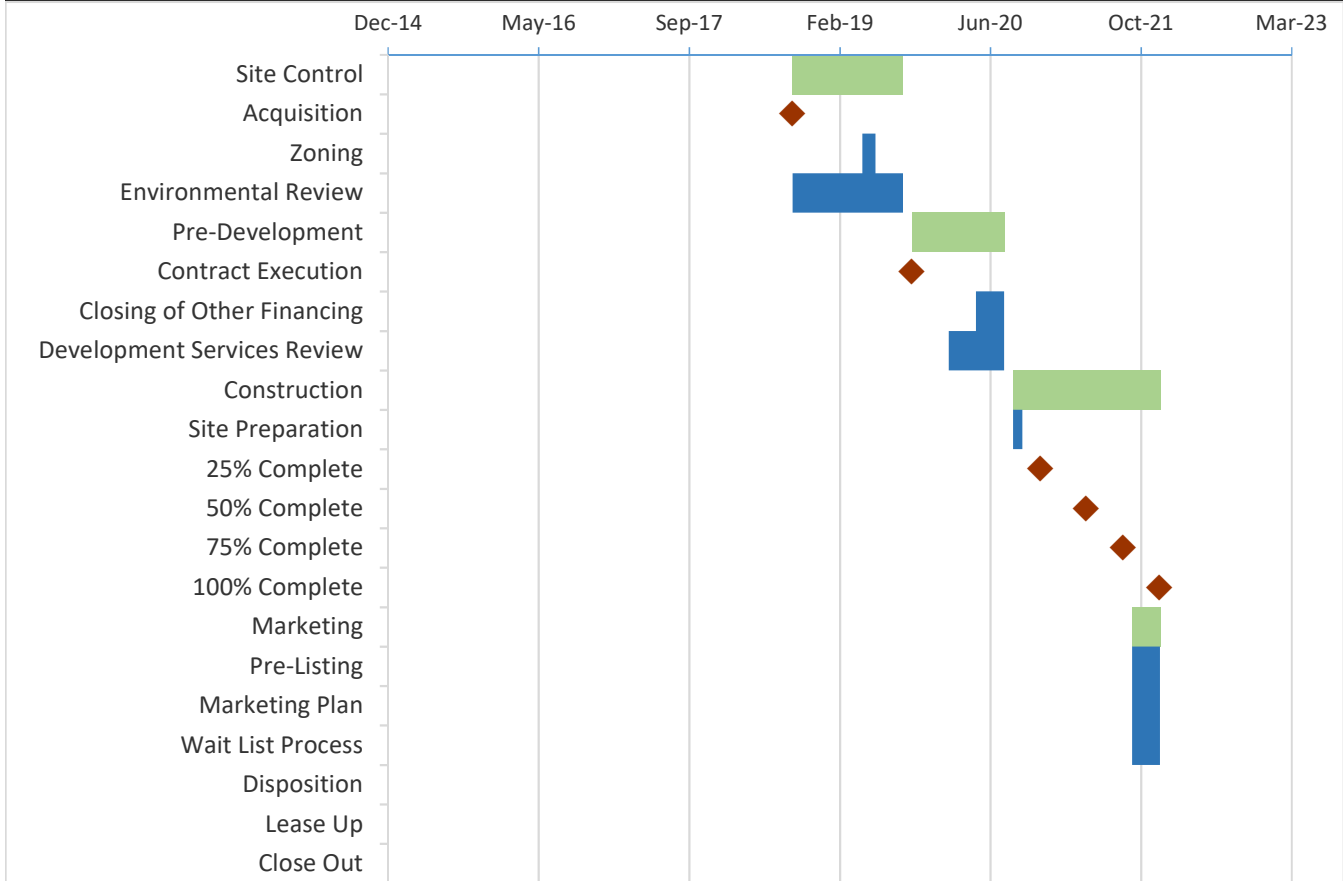
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor? ☐ Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? ☐ No
- 18) Is the property within 3/4 mile of Transit Service? ☐ Yes
- 19) The property has Healthy Food Access? ☐ Yes

### 20) Estimated Sources and Uses of funds

<u>Sources</u>		<u>Uses</u>	
Debt	10661797	Acquisition	2951000
Third Party Equity	8061997	Off-Site	
Grant		Site Work	
Deferred Developer Fee	750000	Sit Amenities	
Other	5186048	Building Costs	20,168,518
<b>City of Austin</b>	<b>5000000</b>	Contractor Fees	
		Soft Costs	1774767
		Financing	2015557
		Developer Fees	2750000
<b>Total \$</b>	<b>29,659,842</b>	<b>Total \$</b>	<b>29,659,842</b>

## Development Schedule

	Start Date	End Date
<b>Site Control</b>	Aug-18	Sep-19
Acquisition	Aug-18	
Zoning	Apr-19	Jun-19
Environmental Review	Aug-18	Sep-19
<b>Pre-Development</b>	Oct-19	Aug-20
Contract Execution	Oct-19	
Closing of Other Financing	May-20	Aug-20
Development Services Review	Feb-20	Aug-20
<b>Construction</b>	Sep-20	Jan-22
Site Preparation	Sep-20	Oct-20
25% Complete	Dec-20	
50% Complete	May-21	
75% Complete	Sep-21	
100% Complete	Jan-22	
<b>Marketing</b>	Oct-21	Jan-22
Pre-Listing	Oct-21	Jan-22
Marketing Plan	Oct-21	Jan-22
Wait List Process	Oct-21	Jan-22
<b>Disposition</b>	Jan-22	Jun-19
Lease Up	Jan-22	Jun-19
Close Out	Jan-22	Jun-19



