

REQUEST FOR CITY OF AUSTIN RESOLUTIONS

2017 4% NON-COMPETITIVE LOW INCOME HOUSING TAX CREDITS

This sheet provides a guide for developers requesting resolutions required by the Texas Department of Housing and Community Affairs for 4% Low Income Housing Tax Credit applications.

PLEASE NOTE: If you are requesting funding from the City, please complete a Rental Housing Development Assistance (RHDA) program application. The RHDA program application can be found at: <http://austintexas.gov/page/housing-application-center>.

Please indicate what resolution(s) is(are) being requested by the City of Austin. If a public hearing is required, please also indicate this as well.

<input checked="" type="checkbox"/> Twice the State Average Per Capita	>>>> Public hearing required?	<input type="checkbox"/>
<input type="checkbox"/> One Mile, Three Year Rule		<input type="checkbox"/>
<input type="checkbox"/> Limitations on Developments in Certain Census Tracts		<input type="checkbox"/>
<input checked="" type="checkbox"/> A Resolution of No Objection from the Local Governing Body		<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> TEFRA Approval		<input type="checkbox"/>

Please note: All resolutions being requested are subject to approval by the Austin City Council.

For the request to be considered, the following information will be required.

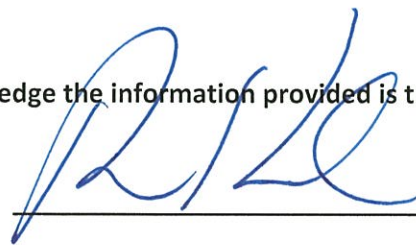
- 1) Name of the Proposed Development
Pathways at Chalmers Courts South
- 2) The address/location of the proposed development
Southwest Corner of East 3rd Street and Chalmers Avenue, Austin, TX 78702
- 3) City Council District Number
District 3, Councilmember Sabino "Pio" Rentaria
- 4) Census Tract Number
48453000902
- 5) Indicate the type of Development (New Construction, Rehabilitation, Acquisition/Rehabilitation, Replacement)
Demolition of existing non-housing structures and new construction of housing
- 6) SMART Housing Certification letter
N/A
- 7) 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.
Map attached. Nearest transit stop is onsite.
- 8) A corresponding map of transit stops showing the distance a resident would actually have to walk on a paved surface to get to the nearest transit stop
See map attached for item #7. Nearest transit stop is onsite. There are five transit stops within a 500 foot radius of the center of the property.
- 9) A flood plain map generated by www.ATXFloodPro.com with the property parcel identified and the legend displayed showing the various types of FEMA Flood Plain zones.
Attached. The entire development site is outside the flood plain.
- 10) Provide a table of proposed Sources and Uses for the project. It should contain all proposed funding sources, including the amount of tax credits to be requested from TDHCA and the amount of Private Activity Bonds to be issued and the Issuer name.
Attached

- 11) Number of Units proposed by type (i.e. Single Room Occupancy, 1BR, 2BR, 3BR, etc.)
Total Units: 87
1BR: 45
2BR: 32
3BR: 6
4BR: 4
- 12) Approximate Size of Units in square feet.
1BR Unit Size: 671 square feet
2BR Unit Size: 947 square feet
3BR Unit Size: 1,272 square feet
4BR Unit Size: 1,394 square feet
- 13) Number and percentage of units by Median Family Income level.
100% at 60% of AMFI
- 14) Estimated Rents by unit size/type.
1BR Unit Rent: \$858 net of utility allowances
2BR Unit Rent: \$1,025 net of utility allowances
3BR Unit Rent: \$1,179 net of utility allowances
4BR Unit Rent: \$1,312 net of utility allowances
- 15) Number and percentage of units dedicated for tenants with Special Housing Needs, if any.
Specify the type of special needs to be served.
Special Housing Needs Units: 0
- 16) Specify Resident Services, if any, intended to be provided to tenants.
Resident services to be provided will include workforce development, youth education and health and wellness programs.
- 17) Provide information about on-site amenities intended, if any (e.g. recreation facilities, computer lab, Wi-Fi). Please be as specific as possible.
Attached
- 18) Provide Developer's Experience and Development Background for past 10 years. Provide the names of Development Team Members expected to be involved in the proposed project (architect, general contractor, etc.)
Attached

