



Anderson Creek

1701 East Anderson Lane

City of Austin Rental Housing Development Assistance Application



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November 4, 2021

Mr. Ellis Morgan and Mr. Deepa Vasan
AHFC Procurement
Housing & Planning Department (HPD)
1000 E. 11th Street, Suite 200
Austin, Texas 78702

RE: RHDA Loan and AHFC Bond Request for Anderson Creek

Dear Mr. Morgan and Mr. Vasan,

Thank you for the opportunity to apply for Rental Housing Development Assistance for Anderson Creek, McDowell Housing Partner's 100% affordable housing development located at 1701 E Anderson Lane. Coming off the successful closing of City Heights (4500 Nuckols Crossing Rd) in April of 2021 our team is eager to continue building upon the successful relationship with the HPD and AHFC.

The MHP team has worked diligently over the past year to prepare Anderson Creek for this vital funding application. The site was successfully rezoned in October of 2021. The approved GR zoning classification allows MHP to optimally utilize the City's Affordability Unlocked ordinance. We have a proven track record of successfully navigating Austin's rigorous Site Development Permit process. Our team of design professionals and consultants bring a wealth of local experience and knowledge of local code/ordinance that will ensure we work timely through the permit and approval process. We have already commenced full civil and architectural design to get ahead of environmental and design challenges. We can confidently affirm our proposed site plan and development program are fully feasible. Furthermore, having recently closed both RHDA loan and AHFC bonds on City Heights we will be able to work expeditiously through the legal closing process on Anderson Creek.

Recently, we have been approached by the Austin Playhouse theater who owns the 2.79-acre adjacent parcel to Anderson Creek. There is a natural synergy between our organizations, and we are contemplating a partnership that would bring a larger, more impactful, and overall unique development to the City of Austin by integrating Austin Playhouse theater within an affordable housing development that will cater to qualifying artist residents.

In summary, the MHP team and proposal embodies the passion, commitment, and expertise necessary effectively execute the closing and development of Anderson Creek. We appreciate your consideration and look forward to receiving any questions or comments on our application.

Respectfully,



Chris Shear, COO
McDowell Housing Partners
cshear@mcdhousing.com
Direct: (786) 257-2767

November 3, 2021



Austin Playhouse supports McDowell Housing Partners in their development of the Anderson Creek affordable housing apartment project.

Austin Playhouse is a veteran arts organization that owns land adjacent to the proposed project on Anderson Lane. We are fully permitted to build an arts facility on the site that will be a community resource as home to Austin Playhouse and dozens of other arts organizations. The original design for our permanent home included an affordable housing project.

We are engaged in active discussions to collaborate with McDowell Housing Partners on the site development.

Our missions are aligned to serve the Austin community and we look forward to possibilities for partnership to maximize our joint goals for positive community impact.

Sincerely yours,

A handwritten signature in black ink that reads "Lara Haddock". The signature is fluid and cursive, with the first name "Lara" and last name "Haddock" clearly distinguishable.

Lara Haddock, Producing Artistic Director

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : McDowell Housing Partners	OWNER/BORROWER NAME : MHP Anderson Creek, LLC
DEVELOPMENT NAME : Anderson Creek	FUNDING CYCLE DEADLINE : 11/5/2021
FEDERAL TAX ID NO:	DUNS NO:
PROJECT ADDRESS: 1701 Anderson Lane	PROGRAM : RHDA
CONTACT NAME : Jason Knotowicz	AMOUNT REQUESTED:\$3,000,000
CONTACT ADDRESS AND PHONE : (786) 257-2767	

APPLICATION TABS		INITIALS
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5	PROPERTY INFORMATION	5.a. Appraisal JK 5.b. Property Maps JK 5.c. Zoning Verification Letter JK 5.d. Proof of Site control JK 5.e. Phase I ESA JK 5.f. SHPO JK

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.

SIGNATURE OF APPLICANT



PRINTED NAME

Jason Knotowicz

TITLE OF APPLICANT

SVP

DATE OF SUBMISSION

11/3/2021

DATE AND TIME STAMP OF RECEIPT

FOR AHFC USE ONLY

Project Summary Form

1) Project Name Anderson Creek	2) Project Type 100% Affordable	3) New Construction or Rehabilitation New Construction
4) Address(s) or Location Description 1700 East Anderson Lane		5) Mobility Bond Corridor North Lamar Blvd
6) Census Tract 18.11	7) Council District District 1	8) Elementary School ANDREWS EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? No	12) How will funds be used? Construction

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		5	9	1		15
Up to 40% MFI						0
Up to 50% MFI		13	28	4		45
Up to 60% MFI						0
Up to 80% MFI		12	25	3		40
Up to 120% MFI						0
No Restrictions						0
Total Units	0	30	62	8	0	100

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
Total Units	0	0	0	0	0	0

15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	5	Continuum of Care Units	10
Accessible Units for Sensory Impairments	2		

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

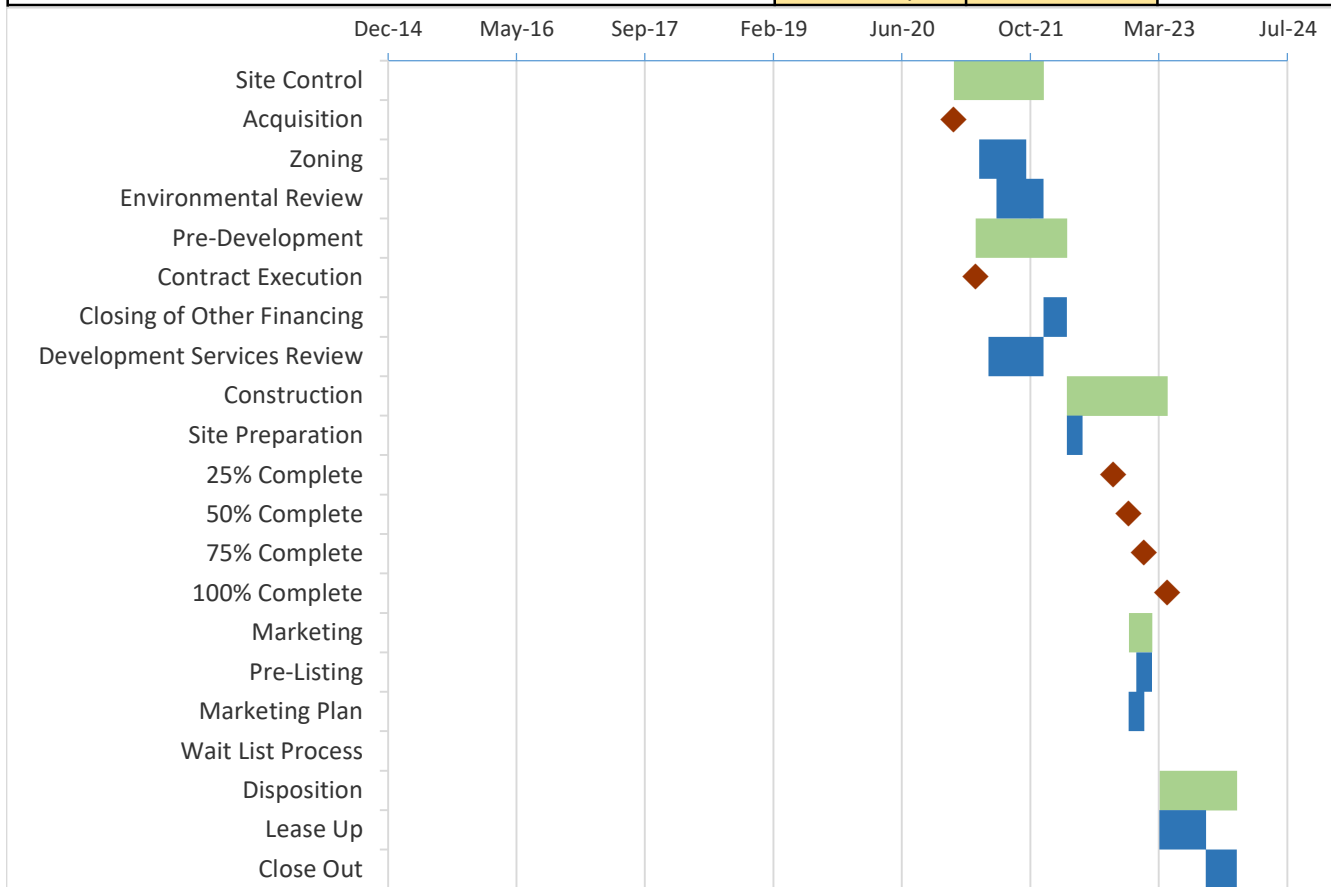
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor?
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop?
- 18) Is the property within 3/4 mile of Transit Service?
- 19) The property has Healthy Food Access?

20) Estimated Sources and Uses of funds

<u>Sources</u>		<u>Uses</u>	
Debt	15,250,000	Acquisition	4,250,000
Equity	12,542,237	Off-Site	
Grant		Site Work	
Other		Sit Amenities	225,000
Deferred Developer Fee	936,531	Building Costs	16,329,304
Previous AHFC Funding		Contractor Fees	2,286,102
Current AHFC Request	3,000,000	Soft Costs	3,368,191
		Financing	1,922,976
		Developer Fees	3,347,195
Total \$	31,728,768	Total \$	31,728,768

Development Schedule

	Start Date	End Date
Site Control	Jan-21	Dec-21
Acquisition	Jan-21	
Zoning	Apr-21	Oct-21
Environmental Review	Jun-21	Dec-21
Pre-Development	Apr-21	Mar-22
Contract Execution	Apr-21	
Closing of Other Financing	Dec-21	Mar-22
Development Services Review	May-21	Dec-21
Construction	Mar-22	Apr-23
Site Preparation	Mar-22	May-22
25% Complete	Sep-22	
50% Complete	Nov-22	
75% Complete	Jan-23	
100% Complete	Apr-23	
Marketing	Nov-22	Feb-23
Pre-Listing	Dec-22	Feb-23
Marketing Plan	Nov-22	Jan-23
Wait List Process		
Disposition	Mar-23	Jan-24
Lease Up	Mar-23	Sep-23
Close Out	Sep-23	Jan-24



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	10,000		
Environmental Review	30,000		ESA and Soils Testing
Engineering	90,000		
Survey	20,000		
Architectural	300,000		Includes Construction Monitoring
Subtotal Pre-Development Cost	\$450,000	\$0	
Acquisition			
Site and/or Land	4,250,000		Vacant Land
Structures	0		
Other (specify)			
Subtotal Acquisition Cost	\$4,250,000	\$0	
Construction			
Infrastructure			
Site Work	828,248	157,062	
Demolition			
Concrete	2,557,548	623,396	
Masonry	426,095	106,524	
Rough Carpentry	3,571,254	446,407	
Finish Carpentry	1,584,985	23,441	All Finishes
Waterproofing and Insulation	356,503	99,126	
Roofing and Sheet Metal	374,010	130,000	
Plumbing/Hot Water	1,200,851	300,213	
HVAC/Mechanical	1,692,686	331,945	Includes Plumbing
Electrical	1,100,593	293,201	
Doors/Windows/Glass	657,353	164,338	
Lath and Plaster/Drywall and Acoustical			In finishes
Tiel Work			In finishes
Soft and Hard Floor	170,798	24,347	In finishes
Paint/Decorating/Blinds/Shades	161,416		
Specialties/Special Equipment	225,000		Includes Pool
Cabinetry/Appliances	491,198	300,000	
Carpet			
Other (specify)	2,286,102		General Conditions, Overhead and Profit
Construction Contingency	930,770		
Subtotal Construction Cost	\$18,615,406	\$3,000,000	
Soft & Carrying Costs			
Legal	330,000		
Audit/Accounting	45,000		
Title/Recordin	118,697		
Architectural (Inspections)	110,000		Lender Inspection Fees and Material Testing
Construction Interest	1,389,306		Includes Negative Arbitrage
Construction Period Insurance	102,385		
Construction Period Taxes	30,000		
Relocation			
Marketing	150,000		
Davis-Bacon Monitoring	777,322		Permits, Impact Fees, Utility Fees, Credit Underwriting
Developer Fee	3,347,195		
Other (specify)	2,013,457		Soft Cost Contingency, ODR, Financing & Bond Fees, FF&E and
Subtotal Soft & Carrying Costs	\$8,413,362	\$0	
TOTAL PROJECT BUDGET	\$31,728,768	\$3,000,000	

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	\$1,402,644	\$1,430,697	\$1,459,311	\$1,488,497	\$1,518,267	\$1,676,289	\$1,850,759
Secondary Income	\$66,480	\$68,474	\$70,529	\$72,644	\$74,824	\$86,741	\$100,557
POTENTIAL GROSS ANNUAL INCOME	\$1,469,124	\$1,499,171	\$1,529,840	\$1,561,141	\$1,593,091	\$1,763,030	\$1,951,316
Provision for Vacancy & Collection Loss	-\$70,132	-\$71,535	-\$72,966	-\$74,425	-\$75,913	-\$83,814	-\$92,538
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,398,992	\$1,427,636	\$1,456,874	\$1,486,716	\$1,517,178	\$1,679,216	\$1,858,778
EXPENSES							
General & Administrative Expenses	\$37,500	\$38,625	\$39,784	\$40,977	\$42,206	\$48,929	\$55,760
Management Fee	\$69,950	\$71,382	\$72,844	\$74,336	\$75,859	\$83,961	\$92,939
Payroll, Payroll Tax & Employee Benefits	\$145,000	\$149,350	\$153,831	\$158,445	\$163,199	\$189,192	\$219,326
Repairs & Maintenance	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$58,715	\$68,067
Electric & Gas Utilities	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$26,095	\$30,252
Water, Sewer & Trash Utilities	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510	\$26,095	\$30,252
Annual Property Insurance Premiums	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$78,286	\$90,755
Property Tax	\$87,500	\$90,125	\$92,829	\$95,614	\$98,482	\$114,168	\$132,352
Reserve for Replacements	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$32,619	\$37,815
Other Expenses	\$46,800	\$48,204	\$49,651	\$51,139	\$52,674	\$61,063	\$70,789
TOTAL ANNUAL EXPENSES	\$556,750	\$572,786	\$589,291	\$606,274	\$623,757	\$719,124	\$828,305
NET OPERATING INCOME	\$842,242	\$854,850	\$867,583	\$880,442	\$893,421	\$960,092	\$1,030,473
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$716,629	\$716,629	\$716,629	\$716,629	\$716,629	\$716,629	\$716,629
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
ANNUAL NET CASH FLOW	\$125,613	\$138,221	\$150,954	\$163,813	\$176,792	\$243,463	\$313,844
CUMULATIVE NET CASH FLOW	\$125,613	\$263,834	\$414,788	\$578,600	\$755,393	\$1,806,030	\$3,199,297
Debt Coverage Ratio	1.18	1.19	1.21	1.23	1.25	1.34	1.44

Project Name	Anderson Creek	
Project Type	100% Affordable	
Council District	District 1	
Census Tract	18.11	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$3,000,000	
Estimated Total Project Cost	\$31,728,768	
High Opportunity	No	
High Displacement Risk	NO	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	North Lamar Blvd	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	15	# of rental units at < 30% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	4	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	45	# of rental units at < 50% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	6	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	18%	% of City's affordable housing goal near high frequency transit
Imagine Austin	18%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	10	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	10	Total # of units provided up to 100 per year
Continuum of Care Score	2	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	Yes	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	1	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	37	Total Affordable 2 Bedroom units
3 Bedroom Units	5	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	14	Multi-bedroom Unit/Total Units * 20
TEA Grade	72	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	3	Educational Attainment, Environment, Community Institutions, Social Cohesion, E
Accessible Units	7	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	2	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	0	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	23	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	16%	% of total project cost funded through AHFC request
Leverage Score	21	3 points per 5% reduction in leverage below 50% (max 30)
AHFC Per Unit Subsidy (including prior amounts)	\$50,000	Amount of assistance per unit
Subsidy per unit score	19	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$28,037	Amount of assistance per bedroom
Subsidy per Bedroom Score	21	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	1.25	Measured at the 5 Year mark
Debt Coverage Ratio Score	24.67000912	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	86	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	119	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

ENTITY INFORMATION

1.a. Detailed listing of developer's experience

1.a. Introduction

McDowell Housing Partners (“MHP”)

McDowell Housing Partners brings more than 100 years of combined experience directly working with local governments and community stakeholders to envision, plan, develop, and operate high-quality affordable and workforce housing communities. Our principals and key staff have completed the development of over 15,000 affordable/workforce units, utilizing an array of complex financial structure and sources including, but not limited to, FHA-insured mortgages (221(d)(4) and 223(f) loans), Private Activity Bonds, HOME Investment Partnership loans, Affordable Housing Partnership loan (AHP), TDHCA Direct Loan Program, Community Development Block Grants (CDBG), Tax-Increment Financing (TIF), renewable energy incentives, and various other state and local programs. MHP takes a long-term stewardship approach in developing sustainable communities that foremost serve existing residents and add to the fabric of the neighborhood.

The MHP team has a demonstrated track record of successfully partnering with state and local governments to deliver the essential workforce and affordable communities that house the people who make our communities thrive. We work holistically to ensure the true needs of a community are met, addressed, and maintained. We also maintain a keen focus on the creation of innovative and valuable social services and programs that drive tenant satisfaction within our affordable housing communities. Together with our team of best-in-class design professionals and finance experts, we will work closely with Housing Planning and Development to deliver desperately needed high-quality affordable housing units.

1.b. Certificate of Status



Franchise Tax Account Status

As of : 10/25/2021 16:07:15

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

MCDOWELL HOUSING PARTNERS, LLC	
Texas Taxpayer Number	32070414225
Mailing Address	5080 SPECTRUM DR STE 520E ADDISON, TX 75001-6584
❓ Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/15/2019
Texas SOS File Number	0803292141
Registered Agent Name	CORPORATE CREATIONS NETWORK INC.
Registered Office Street Address	5444 WESTHEIMER #1000 HOUSTON, TX 77056



April 25, 2019

James May
City of Austin
Neighborhood Housing and Community Development
1000 East 11th Street
Austin, Texas 78702

Subject: Reference for Christopher Shear, Managing Director of McDowell Housing Partners

Dear Mr. May:

First Housing is one of three firms directly engaged by Florida Housing Finance Corporation to underwrite and service the affordable housing developments financed by the allocation agency.

This letter is in reference to Mr. Shear's experience and ability to effectively utilize Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds, and other sources of affordable housing financing. As Senior Vice President of Development for Housing Trust Group Mr. Shear lead the successful development of multiple new construction developments that were underwritten and serviced by FHDC. It is our opinion that the projects listed within the table below were efficiently underwritten, closed, and completed pursuant to the respective programmatic guidelines.

Development	Location	Financing Structure	# Units	Commencement	Completion	Job Cost
Whispering Palms	Pinellas County, FL	9% LIHTC + Pinellas Co. Loan	63	2014	Nov-15	\$11,650,000
Wagner Creek Apartments	Miami-Dade County, FL	LIHTC, Surtax, HOME	73	2015	Jan-17	\$22,800,000
Douglas Gardens	Broward County, FL	4% LIHTC + SAIL Loan + Broward Co. Loan	110	2016	Mar-19	\$24,188,445
Hammock Ridge	Hernando County, FL	9% LIHTC	104	2017	Apr-18	\$19,103,716
Hammock Ridge II	Hernando County, FL	9% LIHTC	92	2017	Est. May-2019	\$16,400,000

**All developments include a mix of income/rent set-asides at or below 60% of the area median income.*

In conclusion, we are confident in Mr. Shear's ability to successfully develop affordable housing in partnership with the City of Austin and Texas Department of Housing & Community Affairs.

Sincerely,

Edward A. Busansky
Senior Vice President
ebusansky@firsthousingfl.com
Ph: 813-283-1043

the affordable housing experts

107 S. Willow Ave.
Tampa, FL 33606

T: 813.289.9410 F: 813.289.5580
Toll Free: 800.967.9410
www.firsthousingfl.com

1e Financial Capacity

McDowell Properties, headquartered in Dallas, Texas, is the parent company of McDowell Housing Partners (MHP). As such, Information on the financial capacity has been provided in the name of McDowell Properties. The company has offices in Dallas, New York, Miami, San Francisco and Raleigh. Over the past 40 years, senior management has owned and operated over 120,000 apartment units in 41 of the 50 largest MSAs.

Since 2004, McDowell Properties has acquired more than \$2.5 billion in apartment projects consisting of more than 40,000 units. McDowell Properties has purchased and sold more than 56 developments in Texas alone. McDowell currently owns and operates developments in 11 states across the country. A financial statement for McDowell Properties is enclosed. Please note that McDowell Properties is the development company, all physical assets are held in separate entities with their own financial statements.

1.c. Statement of Confidence

NOT
APPLICABLE

Jason Knotowicz

From: Vasan, Deepa <Deepa.Vasan@austintexas.gov>
Sent: Wednesday, October 27, 2021 9:12 AM
To: Ana Padilla; Morgan, Ellis
Cc: Jason Knotowicz; Christopher Shear
Subject: RE: Statement of Confidence

Hi Ana

This is required for developers who have not completed projects inside the City of Austin and whose portfolio is located in other jurisdictions.

I think this would apply for McDowell.

Thanks
Deepa

From: Ana Padilla <apadilla@mcdhousing.com>
Sent: Wednesday, October 27, 2021 9:09 AM
To: Vasan, Deepa <Deepa.Vasan@austintexas.gov>; Morgan, Ellis <Ellis.Morgan@austintexas.gov>
Cc: Jason Knotowicz <jknotowicz@mcdhousing.com>; Christopher Shear <cshear@mcdhousing.com>
Subject: RE: Statement of Confidence

Thank you, Deepa for the example.

From the program guidelines, we understand this is required for projects outside the City of Austin. Since our proposed development is within the City limits the item is N/A.

Ana Padilla

Sr Development Manager

McDowell Housing Partners

601 Brickell Key Drive Suite 700. Miami, FL 33131

Direct 786-257-2774 | Cell 216-310-8500

www.mcdprop.com



From: Vasan, Deepa <Deepa.Vasan@austintexas.gov>
Sent: Wednesday, October 27, 2021 9:55 AM
To: Ana Padilla <apadilla@mcdhousing.com>; Morgan, Ellis <Ellis.Morgan@austintexas.gov>
Cc: Jason Knotowicz <jknotowicz@mcdhousing.com>; Christopher Shear <cshear@mcdhousing.com>
Subject: RE: Statement of Confidence

Hi Ana

Hope you are doing well.

Applicant Capacity

McDowell Housing Partners brings more than 100 years of combined experience directly working with local governments and community stakeholders to envision, plan, develop, and operate high-quality affordable and workforce housing communities. MHP takes a long-term stewardship approach in developing sustainable communities that foremost serve existing residents and add to the fabric of the neighborhood. Together with our team of best-in-class design professionals and technical experts, we will work with the City of Austin to exceed expectations and goals.

McDowell Housing Partners (“MHP”)

MHP is the affordable development and investment arm of McDowell Properties, a national multifamily housing investment company focused on the acquisition, management, and repositioning of apartment communities in growth markets across the United States.

Since 2004, McDowell Properties has developed and acquired over 45,000 apartment units (\$2.5BN of real estate assets) with a specific focus on in-depth capital improvements, operational efficiencies, and community creation to provide more than just “four walls and a roof” to thousands of families across the US. Our principals and key staff have completed the development of over 15,000 affordable/workforce units, utilizing an array of complex financial structure and sources including, but not limited to, FHA-insured mortgages (221(d)(4) and 223(f) loans), Private Activity Bonds, HOME Investment Partnership loans, Affordable Housing Partnership loan (AHP), TDHCA Direct Loan Program, Community Development Block Grants (CDBG), Tax-Increment Financing (TIF), renewable energy incentives, and various other state and local programs.

The MHP team has a demonstrated track record of successfully partnering with state and local governments to deliver the essential workforce and affordable communities that house the people who make our communities thrive. We work holistically to ensure the true needs of a community are met, addressed, and maintained – often through a formal community benefits agreement. We also maintain a keen focus on the creation of innovative and valuable social services and programs that drive tenant satisfaction within our affordable housing communities.

MHP’s ability to foresee and overcome challenges is the key to success. Today’s skyrocketing construction cost, an ever-changing regulatory environment, convoluted jurisdictional permit and entitlement process, NIMBYism, and a profound lack of dedicated financing sources for affordable/workforce housing have created an unprecedentedly difficult environment to maneuver.

The MHP team has a plan in place to successfully overcome all of these challenges and any others thrown our way. Beyond our in-depth technical expertise of Section 42 of the tax code (LIHTC), the MHP team provides direct local knowledge of Austin’s land development code, S.M.A.R.T. Housing program, and the

Affordability Unlocked ordinance. We pride ourselves on employing creative financial structures and techniques to optimize deal economics in developer fees, cash flows, construction fees, and residual value under the various programs and rules governing our developments. Our experience and strong relationships with the financial partners allow us to secure the absolute, most competitive financing terms in the industry. For instance, on City Heights, a 179-unit senior affordable development we closed with AHFC in April 2021, we negotiated and secured \$.94 per credit, where average price per credit was approximately \$.90 for other developments in AHFC's pipeline. It should be noted that McDowell is one of only 40 Freddie Mac Select Sponsors across the country - a highly coveted designation, recognizing sponsors with a successful track record, and alignment with Freddie Mac's mission to provide liquidity, stability, and affordability to the U.S. housing market with an emphasis on securing housing for low- and moderate-income families. Ultimately, we uphold a resolute commitment to see the job through with the utmost integrity.

MHP has engaged a team of exceptional professionals to work on Anderson Creek. All team members maintain significant experience in affordable housing development and/or within the City of Austin. This team has completed multiple successful developments, they know how to work collaboratively, and get the job done. Detailed company overviews and resumes are enclosed for reference.

In summary, McDowell Housing partners has the capacity to immediately and effectively execute this development. There are no existing time commitments that would prohibit any member of the proposed development team, internal or external, from proceeding with this development. MHP will be responsible for all pre-development expenses, and most importantly, MHP will commit to pursue any and all funding sources available to complete this development as quickly as possible.

W. Patrick McDowell - Chairman and CEO

Mr. McDowell has 48 years of experience in the real estate industry. As McDowell Properties Founder, Chairman and CEO, he leads the senior team in all aspects of the firm's business activities and strategic planning efforts and is Chairman of the firm's Investment Committee. Since inception the company has purchased over 40,000 rental units valued at over \$3.0 billion and has made investments in subordinate, commercial mortgage-backed securities representing \$16.0 billion of multifamily loans secured by over 232,000 units.

Mr. McDowell was a founder and partner of The Fox Group and its successor company Metric Realty, a joint venture with Metropolitan Life Insurance Company, from 1971 until 1993. Fox/Metric invested in and managed over \$4 billion in real estate assets, comprising in excess of 400 individual properties located in more than 30 states. Mr. McDowell was Executive Vice President of Fox from 1975 until 1986, in charge of all acquisition, disposition and financing activities, and from 1986 until 1993, he was President and Chief Executive Officer.

Mr. McDowell has extensive experience investing and managing capital as a fiduciary for investors in public and private securities offerings and for public pension funds. While at Metric Realty, Mr.

McDowell raised and managed over \$1 billion in capital for more than 30 public pension plans, including CALPERS and CALSTRS.

Mr. McDowell is active in numerous industry organizations. He has served on the Advisory Committee for Troubled Projects of the U.S. Department of Housing and Urban Development, as well as the Vice Chairman of the National Multi Housing Council. He is on the Advisory Board of the Fisher Center for Real Estate at the University of California, Berkeley, a member of the Urban Land Institute and a Board member of the National Multi Housing Council. Mr. McDowell has a BA from Stanford University and an MBA in Real Estate from the Graduate School of Business at the University of California, Berkeley.

Kenneth Lee - President

Kenneth Lee is President for McDowell Properties. Mr. Lee is responsible for the firm's overall investment strategy overseeing all real estate acquisition, disposition, and financing activities. Mr. Lee is also responsible for the firm's debt and preferred equity investments, and its institutional investment vehicles, including capital formation. During his tenure, he has acquired over \$3.0 billion of real estate assets and made investments in subordinate, commercial mortgage-backed securities representing \$16.0 billion in multifamily loans.

Prior to joining McDowell Properties in 2004, Mr. Lee worked at Chase Securities, Inc., and its affiliates where he evaluated high-yield debt investments, completed over \$2.0 billion in merger advisory and debt/equity placement transactions and worked in the finance department of a portfolio company. He also worked at GMS Realty, LLC, a private real estate investment company.

Mr. Lee has a BA from Boston University and an MBA in Real Estate from the Haas School of Business at the University of California, Berkeley. He is currently a board member of the National Multi Housing Council, a member of the Advisory Board at the Fisher Center for Real Estate at the University of California, Berkeley, and a member of the Urban Land Institute.

Christopher Shear - Chief Operating Officer

Mr. Shear serves the Chief Operating Officer of McDowell Housing Partners, LLC (MHP), the affiliated affordable/workforce housing development and investment arm of McDowell Properties. Over the course of his career Mr. Shear has been responsible for the development of over 2,900 affordable/workforce housing units within an array of complex financial and partnership structures, including 9% and 4% LIHTCs, tax-exempt bonds, Tax-Increment Financing, Community Development Block Grants, HOME investment Partnership Loans, Federal Home Loan Bank (AHP) loans, FHA insured mortgage products, project-based rental assistance (Section 8), and various local housing subsidies.

As COO of McDowell Housing Partners, Mr. Shear continues to apply his leadership and experience across MHP's acquisition, development, accounting, and operational teams. Mr. Shear is responsible for formulating and implementing MHP's growth, development, and investment strategies; hiring and assignment of key personnel; and formulating strategic partnerships with local governments, mission

driven non-profits, housing authorities, and faith/community-based organizations. He maintains a resolute passion for the development and preservation of housing that serves low- and moderate-income families and seniors.

Prior to joining McDowell Housing Partners, Mr. Shear served in leadership roles with prominent for-profit and non-profit affordable housing firms. Most recently, Mr. Shear served as Senior Vice President of Housing Trust Group, where he was instrumental to the company's rapid growth and success, delivering 12 competitively-funded new construction developments (1,112 units) during his 7-year tenure. Mr. Shear is a LEED Accredited Professional and holds a B.S. in Economics, with a concentration in Real Estate and Urban Land Economics, from the University of Wisconsin–Madison. He serves on the Board of Directors of the Florida Coalition of Affordable Housing Providers (CAHP) and the Miami Beach Community Development Coalition.

Mario A. Sariol - Chief Financial Officer (CFO)

Mario A. Sariol is the Chief Financial Officer (CFO) at McDowell Housing Partners (MHP) and brings nearly three decades of experience in accounting, finance, and compliance in the real estate sector, specifically within Low-Income Housing Tax Credits financed assets. He is responsible for leading project and corporate accounting functions; asset management including lender, investor, and partner reporting and Section 42 (LIHTC) compliance; insurance programs; and MHP's acquisition/rehab underwriting.

Prior to MHP Mario acted as CFO of at Housing Trust Group, LLC, where he was part of the executive team that established development strategies, policies and procedures that propelled the company to the largest in the State of Florida and into the top twenty-five affordable housing developers in the Country. He served as Vice President of Accounting and Corporate Controller at The Related Group, a large affordable housing, market rate rental and condominium developer in Florida for over eight years. During his tenure at The Related Group, he was part of the team that delivered over 7,500 units to market.

He received his BBA from the University of Miami and Master of Accounting with a concentration in Taxation from Florida International University. When not working or spending time with his family, Mario thoroughly enjoys the great outdoors as well as volunteering at environmentally oriented non-profit organizations.

Jason Knotowicz -Senior Vice President of Development - Dallas HQ Office

Jason Knotowicz has over a decade of experience in real estate development, bringing together stakeholders, government officials, and community leaders as a force multiplier to transform communities impacting both physical and economic landscapes.

Jason was born and raised in Buffalo, New York and proudly served in the United States Air Force for 21

years. His most favored achievement was to serve for 5 years as a First Sergeant; a leadership position that focused solely on the mobile readiness and morale of the troops. Jason graduated as the Salutatorian of his class, with a B.S. in Urban and Regional Planning, with an emphasis in Economics, from California Polytechnic University, Pomona in 2010. He has his Certification of Project Management and Construction Management from the University of California, Riverside. Jason graduated with an MBA from the Cox School of Business at Southern Methodist University in May 2019.

Jason has been known for his passion for real estate development with his focus on building successful development teams that get things right the first time. Throughout his real estate career, he has developed over 4,000 units of multifamily housing with a total value of over \$750M. He has vast experience in master-planned development, directing site selection and feasibility analysis, design development, entitlements, construction management, contract negotiations, financial feasibility, and market analysis. As a proven leader, Jason has a verifiable track record for the successful planning, execution, and completion of large-scale, multifamily real estate developments.

Ana Padilla - Senior Development Manager

Ana joined McDowell Housing Partners in March 2020 as a Senior Development Manager with extensive experience in Low Income Tax Credit (LITC) developments. Having worked in Construction and Development of Affordable Projects for the past 15 years, Ms. Padilla has closed over 5,500 units with emphasis in LIHTC mixed financing developments. She has successfully closed 9%, 4%, PFC and Market Rate developments with several layers of finance such as HOME, CDBG, TCAP, PHA and PBV units with overlapping timelines, while delivering on time. Previously she worked as an Architect, Design Manager and General Manager.

At McDowell Housing Partners she is responsible for managing LIHTC projects with emphasis in financial closings. This will include responsibility in identifying critical paths and securing all documents required for closings, managing each development through local permit approvals, ensuring that State Agency regulatory obligations are being followed, and commitments made during development are effectively incorporated into design development, construction, ownership, and management. She manages external relationships with professionals and consultants, securing timely deliverables for closing. In addition, she will assist in evaluating potential sites, submit applications, manage budgets, and facilitate communication between design, development, and construction teams.

Previously, Ms. Padilla worked at The NRP Group as Project Manager and The Cleveland Housing Network as Construction Project Manager. In 2017 The NRP Group was ranked by the Affordable Finance magazine as the #1 affordable developer with 1,798 units closed, of which Ms. Padilla closed 1,294 units. She also worked at Rysar Properties where she assisted in the Construction of single-family houses as Design Manager. She worked as Architect of multifamily and single-family

developments and as Construction Project Manager. She has also worked independently as an interior designer. Ms. Padilla graduated from the University of Maryland, College Park with a Bachelor of Science in Architecture, and a Bachelor of Architecture from the Universidad Central de Venezuela. In addition, Ana holds a professional license in real estate.

Thrower Design is a local Austin planning firm that specializes in zoning consulting, securing site development permits, plats, environmental approvals, and utility permits in Austin. Ron Thrower and his team have been involved in over 200 zoning cases, 250 subdivisions, 500 site plans, and site development permits in Austin and the surrounding jurisdictions. Thrower Design has successfully led in the rezoning application and hearings for Anderson Creek and achieve the necessary zoning to proceed with the intended use for this development.

Fugleberg Koch Architects has completed over \$15 billion dollars in building volume. This includes over 280,000 multi-family dwelling units, 35,000 resort hotel rooms and 15 million square feet of commercial, industrial, and institutional building area. The firm conducts business through its office in Winter Park, Florida (metropolitan Orlando), maintaining registrations in several states throughout the country. The firm's client list includes many major national multi-family and commercial developers.

Pape-Dawson was established in 1965 as a civil engineering firm with the goal of providing quality services with a high level of integrity. Since then, they have grown into the largest civil engineering firm headquartered and exclusively located in Texas. They provide professional civil engineering consulting services in the areas of land development, transportation, water resources, surveying, environmental, hydrology/hydraulics, and GIS.

Structure Development Our local Austin based development consultant, who plays an integral role in the development process. Structure will act as our local boots on the ground to ensure we always have adequate coverage through the entitlement process. They will also bring significant TDHCA application and underwriting experience to the Development Team. Structure specializes in affordable housing finance, and has expertise with Low Income Housing Tax Credits and other public subsidies. Their firm advises developers from around the country on the Texas process. From site feasibility to entitlements to TDHCA's tax credit and bond application process, to certificate of occupancy, their team has navigated the Texas public process **since 1994**. Structure Development has contributed to the construction of **over 13,000 affordable housing units** across the State of Texas, including **829** of which were in the City of Austin. **See Appendix A for Firm Resume and Leadership Biographies.**

Financial Capacity

MHP and its principals are extremely well capitalized. We commit to make all financial expenditures necessary for pre-development through closing. We commit to provide all necessary guarantees, including Construction Completion, Operating Deficit, Tax Credit Recapture, etc. to close financing, complete construction, and operate the Anderson Creek development. MHP principals provide both corporate and personal guarantees on our development projects.

McDowell Properties' financial statements are enclosed for reference. The principal guarantors are open to sharing their personal financial statements with AHFC, if selected. The information provided to AHFC for City Heights is still valid and consistent today. MHP Developers, LLC is our corporate entity that serves as guarantor. The entity is capitalized with \$2,000,000 of liquidity, which suffices the obligation of our investors and lenders. We have included verification of deposit for reference.

The timing of Anderson Creek is perfect for McDowell Housing Partners. MHP closed financing on City Heights (Austin) in April 2021 and Lakeview Preserve (Irving) in July 2021. We currently do not have any development in pre-development for the remainder of the year. Therefore, our dedicated TX development team is eager to get started on a new 4% development project. MHP hereby commits to devote any and all resources necessary, as well as the full capacity of our TX development team to Anderson Creek. This development would be the top priority for our team.

Even though our TX team is based in Dallas, we have the advantage of Structure Development as our local development consultant team. Structure will act as our boots on the ground development consultant ensuring that we are present and available for any local in-person requirements.

Below is a chart of developments in MHP's pipeline. The majority of the developments are run by our FL development teams. And as you will see by the estimated closing date, they are already through the heavy lifting portion of the development process (architecture, engineering, permits/entitlements, and securing financial commitments). Therefore, MHP further commits to redirect personnel to Anderson Creek to ensure its timely success as may be necessary.

SECURED COMPETITIVE FUNDING ALLOCATIONS (2020-2021)						
Project	Location	Competitive Funding Agency	Number of Units	4% or 9%	Closed	Estimated Closing
Arbor Park	North Port, FL	Florida Housing Finance Corporation	136	4%		Jun-22
City Heights	Austin, TX	Texas Departments of Housing and Community Affairs	179	4%	Apr-21	
Douglas Gardens V	Pembroke Pines, FL	Florida Housing Finance Corporation	200	4%		Apr-22
Lakeview Preserve	Irving, TX	Texas Departments of Housing and Community Affairs	84	9%	Jul-21	
Jordan Bayou	Carebelle, FL	Florida Housing Finance Corporation	39	HOME	Sep-20	
New River Landing	Carebelle, FL	Florida Housing Finance Corporation	30	HOME		Sep-21
The Harmony	Naples, FL	Florida Housing Finance Corporation	82	4%		Aug-21
Allegro	Naples, FL	Florida Housing Finance Corporation	160	4%		Sep-21
Magnolia Oaks	Tallahassee, FL	Florida Housing Finance Corporation	110	4%	Jul-21	
The Enclave	Orlando, FL	Florida Housing Finance Corporation	96	9%		Dec-21
The Cadenza	Naples, FL	Florida Housing Finance Corporation	160	4%		Apr-22
Southpointe Vista	Miami, FL	Florida Housing Finance Corporation	124	9%		Apr-22
Southpointe Vista II	Miami, FL	Florida Housing Finance Corporation	220	4%		Apr-23
Total Units			1620			

PRINCIPALS INFORMATION



Company Overview

2021

McDowell Housing Partners

- McDowell Housing Partners (MHP) is the affordable housing development arm of McDowell Properties (MP), a national multifamily housing investment company having acquired and/or developed over 45,000 units across 16 states.
- Our mission is to deliver and preserve high-quality housing communities to America's workforce and seniors regardless of socioeconomic status. Furthermore, it is our goal to provide residents valued amenities, services, and programs that will directly contribute to their well being and quality of life.
- MHP's primary offices are in Miami, FL and Dallas, TX where we have assembled a world class team of experienced affordable housing professionals spanning the critical functions of the developing, owning, and operating complex and highly regulated LIHTC assets.
- In addition to actively developing new affordable housing communities, MHP has raised \$50MM in equity "MHP Preservation Fund I" to specifically acquire existing affordable (LIHTC) housing assets thereby ensuring the sustained income and rent restrictions.



McDowell Companies Overview



2004 - Year of first multifamily acquisition



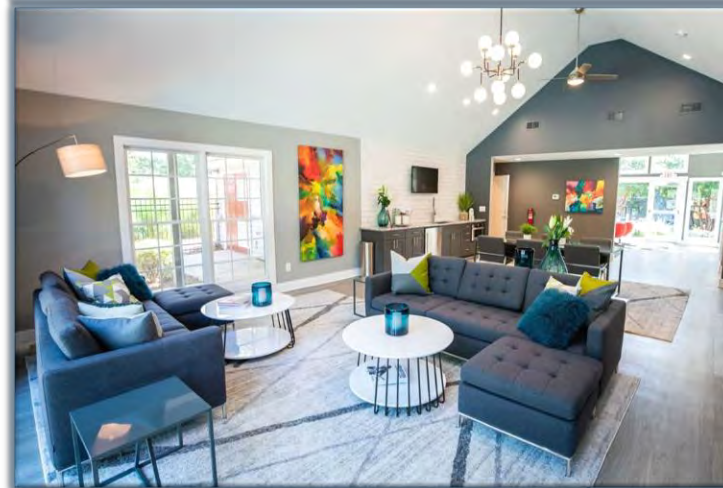
\$4.0 billion of multifamily assets (over 45,000 units) acquired/developed since inception



Preeminent affordable/workforce housing developer through McDowell Housing Partners, LLC

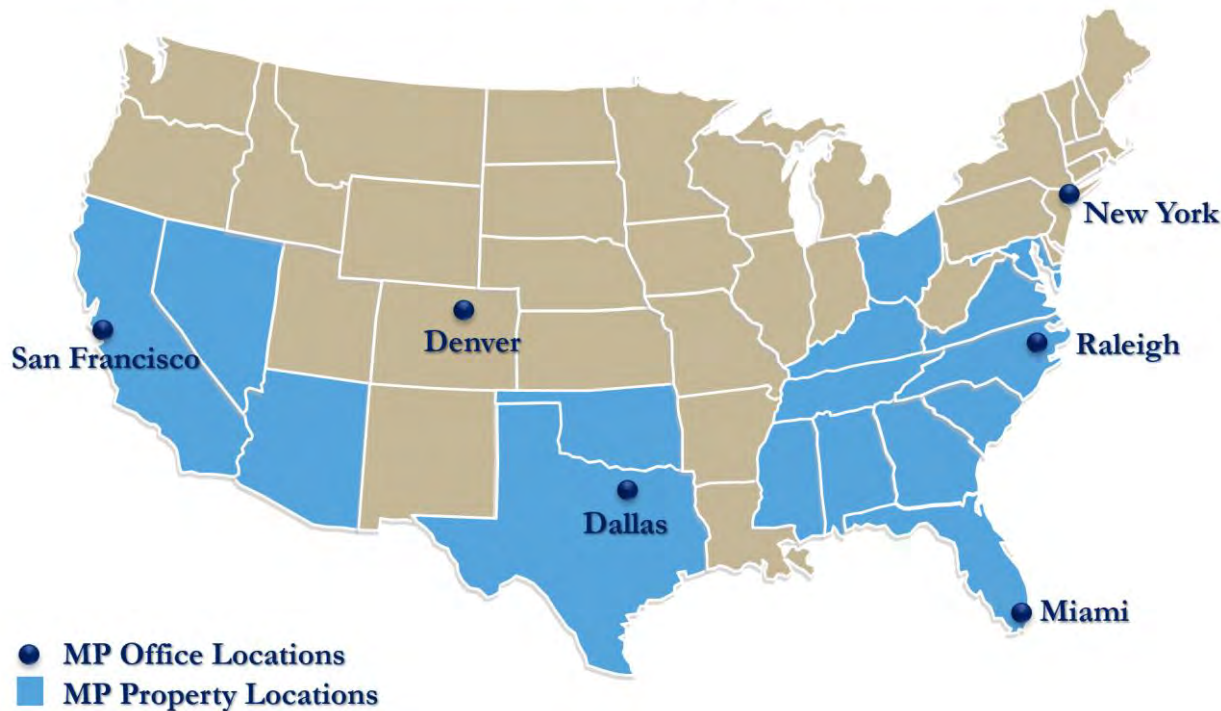


Active buyer of subordinate CMBS debt secured by multifamily loans. Total loan balances of \$16.0 billion and are secured by over 232,000 apartment units



McDowell Companies Overview

Regional Offices & Property Locations



- Active offices in Dallas, New York, Miami, Denver, Raleigh, and San Francisco.
- Company principals and the executive team have **closed over \$7 Billion in debt and equity financing** and maintain over **200 years** of collective experience in developing, constructing, operating, and recapitalizing conventional, workforce, and Section 42 (LIHTC) housing across the country.