## Development Budget

	Total Project Cost	Requested AHFC Funds	Description
<b>Pre-Development</b>			
Appraisal	17,500	17,500	includes Market Analysis
Environmental Review	37,850	37,850	
Engineering	4,250	4,250	soils report
Survey	17,320	17,320	
Architectural	786,808	786,808	includes engineering
<b>Subtotal Pre-Development Cost</b>	\$863,728	\$863,728	
<b>Acquisition</b>			
Site and/or Land	2,950,000	2,950,000	
Structures			
Other (specify)	1,000	1,000	closing costs
<b>Subtotal Acquisition Cost</b>	\$2,951,000	\$2,951,000	
<b>Construction</b>			
Infrastructure	684,754	684,754	Site Amenities
Site Work	1,487,490	1,487,490	Site Work
Demolition	113,876	113,876	Demolition
Concrete	1,042,941	-1,100,848	Concrete
Masonry	204,330		Masonry
Rough Carpentry	746,359		Metals
Finish Carpentry	2,702,934		Woods and Plastics
Waterproofing and Insulation	225,586		Thermal and Moisture Protection
Roofing and Sheet Metal	619,239		Roof Covering
Plumbing/Hot Water	442,959		Doors and Windows
HVAC/Mechanical	1,783,665		Finishes
Electrical	72,154		Specialties
Doors/Windows/Glass	591,332		Equipment
Lath and Plaster/Drywall and Acoustical	347,125		Furnishings
Tiel Work	323,921		Special Construction
Soft and Hard Floor	317,551		Elevators
Paint/Decorating/Blinds/Shades	1,908,004		Mechanical HVAC Plumbing
Specialties/Special Equipment	1,167,251		Electrical
Cabinetry/Appliances	1,406,418		Community Buildings
Carpet	829,115		Commercial Space
Other (specify)	2,496,140		Contractor Fees
Construction Contingency	850,850		Contingency
<b>Subtotal Construction Cost</b>	\$20,363,994	\$1,185,272	
<b>Soft &amp; Carrying Costs</b>			
Legal	55,000		
Audit/Accounting	11,284		
Title/Recordin	160,000		
Architectural (Inspections)	48,500		all building fees
Construction Interest	900,000		
Construction Period Insurance	38,500		
Construction Period Taxes			
Relocation			
Marketing			
Davis-Bacon Monitoring			
Other (specify)	4,267,836		developer fee, consultants, reserves, bonds, and fees
<b>Subtotal Soft &amp; Carrying Costs</b>	\$5,481,120	\$0	
<b>TOTAL PROJECT BUDGET</b>	\$29,659,842	\$5,000,000	

## 15 Year Rental Housing Operating Pro Forma (RHDA)

*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 market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. 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.*

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,366,233	\$1,393,558	\$1,421,429	\$1,449,857	\$1,478,855	\$1,632,775	\$1,802,715
Secondary Income	\$24,863	\$25,360	\$25,867	\$26,385	\$26,913	\$29,714	\$32,806
POTENTIAL GROSS ANNUAL INCOME	\$1,391,096	\$1,418,918	\$1,447,296	\$1,476,242	\$1,505,767	\$1,662,488	\$1,835,522
Provision for Vacancy & Collection Loss	-\$102,467	-\$104,516	-\$106,607	-\$108,739	-\$110,914	-\$122,458	-\$135,203
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,288,629	\$1,314,402	\$1,340,690	\$1,367,503	\$1,394,853	\$1,540,031	\$1,700,319
<b>EXPENSES</b>							
General & Administrative Expenses	\$60,984	\$62,814	\$64,698	\$66,639	\$68,638	\$79,570	\$92,244
Management Fee	\$63,188	\$65,084	\$67,036	\$69,047	\$71,119	\$82,446	\$95,578
Payroll, Payroll Tax & Employee Benefits	\$220,908	\$227,535	\$234,361	\$241,392	\$248,634	\$288,235	\$334,143
Repairs & Maintenance	\$188,788	\$194,452	\$200,285	\$206,294	\$212,483	\$246,326	\$285,559
Electric & Gas Utilities	\$13,163	\$13,558	\$13,965	\$14,384	\$14,815	\$17,175	\$19,910
Water, Sewer & Trash Utilities	\$67,074	\$69,086	\$71,159	\$73,294	\$75,492	\$87,516	\$101,455
Annual Property Insurance Premiums	\$43,313	\$44,612	\$45,951	\$47,329	\$48,749	\$56,514	\$65,515
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$39,143	\$45,378
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ANNUAL EXPENSES	\$687,418	\$708,041	\$729,282	\$751,160	\$773,695	\$896,925	\$1,039,781
NET OPERATING INCOME	\$601,211	\$606,361	\$611,408	\$616,343	\$621,158	\$643,106	\$660,537
<b>DEBT SERVICE</b>							
First Deed of Trust Annual Loan Payment	\$521,172	\$521,172	\$521,172	\$521,172	\$521,172	\$521,172	\$521,172
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>ANNUAL NET CASH FLOW</b>	\$80,039	\$85,189	\$90,236	\$95,171	\$99,986	\$121,934	\$139,365
<b>CUMULATIVE NET CASH FLOW</b>	\$80,039	\$165,228	\$255,464	\$350,635	\$450,622	\$1,005,424	\$1,658,673
<b>Debt Coverage Ratio</b>	1.15	1.16	1.17	1.18	1.19	1.23	1.27

<b>Project Name</b>	Lakeline Station Phase II	
<b>Project Type</b>	100% Affordable	
<b>Council District</b>	District 6	
<b>Census Tract</b>	203.11	
<b>AHFC Funding Request Amount</b>	\$5,000,000	
<b>Estimated Total Project Cost</b>	\$29,659,842	
<b>High Opportunity</b>	Yes	
<b>High Displacement Risk</b>	NO	
<b>High Frequency Transit</b>	No	
<b>Imagine Austin</b>	Yes	
<b>Mobility Bond Corridor</b>	0	
<b>SCORING ELEMENTS</b>		Description
<b>UNITS</b>		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	12	# of rental units at < 30% MFI
District Goal	1.40%	% of annual goal reached with units
High Opportunity	2.88%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	8.65%	% of annual goal reached with units
Geographic Dispersion	3.95%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>3</b>	<b>% of Goals * 20</b>
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	72	# of rental units at < 50% MFI
District Goal	8.38%	% of annual goal reached with units
High Opportunity	17.29%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	51.87%	% of annual goal reached with units
Geographic Dispersion	23.71%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>15</b>	<b>% of Goals * 15</b>
< 60% MFI	0	# of units for purchase at < 60% MFI
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	0.00%	% of annual goal reached with units
High Opportunity	0.00%	% of annual goal reached with units
Displacement Risk	0.00%	% of annual goal reached with units
High Frequency Transit	0.00%	% of annual goal reached with units
Imagine Austin	0.00%	% of annual goal reached with units
Geographic Dispersion	0.00%	% of annual goal reached with units
Mobility Bond Corridor	0.00%	% of annual goal reached with units
<b>SCORE</b>	<b>0</b>	<b>% of Goals * 15</b>
<b>Unit Score</b>	<b>19</b>	<b>MAXIMUM SCORE = 350</b>
<b>INITIATIVES AND PRIORITIES</b>		
Continuum of Care	4	Total # of units provided up to 100 per year
<b>Continuum of Care Score</b>	<b>1</b>	<b>(total CoC Units/100 + HF Units/50)*20</b>
<b>Access to Healthy Food</b>	<b>Yes</b>	<b>Within 1 Mile of Healthy Food (City GIS)</b>
<b>Continuum of Care Weighted Score</b>	<b>1</b>	<b>Mobility, Access to Jobs, Community Institutions, Social Cohesion</b>
2 Bedroom Units	42	Total Affordable 2 Bedroom units
3 Bedroom Units	26	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
<b>Multi-Generational Housing Score</b>	<b>16</b>	<b>Multi-bedroom Unit/Total Units * 20</b>
<b>TEA Grade</b>	<b>72</b>	<b>Elementary School Rating from TEA</b>
<b>Multi-Generational Housing Weighted Score</b>	<b>13</b>	<b>Educational Attainment, Environment, Community Institutions, Social Cohesion, E</b>
Accessible Units	15	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
<b>Accessibility Score</b>	<b>4</b>	<b>Accessible Unit/Total Units * 20</b>
<b>Metro Access Service</b>	<b>Yes</b>	<b>Within 3/4 mile of fixed route transit</b>
<b>Accessibility Weighted Score</b>	<b>2</b>	<b>Housing Stability, Health, Mobility, Community Institutions</b>
<b>Initiatives and Priorities Score</b>	<b>37</b>	<b>MAXIMUM SCORE = 200</b>
<b>UNDERWRITING</b>		
AHFC Leverage	24%	% of total project cost funded through AHFC request
<b>Leverage Score</b>	<b>19</b>	<b>25 - (% leverage * 25)</b>
AHFC Per Unit Subsidy	\$59,523.81	Amount of assistance per unit
<b>Subsidy per unit score</b>	<b>18</b>	<b>(\$200,000 - per unit subsidy)*25/\$200,000</b>
AHFC Per Bedroom Subsidy	\$28,089.89	Amount of assistance per bedroom
<b>Subsidy per Bedroom Score</b>	<b>21</b>	<b>(\$200,000 - per bedroom subsidy)*25/\$200,000</b>
Debt Coverage Ratio (Year 5)	1.19	Measured at the 5 Year mark
<b>Debt Coverage Ratio Score</b>	<b>19.18492489</b>	<b>Minimum = 1.0; Maximum = 1.5; 1.25 = best score</b>
<b>Underwriting Score</b>	<b>77</b>	<b>MAXIMUM SCORE = 100</b>
<b>APPLICANT</b>		
<b>FINAL QUANTITATIVE SCORE</b>	<b>132</b>	<b>THRESHOLD SCORE = 50</b>
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
<b>Notes</b>		



