

Rental Housing Development Assistance
Application for Rental Development Financing

Boulevard Lofts

Austin, TX

Submitted by:
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RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)

Application for Rental 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 City's FY 2013-14 Action Plan goals and policy direction from the Austin City Council.

Project Name: **Boulevard Lofts (Placeholder Name)**

Project Address: **West Side of Aldrich St, between Barbara Jordan Blvd. and 51st Street**

Zip Code: **78723**

Total # units in project/property: **231**

Census Tract Number: **48453000306**

Total # units to be assisted with RHDA Funding: **70**

Project type (check all that apply with an 'X'):

☒ Acquisition ☐ Rehabilitation ☒ New construction ☐ Refinance ☐ Rent Buy-Down

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

Terms Requested: **Forgivable Loan**

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).

DMA Development Company, LLC

Name

☒ Developer

☐ Consultant/Other

Applicant is (please check appropriate box):

4101 Parkstone Heights Drive, Suite 310

Street Address

Austin

City

Texas, 78746

State, Zip

(512) 328-3232 x 4505

Telephone

Janine Sisak

Contact Person

(512) 328-3232 ext. 4505

Contact Telephone

janines@dmacompanies.com

E-mail address

[REDACTED]

Federal Tax ID Number

078744055

D-U-N-S Number (REQUIRED - Visit www.dnb.com for free DUNS#)

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.**

DMA Development Company, LLC

Legal Name of Developer/Entity



Signature of Authorized Officer

President/Manager

Title

August 6, 2014

Date

CONSIDER SMOKE-FREE HOUSING

The City of Austin encourages the development of smoke-free rental housing. Smoke-free housing protects the health of residents by decreasing exposure to harmful secondhand smoke. Also, apartment owners and managers reap the benefits of more efficient and less expensive unit turnovers, potentially lower insurance premiums, and reduced risk of fires.

Smoke-free policies are legally permissible and can be a marketing advantage for attracting and retaining residents. More than 80 percent of people living in the Austin area do not use tobacco, and a 2011 survey conducted by the Austin/Travis County Health and Human Services Department found that 77 percent of renters in Travis County would prefer to live in tobacco-free housing.

Find out how you can protect the health of residents, make your property safer, and save money by downloading a copy of “A Manager’s Guide to Smoke-Free Housing Policies” at: <http://www.livetobaccofreeaustin.org/owners.php>.

Please answer the following questions.

Is this development intended to have restrictions on smoking? ☒ Yes ☐ No

If “Yes,” what level of restriction is intended?

☒ No smoking anywhere on the property, inside or outside

☐ No smoking Inside residents’ units

☐ No smoking in outdoor exclusive use areas such as individual balconies or patios

☐ No smoking in outdoor common areas such as pool, parking lot, green spaces, etc.

☐ No smoking outdoors within a reasonable distance from building entrances (such as 15 – 25 feet) to prevent smoke from entering another resident’s open windows or doors.

2. A. **Non-profit applicants/developers**, attached copies of the following:

1. A "certificate of status" issued by the Texas Secretary of State.
2. Federal IRS certification granting non-profit tax-exempt status.
3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
4. Board resolution approving the proposed project and authorizing the request for funding

B. **For-profit applicants/developers**, attach copies of the following:

1. For Corporations, Limited Partnerships, and Limited Liability Companies, a copy of a "certificate of status" issued by the Texas Secretary of State.
2. A current financial statement
3. Proof of sufficient reserves or a line of credit available, if necessary, in order to complete the proposed project.

3. **Project Type (Please check any that apply.)** This project is considered:

☒ **Traditional Rental Housing** (serving low-income households, and resident services may or may not be provided)

☐ **Transitional Housing** (case management services provided and residency limited to a certain length of time, usually no more than 24 months)

☒ **Permanent Supportive Housing** (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. **Numbers of proposed PSH Units:**

231 Total Number of Units in project

10 Total Number of Permanent Supportive Housing (PSH) Units Proposed

B. **Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.**

1. _____ Persons needing "**Housing First**," a Permanent Supportive Housing model typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are least likely to be able to proactively seek and obtain housing on their own. Housing First approaches also include rapid re-housing which provides quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis.

NUMBER OF UNITS _____

Individuals or families headed by individuals that are:

2. _____ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.

NUMBER OF UNITS _____

3. _____ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.