Requests should be submitted to Neighborhood Housing and Community Development, 1000 East 11th Street, 2nd Floor, Austin, TX 78702 to the attention of Ellis Morgan. E-mail submissions are acceptable as long as they are within the size limit of the City's e-mail system for attachments (approximately 15MB). For more information, contact Ellis Morgan at 512-974-3121 or by e-mail at ellis.morgan@austintexas.gov.

I certify that, to the best of my knowledge the information provided is true and correct.

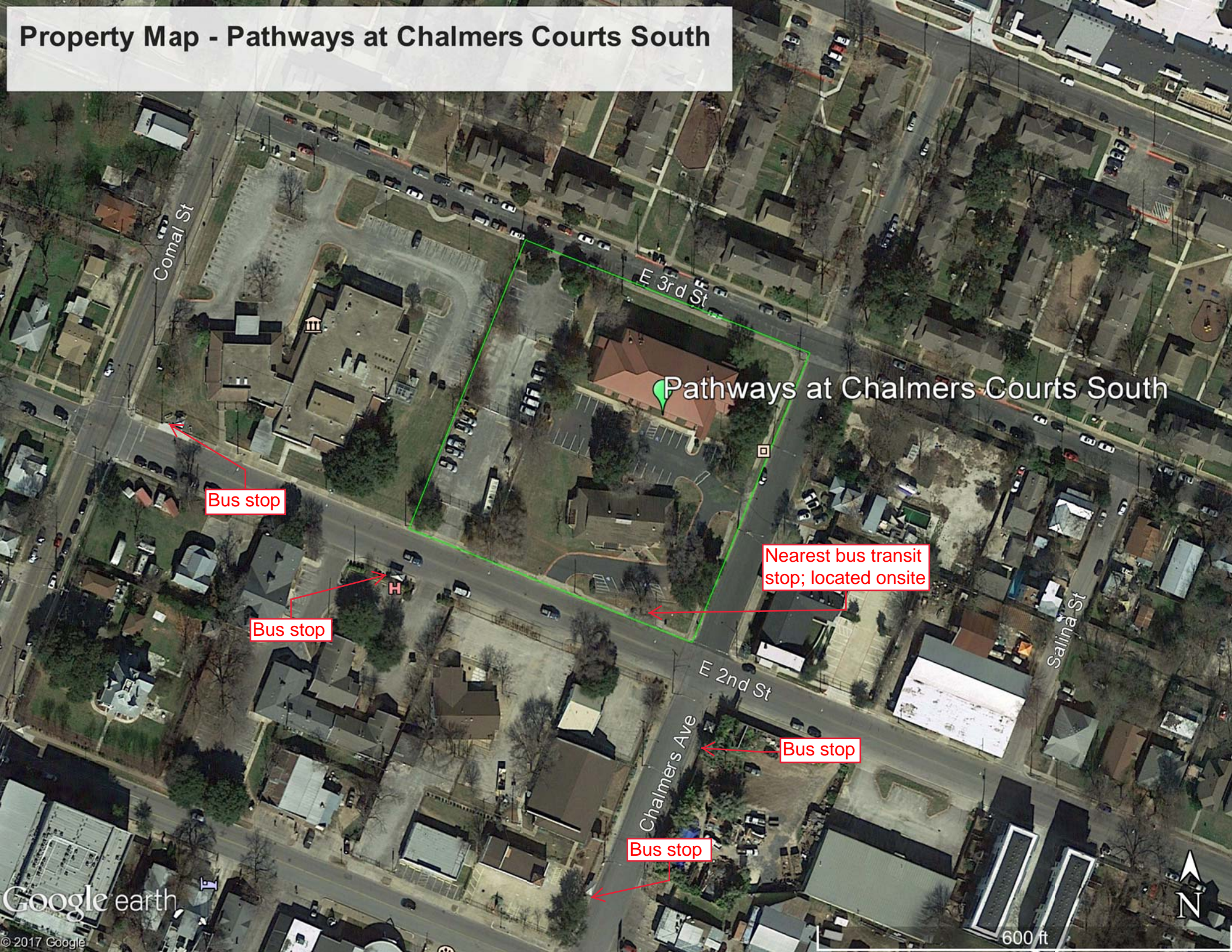
Authorized Representative



Date

9/8/12

Property Map - Pathways at Chalmers Courts South



Pathways at Chalmers Courts South

Bus stop

Nearest bus transit stop; located onsite

Bus stop

Bus stop

Bus stop

Comal St

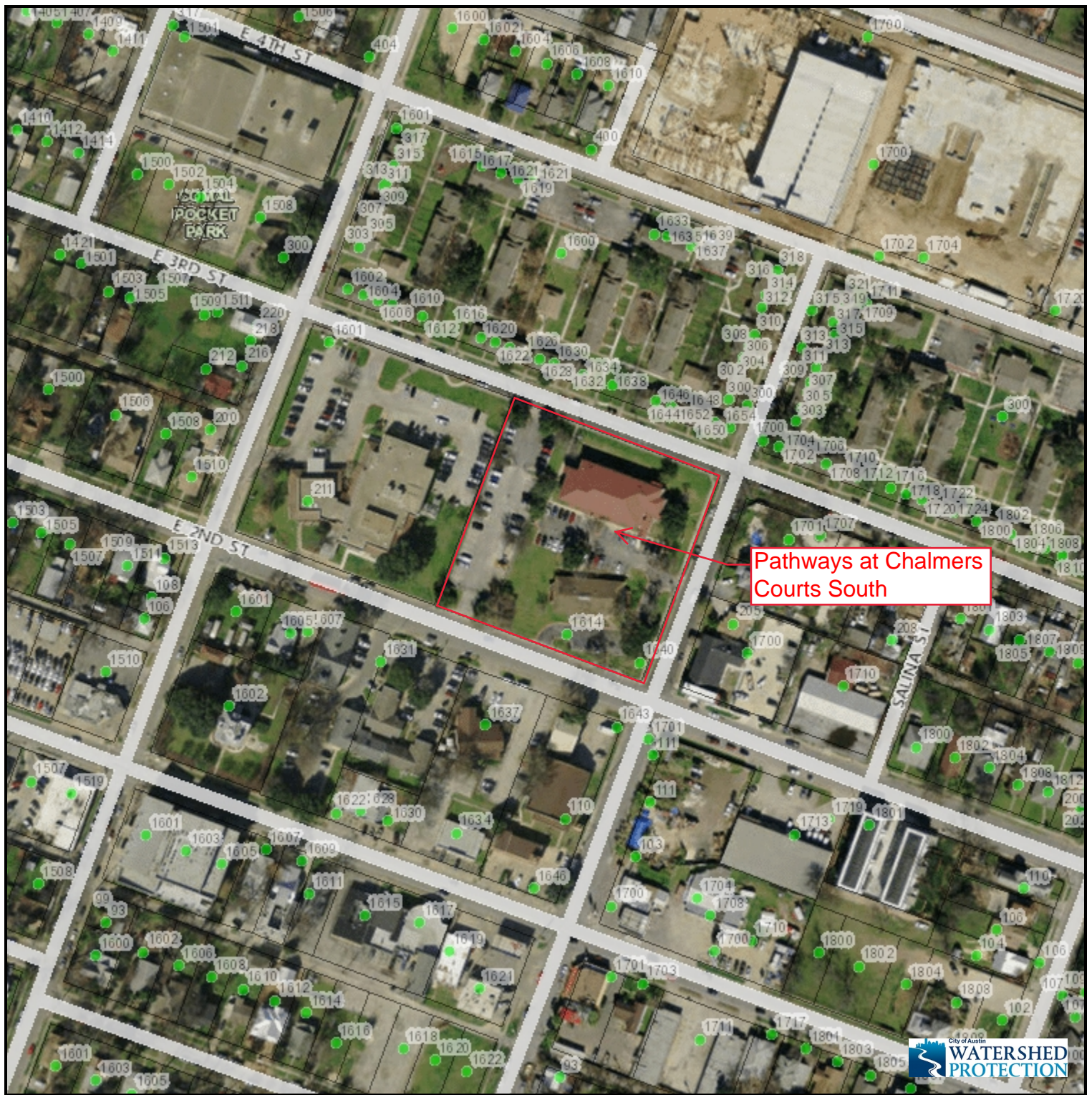
E 3rd St

E 2nd St

Chalmers Ave

Salina St





City of Austin Regulatory Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

- Address
- Parcel
- Fully Developed Floodplain
 - COA Fully Developed 25-Year
 - COA Fully Developed 100-Year
 - COA Master Plan 25-Year
 - COA Master Plan 100-Year
 - 100-Year (Detailed-AE)
 - 100-Year (Shallow-AO,AH)
 - 100-Year (Approx-A)

0 200 400 Feet



Prepared: 9/5/2017

Summary of Sources and Uses	Pathways at Chalmers Courts South	
SOURCES		
Debt Financing	\$	7,000,000
Housing Tax Credit Equity	\$	5,809,608