McDowell Housing Partners

- **Structure:** Vertically integrated team of finance, development management, construction, accounting and asset management staff in house.
- **Partnerships:** MHP prides itself in working with public and non-profit partners to combine critical resources necessary to deliver affordable housing.
- **Expertise:** Proven success utilizing intricate financing products and methods: LIHTC, Historic Tax Credits, FHA-insured mortgages (221(d)(4) and 223(f)), Tax-Exempt Private Activity Bonds, HOME Investment Partnership loans, Affordable Housing Partnership loan (AHP), Florida's State Apartment Incentive Loan program (SAIL), Community Development Block Grants (CDBG), Tax-increment Financing (TIF), and numerous local funding programs.
- **Track Record:** Demonstrated success!
 - **MHP principals and executives have completed the development of over 15,000 affordable/workforce units utilizing low-income housing tax credits.**
 - **McDowell is one of only 40 Freddie Mac Select Sponsors across the country** - a highly coveted designation, recognizing sponsors with a successful track record, and alignment with Freddie Mac's mission to provide liquidity, stability and affordability to the U.S. housing market with an emphasis on securing housing for low- and moderate-income families



McDowell Housing Partners - Strategy

Workforce/Affordable Housing Development

- Pipeline of over 1,600 LIHTC units under construction and in underwriting
- Strong relationships with State LIHTC allocation agencies and local governments
- New construction focus on high growth markets/states
- In-house verticals - development, finance, construction, compliance, asset management, and legal under one roof.
- Provide social, health, and wellness supportive services to residents to enhance quality of life and create a stronger sense of community

Operations and Acquisitions

- Current portfolio is over 13,000 total units within 7 states
- Operate multiple funds that acquire existing LIHTC and unrestricted value-add multifamily properties
- Preserve affordability via recapitalization or tax credit re-syndications
- Implement moderate to substantial renovation programs
- Implement more efficient property management through proven means and methods

Multifamily Real Estate Debt

- One of the first purchasers of Freddie K subordinate debt in 2010
- Invested over \$500 million of equity in 16 Freddie K-Series transactions(1)
- Strong performance with 6 Freddie K-Series realized investments (realized net IRRs over 25%) and the current portfolio has only 1 default (opportunistic purchase of distressed loans)
- A/B Note joint lending venture with a Top 5 U.S. Bank – venture provides loans on U.S. multifamily projects

MHP Pipeline

Under Construction and in Underwriting

SECURED COMPETITIVE FUNDING ALLOCATIONS (2020-2021)						
Project	Location	Competitive Funding Agency	Number of Units	4% or 9%	Closed	Estimated Closing
Arbor Park	North Port, FL	Florida Housing Finance Corporation	136	4%		Jun-22
City Heights	Austin, TX	Texas Departments of Housing and Community Affairs	179	4%	Apr-21	
Douglas Gardens V	Pembroke Pines, FL	Florida Housing Finance Corporation	200	4%		Apr-22
Lakeview Preserve	Irving, TX	Texas Departments of Housing and Community Affairs	84	9%	Jul-21	
Jordan Bayou	Carebelle, FL	Florida Housing Finance Corporation	39	HOME	Sep-20	
New River Landing	Carebelle, FL	Florida Housing Finance Corporation	30	HOME		Sep-21
The Harmony	Naples, FL	Florida Housing Finance Corporation	82	4%		Aug-21
Allegro	Naples, FL	Florida Housing Finance Corporation	160	4%		Sep-21
Magnolia Oaks	Tallahassee, FL	Florida Housing Finance Corporation	110	4%	Jul-21	
The Enclave	Orlando, FL	Florida Housing Finance Corporation	96	9%		Dec-21
The Cadenza	Naples, FL	Florida Housing Finance Corporation	160	4%		Apr-22
Southpointe Vista	Miami, FL	Florida Housing Finance Corporation	124	9%		Apr-22
Southpointe Vista II	Miami, FL	Florida Housing Finance Corporation	220	4%		Apr-23
Total Units			1620			

City Heights – Austin, TX



The Harmony - Naples, FL



Magnolia Oaks - Tallahassee, FL



McDowell Housing Partners – Affordable

➤ Chris Shear - Project Resume

Chris Shear - Project Resume						
Carlisle Development Group	Type	Location	Financing Structure	Units	Year Completed	Total Dev Cost
Northwest Gardens I	Acq/Rehab + New Construction	Fort Lauderdale, FL	4% LIHTC + AHP + TCEP	143	2011	\$ 23,200,619.00
Northwest Gardens III	New Construction	Fort Lauderdale, FL	9% LIHTC + Broward HOME Loan + TCEP	150	2012	\$ 28,922,764.00
Kennedy Homes	New Construction	Fort Lauderdale, FL	9% LIHTC + Broward HOME Loan + TCEP	132	2012	\$ 27,754,851.00
Dixie Court III	New Construction	Fort Lauderdale, FL	9% LIHTC + AHP + Broward HOME Loan	100	2009	\$ 16,537,396.00
Palafox Landing	New Construction	Pensacola, FL	4% LIHTC, HHRP, SHIP	96	2010	\$ 16,050,461.00
Dixie Court I/II	New Construction	Fort Lauderdale, FL	9% LIHTC + TCEP+ Escambia Co Hurricane Recovery Loan + TCA	154	2009	\$ 29,232,751.00
Village Carver I	New Construction	Miami, FL	9% LIHTC + Miami-Dade Surtax	112	2010	\$ 29,671,543.00

Elderly Housing Development a	Type	Location	Financing Structure	Units	Year Completed	Total Dev Cost
Mildred & Claude Pepper Towers	Acq/Rehab	Miami, FL	9% LIHTC, FHA Loan + Section 8 HAP	151	2011	\$ 18,979,596.00
Mayfield Manor	Acq/Rehab	Canton, OH	4% LIHTC, FHA Loan, Section 8 HAP	144	2011	\$ 14,218,746.00
Jacksonville Towers	Acq/Rehab	Jacksonville, AR	FHA Loan + Section 8 HAP	100	2011	\$2,461,593 *
Johnson Towers	Acq/Rehab	Washington, DC	FHA Loan + Section 8 HAP	55	2012	\$2,227,280 *
Robert Sharp Towers	Acq/Rehab	Miami Gardens, FL	4% LIHTC + Section 8 HAP + Surtax	218	2011	\$ 28,688,000.00
Edward M. Marx Apartments	Adaptive Reuse (Rehab)	Chicago, IL	HUD Section 202 + City of Chicago Loan	31	2012	\$ 7,011,069.00
J. Michael Fitzgerald	New Construction	Chicago, IL	HUD Section 202 + City of Chicago Loan	63	2013	\$ 12,500,000.00
John Piazza Apartments	New Construction	Fontana, CA	HUD Section 202 + Fontana Redevelopment Agency Loan	60	2011	\$ 11,100,000.00

* amount of hard cost contract only for mod rehab

Housing Trust Group	Type	Location	Financing Structure	Units	Year Completed	Total Dev Cost
MLF Tower	Acq/Rehab	St. Petersburg, FL	9% LIHTC	146	2014	\$ 20,000,000
Village Place	New Construction	Fort Lauderdale, FL	9% LIHTC, HOME	112	2014	\$ 25,016,991
Pine Run Villas	New Construction	Greenacres, FL	4% LIHTC, NSP2, HOME	63	2013	\$ 12,850,000
Courtside Family Apartments	New Construction	Miami, FL	4% LIHTC + City of Miami Loan + Surtax + HOME + Miami-Dade C	84	2014	\$ 22,632,000
Whispering Palms	New Construction	Pinellas County, FL	9% LIHTC + Pinellas Co. Loan	63	2014	\$ 11,650,000
Cornell Colony	New Construction	Avon Park, FL	HOME + AHP	44	2015	\$ 8,150,000
Wagner Creek Apartments	New Construction	Miami-Dade County, FL	LIHTC, Surtax, HOME	73	2015	\$ 22,800,000
Park at Wellington Apartments	New Construction	Pasco County, FL	9% LIHTC + Pasco Co. Fee Waiver	110	2016	\$ 19,408,969
Park at Wellington Apartments II	New Construction	Pasco County, FL	4% LIHTC + SAIL Loan	110	2016	\$ 18,338,164
Arbor View	New Construction	Broward County, FL	9% LIHTC + HOME	100	2016	\$ 27,000,000
Douglas Gardens	New Construction	Broward County, FL	4% LIHTC + SAIL Loan + Broward Co. Loan	110	2016	\$ 24,188,445
Hammock Ridge	New Construction	Hernando County, FL	9% LIHTC	104	2017	\$ 19,103,716
Hammock Ridge II	New Construction	Hernando County, FL	9% LIHTC	92	2017	\$ 16,400,000
Osprey Pointe	New Construction	Pasco County, FL	4% LIHTC + SAIL Loan	110	Under Const.	

McDowell Housing Partners – Affordable

➤ Ana Padilla - Project Resume

Ana Padilla - Project Resume						
Project	Type	Location	Financing Structure	Units	Year	Total Dev Cost
Sienna Pointe	New Construction	San Marcos, TX	4% LIHTC + HOME	228	2013	\$29,145,965
San Juan III	New Construction	San Antonio, TX	4% LIHTC + HOME + PBV + PHA	252	2013	\$31,668,440
The Palms at Leopard	New Construction	Corpus Cristi, TX	9% LIHTC + HOME	120	2013	\$16,077,705
Decatur - Angle	New Construction	Forth Worth, TX	4% LIHTC + HOME	306	2014	\$40,131,965
Woodland Creek	New Construction	Corpus Christi, TX	9%	94	2014	\$20,995,394
Bruton Apartments	New Construction	Dallas, TX	4% LIHTC + HOME	264	2014	\$35,457,712
Emerald Village	New Construction	San Antonio, TX	9% LIHTC + HOME + CDBG	144	2014	\$22,425,508
Balcones Loft	New Construction	San Antonio, TX	9% + Bexar County / CHDO Loan	84	2014	\$11,637,960
Eagles Rest	New Construction	San Antonio, TX	9% Home	108	2015	\$17,936,712
Palo Alto	New Construction	San Antonio, TX	4% LITHC + HOME + CDBG	322	2015	\$39,773,870
The Terrace at Walnut Creek	New Construction	Austin, TX	4% LITHTC	324	2016	\$55,789,859
Denton Apartments	New Construction	Denton, TX	4% LITHTC	322	2016	\$47,568,010
Parmer Ranch Trail	New Construction	Cedar Creek, TX	LP/GP-Debt	337	2016	\$47,879,064
Mercantile Apartments	New Construction	Fort Worth, TX	4% LITHTC + PBV	324	2016	\$46,164,418
Broadmoor Apartments	New Construction	Fort Worth, TX	4% LITHTC + HOME	324	2016	\$45,234,298
Tuscany Park at Arcola	New Construction	Arcola, TX	9% LIHTC + TCAP	96	2017	\$17,919,021
Harris Ridge Appartments	New Construction	Austin, TX	4% LIHTC + TCAP	324	2017	\$51,869,697
Del Valle Apartments	New Construction	Austin, TX	4% LIHTC	302	2018	\$47,926,136
Secretariat Apartments	New Construction	Arlington, TX	9%	74	2018	\$16,213,947
West Cevallos	New Construction	Austin, TX	PFC	323	2019	\$56,974,346
Techride Apartments	New Construction	Austin, TX	LP/GP-Debt	368	2019	\$51,340,658
SOCO II	New Construction	Austin, TX	OFC	270	2019	\$51,012,112
Decker Lofts	New Construction	Austin, TX	4% LIHTC	262	2019	\$55,859,646
Bridge at Loyola Lofts	New Construction	Austin, TX	4% LIHTC + TCAP	204	2020	\$46,343,731

McDowell Housing Partners – Affordable

➤ Jason Knotowicz- Project Resume

Jason Knotowicz - Project Resume					
Project	Type	Location	Financing Structure	Units	Total Dev Cost
La Mision Village	New Construction	Oceanside, CA	LIHTC	80	\$27,000,000
Villag on Route 66	New Construction	Cucamonga, CA	Market Rate	166	\$43,000,000
San Marino *	New Construction	Montclair, CA	LIHTC	85	\$18,000,000
Mission Village	New Construction	Riverside, CA	LIHTC	101	\$20,000,000
Juniper Senior	New Construction	Escondido, CA	LIHTC	60	\$15,700,000
Vista Del Cielo	New Construction	Montclair, CA	LIHTC	60	\$16,500,000
River Canyon	New Construction	Cathedral City, CA	4% BONDS	112	\$15,500,000
Normandie Senior	New Construction	Los Angeles, CA	4% BONDS	62	\$15,000,000
Woods Family	Rehab	Los Angeles, CA	LITHC	60	\$25,000,000
Westlake Village	New Construction	San Marcos, CA	LITHC	50	\$20,000,000
Sam Emi*	New Construction	Montclair, CA	LIHTC	18	\$16,000,000
Rennaisamce Village	Rehab	Rialto, CA	4% BONDS	144	\$12,000,000
Village at Meadowbend	Rehab	Temple, TX	4% BONDS	247	\$3,000,000
The Park at Cliff Creek	Rehab	Dallas, TX	4% BONDS	288	\$12,000,000
Timbers Apartments	Rehab	Austin, TX	4% BONDS	110	\$10,000,000
Provision at Melissa	Rehab	Melissa, TX	LIHTC	93	\$20,000,000
Gala at Melissa	New Construction	Melissa, TX	LIHTC	93	\$19,000,000
Artistry at Craig Ranch*	New Construction	McKinney, TX	LIHTC	163	\$34,000,000
Provision at N. Valentine	New Construction	Hurst, TX	LIHTC	96	\$19,000,000
Artistry at Edgestone*	New Construction	Frisco, TX	Market Rate	188	\$44,000,000
Revelstoke	New Construction	Forth Worht	Market Rate	408	\$62,000,000
Hill Street	New Construction	Grand Prairie, TX	Market Rate	290	\$57,000,000
Berkshire Phase 1	New Construction	Forth Worht	Market Rate	340	\$64,000,000
Waterfrod	New Construction	Austin, TX	Market Rate	283	\$71,000,000
Frisco Square	New Construction	Frisco, TX	Market Rate	370	\$85,000,000

McDowell Housing Partners – Affordable

➤ Jodi Rothery - Project Resume

Jodi Rothery - Project Resume					
Project	Type	Location	Units	Financing Structure	Total Dev Cost
Bear Creek	Reposition	Wildomar, WA	126	JV Debt/Equity	\$23.9M
Discovery Park	Resyndication	Sacramento, CA	800	LIHTC 4%	\$68M
Villa Del Sol	New	Sunnyvale, CA	114	JV Debt/Equity	\$26.80
Park Central Townhomes	New	Petaluma, CA	241	JV Debt/Equity	\$44.6M
Riverwalk Apartments	New	Santa Clara, CA	250	JV Debt/Equity	\$66.2M
Cracker Jack Flats	New/Redev.	Fort Irwin, CA	281	Private Bonds	\$85.7M
The Villages at Parks	New/Redev.	Dublin, CA	114	Private Bonds	\$37.5M
Sandy Basin I	New/Redev.	Fort Irwin, CA	317	Private Bonds	\$96.7M
Sandy Basin II	New/Redev.	Fort Irwin, CA	158	Private Bonds	\$48.2M
The Villages at Moffett	New/Redev.	Mountain View, CA	181	Private Bonds	\$63.4M
Cactus Cove Apartments	New	Fort Irwin, CA	113	Private Bonds	\$34.5M
Shanendoah Apartments	Renovation	Mountain View, CA	164	Private Bonds	\$22.3M
Town Center Apartments	New	Fort Irwin, CA	200	Private Bonds	\$52.1M
Moffett Historic Homes	Renovation	Mountain View, CA	9	HTC, Private Bonds	\$9.6M
Sleepy Hollow	New/Redev.	Fort Irwin, CA	104	Private Bonds	\$31.7M
Healing Horse	New	New Town, ND	395	Private Debt/Equity	\$97.1M
The Beacon Apartments	New	Minot, ND	132	Private Debt/Equity	\$25.7M
The Mumby	Renovation	Baltimore, MD	100	HTC, Private Equity	\$11.3M
Siena & Stylus at Civita	New	San Diego, CA	306	LIHTC 9% & 4%, AHP	\$152M
Benson Apartments	Renovation	San Diego, CA	82	LIHTC 9%, AHP, SNHP, PBV	\$23.7M
Serinita	New	Brawley, CA	60	LIHTC 9%, CPP	\$18.9M
Cypress Village	New	Irvine, CA	80	LIHTC 4%, PBV, HOME, CPP	\$42.5M
Mid-City Family & Senior	New	San Diego, CA	195	LIHTC 4%, AHP, IHTF, SDHC, HOME	\$73.2M
Fairbanks Terrace	New	San Diego, CA	31	LIHTC 4%, State credits	\$11.10
Poway Commons	New	Poway, CA	44	LIHTC 4%, State credits, IHTF	\$15.7M
14th & Commercial	New	San Diego, CA	407	LIHTC 4%, AHSC, SHMHP, IIG, NPLH, PBV, HOME	\$187M
Weingart Towers (Closing 5/15/21)	New	Los Angeles, CA	278	LIHTC 4%, AHSC, MHP, HHH, NPLH, PBV, HOME	\$165.7M

Hammock Ridge – Multiphase Development

Hammock Ridge I



Hammock Ridge II

8246 / 8274 Omaha Circle, Spring Hill, FL 92 & 104 Units

Affordable Multi - Family

- Property Type: Garden-style (walk up)
- Demographics: Family
- Number of Buildings: Three buildings with 36 units each
- Building Heights: Three Stories
- Funding: Competitive 9% LIHTC, Hernando County Loan
- Development Cost : \$19,103,716
- Completion Date: April 2018
- The Hammock Ridge community is a 104-unit new construction development serving families in Spring Hill, FL.
- Amenities include: clubhouse, fully equipped fitness center, computer lab, playground and BBQ station

Affordable Senior (55+)

- Property Type: Mid-rise (elevator)
- Demographics: Senior (55+)
- Number of Buildings: One
- Building Heights: Four Stories
- Funding: Competitive 9% LIHTC
- Development Cost : \$16,400,000
- Completion Date: May 2019
- The Hammock Ridge II is anew 4-story development serving low-income senior residents (55+)
- Amenities include: communal lobby and fully furnished area.

Douglas Gardens V – Multiphase Development



709 SW 88 Avenue, Pembroke Pines, FL 110 Units

Affordable Senior (55+)

- Property Type: Mid-rise (elevator)
- Demographics: Senior (55+)
- Number of Buildings: One
- Building Heights: Four Stories
- Funding: 4% LIHTC, Competitive FHFC SAIL
- ELI Loan Tax-Exempt Bonds
- Development Cost : \$24,188,445
- Completion Date: March 2019
- Amenities include: Computer lab, resident services, meals programs, health and wellness services, shuttle services, computer classes, game and movie nights

City Heights - Austin, TX



4400 Nuckols Crossing Road, Austin, TX

179 Units

Highlights:

- Partnership with City of Austin
- Austin Housing Finance Corporation
- Partnership with local continuum of Care non-profit (ECHO)
- **Utilized Austin's Affordability Unlocked** Zoning Ordinance
- Overcame material neighborhood opposition
- Mitigated challenging topography and environmental features

Affordable Senior (55+)

- Property Type: Mid-rise (elevator)
- Demographics: Senior (55+)
- Number of Buildings: One
- Building Heights: Six Stories (five frame over concrete podium)
- Funding: 4% LIHTC, Tax-Exempt Bonds, Austin RHDA Loan
- Development Cost: \$41,984,154
- Completion Date: Est.: Dec 2022
- Amenities include: swimming pool, community room, fitness room, computer stations, BBQ grills, gazebo, walking trail with fit stations

Park at Wellington II



4311 Jordana Way,, Holiday FL

110 Units

Highlights:

Park at Wellington II is the 110-unit second phase of the of the Park at Wellington 220-unit affordable housing community for working families in Pasco County, Holiday, FL

Affordable Senior (55+)

- Property Type: Mid-rise (elevator)
- Demographics: Family
- Number of Buildings: One
- Building Heights: Four Stories
- Funding: 4% LIHTC, Competitive FHFC SAIL, ELI Loan, Tax-Exempts Bonds
- Development Cost: \$18,338,164
- Completion Date: March 2018
- Amenities include: Cyber cafe, resort style pool, fitness center, playground, dog park and sports court

Acquisition/Rehab - HDSA Portfolio



Highlights:

- Description: Seven-property, 1,732-unit apartment portfolio located in Houston, Dallas, and San Antonio, TX
- Acquisition Date: May 2014
- Purchase Price: \$67,000,000
- Vintage: 1981-1985
- Occupancy: N/A
- JV Partner: ARES Management
- Realized Gross IRR/Multiple: 38%; 2.60x

Investment Opportunity & Status:

- At acquisition, the 1,732-unit, seven-property distressed portfolio that was in need of significant capital infusion
- Provided substantial rehab
- Attractive, three-year bridge loan provided by Wells Fargo
- McDowell Properties substantially improved the tenant profile
- Improvements made include upgrading common areas and unit interiors
- The portfolio was fully realized in September 2018



Contact

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2.a. Resumes of principals



W. Patrick McDowell – Chairman and CEO

Mr. McDowell has 48 years of experience in the real estate industry. As McDowell Properties Founder, Chairman and CEO, he leads the senior team in all aspects of the firm's business activities and strategic planning efforts and is Chairman of the firm's Investment Committee. Since inception the company has purchased over 40,000 rental units valued at over \$3.0 billion and has made investments in subordinate, commercial mortgage-backed securities representing \$16.0 billion of multifamily loans secured by over 232,000 units.

Mr. McDowell was a founder and partner of The Fox Group and its successor company Metric Realty, a joint venture with Metropolitan Life Insurance Company, from 1971 until 1993. Fox/Metric invested in and managed over \$4 billion in real estate assets, comprising in excess of 400 individual properties located in more than 30 states. Mr. McDowell was Executive Vice President of Fox from 1975 until 1986, in charge of all acquisition, disposition and financing activities, and from 1986 until 1993, he was President and Chief Executive Officer.

Mr. McDowell has extensive experience investing and managing capital as a fiduciary for investors in public and private securities offerings and for public pension funds. While at Metric Realty, Mr. McDowell raised and managed over \$1 billion in capital for more than 30 public pension plans, including CALPERS and CALSTRS.

Mr. McDowell is active in numerous industry organizations. He has served on the Advisory Committee for Troubled Projects of the U.S. Department of Housing and Urban Development, as well as the Vice Chairman of the National Multi Housing Council. He is on the Advisory Board of the Fisher Center for Real Estate at the University of California, Berkeley, a member of the Urban Land Institute and a Board member of the National Multi Housing Council. Mr. McDowell has a BA from Stanford University and an MBA in Real Estate from the Graduate School of Business at the University of California, Berkeley.



Kenneth Lee – President

Kenneth Lee is President for McDowell Properties. Mr. Lee is responsible for the firm's overall investment strategy overseeing all real estate acquisition, disposition and financing activities. Mr. Lee is also responsible for the firm's debt and preferred equity investments, and its institutional investment vehicles, including capital formation. During his tenure, he has acquired over \$3.0 billion of real estate assets and made investments in subordinate, commercial mortgage-backed securities representing \$16.0 billion in multifamily loans.

Prior to joining McDowell Properties in 2004, Mr. Lee worked at Chase Securities, Inc. and its affiliates where he evaluated high-yield debt investments, completed over \$2.0 billion in merger advisory and debt/equity placement transactions and worked in the finance department of a portfolio company. He also worked at GMS Realty, LLC, a private real estate investment company.

Mr. Lee has a BA from Boston University and an MBA in Real Estate from the Haas School of Business at the University of California, Berkeley. He is currently a board member of the National Multi Housing Council, a member of the Advisory Board at the Fisher Center for Real Estate at the University of California, Berkeley and a member of the Urban Land Institute.

Christopher Shear – Chief Operating Officer



Mr. Shear serves the Chief Operating Officer of McDowell Housing Partners, LLC (MHP), the affiliated affordable/workforce housing development and investment arm of McDowell Properties. Over the course of his career Mr. Shear has been responsible for the development of over 2,900 affordable/workforce housing units within an array of complex financial and partnership structures, including 9% and 4% LIHTCs, tax-exempt bonds, Tax-Increment Financing, Community Development Block Grants, HOME investment Partnership Loans, Federal Home Loan Bank (AHP) loans, FHA insured mortgage products, project-based rental assistance (Section 8), and various local housing subsidies.

As COO of McDowell Housing Partners, Mr. Shear continues to apply his leadership and experience across MHP's acquisition, development, accounting, and operational teams. Mr. Shear is responsible for formulating and implementing MHP's growth, development, and investment strategies; hiring and assignment of key personnel; and formulating strategic partnerships with local governments, mission driven non-profits, housing authorities, and faith/community-based organizations. He maintains a resolute passion for the development and preservation of housing that serves low- and moderate-income families and seniors.

Prior to joining McDowell Housing Partners, Mr. Shear served in leadership roles with prominent for-profit and non-profit affordable housing firms. Most recently, Mr. Shear served as Senior Vice President of Housing Trust Group, where he was instrumental to the company's rapid growth and success, delivering 12 competitively-funded new construction developments (1,112 units) during his 7-year tenure. Mr. Shear is a LEED Accredited Professional and holds a B.S. in Economics, with a concentration in Real Estate and Urban Land Economics, from the University of Wisconsin–Madison. He serves on the Board of Directors of the Florida Coalition of Affordable Housing Providers (CAHP) and the Miami Beach Community Development Coalition.

Mario Sariol – Chief Financial Officer



Mario A. Sariol is the Chief Financial Officer (CFO) at McDowell Housing Partners (MHP) and brings nearly three decades of experience in accounting, finance and compliance in the real estate sector, specifically within Low-Income Housing Tax Credits financed assets. He is responsible for leading project and corporate accounting functions; asset management including lender, investor, and partner reporting and Section 42 (LIHTC) compliance; insurance programs; and MHP's acquisition/rehab underwriting.

Prior to MHP Mario acted as CFO of at Housing Trust Group, LLC, where he was part of the executive team that established development strategies, policies and procedures that propelled the company to the largest in the State of Florida and into the top twenty-five affordable housing developers in the Country. He served as Vice President of Accounting and Corporate Controller at The Related Group, a large affordable housing, market rate rental and condominium developer in Florida for over eight years. During his tenure at The Related Group he was part of the team that delivered over 7,500 units to market.

He received his BBA from the University of Miami and Master of Accounting with a concentration in Taxation from Florida International University. When not working or spending time with his family, Mario thoroughly enjoys the great outdoors as well as volunteering at environmentally oriented non-profit organizations.

2.b. Resumes of development team

Jason Knotowicz – Senior Vice President of Development – Dallas HQ Office



Jason Knotowicz has over a decade of experience in real estate development, bringing together stakeholders, government officials, and community leaders as a force multiplier to transform communities impacting both physical and economic landscapes.

Jason was born and raised in Buffalo, New York and proudly served in the United States Air Force for 21 years. His most favored achievement was to serve for 5 years as a First Sergeant; a leadership position that focused solely on the mobile readiness and morale of the troops. Jason graduated as the Salutatorian of his class, with a B.S. in Urban and Regional Planning, with an emphasis in Economics, from California Polytechnic University, Pomona in 2010. He has his Certification of Project Management and Construction Management from the University of California, Riverside. Jason graduated with an MBA from the Cox School of Business at Southern Methodist University in May 2019.

Jason has been known for his passion for real estate development with his focus on building successful development teams that get things right the first time. Throughout his real estate career, he has developed over 4,000 units of multifamily housing with a total value of over \$750M. He has vast experience in master-planned development, directing site selection and feasibility analysis, design development, entitlements, construction management, contract negotiations, financial feasibility, and market analysis. As a proven leader, Jason has a verifiable track record for the successful planning, execution, and completion of large-scale, mixed-use, multifamily real estate developments.

Jodi Rothery – Senior Vice President of Development - Florida



Jodi Rothery joined McDowell Housing Partners in 2021 as the Senior Vice President of Development to grow and lead the Affordable Housing Development team in the Florida Region.

Ms. Rothery has over 25 years' experience in all aspects of real estate development, having developed over 5,000 new housing units, as well as commercial and retail, totaling more than \$1.5 billion. Ms. Rothery has extensive experience in managing large, complex real estate transactions as well as extensive experience in various financing strategies utilizing 9% and 4% LIHTCs, tax-exempt bonds, Historic Tax Credits and various local, state and federal funding programs. In addition, Ms. Rothery has overseen the development of more than 750 Permanent Supportive Housing units for high acuity individuals as well as Veteran's and Farm-Worker Housing, by partnering with local agencies for social services, project-based rental assistance and local subsidies.

Ms. Rothery's expertise expands across acquisition, entitlement, design, financing, construction and asset management of both market-rate and affordable residential portfolios. Prior to joining McDowell Housing Partners, Ms Rothery's career included senior positions at Chelsea Investment Corporation, a premier affordable housing developer head-quartered in California, Trammell Crow Residential and Clark Realty Capital, where she executed Public-Private Ventures with the Department of Defense to provide workforce housing to active-duty military members and their families.

Ms. Rothery graduated magna cum laude with degrees in Business and Chemistry from Willamette University, along with a BS in Chemical Engineering with an emphasis in Bio-med.

Debbie Dillon – Managing Director of Asset Management



Debbie Dillon is the Managing Director - Asset Management for McDowell Properties. Ms. Dillon supervises asset management across numerous markets and is responsible for overseeing third-party fee managers, evaluating investment performance and the implementation of value-add strategies. She has oversaw the management of approximately 8,750 units with affordability covenants, primarily LIHTC component.

Ms. Dillon has specialized in multifamily repositioning for nearly 30 years and prior to joining McDowell Properties, she was employed by Fieldstone Properties developing investment and renovation plans for a large multifamily portfolio. She was essential in the effort to develop equity partnerships, acquisition of new investments and was responsible for executive level oversight of financial performance. During her tenure, she led the redevelopment strategy of a 2,900-unit, mixed use development, one of the largest multifamily projects on a national level.

Ms. Dillon spent 15 years with L&B Realty Advisors, a pension fund advisor, as Director of Asset Management. She was responsible for retaining third party fee managers and the strategic and tactical planning of multifamily assets. She was a member of the Investment Committee and worked closely with the acquisition team. Ms. Dillon also served as a Vice President of Property Operations with First Worthing Company overseeing more than 30,000 units. Ms. Dillon previously held a national marketing and training position with National Housing Partnership and has been involved with multifamily housing since 1986. Her professional affiliations include the National Apartment Association, Institute of Real Estate Management and Commercial Investment Real Estate Institute. Ms. Dillon is also a member of CREW, Commercial Real Estate Women. Ms. Dillon has earned the Certified Apartment Manager, Certified Property Manager and Certified Commercial Investment Member designations.

Ana Padilla – Senior Development Manager



Ana Padilla joined McDowell Housing Partners in March 2020 as a Senior Development Manager with extensive experience in Low Income Tax Credit (LITC) developments. Having worked in Construction and Development of Affordable Projects for the past 15 years, Ms. Padilla has closed over 5,500 units with emphasis in LIHTC mixed financing developments. She has successfully closed 9%, 4%, PFC and Market Rate developments with several layers of finance such as HOME, CDBG, TCAP, PHA and PBV units with overlapping timelines, while delivering on time. Previously she worked as an Architect, Design Manager and General Manager.

At McDowell Housing Partners she is responsible for managing LIHTC projects with emphasis in financial closings. This will include responsibility in identifying critical paths and securing all documents required for closings, managing each development through local permit approvals, ensuring that State Agency regulatory obligations are being followed, and commitments made during development are effectively incorporated into design development, construction, ownership, and management. She manages external relationships with professionals and consultants, securing timely deliverables for closing. In addition, she will assist in evaluating potential sites, submit applications, manage budgets and facilitate communication between design, development and construction teams.

Previously, Ms. Padilla worked at The NRP Group as Project Manager and The Cleveland Housing Network as Construction Project Manager. In 2017 The NRP Group was ranked by the Affordable Finance magazine as the #1 affordable developer with 1,798 units closed, of which Ms. Padilla closed 1,294 units. She also worked at Rysar Properties where she assisted in the Construction of single-family houses as Design Manager. She worked as Architect of multifamily and single-family developments and as Construction Project Manager. She has also worked independently as an interior designer. Ms. Padilla graduated from the University of Maryland, College Park with a Bachelor of Science in Architecture, and a Bachelor of Architecture from the Universidad Central de Venezuela. In addition, Ana holds a professional license in real estate.

Jessie Reyes – Vice President of Construction



Jessie Reyes serves as Vice President of Construction at McDowell Housing Partners ("MHP"), where he is responsible for leading and managing pre-construction and construction for all the company's development pipeline. Mr. Reyes is responsible for construction estimating and scheduling, permitting, procurement, builder negotiations and contracts, design and on-site team management, reporting, close-out and working with the company's development and investor teams to ultimately execute all project construction budget, schedule and quality goals.

Prior to joining McDowell Housing Partners, Mr. Reyes served in construction management and leadership roles with prominent national firms in the multifamily, commercial, healthcare, government, and educational markets on projects with a combined construction total of more than \$750M.

Mr. Reyes holds a B.S. in Construction Management from Florida International University and is a licensed General Contractor in the State of Florida.

Michael Joslyn – Construction Manager

BIO coming soon

Sean Smith – Senior Finance Manager



Sean Smith is a Senior Finance Manager with McDowell Housing Partners. Mr. Smith manages the financing aspect of MHP's development pipeline via drafting and reviewing financial models, establishing relationships with lending partners for sourcing debt and equity, and reviewing LOI's as well as LP agreements.

Prior to joining MHP, Mr. Smith was a Vice President and Production Manager with Churchill Stateside Group, an affordable housing lender and equity syndicator. While at Churchill, he aided in the production and underwriting of over \$500MM in affordable housing debt throughout the US. Before Churchill, Mr. Smith spent five years working as a commercial real estate appraiser and market feasibility analyst; primarily focusing on the multifamily and hospitality asset classes. Mr. Smith is also veteran of the U.S. Army serving for seven years including two foreign assignments to Afghanistan and South Korea.

Mr. Smith graduated from the University of South Florida with a B.S. in Finance and holds a Certified General Appraisal license in Florida.

Yoni Lewis – Finance Manager



Yoni Lewis joined McDowell Housing Partners in 2020 and serves as Finance Manager. At MHP, Mr. Lewis is responsible for the management of the entire financing process for all of MHP's existing and new development projects. Mr. Lewis's responsibilities include drafting and creating all financial models for new development opportunities and sourcing both debt and tax credit equity partners to fund new investments. Additionally, Mr. Lewis negotiates the various LP and GP corporate structures and conducts portfolio-wide development and expense budget audits.

Prior to joining McDowell Housing Partners, Mr. Lewis worked as an Acquisitions Analyst at Treetop Development, a private equity real estate investment firm located in Teaneck, NJ. During his time at Treetop Development, Mr. Lewis handled the full acquisition process for the firm's incoming real estate investments including \$500MM+ in new acquisitions, \$300MM+ in debt restructuring, and portfolio management for the firm's \$1 billion+ portfolio. Mr. Lewis's primary expertise were in the Sec. 8, LIHTC, Market Rate, and Industrial warehouse asset classes.

Anderson Creek Development Team

Application Consultant

Structure Development

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*Structure Development is a woman-owned
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General Contractor

Broaddus Construction

Noel Munoz III

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SARAH ANDRÉ, MA, MS CRP
Owner, Structure Development

Ms. André has 23 years experience in the Affordable Housing field. Specializing in Affordable Housing Finance, deal structuring and project management, Ms. André consults on multi-family residential development projects throughout Texas. She is experienced in the use of public subsidies for affordable housing, including Low Income Housing Tax Credits, Historic Tax Credits, HOME and CDBG funds. Since 2007, Ms. Andre has been involved in the development of more than 7500 units.

Recent projects include:

- *CityWalk@Akard*, a 200-unit, rehabilitation project in downtown Dallas. CityWalk is a mixed use, mixed-income development that includes Low Income Housing Tax Credits, New Market Tax Credits, Historic Tax Credits, HOME, CDBG, private grants and conventional financing.
- *Franklin Gardens*, a 22-unit new construction project for seniors in Austin. Sponsored by a non profit developer and funded with Section 202 funds.
- *Leona Apartments, Heritage Square, Park Place Apartments, Gholson Hotel, Arrowsmith Apartments*. 200+ units in five Mark-to-Market projects scattered across Texas. Rehabilitation financing includes Low Income Housing Tax Credits, Tax Credit Exchange Funds and HAP contracts.

Ms. Andre has held positions at Diana McIver & Associates, The Enterprise Foundation and Austin Revitalization Authority. In her capacity as an employee, she provided training and technical assistance to nonprofits on a variety of topics including Fair Housing, Universal Design, “Development 101”, funding for housing projects and the role of non-profit boards. She also oversaw the development of the Juniper-Olive Historic District on East 11th Street in Austin, a single-family development including new construction and historic rehabilitation.

Ms. André is the author of numerous studies related to affordable housing. Topics include impediments to Fair Housing, housing resources for persons with disabilities, project feasibility, and affordable housing in Transit Oriented Design districts. She founded the Austin CHDO Roundtable in 2002, is a member of the Congress for New Urbanism and is working with the Real Estate Council of Austin on development code changes to improve affordability in Austin.



AFFORDABLE HOUSING PROFILE

Fugleberg Koch has completed over \$15 billion dollars in building volume. This includes over 280,000 multi-family dwelling units, 35,000 resort hotel rooms and 15 million square feet of commercial, industrial, and institutional building area. The firm conducts business through its office in Winter Park, Florida (metropolitan Orlando), maintaining registrations in several states throughout the country. The firm's client list includes many major national multi-family and commercial developers.

Residential work of the firm represents a broad spectrum of that industry that includes all forms of affordable housing, mid-range apartment complexes, student housing, military family housing and multifamily ownership projects.

Fugleberg Koch maintains a staff dedicated to architecture, land planning and interior architecture, making it one of the premier residential design firms in the United States. A highly developed Building Information Modeling (BIM) department and in-house graphic presentation capabilities allow the firm to respond quickly to the urgencies of assignments. Our dedication to sustainability includes numerous LEED certified staff members and certifications in the Earthcraft and Design for Living programs.

Key professionals in the firm are actively involved in regional and municipal planning and zoning boards, and maintain licenses in real estate, building construction, and development. Members of the firm are frequent speakers at national forums and seminars.

Throughout its history, the firm has been acknowledged with design awards by the American Institute of Architects, HUD, the United States Air Force, and the Southeast Builders Conference, the Home Builders Association, government agencies and trade organizations. These acknowledgments focus on the overall financial success as well as design excellence.

Various current and past affordable housing activities include:

1. Served as Architect of Record for over 6,000 units constructed in Florida under the Federal Tax Credit Initiative during the past ten years.
2. Served as faculty participant in Affordable Housing Management Education Program through Miami Dade Community College under contract to the State of Florida Department of Community Affairs.
3. Participation in Orlando Housing Authority Moving to Work application workshop.
4. Frequent speaker at NAHB, and ULI conferences
5. Member participation on Orlando Municipal Planning and Zoning Board and attendee at NTC Reuse Commission sessions.
6. Member participation on Orlando's Affordable Housing Advisory Board.
7. Provided architectural consulting services to local non-profits on new and renovation initiatives in Central Florida focused at affordable housing production.
8. Architect for over 2,000 units in Central Florida privately developed under affordable criterion as established by local definitions.
9. Active spokesperson at state and regional meetings of HBA on housing design and development.
10. Served on various housing agency and non-profit planning workshops.
11. Christian Service Center - Meals on Wheels Advisory Board.
12. Pro bono design services to the Orlando Regional Board of Realtors, Art in Architecture affordable housing program.
13. Crossroads Community Revitalization & Development, Inc. Advisory Board.

2.c. Resumes of property management team



PROFESSIONAL QUALIFICATIONS STATEMENT

STATEMENT OF PURPOSE AND PHILOSOPHY

Alpha Barnes Real Estate Services is a full-service, third-party management firm presently managing approximately 30,000 multi-family units. Founded in 2000, Alpha Barnes maintains 6 offices across 3 states and 900 staff members in the field of property management, and our portfolio extends to over 85 cities.

In late 2020, Alpha Barnes was acquired by **Asset Living**, a Houston-based real estate management firm. Founded in 1986, Asset Living holds a NMHC Top 5th Ranking with a growing portfolio well over 65,000 units, which includes a multitude of properties and employees across the nation. Combined, Alpha Barnes/Asset Living manages a portfolio of over 130,000 units to include conventional, student housing and affordable units.

Home is one of the most important places for everyone. For this reason, we, at Alpha Barnes, are meticulous in every aspect of our responsibility. Our Team aims is to provide the best home for every person who chooses to live at one of the many Alpha Barnes communities. We understand the faith our residents place in us, as well as, the fiduciary responsibility our clients place in us, these factors are the basis of our management. We provide personalized services to each Client, Resident and Property. The Alpha Barnes Teams focus on surpassing expectations; we understand the goals of ownership. The reputation of Alpha Barnes is based on trust, integrity and commitment.

Asset Living is an **Accredited Management Organization® (AMO®)**. This AMO® designation ensures that Asset Living has met the ongoing requirements of The Institute of Real Estate Management. These requirements include increased levels of fidelity and liability coverage, proven financial stability and continuing education for the Executive Property Managers. Less than 600 firms across the United States and Canada have achieved and maintained this prestigious designation and it is further evidence of ABRES's commitment to excellence.

AREAS OF EXPERTISE

The primary business of **Alpha Barnes Real Estate Services** is the management of residential, rental real estate for private owners, non-profit entities, financial institutions and government agencies. In this role, **Alpha Barnes Real Estate Services** provides comprehensive management services that cover all phases of property operations including management, leasing maintenance, financial management and owner and government compliance and reporting. Presently, the firm manages properties in all areas of Texas and operates from its main office in Dallas with regional offices in San Antonio and Austin, as well as staff based in Texarkana, Houston and Corpus Christi.

In addition to its overall expertise in apartment management, **Alpha Barnes Real Estate Services** possesses a specific capability in the management and operation of affordable housing for families or for the elderly. This category of property includes the follows:

1. Low Income Housing Tax Credit (LIHTC)

Alpha Barnes Real Estate Services presently manages over 170 properties which utilize the LIHTC. Compliance with LIHTC program requirements is controlled by direct supervisory and compliance staff review of all work and extensive training of all personnel. **Alpha Barnes Real Estate Services** takes special pride in its reputation as an expert in this program and works hard to maintain that reputation.

2. New Construction

Alpha Barnes's new construction lease-up experience is impressive. The firm's new development background includes project design consulting, pre-construction planning, décor consulting, promotion and full lease-up for over **150+ properties**, totaling over **22,000 units across Texas**. Our objective is to reach full occupancy and maximize the bottom line in the shortest time possible in accordance with the owner's investment parameters. About **75% of our lease-ups have been completed in 9 months or less** and a full **51% have been completed in 6 months or less**.

3. Value Add Experience

Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning. Alpha Barnes understands this facet of investment ownership and has maintained a personnel base with the knowledge, expertise, and experience to assist our clients when such projects are contemplated. Coordinating the rehab process with the management of the property is essential, and ABRES has perfected our role in this process to ensure operational goals are either met or exceeded. We have a proven track record of successful repositioning that have continued to earn us praise from our clients, residents, and industry peers. In fact, in recent years ABRES managed properties have undergone comprehensive rehabs ranging from \$125,000 to over \$3 million.

4. HUD Financed Properties

Alpha Barnes Real Estate Services operates projects financed by the U.S. Department of Housing and Urban Development (HUD) under the 221(d)(4) and 223(f) programs, the Section 202 program, and the Section 811 program. **Alpha Barnes Real Estate Services** is familiar with the reporting requirements of all housing related HUD programs as well as the management intricacies.

5. Properties with HUD Section 8

Alpha Barnes Real Estate Services is under contract to operate 14 entities that have projected-based Section 8 rent subsidies. In addition, **Alpha Barnes Real Estate Services** completes the paperwork for Section 8 projects for several other management companies on a contract basis. **Alpha Barnes Real Estate Services** has five Certified Occupancy Specialists' (COS) on staff.

6. Tax Exempt Bonds

Alpha Barnes Real Estate Services currently manages dozens of properties that utilized tax exempt bonds to assist in their financing and we are familiar with the restrictions imposed on leasing and the reporting requirements necessary to dovetail with the LIHTC program and to produce program compliance with both programs.

7. Non-Profit Groups and Public Agencies

As one of the primary aspects of this proposed management assignment is the ability to work with non-profit groups and public agencies, prior experience working with non-profits appears to be very important. Over its history, **Alpha Barnes Real Estate Services** has served to manage property for, consult for and to assist many non-profit groups. Current non-profit clients include:

Deaf Action Center, Dallas, Texas

Alamo Community Group, San Antonio, Texas

Texas Merced Housing Texas, San Antonio, Texas

Texas Inter-Faith Housing, Houston, Texas

Operation Relief Center, Dallas, Texas



SUMMARY OF APARTMENT MANAGEMENT SERVICES

Alpha Barnes Real Estate Services strives to provide our multi-family clients with the best and most complete services available. A summary of these five major areas of service follows:

a. MANAGEMENT AND LEASING

- Advertise, market and lease units.
- Develop and enforce property rules and regulations.
- Recruit, hire, and train on-site managers and leasing agents.
- Provide daily operating procedures and training for on-site office.
- Establish and adjust rental rates and security deposit levels based on occupancy and regular competitive market analysis.
- Administer all personnel records for all on-site management and maintenance employees.

b. MAINTENANCE

- Provide for overall routine maintenance of the property including tenant requested maintenance and make ready preparation.
- Recruit, hire, and train all on-site maintenance and porter personnel.
- Completion of cost-effective and efficient contract bidding, negotiation and administration, including, but not limited to contracts for landscaping, pool maintenance, and non-routine improvements.
- Verifying insurance and bond coverage for all contractors providing services.
- Implementation of a preventative maintenance program.
- Completion of regular property inspections to review property appearance and condition as well as overall curb appeal.
- Identifying and bringing to the attention of the Owner serious non-routine maintenance needs along with proposed solutions.
- Provide 24 hour a day, seven day a week emergency telephone answering and maintenance services.
- Maintain records of all contracts, warranties and other items important to the verification of services performed on the property.

c. COMPLIANCE

- Train all staff in the importance and basic requirement of affordable housing compliance.
- Provide ongoing supervision and retraining of staff through initial lease up and re-certifications.
- Review every file prior to move-in for completeness and eligibility.
- Monitor and maintain the applicable fraction in mixed income properties.
- Prepare for and participate in all site reviews by owners, lenders, monitoring agencies or partners.
- Prepare and submit annual certifications as well as any other reports requested by the owners, lenders, monitoring agency or the partners.

d. FINANCE

- Receipt, recording and processing of all accounts payable.
- Billing, posting receipt and depositing of rents, security deposits, vending income, late fees, electric charges, and any other miscellaneous income.
- Pursuing collection of delinquent rents to the fullest possible extent, including periodic reports to the regional credit bureau and filing of lawsuits in small claims court.
- Maintaining all files and records necessary to insure a good record of financial activities.
- Monthly reconciliation of all accounts and bank statements.
- Provision of monthly and annual financial reporting including but not limited to Balance Sheets, Income and Expense Statements, complete detailed General Ledger, and Budget Variance Analyses.
- Provide assistance and cooperation in periodic auditing.
- Compilation and submission to the client of a recommended annual budget.
- Review and recommendation of all property insurance coverage, upon request of client.

e. COMMUNICATIONS

- Frequent verbal and written communication with client and participation in property-related meetings.
- Communication and coordination with lenders, real estate agents and appraisers, as instructed by the Owner.
- Planning and assistance in coordination of any property-related social functions relative to the overall marketing plan.
- Processing of information requests from outside parties (as authorized by client) and resolution of any problem or complaint originating from property resident.