# 1 - APPLICANT ENTITY

## Introduction

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Foundation Communities (FC) is a nationally recognized nonprofit founded in 1990 with a mission to provide quality affordable housing and supportive services to low-income families and individuals. FC over 25 years of experience creating housing where individuals and families succeed. Our vision for strong families and communities involves more than just providing a roof over peoples' heads. By combining affordable housing and free on-site services, we empower low-income residents with the tools they need to achieve long-term stability and self-sufficiency. FC focuses on four main areas:

- **Opening Doors to Homes:** We own and manage over 3,300 apartments across 20 properties in Austin and 3 in the North Texas. Over 6,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.
- **Healthy Communities:** All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have 727 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 142 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.
- **Learning in a Community:** On-site Learning Centers give 1,000 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.
- **Financial Stability:** Financial Centers provide free tax preparation to 30,000+ low-income individuals each year with the help of 750 volunteers. Annual refunds amount to more than \$40 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business. We assist more than 1,000 students with FAFSA preparation, and help low-income students access nearly \$4 million in Pell grants and scholarships. Finally, by leveraging our certified volunteers, we enroll 5,000+ individuals in health insurance each season.

See attached for a summary of our Austin Portfolio.

# 1 - APPLICANT ENTITY

Certification of Status

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See attached



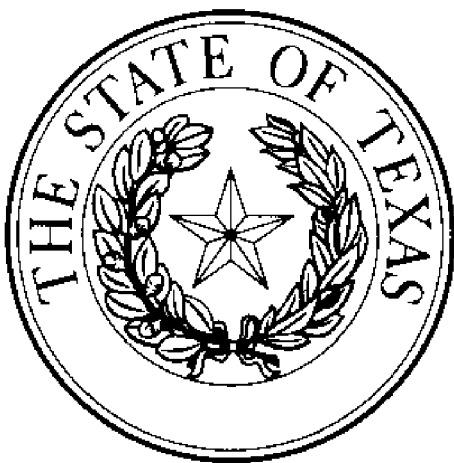
## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for FOUNDATION COMMUNITIES, INC. (file number 114499001), a Domestic Nonprofit Corporation, was filed in this office on March 05, 1990.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 01, 2019.



A handwritten signature in black ink, appearing to read "David Whitley".

David Whitley  
Secretary of State

# 1 - APPLICANT ENTITY

## Applicant Capacity

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**Walter Moreau, Executive Director.** During his 25-year career, Walter has secured subsidy financing of more than \$350 million to create more than 3,300 units of service-enriched, nonprofit-owned affordable housing, and 13 onsite learning centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

**Sabrina Butler, Director of Real Estate Development,** oversees FC's overall real estate development portfolio with a particular focus on new development opportunities and identification/packaging of subsidy and conventional financing for multi-family housing. Packaging includes running project proformas, applying for the funding, bidding out equity/mortgages, coordinating closings, and ensuring compliance with construction-related funding provisions. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing and community development finance. Sabrina has a Masters in Regional Planning.

**Megan Matthews, Director of Design,** and licensed Architect in the State of Texas, oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and The Jordan at Mueller and was on the design team for four of those communities. Megan coordinates the RFQ and bid processes for the architect, engineers, and general contractor and is the direct link between the third party design and construction professionals and FC's Development team. Megan has a Bachelor of Architecture degree from The University of Texas at Austin.

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

**Anna Lake-Smith, Development Project Manager,** works with the Development team to take projects through feasibility, design, and construction, including coordinating with the Sustainability, Property, and Asset Management teams. Anna brings a wide range of design experience, from residential interiors to citywide planning strategies. Anna holds a dual MS in Urban Design and MS in Community/Regional Planning from The University of Texas at Austin, and a Bachelor of Arts in Architecture from Wellesley College.

# 1 - APPLICANT ENTITY

## Applicant Experience

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**Project management:** Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team. She oversaw the construction of Cardinal Point and Garden terrace Phase III last year and is currently overseeing the construction of The Jordan at Mueller and the design of Waterloo Terrace

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

**Site selection and Control:** Walter Moreau has over 20 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third party land broker to find sites and negotiate with sellers. Sabrina Butler works with the title company to ensure all requirements are met on the buyer side and oversees the closing on behalf of Foundation Communities.

**Planning and Construction:** Foundation Communities contracts with third-party general contractors and has been privileged to work with a number of quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). FC has an excellent working relationship and with several general contractors.

**Design, Architecture and Engineering:** Megan Matthews oversees the hiring of the design and engineering team. Typically, Megan issues an RFQ to an invited list of bidders (open to all interested parties.) The list is narrowed down based on responses and then the FC development team including Walter, Sabrina and Megan meet the finalists and make a selection based on presentations. FC has an excellent working relationship with several architectural firms and civil engineers.