Austin Affordable Housing Corporation Sources	\$	2,417,310
Total Sources	\$	15,226,919
USES		
Acquisition Cost	\$	1,000
Construction Cost	\$	9,797,829
Soft Costs and Financing Costs	\$	3,043,444
Reserves and Developer Fee	\$	2,384,645
Total Uses	\$	15,226,919
Housing Tax Credit Allocation from TDHCA:	\$	611,660
Bond Issuer:		Austin Affordable PFC, Inc.

Onsite Amenities

Amenities to be provided to residents of Pathways at Chalmers Courts South are as follows:

- Community Laundry Room
- Fitness Center
- Furnished Community Room
- Service Coordinator and Leasing Offices
- Secured Entry
- Energy Saving Design Elements

Austin Affordable Housing Corporation Development Experience

Austin Affordable Housing Corporation (AAHC) is a non-profit subsidiary of the Housing Authority of the City of Austin (HACA) created in 2003 to preserve and increase the stock of affordable housing for low- to moderate-income families in Austin as well as provide financial literacy and homeownership opportunities. AAHC is the sole member of the general partner, co-developer, and general contractor for Pathways at Chalmers Courts South. An affiliate of Carleton Residential Properties will be co-developer, special limited partner, and master sub-contractor. Experience for Carleton Residential Properties is provided in a separate exhibit.