LEADERSHIP



Hugh A. Cobb CPM, Principal



Michael D. Clark HCCP, Principal



Anna Melson, VP



Connie Quillen, VP



Cathy Johnson, VP



Debbie Wiatrek, VP

GENERAL INFORMATION

Alpha Barnes Real Estate Services, LLC is an Asset Living Company. The federal tax identification number is 75-2868321. Alpha Barnes Real Estate Services can be contacted through:

Hugh A. Cobb, Principal
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*"People do business with people, not companies. You must earn their respect
and work hard every day to maintain what you have earned."
— Art Barnes*

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
87th Apartments	Odessa	TX	79765	181	West Texas	Family	Yes
Allegre Point	Austin	TX	78728	184	Central Texas	Family	Yes
Amber Stone	Beeville	TX	78102	54	South Texas	Family	Yes
Anson Park I	Abilene	TX	79603	64	West Texas	Family	Yes
Anson Park II Apartments	Abilene	TX	79603	80	West Texas	Family	Yes
Anson Park Seniors	Abilene	TX	79603	80	West Texas	Seniors	Yes
Arbor Oaks	Odessa	TX	79761	120	West Texas	Family	Yes
Arbor Terrace	Odessa	TX	79761	128	West Texas	Family	Yes
Aspire at Live Oak	Live Oak	TX	78233	240	South Texas	Family	No
Auburn Square	Vidor	TX	77662	80	East Texas	Family	Yes
Avanti at Greenwood	Corpus Christi	TX	78417	81	South Texas	Family	Yes
Avanti East	Edinburg	TX	78542	108	South Texas	Family	Yes
Avanti Emerald Point (new construction)	McAllen	TX	78501	71	South Texas	Family	Yes
Avanti Legacy at Sienna Palms (new	Weslaco TX	TX	78599	114	South Texas	Family	Yes
Avanti Legacy Emerald Point Apartments	McAllen	TX	78501	90	South Texas	Seniors	Yes
Avanti Legacy Valor Heights	McAllen	TX		93	South Texas	Seniors	Yes
Avanti West (new construction due June 30, 20	Edinburg	TX	78539	72	South Texas	Family	Yes
Avondale Farms Seniors	Haslet	TX	76052	121	North Texas	Seniors	Yes
Babcock North	San Antonio	TX	78249	138	South Texas	Family	No
Babcock North II	San Antonio	TX	78248	72	South Texas	Family	Yes
Bayshore Towners	Pasadena	TX	77504	100	East Texas	Seniors	Yes
Big Bass Resort Apartments	Jacinto City	TX	77029	200	Upper Gulf Coast	Seniors	Yes
Bishop Courts	Bishop	TX	78343	60	South Texas	Family	Yes
Blue Water Garden	Hereford	TX	79045	132	Panhandle	Family	Yes
Bonham, Country Village of	Bonham	TX	75418	104	North Texas	Family	No
Bonham, Country Village of - MHP (Mobile Ho	Bonham	TX	75418	79	North Texas	Family	No
Briarbend	Beaumont	TX	77708	40	East Texas	Family	Yes
Broadstone Apartments	Tyler	TX	75701	100	East Texas	Family	No
Buena Vida Senior Village	Corpus Christi	TX	78405	100	South Texas	Seniors	Yes
Burgandy Apartments, The	Dallas	TX	75234	111	North Texas	Family	No
Butler Brothers Building	Dallas	TX	75201	234	North Texas	Family	No
Calcasieu Apartments	San Antonio	TX	78205	64	South Texas	Family	Yes
Caldwell Heights (new construction)	Caldwell	TX	77836	72	Central Texas	Family	Yes
Carolina Chase Apartments	Dallas	TX	75240	166	North Texas	Family	Yes
Casa Ricardo	Kingsville	TX	78363	60	South Texas	Seniors	Yes
Casitas De Merced	Somerset	TX	78069	28	South Texas	Seniors	Yes
Castleridge	San Antonio	TX	78227	144	South Texas	Family	No
Catalon	Houston	TX	77084	142	Upper Gulf Coast	Family	Yes
Catalon at Paseo de la Resaca	Brownsville	TX	78526	128	South Texas	Seniors	Yes
Cayetano Villas of LaVernia	La Vernia	TX	78121	48	South Texas	Family	Yes
Cedar Park Townhomes	Cedar Park	TX	78613	226	Central Texas	Family	Yes

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
Cedarwood	Huntsville	TX	77340	68	Upper Gulf Coast	Family	Yes
Cimarron Springs	Cleburne	TX	76031	156	North Texas	Family	Yes
City Gardens	Tulsa	OK	74135	132	Oklahoma	Family	Yes
Cliff View Village I	Dallas	TX	75241	28	North Texas	Seniors	No
Cliff View Village II	Dallas	TX	75241	28	North Texas	Seniors	No
Cliff View Village III	Dallas	TX	75241	28	North Texas	Seniors	No
Cobblestone Village	Cleburne	TX	76033	144	North Texas	Family	Yes
Country Lane Seniors - McKinney	McKinney	TX	7509	230	North Texas	Seniors	Yes
Country Lane Seniors - Temple	Temple	TX	76504	102	Central Texas	Seniors	Yes
Country Lane Seniors - Waxahachie	Waxahachie	TX	75165	102	North Texas	Seniors	Yes
Courts of Las Palomas	Kingsville	TX	78363	128	South Texas	Family	Yes
Crestshire Village	Dallas	TX	75227	74	North Texas	Family	Yes
Crossing, The	Beaumont	TX	77708	150	East Texas	Family	Yes
Cypress Cove	San Antonio	TX	78238	136	South Texas	Family	No
Cypress Lofts	Sherman	TX	75092	65	North Texas	Family	No
District at Midtown (new construction)	Tyler	TX	75702	36	East Texas	Family	No
Eddison, The (FKA Canyons at 45)	Amarillo	TX	79109	328	Panhandle	Family	Yes
Edgewood Manor	Dallas	TX	75215	40	North Texas	Seniors	Yes
Edinburg Village	Edinburg	TX	78539	100	South Texas	Family	Yes
Edison Lofts (new construction)	Houston	TX	77489	126	Upper Gulf Coast	Family	Yes
El Campo Village	El Campo	TX	77437	80	South Texas	Family	Yes
Eleanor Place	San Antonio	TX	78209	9	South Texas	Family	No
Elmhurst Place	San Antonio	TX	78209	23	South Texas	Family	No
EMLI at Pecan Creek	Aubrey	TX	76227	254	North Texas	Family	Yes
Enclave at Buckhorn Crossing	San Antonio	TX	78240	240	South Texas	Family	No
Enclave at Mira Lagos I	Grand Prairie	TX	75054	199	North Texas	Family	No
Enclave at Mira Lagos II	Grand Prairie	TX	75054	112	North Texas	Family	No
Enclave at Parkview	Fort Worth	TX	76179	144	North Texas	Family	Yes
Encore at Buckingham	Richardson	TX	75081	242	North Texas	Seniors	No
Estates at Shiloh (224 new construction)	Dallas	TX	75228	264	North Texas	Seniors	Yes
Fifty Oaks	Rockport	TX	78382	50	South Texas	Family	Yes
Fish Pond at Cuero	Cuero	TX	77954	48	South Texas	Seniors	Yes
Fish Pond at Huntsville	Huntsville	TX	77340	48	Upper Gulf Coast	Seniors	Yes
Fish Pond at Portland	Portland	TX	78374	60	South Texas	Seniors	Yes
Forest Park Apartments	Austin	TX	78753	228	Central Texas	Family	Yes
Gala at Fate	Fate	TX	75087	185	North Texas	Seniors	Yes
Gala at Melissa	Melissa	TX	75454	93	North Texas	Seniors	Yes
Galbraith, The	Dallas	TX	75201	217	North Texas	Family	Yes
Garland Estates	Garland	TX	75042	40	North Texas	Seniors	No
Glades of Gregory	Gregory	TX	78359	72	South Texas	Family	Yes
Golden Acres Retirement Center	Paris	TX	75460	50	East Texas	Seniors	No
Golden Trails	West	TX	76691	45	West Texas	Seniors	Yes
Gran Cielo	Rio Grande City	TX	78582	80	South Texas	Family	Yes
Grand Reserve Seniors, The - McKinney	McKinney	TX	75069	180	North Texas	Seniors	Yes
Grand Reserve Seniors, The - Temple	Temple	TX	46504	102	Central Texas	Seniors	Yes

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
Grand Reserve Seniors, The - Waxahachie	Waxahachie	TX	75165	80	North Texas	Seniors	Yes
Grand Texas Seniors, The - McKinney	McKinney	TX	75069	100	North Texas	Seniors	Yes
Green Briar Village I	Wichita Falls	TX	76305	76	North Texas	Family	Yes
Greenbriar Village II	Wichita Falls	TX	76305	36	North Texas	Family	Yes
Greens on Turtle Creek, The	Port Arthur	TX	77642	84	East Texas	Seniors	Yes
Guadalupe Villas Seniors (new construction)	Lubbock	TX	79401	128	West Texas	Seniors	Yes
Hacienda Del Sol	Dallas	TX	75217	55	North Texas	Family	Yes
Hammack Creek	Kennedale	TX	76060	112	North Texas	Family	Yes
Hampton Villages	Pampa	TX	79065	76	Panhandle	Family	Yes
Heritage Estates at Huntsville (new construction)	Huntsville	TX	77320	48	Upper Gulf Coast	Seniors	Yes
Heritage Estates at Owen Tech	Austin	TX	78728	174	Central Texas	Seniors	Yes
Heritage Heights at Big Springs	Big Spring	TX	79720	66	West Texas	Seniors	Yes
Heritage Tower Apartments	Longview	TX	75601	36	East Texas	Family	Yes
Hickory Trails	Longview	TX	75601	45	East Texas	Seniors	Yes
Highland Villas	Bryan	TX	77802	180	Central Texas	Seniors	Yes
Hills at Leander	Leander	TX	78641	228	Central Texas	Seniors	Yes
Homes of Mountain Creek, The	Grand Prairie	TX	75051	200	North Texas	Family	Yes
Hunter's Glen	San Antonio	TX	78211	144	South Texas	Family	Yes
Huntington at Kemah	Kemah	TX	77565	148	Upper Gulf Coast	Seniors	Yes
Huntington at Missouri City	Missouri City	TX	77459	120	Upper Gulf Coast	Seniors	Yes
Huntington at Paseo de la Resaca	Brownsville	TX	78526	132	South Texas	Seniors	Yes
Huntington at Sienna	Missouri City	TX	77459	132	Upper Gulf Coast	Seniors	Yes
Huntington at Sienna Ranch	Missouri City	TX	77459	149	Upper Gulf Coast	Seniors	Yes
Huntington Beaumont (fka Gardens at Sienna)	Beaumont	TX	77708	120	East Texas	Seniors	Yes
Huntington Chimney Rock	Houston	TX	77053	100	Upper Gulf Coast	Seniors	Yes
Huntington College Station (new construction)	College Station	TX	77845	120	Central Texas	Seniors	Yes
Huntington Seniors at Buda (The)	Buda	TX	78610	120	Central Texas	Seniors	Yes
Hutchins Gateway Apartments	Hutchins	TX	75141	336	North Texas	Family	Yes
Iris Place	Dallas	TX	75240	18	North Texas	Family	No
Jeffrey Square Apartments	Dallas	TX	75208	20	North Texas	Family	No
Kensington Place	Houston	TX	77034	216	Upper Gulf Coast	Family	Yes
Kings Court	San Antonio	TX	78212	32	South Texas	Seniors	No
Kings Crossings	Kingsville	TX	78363	120	South Texas	Family	Yes
La Villita Phase I	Brownsville	TX	78521	128	South Texas	Family	Yes
La Villita Phase II	Brownsville	TX	78521	80	South Texas	Family	Yes
Lake Jackson Manor	Lake Jackson	TX	77566	100	South Texas	Seniors	Yes
Lake Park Duplexes	Tyler	TX	75704	50	East Texas	Family	No
Lakeline Apartments	Leander	TX	78641	264	Central Texas	Family	No
Lakeview Pointe	Garland	TX	75043	132	North Texas	Family	Yes
Landing, The	Waco	TX	76705	160	Central Texas	Family	Yes
Las Misiones Apartments	Mission	TX	78527	118	South Texas	Family	No
LBJ Station	Dallas	TX	75243	249	North Texas	Family	No
Legacy Ranch @ Dessau East	Pflugerville	TX	78753	232	Central Texas	Seniors	Yes
Lewiston Apartments	Tulsa	OK	74105	272	Oklahoma	Family	Yes
Lindbergh Parc	Fort Worth	TX	76106	196	North Texas	Seniors	Yes

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
Live Oak Villas	George West	TX	78022	48	South Texas	Family	Yes
Lockhart Springs	Lockhart	TX	78644	48	Central Texas	Family	Yes
LULAC Village Park	Corpus Christi	TX	78416	152	South Texas	Family	Yes
Lyons Gardens	Austin	TX	78702	54	Central Texas	Seniors	No
Maeghan Pointe Apartments	Edcouch	TX	78538	80	South Texas	Family	Yes
Magnolia at Village Creek	Fort Worth	TX	76119	252	North Texas	Family	Yes
Magnolia Place Senior Apts	Houston	TX	77033	144	Upper Gulf Coast	Seniors	Yes
Majestic Parc (fka on McKinney)	Denton	TX	76209	217	North Texas	Family	No
Major Crossing Apartments	Beaumont	TX	75428	96	East Texas	Family	No
Mansions at Hastings Green	Houston	TX	77065	230	Upper Gulf Coast	Family	Yes
Mansions at Hastings Green Senior	Houston	TX	77065	252	Upper Gulf Coast	Seniors	Yes
Marbella Apartment Homes	Corpus Christi	TX	78413	783	South Texas	Family	No
Mark at Midlothian	Midlothian	TX	76065	236	North Texas	Family	No
Mark on Conquest	Waxahachie	TX	75165	140	North Texas	Family	No
Mark on Conquest II	Waxahachie	TX	75167	188	North Texas	Family	No
Mark on Solon	Waxahachie	TX	75165	112	North Texas	Family	No
Martha's Vineyard Place	Dallas	TX	75235	100	North Texas	Family	Yes
McMullen Square	San Antonio	TX	78228	100	South Texas	Family	Yes
Meadows at Bentley Drive, The	San Antonio	TX	78218	208	South Texas	Family	Yes
MidPark Towers	Dallas	TX	75240	202	North Texas	Family	Yes
Mill Stone Apartments	Fort Worth	TX	76120	144	North Texas	Family	Yes
Mill Town Seniors	Silsbee	TX	77565	80	East Texas	Seniors	Yes
Miramonte	Stafford	TX	77471	124	South Texas	Family	Yes
Miramonte Single Living	Stafford	TX	77471	68	South Texas	Family	Yes
Moore Grocery Lofts	Tyler	TX	75702	88	East Texas	Family	Yes
Museum Reach Lofts (new construction)	San Antonio	TX	78215	94	South Texas	Family	Yes
Navigation Pointe	Corpus Christi	TX	78405	124	South Texas	Family	Yes
Oak Meadows Townhomes	Commerce	TX	75428	72	North Texas	Family	Yes
Oak Trails Apartments	San Angelo	TX	76903	48	West Texas	Family	Yes
Old Salem Village	Shreveport	LA	71129	200	Lousiana	Family	Yes
Overlook	Palestine	TX	75081	200	East Texas	Family	No
Paddock on Park Row	Arlington	TX	76010	350	North Texas	Family	Yes
Palisades of Inwood	Houston	TX	77088	127	Upper Gulf Coast	Seniors	Yes
Parc East Apartments	Mesquite	TX	75150	209	North Texas	Family	Yes
Parc West	Arlington	TX	76018	112	North Texas	Family	Yes
Park Gardens North	Paris	TX	75462	100	East Texas	Family	No
Park Hill	San Marcos	TX	78666	168	Central Texas	Family	No
Park Village	Big Spring	TX	79720	76	West Texas	Family	Yes
Parkstone Crossroads	Wichita Falls	TX	76301	112	North Texas	Family	Yes
Parkstone Senior Village I	Wichita Falls	TX	76310	140	North Texas	Seniors	Yes
Parkstone Senior Village II	Wichita Falls	TX	76310	64	North Texas	Seniors	Yes
Parkstone Senior Village III	Wichita Falls	TX	76310	40	North Texas	Seniors	No
Pheasant Run Apartments	Tulsa	OK	74136	220	Oklahoma	Family	Yes
Pioneer Crossing Burkburnett Seniors	Burkburnett	TX	76354	80	North Texas	Seniors	Yes
Pioneer Crossing Diboll (new construction)	Diboll	TX	75941	80	East Texas	Family	Yes

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
Pioneer Crossing Henrietta	Henrietta	TX	76365	49	North Texas	Family	Yes
Pioneer Crossing Kountze	Kountze	TX	77625	84	East Texas	Family	Yes
Pioneer Crossing Lufkin Family	Lufkin	TX	75904	80	East Texas	Family	Yes
Pioneer Crossing Lufkin Seniors	Lufkin	TX	75904	80	East Texas	Seniors	Yes
Pioneer Crossing Mineral Wells	Mineral Wells	TX	76067	80	North Texas	Family	Yes
Pioneer Crossing Sulphur Springs Seniors	Sulphur Springs	TX	75482	80	East Texas	Seniors	Yes
Post Oak - Edna, The	Edna	TX	77957	64	South Texas	Family	Yes
Preserve at Willow Park	Willow Park	TX	76087	152	North Texas	Seniors	No
Primrose Village (new construction)	Weslaco	TX	78599	242	South Texas	Family	Yes
Provision at Melissa	Melissa	TX	75454	120	North Texas	Family	Yes
Provision at Patriot Place Apartments	Hurst	TX	76053	90	North Texas	Family	Yes
Red Oaks Townhomes	Waco	TX	76706	80	Central Texas	Family	Yes
Regency Park Residences (Fka Rockhill)	McKinney	TX	75070	60	North Texas	Family	No
Reserve at Towne Crossing, The	Longview	TX	75605	216	East Texas	Family	No
Reserves at San Marcos	San Marcos	TX	78666	376	Central Texas	Family	Yes
Reserves at Springdale	Austin	TX	78723	292	Central Texas	Family	Yes
Residences on Stillhouse Road	Paris	TX	76460	76	East Texas	Family	Yes
River Pointe	San Angelo	TX	76903	204	West Texas	Family	Yes
Riverside Village	Rio Hondo	TX	78583	60	South Texas	Family	Yes
Riversquare	Corpus Christi	TX	78410	204	South Texas	Family	Yes
Riverwalk Townhomes	Stephenville	TX	76401	76	North Texas	Family	Yes
Rockwell Manor	Brownsville	TX	78521	126	South Texas	Family	Yes
Royal Gardens Mineral Wells	Mineral Wells	TX	76067	75	North Texas	Seniors	Yes
Royal Gardens Wichita Falls	Wichita Falls	TX	76310	49	North Texas	Family	Yes
Sage Brush Village	Odessa	TX	79763	112	West Texas	Family	Yes
Santa Rita Senior Village	Midland	TX	79701	136	West Texas	Seniors	Yes
Sedona Springs Villas	Odessa	TX	79764	100	West Texas	Family	Yes
Siena Round Rock Apartments	Round Rock	TX	78665	198	Central Texas	Family	No
Silver Springs Apartments	Austin	TX	78753	360	Central Texas	Family	Yes
Silver Spur Apartments (New construction open)	Palmview	TX	78572	120	South Texas	Family	Yes
Somerset Lofts (new construction)	Houston	TX	77008	120	Upper Gulf Coast	Family	Yes
Southwest Pines	Tyler	TX	75701	248	East Texas	Family	Yes
Spicewood Canyon	Roswell	NM	88203	60	Southeast New Mexico	Family	Yes
Springfield Manor	Kirby	TX	78219	130	South Texas	Family	Yes
St. George's Court	Austin	TX	78752	60	Central Texas	Seniors	No
Stablewood Farms	San Antonio	TX	78227	252	South Texas	Family	No
Sterling Springs Villas	Midland	TX	79706	120	West Texas	Family	Yes
Stone Hearst Apts	Beaumont	TX	77703	104	East Texas	Family	Yes
Stone Hearst Seniors	Beaumont	TX	77703	36	East Texas	Seniors	Yes
Stonebridge of Plainview	Plainview	TX	79072	80	West Texas	Family	Yes
Sundance Meadows Apartments	Brownsville	TX	78526	132	South Texas	Family	Yes
Sunflower Estates	La Feria	TX	78559	80	South Texas	Family	Yes
Sunquest	Primera	TX	78552	128	South Texas	Family	Yes
Sunray Community	Richardson	TX	75081	50	North Texas	Seniors	No
Sunrise Terrace	La Feria	TX	78559	70	South Texas	Family	Yes

Property	City	State	Zip	Units	Region	Description	AFFORDABLE UNITS
Sycamore Pointe Apts.	Fort Worth	TX	76134	168	North Texas	Family	Yes
Thompson Place	San Antonio	TX	78226	128	South Texas	Family	No
Timber Creek at Sienna Trails	Beaumont	TX	77708	36	East Texas	Family	Yes
Town Parc at Tyler Apartments	Tyler	TX	75230	96	East Texas	Family	Yes
Tramonti, The	Houston	TX	77053	104	Upper Gulf Coast	Family	Yes
Tree Apts, The	Mission	TX	78501	152	South Texas	Family	No
Treepoint Meadows	Amarillo	TX	79109	432	Panhandle	Family	No
Trinity Loft	Dallas	TX	75207	101	North Texas	Family	No
Tuscany Court Townhomes	Hondo	TX	78861	76	South Texas	Family	Yes
Tuscany Park at Buda	Buda	TX	78610	176	Central Texas	Family	Yes
Twin Oaks	Mission	TX	78572	104	South Texas	Family	Yes
Urban Oaks	Austin	TX	78745	194	Central Texas	Family	Yes
Urban Villas	Austin	TX	78722	90	Central Texas	Family	No
Villages at Snyder	Snyder	TX	79550	80	West Texas	Family	Yes
Villages of Huntsville	Huntsville	TX	77320	76	Upper Gulf Coast	Family	Yes
Villages of Huntsville Senior	Huntsville	TX	77320	36	Upper Gulf Coast	Seniors	Yes
Villas at Arlington	Arlington	TX	76010	396	North Texas	Family	No
Villas at Boston Heights	Benbrook	TX	76116	144	North Texas	Family	Yes
Villas of Giddings	Giddings	TX	78942	36	Central Texas	Family	Yes
Villas on Calloway Creek	Hurst	TX	76053	135	North Texas	Seniors	Yes
Villas on Raiford	Carrollton	TX	75007	180	North Texas	Seniors	Yes
Vineyard on Lancaster	Ft Worth	TX	76102	104	North Texas	Family	Yes
Vista Bella	Vista Lago	TX	78745	72	North Texas	Family	Yes
Walnut Creek Apartments	Austin	TX	78723	98	Central Texas	Family	Yes
West Oaks Village	Houston	TX	77082	232	Upper Gulf Coast	Seniors	Yes
West Ridge Villas	McKinney	TX	75070	132	North Texas	Family	Yes
Western Hills	San Antonio	TX	78227	148	South Texas	Family	Yes
Willow Bend Villas	Hobbs	NM	88204	60	Southeast New Mexico	Family	Yes
Wood River	Corpus Christi	TX	78410	200	South Texas	Family	No
Woodland Ridge	San Antonio	TX	78240	152	South Texas	Family	Yes
Woods at Ridgmar	Ft Worth	TX	76116	235	North Texas	Family	No
Works at Pleasant Valley II, The	Austin	TX	78702	29	Central Texas	Family	Yes
Works at Pleasant Valley, The	Austin	TX	78702	45	Central Texas	Family	Yes
Wurzbach Manor	San Antonio	TX	78240	161	South Texas	Family	Yes
Zion Village	Houston	TX	77004	50	Upper Gulf Coast	Family	Yes

HUD Program/Financing

New Construction/Lease Up

TOTAL UNITS		32,638
TOTAL PROPERTIES		256
SENIOR UNITS		8,098
SENIOR PROPERTIES		74
LIHTC UNITS		21,272
LIHTC PROPERTIES		192
AFFORDABLE UNITS		21,952
AFFORDABLE PROPERTIES		200

HAP UNITS	1,179
HAP PROPERTIES	14
811 UNITS	173
811 PROPERTIES	17
PRAC UNITS	361
PRAC PROPERTY	10
HUD FINANCED UNITS	9,827
HUD FINANCED PROPERTIES	65

DEVELOPMENT PROPOSAL.

4. DEVELOPMENT PROPOSAL.

a. Development Description. Applicant shall provide a brief development description to include the following details:

- i. Describe the proposed resident population, income levels, and services, if any, to be provided to or made available to residents. Indicate the number of units designed to meet accessibility requirements for persons with mobility or sensory impairments; the number of units dedicated to the Continuum of Care; and the number of rental assistance vouchers dedicated to the development.
 - a. This development is proposing the construction of 100 rental units, receiving assistance through Private Activity Bonds (PAB) and 4% tax credits. The site would be comprised of one residential building and would include a clubhouse with management/leasing and maintenance offices. The site
 - b. is in Austin, Travis County, Texas.
 - c. The building will be comprised of 100 apartment units, a 4,000 square foot clubhouse and leasing center, and business center. Of the 100 apartment units, 30% will be one-bedroom one-bath units, 62% will be two-bedroom two-bath units, and 8 % will be two-bedroom two-bath units.

UNIT MIX						
Description	Floor Plan	Size	# Units	\$/Unit/Mo.	AMI	Unit Mix
A01-1B-1B	1B1B	650	5	\$556	30%	5.0%
A01-1B-1B	1B1B	650	13	\$928	50%	13.0%
A01-1B-1B	1B1B	650	10	\$928	80%	10.0%
A01-1B-1B	1B1B	772	2	\$1,485	80%	2.0%
B01-2B2B	2B2B	927	9	\$668	30%	9.0%
B02-2B2B	2B2B	927	28	\$1,113	50%	28.0%
B02-2B2B	2B2B	927	17	\$1,113	80%	17.0%
B02-2B2B	2B2B	1,001	8	\$1,782	80%	8.0%
C01-3B3B	3B3B	1,100	1	\$771	30%	1.0%
C01-3B3B	3B3B	1,100	4	\$1,286	50%	4.0%
C01-3B3B	3B3B	1,100	3	\$2,058	80%	3.0%
Subtotal			100			100.0%
Average	Average SF	866				

- d. The total number of that will be dedicated to meet the accessibility requirements will be 5% at a total of 5 units, and another 2% of the units, or 2 units, will be dedicated to meet the accessibility requirements for persons with mobility or sensory impairments.
- e. There will be 10% of the units totaling 10 units set aside for Continuum Care with services provided by ECHO.

- ii. **Identify the appropriate Neighborhood Plan and describe the Development's compatibility with it. In the absence of a Neighborhood Plan, describe the Development's compatibility with the Imagine Austin Comprehensive Plan.**

The *Vision* of the **Coronado Hills Plan** is outlined as follows:

A neighborhood plan vision statement reflects the shared interests or wishes of neighborhood planning stakeholders. The foundation for the community vision is the key themes that emerged from the SJCHCNPA planning process. Building upon this foundation, the neighborhood plan goals serve as broad guides important to realizing the SJCHCNPA's vision for the future. The first steps deemed necessary to achieving the vision are indicated in the neighborhood plan's Priority Action Items (p.7).

The SJCHCNPA stakeholders envision:

- An improved quality of life in the community.
- Transportation options that allow residents to move easily and efficiently throughout the community. Services and amenities that accommodate the diverse needs of SJCH residents.
- Land use patterns that respect existing neighborhood character.
- Environmental amenities, such as parks and tree canopy, which enhance the beauty of the community and provide recreational opportunities.
- History Quality of Life Zoning Community Life Parks, Trees & Environment Public Safety Housing Land Use Transportation.
- Opportunities for physical recreation through additional parkland and an improved pedestrian and bicycle environment.

St. John Coronado Hills Neighborhood Plan: Link to Plan Online below:

[Microsoft Word - sjch_plan_merged_061412 \(austintexas.gov\)](#)

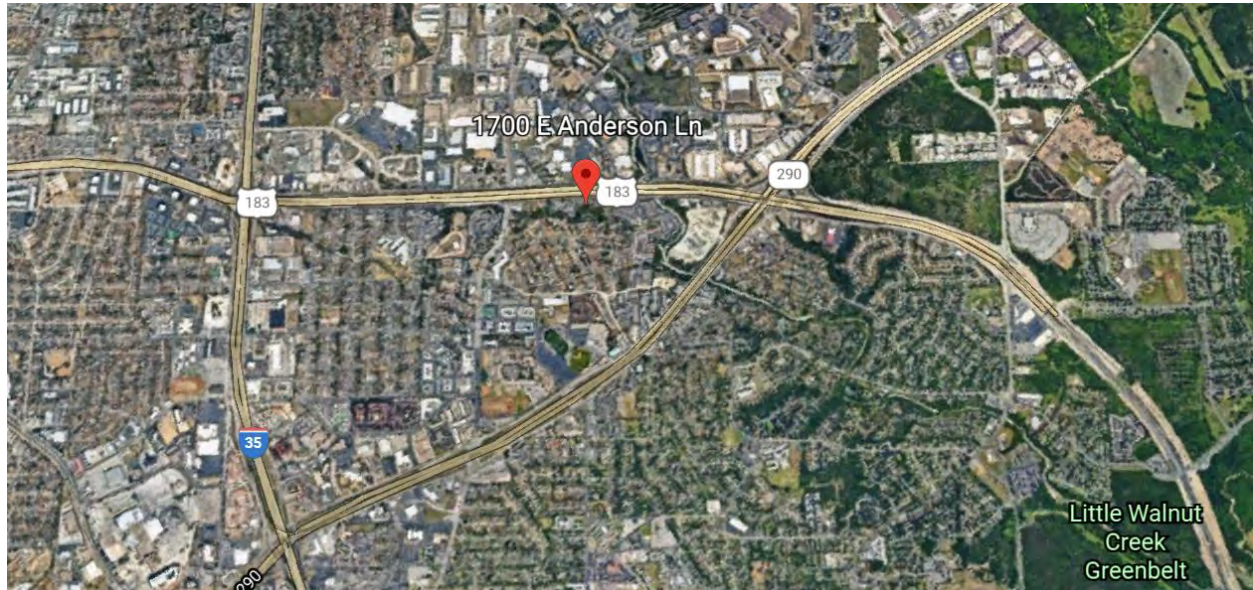
The proposed development aligns with the goals and vision of the Coronado Neighborhood Plan by providing new, high-quality affordable housing with a design that is compatible with the existing style of this neighborhood. Our goal is to provide a safe, well-lit, walkable development that offers connectivity to the surrounding neighborhood meeting Goal 1 and 4 of the Coronado Neighborhood Plan. With a new entrance being proposed on East Anderson Lane, we would commission a traffic study to determine if a traffic or a deceleration lane would need to be implemented to ensure our proposed development aligns with Goal 4 of the Coronado Neighborhood Plan. This development is designed to serve residents with a range of socio-economic backgrounds, which meets the Goal 5 of the Coronado Neighborhood Plan.

TRANSPORTATION:

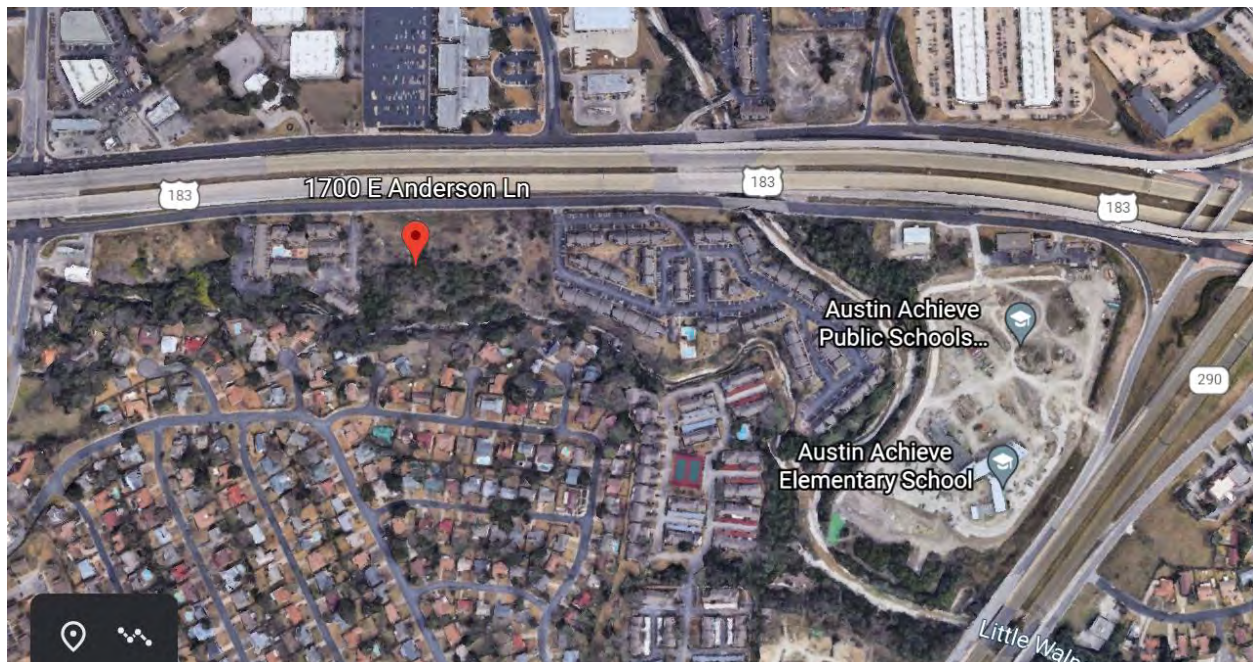
Strategically located within seven miles from the Central Business District, within 2 ½ miles to the Austin Community College and within one mile from Northeast Early College High School and less than a mile to Austin Achieve Elementary School. The site is also located within walking distance to the Nelson Field. The site plan is designed to facilitate key components of a program that is walkable to Nelson Field Park, and walkable access to public transportation within one-half mile to three local bus routes. Understanding the

needs of disadvantaged population, while at the same time seeing the need to reduce green-house gases, the location of this development provides access to, from and through the existing neighborhood-friendly systems of transportation. The design of this development will also lend itself to improving bicycle and pedestrian traffic setting aside walking paths that would tie into the public sidewalks and routes that lead to nearby public transportation (See the Bike Path and Public Transportation Map on the following page).

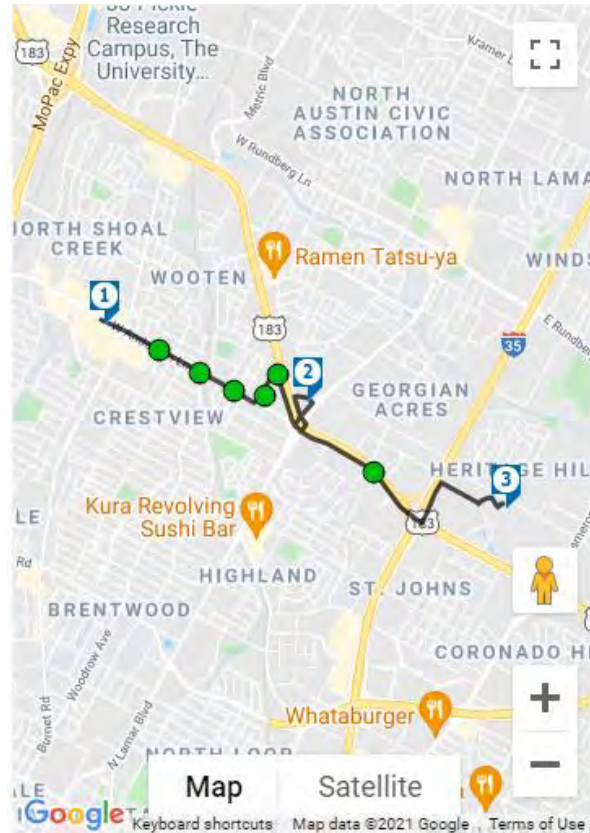
Aerial Map of the Site Location



Aerial Map of the Site



[illegible]



Services and Infrastructure:

Although the proposed development creates opportunities for walkable routes for pedestrian traffic, the design considers the design elements of Crime Prevention Through Environmental Design.

“Crime Prevention Through Environmental Design or CPTED suggests that **the design of buildings, landscaping and outdoor environments can discourage crime**. CPTED attempts to minimize crime and the fear of crime by reducing criminal opportunity and fostering positive social interaction among the users of a space. The proper design and effective use of the built environment can lead to a reduction in the fear of crime and the incidence of crime, and to improvement in the quality of life. The three elements of CPTED are Territoriality, Surveillance and Access Control” (cpted.net).

Our design team will implement these elements by first incorporating a perimeter fence that provides controlled access to and from the property. The property, once constructed, will be well maintained, and will also provide clearly marked transitional zones that indicate movement from public to semi-private to private space meeting Goal 10 of the Coronado Neighborhood Plan.

Finally, our site plan has designated a preservation area for green space and open space with a detention pond that will be designed with the approach of creating a park-like setting.

- iii. Summarize the key financials of the development, clearly indicating the total development cost; the amount and intended use of AHFC/HPD funds being requested; the amount and use of any

prior funding that the development may have received from AHFC; and the amount(s) and Page 16 provider(s) of other funding and the status of those funding commitments. iv. Indicate whether the development 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.

- a. MHP's plan is to apply for an inducement resolution through AHFC and submit a bond application to the Texas Bond Review Board as soon as possible (likely 2022 based on the award timeline). MHP and Structure Development are very knowledgeable and experienced in the PAB reservation process. Upon receipt of a reservation, the team shall submit a 4% (non-competitive) tax credit application to TDHCA.
- b. The total development costs of this project is \$31,728,768 and MHP is requesting \$3,000,000 to be funded through the RHDA program. These funds will be used to assist with a portion of the construction costs such as, site work, concrete and several of the building systems for the building structures within this development.
- c. Finally, the last source of financing will be construction and permanent debt through bank loans that will meet the required DSCRs as required by the lending institutions.
- d. This development meets the requirements of the city's zoning designation GR which was approved by the City Council on October 13, 2021.
- e. The project meets the SMART Housing program requirements and is participating the city's Affordability Unlock program.

FINANCIAL INFORMATION

3.a. Federal IRS Certification

NOT
APPLICABLE

3.b. Certified Financial Audit

NOT
APPLICABLE

3.c. Board Resolution

NOT
APPLICABLE

NOT
APPLICABLE

3.d. Financial Statements



Unaudited Financial Statements

for the month ending December 31, 2020

Included reports:

Balance Sheet

Income Statement

Prepared by:



McDowell Properties, Inc**Balance Sheet***as of December 31, 2020***ASSETS****Current Assets**

Cash	2,657,274
Accounts Receivable	22,074
Guaranteed Payments Receivable	149,891
Distributions Receivables	135,329
Due from Affiliates	700,866
State Tax withholding	52,632
Prepaid Expenses	243,229
Total Current Assets	3,961,294

Fixed Assets - Net	0
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Other Assets

Other Assets	(94,240)
Total Other Assets	(94,240)

TOTAL ASSETS	<u>3,867,054</u>
---------------------	-------------------------

LIABILITIES & EQUITY**Liabilities****Current Liabilities**

Accounts Payable	62,827
Sold Portfolio-bad debt collections	88,715
Property insurance premium refund	319,944
Pension Payable	135,929
Total Current Liabilities	607,414

Total Long Term Liabilities	0
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Total Liabilities	607,414
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Equity

Shareholder Equity	3,867,746
Net Income	(608,105)
PPP loan - exempt income	465,605
Total Equity	3,259,640

TOTAL LIABILITIES & EQUITY	<u>3,867,054</u>
---------------------------------------	-------------------------

McDowell Properties, Inc.

INCOME STATEMENT

January 1, 2020 - December 31, 2020

Revenues	
4100 · Acquisition Fees	1,551,875
4200 · Asset Management Fees	1,912,805
4401 · Promote Income	1,832,215
4402 · Sec 6.1.b Excess Cash Flow	288,422
4500 · Construction Management Fees	762,043
4530 · Loan Brokerage Fee	-
4600 · Interest Income	56,534
4775 · Other Revenues	136
Total Revenues	<u>6,404,029</u>
Expense	
6000 · General & Administrative	929,303
6400 · Salaries & Benefits	5,665,939
7000 · Business Expense	384,123
7700 · Depreciation & Amortization	41,503
7800 · Taxes	4,431
Total Expense	<u>7,025,299</u>
Net Ordinary Income	<u>(621,269)</u>
8000 · Tax Refund	13,164
Net Income (loss)	<u><u>(608,105)</u></u>

MHP Developers, LLC

Unaudited Financial Statements

for the month ending December 31, 2020

Included reports:

Balance Sheet

Income Statement

Statement of Cash Flows - current

Statement of Cash Flows - YTD

Prepared by:



MHP Developers, LLC
Balance Sheet
as of December 31, 2020

ASSETS

Current Assets

Cash		2,000,491
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Total Current Assets		<u>2,000,491</u>
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Total Fixed Assets		0
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Total Other Assets		<u>0</u>
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TOTAL ASSETS		<u><u>2,000,491</u></u>
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LIABILITIES & EQUITY

Liabilities

Total Liabilities		<u>0</u>
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Equity

Shareholder Equity		2,000,000
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Net Income		491
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Total Equity		<u>2,000,491</u>
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TOTAL LIABILITIES & EQUITY		<u><u>2,000,491</u></u>
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MHP Developers, LLC
INCOME STATEMENT

January 1, 2020 - December 31, 2020

Revenues	
4000 - Interest Income	491
Total Revenues	<u>491</u>
Expense	
6000 - General & Administrative	
6400 - Salaries & Benefits	
Total Expense	<u> </u>
Net Ordinary Income	<u>491</u>
7700 - Depreciation & Amortization	
Net Income (Loss)	<u><u>491</u></u>

MHP Developers, LLC
Statement of Cash Flows

for the period December 1, 2020 to December 31, 2020

	Dec '20
OPERATING ACTIVITIES	
Net Income	74
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	74
INVESTING ACTIVITIES	
Net cash provided by Investing Activities	-
FINANCING ACTIVITIES	
Members Contributions	-
Net cash provided by Financing Activities	-
Net cash increase for period	74
Cash at beginning of period	2,000,417
Cash at end of period	2,000,491

MHP Developers, LLC
Statement of Cash Flows

for the period January 1, 2020 to December 31, 2020

	<u>Jan - Dec '20</u>
OPERATING ACTIVITIES	
Net Income	491
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	<u>491</u>
INVESTING ACTIVITIES	
Net cash provided by Investing Activities	-
FINANCING ACTIVITIES	
Members Contributions	<u>2,000,000</u>
Net cash provided by Financing Activities	<u>2,000,000</u>
Net cash increase for period	2,000,491
Cash at beginning of period	<u>-</u>
Cash at end of period	<u><u>2,000,491</u></u>

MHP Developers, LLC

Unaudited Financial Statements

for the month ending June 30, 2021

Included reports:

Balance Sheet

Income Statement

Statement of Cash Flows - current

Statement of Cash Flows - YTD

Prepared by:



MHP Developers, LLC
Balance Sheet
as of June 30, 2021

ASSETS

Current Assets

Cash		2,000,813
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Total Current Assets		<u>2,000,813</u>
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Total Fixed Assets		0
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Total Other Assets		<u>0</u>
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TOTAL ASSETS		<u><u>2,000,813</u></u>
--------------	--	-------------------------

LIABILITIES & EQUITY

Liabilities

Total Liabilities		<u>0</u>
-------------------	--	----------

Equity

Shareholder Equity		820,722
--------------------	--	---------

Net Income		<u>1,180,091</u>
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Total Equity		<u>2,000,813</u>
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TOTAL LIABILITIES & EQUITY		<u><u>2,000,813</u></u>
----------------------------	--	-------------------------

MHP Developers, LLC
INCOME STATEMENT

January 1, 2021 - June 30, 2021

Revenues	
4000 · Interest Income	322
4200 · Developer Fees	<u>1,179,769</u>
Total Revenues	<u>1,180,091</u>
 Expense	
6000 · General & Administrative	
6400 · Salaries & Benefits	
Total Expense	<u> </u>
Net Ordinary Income	<u>1,180,091</u>
 7700 · Depreciation & Amortization	
Net Income (Loss)	<u><u>1,180,091</u></u>

MHP Developers, LLC**Statement of Cash Flows***for the period June 1, 2021 to June 30, 2021*

	<u>June 2021</u>
OPERATING ACTIVITIES	
Net Income	1,179,814
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	<u>1,179,814</u>
INVESTING ACTIVITIES	
Net cash provided by Investing Activities	-
FINANCING ACTIVITIES	
Members Contributions	<u>(1,179,769)</u>
Net cash provided by Financing Activities	<u>(1,179,769)</u>
Net cash increase for period	44
Cash at beginning of period	<u>2,000,768</u>
Cash at end of period	<u><u>2,000,813</u></u>

MHP Developers, LLC**Statement of Cash Flows***for the period January 1, 2021 to June 30, 2021*

	<u>Jan - June '21</u>
OPERATING ACTIVITIES	
Net Income	1,180,091
Adjustments to reconcile Net Income to net cash provided by operations:	
Net cash provided by Operating Activities	<u>1,180,091</u>
INVESTING ACTIVITIES	
Net cash provided by Investing Activities	-
FINANCING ACTIVITIES	
Members Contributions	<u>(1,179,769)</u>
Net cash provided by Financing Activities	<u>(1,179,769)</u>
Net cash increase for period	322
Cash at beginning of period	<u>2,000,491</u>
Cash at end of period	<u><u>2,000,813</u></u>

3.e. Funding commitment letters.