**Legal and Accounting:** All accounting is performed in-house by an accounting team led by Ann Clift, CFO. Tax returns, audits and cost certifications for tax credit properties are contracted out to Novogradac and Company, LLC. FC has engaged a third party attorney

**Federal Funding Rules:** FC has extensive experience working with programs funded by HUD and their associated federal regulations including: Federal Labor Standards, Davis Bacon Reporting, Section 3, Affirmative Marketing, Environmental Clearances, Public Notices and Procurement Standards.

**Other Funding Source Rules:** FC has a great track record for using multiple funding sources on each projects. Funding stacks often include state funds, FLHB, grants, and private fundraising.

# 1 - APPLICANT ENTITY

## Statement of Confidence

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Foundation Communities owns 3 properties in North Texas and contracts with a 3<sup>rd</sup> party property management company to oversee the day-to day operations. Because we have extensive experience in Austin, staff advised us that Statement of Confidence from other jurisdictions is not necessary.

# 1 - APPLICANT ENTITY

IRS Certification of Non-profit Status

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See attached

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

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

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

Employer Identification Number:  
74-2563260

Case Number:  
755122043

Contact Person:  
ANNETTE SMITH

Contact Telephone Number:  
(214) 767-6023

Our Letter Dated:  
May 23, 1990

Addendum Applies:  
No

Dear Applicant:

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

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

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

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

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

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

Sincerely yours,



Bobby E. Scott  
District Director



# **1 - APPLICANT ENTITY**

Board Resolution

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See attached

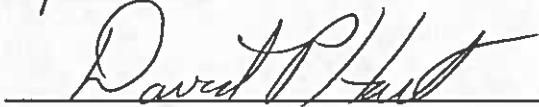
**SECRETARY'S CERTIFICATE OF ADOPTION**  
**OF RESOLUTION BY BOARD OF DIRECTORS**  
**OF FOUNDATION COMMUNITIES**

I, David Hart, certify that I am the duly qualified and acting Secretary of the Board of FOUNDATION COMMUNITIES, INC., a duly organized and existing Texas non-profit corporation (the "*Corporation*").

I do hereby certify that said Corporation is duly organized and existing under the laws of the State of Texas; that all franchise and other taxes required to maintain its corporate existence have been paid when due and no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Formation or for its dissolution; that it is duly qualified to do business in the State of Texas and is in good standing in such state; and that there is no provision of the Certificate of Formation or Bylaws of said Corporation limiting the power of the Board of Directors to pass the resolutions set out below and that the same are in conformity with the provisions of said Certificate of Formation and Bylaws.

Attached as Exhibit "A" is a true and correct copy of the resolutions adopted by unanimous consent of the Board of Directors of the Corporation at our legally held meeting on April 9, 2019.

ADOPTED this 09 day of April, 2019.

  
\_\_\_\_\_  
DAVID HART, Secretary Foundation Communities  
Board of Directors

**EXHIBIT A**

**RESOLUTION OF THE BOARD OF DIRECTORS OF FOUNDATION COMMUNITIES, INC.**

**[to be attached]**

**RESOLUTION  
BOARD OF DIRECTORS OF  
Foundation Communities, Inc.  
Foundation Village**

WHEREAS, **Foundation Communities, Inc.**, a non-profit Community Housing Development Organization (the "**Corporation**"), has determined that the actions set out in the following resolutions reasonably may be expected to benefit, directly or indirectly, the Corporation;

RESOLVED, that the Corporation apply for a loan for acquisition, predevelopment costs, and/or construction costs, from the Austin Housing Finance Corporation in Rental Housing Development Assistance Funding (the "**Loan**") for a proposed affordable housing, rental community to be constructed at 13653 Rutledge Spur, Austin, TX 78717 (the "**Property**", as further described on Exhibit A attached hereto);

RESOLVED, that either WALTER MOREAU, as Executive Director of the Corporation (the "**ED**") or Julian Huerta, as Deputy Executive Director (the "**DED**") may in his/her sole discretion execute all documents to effectuate the Loan;

RESOLVED, that whether concurrently with or after Closing, the Corporation secure up to \$8,500,000 of loan funds from the Austin Housing Finance Corporation (the "**Lender**") and pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED or DED of the Corporation may in his/her sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent loan documents required by Lender in connection therewith, confirming and ratifying its liability under said loan, all on such terms and conditions as the ED or DED of the Corporation may, in his/her sole discretion, deem necessary or desirable;

RESOLVED, that the grant by the Corporation of liens on the Property described above may also secure any and all other indebtedness now or hereafter owing to Lender;

RESOLVED, that the Corporation act in the future to take any and all actions necessary to renew, extend or otherwise modify the terms of the above referenced loan and any other loan from Lender, all on such terms and conditions and for such consideration as the ED or DED of the Corporation may in his/her sole discretion, deem necessary or advisable;

RESOLVED, that the ED or the DED of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such loan applications, assumption agreements, affidavits, assignments, bills of sale, promissory notes, deeds of trust, financing statements, security agreements, guaranties, pledges, loan documents and other instruments, containing such terms and conditions as the ED or the DED may in his/her sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

RESOLVED, that the Corporation may transfer the Property to a limited partnership affiliated with the Corporation in the event that the ED or the DED of the Corporation determines, in his/her sole discretion, that such a transfer is necessary or desirable;

RESOLVED, that the ED or the DED of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such deeds, bills of sale and other instruments, containing such terms and

conditions as the ED or the DED may in his/her sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

RESOLVED, that any instruments executed in connection with the above described transactions may contain such effective dates, whether prior to or after the date of adoption of these resolutions as set forth below, as the ED or the DED of the Corporation may in his/her sole discretion, deem necessary or advisable; and

RESOLVED, that any and all transactions by any of the officers or representatives of the Corporation with Lender and Seller prior to the adoption of these resolutions be, and they are hereby, ratified and approved for all purposes.

Adopted and approved by the Board of Directors on the 9th day of April 2019.

FOUNDATION COMMUNITIES, INC.

A handwritten signature in cursive script, appearing to read "Michelle Wallis", written over a horizontal line.

Michelle Wallis, Chair

Board of Directors of Foundation Communities, Inc.