Since 2003, AAHC purchased a portion of its real estate portfolio consisting of office buildings, a shopping center, single-family houses and multi-family complexes. With the purchase of older existing stock, AAHC gained experience in apartment, office building and retail rehabilitation. The majority of the apartment complexes acquired between 2003-2013 have had major interior and exterior rehabilitation completed. Below are the apartment communities acquired by AAHC since 2003:

- Sterling Village Apartments – 207 units – 10401 North Lamar Blvd, Austin, Texas 78753
- Bent Tree Village Apartments – 126 units – 8405 Bent Tree Rd, Austin, Texas 78759
- Sweetwater Apartments – 152 units – 2323 Wells Branch Pkwy, Austin, Texas 78723
- Park at Summers Grove – 240 tax-credit units – 2900 Century Park Blvd, Austin, Texas 78728
- Leisure Time Village – 22 senior units – 1920 Gaston Place Dr, Austin, Texas 78723
- Lexington Hills Apartments – 238 units – 2430 Cromwell Circle, Austin, Texas 78741
- Bridge at Tech Ridge – 294 units – 12800 Center Lake Dr Austin, Texas 78753
- Bridge at Center Ridge – 348 units – 701 Center Ridge Dr, Austin, Texas 78753
- Bridge at Volente – 208 units – 11908 Anderson Mill Rd, Austin, Texas 78726
- Bridge at South Point – 176 units – 6808 South IH 35, Austin, Texas 78745
- Sterling Springs Apartments – 172 units – 2809 W. William Cannon Dr, Austin, Texas 78745