Wells Fargo Community Lending and Investment
301 South College Street
Charlotte, NC 28288-5640



**WELLS FARGO BANK
EQUITY LETTER**

November 2, 2021

McDowell Housing Partners

Christopher Shear
601 Brickell Key Drive, Suite 700,
Miami, FL 33131

Re: Anderson Creek- 100 Units
Austin, Travis County, Texas

We are pleased to advise you that we have preliminarily approved an equity investment to be used for construction and permanent financing in MHP Anderson Creek, LTD., which will own and operate a family affordable housing community to be known as Anderson Creek. This preliminary commitment is made based upon the financial information provided to us in support of your request, and under the following terms and conditions:

<i>Investment Entity / Beneficiary</i>	MHP Anderson Creek, LTD. (the "Partnership"), with TBD as General Partner and Wells Fargo Bank ("Wells Fargo") as Limited Partner with a 99.99% Ownership
---	---

<i>Annual Housing Credit Allocation</i>	\$1,334,414
--	-------------

<i>Federal Housing Credits Purchased:</i>	\$13,342,806
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<i>Federal Syndication Rate:</i>	\$0.94
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<i>Federal Capital Contribution</i>	\$12,542,238
--	--------------

<i>Pay-In Schedule:</i>	<u>Funds available for Capital Contribution #1:</u> \$2,508,448 * to be paid prior to or simultaneously with the closing of the construction financing. * All numbers are rounded to the nearest dollar.
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	<u>Funds available for Capital Contribution #2:</u> \$7,525,343 * prior to construction completion. * All numbers are rounded to the nearest dollar.
--	--

	<u>Funds available for Capital Contribution #3:</u> \$2,508,448 * Equity Proceeds Paid After Stabilization. * All numbers are rounded to the nearest dollar.
--	--

<i>Obligations of General Partner and Guarantor(s):</i>	Operating Deficit Guaranty: The General Partner agrees to provide operating deficit loans to the Partnership for the life of the Partnership
--	--

Development Completion Guaranty: The General Partner will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Wells Fargo, including, without limitation, a guaranty: (i) to pay any amounts needed in excess of the construction loan and other available proceeds to complete the improvements; (ii) of all amounts necessary to achieve permanent loan closing; and (iii) to pay any operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The Partnership will provide that, if in any year actual credits are less than projected credits, then the Limited Partner shall be owed an amount necessary to preserve its anticipated return based on the projected credit.

The obligations of the General Partner shall be guaranteed by The entity receiving the Developer Fees (to the extent of fees owed), Kenneth Lee and W. Patrick McDowell

Incentive Mgmt. Fee:

90%

Cash Flow Split:

Cash Flow to the Partnership shall be distributed as follows:

- a. To Wells Fargo in payment of any amounts due as a result of any unpaid Credit Adjuster Amount.
- b. To Wells Fargo in payment of Asset Management Fees or any unpaid Asset Management Fee.
- c. To the payment of any Deferred Developer Fee.
- d. To the General Partner to repay any Partnership loans.
- e. To the General Partner for Incentive Management Fees.
- f. The balance, 90% to the General Partner and 10% to Wells Fargo.

Residual Split:

Any gain upon sale or refinancing shall be distributed as follows:

- a. To Wells Fargo in payment of any amounts due because the Actual Credit is less than the Projected Credit, or there has been a recapture of Credit.
- b. To the payment of any unpaid Asset Management Fee.
- c. To the Limited Partner in an amount equal to the capital contribution.
- d. The balance of available cash for distribution, 90% to the General Partner and 10% to the Limited Partner.

Asset Management Fee:

\$10,000 per year increasing 3% annually.

Other Terms and Conditions:

- 1) Successful award and allocation of low income housing tax credits from the Texas Department of Housing and Community Affairs
- 2) Prior to closing, the General Partner must have a firm commitment for fixed-rate permanent first mortgage financing with terms, conditions and Lender acceptable to the Limited Partner.
- 3) Prior to closing, the General Partner must have firm commitments for all fixed-rate subordinate financing with terms, conditions and Lender acceptable to the Limited Partner including subordinate debt subject to cash flow.
- 4) Receipt, review, and approval of the appraisal with incorporated market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount.

5) Pricing is based upon current and anticipated federal and state laws, including federal and state corporate income tax rates and other tax laws, rules and regulations (all collectively, the "Laws"), current and anticipated yield requirements (the "Yield Requirements"), and current and anticipated cost of funds (the "Cost of Funds"). Any proposed or actual modifications to such Laws, Yield Requirements, Cost of Funds, and any changes regarding our or the LIHTC industry's expectations regarding potential tax or other legislative reforms, could affect pricing and the terms herein.

This preliminary commitment will expire on November 2, 2022 if not extended by Wells Fargo. Wells Fargo wishes to thank you for the opportunity to participate in this investment.

Sincerely,

Matthew Parkhill

Matthew Parkhill
Managing Director

MHP Anderson Creek, Ltd.,
a Texas limited partnership

By: 

Chris Shear, Authorized Representative



November 2, 2021

Christopher Shear
McDowell Housing Partners
601 Brickell Key Drive, Suite 700
Miami, FL 33131

**RE: Letter of Interest for Permanent Financing
Anderson Creek – Austin, TX**

Dear Mr. Shear,

Wells Fargo Multifamily Capital ("WFMC") is pleased to present you with the attached Letter of Interest for permanent financing terms in regards to Anderson Creek (the "Project") in Austin, TX. It is our assumption that a LIHTC partnership comprised of General Partner, an affiliate of McDowell Housing Partners, and its tax credit limited partner will utilize permanent loan proceeds to finance a proposed 100-unit, affordable rental community. The project will consist of 30 one-bedroom units, 62 two-bedroom units, and 8 three-bedroom units. WFMC understands that the units will be subject to ongoing affordability restrictions under Section 42 regulatory regime by which 100% of the units must remain both rent and income restricted, specifically with 15 units restricted at 30% of Area Median Income ("AMI"), 45 units restricted at 50% of AMI, and 40 units restricted at 80% of AMI. Furthermore, the Property will utilize income-averaging.

Wells Fargo, the nation's largest commercial real estate lender, is decidedly focused on providing financing solutions for affordable housing developers and owners across the country. Our suite of dedicated financial products includes permanent debt, construction term loans, LIHTC equity investment, and bond underwriting. As such, we are uniquely positioned for this assignment.

Our interest in providing this financing is based on the sponsors' track record of successfully completing projects of similar scope. We would like to provide permanent financing pursuant to the terms in Schedule A (attached). The proposed Permanent Loan Facility would be provided by Fannie Mae under their Mortgage Backed Security as Tax Exempt Bond Collateral ("M.TEB") program via Forward Commitment.

The loan remains subject to full underwriting and review of third party reports and, as such, are subject to change. Lastly, please be advised that this is not a commitment to provide financing, which can only come after completion of due diligence and additional credit, Fannie Mae and Wells Fargo approval.

Our team looks forward to working with you.

Very best,

A handwritten signature in blue ink, appearing to read "Trevor Brotman", with a long horizontal flourish extending to the right.

Trevor Brotman
Managing Director
(949) 933-0395
Trevor.brotman@wellsfargo.com

Schedule A

Preliminary Summary of Loan Terms

Anderson Creek - Austin, TX

Loan Product(s): Fannie Mae MBS as Tax-Exempt Bond Collateral Program (“M.TEB”) via Forward Commitment

Permanent Facility Amount:

Not to exceed the lesser of:

1. \$15,250,000;
2. 90% of the “as-stabilized” appraised value of the Project, determined as of the current effective date of a third-party FIRREA compliant appraisal.

Should there be hard pay subordinate debt, the maximum combined LTV of both mortgages is 90% of “as-stabilized” value. Should the hard pay subordinate debt be from a Governmental Entity or Non Profit Entity, maximum LTV will be 100% of “as-stabilized” value and loan proceeds are subject to change;

3. Minimum DSCR of 1.15x at the Interest Rate plus Issuer, Trustee, and other bond related recurring fees.

Should there be Hard Pay Subordinate Debt, the minimum combined DSCR of both all mortgages is 1.10x and loan proceeds are subject to change; and

4. 100% of total development costs net of LIHTC equity raise, subordinate debt, and borrower equity.
5. Borrower’s requested loan amount.

The above indicative Permanent Facility Amount assumes all subordinate debt, including City of Austin (RHDA), is soft pay out of no more than 75% of available cash flow during the senior loan term. Furthermore, the aforementioned allowances for combined LTV and DSCR based on the inclusion of either soft or hard subordinate debt remain subject to Fannie Mae’s final approval.

Preliminary NOI: \$842,292¹

Based on Borrower’s pro forma NOI, but subject to change based on lender’s final underwriting. All underwritten income and expenses must be supported by a lender-engaged Appraisal and available market comps.

M.TEB Structure:

During the construction period, proceeds from the sale of Tax-Exempt Pass-Through Bonds will be used to acquire, renovate, and/or construct the project. The Tax-Exempt Pass-Through Bonds will be collateralized by taxable construction loan proceeds issued by the construction lender on a drawdown basis and subsequently deposited with the Trustee. Furthermore, Borrower will be required to capitalize and deposit, as part of its budget, any such interest payments due on the bonds during the construction and lease-up period.

Upon conversion of the Loan to permanent status, it is anticipated that a Fannie Mae-issued MBS will be deposited with the trustee for the benefit of the bondholders during the Permanent Loan term. At that time, the construction loan will be paid off.

The structure of the Tax-Exempt Pass-Through Bonds is as follows:

¹ Any ongoing administrative fees due to Bond Issuer, Trustee, and Rebate Analyst must be included as an expense. Lender assumes Austin Housing Finance Corporation, as Bond Issuer, charges an annual Administrative Fee and is included as an expense of \$15,250. Please advise Lender immediately if there are any additional ongoing administrative fees due to Bond Issuer, Trustee or Rebate Analyst.

The par amount of the Tax-Exempt Pass-Through Bonds will equal the Permanent Loan Amount.

1. The interest rate on the Tax-Exempt Pass-Through Bonds will equal the pass-through rate on the MBS. The interest rate will be determined upon the sale of the Tax-Exempt Pass-Through Bonds by a municipal underwriter in the public market prior to Construction Loan closing.
2. The Tax-Exempt Pass-Through Bonds will pass through a payment equal to 100% of the principal and interest paid on the MBS on the business day following receipt of a payment on the MBS.

**Permanent Loan
Pricing:**

Fixed interest rate currently estimated at 3.54%, which is based on a 1.41% spread over the estimated par yield of Tax-Exempt Pass-Through Bonds. The Pass-Through bond rate is based on indicative pricing provided by Wells Fargo Securities.

Interest rate is subject to change until issuance of formal quote from Fannie Mae, rate lock of the MBS, and sale of the Bonds.

**Permanent Loan
Term:**

15 years

Forward Term:

24 months

Forward Extension:

One, 6-month extension available at a cost of 7.5 basis points, payable at the time of extension if needed

Amortization:

40 years (remains subject to Fannie Mae's formal review and credit approval)

Prepayment:

Yield Maintenance until six months prior to maturity. The loan is pre-payable at 1%, six months before maturity. Borrower must pay interest accrual through the last day of the month in which prepayment occurs, along with fee maintenance outlined above. The loan is open at par for the last 90 days.

Modified prepayment schedule may be available, subject to increase in spread.

Ground Lease:

Not applicable

Tax Abatement:

Not applicable

Permanent Loan Fees

Borrower will be responsible for all costs related to the third party reports and construction monitoring fees. If Wells Fargo is also the LIHTC Investor, reports will be shared and collection of fees will be coordinated, when applicable.

1. **Lender Application Fee** – \$20,000 – Due with signed Loan Application. Lender shall order the technical reports as may be required by Wells Fargo in its discretion. The technical reports will be completed in accordance with Fannie Mae guidelines and paid for out of Lender's Application Fee. The Application Fee also shall be used by Lender as a deposit against the costs of credit reports, underwriting site inspection, initial legal review, and other out-of-pocket expenses incurred by Lender in the processing and underwriting of the Loan. Should actual costs of the technical reports exceed the Application Fee amount (net of Lender's \$5,000 Review Fee), Borrower will promptly pay the additional costs upon request of Wells Fargo. **Above Lender Application Fee assumes Wells Fargo, as construction lender, will engage and share both the Appraisal and Plan & Cost Reports with WFMC. Should that not be the case, the Lender Application Fee amount is subject to increase.**
2. **Fannie Mae's Delivery Fee** - An amount equal to 0.05% for a Loan Amount in excess of \$6,000,000 or 0.10% for a Loan Amount equal to or less than \$6,000,000, which fee

is due and payable at Closing.

3. **Fannie Mae's Standby Fee** - 0.15% of unpaid balance per annum for each year of the construction phase.
4. **Good Faith Deposit** – Equal to 1.00% of the Permanent Loan Amount, payable prior to rate lock of the Forward Commitment. Borrower may post this fee in cash or a letter of credit acceptable to Lender. This fee will be refundable to Borrower within approximately 30 days of project's conversion to permanent status. Should the loan fail to convert, the Agency will keep the deposit.
5. **Lender Origination Fee** – 1.00% of Permanent Loan Amount; earned upon rate lock and payable at closing of the Forward Commitment.
6. **Permanent Lender Legal Fee** – Borrower is responsible for payment of all legal fees incurred by Lender and Fannie Mae.
7. **Construction Monitoring** - Lender will monitor the progress and quality of construction and report such findings to the Agency on a regular basis throughout the rehabilitation period. Borrower will be responsible for all costs associated with construction monitoring.
8. **Conversion Fee and Expense Deposit** - \$20,000 – Borrower's request for permanent Loan conversion must be accompanied by a Conversion Fee and Expense Deposit. Borrower is also responsible for paying Lender's out-of-pocket costs in connection with conversion.
9. **Cost of Issuance (COI) Reimbursement** – Feature allows for qualified municipal bond underwriter fees to be reimbursed by Fannie Mae up to an amount no greater than 0.75% of the Loan Amount. Reimbursement of this fee occurs on or around the date the MBS is delivered by Fannie Mae, which is shortly after loan conversion. **The Loan spread presented above includes the cost attributable to the COI Reimbursement feature, which is 6 basis points.** However, the inclusion of the COI Reimbursement feature is at borrower's option and can be removed, with corresponding reduction in the spread indication. For more information, please discuss with Lender.

Required Reserves

1. **Property-level Reserves** –Real Estate Taxes, Insurance and Replacement Reserve impounds will be required.

Other Conditions

Such other conditions and deliverable items which are customary and reasonable for a loan of this nature and amount.

1. Borrower acknowledges and agrees that because of disruption in the financial markets resulting from COVID 19, Lender's obligation to make the Loan remains subject to any additional conditions, requirements or restrictions, or any specific requirements imposed by Fannie Mae upon Lender as a condition to the Closing of the Loan (i.e. changes in escrow requirements, vacancy parameters).
2. Title Insurance: In the current circumstances regarding COVID-19, recording offices have been closing and if not equipped to e-file documents, the security documents can't be recorded. In the event the Property jurisdiction is unable to record security documents and release a final title policy upon funding, no rate lock may occur and closing may be delayed or cancelled. A gap indemnity will not be accepted unless the recording office is operational at the time of closing.

WFMC Acknowledgement

The Bank's current understanding of the Project and this Letter of Interest is based on the budget submitted by the Borrower. WFMC acknowledges that this Project budget is subject to change. This Letter of Interest does not represent a final commitment by the Bank for the proposed financing, nor does it define all of the terms and conditions of loan documents, but is a framework upon which a loan request may be submitted.

Issuance of a commitment by WFMC is subject to the approval of the loan request under the WFMC's internal approval process, which includes, but is not limited to, a review of the Borrower's then financial condition and a review and approval of all third party reports, in addition to completion of loan documents in form and substance acceptable to the WFMC.

The aforementioned is a non-binding indication of proposed financing terms and for discussion purposes only. Formal issuance of a term sheet will require additional review by Fannie Mae and, as such, the terms are subject to change until such time.

PROJECT INFORMATION

4.a. Market Study

CHAPTER 1

CONCLUSIVE STATEMENTS, SUMMARY OF FINDINGS AND DESCRIPTION OF THE MARKET STUDY

1.1 – MARKET STUDY CERTIFICATION TO TDHCA

Apartment MarketData, LLC prepared a market feasibility study for Anderson Creek (Austin, Travis County, Texas) in compliance with TDHCA guidelines. Apartment MarketData, LLC certifies that it has read and understands Department Rules specific to the report found in Section 11.303 of the QAP. All persons who have a property interest in this report hereby must acknowledge that the Department may publish the full report on the Department’s website, release the report in response to a request for public information and make other use of the report as authorized by law.

1.2 – OBJECTIVE & STATEMENT OF SCOPE

The purpose of this study was to summarize the market potential of developing the subject tract of land as an “affordable” rental project to meet the rental housing needs of the Austin area. The analysis, conclusions, and opinions of this study are not based on any requested results.

The developer of this project is proposing the construction of 100 rental units, receiving assistance through Private Activity Bonds (PAB) and 4% tax credits. The site would be comprised of one residential building and would include a clubhouse with management/leasing and maintenance offices. The subject site is located in Austin, Travis County, Texas.

The market study for the proposed development was conducted through the use of methods and techniques that are generally accepted in the industry. To this end, the following analytical techniques were employed:

1. A comprehensive study of the socio-economic demographics and multi-family housing market of the “Primary Market Area” was conducted to determine whether demand existed for new rental housing units. This consisted of a study of the historical profile of the community, including job formation, new multi-family construction and absorption, income levels, changes in interest rates, population changes, location of employers, proximity to public services, surrounding land uses, and competition from other available housing.

2. The physical design of the project, and its amenities, were compared to other properties to assure that the proposed development would meet the major housing needs of the population. To this end, an extensive survey of the multi-family sub-market was conducted to determine if the demand was already being addressed by comparable rental properties.

The problem posed was to determine the demand, supply, feasibility, and financial probability of success of developing a Low Income Housing Tax Credit project in the sub-market identified.

The market study process is an orderly program wherein the data used in evaluating the development is acquired, classified, analyzed, and presented.

The first step in this process involves defining the evaluation problem as to identification of the real estate, the effective date of the study, and the perspective of the study. Once this has been accomplished, the analyst embarks upon collection of data and analysis of the program of factors which affect the marketability of the subject property. This includes an area and neighborhood analysis, site and improvement analysis, and feasibility analysis. Consequently, Apartment MarketData, LLC:

- Evaluated the need for residential rental housing within the specific market area, and how the proposed development plan fits into the neighborhood.
- Evaluated the existing rental housing in the market in terms of rental rates, size, unit mix, physical condition, occupancy and vacancy rates, as well as the historical absorption rate.
- Evaluated the proposed development in terms of the proforma rents, unit mix, amenities, construction costs, and budgeted operating expenses.

The scope of this assignment is consistent with the market study process defined above. Apartment MarketData, LLC and the analyst assigned to this project have made a number of independent investigations and analysis. We obtained economic and demographic data on the market area, and analyzed current market conditions with respect to permissible development uses of the site. The site, as well as other comparable projects described herein, were physically inspected, and all plats and/or surveys obtained from the client, third parties, or public records were thoroughly examined.¹

¹ The Appraisal Institute, Chicago, IL

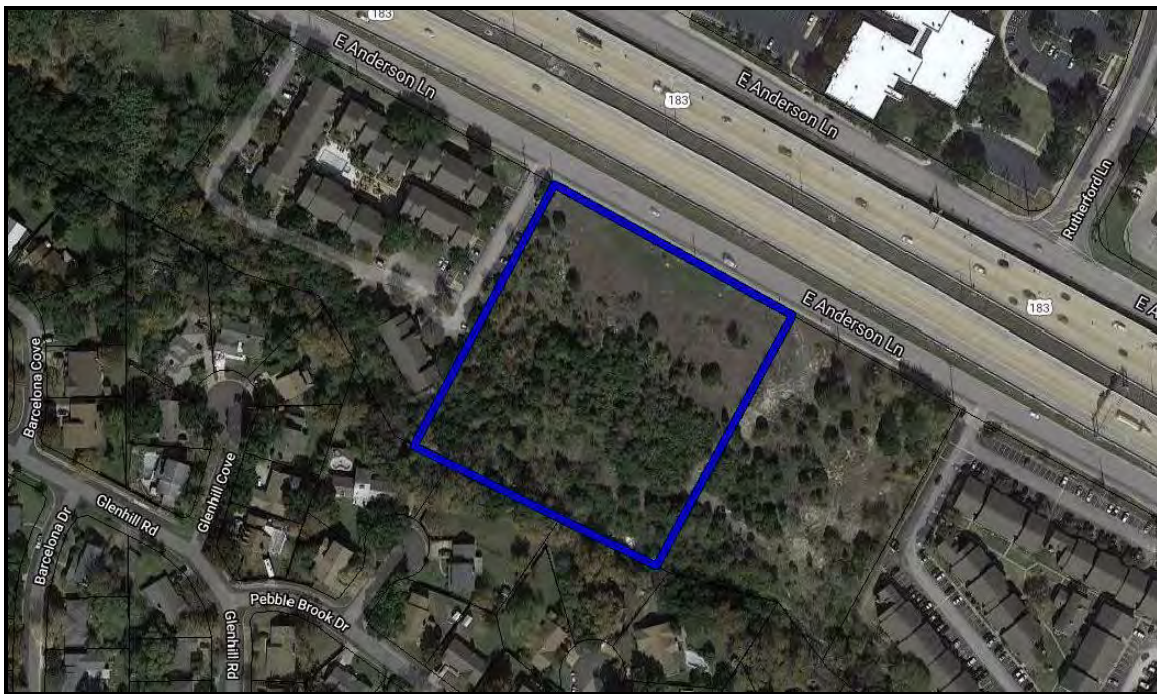
1.3 - PROPOSED DEVELOPMENT

The developer of this project is proposing the construction of 100 rental units, receiving assistance through Private Activity Bonds (PAB) and 4% tax credits. The site would be comprised of one residential building and would include a clubhouse with management/leasing and maintenance offices. The subject site is located in Austin, Travis County, Texas.

1.3.1 - Identification of the Property

The subject site is located at 1701 East Anderson Lane, Austin, Travis County, Texas. The site is identified by the County Appraisal District as Property ID 230725. The surrounding uses immediately adjacent to the site include:

North:	Anderson Lane / U.S. Highway 183
West:	Ashford Costa Esmeralda Apartments
South:	Single Family Residential
East:	Undeveloped Land



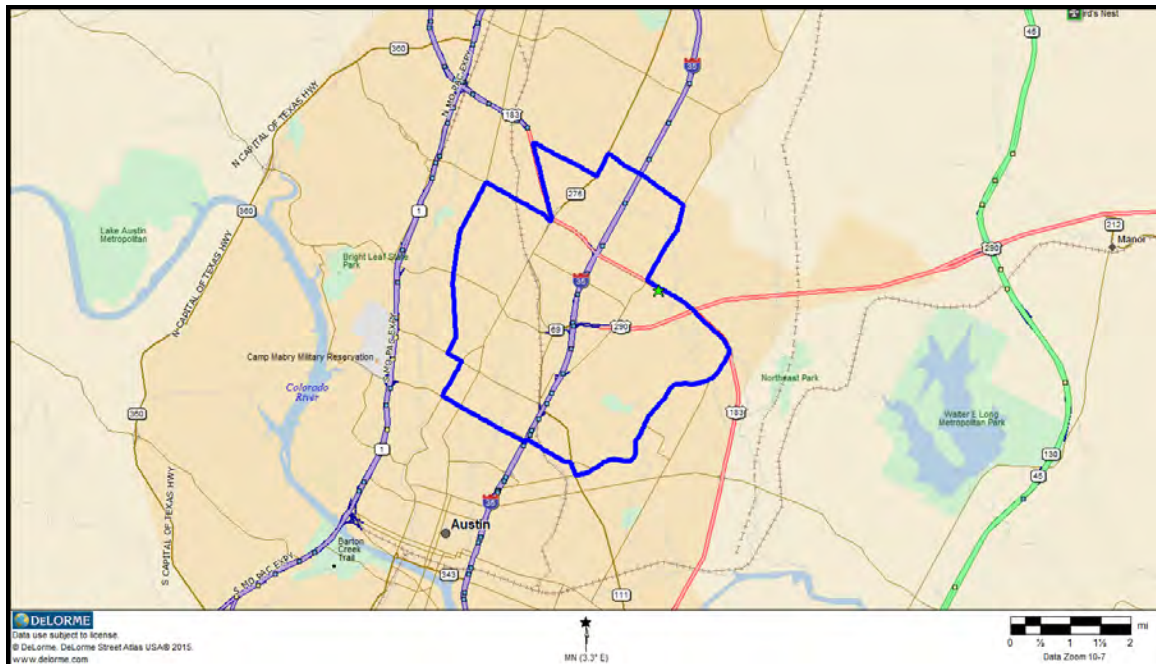
The subject site has access to U.S. Highway 183. The subject location provides easy access to shopping, recreation, and employment areas.

The proposed site is located in the Qualified Census Tract 484530018.11 Austin, Travis County, Texas.

1.3.2 - Primary Market Area

For this analysis, we utilized a “primary market area” encompassing 16.14 square miles. These boundaries follow the census tracts listed:

Census Tracts	Census Tracts	Census Tracts	Census Tracts
484530002.03	484530002.05	484530003.02	484530003.04
484530003.05	484530003.06	484530003.07	484530015.03
484530015.04	484530015.05	484530018.04	484530018.05
484530018.06	484530018.11	484530018.12	484530018.13
484530021.04	484530021.05	484530021.06	484530021.12
484530021.13			



This area was used as it complies with the definition of a “Primary Market Area” (PMA) as defined by the Texas Department of Housing and Community Affairs (TDHCA). The area shown on the map above, takes into consideration this area’s housing needs, demand draw, natural, political and manmade barriers, and the appropriate demographics of the area applicable to the demand for rental apartments.

At the same time, the PMA was limited to a population of 99,845 and may not be inclusive of the entire area that the analyst expects the subject to draw the majority of its residents.

1.3.3 – Description of Site Improvements

Apartment units would provide efficient floor plans, with separate kitchens and baths. Each unit would also have individually controlled heating and air conditioning. The common areas would be lighted, providing added security for residents.

The subject would be newer in age than other existing projects in the area. The entire development would be fully landscaped, and feature an attractive design. The interior of the units would be designed more efficiently than comparable affordable projects in the area. The subject would be well suited to the tenant base, and a welcomed addition to a market that has need for low income housing units. The subject improvements would have an estimated effective age and economic life of more than 45 years. Units and the overall building style would be functional for their use as apartment rental units in the Austin area.

Anderson Creek Unit Mix and Rents

Units	Unit Type	Income Type	Size (Net SF)	Rent	Rent/sf	Total Rent	Total Sq. Ft.
5	1-1	30%	650	\$ 477	\$ 0.734	\$ 2,385	3,250
13	1-1	50%	650	\$ 849	\$ 1.306	\$ 11,037	8,450
10	1-1	80%	650	\$ 1,406	\$ 2.163	\$ 14,060	6,500
2	1-1	80%	772	\$ 1,406	\$ 1.821	\$ 2,812	1,544
9	2-2	30%	927	\$ 567	\$ 0.612	\$ 5,103	8,343
28	2-2	50%	927	\$ 1,012	\$ 1.092	\$ 28,336	25,956
17	2-2	80%	927	\$ 1,681	\$ 1.813	\$ 28,577	15,759
8	2-2	80%	1,001	\$ 1,681	\$ 1.679	\$ 13,448	8,008
1	3-2	30%	1,205	\$ 651	\$ 0.540	\$ 651	1,205
4	3-2	50%	1,205	\$ 1,166	\$ 0.968	\$ 4,664	4,820
3	3-2	80%	1,205	\$ 1,938	\$ 1.608	\$ 5,814	3,615
100			875	\$ 1,169	\$ 1.337	\$ 116,887	87,450

1.4 - POPULATION & HOUSEHOLD TRENDS - AnySite

There was a 1.8% decrease in population in the Primary Market Area from 2000 to 2010. Between 2000 and 2010, the number of households decreased by 1.3%. The population is projected to increase through the year 2025. At that time, the population is expected to be 107,541. This represents an overall growth of 26.5% between 2010 and 2025.

FORECAST POPULATION CHANGE 2000-2025

YEAR	POPULATION	% Chg.	Annual
2025 Projection	107,541	2.9%	1.5%
2023 Estimate	104,463	4.6%	1.5%
2020 Estimate	99,845	17.5%	1.7%
2010 Census	85,006	-1.8%	-0.2%
2000 Census	86,605		

The table below shows that as population has increased, there has been a corresponding increase in the demand for housing. By analyzing the trends gleaned from the population and data, we can project the need for additional housing.

HOUSEHOLD FORMATION 2000 to 2025

YEAR	HOUSEHOLDS	% Chg.	Annual	Avg. Size
2025 Projection	45,546	3.1%	1.6%	2.35
2023 Estimate	44,171	4.9%	1.6%	2.36
2020 Estimate	42,108	17.6%	1.8%	2.36
2010 Census	35,812	-1.3%	-0.1%	2.36
2000 Census	36,268			2.36

Based on straight-line delineation of the household growth alone between the years of 2021 to 2025, it can be assessed that the primary market area will need an additional 2,775 rental dwelling units.

5 Year Rental Household Growth 2,775

Thus, our estimate of the growth of the apartment households per year for the trade area, based on the AnySite straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2021	2022	2023	2024	2025
DEMAND	555	555	555	555	555

1.5 - POPULATION & HOUSEHOLD TRENDS - HISTA

The demographics provided by the HISTA data also make projections on renter household growth. The following tables are based on the estimated number of renter households for 2021, and then 2026.

**HISTA DATA
RENTER HOUSHOLDS - 2021**

RENTER HH	TOTAL			
2021	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	1,799	240	267	2,306
\$ 10,000 - \$ 19,999	2,090	304	589	2,983
\$ 20,000 - \$ 29,999	2,468	227	446	3,141
\$ 30,000 - \$ 39,999	2,592	236	340	3,168
\$ 40,000 - \$ 49,999	2,222	168	270	2,660
\$ 50,000 - \$ 59,999	1,811	160	293	2,264
\$ 60,000 - \$ 74,999	1,809	155	449	2,413
\$ 75,000 - \$ 99,999	2,392	147	394	2,933
\$ 100,000+	4,523	568	797	5,888
TOTAL	21,707	2,205	3,845	27,757

**HISTA DATA
RENTER HOUSHOLDS - 2026**

RENTER HH	TOTAL			
2026	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	1,628	248	314	2,190
\$ 10,000 - \$ 19,999	1,762	274	632	2,668
\$ 20,000 - \$ 29,999	2,177	225	528	2,930
\$ 30,000 - \$ 39,999	2,405	239	394	3,038
\$ 40,000 - \$ 49,999	2,251	187	329	2,767
\$ 50,000 - \$ 59,999	1,704	165	389	2,258
\$ 60,000 - \$ 74,999	1,798	176	610	2,584
\$ 75,000 - \$ 99,999	2,613	198	550	3,361
\$ 100,000+	5,932	869	1,253	8,054
TOTAL	22,271	2,581	4,999	29,851

RENTER HOUSHOLD GROWTH – 2021 to 2026

RENTER HH	TOTAL			
Change 2021 - 2026	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	-171	8	47	-116
\$ 10,000 - \$ 19,999	-328	-30	43	-315
\$ 20,000 - \$ 29,999	-291	-2	82	-211
\$ 30,000 - \$ 39,999	-187	3	54	-130
\$ 40,000 - \$ 49,999	29	19	59	107
\$ 50,000 - \$ 59,999	-107	5	96	-6
\$ 60,000 - \$ 74,999	-11	21	161	171
\$ 75,000 - \$ 99,999	221	51	156	428
\$ 100,000+	1,409	301	456	2,166
TOTAL	564	376	1,154	2,094

Based on straight-line delineation of the household growth alone between the years of 2022 to 2026, the HISTA data estimate the primary market area will require an additional 2,094 rental dwelling units.

5 Year Rental Household Growth 2,094

Thus, our estimate of the growth of the apartment households per year for the trade area, based on the HISTA Data straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2022	2023	2024	2025	2026
DEMAND	419	419	419	419	419

1.6 – EMPLOYMENT TRENDS

The current unemployment rate of 3.7% for Travis County is lower than the state average of 4.9% and the national average of 4.8%.² Residents of the Austin area work for a variety of employers.

Our estimate of the growth of the apartment households per year for the Primary Market Area, based on the employment growth methodology, straight-line delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2021	2022	2023	2024	2025
DEMAND	884	884	884	884	884

² Bureau of Labor Statistics – September 2021

1.7 - CAPTURE RATE SUMMARY

The capture rate is defined by the sum of the proposed units for a given project plus any previously approved but not yet stabilized new units in the sub-market divided by the total income eligible targeted renter demand identified sub-market.

$$\frac{\text{Subject's L/I Units} + \text{Other Previous L/I Units}}{\text{Total Units of Income Qualified Demand}} = \text{Capture Rate}$$

The following table summarizes the overall capture rate, capture rate by AMGI band, as well as the individual capture rate by unit type. As shown, the calculations of the capture rates are below the maximum allowable under the TDHCA underwriting guidelines.

Unit Size	2021 Demand	2022-2023 Growth Demand	External Demand (10%)	Total Demand	Subject Units	Comparable Unstable Units	Inclusive Capture Rate
Overall	16,197	44	1,624	17,865	100	165	1.5%
30% Band	3,328	-104	322	3,546	15	10	0.7%
50% Band	7,981	-30	795	8,746	45	155	2.3%
80% Band	4,888	177	507	5,572	40	0	0.7%
1 BR/30%	637	-20	62	678	5	7	1.8%
1 BR/50%	1,207	-23	118	1,302	13	94	8.2%
1 BR/80%	1,430	0	143	1,573	12	0	0.8%
2 BR/30%	630	-26	60	664	9	2	1.7%
2 BR/50%	1,200	-12	119	1,308	28	56	6.4%
2 BR/80%	1,320	-7	131	1,444	25	0	1.7%
3 BR/30%	530	-17	51	564	1	1	0.4%
3 BR/50%	652	5	66	723	4	5	1.2%
3 BR/80%	465	21	49	535	3	0	0.6%

1.8 – OVERVIEW OF THE RENTAL MARKET

1.8.1 - Current Market Conditions

The overall occupancy reported in the market is 95.7%. Further details can be found behind the "Area Properties" tab of this report. Details for comparable "Income Restricted" and "Market Rate" properties can be found in Chapter 8 of this report.

CURRENT INVENTORY OF SURVEYED PROPERTIES

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	10,095	9,670	\$ 1,198.19	646	\$ 1.854	95.8%
2 BR	5,889	5,625	\$ 1,486.52	979	\$ 1.518	95.5%
3 BR	702	672	\$ 1,755.14	1,242	\$ 1.413	95.7%
4+ BR	36	35	\$ 1,696.22	1,417	\$ 1.197	97.2%
OVERALL	16,722	16,002	\$ 1,324.19	790	\$ 1.675	95.7%

1.8.2 - Rent Trends

When surveyed, the 2000 census reported an average rent of \$594.00 for the PMA. According to the data accumulated by Apartment MarketData, the present average rental rate for an apartment unit is \$1,324.19 per month. This represents an average increase of 4.02% per year.

1.8.3 – Absorption Analysis

Absorption from 2000 to 2010 for all rental unit types is estimated to be -60 units per year.

Calculated absorption since 2010 for all unit types has been 657 units per year.

2000 Census For Rent Units	24,998
2000 Census Occupancy Households	96.7%
2000 Census Occupied Rent Household Units	24,170
2000 – 2010 New Supply (all rental units)	1,479
2010 Census For Rent Units	26,478
2010 Census Occupancy Households	89.0%
2010 Census Occupied Rent Household Units	23,571
2010 – 2020 New Supply (apt. rental units)	5,017
2021 For Rent Units	31,495
2021 Surveyed Occupancy	95.7%
2021 Surveyed Occupied Units	30,140
Change in occupied units 2000-2010	-599
Avg. Annual Absorption Rate 2000-2010	-60
Change in occupied units 2010-2020	6,569
Avg. Annual Absorption Rate 2010-2020	657

1.8.4 - Absorption of Comparable Rent Restricted Units

The most recently constructed affordable family project was Bridge at Granada (TDHCA #19436), which has 258 units completed in July 2021. Bridge at Granada began leasing in January and is currently 88% occupied, absorbing 25 units per month. Jordan at Mueller (TDHCA #17113, 132 units) was completed in November 2019 and reached 100% occupancy just two months after completion, absorbing over 60 units per month.

1.8.5 – New Construction

Since the 2010 census, there have been 14 major projects built and occupied within the PMA totaling 4,395 units.

Currently, there are three affordable family projects in lease up totaling 460 units and one market rate project in lease up with 279 units. There are eleven projects under construction totaling 2,637 units, including two affordable family projects. There are currently six market rate projects in planning totaling 1,712 units. More information on these projects can be found in section 6.5.

1.8.6 – Balance of Supply and Demand

The following table analyzes the current supply and demand for rental units. From this table, we assess that the PMA could immediately absorb 850 units without falling below a stabilized occupancy of 93%.

Total Units 2021	31,495
Total Units Vacant 2021	1,354
Units leased at Stabilized 93% occupancy	29,290
Units left to lease to reach 93% occupancy	(850)

The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable projects are 93% occupied.

1.9 – ANALYSIS OF RENT COMPARABLES

The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 1,752 affordable units within the PMA, and 1,936 conventional units. The market reflects solid demand, as did the overall macro market, for all of the competitive projects in the micro-market.

The occupancy rate for the income restricted one bedrooms is 89.2%, for income restricted two bedrooms it is 94.0%, for income restricted three bedrooms it is 95.6%, and the overall average occupancy for income restricted units is 92.4%.

CURRENT INVENTORY OF COMPARABLE INCOME RESTRICTED PROPERTIES

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	706	630	\$ 734.74	519	\$ 1.417	89.2%
2 BR	721	678	\$ 1,132.74	921	\$ 1.230	94.0%
3 BR	293	280	\$ 1,356.87	1,151	\$ 1.179	95.6%
4+ BR	32	31	\$ 1,533.25	1,313	\$ 1.168	96.9%
OVERALL	1,752	1,619	\$ 1,017.16	805	\$ 1.264	92.4%

Apartment MarketData conducted an analysis of some 1,649 conventional (Market Rate) units in and around Primary Trade Area. These projects were all built between 2009 and 2015. The occupancy rate for the market rate one bedrooms is 96.3%, for market rate two bedrooms it is 93.0%, the occupancy for the market rate three bedroom units is 92.4%, and the overall average occupancy for market rate units is 95.0%.

**CURRENT INVENTORY OF COMPARABLE
MARKET RATE PROPERTIES**

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	1,230	1,184	\$ 1,612.86	718	\$ 2.245	96.3%
2 BR	587	546	\$ 2,237.60	1,100	\$ 2.035	93.0%
3 BR	119	110	\$ 2,897.94	1,499	\$ 1.933	92.4%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	1,936	1,840	\$ 1,881.27	882	\$ 2.133	95.0%

1.9.1 - Estimate of Market Rent

The following pages represent the best estimate of market rents for the subject, based on existing rents in and around the PMA. The projects included in our analysis were:

AMLI at Mueller
Mosaic at Mueller
Waller Creekside

Midtown Commons
Sync at Mueller
West Koenig Flats

**RENTAL RATE COMPARISON
NET OF RENTAL CONCESSIONS
INCOME RESTRICTED**

	Sq. Ft.	Subject	Market	Variance	% Variance	Subject	Max. Program Rent*	Variance	% Variance
1-1	650	\$ 477	\$ 1,583	\$ (1,106)	-69.9%	\$ 477	\$ 477	\$ -	0.0%
1-1	650	\$ 849	\$ 1,583	\$ (734)	-46.4%	\$ 849	\$ 849	\$ -	0.0%
1-1	650	\$ 1,406	\$ 1,583	\$ (177)	-11.2%	\$ 1,406	\$ 1,406	\$ -	0.0%
1-1	772	\$ 1,406	\$ 1,699	\$ (293)	-17.2%	\$ 1,406	\$ 1,406	\$ -	0.0%
2-2	927	\$ 567	\$ 2,074	\$ (1,507)	-72.7%	\$ 567	\$ 567	\$ -	0.0%
2-2	927	\$ 1,012	\$ 2,074	\$ (1,062)	-51.2%	\$ 1,012	\$ 1,012	\$ -	0.0%
2-2	927	\$ 1,681	\$ 2,074	\$ (393)	-18.9%	\$ 1,681	\$ 1,681	\$ -	0.0%
2-2	1,001	\$ 1,681	\$ 2,163	\$ (482)	-22.3%	\$ 1,681	\$ 1,681	\$ -	0.0%
3-2	1,205	\$ 651	\$ 2,414	\$ (1,763)	-73.0%	\$ 651	\$ 651	\$ -	0.0%
3-2	1,205	\$ 1,166	\$ 2,414	\$ (1,248)	-51.7%	\$ 1,166	\$ 1,166	\$ -	0.0%
3-2	1,205	\$ 1,938	\$ 2,414	\$ (476)	-19.7%	\$ 1,938	\$ 1,938	\$ -	0.0%

* Excluding utility allowance

From the preceding comparison of rents by individual unit types, one can see that the subject's tax credit rents on a Total Rent Basis are between 11% and 73% below market rents currently offered in the marketplace.

1.10 – PROJECTED EXPENSE ANALYSIS

The subject project has no historical operating expenses, as it is a proposed development. As such, the analyst has utilized the developer's estimated expenses and actual operating expenses from other apartment buildings in order to estimate the operating expenses applicable to the project. The following is a discussion of the estimated stabilized operating expenses for the property. The analyst will use the expense estimates in the complete analysis and in the "as stabilized" net income analysis.

As a comparative guide, the analyst has utilized the operating expenses for similar buildings in area to compare to this project. This information was obtained from the local multi-family operators, appraisers, the IREM 2019 – Income/Expense Analysis (Austin area), and the TDHCA's 2021 (year end 2019) database for average operating expenses. In the table below, these expenses are compared against each other.

**“PER YEAR”
STABILIZED EXPENSES
PROJECTION TABLE**

Expense Comparison	IREM Per Unit	TDHCA Per Unit High	TDHCA Per Unit Low	Proforma Per Unit	% Variance IREM	% Variance Per Unit High	% Variance Per Unit Low
Proforma* w/o taxes	\$3,141	\$5,206	\$3,582	\$4,362	38.87%	-16.22%	21.79%
Est. Real Estate Taxes	\$2,756	\$886	\$725	\$875	-68.25%	-1.19%	20.77%
Estimated Expense	\$5,897	\$6,092	\$4,306	\$5,237	-11.19%	-14.03%	21.62%

* Adjusted for comparison purposes

Based on the table above, the developer estimates the total annual operating expenses to be \$4,362 per unit per year (without real estate taxes or reserves for replacement). Given our analysis above, this estimation appears reasonable and comparable to the other sources of comparison.

1.11 - CONCLUSIONS

- The AnySite demographics estimate the demand growth for new rental units to be 555 units per year. The HISTA data suggests that the growth for new rental units will be 419 units per year. Finally, the employment growth methodology suggests that the primary market area will absorb 884 units per year.
- The calculated historical absorption for the PMA was 554 units annually (2010-2020).
- This site is located in an area in which the demand for “affordable” housing is strong. The site also has excellent linkages, and demand generators.
- The analyst believes that there is a sufficient “income qualified” population, with significant demand, to support the proforma rents of the project.
- The level of tax credit rent being charged is 11% to 73% lower than the adjusted rents charged at market rate comparables within the PMA.
- The level of rent being charged is appropriate and achievable compared to other “affordable” projects within the PMA.

- The absorption period of new supply is within acceptable levels.

Overall, the analyst feels that this project would be well positioned to meet the needed demand for affordable housing in the sub-market.

The determination of the project's position in the "Primary Market Area" is based upon:

- The fulfillment of a need for rental housing in the sub-market, and
- The proforma rents for the subject do not exceed the rental rates currently being charged in the market.