## **EXHIBIT A**

### **Legal Description of Property**

**Lot 7, Frank Stark Subdivision, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 4, Page 199, Plat Records of Travis County, Texas.**

## 2 – DEVELOPMENT TEAM

### Team Information

Role	Info	Contact	MBE	WBE	NP
Owner	FC N Lamar Housing, LP 3036 S. 1 <sup>st</sup> Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	Hatch + Ulland Owen Architects 1010 East 11th Street Austin, Texas 78702	Tom Hatch, Partner (512) 474-8548 tomhatch@huoarchitects.com			
Engineer	Civiltude 1210 Rosewood Ave Austin, Texas, 78702	Fayez Kazi, President (512) 761-6161 fayez@civiltude.com	X		
Attorney	Rigby Slack Lawrence & Comerford, PLLC 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Novogradac & Company LLC 11044 research Blvd Suite C400 Austin, TX 78759	George Littlejohn (512)3449-3211 George.littlejohn@novoco.com			
General Contractor	TBD				
Construction Lender	TBD				
Lenders	TBD				
Tax Credit Consultant	Betco Housing Lab 812 San Antonio, Suite L-14 Austin, Texas 78701	Lora Myrick, Principal (512) 785-3710 lora@betcohousinglab.com		X	
Property Manager	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3036 S. 1st Street Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

## 2 – DEVELOPMENT TEAM

### Experience

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**Foundation Communities** has over 25 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. Nine of our existing communities were new construction projects financed with tax credits with one community under construction opening in summer of 2019 and another in permitting opening summer of 2010. The remaining fourteen communities in our portfolio were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). We have experience with the design and construction of structures that are zero lot VMU, 4-story elevator, 3-story walk up, and renovations of apartment complexes, hotels, nursing homes, and duplexes. We have a great track record of gaining neighborhood support, zoning changes, completing construction within tax credit deadlines, and achieving green certifications with AEGB, LEED, and Enterprise Green Communities.

**Hatch + Ulland Owen Architects** is an Austin based architectural firm focused on sustainable and socially-responsible design. Foundation Communities has been working with them for over a decade and has contracted with them to design 5 of our recent developments: M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and the Jordan at Mueller. They are experienced with our model of housing plus services, commitment to sustainable building, tax credit requirements and deadlines, and city of Austin permitting, and design requirements. Founded in 1978, they have a wealth of experience with commercial and residential design, including 65 Whole Foods Markets across the country and the downtown headquarters; Threadgill's; Thundercloud Subs; Twin Oaks Branch Library; McKinney Roughs Nature Park; Mueller community homes, and most recently Antone's.

**Civilitude** Over the last nine years, Civilitude has provided design surveying, civil engineering, and/or construction services at 14 Foundation Communities properties, four GNDC properties, 2 LifeWorks properties, 1 Green Doors property and 1 AHA property in partnership with HACA. Their experience with TDHCA tax credit and City GO Bond funded projects, centrally located office, integrated design approach and success with permitting site plans, and exemptions through the City of Austin uniquely position Civilitude to continue to serve the vulnerable population in the Austin community.

**Rigby Slack Lawrence + Comerford, PLLC** is an Austin-based law firm with a focus on real estate acquisition, development, leasing, and financing. Founding partner Cathleen Slack and her team have enjoyed assisting Foundation Communities with the acquisition of real estate and development for several projects, as well as acquisition and construction financing. The firm also provides over thirty years of combined experience navigating title and survey matters for Foundation Communities.

**Betco Housing Lab** is a full service housing development consulting firm, established in 2011. The firm specializes in the securing of funds for the development of affordable housing via programs such as Housing Tax Credits (9% and 4%), HOME, Federal Home Loan Bank and other public funds. They have applied for and received awards throughout the state of Texas and in all metropolitan cities, such as Dallas, Houston, Ft. Worth, and San Antonio. BETCO has eight properties in its portfolio where it is the managing member or HUB partner in the General Partner.



# 3 - PROPERTY MANAGEMENT TEAM

## Experience

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Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 20 Austin properties. Foundation Communities earns property management and asset management fees that help support the overall nonprofit mission. The success of Foundation Communities' property management is demonstrated through its low vacancy (2% in 2018), high rent collection (99% in 2018), ability to keep all properties consistently performing within their operating budgets, completion of capital repairs of over \$535/unit, and a relatively high percentage of move outs going to homeownership (20% in 2017).

FC monitors portfolio health, tracks each project monthly, compares actual performance to budget assumptions, and aggregates detailed performance metrics at the portfolio level for review by the CFO. All projects are producing their targeted cash flow and reserves established by the Board. FC has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. Below are the resumes of our key property management personnel.

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

**Desiree Golden, Director of Family Property Management**, oversees 17 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day to day operations along with evaluating the ongoing financial performance of each property. Desiree has over 29 years of experience in Property Management (10 years with FC) and has her CAM and CAPS designations from NAA.

**Valicia Nichols, Director of Compliance**, is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She maintains FC's good standing with compliance agencies, e.g., TDHCA (state); City of Austin; Federal Home Loan Banks of Atlanta, Dallas and San Francisco; and syndicators such as Wells Fargo, Bank of America, and Enterprise.

### **3 - PROPERTY MANAGEMENT TEAM**

Compliance Reports

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See attached



## City of Austin

### Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767-1088

(512) 974-3100 ♦ Fax: (512) 974-3112 ♦ [www.cityofaustin.org/housing](http://www.cityofaustin.org/housing)

November 8, 2016

Akilah Huang  
Property Manager  
Spring Terrace  
7101 N. IH-35  
Austin, TX 78752

Re.: 2015 Rental Housing Development Assistance (RHDA) Monitoring  
Spring Terrace Apartments, 7101 N. IH-35, Austin, TX 78752

Dear Ms. Huang:

On August 17, 2016, Neighborhood Housing and Community Development (NHCD) conducted an on-site review of records for the above referenced location(s) and a physical inspection of selected units. The purpose of the monitoring was to ensure compliance with local and federal regulatory requirements set forth in the RHDA loan agreements with the Austin Housing Finance Corporation (AHFC).

The following items were reviewed during the NHCD monitoring review:

- ♦ Affirmative Fair Housing Marketing Plan;
- ♦ Tenant selection criteria and policy;
- ♦ Annual audited financial report (2015) including management letter;
- ♦ Fair Housing logo on forms, flyers, and documents available to clients;
- ♦ Waiting Lists and Wait List Policy;
- ♦ Review of randomly selected resident files for income eligibility / recertification;
- ♦ Review of randomly selected resident files for adherence to policies;
- ♦ Insurance coverage; and
- ♦ Physical Inspections.

The above referenced project is **compliant** with the terms of the RHDA Loan Agreement with AHFC.

All units subject to the physical inspection conducted by TDHCA are compliant.

The following items are **CONCERNS**. **Concerns** are less serious conditions that if not addressed and if allowed to persist, may result in more extensive or frequent monitoring or elevate to a **finding**, if warranted. These conditions must be addressed as soon as possible.

- Community Rules – Inconsistency in the “Weapons” and “Carrying Handguns Onsite” policies within the document. Please revise these paragraphs and submit for review.  
***Revised “Community Rules” received. No further action required.***

Spring Terrace, Results Cont.

If you have any questions or need additional information, please contact me at 512-974-3110 or [Susan.Kinel@austintexas.gov](mailto:Susan.Kinel@austintexas.gov).