NUMBER OF UNITS _____

4. _____ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:

- a. have experienced a long-term period without living independently in permanent housing;

- b. have experienced persistent instability as measured by frequent moves over such period; and
- c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

5. _____ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

6. X Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS 10

NOTE: APPLICANTS CHECKING B.1, B.2, B.3, or B.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below.

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

The proposed development will serve the general population. Approximately 209 of the 231 units will be income restricted to those with incomes less than 60% of the Area's median income. 65% of the total units will be for tenants with approximate incomes less than 60% of the area's median income. 20% of the total units will be for tenant with approximate incomes less than 50%. 6% of the total units will be for tenants with approximate incomes less than 30% of the area's median income. For a family of 1, those approximate income levels are \$31,680, \$25,400 and \$15,840 respectively. For a family of 2, those approximate income levels are \$36,240, \$30,200 and \$18,120 respectively. For a family of 3, those approximate income levels are \$40,740, \$33,950 and \$20,370 respectively. The total restricted income percentage of the Development is 90%. 10% will be non-income restricted.

For this development, DMA will offer a full slate of supportive services, which may include educational programming, financial planning courses, character building programs, scholastic tutoring, and annual income tax preparation. DMA will encourage a high level of resident participation because doing so creates a safer and more prosperous community. DMA will also encourage volunteerism among our residents and within the broader Mueller community.

- b. Include the type of structure (multi-family or single-family), number and size of units in square feet.

The proposed development will be located on a 3.5 acre site west of Aldridge between Barbara Jordan Boulevard and 51st Street. It will be a single multi-family structure, containing approximately 231 units, wrapped around a parking garage and an interior courtyard. The building will be four stories. It will contain some ground floor commercial space on Barbara Jordan. The unit mix is as follows:

121 one bedroom/one bath units at approximately 700 square feet
 102 two bedroom/one bath units at approximately 900 square feet
 8 three bedroom/two bath units at approximately 1,100 square feet.

- c. Indicate whether the property is occupied at the time this application is being submitted.

The property is currently vacant and undeveloped.

- d. 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 is located less than .25 miles from a transit stop (not just a transit route).

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

- e. Indicate whether the project will preserve existing affordable rental units.

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

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

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

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

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

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

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

- i. Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).

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

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

The total project cost will be approximately \$35,676,000. The construction funding sources include a construction loan from JP Morgan Chase Bank in the amount of \$20,000,000, a loan from the City of Austin in the amount of \$2,000,000, and investor equity in the amount of \$9,868,587. The majority of the developer fee (\$2,807,388) will not be paid during construction, so the total construction sources balance the total construction uses.

The construction loan from JP Morgan Chase Bank will carry an interest rate of approximately 5.21% and will require interest-only payments during the term of the loan. Construction loan interest, assuming the loan is fully drawn for one year, will be approximately \$1,042,000.

The Austin Housing Finance Corporation loan is a fully forgivable loan and therefore will have no payments during the construction period.

The permanent loan and a portion of the investor equity will pay off the construction loan. The permanent loan from JP Morgan Chase will be in the amount of \$20,000,000. The loan will carry an interest rate of 5.21% based on a current quote. This loan has a 40 year amortization.

The total equity available from Boston Capital as a permanent source of funding will be \$9,868,587.

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

as the applicant is not in default of the loan agreement. (***Note – It is possible we may request additional City funding at a later date upon current construction pricing.***)

The final source of permanent funding will be the developer fee note in the amount of \$2,807,388.

Please attach the following to the description of the above items:

- k. A map (8 ½" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.

See attached behind Tab 2.

5. Site Control and Demonstration of Value

Include evidence of site control such as a warranty deed or a current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the property.

See attached behind Tab 3.

6. Zoning

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

See attached behind Tab 4.

7. **S.M.A.R.T. Housing™.** Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.

See attached behind Tab 5.

8. **Development Team and Capacity.** Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved 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 **non-profit** organizations.

Please also provide narrative information about the skills you or your development team members have in the following areas:

- a. project management,
- b. market analysis,
- c. site selection and control,
- d. planning and construction,
- e. design, architecture and engineering,
- f. legal and accounting,
- g. federal funding rules and
- h. other funding source rules (e.g. Low Income Housing Tax Credits).