Beginning in August of 2014, AAHC began partnering with developers to build new construction 4% tax credit/bond projects. AAHC acted as the General Partner and General Contractor in these partnerships. These partnership developments include:

Partnerships with LDG Development LLC:

- Pointe at Ben White – 250 family units – 6934 E. Ben White Blvd, Austin, Texas 78741
- Villages at Ben White – 183 senior units – 7000 E. Ben White Blvd, Austin, Texas 78741
- Harris Branch Senior – 216 senior units – 12433 Dessau Rd, Austin, Texas 78754
- Bridges at Canyon View – New Construction – 216 senior units – 4506 William Cannon Dr, Austin, Texas
- Bridges at Cameron – 252 family units – 9201 Cameron Road Austin, Texas

Resolution Request Item 18

Partnerships with Ryan Companies US, Inc:

- Reserve at Springdale – 292 family units – 5605 Springdale Rd, Austin, Texas 78723
- Urban Oaks Apartments – 194 family units – 6725 Circle S Rd, Austin, Texas 78745

Partnerships with Atlantic | Pacific Communities, LLC and Madhouse Development Services, Inc.

- ThinkEast Apartments – 208 family units – 1141 Shady Lane Austin, Texas

In November 2016, AAHC closed five transactions for the rehabilitation of five existing HACA public housing developments: Pathways at North Loop, Pathways at Georgian Manor, Pathways at Manchaca Village, Pathways at Shadowbend Ridge, and Pathways at Northgate. AAHC is the sole member of the general partner, developer, and general contractor for these developments.

In July 2017, AAHC closed an additional transaction, Pathways at Gaston Place, which is also a transaction for the rehabilitation of an existing HACA public housing Development. AAHC is the sole member of the general partner, co-developer, and general contractor for this development.

In July 2017, AAHC received a 9% housing tax credit award for Pathways at Goodrich Place. AAHC is the sole member of the general partner, co-developer, and general contractor for this development.

Carleton Residential Properties

Carleton Residential Properties Overview

January 2017



Carleton Residential Properties is a fully integrated owner, developer, and builder of high quality multifamily assets across the South and Southwest United States. Since 1991, the firm has remained actively engaged in all aspects of the multifamily housing market within its target region, successfully executing a conservative strategy across varying market cycles. For over 25 years, under the leadership of its founder, the Dallas, Texas based organization has steadily grown to include over 30 people. The three partners of the firm bring nearly a century of combined experience including over 60 years at Carleton. The executive leadership of Carleton averages over 10 years of tenure at the firm.

Carleton's investors, venture partners, and clients have included large institutions, family offices, high net worth individuals, housing authorities, and non-profits. The firm emphasizes clear communication and alignment of interests coupled with transparency and disciplined execution to deliver the vision of a community to reality. This disciplined approach has enabled Carleton to deliver consistent returns to investors by understanding and meeting market demand.



Carleton Development

Carleton Development provides full-lifecycle multifamily real estate development services across the product spectrum. The firm has extensive experience with Class A market rate product, workforce housing, mixed income, and affordable housing. The principals of the firm have developed over 20,000 residential units of all types.

The development organization utilizes a proprietary risk management approach to development, built upon the partners' years of experience. Carleton believes strongly in the efficient deployment of capital and in working closely with partners and clients to consistently achieve the shared objectives.

Carleton's experience and reputation in the market provide the firm with access to opportunities, and the firm's balance sheet enables it to commit the appropriate resources to opportunities needed to be competitive in the market.



Carleton Construction



Carleton Construction has a strong reputation as a general contractor to clients across the region including Carleton’s own development team. Carleton Construction has experience with new construction, rehabilitation, and construction management for in excess of 30,000 units utilizing a variety of construction technologies. The firm has met unique challenges and the high standards demanded by LEED Platinum projects, historic preservation redevelopment, top end market rate projects, mixed-use developments, and value-oriented affordable housing. Carleton Construction has the leadership and risk management expertise to meet the strict compliance and timing standards required for Low Income Housing Tax Credit projects. The firm maintains \$120 million in bonding capacity and is licensed in numerous states across the region.