Regards,



Susan Kinel  
Sr. Contract Compliance Specialist  
Neighborhood Housing and Community Development

XC: Tracy Moczygemba, Foundation Communities  
Chase Clements, NHCD

# 4 – PROJECT PROPOSAL

## Project Description

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As the name implies, Lakeline Station Phase 2 is the second phase of Lakeline Station Apartments which opened in the fall of 2016. The original Lakeline Station, or Phase 1, was a newly constructed 4-story elevator community with 128 units. The site includes a state-of-the-art learning center, 2 playgrounds, a large playfield, basketball court, bbq grills, picnic tables, as well as offices for property managements, leasing, and support services. This community is in high demand with a full wait list. The location continues to be ideal for families as it is high opportunity, close to jobs, retail, and good schools.

Phase 2 will be the new construction of an estimated 120 units (subject to change as we work through design process) of affordable housing that will build on Foundation Communities' successful housing-plus-services model, proven so effective for families and individuals with low-incomes and housing instability. Phase 2 will share the learning center that is located in Phase 1, which is one of FC's larger learning centers and has additional capacity to serve more students. Although located on the same block, one parcel separates Phase 1 and Phase 2; a 3<sup>rd</sup> party has plans to develop it as a Turkish Cultural Center. We have been in communication with the owners and are hoping to work with them on a pathway between Phase 1 and Phase 2. Phase 2 will include its own playgrounds, sport court, bbq grills and picnic tables, and offices for property management, leasing, and support services.

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

Lakeline Station Phase 2 will serve low-income families with children. We are reserving 10% for families with incomes below 30% AMFI, 47% for families below 50% AMFI, and the remaining 43% for families below 60% AMFI. We will house +/- 120 families at any given time and anticipate housing 40 – 60 school age kids. Every resident will have access to foundation communities' programs and services explained in General Services section.

- **Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).**

Section 8 vouchers will be accepted at Lakeline Station Phase 2.

- **Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.**

10% of the total units will be made accessible for persons with mobility impairments using Section 504 and Fair Housing Accessibility as guidelines. 2% of total units will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.

- **If applicable, demonstrate the Project's compatibility with current Neighborhood Plan.**

The site is not located within a City of Austin Neighborhood Planning Area.

- **Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC/NHCD funds being requested, and the amount(s) and provider(s) of other funding and the status of those funding commitments.**

The total cost to construct Lakeline Station Phase 2 is approximately \$30,542,858. The currently anticipated sources of funds for this project include:

**City of Austin**, in the amount of \$8,500,000 in RHDA funds requested under the current application. This current request will be used for predevelopment, acquisition, and construction costs. We request these funds from the City to be in the form of a deferred forgivable loan with a loan term of 40 years.

**Low Income Housing Tax Credits (LIHTC)**, in the amount of approximately \$8,606,203 from 4% housing tax credits.

**Mortgage** –Foundation Communities is anticipating a permanent loan of \$9,324,801. FC has excellent relationships with several lenders that allow for competitive rates and pricing.

**Deferred Developer Fee** – Foundation Communities will defer \$1,500,000 in developer fee.

**Sponsor Loan** – Foundation Communities will commit an additional \$611,854 of its own funding as a placeholder for private fundraising that will be pursued as the project is developed. The FC funds will be structured as a loan that is cash flow contingent once the property is operational.

**Multifamily Direct Loan Fund (MFDL)** from the State, likely sourced by federal National Housing Trust Fund dollars, in the amount of \$2,000,000. The loan structure is expected to be deferred payable, with a 35 - 40 year term.

- **If the property is occupied by residents at the time of application submission, specify that along with the following additional information: Include details on the type of structure (multi-family or single-family), number and size of units in square feet.**

The property is currently occupied by 1 commercial tenant and no residential tenants.

- **Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.**

This site is not located within a PUD, TOD, VMU zoning area, or density bonus area.

- **Indicate how the project will meet S.M.A.R.T. Housing requirements.**

A S.M.A.R.T. Housing application was submitted to the City of Austin demonstrating that the project meets SMART housing requirements. The site is located within 1/4 mile of a bus stop, not located within a floodplain, and not located in close proximity to a pipeline or former landfill. Although the site is located adjacent to a rail line, it is within a railway quiet zone and the design team will mitigate for noise. And of course the project will provide reasonably priced rental units for more than 5 years, and will be designed to meet accessibility and visitability requirements and AEGB standard rating.

For the purposes of this report, the subject's primary market area is generally defined as that area contained within census tracts 48491020311, 48491020318, 48491020403, 48491020404, 48491020405, 48491020406, 48491020408, 48491020409, 48491020410, 48491020411, 48491020503, 48491020505, 48491020506, 48491020507, 48491020508, 48491020509, 48491020510.

**iii. Quantify the pool of eligible tenants or buyers in terms of household size, age, income, tenure, and other relevant factors.**

See below for household data from 2013-2017 American Community Survey 5-Year Estimates

A - % Eligible Households (incomes \$15,000 - \$59,999)	31.76%
B - % Renters	42.24%
C - % Eligible Tenant (A x B)	13.42%
D - Total Households in PMA	35,921
E - Eligible Tenants in PMA (C x D)	4,819

**iv. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments or sales opportunities in the market. Identify comparable units based on location, year of construction, target population, property condition, unit mix, unit amenities, and occupancy and turnover.**

See attached for 3 comps on tax credit developments close to Lakeline Phase II, one of which is the original Lakeline Station. All have waiting lists and comparable amenities, demonstrating a continued need for affordable housing in the area.

**v. Assess the market demand for the planned units and determine if there is sufficient demand to rent/sell the units.**

FC maintains waiting lists at all their properties, which is capped at 30 names, and maintains a portfolio wide average occupancy of 99%. FC's most recent HTC lease-ups in Austin have averaged three to five months, indicating very strong demand and ready absorption.

More importantly, the City of Austin's Affordable Housing Blueprint estimates that there is a need for the construction of 135,000 additional housing units in the City of Austin over the next decade, 60,000 of which should be affordable to households with incomes below 80% of MFI.

**vi. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the proposed project in order to fully occupy it. The lower this rate, the more likely a project is to succeed.**

Eligible tenants in PMA	4,819
Total Proposed Units	120
Capture Rate	2.5%

**vii. Estimate the absorption period.** Plan how many units can be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the units and stabilized occupancy for the project as a whole. Absorption should be calculated using comparable units only.

See below for a summary of Foundation Communities' recent lease-ups. We anticipate Lakeline Phase II to lease-up within 5 months.