	Name and Contact Information	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Austin DMA Housing II, LLC			
Developer	DMA Development Co., LLC		X	
Architect	Nelsen Partners, Inc.			
Engineer	Urban Design Group		X	
Construction Lender	JPMorgan Chase Bank			
Other Lenders	N/A			

Attorney	Coats, Rose, Yale, Ryman & Lee, P.C.			
Accountant	Novogradac & Company			
General Contractor	Carleton Construction, Ltd.	X		
Consultant (if Applicable)	N/A			
Property Management Provider	DMA Properties, LLC		X	
Other:	N/A			

9. **Development Schedule.** Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	<u>March 1, 2015</u>
Environmental and/or historic review (AHFC)	<u>September 1, 2014</u>
Securing and packaging project financing	<u>October 1, 2014</u>
Construction Specifications and Cost estimates	<u>October 1, 2014</u>
Construction Bids	<u>January 1, 2015</u>
Construction Start	<u>June 1, 2015</u>
Anticipated Draws (list all)	<u>June 1, 2015</u> <u>Through December 1, 2016, one per month</u>
End Construction	<u>December 1, 2016</u>
Start of Rent-up	<u>November 1, 2016</u>
Completion & Operation	<u>December 1, 2016</u>

10. **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.

_____214___ Units adaptable for persons with mobility disabilities
 _____12___ Units accessible for persons with mobility disabilities
 _____214___ Units adaptable for persons with sight and hearing disabilities
 _____5___ Units accessible for persons with sight and hearing disabilities

11. **Developer Capacity.** Provide narrative information on recent, similar, and successful experience in affordable housing development. Include experience using multiple fund sources, managing affordable rental developments, and previous working history with the Austin Housing Finance Corporation.

See DMA's corporate profile provide attached behind Tab 6. We have significant experience working with the Austin Housing Finance Corporation, both in a developer capacity and in a consulting capacity. Examples of such are Wildflower Terrace, La Vista de Guadalupe, Franklin Gardens (fka Chestnut Corner), Lyons Gardens, Oak Springs Villas, and Eberhart Place.

12. **Detailed Project Budget.** Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award.

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Appraisal	See Attached Development Cost Schedule			
Environmental Review				
Engineering				
Survey				
Architectural				
TOTAL PREDEVELOPMENT				
ACQUISITION				
Site and/or Land				
Structures				
Other (specify)				
TOTAL ACQUISITION				
HARD COSTS				
Infrastructure				
Site work				
Demolition				
Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other (Please specify)				
Construction Contingency				
TOTAL CONSTRUCTION				
SOFT & CARRYING COSTS				
Legal				
Audit/Accounting				
Title/Recording				
Architectural (Inspections)				
Construction Interest				
Construction Period Insurance				
Construction Period Taxes				
Relocation				
Marketing				
Davis-Bacon Monitoring				

Other: (Specify)				
TOTAL PROJECT BUDGET				

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

- a. **Sources and Uses of Funds** – Complete **Tables A & B (below)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					See attached Sources and Uses
Private Financing (List Lenders)					
Other Sources (List Below)					
Proposed RHDA Funds					
TOTAL					

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment		
Acquisition		
Hard Costs		
Soft & Carrying Costs		
TOTAL		

- b. **Leveraging** – Complete **Table C (below)**.

TABLE C: PERCENTAGE OF RHDA FUNDS	
RHDA Funds	2,000,000
Other Funds	
Total Project Cost	35,675,975
RHDA Funds ÷ Total Project Cost=	6%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number “1” as the denominator in the equation.

TABLE D: OPERATING PROFORMA				
Unit Size (BR/BA)	Number Units	Monthly Rental Income	Annual Rental Income	
See attached proforma				
FULL OCCUPANCY ANNUAL INCOME				
Less Vacancy Loss (Indicate % and Amount of Loss				
GROSS ANNUAL INCOME				

Inflation Factor - Income		
Inflation Factor - Expense		

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income	See attached				
EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					
Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL Debt Service (DS)					
Cash-flow after Debt Serv (CF = NOI – DS)					
Debt Coverage Ratio (DCR = NOI/DS)					

14. **Good Neighbor Policy.** Please refer to the City's Good Neighbor Guidelines and demonstrate compliance with the Good Neighbor Policy by completing the Good Neighbor Checklist and providing the documentation requested.

DMA Development Company is familiar with the City of Austin Good Neighbor Guidelines. The proposed development is located in one of the Non-neighborhood Planning Areas (RMMA). However, the Mueller Neighborhood Association is aware of this proposed development and we are scheduled to present more details at the August and September regularly scheduled meetings. We worked with this same group several years ago when we were proposing Wildflower Terrace at Mueller, and we received their strong written support. We are also presenting to the Mueller Planning and Implementation Committee in August and will go through the New Construction Council process required for all developments at Mueller.