Carleton Management Group

Carleton Residential has significant management capabilities including from asset management, construction management, and property management. Carleton manages properties and projects both its own account and for third party clients. This broad portfolio is typically composed of thousands of units including both market rate and affordable housing, working closely with market leading property managers. The group is experienced in providing the strategic leadership needed to lease up and grow rents in new properties, and the vision to reposition and improve operations at existing or acquired properties. The group also maintains the robust accounting, reporting, and compliance capabilities demanded by institutional clients, tax credit investors, and regulatory authorities.



SALT RIVER CAPITAL

Salt River Capital is the financial services arm of the Carleton Residential platform, managing both debt and equity capital. The firm provides advisory services including deal structuring and underwriting, research, analysis, acquisition, and disposition. Salt River's professionals have experience investing and managing capital on behalf of some of the nation's largest institutional investors. Through the firm's experience, access to the Carleton platform, and capital markets relationships, Salt River Capital provides investment opportunities, transaction execution, and investor relations services that directly address the needs of clients and partners.



The Carleton Residential Properties family of companies are equal opportunity employers and qualify as Historically Underutilized Business entities.

Carleton Residential – Principal Biographies



Printice L. Gary

Printice Gary is the founder and Managing Partner of Carleton Residential. His prior business experience includes Trammell Crow Residential as a Texas Division Partner for multifamily development; Centex Corporation as President of its Fox & Jacobs Home Building & Mortgage Banking subsidiary; and Investment Banking at Piper, Jaffray and Hopwood as a Vice President Corporate Finance.

Mr. Gary currently serves on the Board of Directors of Oncor Electric Delivery, LLC, the largest regulated electricity Transmission and Distribution service provider in the state of Texas and recently served on the board of the National Equity Fund, Inc., a Chicago-based Tax Credit Syndicator and Asset Manager.

Mr. Gary has also served on the governing boards of various state entities pursuant to appointments by the Governor of Texas including the North Texas Tollway Authority; the Texas State Tax Reform Commission; the University of Texas System Board of Regents, where he was Chairman of the Facilities, Planning & Construction Committee; and on the Board of the University of Texas Investment Management Company and the Board for Lease of University of Lands.

Mr. Gary is a graduate of Carleton College with a major in Economics and holds an MBA with a concentration in Finance from the Harvard Business School.



Neal R. Hildebrandt

Neal Hildebrandt is a Carleton Residential Partner and the Chief Operating Officer of Carleton Construction. Prior to joining Carleton, Mr. Hildebrandt was with Trammell Crow Company where he had construction and asset management responsibility for a portfolio of 2.6 million square feet of commercial real estate. Mr. Hildebrandt's experience also includes several years with Trammell Crow Residential where he was responsible for the development and construction of multiple residential communities; and with Centex Corporation where he was a field Construction Project Manager with Direct responsibility for production. Mr. Hildebrandt is a graduate of Oklahoma State University where he earned a BS in Construction Engineering.



Jeffrey D. Fulenchek

Jeff Fulenchek is a Partner and the Director of Development for Carleton Residential Properties. Mr. Fulenchek began his career with Carleton in 1996 and directs the development activity for both Carleton's affordable and market rate multi-family divisions. Prior to joining Carleton, Mr. Fulenchek had a wide range of real estate experience, including overseeing Securities and Exchange Commission reporting for several national real estate limited partnerships for a large real estate investment firm. Mr. Fulenchek holds a BBA in Accounting from Texas A&M University.