1.12 – ASSUMPTIONS, CONTINGENCY & LIMITING CONDITIONS

The analysis of the data and the conclusions determined from such an analysis require the making of a number of assumptions and the conclusions drawn are limited by a number of conditions. The reader is strongly encouraged to read these assumptions and limiting conditions.

These conditions are a part of the report. They are preface to any certification, definition, fact or analysis, and are intended to establish as a matter of record that Apartment MarketData's function is to provide and present a market study for the subject property based upon observations of the subject property and real estate market.

Furthermore, numerous specific minor assumptions required for analysis of data can be found throughout this report. These assumptions and limiting conditions are critical to the study and should be clearly understood by the reader. Therefore, a user of this market study is strongly encouraged to read this report in its entirety in order to fully understand the conclusions reached. All persons and firms reviewing, using or relying on this report in any manner bind themselves to accept these assumptions and limiting conditions.³

1.13 – SOURCES OF DEMOGRAPHIC DATA

Unless otherwise noted, all demographic data contained within this report were obtained and/or derived from the AnySite Corporation (www.AnySite.com) and from Ribbon Demographics (HISTA data).

³ The Appraisal Institute, Chicago, IL

1.14 – MARKET STUDY PROCESS & SCOPE

The market study process is an orderly program wherein the data used in the evaluation of the development is acquired, classified, analyzed, and presented.

The first step in this process involves defining the evaluation problem as to identification of the real estate, the effective date of the study, and the perspective of the study. Once this has been accomplished, the analyst embarks upon collection of data and analysis of the program of factors which affect the marketability of the subject property. This includes an area and neighborhood analysis, site and improvement analysis, and feasibility analysis. Consequently, Apartment MarketData, LLC:

- Evaluated the need for residential rental housing within the specific market area, and how the proposed development plan fits into the neighborhood.
- Evaluated the existing rental housing in the market in terms of rental rates, size, unit mix, physical condition, occupancy and vacancy rates, as well as the historical absorption rate.
- Evaluated the proposed development in terms of the proforma rents, unit mix, amenities, construction costs, and budgeted operating expenses.

The scope of this assignment is consistent with the market study process defined above. Apartment MarketData, LLC and the analyst assigned to this project have made a number of independent investigations and analysis. We obtained economic and demographic data on the market area, and analyzed current market conditions with respect to permissible development uses on the site. The site, as well as other comparable projects described herein, were physically inspected, and all plats and/or surveys obtained from the client, third parties, or public records were thoroughly examined.⁴

1.15 – COMPETENCY PROVISION

Apartment MarketData, LLC does hereby certify that, except as otherwise stated in this consultation report:

In accordance with the Uniform Standards of Professional Appraisal Practice, the Competency Provision requires that prior to accepting an assignment or entering into an agreement to perform any assignment, an analyst must properly identify the problem to be addressed and have the knowledge and experience to complete the evaluation assignment competently; or alternatively

⁴ The Appraisal Institute, Chicago, IL

- Disclose the lack of knowledge and/or experience to the Client before accepting the assignment
- Take all necessary or appropriate steps to complete the assignment competently.
- Describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in this report.

The analyst, on behalf of Apartment MarketData, has evaluated the property types similar to the subject property. As such, they are qualified and competent to complete the consulting assignment.

The market study is an economic study. It is not an appraisal, engineering, construction, legal or architectural study nor survey; and expertise in these areas, as well as other areas, is not implied.

We have no present or prospective interest in the property that is the subject of this report. We have no personal interest or bias with respect to the parties involved. To the best of our knowledge and belief, the statements of fact contained in this report and upon which the analysis, opinions and conclusions are based are true and correct. The reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and is our personal and unbiased professional analyses, opinions, and conclusions. This report sets forth all of the limiting conditions, either imposed by the terms of our assignment or by the undersigned, affecting the analysis, opinions and conclusions contained in this report.

If we are not notified of any errors, inaccuracies, or other problems within sixty (60) calendar days of the date of transmittal of this report, it will be understood by all involved parties that this report is an accurate representation of the property and the opinions as defined and concluded herein are correct. We have made a personal inspection of the property that is the subject of this report. No one other than the undersigned prepared the analyses, conclusions and opinions set forth in this report concerning the consultation on the subject property. Our compensation is not contingent upon the reporting of a predetermined conclusion that favors the cause of the client. This was not based on a requested opinion, a specific opinion, or the approval of a loan. Our analysis and this report have been completed in accordance with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) promulgated by the Appraisal Foundation.⁵

⁵ The Appraisal Institute, Chicago, IL

1.16 – MARKET STUDY CERTIFICATION

The market analyst hereby certifies that the following conditions are met by the proposed subject development:

1. The housing development, upon completion and considering vacancy and absorption rates, is not likely to result in an unreasonable vacancy rate for comparable units within the development's competitive market area (i.e. standard, well maintained units within the housing development's competitive market area that are reserved for occupancy by lower-income eligible tenants, as applicable);
2. The projected initial rents for the housing development are reasonable and affordable by lower-income tenants, as applicable;
3. The information submitted by the housing sponsor on the housing development is credible and reasonably accurate, with any minor exceptions noted;
4. I understand that this market feasibility study will be used by the TDHCA to document to the demand for low income housing within the Primary Market Area identified. I certify that my review was in accordance with generally accepted real estate principles and that I have no financial interest or family relationship with the officers, directors, stockholders, or partners of the Sponsor, the general contractor, any subcontractors, the buyer or seller of the property or property or engage in any business that might present a conflict of interest.

I am under contract for this specific assignment (market feasibility study) and I have no side deals, agreements, of financial considerations with others in connection with this transaction.

Apartment MarketData is a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing the Market Analysis.

Prepared By – Darrell G. Jack
President
Market Analyst

CHAPTER 2

PROPOSED DEVELOPMENT

2.1 – PROPOSED DEVELOPMENT

The purpose of this report was to analyze the demand and economic feasibility for the development of Anderson Creek. The developer of this project is proposing the construction of 100 rental units, receiving assistance through Private Activity Bonds (PAB) and 4% tax credits. The site would be comprised of one residential building and would include a clubhouse with management/leasing and maintenance offices. The subject site is located in Austin, Travis County, Texas.

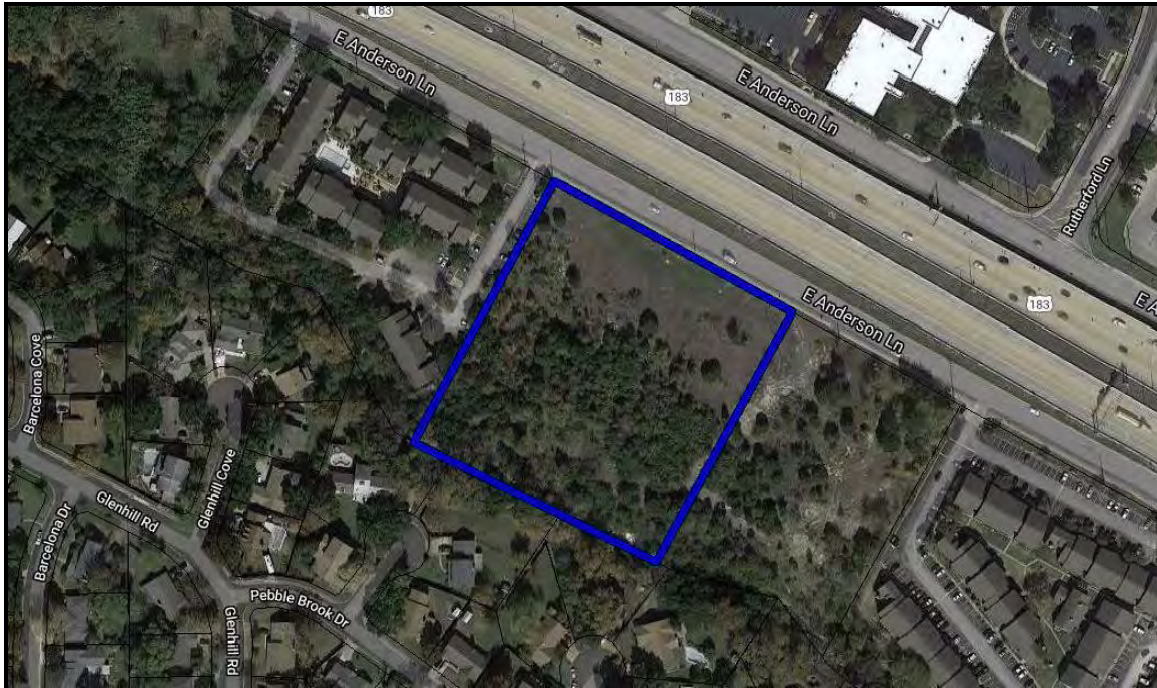
2.1.1 - Current Ownership of Site

The site is currently owned by 183 Apartment Site Ltd. According to the Travis County Appraisal District, the site has been owned by 183 Apartment Site Ltd for more than three years. The developer and sponsor report that they have no identity of interest in the current ownership of the subject site.

2.1.2 - Identification of the Property

The subject site is located at 1701 East Anderson Lane, Austin, Travis County, Texas. The site is identified by the County Appraisal District as Property ID 230725. The surrounding uses immediately adjacent to the site include:

North:	Anderson Lane / U.S. Highway 183
West:	Ashford Costa Esmeralda Apartments
South:	Single Family Residential
East:	Undeveloped Land



The subject site has access to U.S. Highway 183. The subject location provides easy access to shopping, recreation, and employment areas.

The proposed site is located in the **Qualified Census Tract 484530018.11** Austin, Travis County, Texas.

2.1.3 - Area Overview

Austin is the capital of the state of Texas and the county seat of Travis County. Austin is the 11th most populous city in the US and the fourth most populous city in Texas. The city is the cultural and economic center of the Austin-Round Rock-San Marcos metropolitan area, which has a population of more than 2,000,000.

The City of Austin is located in South Central Texas, on the Colorado River, with three man-made lakes within the city limits. Austin is the commercial heart of a ranching, poultry, dairy, cotton, and grain area. Hydroelectric development (beginning in the 1930s) has spurred enormous industrial growth. The city now manufactures a wide variety of products, and is a center for electronic and scientific research.

Austin's location near major linkages and service by four railroads make it convenient to ship goods to any destination in Texas, or the southwest United States. Robert Mueller Municipal Airport was replaced in 1999 by the Austin-Bergstrom International Airport. This new airport includes a \$20 million air cargo facility.

In the late 20th century, Austin emerged as an important high tech center for semiconductors and software. The University of Texas at Austin emerged as a major university.

The 1970s saw Austin's emergence in the national music scene, with local artists such as Willie Nelson, Asleep at the Wheel, and Stevie Ray Vaughan and iconic music venues such as the Armadillo World Headquarters. Over time, the long-running television program Austin City Limits, its namesake Austin City Limits Festival, and the South by Southwest music festival solidified the city's place in the music industry.

Strategic Location: One of the strongest attributes of the Austin area is its central Texas location along Interstate Highway 35 (north and south system). Austin is centrally located between Dallas/Fort Worth to the north, Houston to the east, and San Antonio and Mexico to the south. The extensive transportation systems which transverse the nation provides easy access from Austin to the Texas markets of San Antonio, Dallas/Fort Worth, Houston, Corpus Christi and the whole nation. The region is served by major rail lines and trucking routes. This Central Texas location is vitally important in reducing transportation time and operating costs.

Site Linkages	Location in relation to Site
Roads:	
U.S. Highway 183	0.1 miles to the north
U.S. Highway 290 East	0.5 miles to the southeast
Interstate Highway 35	1.2 miles to the west
Loop 1	4.0 miles the west
Highway 130 - Toll	5.4 miles to the east
U.S. Highway 71 / Ben White	7.3 miles to the south

Services:	
Austin-Bergstrom Intercontinental Airport	7.7 miles to the southeast
Downtown Austin	4.6 miles to the southwest

Texas Cities Distances:	
Dallas	175 miles to the north
Fort Worth	170 miles to the north
Houston	145 miles to the east
San Antonio	70 miles to the southwest

2.1.4 Description of Site Improvements

The developer of this project is proposing the construction of 100 rental units, receiving assistance through Private Activity Bonds (PAB) and 4% tax credits. The site would be comprised of one residential building and would include a clubhouse with management/leasing and maintenance offices. The subject site is located in Austin, Travis County, Texas.

Apartment units would provide efficient floor plans, with separate kitchens and baths. Each unit would also have individually controlled heating and air conditioning. The common areas would be lighted, providing added security for residents.

The subject would be newer in age than other existing projects in the area. The entire development would be fully landscaped, and feature an attractive design. The interior of the units would be designed more efficiently than comparable affordable projects in the area. The subject would be well suited to the tenant base, and a welcomed addition to a market that has need for low income housing units. The subject improvements would have an estimated effective age and economic life of more than 45 years. Units and the overall building style would be functional for their use as apartment rental units in the Austin area.

Anderson Creek Unit Mix and Rents

Units	Unit Type	Income Type	Size (Net SF)	Rent	Rent/sf	Total Rent	Total Sq. Ft.
5	1-1	30%	650	\$ 477	\$ 0.734	\$ 2,385	3,250
13	1-1	50%	650	\$ 849	\$ 1.306	\$ 11,037	8,450
10	1-1	80%	650	\$ 1,406	\$ 2.163	\$ 14,060	6,500
2	1-1	80%	772	\$ 1,406	\$ 1.821	\$ 2,812	1,544
9	2-2	30%	927	\$ 567	\$ 0.612	\$ 5,103	8,343
28	2-2	50%	927	\$ 1,012	\$ 1.092	\$ 28,336	25,956
17	2-2	80%	927	\$ 1,681	\$ 1.813	\$ 28,577	15,759
8	2-2	80%	1,001	\$ 1,681	\$ 1.679	\$ 13,448	8,008
1	3-2	30%	1,205	\$ 651	\$ 0.540	\$ 651	1,205
4	3-2	50%	1,205	\$ 1,166	\$ 0.968	\$ 4,664	4,820
3	3-2	80%	1,205	\$ 1,938	\$ 1.608	\$ 5,814	3,615
100			875	\$ 1,169	\$ 1.337	\$ 116,887	87,450

2.2 – BUILDING DESIGN & CONSTRUCTION MATERIALS

Location:	1701 East Anderson Lane Austin, Travis County, Texas
Projected Year of Construction:	2023
Net Rentable Area (NRA):	87,450 SF
Average Unit Size:	8753 SF
Type of Construction:	6 story design – Fire-retardant treated wood framing over concrete podium parking Stucco, Fiber Cement exterior finishes Concrete slab on grade – post tension Flat roof with TPO single ply roofing HVAC split package system w/ roof mounted condensers
Project Amenities:	On-site management office, clubroom, Fitness Center, Business Center, Swimming Pool

Physical Characteristics:

Ceilings:	9' high, textured and painted
Exterior Doors:	Metal Clad doors at stairs Storefront at building entries
Interior Doors:	6 Panel wood composite doors
Insulation:	Walls – fiberglass batts R-19, Ceilings R-11 Roof – R-30
Walls:	½" & 5/8" gypsum board,
Windows:	Residential fin frame Dual Glaze (low e)

Finishes:

<u>Flooring</u>	
Entry:	Vinyl Tile
Living:	Vinyl Tile
Dining:	Vinyl Tile
Bedroom:	Vinyl Tile
Kitchen:	Vinyl Tile
Utility:	Vinyl Tile
Bathroom:	Vinyl Tile
Walls:	Painted and textured gypsum board
Baths:	Painted and textured gypsum board
Counters:	Level 1, 2cm granite eased edge

Bathrooms:

Bath:	Traditional fixtures - low-flow toilets
Luminescent:	Bulb Fixtures, Energy Star rated, LED
Fixtures:	Water Sense rated
Vent:	Fan / Light Fixture
Bathtub:	Fiberglass tubs with ceramic tile surround
Commode:	Ceramic
Counters:	Laminated tops w/lavatory over wood cabinets

Kitchen:

Energy Star rated dishwasher
Energy Star rated refrigerator
Self-cleaning oven/range
Garbage disposal
Energy Star rated lighting, LED

Heating/Cooling:

16 SEER HVAC or greater

Electrical:

Underground to building with individual metering
Overload protection in compliance with code
Bathroom and kitchen outlets have ground fault
LED light fixtures throughout

Plumbing:

Sewer and Water provided by City of Austin
Underground to building
In compliance with City Codes

Apartment Amenities:

Functional Unit Design
Washer & dryer –hook up provided
Covered entries
Covered patios or covered balconies
EPA Water Sense/Water conserving fixtures

Outside Amenities:

Swimming Pool
Grilles and picnic area
Walking path
Bicycle storage
Barbeque grills

Clubhouse Amenities:

Lobby gathering space
Fitness center
Business center
Community Room
Public restrooms
Conditioned interior mail and parcel boxes

Safety:

Fire Sprinklers in each unit
Smoke detectors in each unit

Conclusion: The design and layout of the subject would be of equal or better quality compared to other affordable projects in the area. The project is well suited for new apartment construction. The unit mix and amenities provide an excellent selection for prospective residents.

2.3 - TOPOGRAPHY

The south half of the site slopes downward from north to south. No major topographic features were observed during our physical inspection that would substantially limit the use of the land in the area.

2.4 – ZONING & DEED RESTRICTION

This parcel is a viable multi-family parcel. Austin has controlled land use plans, and future development plans through area organizations and council planning. Enforcement is through zoning and other use restrictions. All of the land in approximate area has been planned efficiently through zoning and regulation.

2.5 – FLOOD PLAIN & ENVIRONMENTAL FACTORS

The southern edge of the site is located in the 100 year flood plain. The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map should be used to determine the existence of any flood plain, and an opinion rendered by a certified engineer.

2.6 – NUISANCES & HAZARDS

Upon physical inspection of the site, there were no signs of obvious nuisances or hazards visible to the market analyst. The nearest rail railroad tracks are located two miles west of the site.

All environmental hazards that would be of concern should be addressed in an environmental report and be abated prior to occupancy. It is therefore recommended that a certified Phase I environmental site assessment be undertaken to identify any possible hazards or environmental concerns.

2.7 – AD VALOREM TAXES

This project would lie inside the City of Austin and Travis County taxing districts. The site would also lie within boundaries of the Austin Independent School District, and would be taxed by the school district. The various taxing district rates are noted in the table below. Local taxing jurisdictions assess and collect property taxes on real and personal property owned within the taxing jurisdictions as of January 1 of each year. The 2020 property tax rates for the taxing jurisdictions are outlined below: ⁶

Austin ISD	1.102700
City of Austin	0.533500
Travis County	0.374359
Travis County Healthcare District	0.110306
Austin Community College District	0.105800
Total	2.226665

Property Taxes, per \$100 of assessed value

2.8 – APPROPRIATE DEMOGRAPHICS FOR THE UNIT MIX

Occupancy assumptions are applied to the household make up of the demographic area to determine the potential demand and rents of one, two, three, and four bedroom apartment units. We utilize 100% of the one, two, three, four, five + person households in the market area as our target renter market. Based on our experience, we determined that one bedroom generally have one and two person occupancies. Two bedrooms typically have two, three, and four person occupancies. Three and four bedroom units are likely to have three, four, five and six occupants per unit. However, four bedroom units may house as many as eight occupants. We then assume the following percentage household profiles will choose to live in the following units types. The following is our determination for unit mix:

⁶Travis County Appraisal District

**PERCENT OF 1, 2, 3, 4, 5, 6+ PERSON HOUSEHOLDS
USED FOR
ESTIMATION OF RECOMMENDED PROJECT UNITS**

House Size	1	2	3	4	5	6+
1 Bdrm	85%	40%	0%	0%	0%	0%
2 Bdrm	15%	55%	90%	50%	0%	0%
3 Bdrm	0%	5%	10%	50%	100%	100%
4 Bdrm	0%	0%	0%	0%	0%	0%
% of						
Households	41.8%	25.4%	13.6%	8.1%	6.0%	5.0%

**ESTIMATION OF RECOMMENDED PROJECT UNITS BASED ON
AFFORDABILITY & HOUSEHOLD SIZE**

House Size	1	2	3	4	5	6+	Mix
1 Bdrm	35.6%	10.2%	0.0%	0.0%	0.0%	0.0%	45.7%
2 Bdrm	6.3%	14.0%	12.3%	4.1%	0.0%	0.0%	36.6%
3 Bdrm	0.0%	1.3%	1.4%	4.1%	6.0%	5.0%	17.7%
4 Bdrm	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% of							
Households	41.8%	25.4%	13.6%	8.1%	6.0%	5.0%	100.0%

NUMBER OF HOUSEHOLDS TARGETED BASED ON UNIT MIX

House Size	1	2	3	4	5	6+	Demand
1 Bdrm	10,009	2,861	-	-	-	-	12,870
2 Bdrm	1,766	3,934	3,453	1,140	-	-	10,293
3 Bdrm	-	358	384	1,140	1,679	1,416	4,976
4 Bdrm	-	-	-	-	-	-	0
# of							
Households	11,775	7,152	3,836	2,280	1,679	1,416	28,139

HOUSEHOLD TENURE PATTERNS

Household Size	Number of Households	Tenure Owner 34.5%	Tenure Renter 65.5%	Unit Type	Demographic 2020 Sub - Mkt Units	AMD Surveyed Sub - Mkt Units
1 Person	16,310	4,534	11,775	1 Bdrm	7,303	60.4%
2 Person	12,421	5,268	7,152	2 Bdrm	3,305	35.2%
3 Person	5,881	2,045	3,836	3 Bdrm	1,404	4.2%
4 Person	3,847	1,567	2,280	4 Bdrm	335	0.2%
5+ Person	4,305	1,210	3,095			
						AMD Survey
Totals	42,764	14,625	28,139		12,347	16,722

Using the HISTA data, and considering 1) the number of persons per household who we view as the renter population profile, and 2) our experience of the percentage of apartment units in demand based on household size, multiplied by the percentage of total sub-market household size, we have determined that a mirror image of the demography would contain 45.7% one bedrooms, 36.6% two bedrooms, and 17.7% three bedrooms.

UNIT MIX COMPARED TO DEMOGRAPHICS

Unit Type	Subject Mix	Subject %	Demographic Est. Demand	Variance
1 Bdrm	30	30.0%	45.7%	-15.7%
2 Bdrm	62	62.0%	36.6%	25.4%
3 Bdrm	8	8.0%	17.7%	-9.7%
4 Bdrm	0	0.0%	0.0%	0.0%
Totals	100	100.0%	100.0%	

The table below gives 1) the unit mix currently reported for the PMA, 2) the estimate of demand based on the demographic profile of the renters in the market, 3) the unit mix of the trade area – including the subject’s units, (col. 4) the percent variance between the estimate of demand (#2) and the unit mix of the trade area (#1), and (col.5) a percent variance between the estimate of demand (#2) and the unit mix of the trade area – including the subject’s units (#3).

UNIT MIX COMPARED TO ESTIMATE OF DEMAND

Unit Type	(1) Trade Area Apartments	(2) Demographic Est. Demand	(3) Trade Area Incl. Subject	(2) – (1) % Variance	(2) – (3) % Variance
1 Bdrm	60.4%	45.7%	60.2%	-14.6%	-14.5%
2 Bdrm	35.2%	36.6%	35.4%	1.4%	1.2%
3 Bdrm	4.2%	17.7%	4.2%	13.5%	13.5%
4 Bdrm	0.2%	0.0%	0.2%	-0.2%	-0.2%

From our above analysis, we conclude that the unit mix of the subject will vary from the demographic make-up of the Primary Market Area.

Because of the physical, economic, and functional characteristics of the LIHTC programs, it is logical that some variation will exist from market characteristics to the actual physical project. It is our opinion, given current occupancies and the forecasted household growth, that the subject's unit mix, for all intended purposes, will meet the needs of lower and median income within the sub-market.

2.9 – PLACE IN SERVICE DATE

Based on information from the developer, it is estimated that the first units will be placed in service in the year 2023. As such, certain demographic forecast and demand calculations may have been adjusted to reflect the estimated population and number of households at such a time in the future.

2.10 – AMERICAN WITH DISABILITIES ACT

The Americans with Disabilities Act (“ADA”) became effective January 26, 1992. Apartment MarketData has not made a specific compliance survey of the proposed plans of construction and analysis of this proposed property to determine whether or not it is in conformity with the detailed requirements of the ADA. Since the analyst has no direct control relating to this issue, the analyst did not consider possible noncompliance with the requirements of the ADA in determining the feasibility of the property.

2.11 - PROJECT FEATURES & AMENITIES AFFECTING MARKETABILITY

The subject community has a unit mix that will be appealing to both singles and families. The proposed size of the units compares well, and the amenities offered will make the subject competitive in the marketplace.

This analyst believes the:

- allure of a newer project
- modern amenity package
- size of the units
- amenities the Austin area will offer
- projected growth in population, and
- existing and continuing need for new rental property with the PMA

will insure that there will be a more than adequate number of tenants that would desire an “affordable” rental unit. This, in addition to the fact that there are those who rent because they prefer that lifestyle to the lifestyle of home ownership, indicates there is an adequate renter base in the market area for the subject’s units.

CHAPTER 3

DEFINITION AND DEMOGRAPHIC PROFILE OF THE PRIMARY MARKET AREA

3.1 - INTRODUCTION

“Social, economic, governmental, and environmental forces influence property values in the vicinity of a subject property which, in turn, directly affect the value of the subject property itself. Therefore, the boundaries of the area of influence must be delineated to conduct a thorough analysis. The area of influence is the area within which the forces affect all surrounding properties in the same way they affect the property being studied. Although the physical boundaries may be drawn, the significant boundaries are those that fix the limits of influences on property values.” This presentation allows for the evaluation of those influences that affect property value in the surrounding area. Once these influences are delineated, it is then possible to determine how such influences affect the subject site with regard to its current and/or proposed use. By coincidence, these limits may be physically observable. The area of influence is commonly called the “Primary Market Area” or sub-market. The evaluation process “bridges the gap” between market analysis and specific site analysis.

3.1.1 - Primary Market Area

Determination of the primary or defined market of the “PMA” (Primary Market Area or sub-market), and definition of the boundaries of the trade area are based primarily upon local knowledge; in addition to interviews with city officials/planners and local real estate sources such as appraisers, developers, brokers, and agents.

(I) All census tracts in the PMA are within 3.1 miles of the development site. All of the census tracts in the PMA are within a 5 minute drive of the development site based on 25-35 mph for local, 40-50 mph for arterial, and 55 to 65 mph for freeway.⁷ Drive Time thematic maps are included in the Appendix.

(II) The PMA based on census tracts does represent a logical market area.

⁷ AnySite Drive Time - Normal Traffic

(III) The subject development provides easy access to employment. Section 7.2.1 provides information on distances and drive times to employers in the PMA as well as a 10 mile radius around the site.

(IV) The affordability and availability of new units will draw tenants from all parts of the PMA, especially areas of the PMA with higher renter concentrations and income levels targeted by the development. The Appendix provides thematic maps showing renter tenure and median income levels at the census block level.

(V) The entire PMA is contained within one county. As such there are no cross-county changes in rent or income limits affecting demand for the development.

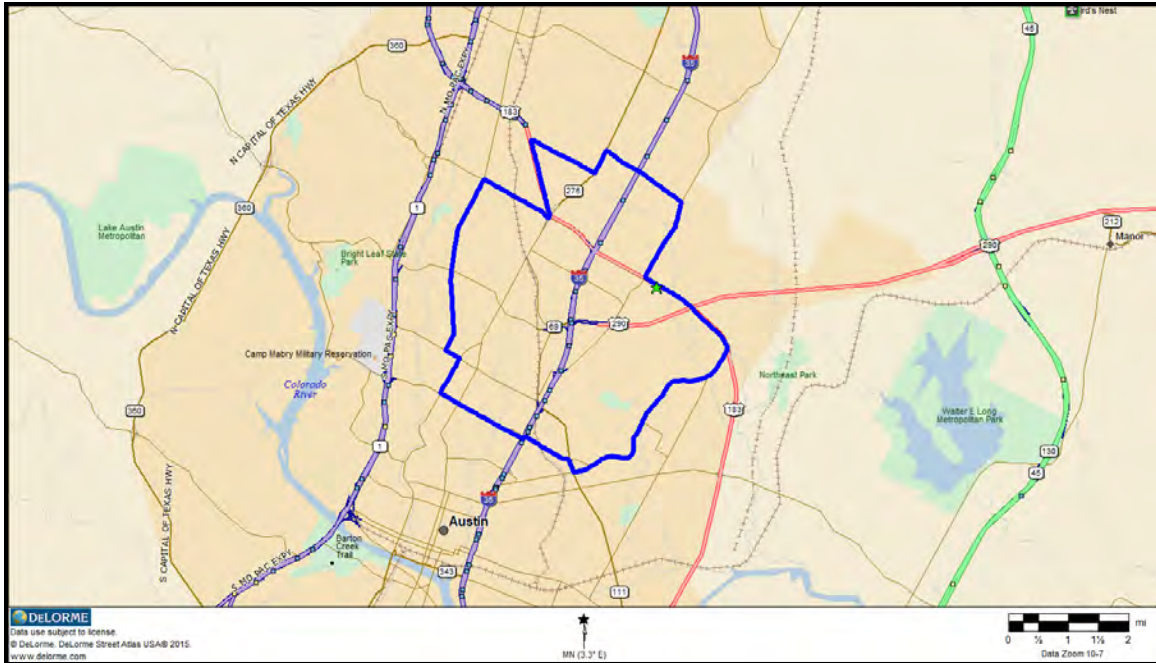
(VI) The subject is an urban development.

(VII) The U.S. Post Office is another source for new construction data. As each new unit is constructed and assigned a mailing address, the Postal Service reports the address as either a single or multi-unit address; and as occupied or vacant. As a snapshot in time, the information is useful in understanding the new construction velocity and absorption within the PMA. Postal data can be found in Section 4.8.1.

(VIII) There are no other general housing issues pertinent to the market area.

For this analysis, we utilized a “primary market area” encompassing 16.14 square miles. These boundaries follow the census tracts listed:

Census Tracts	Census Tracts	Census Tracts	Census Tracts
484530002.03	484530002.05	484530003.02	484530003.04
484530003.05	484530003.06	484530003.07	484530015.03
484530015.04	484530015.05	484530018.04	484530018.05
484530018.06	484530018.11	484530018.12	484530018.13
484530021.04	484530021.05	484530021.06	484530021.12
484530021.13			



This area was used as it complies with the definition of a “Primary Market Area” (PMA) as defined by the Texas Department of Housing and Community Affairs (TDHCA). The area shown on the map above, takes into consideration this area’s housing needs, demand draw, natural, political and manmade barriers, and the appropriate demographics of the area applicable to the demand for rental apartments.

At the same time, the PMA was limited to a population of 99,845 and may not be inclusive of the entire area that the analyst expects the subject to draw the majority of its residents.

3.1.2 - Neighborhood Location

By way of explanation, the definition of a “neighborhood” is as follows: “A portion of a larger community, or an entire community, in which there is a homogeneous grouping of the inhabitancy, buildings or business enterprises. Inhabitants of a neighborhood usually have a greater community of interest and similarity of economic level or cultural background. Neighborhood boundaries may consist of well defined natural or man made barriers or they may be more or less well-defined by distinct changes in land use or in the character in the inhabitancy.”⁸ Thus, an evaluation of the appropriateness of the location and property’s physical features from a market feasibility standpoint was completed.

⁸ The Appraisal Institute, Chicago, IL

3.1.3 - Access and Linkages

Linkages are the relationships between land uses and other components of the market or sub-market. A linkage is the system that enables an employee to get from his home to his place of employment. If he drives a car to work or takes the bus, he has a certain distance to cover. Using available roads, it takes him a certain amount time to make the trip. It costs a certain number of dollars for each trip, and road conditions, traffic congestion, etc., cause a certain amount of aggravation on the way.

The worker's wages are the input into the economic base and their labor is the output. The worker's place of residence also has important linkages to such locations as schools, shopping, medical facilities, recreation, etc.. These linkages are important in identifying the feasibility of the proposed development.

The area determined as the PMA takes into consideration drive-time and trade area theories as they relate to apartment dwellers. The income data used for this study has been compiled from 2010 census data. Current estimates and future projects have been provided by the AnySite Corporation and Ribbon Demographics (HISTA Data).

3.2 – DEVELOPMENT PATTERNS & TRENDS⁹

Milken Institute's, Best-Performing Cities index shows where jobs are being created and sustained in metros across the U.S. The index includes measures of job, wage, and technology performance to rank the nation's 200 large metropolitan areas and 179 smaller metros. Unlike other "best places" rankings, it does not use quality-of-life metrics, such as commute times or housing costs. In the Institute's index, employment growth is weighted most heavily due to its critical importance to community vitality. Wage and salary growth measures the quality of jobs created and sustained.

Austin-Round Rock, TX, holds steady at third place, continuing a stretch of strong performances in the Best-Performing Cities ranking. Economic development in Austin-Round Rock is like that of the state's, offering a low tax rate and abundant space for further expansion and development. And, while Austin's high-tech sector has taken off, the region still maintains a lower cost of living compared to coastal technology centers, although wage rates in key occupation categories are lower than the national average.¹⁸ So far, the region's consistently strong economic performance in the last decade and a half of rankings support the "Austin Model" for which the area is known.

The Austin-Round Rock area is a diverse economy with many globally renowned corporations such as Dell, Resideo Technologies Inc., Apple Inc., IBM, AMD, and Applied Materials.¹⁹ True to the nickname "Silicon Hills," the region ranks ninth overall for high-tech GDP concentration because of these tech heavyweights. Information and professional/engineering service sectors are the two high-growth areas, commanding one-year growth rates of 3.3 percent and 3.8 percent, respectively. Further, as the state capital

⁹ Milken Institute, "Best-Performing Cities 2019," February 2020.

of Texas and home of the University of Texas at Austin, the region offers ample support for academic and industry R&D. The sizable public sector is a strong stabilizer during economic and technological cycles and helps to explain the remarkable consistency of the regional economy.

Austin-Round Rock MSA, like the state of Texas, successfully continues to brand itself as a friendly place for business. In the last few years, domestic firms such as Oracle have expanded their footprint in Austin. In addition, Samsung and others often consider the region when expanding their operations.

3.2.1 - Land Use and Roadway Development Plans

This parcel is a viable multi-family parcel. Austin has controlled land use plans, and future development plans through area organizations and council planning. Enforcement is through zoning and other use restrictions. All of the land in approximate area has been planned efficiently through zoning and regulation.

3.3 – DEMOGRAPHIC PROFILE

The following tables and charts explain the demographic profile of the submarket. They provide detailed information related to household tenure, income, household size, and age of the head of household. This information can be used to analyze trends and make predictions as to the demand for the different types of housing.

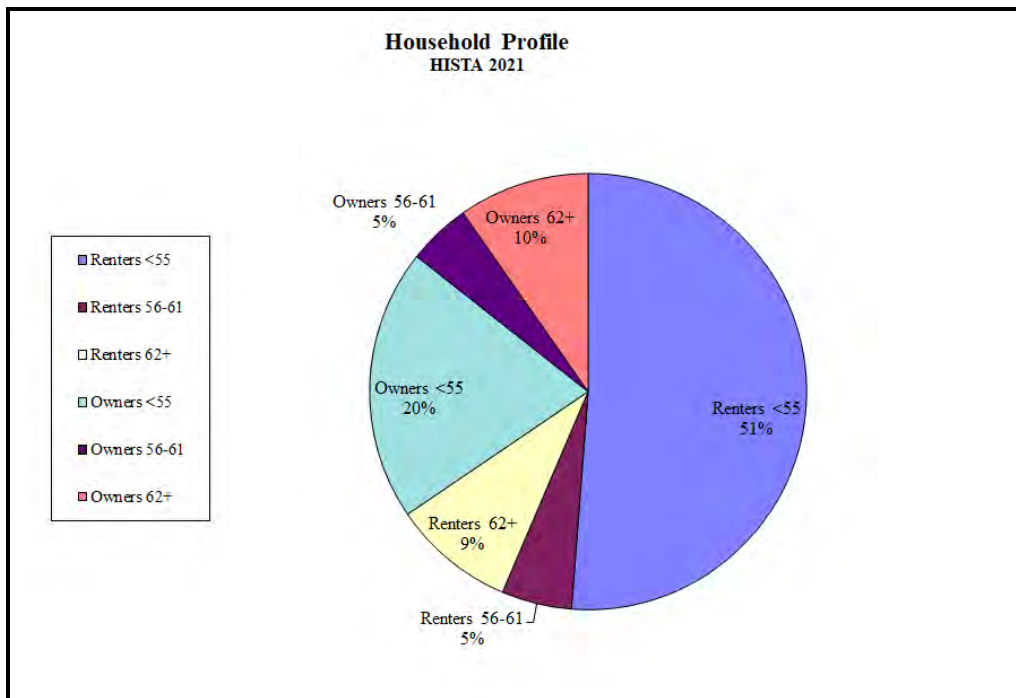
The table below details the number of housing units, those units occupied and vacant, and finally the tenure of the occupied units. The U.S. Census count estimates that 2,718 new housing units were added from 2000 to 2010. At the same time, the Apartment MarketData database accounts for 1,227 new apartment units built during this time. Thus, 45% of these new housing units are rental units included in our survey. Our survey also includes 5,017 units built since 2010, while the demographics estimate 3,488 rental housing units have been added since 2010.

DEMOGRAPHIC HOUSING DATA

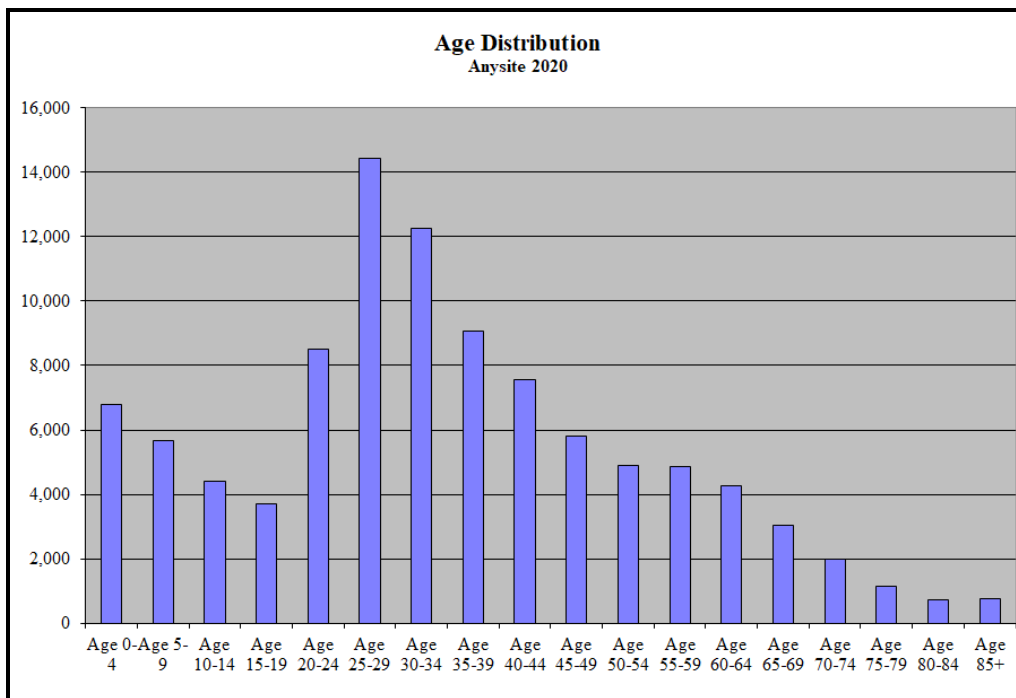
	2000		2010		2020	
Housing Units	37,511		40,229		45,372	
Occupied Units	36,269	96.7%	35,812	89.0%	42,108	92.8%
Vacant	1,243	3.3%	4,416	11.0%	3,264	7.2%
Owner Occupied	12,099	33.4%	12,241	34.2%	15,049	35.7%
Renter Occupied	24,170	66.6%	23,571	65.8%	27,059	64.3%

AnySite

Demographic sources provide further detail regarding the age and renter profile of area households. The following charts show the profile of households and the age distribution of the submarket.



The median age of the sub-market is 32.6 and appropriate for the subject development. The following chart shows the distribution of the population by age group.



Households by tenure and age grouping for 2021 and 2026 are as follows:

Tenure 2021	1 Person	2 Person	3 Person	4 Person	5+ Person	TOTAL
Renter - <55	26.4%	19.7%	11.2%	6.8%	7.7%	71.8%
Owner - <55	6.2%	9.4%	4.9%	4.4%	3.4%	28.2%
Renter - 56-61	29.2%	13.6%	4.3%	1.2%	4.4%	52.8%
Owner - 56-61	18.0%	17.9%	6.5%	2.6%	2.2%	47.2%
Renter - 62+	32.4%	8.0%	3.4%	2.0%	2.5%	48.3%
Owner - 62+	23.9%	21.2%	3.8%	1.6%	1.2%	51.7%

HISTA Data

Tenure 2026	1 Person	2 Person	3 Person	4 Person	5+ Person	TOTAL
Renter - <55	25.7%	19.8%	11.0%	7.0%	7.9%	71.3%
Owner - <55	6.3%	9.4%	5.1%	4.4%	3.4%	28.7%
Renter - 56-61	30.0%	13.6%	5.6%	1.3%	4.4%	55.0%
Owner - 56-61	17.3%	17.7%	6.2%	2.2%	1.7%	45.0%
Renter - 62+	34.4%	8.6%	4.2%	2.1%	2.5%	51.8%
Owner - 62+	23.1%	19.4%	3.2%	1.5%	1.1%	48.2%

HISTA Data

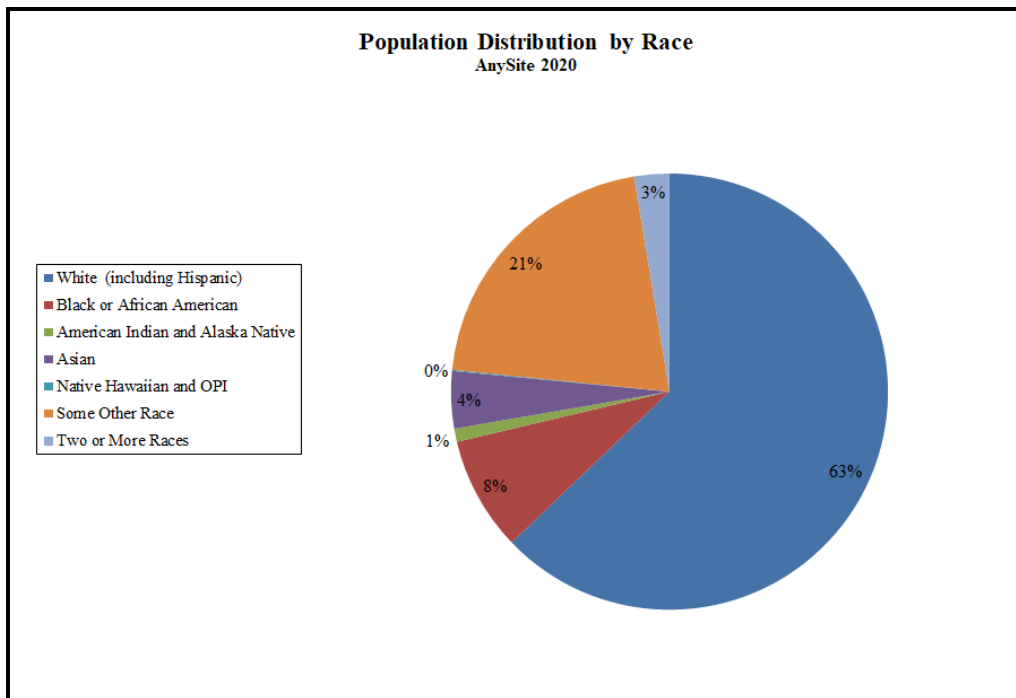
The demographic data provided by HISTA Data indicates that 65.5% of the households within the PMA are renters. From the tables above, we see the highest renter tenure in household less than 55 years of age.

SIZE OF HOUSEHOLD

Household Size		%
		2020
1 Person	15,136	35.9%
2 Person	12,435	29.5%
3 Person	5,593	13.3%
4 Person	4,635	11.0%
5 Person	2,337	5.6%
6 Person	1,023	2.4%
7 Person or More	949	2.3%
1 to 6 Person	42,108	97.7%

3.3.1 – Population Distribution by Race

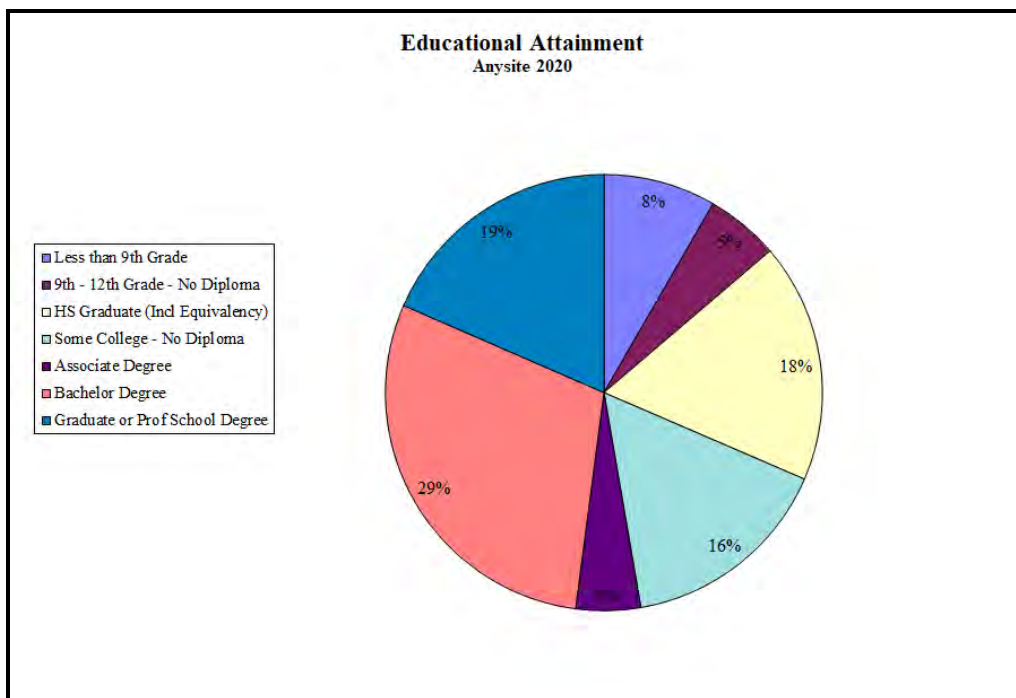
The following chart shows the racial make-up of the submarket. Anglos, including Hispanics, make up 63% of the population. Asians make up another 9%, while other races make up the balance.