15. Description of Supportive Services. If supportive services are NOT to be provided, please stop here. For all other projects, if supportive services are to be provided to residents, provide a description of the services 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 residents/clients expected to be served annually.
- c. Describe the developer's experience and qualifications in providing the services to be offered.
- d. If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.
- d. Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.
- f. Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:
 1. Sources of Funds: Identify sources and amounts of funds that will be or are expected to be utilized to provide supportive services.
 2. Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

See the attached Supportive Services information behind tab 10.

ATTENTION:

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

RHDA PROGRAM SCORING CRITERIA

REQUIRED INFORMATION:

- | | | | |
|-------------------------------|-------|--------------------------------|---|
| 1. Applicant Information | X | 10. Accessible/Adaptable Units | X |
| 2a. Non-profit Required Items | _____ | 11. Experience/Qualifications | X |
| OR | | 12. Project Budget | X |
| 2b. For-profit Required Items | X | 13. Funds Proposal: | |
| 3. Project Description | X | a. Sources | X |
| 4. Site Control/Value | X | b. Uses | X |
| 5. Zoning | X | c. Leveraging | X |
| 6. S.M.A.R.T. Housing | X | d. Operating Proforma | X |
| 7. Development Team | X | 14. Good Neighbor Checklist | X |
| 8. Development Schedule | X | | |
| 9. Developer Capacity | X | | |

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **240** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

CORE VALUES POINTS

(Affordable Housing Core Values: Deeper levels of affordability, long-term affordability, and geographic dispersion of affordable units throughout the City.)

Score

1. AFFORDABLE UNITS (maximum 25 points)

15 _____

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the percentage of units at a given MFI level is not a multiple of 10, round up to the next closest multiple of 10 to get the score for that particular MFI level

	% of Affordable Units in Project (only count units reserved for 50% MFI and below)					
% MFI	10% of units	20% of units	30% of units	40% of units	50% of units	60% of units
50%	3	5	10	15	20	25
40%	5	10	15	20	25	
30%	10	15	20	25		

Score

2. AFFORDABILITY PERIOD (25 points)

25

25 points: Affordability period is:

_____ 99 years;

OR

 X 40 years, and project is applying for Low Income Housing Tax Credits. Note: AHFC funding is contingent upon the award of Low Income Housing Tax Credits.

Score

3. GEOGRAPHIC DISPERSION (maximum 25 points)

15

Project is located in an area identified according to the Kirwan Institute's Comprehensive Opportunity Map of Austin as having greater opportunity for low-income households.

- 25 points:** Very High priority area
20 points: High priority area
15 points: Moderate priority area
10 points: Low priority area
5 points: Very Low priority area

INITIATIVES AND PRIORITIES POINTS

(Permanent Supportive Housing, Sustainability, Priority Locations, Accessible and Integrated, and Preservation of Affordable Housing)

Score

4. PERMANENT SUPPORTIVE HOUSING (PSH) (maximum 25 points)

10

25 points: "Housing First" model.

15 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

Score

5. SINGLE-FAMILY RENTAL HOUSING, INCLUDING SECONDARY UNITS ("GREEN ALLEY INITIATIVE") (20 points)

0

20 points: Project consists of either new construction or rehabilitation of one or more single-family rental units, secondary units, or units compatible with the City's "Green Alley Initiative."

Score

6. ACCESSIBILITY AND HOUSING FOR PERSONS WITH DISABILITIES (maximum 20 points)

0

10 points: In multi-family developments, (i.e. 5 or more units) or for single-family rental housing (i.e., 1 to 4 units), 50% or more of the total number of units will be made accessible per the Uniform Federal Accessibility Standards (UFAS).

10 points: Units to be designated for persons with disabilities as defined in the Fair Housing Act: for Multi-family developments, (i.e. 5 or more units), at least 25% of all units; for single-family rental housing (i.e., 1 to 4 units) 1 or more units.

Score

7. **PRIORITY LOCATION** (10 points)

10_____

10 points: Project is:

_____ located in a Vertical Mixed-Use (VMU) Corridor; or
 X a Planned-Unit Development (PUD); or
_____ located within a Transit-Oriented Development (TOD) area, or
_____ is located 0.25 miles (1,320 feet) or less from a transit stop.