- Cardinal Point completed in 2017 leased up 120 units in 5 months
- Bluebonnet completed in 2016 leased up 107 units in 3 months
- Lakeline Station completed in 2016 and leased up 128 units in 5 months
- Live Oak Trails completed in 2016 leased up 58 units in 3 months
- Homestead Oaks completed in December 2015 leased up 140 units in 3 months

**Lakeline Station**

13635 Rutledge Spur, Austin, TX 78717





# 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

April 22, 2019

**S.M.A.R.T. Housing Certification-**  
**Foundation Communities, Inc. –Lakeline Station Phase II – Project ID 648**

### TO WHOM IT MAY CONCERN:

Foundation Communities, Inc. (development contact: Walter Moreau: 512-610-4016; [walter.moreau@foundcom.org](mailto:walter.moreau@foundcom.org)) is planning to develop Lakeline Station Phase II, a 140 unit multi-family development at 13653 Rutledge Spur, Austin TX 78717. The project is subject to a 5 year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer.

The applicant has submitted evidence that they have reached out to Davis Spring Homeowner's Association President but have yet to receive a response back. Foundation Communities is committed to working with the neighborhood and will address any concerns that may come up.

Neighborhood Housing and Community Development (NHCD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since **100%** of the units will serve households at or below 60% MFI, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. The unit mix is as follows: **10%** of the units (14 units) will serve households at or below **30%** Median Family Income (MFI); **30%** of the units (42 units) will serve households at or below **50%** Median Family Income (MFI); and **60%** of the units (84 units) will serve households at or below **60%** Median Family Income (MFI). The expected fee waivers include, but are not limited to, the following fees:

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

Plumbing Permit  
Site Plan Review  
Misc. Site Plan Fee  
Construction Inspection  
Subdivision Plan Review  
Misc. Subdivision Fee

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

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

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

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

- Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

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

Please contact me by phone 512.974.3128 or by email at [Sandra.harkins@austintexas.gov](mailto:Sandra.harkins@austintexas.gov) if you need additional information.

Sincerely,



Sandra Harkins, Project Coordinator

Neighborhood Housing and Community Development

Cc: Rosa Gonzales, AE  
Mashell Smith, ORS

Ellis Morgan, NHCD

Jonathan Orenstein, AWU

## **4 – PROJECT PROPOSAL**

### **MOU With ECHO**

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Lakeline Station Phase 2 is not at this time committing COC units.

# 4 – PROJECT PROPOSAL

## General Services

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

Foundation Communities will provide free, supportive service programs that will educate, support and improve health and financial standing for residents. Supportive Service programs to be offered ON-SITE at Phase 1 or Phase 2 include:

- **Free Afterschool and Summer Program** – All children living on-site will have access to Foundation Communities’ free afterschool and summer programs, which offer academic assistance, enrichment activities, fitness activities, nutrition lessons, and support services. We provide a structured, supervised environment with rewarding, hands-on educational, cultural, artistic, and recreational activities for youth ages 5-14 designed to develop important social skills and improve educational performance. FC maintains a strong relationship with nearby schools and partners with teachers to help each child succeed. We also provide free, nutritious snacks and lunches during the summer.
- **Children’s Home Initiative** – 10% of units will be set-aside for families making less than 30% of AMFI and will receive services through the Children’s HOME Initiative (CHI) Program, an established FC program model that has been serving homeless families across Austin since 2003. These families are typically the most vulnerable and have an array of barriers to becoming and remaining stably housed, such as evictions and broken leases, negative credit histories, and limited income. By participating in the CHI program, these families have access to an on-site Case Manager on a weekly basis, for a 24-month period. In one-on-one sessions with the CHI Case Manager, that are both intensive and comprehensive, families will self-determine their path forward and establish unique goals and action steps toward improving their sustainability. Furthermore, each family will have access to a Career Case Manager, Parent Empowerment Specialist, and Financial Stability Advisor—all full-time positions dedicated to the CHI program. Even after the 24-month period of intensive engagement, these households will continue to have access to support services at the property on an as-needed basis to ensure ongoing stability and success.
- **Adult Classes** – Foundation Communities believes it is important to offer “at your door” education opportunities to adults, especially families that may have limited access to child care outside of work hours that would allow for attendance at off-site programs. Actual offerings will depend on resident needs but may include classes in English as a Second Language, computer skills, and Financial Literacy.
- **Health Initiatives** – A variety of programming focused on health and wellness will be offered, and tailored to the specific needs of the target population and residents. This will include access to healthy food through an on-site food pantry, healthy cooking classes, Zumba and other exercise classes, and periodic health fairs that bring a variety of providers on-site for health screenings, immunizations, and similar services.

Foundation Communities offers the following free off-site services to residents and the community at our Community Financial Centers located in North Austin at 5900 Airport Blvd and South Austin at 2600 W Stassney.

- **Financial Coaching** - Residents will have the opportunity to meet individually with a trained volunteer on a variety of personal finance issues which may include a credit report review, creating a credit repair plan or a debt reduction plan, establishing a household budget, establishing a Safety Net Savings Account, exploring ways to reduce expenses, or setting financial goals. Financial Coaching sessions may be a single one hour session up to eight hours of individual sessions, depending on the situation.
- **College Savings** - Trained staff are available at the Community Tax Centers and financial aid events to help students complete the Free Application for Federal Student Aid (FAFSA) to obtain grants and loans for college. We also conduct scholarship workshops and have one-to-one scholarship mentoring.
- **Tax preparation** – Residents will be able to get their taxes prepared for free at our Community Financial Centers (CFCs). Our IRS-trained and certified volunteers prepare over 20,000 tax returns annually and ensure that clients who are eligible for credits such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) receive those benefits. The refunds for the tax returns we prepare put more than \$35 million back into the economy.

## 4 – PROJECT PROPOSAL

### General Services

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

Lakeline Station Phase 2 will house +/- 120 families at any given time and we anticipate serving and additional 40 – 60 school age kids at our learning center located at the original Lakeline Station Apartments . We are reserving 10% for families with incomes below 30% AMFI, 47% for families below 50% AMFI, and the remaining 43% for families below 60% AMFI.

## 4 – PROJECT PROPOSAL

### General Services

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#### Developer's experience and qualifications in providing the services to be offered

Foundation Communities, as the primary supportive service provider at Lakeline Station Phase 2, has over 25 years of experience in the provision of supportive services to its residents. Supportive services are an integral part of all Foundation Communities properties, and are included in the planning process for every new community from inception. FC is considered a national leader in the provision of service-enriched housing.

All Foundation Communities service programs are developed to meet the particular needs of residents. Each program area utilizes a Theory of Change approach to identify the particular resident outcomes that are desired, the resources that will be required and how progress towards outcomes achievement will be measured and evaluated. Foundation Communities utilizes and contributes to best practices in the fields of education, health, trauma-informed case management and financial stability. Because our programs have a long and consistent record of achieving positive resident outcomes, numerous foundations and public agencies provide funding to establish and grow our programs.