2020	Population	Percentage
	99,845	
Male	52,514	52.6%
Female	47,331	47.4%
White alone	62,744	62.8%
Hispanic	42,099	
Black or African American alone	8,447	8.5%
American Indian and Alaska Native alone	976	1.0%
Asian alone	4,223	4.2%
Native Hawaiian and OPI alone	87	0.1%
Some Other Race alone	20,784	20.8%
Two or More Races alone	2,585	2.6%

3.3.2 – Educational Attainment

The following chart shows the level of educational attainment within the submarket. The demographics of the area show that 18% of the population has obtained at least a high school education; with another 53% obtaining some type of higher degree. The census reports 8% of the population has less than a 9th grade education.



The profile of the area residents is quite typical of an urban Texas demographic mix. There are no outstanding traits of the residents that would be a detriment to the subject development. In fact, the profile is appropriate for the subject development. The number of renters is expected to grow, and affordable housing is expected to be in short supply.

3.4 – AREA INCOMES

The table below reflects the income levels of all household types within the sub-market.

CHANGES IN INCOME GROUPS 2010 – 2025

	2010	2020	2010-2020	2025	2021-2025
Under \$ 10,000	4,305	2,895	-32.8%	2,448	-15.4%
\$ 10,000 - \$ 14,999	2,372	2,025	-14.6%	1,611	-20.4%
\$ 15,000 - \$ 19,999	2,593	2,135	-17.7%	2,096	-1.8%
\$ 20,000 - \$ 24,999	2,444	2,344	-4.1%	2,036	-13.1%
\$ 25,000 - \$ 29,999	2,681	2,064	-23.0%	1,560	-24.4%
\$ 30,000 - \$ 34,999	1,954	2,253	15.3%	2,116	-6.1%
\$ 35,000 - \$ 39,999	1,965	1,695	-13.7%	1,396	-17.6%
\$ 40,000 - \$ 44,999	1,825	1,702	-6.7%	1,640	-3.6%
\$ 45,000 - \$ 49,999	1,314	1,675	27.5%	1,607	-4.1%
\$ 50,000 - \$ 59,999	2,615	3,058	16.9%	2,163	-29.3%
\$ 60,000 - \$ 74,999	3,400	3,879	14.1%	4,494	15.9%
\$ 75,000 - \$ 99,999	3,376	4,239	25.6%	4,959	17.0%
\$100,000 - \$124,999	2,096	3,515	67.7%	4,046	15.1%
\$125,000 - \$149,999	1,088	2,214	103.5%	3,425	54.7%
\$150,000 - \$199,999	1,051	2,834	169.6%	3,766	32.9%
\$200,000+	736	3,583	386.8%	6,185	72.6%
Median HH Income	\$38,965	\$57,412	47.3%	\$73,687	28.3%
Average HH Income	\$41,079	\$55,789	35.8%	\$110,459	98.0%
Per Capita Income	\$17,397	\$23,686	36.1%	\$47,068	98.7%

According to the census data gathered for the sub-market area, the estimated 2020 income per capita is \$23,686; the per household median is \$57,412, and the average household income is \$55,789. The U.S. Department of HUD reports the Austin MSA median income to be \$98,900.

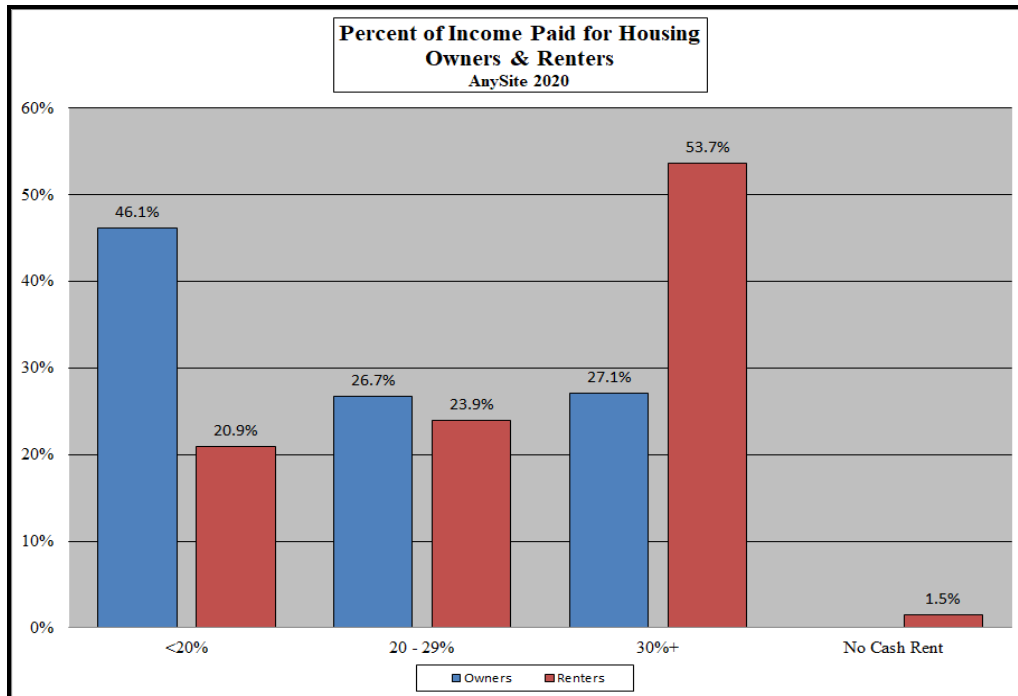
The following table reflects the distribution of households by age and income groups.

RENTER HOUSEHOLDS BY AGE & INCOME

Household Income	HH <25	HH 25-44	HH 45-64	HH 65+
< \$10,000	531	1,046	946	372
\$10,000 - 19,999	238	492	841	454
\$20,000 - 29,999	202	1,219	383	331
\$30,000 - 39,999	257	885	578	624
\$40,000 - 49,999	221	1,114	397	332
\$50,000 - 59,999	285	962	740	266
\$60,000 - 74,999	124	835	543	193
\$75,000 - 99,999	89	962	414	237
\$100,000 - 124,999	137	1,734	841	346
\$125,000 - 149,999	258	2,093	931	598
\$150,000 - 200,000	199	2,390	1,210	441
\$200,000+	69	2,011	1,104	332
Total HH	2,843	21,636	12,364	5,272
Total HH (%)	6.8%	51.4%	29.4%	12.5%

AnySite Data

The 2020 AnySite data also indicated the percentage of “overburdened” household that pay more than 30% of their annual income for rent. Within the subject’s trade area, we see that 53.7% of all renter households are considered overburdened.



3.5 – COMMUNITY FACILITIES

Transportation

Austin is well served by a transportation network as follows:

Highways: U.S. Highway 183
U.S. Highway 79
Interstate Highway 35
Loop 1
U.S. Highway 290

Public Transportation: Austin's public transportation system (Capital Metro):

Airports: One major airport, 12 municipal airports and landing strips
Austin-Bergstrom International Airport: carriers, American West, American Airlines, Austin Express, Continental Airlines, Delta, Northwest, Southwest, United; nonstop service to 32 cities.

Parcel Service: U.S. Post Office, UPS, Federal Express, Airborne Express, Lone Star Overnight, etc.

Schools – Austin Independent School District

- < 0.9 miles to Andrews Elementary School
- < 1.4 miles to Webb Middle School
- < 0.7 miles to Northeast Early College High School

- < 1.7 miles to Austin Community College
- < 4.0 miles to University of Texas at Austin

Shopping

- < 0.4 miles from Wendy's
- < 0.8 miles from Wal-Mart Supercenter
- < 1.0 miles from U.S. Post Office
- < 1.3 miles from CVS
- < 1.6 miles from H.E.B.
- < 1.6 miles from Target
- < 1.7 miles to Capital Plaza
 - Buffet King
 - Wing Stop
 - Target
 - Boot Barn
 - Dollar Tree
 - Foot Locker
 - Walgreens
 - Chase Bank
- < 2.3 miles from Mueller Regional Retail Center
 - Best Buy
 - The Children's Place
 - Staples
 - Old Navy
 - Marshalls
 - Wells Fargo Bank
 - Five Below
- < 3.1 miles from Fiesta Mart

Medical

- < 0.7 miles to Cross Creek Hospital
- < 2.2 miles to Dell Children's Medical Center
- < 3.3 miles to Austin State Hospital
- < 3.7 miles to St. David's Medical Center

Police

- < 2.0 miles to a Police Station (Sheriff)

Fire

- < 1.0 miles to a Fire Station

Recreation

- < 0.7 miles to Public Library
- < 1.6 miles to AFS Cinema
- < 4.6 miles to Downtown Austin

CHAPTER 4

HOUSING SUPPLY ANALYSIS

4.1 - INTRODUCTION

Supply and demand analysis requires that the analyst examine the existing supply and demand, as well as the expected future supply. Existing supply and demand can be evaluated by an inventory of the market, which includes current rents, vacancy rates, and locations.

To provide a statistical overview of the rental sub-markets, Apartment MarketData activity surveys and maintains a database and individual rental markets across the state of Texas.

4.2 – HOUSING SUPPLY ANALYSIS

The table below details the number of housing units, those units occupied and vacant, and finally the tenure of the occupied units. The U.S. Census count estimates that 2,718 new housing units were added from 2000 to 2010. At the same time, the Apartment MarketData database accounts for 1,227 new apartment units built during this time. Thus, 45% of these new housing units are rental units included in our survey. Our survey also includes 5,017 units built since 2010, while the demographics estimate 3,488 rental housing units have been added since 2010.

DEMOGRAPHIC HOUSING DATA

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Housing Units	37,511		40,229		45,372	
Occupied Units	36,269	96.7%	35,812	89.0%	42,108	92.8%
Vacant	1,243	3.3%	4,416	11.0%	3,264	7.2%
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Renter Occupied	24,170	66.6%	23,571	65.8%	27,059	64.3%

AnySite

4.3 – COST OF HOME OWNERSHIP

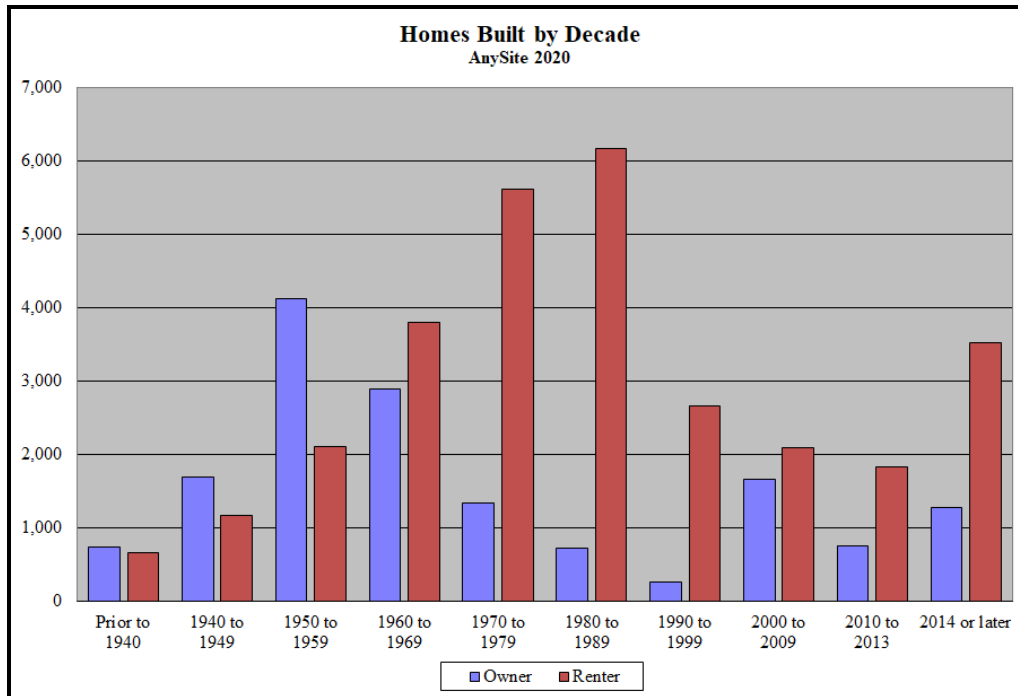
The demographics of the submarket give us information on the owner occupied homes within the submarket. About 42% of homes in the area are 60+ years old.

AnySite Demographics reports on the 2020 home values within the sub-market. If we grow these values by 2% per year, we come to an approximate home value in 2021 dollars. Using this methodology, we estimate the median home value to be \$342,532, and the average home value to be \$379,169. We will use these values for comparison purposes.

The following table represents the cost of monthly home ownership.

HOME PURCHASE	Median Value Primary Market	Average Value Primary Market
2020 Home Price	\$335,755	\$371,667
2021 Estimated Home Price	\$342,532	\$379,169
Down Payment (5%)	\$17,127	\$18,958
Interest Rate	4.25%	4.25%
Period (Years)	30	30
Monthly Payment	\$1,601	\$1,772
Taxes/Insurance/Maint. (Monthly)	\$1,103	\$1,103
Total Housing Cost	\$2,704	\$2,875
Subject Rents - 80% 3 Bdrm.	\$1,681	\$1,681
Difference in Renting vs. Purchasing	-\$1,023	-\$1,194

What can be determined from the table above is that the cost of renting is significantly less than the cost of home ownership. We believe that there would an adequate number of households that would choose to rent at Anderson Creek with modern amenities rather than purchase an older single family home.

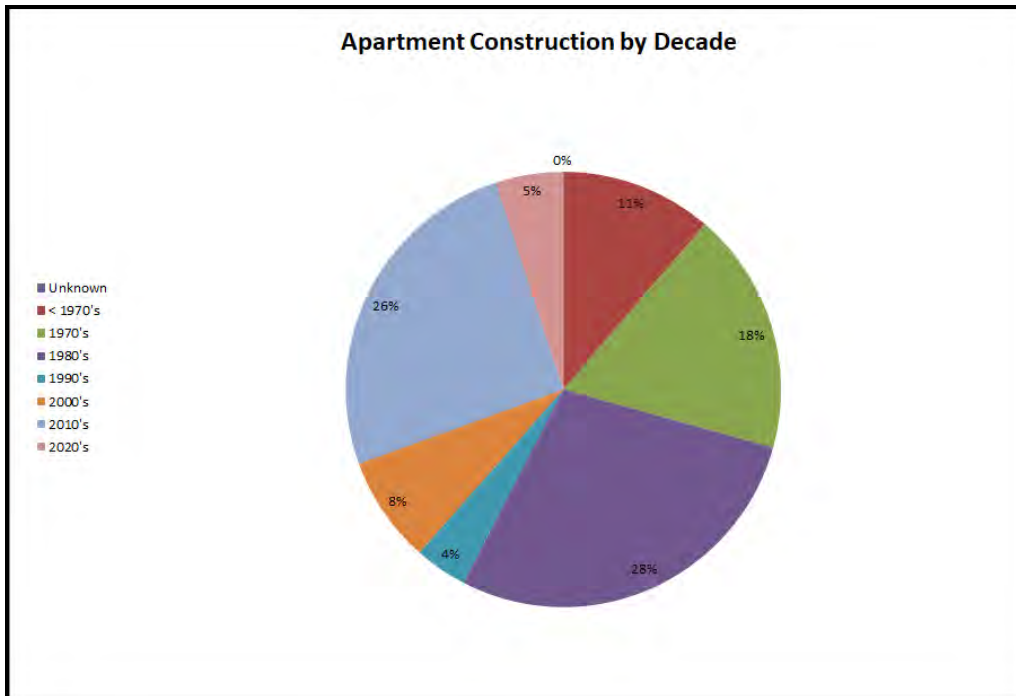


4.4 - OVERVIEW OF THE RENTAL MARKET

To provide a statistical overview of the rental submarkets, Apartment MarketData, LLC (AMD) actively surveys and maintains a database of rent and occupancy information specific to individual apartment communities.

The demographics estimate the number of occupied rental units within the PMA at 27,059. Within the submarket, we have accounted for 76 apartment communities totaling 16,722 units, or 62% of the total rental market. From this large sample of information, we can draw conclusions on the market as a whole.

From our analysis of the projects surveyed, we find that 31% of the rental units were built since 2010. For projects built in this time period, 4 of the 19 stabilized projects were built with the assistance of either 4% or 9% low income housing tax credits.



New construction, particularly new apartment construction, is a function of rents justifying the cost of new construction. Generally speaking, in today's marketplace a conventionally financed project needs to generate rents in the range of \$1.50 per square foot. Using the subject's average unit size of 875 square feet, an average market rate unit would need to rent for \$1,312/month.

4.4.1 - Current Market Conditions

The overall occupancy reported in the market is 95.7%. Further details can be found behind the "Area Properties" tab of this report. Details for comparable "Income Restricted" and "Market Rate" properties can be found in Chapter 8 of this report.

CURRENT INVENTORY OF SURVEYED PROPERTIES

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	10,095	9,670	\$ 1,198.19	646	\$ 1.854	95.8%
2 BR	5,889	5,625	\$ 1,486.52	979	\$ 1.518	95.5%
3 BR	702	672	\$ 1,755.14	1,242	\$ 1.413	95.7%
4+ BR	36	35	\$ 1,696.22	1,417	\$ 1.197	97.2%
OVERALL	16,722	16,002	\$ 1,324.19	790	\$ 1.675	95.7%

From our survey of rental apartments, we can dissect data by type of property. The following table reports on the market as a whole, then distinguishes properties that are subsidized or income restricted. These properties are then divided into stabilized and unstabilized. A stabilized project would be one that has achieved a physical occupancy of 90%, and maintained an occupancy of >90% for 12 months. This table represents only the apartment communities that participate in our survey.

AMD SURVEY PARTICIPANTS

AMD Survey Data¹⁰	# of Developments	Total Units	Avg. Occupancy
All M/F Developments	76	16,722	95.7%
All Placed in Service after 2016	5	832	88.8%
All LIHTC Developments	13	2,226	92.6%
Unstabilized Comparable LIHTC	5	994	37.2%
Other Subsidized / Affordable*	10	1,750	92.4%

*Stabilized Family Projects Only

4.4.2 - Rent Trends

When surveyed, the 2000 census reported an average rent of \$594.00 for the PMA. According to the data accumulated by Apartment MarketData, the present average rental rate for an apartment unit is \$1,324.19 per month. This represents an average increase of 4.02% per year.

4.5 – ABSORPTION ANALYSIS

Absorption from 2000 to 2010 for all rental unit types is estimated to be -60 units per year.

Calculated absorption since 2010 for all unit types has been 657 units per year.

¹⁰ Apartment MarketData – survey data

2000 Census For Rent Units	24,998
2000 Census Occupancy Households	96.7%
2000 Census Occupied Rent Household Units	24,170
2000 – 2010 New Supply (all rental units)	1,479
2010 Census For Rent Units	26,478
2010 Census Occupancy Households	89.0%
2010 Census Occupied Rent Household Units	23,571
2010 – 2020 New Supply (apt. rental units)	5,017
2021 For Rent Units	31,495
2021 Surveyed Occupancy	95.7%
2021 Surveyed Occupied Units	30,140
Change in occupied units 2000-2010	-599
Avg. Annual Absorption Rate 2000-2010	-60
Change in occupied units 2010-2020	6,569
Avg. Annual Absorption Rate 2010-2020	657

4.5.1 - Absorption Period to Reach Sustaining Occupancy

We estimate that the project would achieve a lease rate of approximately 20-25 units per month as they come on line for occupancy from construction.

Month	7	8	9	10	11	12	13	14	15	16	17	18	Total: 93%
Units	20	20	20	20	13								93
Note: During months 1-6, the project will be under construction so no units will be occupied.													

4.5.2 - Absorption Trends by Decade of Construction

The “subjective” quality ranking often assigned to rental projects following lines similar to the age of a property. Thus, we find the following to be true in most cases.

2000's	A ranking
1990's	B
1980's	C
1970's+	D

To provide a statistical overview of the real estate sub-markets, Apartment MarketData, LLC maintains monthly surveys of each individual market in Texas. Summary reports of these markets as well as the individual sub-market reports are compiled monthly and kept for historical reference.

The PMA lies primarily within the C1, C2 and NC1 sub-markets, as reported by Apartment MarketData. From the following tables, we can assess the changes in occupancies and rental rates over the past 12 and 60 month periods, and thus the absorption of rental units by the decade of construction.

2015	Units	Occupancy	Rate	Size	Occupied	Rent
<1970	2,778	97.4%	\$1.230	769	2,706	\$946.11
1970's	5,790	98.1%	\$1.255	723	5,679	\$907.40
1980's	13,397	96.0%	\$1.223	709	12,865	\$867.13
1990's	6,664	96.6%	\$1.208	893	6,437	\$1,078.35
2000's	9,149	96.1%	\$1.485	942	8,792	\$1,398.96
2010's	3,219	95.0%	\$1.537	872	3,058	\$1,340.77

2019	Units	Occupancy	Rate	Size	Occupied	Rent
<1970	2,660	99.5%	\$1.375	788	2,646	\$1,083.31
1970's	6,220	99.4%	\$1.396	732	6,183	\$1,021.37
1980's	14,426	98.9%	\$1.455	709	14,265	\$1,031.59
1990's	7,194	98.5%	\$1.428	884	7,083	\$1,261.90
2000's	10,136	98.7%	\$1.842	947	10,000	\$1,744.93
2010's	11,961	96.8%	\$1.932	843	11,578	\$1,629.44

2020	Units	Occupancy	Rate	Size	Occupied	Rent
<1970	2,874	93.7%	\$1.390	728	2,692	\$1,011.58
1970's	6,784	96.0%	\$1.410	738	6,514	\$1,040.42
1980's	14,426	97.3%	\$1.517	709	14,033	\$1,075.81
1990's	7,194	96.9%	\$1.475	883	6,974	\$1,302.08
2000's	10,304	95.1%	\$1.718	948	9,804	\$1,629.64
2010's	17,552	88.2%	\$1.916	851	15,489	\$1,630.31

Because not all communities will participate in our surveys at a given point in time, the following table has a calculated absorption rate, and also an adjusted absorption rate. The adjusted rate applies the historical occupancy to the current number of units being reported.

Absorption	1 Year	5 Year	1 Year Adjusted	5 Year Adjusted	Rents 1 Year	Rents 5 Year
<1970	46	-14	-167	-108	-\$71.73	\$65.47
1970's	331	835	-229	-140	\$19.06	\$133.02
1980's	-232	1,169	-232	181	\$44.22	\$208.67
1990's	-109	537	-109	25	\$40.18	\$223.73
2000's	-196	1,012	-362	-98	-\$115.29	\$230.68
2010's	3,911	12,432	-1,501	-1,183	\$0.87	\$289.54
	3,752	15,970	-2,599	-1,322		

Over 12,000 new apartments have been constructed and absorbed over the past 5 years. Occupancy rates have remained high and rents show an upward trend. This fares well for Anderson Creek.

4.5.3 - Absorption of Comparable Rent Restricted Units

The most recently constructed affordable family project was Bridge at Granada (TDHCA #19436), which has 258 units completed in July 2021. Bridge at Granada began leasing in January and is currently 88% occupied, absorbing 25 units per month. Jordan at Mueller (TDHCA #17113, 132 units) was completed in November 2019 and reached 100% occupancy just two months after completion, absorbing over 60 units per month.

4.6 – AGE & CONDITON OF EXISTING RENTAL COMMUNITIES

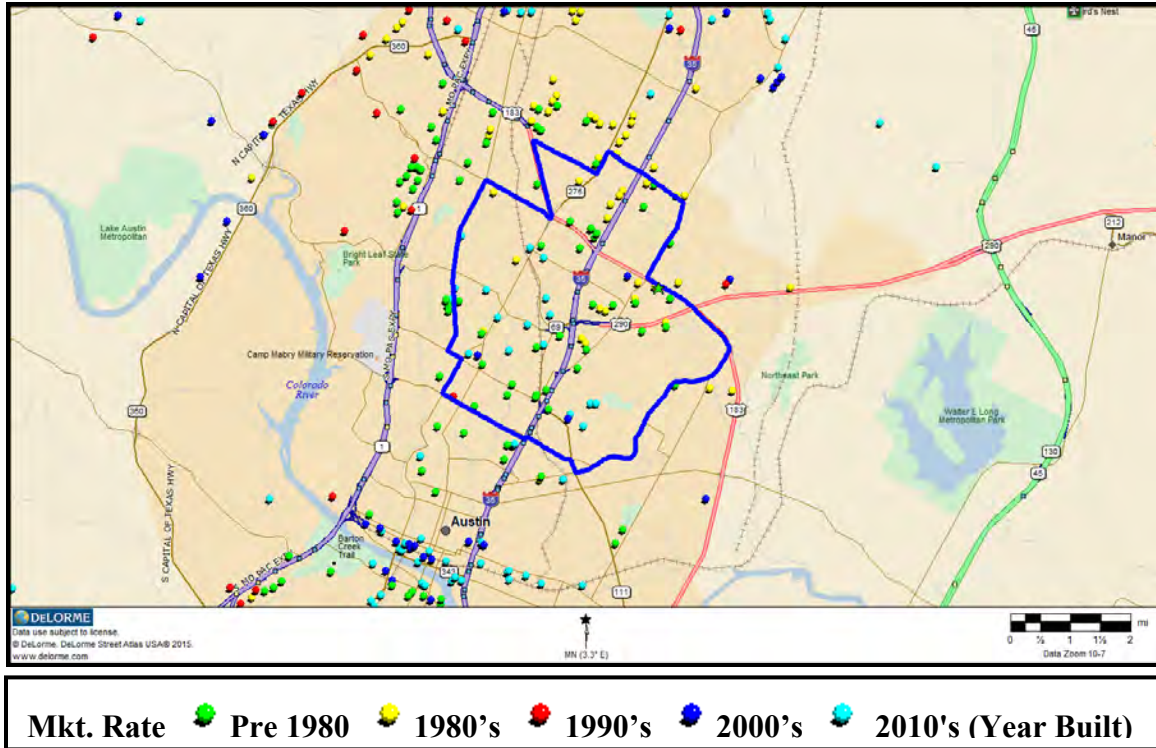
From our survey of the market, we find that 58% of the rental housing stock to have been built prior to 1990. As this housing stock is now 30+ years old, some will be in poor condition. Still others will be suffering from physical or functional obsolescence.

To estimate the number of rental units in poor or substandard condition, we make some assumptions based on the management experience of the analysts. To this end, we assume that 50% of the units built prior to 1970 would fit this category of unit. Likewise, 40% of the units built in the 1970's, and 30% of those built in the 1980's.

Built	AnySite Units	AMD Surveyed	Age	% Substand.	AnySite Substandard	AMD Substandard
Unknown						
<1970's	7,717	1,989	50+ Years	50.0%	3,859	995
1970's	5,614	3,104	40-50 Years	40.0%	2,246	1,242
1980's	6,161	4,638	30-40 Years	30.0%	1,848	1,391
1990's	2,652	747				
2000's	2,088	1,227				
2010's	5,346	5,017				
TOTAL	29,578	16,722			7,952	3,628
					26.9%	21.7%

Using these assumptions, we would estimate that 7,952 of all rental units (26.9%) are in poor or substandard condition. Given the age of the surveyed by AMD units, we would estimate that 3,628 (21.7%) of the units are likely to be in need of substantial renovation or outright replacement.

Map of Existing Market Rate Properties



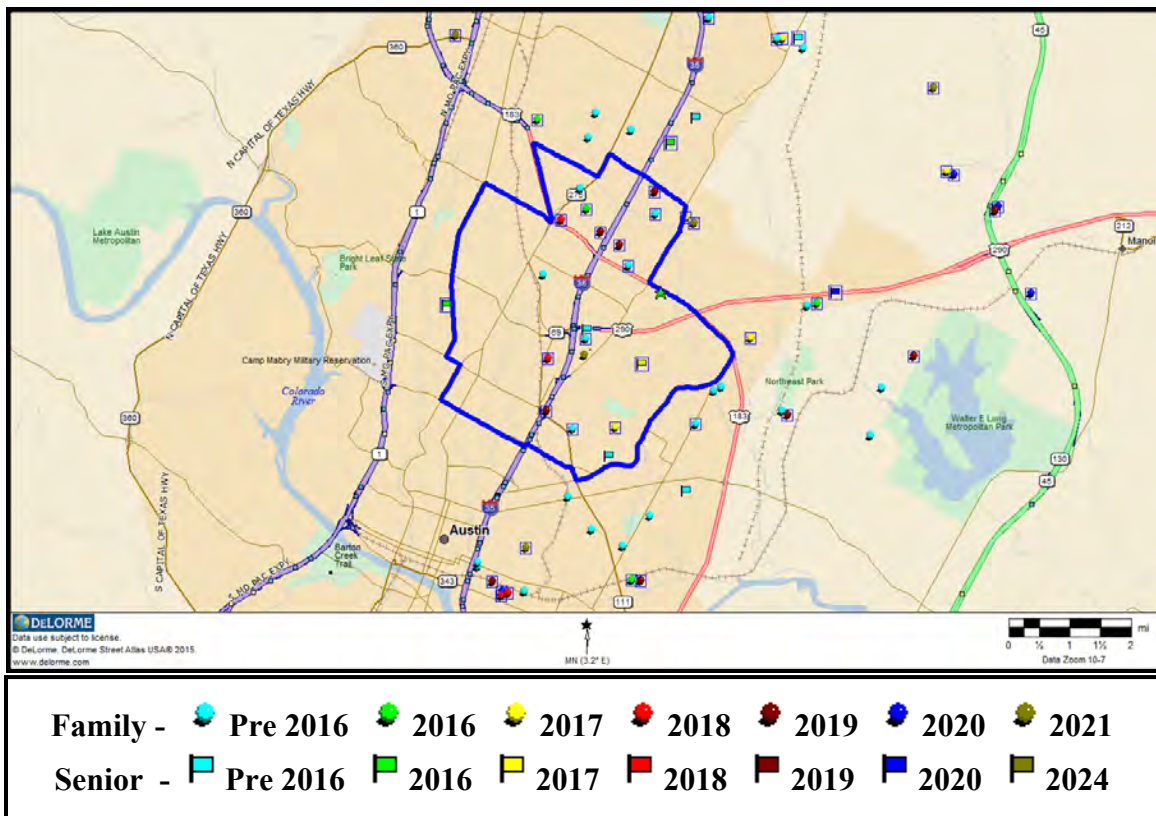
4.7 – INVENTORY OF EXISTING LIHTC PROPERTIES

The current supply of affordable housing in this market is less than demand. The current stock of affordable housing in the primary market area consists of 15 family projects and three senior projects. The following table gives more information on the projects.

TDHCA	Name of Project	Population	Total	Distance	Occupancy
94093	Gateway Apartments	General	10	1.9 mi	90%
01424	Arbors at Creekside	Elderly	176	1.4 mi	84%
09993	Palms on Lamar	General	476	2.2 mi	84%
10002	Wildflower Terrace	Elderly	200	2.9 mi	99%
13402	Paddock at Norwood	General	228	0.7 mi	99%
13403	Forest Park Apartments	General	228	1.3 mi	92%
15410	Aldrich 51	General	240	2.6 mi	96%
15412	Timbers Apartments	General	104	1.4 mi	98%
16418	Pathways at Georgian Manor	General	94	1.8 mi	98%
17412	Pathways at Gaston Place	Elderly	100	1.3 mi	99%
17113	The Jordan	General	132	2.3 mi	98%
18335	Travis Flats	General	146	2.1 mi	70%

TDHCA	Name of Project	Population	Total	Distance	Occupancy
18602	Oaks on Lamar	General	176	2 mi	91%
19295	The Abali	General	56	2.7 mi	72%
19436	Granada	General	258	1.4 mi	88%
19407	Norwood Estates	General	228	1.0 mi	0%
19444	Oaks on North Plaza	General	62	1.7 mi	98%
21429	The Henderson at Reinli	General	306	1.6 mi	0%

Map of Existing Low Income Housing Tax Credit Properties



4.8 – NEW CONSTRUCTION

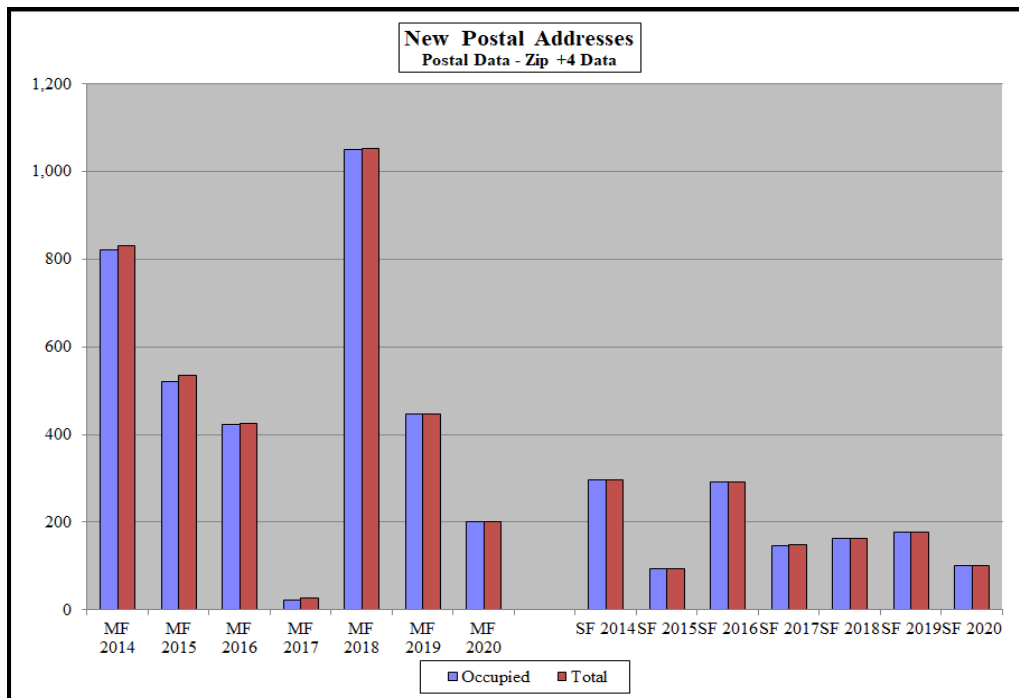
Since the 2010 census, there have been 14 major projects built and occupied within the PMA totaling 4,395 units.

Currently, there are three affordable family projects in lease up totaling 460 units and one market rate project in lease up with 279 units. There are eleven projects under construction totaling 2,637 units, including two affordable family projects. There are currently six market rate projects in planning totaling 1,712 units. More information on these projects can be found in section 6.5.

4.8.1 – New Postal Addresses

The U.S. Post Office is another source for new construction data. As each new unit is constructed and assigned a mailing address, the Postal Service reports the address as either a single or multi-unit address; and as occupied or vacant. As a snapshot in time, the information is useful in understanding the new construction velocity and absorption within the PMA.

	Multi-Unit Occupied	Multi-Unit Total	Single-Unit Occupied	Single-Unit Total
2014	822	832	297	297
2015	521	535	94	94
2016	422	426	292	292
2017	21	26	147	148
2018	1,050	1,053	162	162
2019	447	447	178	178
2020	202	202	100	100
TOTAL	3,283	3,319	1,170	1,171



Over the past 7 years, multi-family absorption (39 units per month) has outpaced single family (14 units per month). In most cases, these new housing units are being absorbed as fast as the units receive a postal address from the U.S. Postal Service.

4.9 – BALANCE OF SUPPLY & DEMAND

The probability of development feasibility of the subject is directly proportional to the supply and demand for additional development and multi-family absorption in the subject's market area. The following table represents the demand and historical new supply of the sub-market area.

Year	Rent/Mo.	Occ. %	Total Supply	Vacant Units	Occ. Units
2000	\$ 594.00	96.7%	24,998	828	24,170
Change	\$ 192.00		1,479		(599)
2010	\$ 786.00	89.0%	26,478	2,907	23,571
Change	\$ 538.19		5,017		6,569
2021	\$ 1,324.19	95.7%	31,495	1,354	30,140

The following table analyzes the current supply and demand for rental units. From this table, we assess that the PMA could immediately absorb 850 units without falling below a stabilized occupancy of 93%.

Total Units 2021	31,495
Total Units Vacant 2021	1,354
Units leased at Stabilized 93% occupancy	29,290
Units left to lease to reach 93% occupancy	(850)

The proposed project is not likely to have a dramatically detrimental effect on the balance of supply and demand in this market. Affordable projects are 93% occupied.

4.10 – AMERICA’S NEXT HOUSING CRISIS: HOW THE PANDEMIC IS PUSHING RENTERS TO THE BRINK¹¹

For millions of America’s renting families, threats to housing security are a persistent fact of life, even at the best of times for the broader economy. A significant unplanned expense or a temporary interruption to employment can mean the difference between a rent payment made and a payment missed. The relative health of the labor market proves crucial in maintaining a measure of housing stability in the United States.

The historic increase in joblessness brought on by the pandemic has pushed us to the brink of a new rental crisis, forestalled in the short term by a combination of payroll protections, enhanced unemployment benefits, rent subsidies, and a national patchwork of eviction moratoria. The most far-reaching of these programs, a moratorium on evictions at properties with federally backed mortgages and the \$600 per week unemployment benefits supplement, have now expired. Communities of color are particularly at risk without these reinforcements, impacted disproportionately by the pandemic and job losses and with more limited savings.

As government support fades, the country faces the prospect of a significant housing dislocation that will exact its heaviest toll on income-constrained renters and the small investor-operators who support the workforce and affordable housing markets. Already by mid-July, the Census Bureau Household Pulse Survey showed just over 20% of renters had missed or deferred last month’s rent. For Black households, that statistic is over 30%.

Not every payment delinquency will result in an eviction, a losing strategy for both tenants and landlords in an environment of weakened apartment demand. In fact, eviction may be the exceptional outcome. Lease renegotiations, slow-moving court eviction proceedings, deeper cuts in household spending on food, education, and health, and relocations to lower quality housing stock further removed from economic opportunity are all set to rise in the coming months.

Job Losses and Missed Rent

Overall measures of rental housing affordability and security improved only slightly during the pre-pandemic economic expansion. In 2018, even as the national unemployment rate was slipping to generational lows, nearly 21 million renters were classed as cost burdened, spending more than 30% of income on rent and utilities, according to the Joint Center for Housing Studies’ annual apartment market update. More than half of those households were severely burdened, spending in excess of 50% of their income on housing costs.

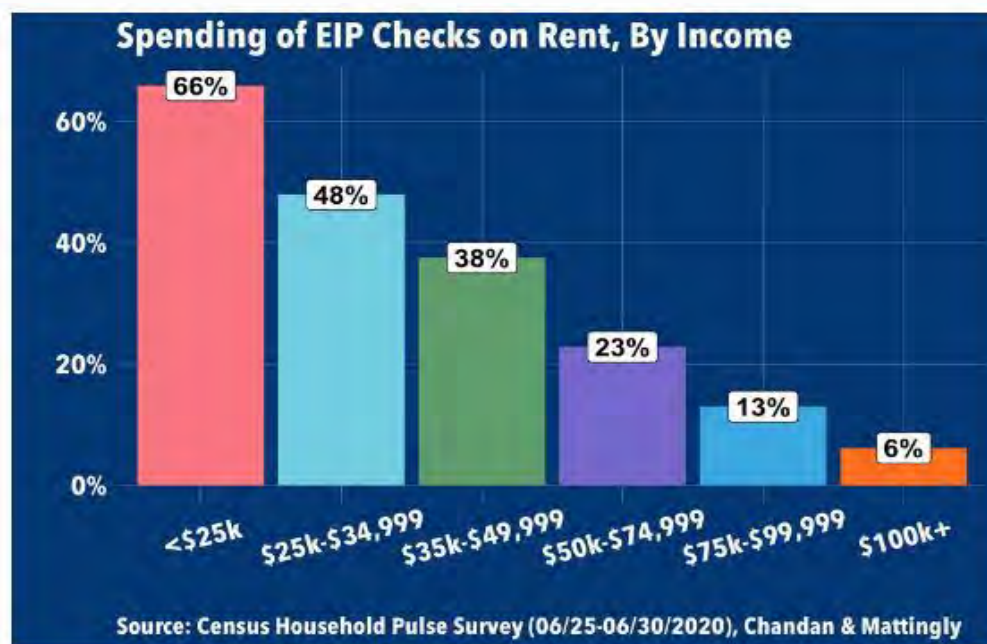
¹¹ Forbes – July 25, 2020
Sam Chandan, PhD

The pandemic's historic job losses have hit these cost burdened renters especially hard. For households with less than \$35,000 in income, 58% reported in early July that at least one person had experienced a loss of employment income since the onset of the pandemic. The same report shows that 60% of renter households experienced a loss of income.

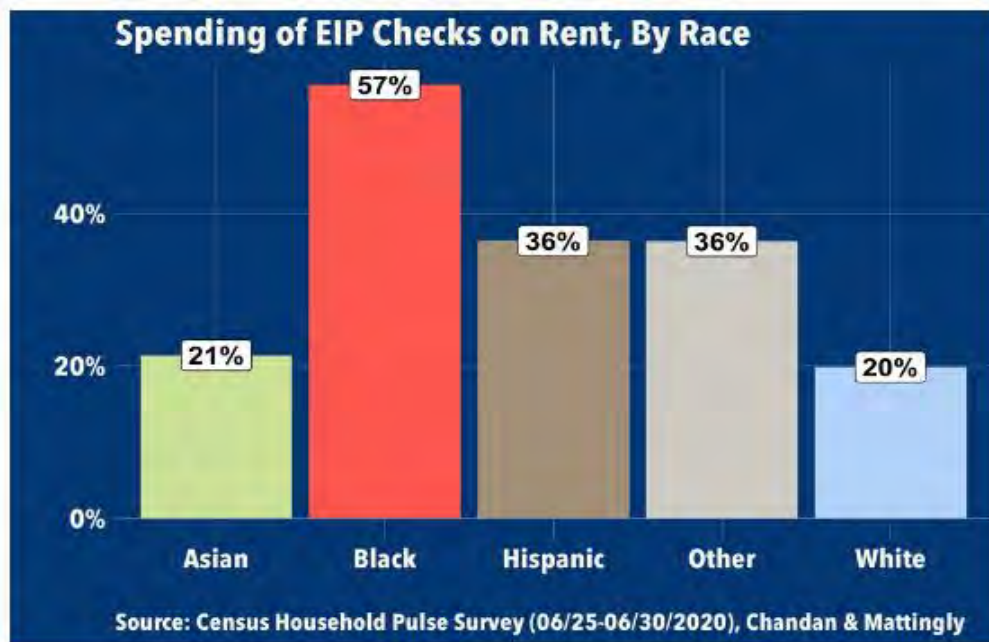
While American households in crisis may prioritize rent over other obligations, their savings cushion is remarkably thin. The Federal Reserve reports that 37% of households had insufficient cash on hand in 2019 to cover a \$400 emergency expense. That share is almost certainly higher for cost burdened renters, for whom a regular paycheck is essential to making rent. Across all households reporting a loss in employment income since mid-March, more than one in four missed the prior month's rent or had it deferred. Even if spread over 18 months, catching up on deferred rent payments will require a Herculean effort for many families.

Reliance on CARES Act Support

In meeting rent obligations thus far, low- and moderate-income households have relied heavily on the Economic Impact Payments (EIP) provided by the CARES Act. Absent substantial savings, nearly two-thirds of renter households with incomes below \$25,000 have used at least part of their EIP to make rent. The recently unemployed have also relied on Federal Pandemic Unemployment Compensation (FPUC). The enhanced unemployment benefit expiring this weekend has come under partisan criticism for its potential return-to-work disincentives. It is uncertain if the benefit will be renewed at a lower level in a second federal relief bill currently under debate in Washington.