Score

8. **PRESERVATION OF AFFORDABLE UNITS** (10 points)

0_____

10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

Score

9. **TRANSITIONAL HOUSING** (10 points)

0_____

10 points: Project will be developed and operated exclusively as transitional housing.

UNDERWRITING POINTS

(EXPERIENCE, CAPACITY, DEVELOPMENT FEASIBILITY, OPERATIONAL FEASIBILITY, COMPATIBILITY WITH OTHER PROGRAM REQUIREMENTS)

Score

10. **DEVELOPER EXPERIENCE AND QUALIFICATIONS** (maximum 15 points)

15_____

- 15 points:** Developer has recent, similar, and successful completion of a development similar in size and scope with income-restricted units.
- 10 points:** Developer has recent, similar, and successful completion of a development **smaller** in size and scope with income-restricted units.
- 8 points:** Consultant directly involved who has successfully completed a development similar in size and scope with income-restricted units.
- 5 points:** Developer has recent, similar, and successful completion of a development similar in size and scope **without** income-restricted units

Score

11. **SOURCES & USES OF FUNDS** (maximum 10 points)

10_____

10 points: All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.

5 points: All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

Score

12. DEBT COVERAGE RATIO (maximum 10 points)

6_____

- 10 points:** DCR of 1.25 or greater or will be a debt-free development
6 points: DCR between 1.21 - 1.24
4 points: DCR between 1.15 - 1.20

Score

13. LEVERAGE (maximum 10 points)

10_____

RHDA Program funding (including prior awards and the current request) divided by
 Total Project Costs equals:

- 10 points:** 25% or less
8 points: 26% - 30%
6 points: 31% - 35%
4 points: 36% - 50%
2 points: 51% - 54%
0 points: 55% or greater

Score

14. RHDA COST PER UNIT in \$1,000s (maximum 10 points)

10_____

	<u>Multi-Unit Structures</u>	<u>Single-Unit Structures</u>
10 points	<\$40/unit	<\$50/unit
8 points	<\$45/unit	<\$60/unit
6 points	<\$50/unit	<\$70/unit
4 points	<\$55/unit	<\$80/unit
2 points	<\$60/unit	<\$90/unit

Score

15. PROJECT READINESS (maximum 10 points)

2_____

New construction

2 points each; maximum 10 points

- ☒ The project meets the normal eligibility requirements under the existing program guidelines.
☐ The property is already owned by the developer.
☐ The project has completed all necessary design work and received site plan approval.
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.
☐ A General Contractor has been selected.
☐ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.
☐ Closing on the acquisition of the property can be achieved in less than 30 days.

Score

16. PROPERTY MANAGEMENT (maximum 10 points)

10_____

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income- restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

Score

17. SUPPORTIVE SERVICES (maximum 15 points)

15_____

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been identified for the operation of resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been identified for the operation of the resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

Score

18. MBE/WBE PROJECT PARTICIPATION (5 points)

0_____

5 points: Development Team includes one or more registered City of Austin minority- or woman-owned business enterprises (M/WBE).

TOTAL SCORE _____ **153**

SUMMARY OF SOURCES AND USES OF FUNDS

Funding Description	Construction Period		Permanent Period						Financing Participants
	Loan/Equity Amount	Interest Rate (%)	Loan/Equity Amount	Interest Rate (%)	Amort	Term	Syndication Rate (\$)	Debt Service	
DEBT									
Conventional Loan	\$20,000,000	5.21%	\$20,000,000	5.21%	40	18		\$1,190,849	TBD
Local Government Loan	\$4,000,000	0.00%	\$2,000,000	0.00%	0	0		#NUM!	City of Austin
	\$0	0.00%	\$1,000,000	0.00%	0	0		#NUM!	FHLB of SF
	\$0	0.00%	\$0	0.00%	0	0		#NUM!	0
								#NUM!	
								#NUM!	
Other (Please Describe)								#NUM!	
Other (Please Describe)								#NUM!	
Third Party Equity									
HTC Syndication Proceeds	\$4,934,294		\$9,868,587				1.00		
Other (Please Describe)									
Grant									
Other (Please Describe)									
Deferred Developer Fee									
Deferred Developer Fee			\$2,807,388						
Other (Please Describe)									
Other									
Please Describe									
Please Describe									
TOTAL SOURCES OF FUNDS	\$ 28,934,294		\$ 35,675,975						
TOTAL USES OF FUNDS			\$ 35,675,975						