The majority of supportive services at Lakeline Station Phase 2 will be provided by Foundation Communities staff and volunteers. We do, however partner with more than fifty nonprofits and community groups to provide additional services. Some significant partnerships include: Breakthrough Austin, Caritas of Austin, Safe Place, Life Works, Travis County CPS, Communities for Recovery, and Project Transition.

# 4 – PROJECT PROPOSAL

## General Services

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### Resumes of key personnel who will be actively involved in the delivery of services

**Julian Huerta – Deputy Executive Director.** Julian provides leadership for all Foundation Communities' resident and community services. He develops and directs education, financial stability and supportive housing programs that serve more than 30,000 working poor families and homeless adults annually. Julian brings over 25 years' experience in program development, nonprofit administration and fundraising.

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

**Marisela Montoya – Director of Education** for Foundation Communities. Marisela graduated from the University of Texas with a degree in Psychology. For 17 years, she has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist (Community Education; At Risk Youth Programs; afterschool, teen, and adult education programs). She has been with Foundation Communities for 10 years, first as Lead Learning Center Coordinator, and now as Director of Education. She holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.

**Erika Leos – Financial Coaching and Savings Program Manager.** Erika oversees Foundation Communities' financial coaching and education programs, along with savings initiatives that help residents save money for emergencies and for acquiring assets and achieving long-term financial goals. She earned a Bachelor's of Business Administration from the University of Texas at Austin in 2002.

**Emmanuel Zapata – Adult Education Coordinator.** Mr. Zapata has led Foundation Communities' Adult Education program for the last six years. His focus is on providing ESL and Computer/Digital Literacy classes at FC Family Learning Centers.

**Kori Hattemer – Director of Financial Programs.** In this capacity, she oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.

**Brianna McDonough—College Hub Manager.** Brianna oversees effective implementation and coordination of College Hub services. College Hub services include wraparound college support, like one-on-one college coaching and planning, financial aid application assistance, scholarship administration, the Succeed program, and a two-semester humanities course called Free Minds. Brianna establishes and maintains partnerships with area high schools, colleges, universities, and community-based organizations, and she supervises and coaches College Hub team members. Brianna graduated with her M.A. in Educational Psychology from the University of Texas at Austin and has since worked as an adviser, counselor, student affairs professional, and nonprofit advocate for students of all ages.



**Aaron DeLao—Director of Health Initiatives.** Aaron joined Foundation Communities in 2018. He brings more than a decade of experience as a nonprofit leader. Previously, Aaron worked at CommUnity Care Health Centers and Volunteer Healthcare Clinic. He has led community needs assessments, opened new clinics within Travis County, and built collaborations across community organizations to create much-needed programming in the Public Health arena. Aaron holds a B.A. in Government from the University of Texas at Austin, a Master's in Public Administration from the University of Texas Pan American (now Rio Grande Valley) in Edinburg, and is a certified Health Promotor/Community Health Worker in the State of Texas.

## 4 – PROJECT PROPOSAL

### Financial Capacity of Service Provider

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Funding for the supportive services come from a combination of grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. Foundation Communities has strong relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio, with all projects producing their targeted cash flow and reserves established by the Board.

In 2018, FC raised over \$9 million to fund services at our existing 20 properties in Austin. FC hosts an annual Welcome Home lunch, which raises approximately \$1 million from individual donors to fund support services. We also have a donor base dedicated to the support of our service programs. FC will pursue service funding for Lakeline Station Phase 2 from the following past donors.

- Michael and Susan Dell Foundation
- St David's Foundation
- Rachael and Ben Vaughan Foundation
- Tomberg Foundation
- Texas State Affordable Housing Corporation
- United Way for Greater Austin
- JP Morgan Chase Foundation
- City of Austin
- Travis County
- Individual Donors

## 4 – PROJECT PROPOSAL

### Financial Capacity of Service Provider

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#### Budget

Sources	Year 1	Year 2	Year 3
Foundations, Corporations and Individuals	\$59,100	\$60,873	\$62,699
Property Cash Flow	\$10,000	\$10,300	\$10,609
<b>TOTAL SOURCES</b>	<b>\$69,100</b>	<b>\$71,173</b>	<b>\$73,308</b>

Uses	Year 1	Year 2	Year 3
CHI Case Manager	\$46,000	\$47,380	\$48,801
Taxes and Benefits	\$9,200	\$9,476	\$9,760
Supplies/Printing	\$10,000	\$10,300	\$10,609
Training/Travel/Mileage	\$2,500	\$2,575	\$2,652
Direct Aid to Clients	\$1,400	\$1,442	\$1,485
<b>TOTAL</b>	<b>\$69,100</b>	<b>\$71,173</b>	<b>\$73,308</b>

# 5 – PROPERTY

## Maps

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See Attached maps

- City Council District
- High Opportunity Census Tract
- Tracts at risk of Displacement or Gentrification
- Imagine Austin Centers and Corridors with 0.5 mile buffer
- Proximity to Transit
- Healthy Food Access with 1 mile buffer
- 100 year Flood Plain

# 5 – PROPERTY

Real Estate Appraisal

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See attached

**Texas Appraiser Licensing and Certification Board**

P.O. Box 12188 Austin, Texas 78711-2188

**Certified General Real Estate Appraiser**Number: **TX 1326117 G**Issued: **04/24/2018** Expires: **04/30/2020**Appraiser: **HAROLD ELDON SUNDBECK**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

  
Douglas E. Oldmixon  
Commissioner

## **5 – PROPERTY**

### **Zoning Verification Letter**

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Zoning Verification Letter is attached



# City of Austin

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

April 25, 2019

Mr. Walter Moreau  
Foundation Communities  
3036 South First Street  
Austin, Texas 78704

RE: *Zoning Change Application for the proposed multifamily development known as Lakeline II, located at 13653 Rutledge Spur*

To Whom It May Concern:

The above-referenced application filed by Foundation Communities is in process for a zoning change, for the property located at 13653 Rutledge Spur, in Austin, Travis County, Texas (City File No. C14-2019-073.SH). The zoning application is a request a change from the current CS-MU-CO zoning designation to CS-MU-CO zoning designation, to remove a conditional overlay that subjects the property to W/LO district site development standards.

The purpose of this letter is to acknowledge the receipt of a letter/release signed by the applicant that agrees to hold the City of Austin and all other parties harmless if a zoning change for this site is not received.

Sincerely,

Sherri Sirwaitis, Senior Planner  
City of Austin  
Planning and Zoning Department

jr/ss



**ELECTRONICALLY RECORDED  
OFFICIAL PUBLIC RECORDS**

**2018068042**

Pages: 8 Fee: \$45.00  
08/01/2018 08:47 AM



*Nancy E. Rister*

Nancy E. Rister, County Clerk  
Williamson County, Texas