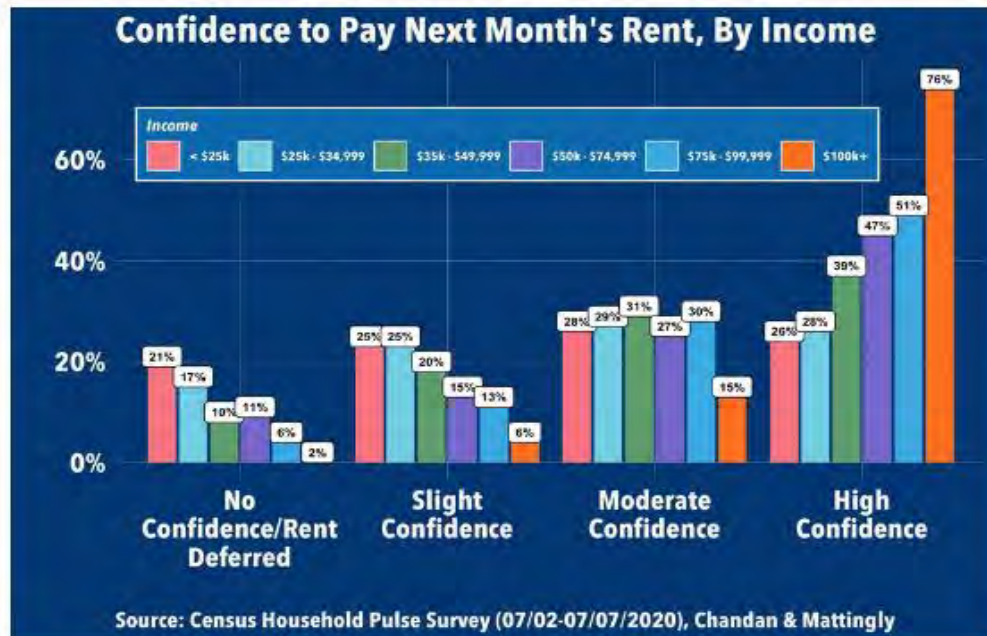
Spending of EIP Checks on Rent, By Income CHANDAN & MATTINGLY 2020



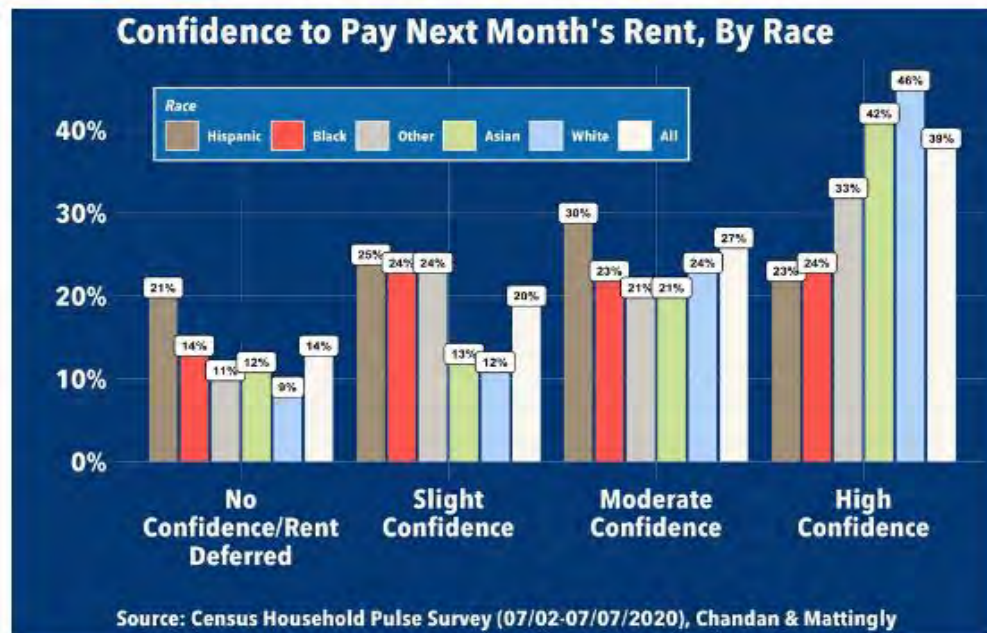
Spending of EIP Checks on Rent, By Race CHANDAN & MATTINGLY 2020

The expiring provisions of the CARES Act have been a substantial stabilizer. Laurie Goodman and her colleagues at the Urban Institute estimate the unemployment supplement restored 78% of the income support needed to return households to pre-pandemic rent-to-income ratios.

With the timing and extent of additional federal support uncertain, households' expectations for next month's rent obligations betray clear anxieties about the future. Earlier this month, only 26% of households earning less than \$25,000 had a high degree of confidence they will cover rent in August. Approximately 21% have no confidence or have already deferred rent payments.

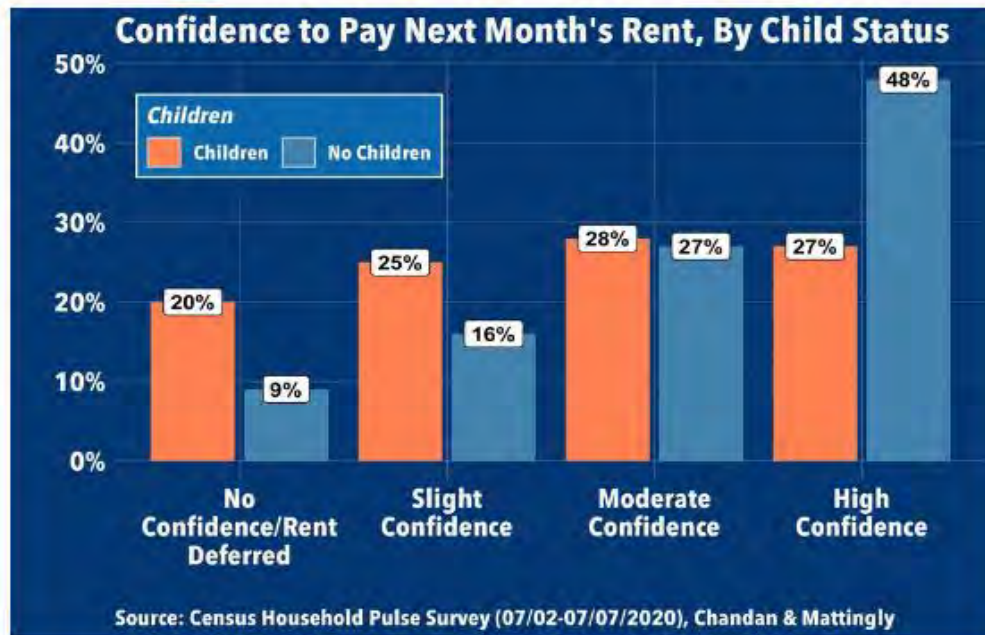


Confidence to Pay Next Month's Rent, By Income CHANDAN & MATTINGLY 2020



Confidence to Pay Next Month's Rent, By Race CHANDAN & MATTINGLY 2020

Confidence is also sharply lower amongst renter households with children, reflecting an important socio-economic dynamic in housing tenure in the United States. One population of renters is relatively young, affluent, and childless. Another has children, is less affluent, and might remain in rental housing even after starting a family because of income and wealth constraints.



Confidence to Pay Next Month's Rent, by Child Status CHANDAN & MATTINGLY 2020

The Role of Eviction Moratoria

To protect renters during the crisis, a patchwork of eviction moratoria were introduced in its initial weeks, both at the federal and local level. The moratorium covering more than 12 million units at properties with federally backed mortgages has expired, but it will be another month before eviction papers make their way to court. In some states and cities, the freeze on evictions has been extended outright as the severity of the labor market downturn has become clearer.

There have been calls for expanded measures to protect all renters, but such proposals have little chance in the Senate. The strategy carries costs that are poorly understood in the political discourse, particularly for operators and owners of small multifamily properties who have a limited capacity to carry assets and make mortgage and tax payments when operating income is impaired. In the interests of stability in the broader housing ecosystem, extended national moratoria or rent forgiveness must be accompanied by support for the non-institutional landlords who account for the majority of rental housing in this country.

The Rental Market's Two Narratives

The chorus of warnings of a rent crisis has been dominated by policy analysts and, more recently, by the press. Their message stands in contrast with data from institutional apartment investors and lenders, who are generally more sanguine in their outlook for the sector. The differing assessments suggest widening disparities between the institutional market and the rental market for income-constrained families.

Measures of institutional investor and lender sentiment, ranging from year-to-date returns on apartment real estate investment trusts (REITs) to trends in underwriting standards, are closer to cautious optimism than forewarnings of a crisis. Trepp, a real estate research firm, reports that less than 2% of multifamily loans in commercial mortgaged-backed securities were in special servicing in June, compared with more than 14% for retail mortgages and more than 20% in the lodging sector.

Renters in institutional-quality properties have found ways to stay current. The National Multifamily Housing Council (NMHC)'s invaluable and widely cited rent payment survey, which covers more than 11 million units, shows remarkable resilience in tenants' meeting their rent obligations thus far in the downturn. As of July 20, 91.3% of apartment households had made a full or partial rent payment, down only slightly from 93.4% the same week one year ago.

NMHC is careful to point out that its findings are not based on a full census of America's rental housing. Rather, they reflect the performance of professionally-managed apartment buildings using property management software from one of five specific firms. Smaller properties, which account for a majority of all rental units, and properties serving income-constrained populations, are underrepresented in the pool. Renter-occupied single-family homes and subsidized affordable units are excluded from the survey.

RealPage, one of the contributors to the NMHC survey, disaggregates its tally by asset class and market, offering us a view into the extent of variation in the professionally managed segment of the market. Lower quality properties designated as class C, reported a rent payment rate of 86.6% as of July 20, compared with 92% for class A properties. By geography, the New York City region reported the lowest payment rate in the country.

4.11 - SUMMARY

New "affordable" supply is needed. However, the economic constraints of a conventionally financed and built project, in comparison to the current rental rates and population income levels, make development of this new supply very difficult. There is a smaller portion of the renter population who can afford the required rent levels of a conventionally developed apartment. There is a much larger portion of the population who is in need of affordable rental product.

Thus the potential for new supply is constrained by the dynamics of the marketplace, which require either, A) assistance in the form of incentives in financing, or B) further programs of assistance in rent to the renters by government programs. Both of these are available, however, they are increasingly slowing in availability, due to National, State, and Local budget cut backs. It is our opinion that this market can support assisted low income housing and conventionally financed units.

CHAPTER 5

INCOME BANDING AND CAPTURE RATES

5.1 – INTRODUCTION

Income banding and capture rates help us to understand the depth of the market for potential income qualified renters. The following analyzes the evaluation and underwriting criteria used to assess the subject's proforma rents.

A capture rate is defined by the sum of the proposed units for a given project plus any previously approved but not yet stabilized new units in the PMA. This is then divided by the total income eligible targeted renter demand identified sub-market.

$$\frac{\text{Subject's L/I Units} + \text{Other Previous L/I Units}}{\text{Total Units of Income Qualified Demand}} = \text{Capture Rate (\%)}$$

Simply put, the capture rate reports the depth of income qualified renters within the Primary Market Area (PMA). One can expect that the lower the capture rate, the less likely it is that the subject's units will over saturate the rental market.

5.2 – SOURCES OF DEMOGRAPHIC INFORMATION

Income information used in this report come two independent sources of demographic data. The first source of data comes from the AnySite Corporation (www.AnySite.com), while the second source of data is from Ribbon Demographics (www.ribbondata.com). You will see this second set of demographic information referred to as HISTA data.

The difference between these two sources of information comes from the end user's application. The data provided by AnySite includes a variety of general demographic datasets. HISTA data is different in that it was created specifically for the "affordable" housing community.

HISTA data comes from a custom four-way cross tabulation of household data designed specifically for affordable housing analysis that has been built by Claritas. It contains actual Census cross tabulations – not extrapolations of SF3 data. The key to this data is that it gives us the number of households by household size by income by age grouping (i.e. <55, 55-62, and 62+ years of age). This breakout is very useful in arriving at a capture rate for the subject.

5.3 – CALCULATION OF INCOME BANDS

Income qualifications and maximum program rents are used to determine the income bands of the subject's proforma rents. To determine this, we calculated the minimum and maximum annual income a resident could earn and still qualify for the following unit types. Using these criteria, we developed the following table.

ELIGIBLE HOUSEHOLDS BY INCOME

HH Size	30% of AMI		50% of AMI		60% of AMI		80% of AMI	
	min	max	min	max	max	max	min	max
1	\$16,680	\$20,790	\$27,840	\$34,650			\$44,550	\$55,440
2	\$16,680	\$23,760	\$27,840	\$39,600			\$44,550	\$63,360
3	\$20,040	\$26,730	\$33,390	\$44,550			\$53,460	\$71,280
4	\$20,040	\$29,670	\$33,390	\$49,450			\$53,460	\$79,120
5	\$23,130	\$32,070	\$38,580	\$53,450			\$61,740	\$85,520
6	\$23,130	\$34,440	\$38,580	\$57,400			\$61,740	\$91,840

CALCULATION OF REQUIRED INCOME

Unit Type	Income Type	Subject Rent	Utility Allowance	Total Rent	Max. Rent	Annual Income Req.	Annual Income Cap*
1-1	30%	\$ 477	\$ 79	\$ 556	\$ 556	\$ 16,680	\$ 23,760
1-1	50%	\$ 849	\$ 79	\$ 928	\$ 928	\$ 27,840	\$ 39,600
1-1	80%	\$ 1,406	\$ 79	\$ 1,485	\$ 1,485	\$ 44,550	\$ 63,360
2-2	30%	\$ 567	\$ 101	\$ 668	\$ 668	\$ 20,040	\$ 29,670
2-2	50%	\$ 1,012	\$ 101	\$ 1,113	\$ 1,113	\$ 33,390	\$ 49,450
2-2	80%	\$ 1,681	\$ 101	\$ 1,782	\$ 1,782	\$ 53,460	\$ 79,120
3-2	30%	\$ 651	\$ 120	\$ 771	\$ 771	\$ 23,130	\$ 34,440
3-2	50%	\$ 1,166	\$ 120	\$ 1,286	\$ 1,286	\$ 38,580	\$ 57,400
3-2	80%	\$ 1,938	\$ 120	\$ 2,058	\$ 2,058	\$ 61,740	\$ 91,840

* Based on 2.0 persons per bedroom

With a one bedroom rental rate of \$556 per month, a prospective resident would need a minimum annual income of \$16,680 to rent this unit type. Based on the most expensive rent of \$2,058 per month for a three bedroom unit, a prospective resident could earn a maximum of \$91,840 per year to lease this type of unit. The following tables demonstrate that 15.5% of 1-6 person renter households in the “Primary Trade Area” would not qualify for the proposed level of rent without additional rental assistance (i.e. Section 8 vouchers). That means 84.5% of 1-6 person renter households would qualify. However, with the implementation of income restrictions, the primary renter profile will have an income from \$16,680 to \$91,840, which represents 59.6% of 1-6 person renter households in the area. The following tables represent 1-6 person renter households only.

INCOME BANDING OF UNDER QUALIFIED RENTER HOUSEHOLDS

SUBJECT	# OF	PERCENT
Under \$ 10,000	2,279	8.4%
\$ 10,000 - \$ 16,679	1,929	7.1%
Under Qualified Households	4,208	15.5%

HISTA Data

**INCOME BANDING OF THE
PRIMARY QUALIFIED RENTER HOUSEHOLDS**

SUBJECT	# OF	PERCENT
\$ 16,680 - \$ 19,999	959	3.5%
\$ 20,000 - \$ 29,999	3,022	11.1%
\$ 30,000 - \$ 39,999	3,097	11.4%
\$ 40,000 - \$ 49,999	2,588	9.5%
\$ 50,000 - \$ 59,999	2,220	8.2%
\$ 60,000 - \$ 74,999	2,367	8.7%
\$ 75,000 - \$ 91,840	1,943	7.2%
Primary Qualified Households	16,197	59.6%

HISTA Data

**INCOME BANDING OF THE
OVER QUALIFIED RENTER HOUSEHOLDS**

SUBJECT	# OF	PERCENT
\$ 91,841 - \$ 99,999	942	3.5%
\$ 100,000 +	5,813	21.4%
Over Qualified Households	6,755	24.9%

HISTA Data

5.4 – OVERALL CAPTURE RATE

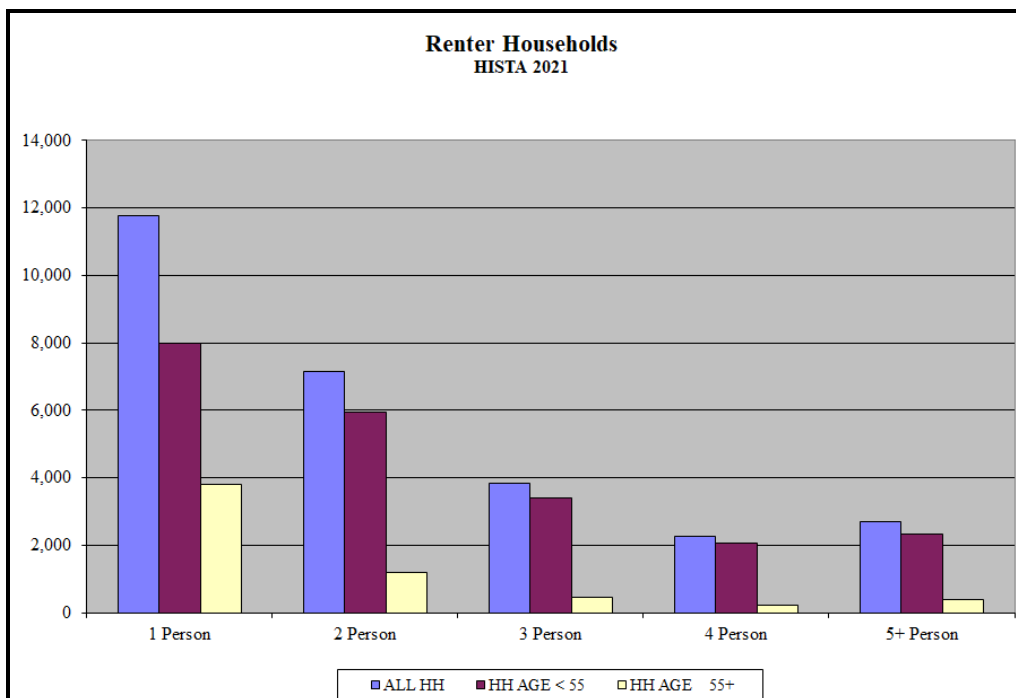
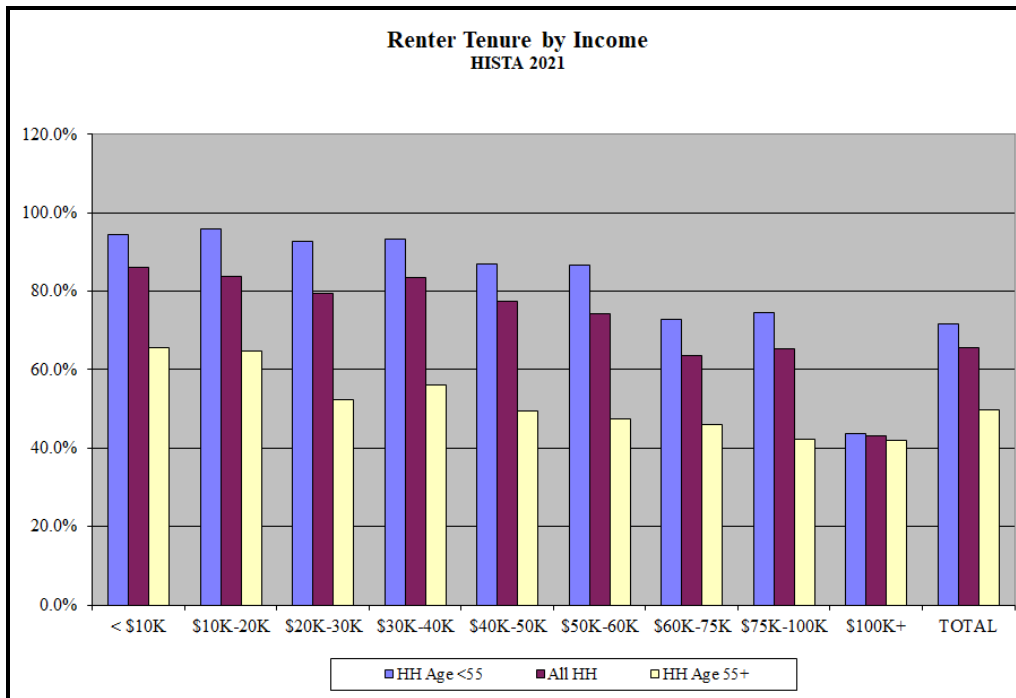
The HISTA data tables have provided the number of households by income and household size.

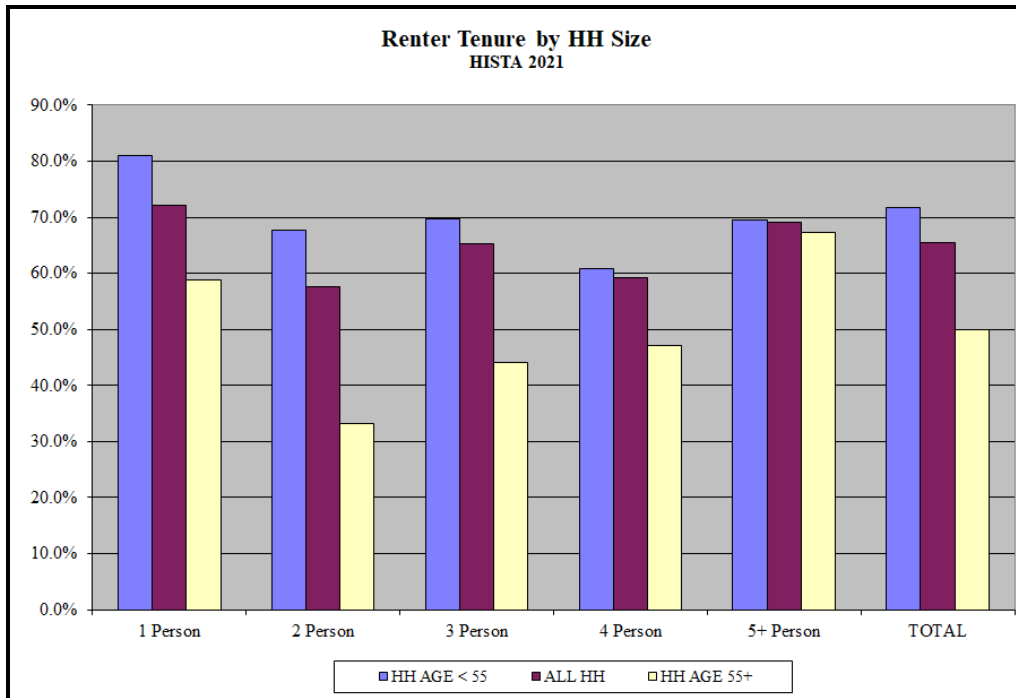
RENTER HOUSEHOLDS BY INCOME BY HOUSEHOLD SIZE

RENTER TENURE - ALL HOUSEHOLDS						
2021	1 Person	2 Person	3 Person	4 Person	5-6 Person	1-6 Person
< \$10K	1,397	362	250	174	96	2,279
\$10K-20K	1,524	369	444	211	339	2,887
\$20K-30K	1,526	369	440	265	422	3,022
\$30K-40K	1,523	762	359	203	250	3,097
\$40K-50K	1,165	437	439	292	255	2,588
\$50K-60K	1,162	459	341	104	154	2,220
\$60K-75K	770	824	455	156	162	2,367
\$75K-100K	1,012	933	476	293	171	2,885
\$100K+	1,696	2,637	632	582	266	5,813
TOTAL	11,775	7,152	3,836	2,280	2,116	27,159

RENTER HOUSEHOLDS BY INCOME BY HOUSEHOLD SIZE

RENTER TENURE - ALL HOUSEHOLDS						
2026	1 Person	2 Person	3 Person	4 Person	5-6 Person	1-6 Person
< \$10K	1,331	334	244	171	86	2,166
\$10K-20K	1,410	311	417	160	289	2,587
\$20K-30K	1,467	323	404	228	396	2,818
\$30K-40K	1,506	670	364	187	243	2,970
\$40K-50K	1,177	432	512	293	275	2,689
\$50K-60K	1,183	425	322	129	155	2,214
\$60K-75K	910	827	446	168	182	2,533
\$75K-100K	1,214	991	558	322	215	3,300
\$100K+	2,563	3,318	836	798	420	7,936
TOTAL	12,761	7,631	4,103	2,456	2,261	29,213





From the tables above, we extrapolate the number of income qualified renter households that would qualify to live at the subject.

INCOME BANDING OF THE PRIMARY QUALIFIED RENTER HOUSEHOLDS BY HH SIZE

SUBJECT	2021 Households	2026 Households	HH Growth 2021 - 2026
\$ 16,680 - \$ 19,999	959	859	-100
\$ 20,000 - \$ 29,999	3,022	2,818	-204
\$ 30,000 - \$ 39,999	3,097	2,970	-128
\$ 40,000 - \$ 49,999	2,588	2,689	101
\$ 50,000 - \$ 59,999	2,220	2,214	-6
\$ 60,000 - \$ 74,999	2,367	2,533	165
\$ 75,000 - \$ 91,840	1,943	2,223	280
Primary Qualified Households	16,197	16,306	109

5.4.1 - Forecast Demand Calculation

The second part of our capture rate demand calculation is to determine the forecast growth in the number of income qualified renter households. From the demographic data, we opine that the number of qualified renter households within the Primary Market Area will increase by 109 (2021-2026), or 22 households annually.

5.4.2 - Capture Rate Calculation

To perform the capture rate calculation, we use the data that we have compiled from our previous analysis to determine the total number of income qualified households that the subject is designed to accommodate. The following table is used to calculate the total demand for the subject's units.

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY		
Income Qual. Demand*	Units of Demand	% of Total Demand
2021	16,197	90.7%
2022 & 2023	44	0.2%
External Demand (10%)	1,624	9.1%
TOTAL DEMAND – Year 1	17,865	100.0%

* Income eligible without rental assistance

Now that we know the total demand, we have to account for other affordable projects in the trade area that have not leased up and maintained a stabilized occupancy of 90% for the previous 12 months. The following table is taken from the TDHCA database of affordable properties within the designated trade area. There are no other affordable projects to account for.

TDHCA	Name of Project	# of Units	Distance	Population	Comparable Units
TBD	Subject	100	-	Family	100
18335	Travis Flats	146	2.1 mi	Family	43
19295	The Abali	56	2.7 mi	Family	20
19436	Granada	258	1.4 mi	Family	0
19407	Norwood Estates	228	1.0 mi	Family	0
21429	The Henderson at Reinli	306	1.6 mi	Family	102
				TOTAL	265

Based on the information taken table above, we calculate the inclusive capture rate for the subject to be as follows:

$$\frac{\text{Subject's L/I Units} + \text{Other Previous L/I Units}}{\text{Total Units of Income Qualified Demand}} = \text{Capture Rate}$$

$$\frac{265 \text{ Total L/I Units}}{17,865 \text{ Units of Demand}} = 1.5\% \text{ Capture Rate}$$

The “Inclusive Capture Rate” above reflects only “income qualified” renter demand. Additional demand comes from households living outside the PMA and households earning less than the minimum qualifying income, provided that the household has a housing voucher in-hand (i.e. Section 8 voucher). This additional demand was not calculated in the figures above as it was not necessary to satisfy the capture rate threshold.

5.5 – CAPTURE RATE BY AMGI INCOME BAND

To perform a capture rate by income band, we use the data that we have compiled from our previous analysis to determine the total number of income qualified households within AMGI band. By dividing the subject’s units and other comparable units by the demand calculated for each AMGI band, we can conclude a capture rate by income band.

Due to overlapping incomes, the concluded AMGI capture rates are dependent on the apportionment of demand to each AMGI band. The table below shows in the income minimums and program maximums by AMGI, as well as the adjusted minimums and maximums used for this analysis.

	Min. Income Requirement	Maximum Income	Adjusted Minimum	Adjusted Maximum
30% AMGI Band	\$16,680	\$34,440	\$16,680	\$27,840
50% AMGI Band	\$27,840	\$57,400	\$27,840	\$57,400
80% AMGI Band	\$44,550	\$91,840	\$57,400	\$91,840

Using the adjusted income levels in the table above, the following table is used to calculate the total demand for the subject’s units.

Unit Size	2021 Demand	2022-2023 Growth Demand	10% External Demand	Total Demand	Subject Units	Comparable Units	Inclusive Capture Rate
30% Band	3,328	-104	322	3,546	15	10	0.7%
50% Band	7,981	-30	795	8,746	45	155	2.3%
80% Band	4,888	177	507	5,572	40	0	0.7%

5.6 – CAPTURE RATE BY UNIT TYPE

To develop capture rates by unit type, we first determine the minimum income requirement for each unit type, maximum income for each household size, and maximum allowed persons per unit type. Since households larger than 5 persons are counted altogether by HISTA data, we have used the more detailed household information from the AnySite demographics. The following demand calculations employ the following table.

SIZE OF HOUSEHOLD

Household Size	%
	2020
1 Person	35.9%
2 Person	29.5%
3 Person	13.3%
4 Person	11.0%
5 Person	5.6%
6 Person	2.4%
7+ Person	2.3%
1 to 6 Person	97.7%

The following table provides income requirements and program limits for the subject. The gray highlight indicates household sizes that would not qualify for the unit type due to household size limits or rent limits being greater than maximum income allowed for a household size.

Unit Type	Max HH Size	(\$ Min. Income	Max. Income by HH Size (\$)							
			1	2	3	4	5	6	7	8
1BR 30%	2	16,680	20,790	23,760	26,730	29,670	32,070	34,440		
1BR 50%	2	27,840	34,650	39,600	44,550	49,450	53,450	57,400		
1BR 80%	2	44,550	55,440	63,360	71,280	79,120	85,520	91,840		
2BR 30%	4	20,040	20,790	23,760	26,730	29,670	32,070	34,440		
2BR 50%	4	33,390	34,650	39,600	44,550	49,450	53,450	57,400		
2BR 80%	4	53,460	55,440	63,360	71,280	79,120	85,520	91,840		
3BR 30%	6	23,130	20,790	23,760	26,730	29,670	32,070	34,440		
3BR 50%	6	38,580	34,650	39,600	44,550	49,450	53,450	57,400		
3BR 80%	6	61,740	55,440	63,360	71,280	79,120	85,520	91,840		

Using the table above along with the HISTA data, we develop the following table showing the total number of income qualified renter households in the PMA by household size for the subject.

HH Size	Income Qualified Demand		PMA Demand
	2021	2022 to 2023	
1-person	2,931	-18	2,913
2-Person	1,954	-68	1,886
3-Person	1,297	-3	1,294
4-person	938	-5	933
5-Person	626	10	636
6-Person	324	6	330
7+Person	0	0	0

Because some households qualify for multiple unit sizes (e.g., one or two bedroom), we have to make some assumptions about household distribution. For example, a two person household could qualify for both one and two bedroom unit.

The following table shows the analyst's assumptions as to the size of unit a renter will choose based on the number of people in the household. By example, we estimate that 85% of one person households will choose to live in a one bedroom unit.

	Household Size						
Unit Size	1	2	3	4	5	6	7+
1 BR	85%	40%	0%	0%	0%	0%	0%
2 BR	15%	55%	90%	50%	0%	0%	0%
3 BR	0%	5%	10%	50%	100%	100%	0%
4 BR	0%	0%	0%	0%	0%	0%	100%

5.7 – SUMMARY – CAPTURE RATE CALCULATIONS

The following table summarizes the overall capture rate, capture rate by AMGI band, as well as the individual capture rate by unit type. As shown, the calculations of the capture rates are below the maximum allowable under the TDHCA underwriting guidelines.

Unit Size	2021 Demand	2022-2023 Growth Demand	External Demand (10%)	Total Demand	Subject Units	Comparable Unstable Units	Inclusive Capture Rate
Overall	16,197	44	1,624	17,865	100	165	1.5%
30% Band	3,328	-104	322	3,546	15	10	0.7%
50% Band	7,981	-30	795	8,746	45	155	2.3%
80% Band	4,888	177	507	5,572	40	0	0.7%
1 BR/30%	637	-20	62	678	5	7	1.8%
1 BR/50%	1,207	-23	118	1,302	13	94	8.2%
1 BR/80%	1,430	0	143	1,573	12	0	0.8%
2 BR/30%	630	-26	60	664	9	2	1.7%
2 BR/50%	1,200	-12	119	1,308	28	56	6.4%
2 BR/80%	1,320	-7	131	1,444	25	0	1.7%
3 BR/30%	530	-17	51	564	1	1	0.4%
3 BR/50%	652	5	66	723	4	5	1.2%
3 BR/80%	465	21	49	535	3	0	0.6%

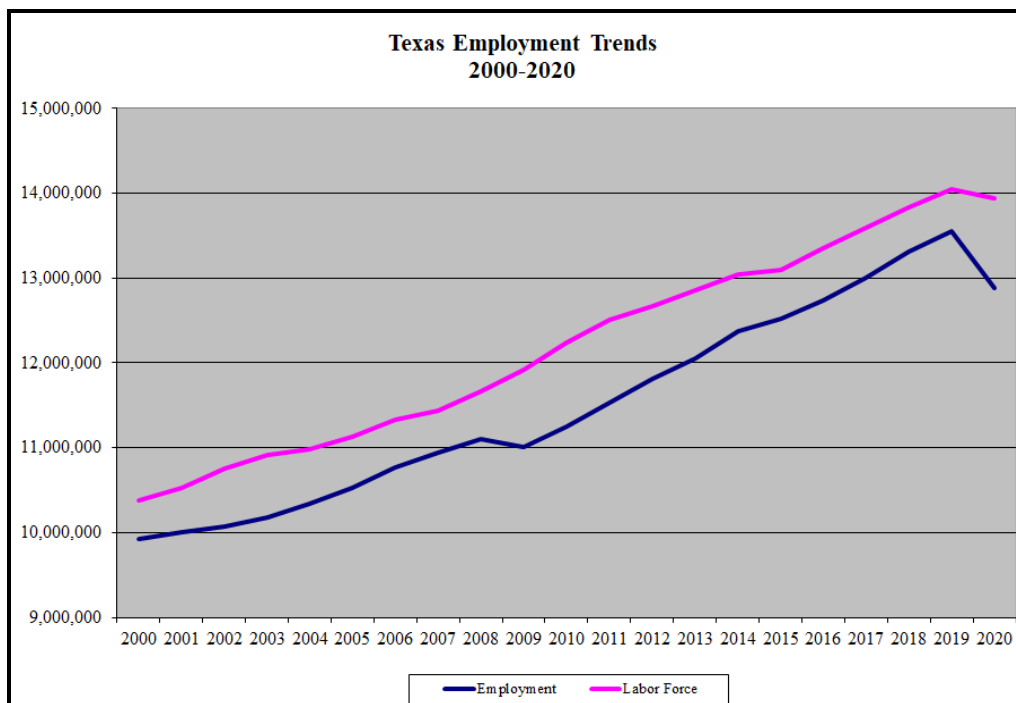
CHAPTER 6

HOUSEHOLD GROWTH BASED DEMAND

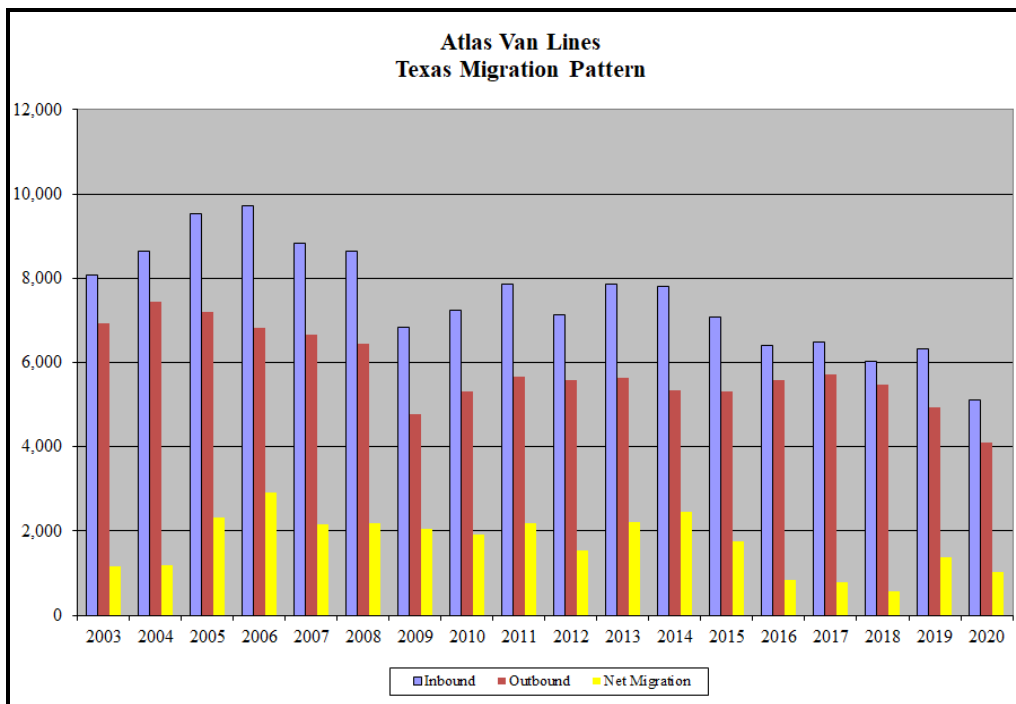
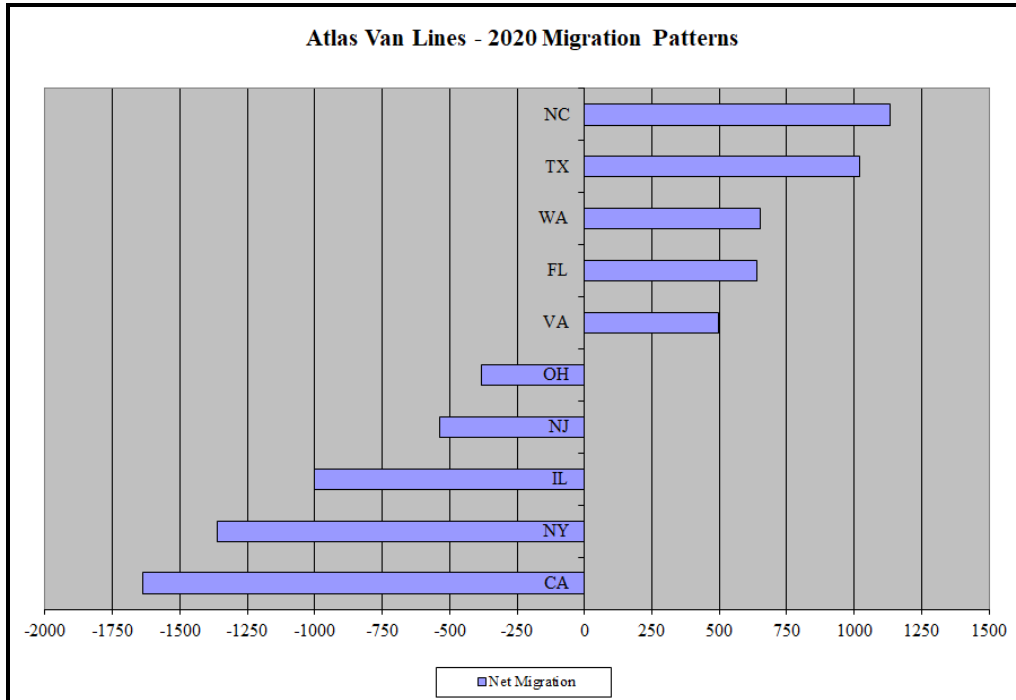
6.1 – INTERSTATE MIGRATION PATTERNS

U.S. Census data shows the population growth in Texas between July 1, 2019, and July 1, 2020, was higher than any other state. Ranked as the second “Most Populous State” behind California, Texas has an estimated population of 29.36 million people. This number is up substantially from the 2010 estimate of 25.1 million. The state’s 2020 growth rate of 1.3%, a rate consistent with the past few years, ranks the state 1st in the country. This rate of growth was in spite of the loss of 670,000 jobs due to COVID-19.

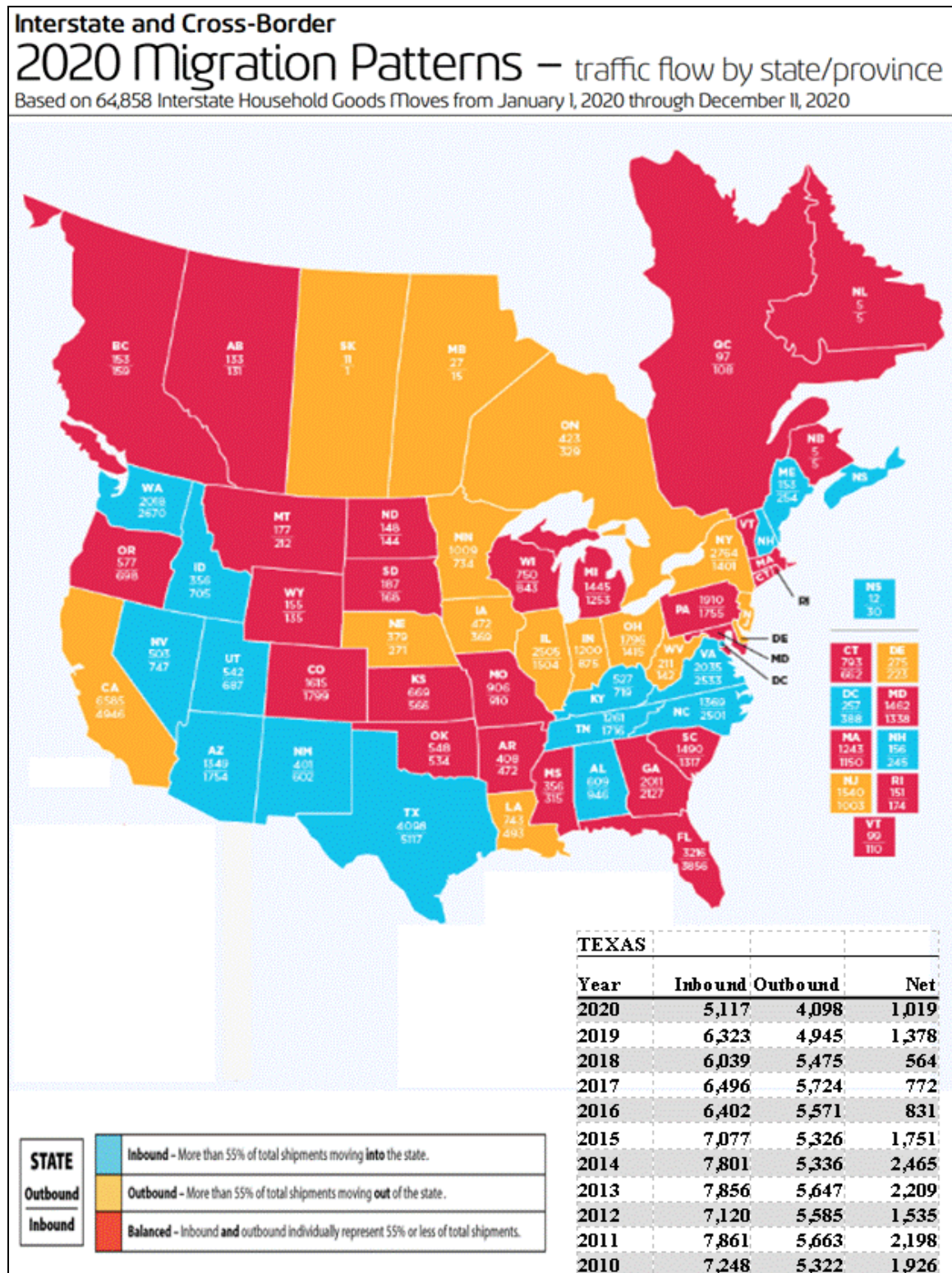
For more than a decade, Texas has seen a positive net migration. This is due largely to the employment growth the state has enjoyed for eighteen out of the last twenty-one years. Even when most of the country reported massive job losses, factory closures and high foreclosure rates (2008), Texas’ diverse economic base allowed it to weather economic downturns better than other regions. As a result of this employment growth, low cost of living, and no state income tax, Texas is a destination for many looking for jobs and opportunity.



Atlas Van Lines tracks and publishes data on Interstate and Cross-Border migration patterns. Their data for 2020 represents the migration patterns for the country by tracking the origin and destination of 55,619 moves. According to this information, net migration to Texas ranked second in the country.



This positive net migration for Texas is nothing new. Even through the dot com bust of the early 2000's, the economic recession of 2008, and COVID-19 (2020), Texas has been the destination of many families. As a result, the demand for housing continues to grow.



This same information is confirmed by U-Haul. The annual 2019 U-Haul National Migration Report Trend Report listed four Texas cities in the top twenty-five U.S Destination Cities. The ranking reflects destinations for movers traveling more than 50 miles, and considers every city in the country regardless of size. The top 10 destination cities are as follows:

- | | |
|--------------------------------|--------------------------------|
| 1. Raleigh-Durham, N.C | 11. New Braunfels, TX |
| 2. Kissimmee, FL | 14. Spring – The Woodlands, TX |
| 3. Ocala, FL | 17. McKinney, TX |
| 4. Round-Rock-Pflugerville, TX | |
| 5. West Palm Beach, FL | |
| 6. Port Saint Lucie, FL | |
| 7. Bradenton-Sarasota, FL | |
| 8. Coeur D’Alene, ID | |
| 9. Manhattan, NY | |
| 10. Harrisburg, PA | |

Penske Truck Rental (2019) compiles its own list of top moving destination which also list Houston as one of its top destinations for one-way moves. For the first time in recent years both Portland, Oregon, and Las Vegas, Nevada, have fallen from the list. While Raleigh, North Carolina, and Nashville, Tennessee are making their debuts on the ranking.

“This list fits the general geographic shifts of the country’s population with our customers being drawn to the Southeast and Southwest regions,” stated Don Mikes, Penske senior vice president of rental.

The previous year’s ranking is noted in parentheses.