DEVELOPMENT COST SCHEDULE

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

ACQUISITION

Site acquisition cost	1,732,500			
Existing building acquisition cost				
Closing costs & acq. legal fees				
Other (specify) - see footnote 2				
Other (specify) - see footnote 2				
Subtotal Acquisition Cost	\$1,732,500	\$0	\$0	

OFF-SITES³

Off-site concrete			
Storm drains & devices			
Water & fire hydrants			
Off-site utilities			
Sewer lateral(s)			
Off-site paving			
Off-site electrical			
Other (specify) - see footnote 2			
Garage			
Subtotal Off-Sites Cost	\$0	\$0	\$0

SITE WORK⁴

Demolition				
Rough grading				
Fine grading			0	
On-site concrete			0	
On-site electrical			0	
On-site paving			0	
On-site utilities			0	
Decorative masonry			0	
Bumper stops, striping & signs			0	
Other (specify) - see footnote 2			0	
Subtotal Site Work Cost	\$800,000	\$0	\$800,000	

SITE AMENITIES

Landscaping			0	
Pool and decking	100,000		100,000	
Athletic court(s), playground(s)			0	
Fencing			0	
Other (specify) - see footnote 2			0	
Other (specify) - see footnote 2			0	
Subtotal Site Amenities Cost	\$100,000	\$0	\$100,000	

BUILDING COSTS*:

Concrete	16,000,000		16,000,000	
Masonry			0	
Metals			0	
Woods and Plastics			0	
Thermal and Moisture Protection			0	
Roof Covering			0	
Doors and Windows			0	
Finishes			0	
Specialties			0	
Equipment			0	

DEVELOPMENT NAME:

4800 Berkman

City:

Austin

BUILDING COSTS (Continued):

Furnishings			0	
Special Construction			0	
Conveying Systems (Elevators)			0	
Mechanical (HVAC; Plumbing)			0	
Electrical			0	

Individually itemize costs below:

Detached Community Facilities/Building			0	
Carports and/or Garages			0	
Lead-Based Paint Abatement			0	
Asbestos Abatement			0	
Structured Parking	3,708,000		3,708,000	12K per space/311 spaces
Retail Shell			0	
Other (specify) - see footnote 2			0	
Subtotal Building Costs	\$19,708,000	\$0	\$19,708,000	

TOTAL BUILDING COSTS & SITE WORK

\$20,608,000	\$0	\$20,608,000
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OTHER CONSTRUCTION COSTS

General requirements (<6%)	6.00%	1,236,480		1,236,480	
Field supervision (within GR limit)				0	
Contractor overhead (<2%)	2.00%	412,160		412,160	
G & A Field (within overhead limit)				0	
Contractor profit (<6%)	6.00%	1,236,480		1,236,480	
Contingency (7-10%)	5.70%	1,015,512		1,174,656	
Subtotal Ancillary Hard Costs		\$3,900,632	\$0	\$4,059,776	

TOTAL DIRECT HARD COSTS

\$24,508,632	\$0	\$24,667,776
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INDIRECT CONSTRUCTION COSTS⁴

Architectural - Design fees	800,000		800,000	
Architectural - Supervision fees	233,000		233,000	
Engineering fees	400,000		400,000	
Real estate attorney/other legal fees	150,000		150,000	
Accounting fees	35,000		35,000	
Impact Fees	50,000		50,000	
Building permits & related costs	50,000		50,000	
Appraisal				
Market analysis	7,500		7,500	
Environmental assessment	5,000		5,000	
Soils report	7,500		7,500	
Survey	50,000		50,000	
Marketing	25,000			
Partnership Hazard & liability insurance	80,000		80,000	
Real property taxes	0		0	
Personal property taxes	0		0	
Tenant relocation expenses	0		0	
FFE	225,000		225,000	
Other (specify) - see footnote 2			0	
Subtotal Indirect Const. Cost	\$2,118,000	\$0	\$2,093,000	

DEVELOPMENT NAME:

4800 Berkman

City:

Austin

DEVELOPER FEES⁴

Housing consultant fees ⁵			0	
General & administrative			0	
Profit or fee	4,220,591		4,220,591	
Subtotal Developer's Fees	15.00% \$4,220,591	\$0	\$4,220,591	

FINANCING:

CONSTRUCTION LOAN(S)⁴

Interest	1,044,000		1,044,000	
Loan origination fees	152,500		152,500	
Title & recording fees	75,000		75,000	
Closing costs & legal fees	75,000		75,000	
Inspection fees	15,000		15,000	
Credit Report			0	
Discount Points			0	
Application Fee	15,000		15,000	
Third Party Reports				