Senior Members of the Carleton Residential Team

Name	Position	Joined	Industry Experience	Expertise & Background
Printice L. Gary	Partner/Principal & CEO Carleton Residential	Founder 1991	35+ years	<ul style="list-style-type: none"> • Investment Banking, Commercial Banking S/F Homebuilding • M/F Development & Construction, Partner Trammel Crow • Carleton College, AB Economics • Harvard Business School, MBA
Neal R. Hildebrandt	Partner/Principal & COO Director of Construction	1994	30+ years	<ul style="list-style-type: none"> • S/F Homebuilding, Asset Management Commercial Real Estate • M/F Real Estate Development & Construction, Trammel Crow • Oklahoma State University, BS, Engineering Technology
Jeff D. Fulenchek	Partner/Principal Director of Development	1996	20+ years	<ul style="list-style-type: none"> • Real Estate Investments, Financial Accounting • M/F Real Estate Development and Construction • Texas A&M University, BBA, Accounting
David Cohenour, CPA	Vice President Director Asset Management	2002	20+ years	<ul style="list-style-type: none"> • Asset & Portfolio Management, Financial Reporting • Multi-family Property Management • University of Iowa, BBA, Accounting
Holland P. Gary	CFO Carleton Residential CEO Salt River Capital	2009	10+ years	<ul style="list-style-type: none"> • Private Equity, Investment Management, Venture Operations • Princeton University, BSE, Electrical Engineering • Wharton School of the University of Pennsylvania, MBA, Finance
Jeff Sutton, CPA	Vice President Accounting - Controller	2009	25+ years	<ul style="list-style-type: none"> • Financial Control & Reporting, Commercial Real Estate and Construction, Homebuilding, Deloitte & Touche, Trammell Crow • University of Texas, El Paso, BBA, Accounting
Will Henderson	Development – Officer Director Affordable Housing	2007	10+ years	<ul style="list-style-type: none"> • Financial Analysis – Real Estate, M/F Financial Analysis • Affordable Housing Development • Texas A&M University, BA, Management • University of Texas, MBA
Steve Sivells	Vice President Construction	2003	30+ years	<ul style="list-style-type: none"> • M/F Construction and Development, Startup and Rehab • Commercial Construction, Senior & Student Housing • Texas A&M University, BS, Construction Engineering
Claudia Powers	Asset Management - Officer	2009	10+ years	<ul style="list-style-type: none"> • Asset Management, Commercial Real Estate Lending • Commercial Banking, Wells Fargo Commercial Credit Training • European Business School, International Business Degree • Texas Woman’s University, MBA

Selected Recent Projects¹



Villas di Lucca is a 176 unit mixed-use development including 30,000 square feet of retail space on the ground level as required by the entitlements. The property located in Mansfield, Texas (suburban Fort Worth), includes 6 buildings, and was completed in August 2013. Carleton served as lead developer and Carleton Construction was the general contractor. The project was financed with a construction loan from Frost Bank and limited partner equity from Carleton and other accredited investors. Construction started in August 2012 with the first building completed for occupancy on May 1, 2013 at which time the property had pre-leased 52 units. During the first quarter of 2014, the property stabilized with rents exceeding the predevelopment pro forma by over 10%. The property sold in 2015.

- | | |
|-------------------------|-----------------------|
| • Total Deal Size: | \$23.8 million |
| • LP Equity Invested: | \$6 million |
| • Investment Objective: | Sale on stabilization |

Villaggio is a 272 unit market rate development designed to serve as an independent project or as a second phase to the successful, adjacent Villas di Lucca project. Carleton completed the project at the end of 2016 having served as lead developer with Carleton Construction as the general contractor. The project was financed with a construction loan from Frost Bank and limited partner equity from a large family office.

- | | |
|-------------------------|-----------------------|
| • Total Deal Size: | \$32 million |
| • LP Equity Invested: | \$8 million |
| • Investment Objective: | Sale on stabilization |



¹ These case studies are illustrative only and do not include all of the investments in which the principals of Carleton Residential have participated, nor are they indicative of future investment opportunities or performance. There is no assurance that future investments will experience similar performance or returns. Past performance is not an indication of future results and no representation or warranty is made as to the performance that may be experienced by investors.