PERMANENT LOAN(S)

Loan origination fees	152,500			
Title & recording fees	75,000			
Closing costs & legal	75,000			
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Third party reports	50,000			
Bond Fees	200,000			

BRIDGE LOAN(S)

Interest				
Loan origination fees				
Title & recording fees				
Closing costs & legal fees				
Other (specify) - see footnote 2				
Other (specify) - see footnote 2				

OTHER FINANCING COSTS⁴

Tax credit fees	47,158			
Tax and/or bond counsel				
Payment bonds	132,750			
Performance bonds				
Credit enhancement fees				
Mortgage insurance premiums				
Cost of underwriting & issuance				
Syndication organizational cost				
Tax opinion				
Contractor Guarantee Fee				
Developer Guarantee Fee			0	
Other (specify) - see footnote 2				
Other (specify) - see footnote 2				
Subtotal Financing Cost	\$2,108,908	\$0	\$1,376,500	

DEVELOPMENT NAME:

4800 Berkman

City:

Austin

RESERVES			
Rent-up			
Operating	987,344		
Replacement			
Escrows			
Subtotal Reserves	\$987,344	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS ⁶	\$35,675,975	\$0	\$32,357,867
- Commercial Space Costs ⁷			
TOTAL RESIDENTIAL DEVELOPMENT COSTS	\$35,675,975		

The following calculations are for HTC Applications only.

Deduct From Basis:

Fed. grant proceeds used to finance costs in eligible basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units (42.(d)(5))		
Historic Credits (residential portion only)		
Total Eligible Basis	\$0	\$32,357,867
**High Cost Area Adjustment (100% or 130%)		100%
Total Adjusted Basis	\$0	\$32,357,867
Applicable Fraction	90%	90%
Total Qualified Basis	\$29,113,789	\$0
Applicable Percentage ⁸		3.39%
Calculated Credits	\$986,957	\$0

Credits Supported by Eligible Basis	\$986,957
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Actual Credits Requested	\$986,957
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30 YEAR RENTAL HOUSING OPERATING PROFORMA

	2% Income Growth																			
INCOME	LEASE-UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15	YEAR 20	YEAR 25	YEAR 30	
POTENTIAL GROSS ANNUAL RENTAL INCOME		\$2,435,376	\$2,484,084	\$2,533,765	\$2,584,440	\$2,636,129	\$2,688,852	\$2,742,629	\$2,797,482	\$2,853,431	\$2,910,500	\$2,968,710	\$3,028,084	\$3,088,646	\$3,150,419	\$3,213,427	\$3,547,883	\$3,917,149	\$4,324,850	
Secondary Income		5,544	\$5,655	\$5,768	\$5,883	\$6,001	\$6,121	\$6,243	\$6,368	\$6,496	\$6,626	\$6,758	\$6,893	\$7,031	\$7,172	\$7,315	\$8,077	\$8,917	\$9,845	
POTENTIAL GROSS ANNUAL INCOME	\$0	\$2,440,920	\$2,489,738	\$2,539,533	\$2,590,324	\$2,642,130	\$2,694,973	\$2,748,872	\$2,803,850	\$2,859,927	\$2,917,125	\$2,975,468	\$3,034,977	\$3,095,677	\$3,157,590	\$3,220,742	\$3,555,960	\$3,926,067	\$4,334,695	
Provision for Vacancy & Collection Loss		(183,069)	(186,730)	(190,465)	(194,274)	(198,160)	(202,123)	(206,165)	(210,289)	(214,495)	(218,784)	(223,160)	(227,623)	(232,176)	(236,819)	(241,556)	(266,697)	(294,455)	(325,102)	
Rental Concessions		0																		
EFFECTIVE GROSS ANNUAL INCOME	\$0	\$2,257,851	\$2,303,008	\$2,349,068	\$2,396,050	\$2,443,971	\$2,492,850	\$2,542,707	\$2,593,561	\$2,645,432	\$2,698,341	\$2,752,308	\$2,807,354	\$2,863,501	\$2,920,771	\$2,979,186	\$3,289,263	\$3,631,612	\$4,009,593	
EXPENSES	3% Expense Growth																			
General & Administrative Expenses	\$	56,500.00	\$58,195	\$59,941	\$61,739	\$63,591	\$65,499	\$67,464	\$69,488	\$71,573	\$73,720	\$75,931	\$78,209	\$80,555	\$82,972	\$85,461	\$99,073	\$114,853	\$133,146	
Management Fee		90,314	\$93,023	\$95,814	\$98,689	\$101,649	\$104,699	\$107,840	\$111,075	\$114,407	\$117,839	\$121,375	\$125,016	\$128,766	\$132,629	\$136,608	\$158,366	\$183,590	\$212,831	
Payroll, Payroll Tax & Employee Benefits		295,000	\$303,850	\$312,966	\$322,354	\$332,025	\$341,986	\$352,245	\$362,813	\$373,697	\$384,908	\$396,455	\$408,349	\$420,599	\$433,217	\$446,214	\$517,284	\$599,674	\$695,187	
Repairs & Maintenance		150,000	\$154,500	\$159,135	\$163,909	\$168,826	\$173,891	\$179,108	\$184,481	\$190,016	\$195,716	\$201,587	\$207,635	\$213,864	\$220,280	\$226,888	\$263,026	\$304,919	\$353,485	
Electric & Gas Utilities		75,000	\$77,250	\$79,568	\$81,955	\$84,413	\$86,946	\$89,554	\$92,241	\$95,008	\$97,858	\$100,794	\$103,818	\$106,932	\$110,140	\$113,444	\$131,513	\$152,460	\$176,742	
Water, Sewer & Trash Utilities		85,000	\$87,550	\$90,177	\$92,882	\$95,668	\$98,538	\$101,494	\$104,539	\$107,675	\$110,906	\$114,233	\$117,660	\$121,190	\$124,825	\$128,570	\$149,048	\$172,787	\$200,308	
Annual Property Insurance Premiums		60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643	\$73,792	\$76,006	\$78,286	\$80,635	\$83,054	\$85,546	\$88,112	\$90,755	\$105,210	\$121,968	\$141,394	
Property Tax		0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Reserve for Replacements		57,750	\$59,483	\$61,267	\$63,105	\$64,998	\$66,948	\$68,957	\$71,025	\$73,156	\$75,351	\$77,611	\$79,940	\$82,338	\$84,808	\$87,352	\$101,265	\$117,394	\$136,092	
Other Expenses:		23,360	\$24,061	\$24,783	\$25,526	\$26,292	\$27,081	\$27,893	\$28,730	\$29,592	\$30,480	\$31,394	\$32,336	\$33,306	\$34,305	\$35,334	\$40,962	\$47,486	\$55,049	
TOTAL ANNUAL EXPENSES	\$0	\$892,924	\$919,712	\$947,303	\$975,722	\$1,004,994	\$1,035,144	\$1,066,198	\$1,098,184	\$1,131,129	\$1,165,063	\$1,200,015	\$1,236,016	\$1,273,096	\$1,311,289	\$1,350,628	\$1,565,748	\$1,815,131	\$2,104,234	
NET OPERATING INCOME	\$0	\$1,364,927	\$1,383,296	\$1,401,765	\$1,420,327	\$1,438,977	\$1,457,706	\$1,476,509	\$1,495,377	\$1,514,303	\$1,533,278	\$1,552,293	\$1,571,338	\$1,590,405	\$1,609,482	\$1,628,559	\$1,723,515	\$1,816,481	\$1,905,359	
DEBT SERVICE																				
		\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	\$1,190,849	
Second Deed of Trust Annual Loan Payment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Third Deed of Trust Annual Loan Payment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Annual Required Payment:		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Annual Required Payment:			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Debt Service	0	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	1,190,849	
NET CASH FLOW	\$0	\$174,078	\$192,447	\$210,916	\$229,478	\$248,128	\$266,857	\$285,660	\$304,528	\$323,454	\$342,429	\$361,443	\$380,489	\$399,556	\$418,633	\$437,710	\$532,666	\$625,632	\$714,510	
Debt Coverage Ratio - 1st Lien	#DIV/0!	1.15	1.16	1.18	1.19	1.21	1.22	1.24	1.26	1.27	1.29	1.30	1.32	1.34	1.35	1.37	1.45	1.53	1.60	
Debt Coverage Ratio	#DIV/0!	1.15	1.16	1.18	1.19	1.21	1.22	1.24	1.26	1.27	1.29	1.30	1.32	1.34	1.35	1.37	1.45	1.53	1.60	
Other (Describe)																				
Other (Describe)																				