Selected Recent Projects²



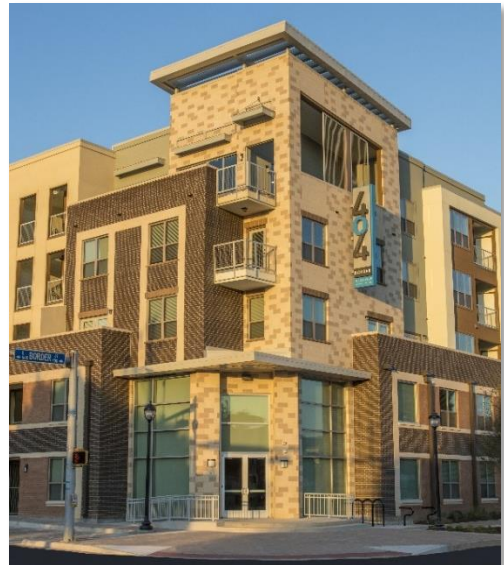
Sonterra Blue is a 342 unit Class A multifamily project located in North Central San Antonio. Construction began in February of 2013. The project was completed in 2014 and ultimately sold in 2015. In the first quarter of 2014 the first

leases were signed at approximately 10% above projections, prior to the completion of any buildings. Carleton served as the developer and Carleton Construction was the general contractor. The project was financed with a construction loan from Bank of America and limited partner equity from Carleton and a large single family office.

- | | |
|-------------------------|-----------------------|
| • Total Deal Size: | \$38 million |
| • LP Equity Invested: | \$10 million |
| • Investment Objective: | Sale on stabilization |

404 Border is a 135 unit urban Class A multifamily project in downtown Arlington, Texas near the University of Texas at Arlington. The project was completed and fully leased in 2016. Carleton Residential affiliates handled the financing, and served as the lead developer and general contractor. The limited partner equity was syndicated amongst high net worth individuals and family offices and American National Bank served as the construction lender.

- | | |
|-------------------------|-----------------------|
| • Total Deal Size: | \$19 million |
| • LP Equity Invested: | \$6 million |
| • Investment Objective: | Sale on stabilization |



² These case studies are illustrative only and do not include all of the investments in which the principals of Carleton Residential have participated, nor are they indicative of future investment opportunities or performance. There is no assurance that future investments will experience similar performance or returns. Past performance is not an indication of future results and no representation or warranty is made as to the performance that may be experienced by investors.

Other Selected Carleton Projects³

The Depot was on a 6.5 acre warehouse site located near downtown Ft. Worth, Texas. The Carleton Residential companies and affiliates managed the development of this property from the acquisition of this RTC land asset through zoning, demolition, financing, construction, lease-up, and sale. Carleton developed this 210 unit loft-style apartment property, consistently reducing risk at each step, working with the City of Fort Worth, Tarrant County, and the Historic Society all while maintaining multiple exit alternatives including market rate sale, condo conversion, or refinancing. Carleton Construction



delivered the property on time and on budget, leveraging the diligence work performed during the development phase. Carleton Residential Properties managed and monitored the asset throughout its lifecycle through a local joint venture with Lincoln Property Company, a national leader in property management.

- Total Deal Size: \$17.4 million
- LP Equity Invested: \$3.4 million
- Investment Objective: Sale on stabilization

The Bristol is 258 unit garden apartment complex located in Grand Prairie, Texas. Carleton partnered with a large commercial bank CDC investor to provide the equity capital. Carleton Development identified the location and the need for workforce housing (60%-120% AMI). The firm developed the property with an eye towards market rate sale while maintaining alternative exit options. Carleton Construction delivered the property on time and on budget in ten months, leveraging the diligence work performed during the development phase. Carleton Residential Properties managed and monitored the asset throughout its lifecycle. The property was sold, closed, and funded within twenty months of starting construction. Carleton Residential Properties managed and monitored the asset throughout its lifecycle through a local joint venture with Lincoln Property Company, a national leader in property management.



- Total Deal Size: \$14.9 million
- LP Equity Invested: \$2.8 million
- Investment Objective: Sale on stabilization

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