1. Phoenix (2)
2. Atlanta (1)
3. Tampa (3)
4. Denver (5)
5. Orlando (4)
6. Charleston (8)
7. Houston (6)
8. Raleigh (new)
9. Nashville (new)
10. Austin (9)

6.2 – AREA POPULATION & DEMOGRAPHICS

There was a 1.8% decrease in population in the Primary Market Area from 2000 to 2010. Between 2000 and 2010, the number of households decreased by 1.3%. The population is projected to increase through the year 2025. At that time, the population is expected to be 107,541. This represents an overall growth of 26.5% between 2010 and 2025.

The estimated 2021 median household income of \$98,900¹² for the Austin MSA implies that 51% of the area households live below what is considered to be the low income level (60% of the county AGMI). This represents a low income level of \$59,340.

For our first demand analysis, we will use population and household formation to project future housing demand. This is based on the fact, that in estimating housing, the unit of demand is households. The U.S. Census defines a household as a person or group of persons who occupy a dwelling unit and constitute a single economic unit for the purposes of meeting household expenses. The household may or may not consist of a family. Households are distinguished from groups or individuals who occupy group quarters such as hospitals, military bases, retirement homes, prisons, and dormitories, where individuals are not directly involved in economic decisions for the dwelling unit. Each household, by definition, occupies or needs one housing unit, the basic unit of supply. Therefore, if we know the number of households, we have a measure of aggregate demand for all housing types.

In analyzing housing supply, demand will rarely if ever exceed total supply. When the rate at which the new supply is added slows down or stops, as was the case in Texas for most of the early 1990's, there is a chance to add and absorb new supply. If the "pipeline" for adding residential income properties to a market is twelve months or more, and the demand will consume the supply in a six to twelve month period, a window of time opens to exploit the opportunity of the demand. This is known as a "Gap" in supply and demand.

6.3 – POPULATION & HOUSEHOLD GROWTH – AnySite

The Household Growth demand analysis predicts future growth using a statistical analysis from previous census surveys. To determine the future demand for rental housing, we use the following calculations:

$$\frac{\text{Forecast Population}}{\text{Forecast average household size}} = \text{Forecast Number of Households} = \text{Forecast Units of Demand}$$

¹² U.S. Department of HUD – Year 2020

$$\begin{aligned} &\text{Forecast Units of Demand} \\ &\times \text{Percentage of Tenure Owner} \\ &= \text{Single Family Housing} \end{aligned}$$

$$\begin{aligned} &\text{Forecast Units of Demand} \\ &\times \text{Percentage of Tenure Renter} \\ &= \text{Multiple Unit Housing} \end{aligned}$$

6.3.1 - Estimate of Population and Household Population

The following table represents the population growth and projections from 2000 through the year 2025.

**FORECAST POPULATION CHANGE
2000-2025**

YEAR	POPULATION	% Chg.	Annual
2025 Projection	107,541	2.9%	1.5%
2023 Estimate	104,463	4.6%	1.5%
2020 Estimate	99,845	17.5%	1.7%
2010 Census	85,006	-1.8%	-0.2%
2000 Census	86,605		

6.3.2 - Forecasting Owner and Renter Household Demand

The preceding tables delineate the make up of the households within the market area. By juxtaposing the information with the changes in the forecast population, we can forecast the overall household demand, and finally, the demand that is expected to indicate renter households. On the household table below, it can be seen that the housing in the sub-market has experienced a growth commensurate with the population. By dividing by the population by the average household size, we derive the number of future households.

The table below shows that as population has increased, there has been a corresponding increase in the demand for housing. By analyzing the trends gleaned from the population and data, we can project the need for additional housing.

HOUSEHOLD FORMATION
2000 to 2025

YEAR	HOUSEHOLDS	% Chg.	Annual	Avg. Size
2025 Projection	45,546	3.1%	1.6%	2.35
2023 Estimate	44,171	4.9%	1.6%	2.36
2020 Estimate	42,108	17.6%	1.8%	2.36
2010 Census	35,812	-1.3%	-0.1%	2.36
2000 Census	36,268			2.36

OWNER VS. RENTER OCCUPIED HOUSEHOLDS
2000 to 2025

	2000	2010	2020	2025
Owner	12,099	12,241	15,049	15,712
Renter	24,169	23,571	27,059	29,834
Total	36,268	35,812	42,108	45,546
Change in HH		-456	6,296	3,438

FORECAST HOUSEHOLD DEMAND CHANGES
WITHIN THE PRIMARY MARKET AREA

	2000-2010	2010-2020	2021-2025
# Owner Change	142	2,808	663
% Change	1.2%	22.9%	4.4%
# Renter Change	-598	3,488	2,775
% Change	-2.5%	14.8%	10.3%

Based on straight-line delineation of the household growth alone between the years of 2021 to 2025, it can be assessed that the primary market area will need an additional 2,775 rental dwelling units.

5 Year Rental Household Growth 2,775

Thus, our estimate of the growth of the apartment households per year for the trade area, based on the AnySite straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2021	2022	2023	2024	2025
DEMAND	555	555	555	555	555

6.4 – POPULATION & HOUSHOLD GROWTH – HISTA Data

The demographics provided by the HISTA data also make projections on renter household growth. The following tables are based on the estimated number of renter households for 2021, and then 2026.

**HISTA DATA
RENTER HOUSHOLDS - 2021**

RENTER HH	TOTAL			
2021	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	1,799	240	267	2,306
\$ 10,000 - \$ 19,999	2,090	304	589	2,983
\$ 20,000 - \$ 29,999	2,468	227	446	3,141
\$ 30,000 - \$ 39,999	2,592	236	340	3,168
\$ 40,000 - \$ 49,999	2,222	168	270	2,660
\$ 50,000 - \$ 59,999	1,811	160	293	2,264
\$ 60,000 - \$ 74,999	1,809	155	449	2,413
\$ 75,000 - \$ 99,999	2,392	147	394	2,933
\$ 100,000+	4,523	568	797	5,888
TOTAL	21,707	2,205	3,845	27,757

**HISTA DATA
RENTER HOUSHOLDS - 2026**

RENTER HH	TOTAL			
2026	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	1,628	248	314	2,190
\$ 10,000 - \$ 19,999	1,762	274	632	2,668
\$ 20,000 - \$ 29,999	2,177	225	528	2,930
\$ 30,000 - \$ 39,999	2,405	239	394	3,038
\$ 40,000 - \$ 49,999	2,251	187	329	2,767
\$ 50,000 - \$ 59,999	1,704	165	389	2,258
\$ 60,000 - \$ 74,999	1,798	176	610	2,584
\$ 75,000 - \$ 99,999	2,613	198	550	3,361
\$ 100,000+	5,932	869	1,253	8,054
TOTAL	22,271	2,581	4,999	29,851

RENTER HOUSHOLD GROWTH – 2021 to 2026

RENTER HH	TOTAL			
Change 2021 - 2026	Age <55	Age 55-61	Age 62+	TOTAL
< \$ 10,000	-171	8	47	-116
\$ 10,000 - \$ 19,999	-328	-30	43	-315
\$ 20,000 - \$ 29,999	-291	-2	82	-211
\$ 30,000 - \$ 39,999	-187	3	54	-130
\$ 40,000 - \$ 49,999	29	19	59	107
\$ 50,000 - \$ 59,999	-107	5	96	-6
\$ 60,000 - \$ 74,999	-11	21	161	171
\$ 75,000 - \$ 99,999	221	51	156	428
\$ 100,000+	1,409	301	456	2,166
TOTAL	564	376	1,154	2,094

Based on straight-line delineation of the household growth alone between the years of 2022 to 2026, the HISTA data estimate the primary market area will require an additional 2,094 rental dwelling units.

5 Year Rental Household Growth 2,094

Thus, our estimate of the growth of the apartment households per year for the trade area, based on the HISTA Data straight-line forecast delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2022	2023	2024	2025	2026
DEMAND	419	419	419	419	419

6.5 – GAP DEMAND – HOUSEHOLD GROWTH BASED

Gap Demand is the measure of forecast demand compared to forecast supply. This is used to determine the balance or imbalance within a sub-market in terms of demand for housing units. The following table nets future demand and future supply to give a projection of additional rental units required by the market. At the same time, it only includes future supply that is currently known to us.

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**“GAP DEMAND”
FUTURE DEMAND NET AGAINST FUTURE SUPPLY**

		2021-2025	2022-2026
Data Source		AnySite	HISTA
Total Demand 2020-2024		2,775	2,094
New Supply	Total	93% Stabilized	93% Stabilized
Projects in Lease-up			
The Abali (LIHTC, 72% occ.)	56	12	12
Travis Flats (LIHTC, 70% occ.)	146	34	34
Bridge at Granada (Bond, 88% occ.)	258	13	13
Aura on Lamar (48% occ.)	279	126	126
Projects Under Construction			
Norwood Estates (Bond)	228	212	212
The Pearl	383	356	356
The Hedge	219	204	204
Highgrove	313	291	291
AMLi Branch Park	237	220	220
AMLi Mueller III South	169	157	157
Medina Highlands	310	288	288
Crestview Highline	102	95	95
Broadstone N Lamar	298	277	277
ACC Highline	72	67	67
The Henderson at Reinli (Bond)	306	285	285
Projects in Planning			
6801 Burnet	314	292	292
AMLi Mueller IV	326	303	303
ACC Highline	234	218	218
N Lamar at the Loop	228	212	212
Windsor Village	410	381	381
Mueller Tower	200	186	186
Subject	100	93	93
Total Supply Change In Market	5,188	4,321	4,321
Net Gap In Supply and Demand		-1,546	-2,227

The AnySite and HISTA data suggest that the PMA will be oversupplied in the short term. The Employment Growth Methodology (Chapter 7) predicts the PMA will be able to accept the subject's units as well as those in lease up, under construction, and in planning.

Evidence suggests that LIHTC projects tend to derive most of their demand from households already living in the area. The "Overall Capture Rate" calculation in Section 5.3 found 12,049 renter households that are income qualified. Thus in our mind, this project is feasible even without additional growth in the number of renter households.

CHAPTER 7

EMPLOYMENT GROWTH BASED DEMAND

7.1 – REGIONAL UPDATE

TEXAS EMPLOYMENT FORECAST¹³

Texas employment grew at a 7.1 percent annualized rate in July after increasing by 4.3 percent in June. The Texas Leading Index decreased for the first time since March, primarily due to a rise in initial claims for unemployment insurance. The overall movement of the index over the past three months is still positive, however, suggesting positive growth over the next three to six months.

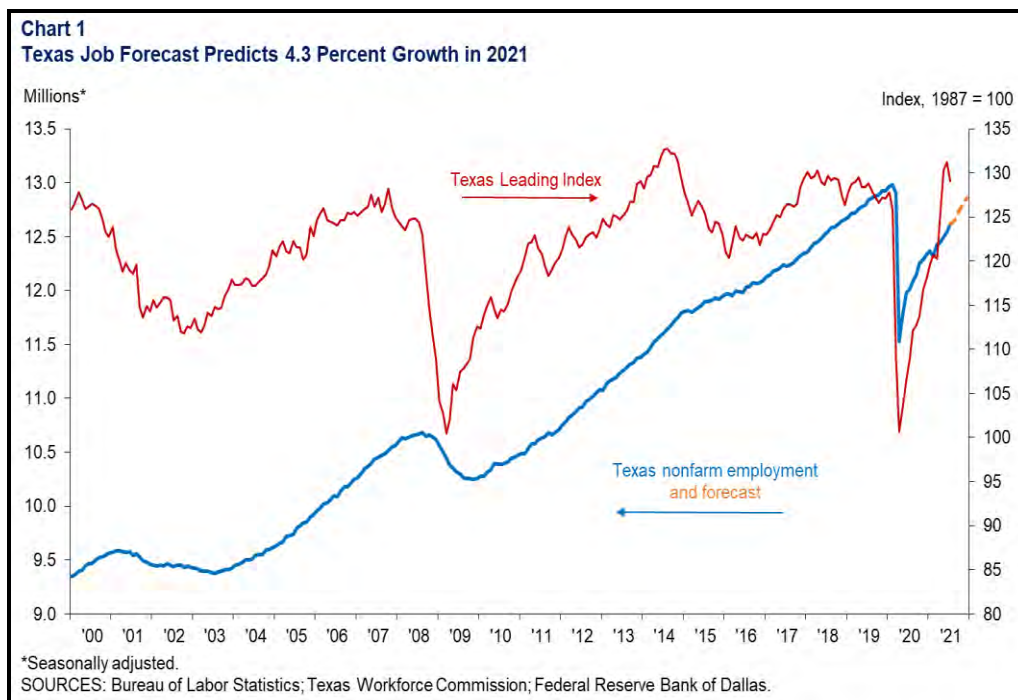
Using a top-down model based on national forecasts, Texas COVID-19 hospitalizations and oil futures prices, we estimate that jobs will increase by 4.3 percent in 2021—down from last month’s estimate of 5.6 percent—with an 80 percent confidence band of 3.6 percent to 5.0 percent. Based on the forecast, 527,700 jobs will be added in the state this year, and employment in December 2021 will be 12.9 million (Chart 1). Part of the downward revision in growth for 2021 was the result of an early benchmark revision to Texas job growth in the first quarter of this year. The revision lowered our job growth estimate for the first three months of the year from 5.1 percent to 3.1 percent and lowered the growth estimate for the first half of the year from 4.4 percent to 3.3 percent.

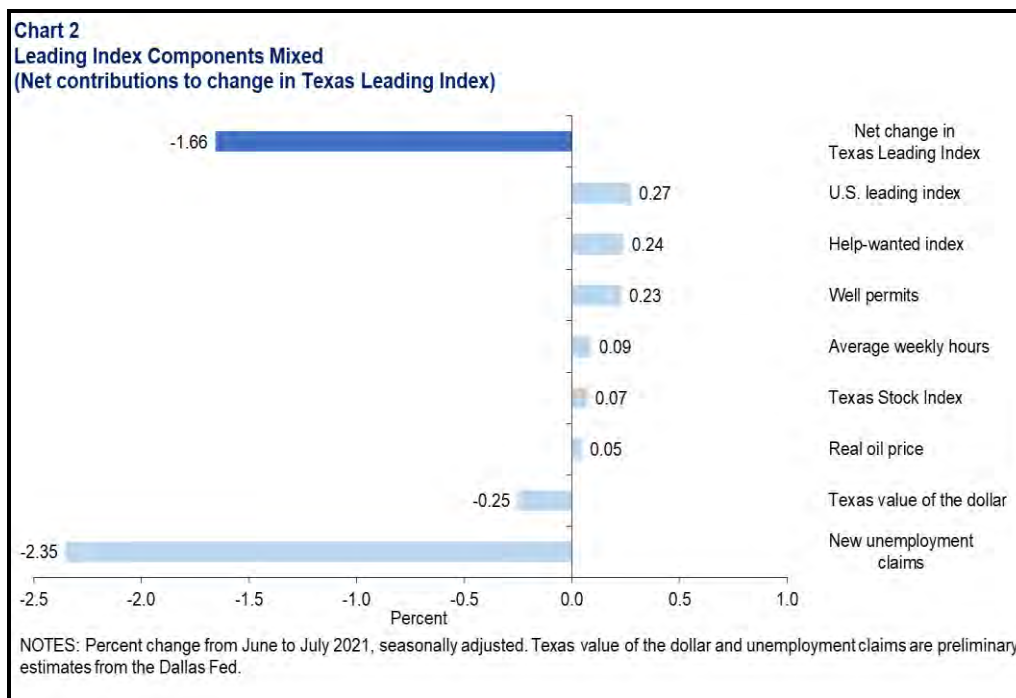
“Job growth during the first part of the year when COVID-19 cases were at very high levels was weaker than previously estimated,” said Keith Phillips, Dallas Fed assistant vice president and senior economist. “The recent surge in COVID-19 hospitalizations in Texas and the forecast for continued high levels of hospitalizations at least through late September are exerting some downward pressure on the forecast. Our business contacts report continued strong demand but difficulty expanding due to a lack of job applicants and supply-chain bottlenecks. Contacts note little labor market loosening since federal unemployment benefits ended in late June and also concern that the labor market will remain tight as the surge in COVID-19 cases may create hesitation among workers in high-contact industries and continued child care issues.”

¹³ Dallas Federal Reserve – August 20, 2021
<https://www.dallasfed.org/research/forecast/2020/emp201280.aspx>

The Texas unemployment rate declined from 6.5 percent in June to 6.2 percent in July. With federal unemployment benefits ending in late June, labor force growth improved modestly in July to 3.1 percent from 1.1 percent in June.

The Texas Leading Index declined moderately in July, although six of the eight indicators gave positive contributions (Chart 2). The decline in the index was concentrated in a significant rise in initial claims for unemployment insurance in July, although an increase in the Texas trade-weighted value of the dollar also contributed negatively to the index. Gains in the U.S. leading index, help-wanted advertising and permits to drill oil and gas wells were the strongest positive contributions. Average weekly hours worked in manufacturing, the price of stocks of Texas-based companies and the oil price were slightly positive signals.





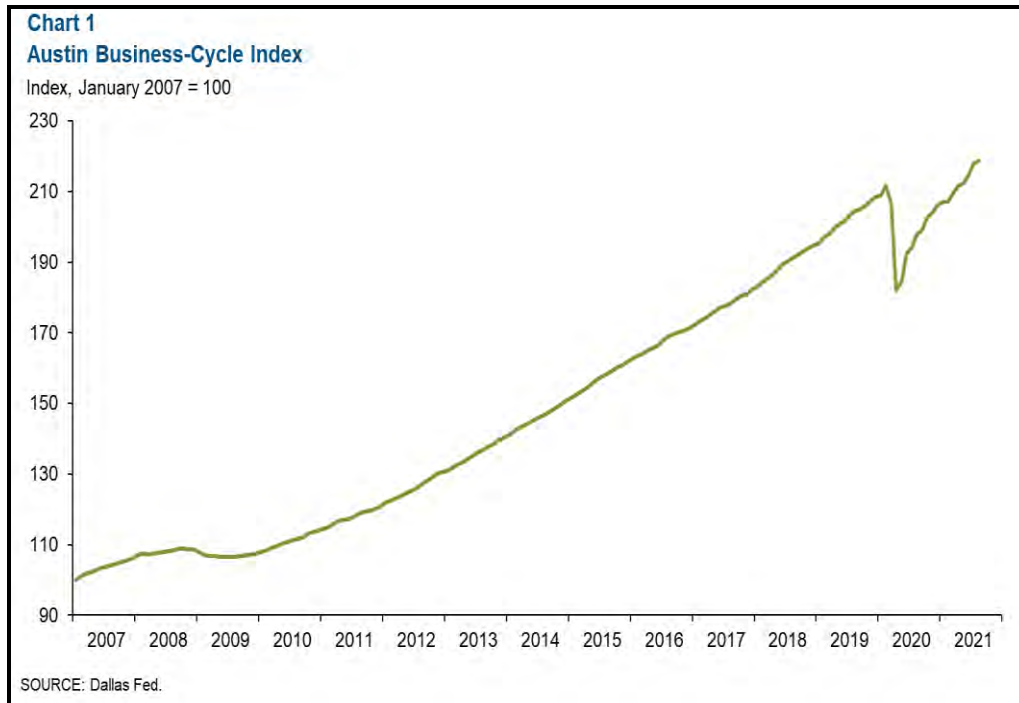
AUSTIN ECONOMIC INDICATORS¹⁴

The Austin economy continued to expand in August. The Austin Business-Cycle Index increased, led by declines in the unemployment rate. Recent COVID-19 hospitalizations declined further from the latest peak in August. Existing-home sales fell in August for the third consecutive month, and regional consumer spending remained healthy.

BUSINESS-CYCLE INDEX

The Austin Business-Cycle Index—a broad measure of economic activity—increased an annualized 5.0 percent in August after expanding a robust 20.3 percent in July (Chart 1). Recent strength in the economy can be attributed to unemployment rate declines and job gains.

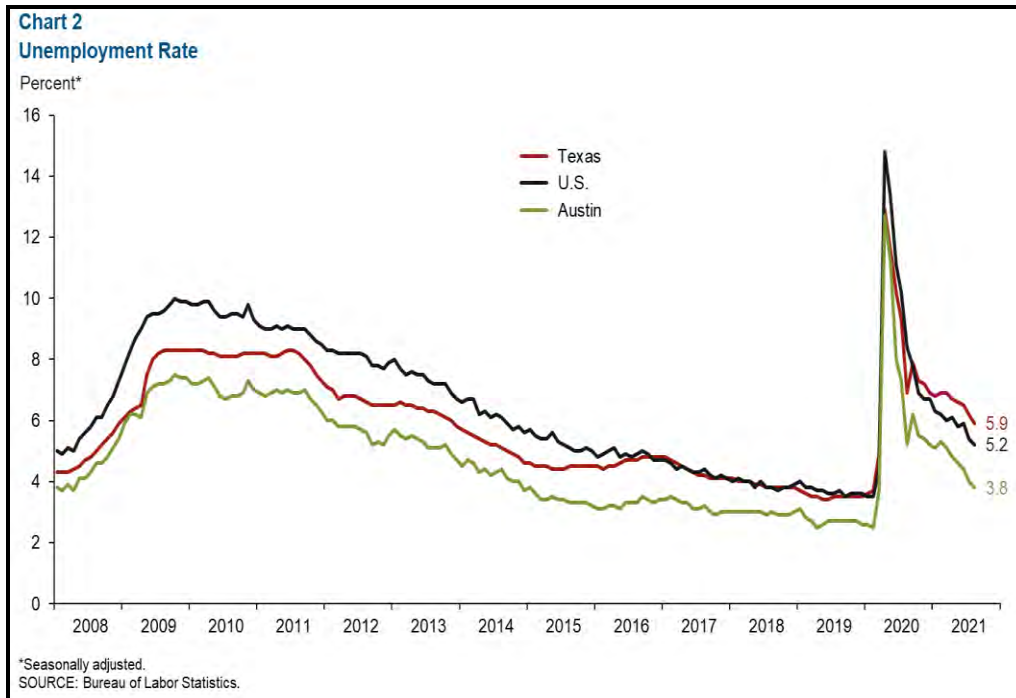
¹⁴ Dallas Federal Reserve – October 7, 2021
<https://www.dallasfed.org/research/indicators/aus/2021/aus2109.aspx>



LABOR MARKET

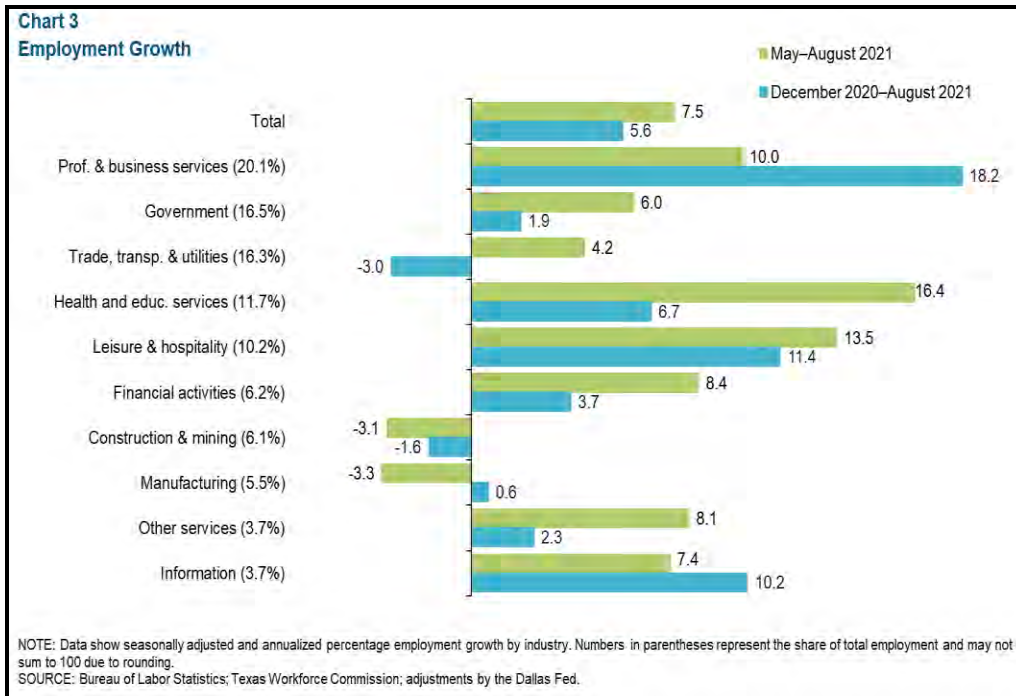
Unemployment rate declines

Austin's unemployment rate continued to fall in August to 3.8 percent, the lowest level since March 2020 (Chart 2). This is well below the state's jobless rate of 5.9 percent and the nation's rate of 5.2 percent.



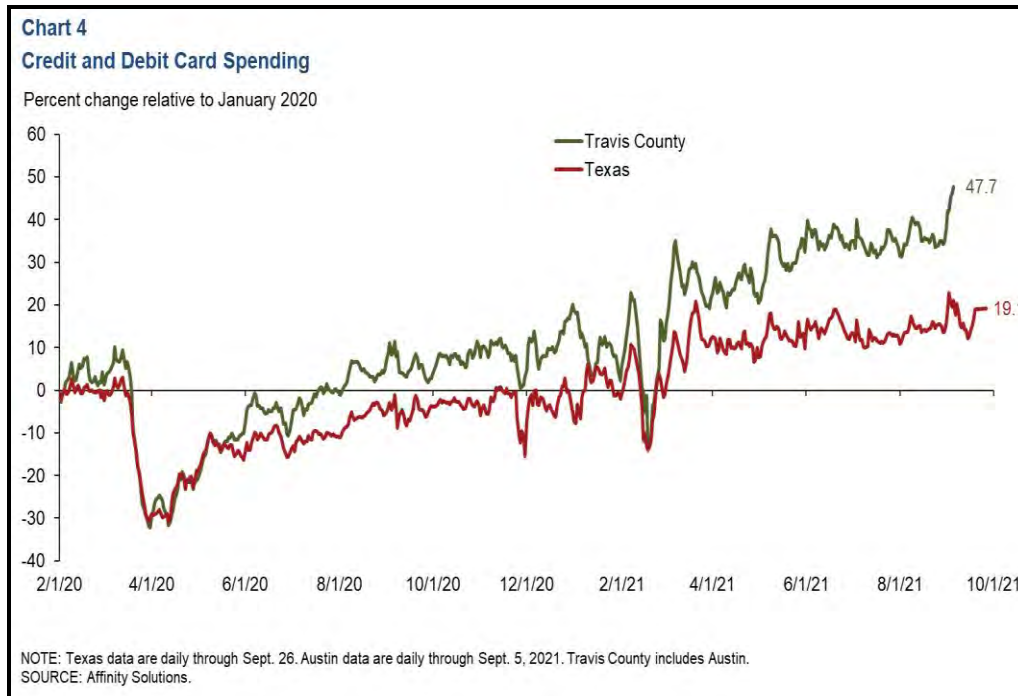
Recent Job Growth Positive in Most Sectors

Austin payrolls expanded an annualized 7.5 percent, or by 20,700 net jobs, in the three months ending in August (Chart 3). Health and private education services led job growth (16.4 percent, or 5,010 jobs), followed by leisure and hospitality (13.5 percent, or 3,650 jobs), and professional and business services (10.0 percent, or 5,450 jobs). The only sectors that posted net job losses were construction and mining (-3.1 percent, or 560 jobs), and manufacturing (-3.3 percent, or 530 jobs).



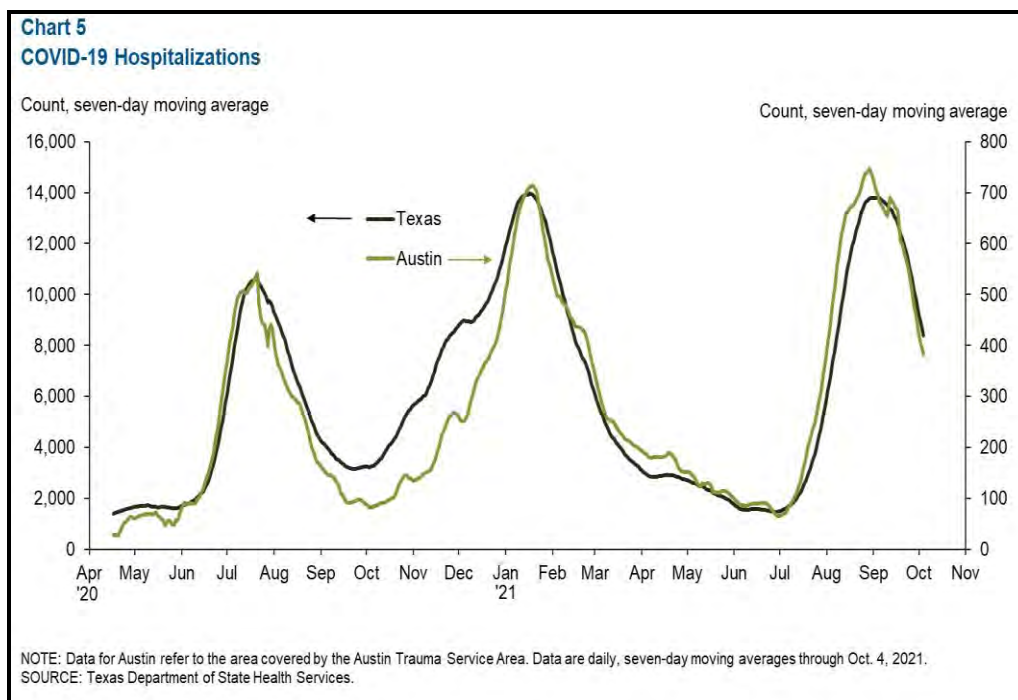
CONSUMER SPENDING

Strength in consumer spending in Austin has continued in recent weeks and reached a record high during Labor Day weekend. In the metro's most-populous county, Travis, credit and debit card spending has consistently surpassed January 2020 levels since last July, except for a dip in late November 2020 and during Winter Storm Uri in mid-February this year. As of Sept. 5, 2021, spending in the county was up a robust 47.7 percent relative to January 2020. As of Sept. 26, spending in Texas was up 19.1 percent (Chart 4).



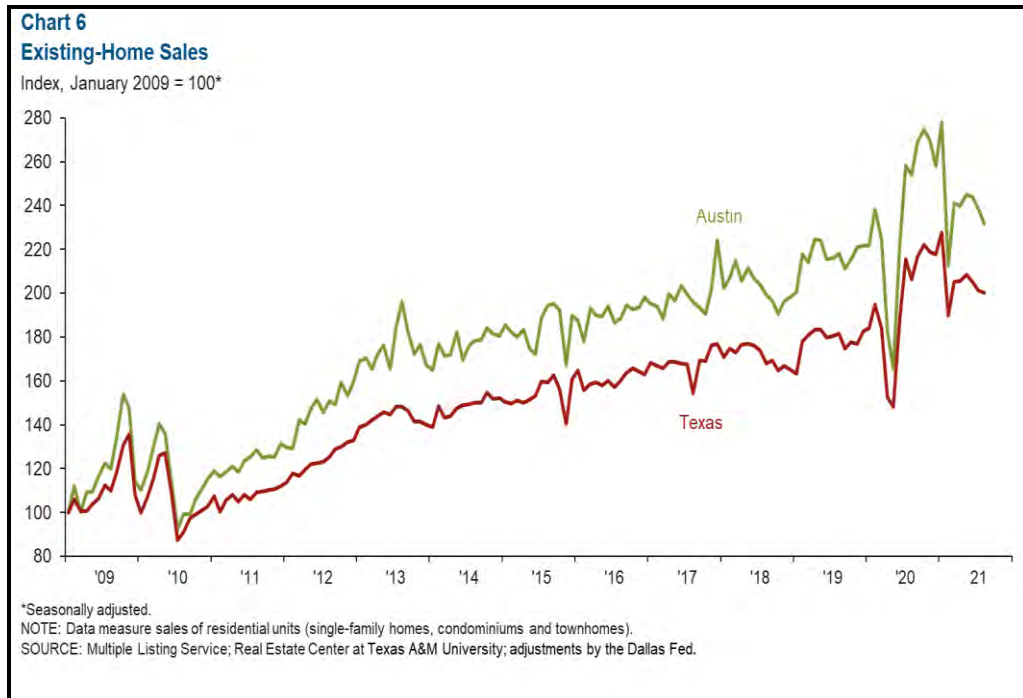
COVID-19 STATISTICS

The number of people currently hospitalized with COVID-19 in Austin has continued to decline since its recent peak in mid-September (Chart 5). As of Oct. 4, 383 people were hospitalized in Austin and 8,407 in Texas—well below the state peak in late August.



REAL ESTATE

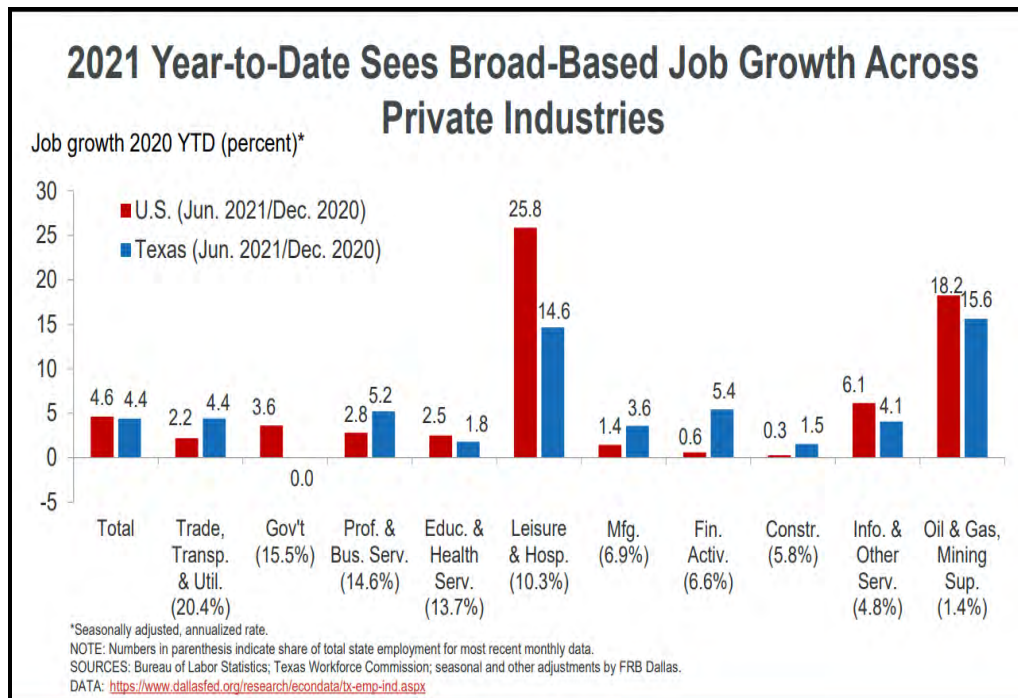
Existing-home sales in Austin fell 3.0 percent in August after contracting 2.1 percent in July and 0.1 percent in June (Chart 6). This compares with a 0.6 percent decrease in the state in August (and -1.9 percent in July and -1.6 percent in June). Nonetheless, in the first eight months of the year, metro home sales were up 9.2 percent relative to the same period in 2020. At the state level, sales were up 11.5 percent for that period. In August, the median price of homes sold was \$464,593 in the metro, a 28.1 percent rise year over year, compared with \$304,668 in Texas—an 11.2 percent increase.



7.2 – EMPLOYMENT STATISTICS OF THE AREA

Texas Economy¹⁵

The chart below provides a breakdown of the 2021 job growth broad-based across industries in Texas and the U.S. In Texas, we see the greatest job growth in the Oil & Gas (15.6%) followed by the Leisure and Hospitality Industry 14.6%.



The current unemployment rate of 3.7% for Travis County is lower than the state average of 4.9% and the national average of 4.8%.¹⁶ Residents of the Austin area work for a variety of employers.

¹⁵ Dallas Federal Reserve – July 28, 2021
<https://www.dallasfed.org/-/media/Documents/research/econdata/texasconomy.pdf>

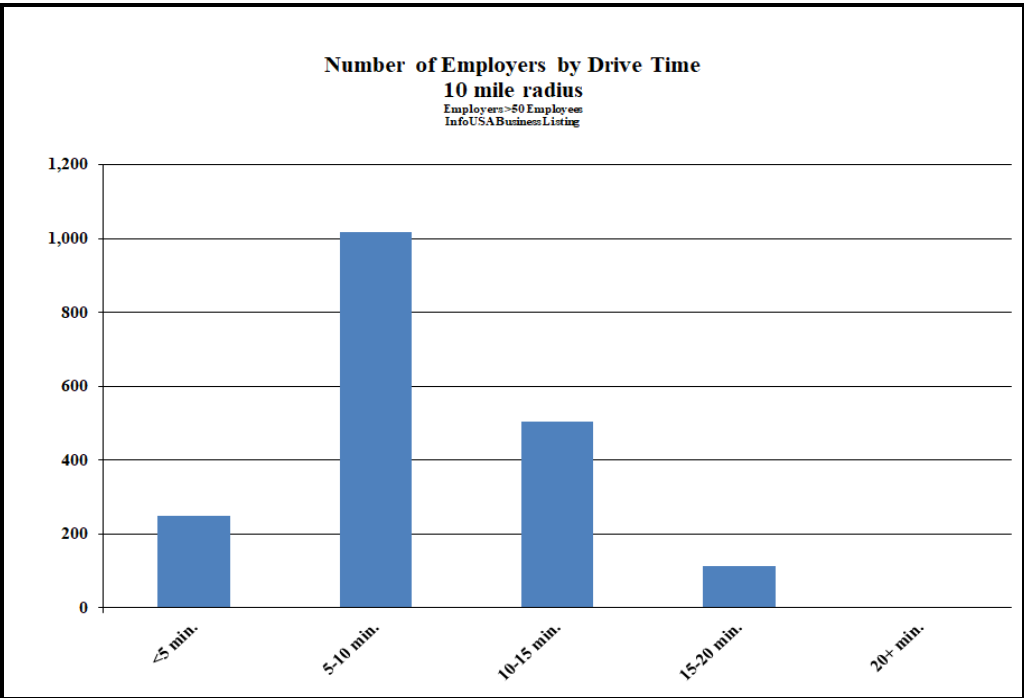
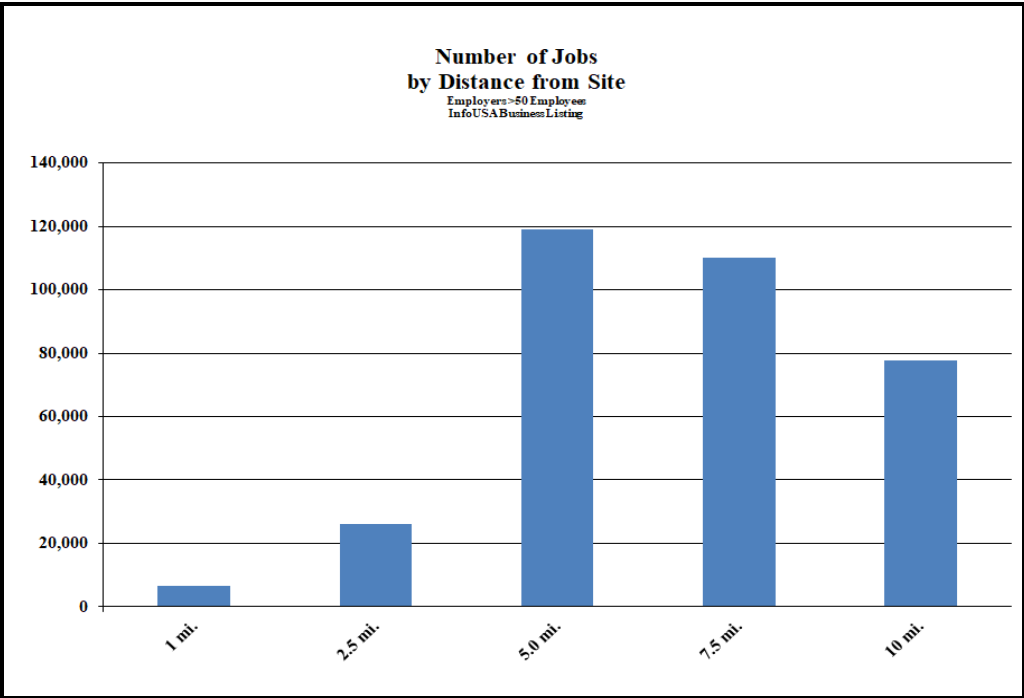
¹⁶ Bureau of Labor Statistics – September 2021

7.2.1 - Major Employers

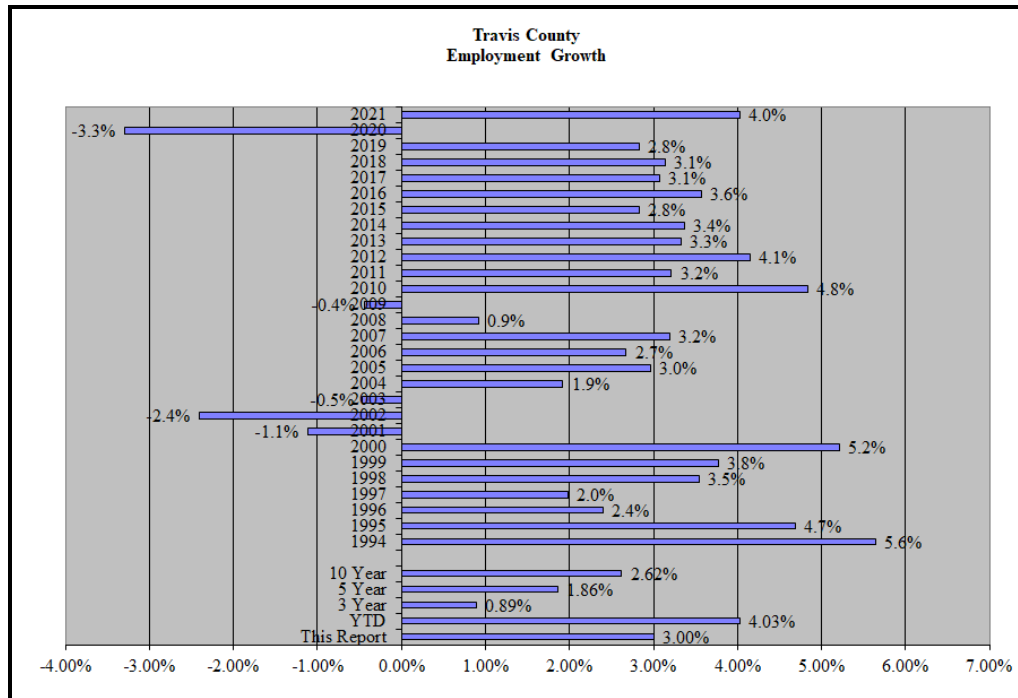
According to the InfoUSA Business Listing database of area employers, there are 1,886 employers with 49+ employees within 10.0 miles of the subject site. The following table lists some of the larger employers within that radius.

MAJOR EMPLOYERS

Employer	Employment
University of Texas at Austin	21,000
Texas Dept. of Transportation	12,000
Clinical Pathology Labs Inc.	4,500
Honorable Scott Jenkins	4,000
Freescale Semiconductor Inc.	3,300
Austin-Bergstrom Intl-AUS	3,000
Air Permits Division	3,000
TCEQ	3,000
St David's Rehabilitation-OT	2,500
Environmental Quality Commission	2,500
Aging & Disability Svc	2,000
St David's Medical Center	2,000
Building Programs	2,000
Advanced Micro Devices Inc.	2,000
Apple Inc. - Customer Svc Center	2,000
Dell Children's Med Ctr.	2,000
St David's North Austin Med.	2,000
Intel Texas Design Center	1,900
University of Texas at Austin	1,800
Health Department	1,800
Children's Hospital of Austin	1,675
University Medical Center	1,600
City of Austin Police Department	1,600
Applied Materials Inc.	1,500
Regulatory Service	1,500
Texas State-Austin State School	1,500
Texas Workforce Commission	1,500
Workforce Commission	1,500
Flextronics International	1,500



For the purposes of the following employment based forecast, we have used a conservative annual growth rate of 3.0%. We feel that this rate is appropriate, while not exceedingly optimistic.



7.3 – FORECAST OF FUTURE DEMAND

For our second demand analysis, we delineate a community’s commercial employment sectors into two categories – “basic” and “non-basic” employment. Basic activities are those that sell (export) a large portion of their products and services to non-local customers, thereby bringing new dollars into the local economy. Non-basic firms sell primarily to local customers and the money generated is kept within the local economy. The non-basic sector re-circulates dollars which are already within the community.

The theory we use within our analysis holds that increases in demand for the products and services of the basic sector cause the basic industries to employ more people. When this happens, the non-basic sector must expand to meet the needs of the expanded labor force in the basic industries. Thus occurs an increase in demand for housing units, retail, and office space, resulting from the increase in the number of employed persons. The resultant is an increase of the general population, employment and economic wealth of the macro-market area. Therefore local buying power increases.

Here we will use the economic base analysis methodology to determine population growth and therefore demand for rental housing. The objectives of the economic base analysis are:

- To identify businesses that bring new dollars into the local economy and measure employment in these businesses.
- To forecast growth of employment in the basic industries.
- To forecast growth of total employment (and income).
- To forecast growth of the population in the local market area.

Our methodology utilized to identify the economic base of the market area is to use an indirect analysis of identifying base employment through calculating the location quotient. This is a quick method for judging which industries are basic locally when compared to the state economy. The quotient represents the ratio of local employment percentage in certain industries to the state percentage in the same industries. If the local percentage is greater than the state percentage, that portion of the industry's employment that exceeds the state percentage is likely to be basic in the local economy. A basic employment industry in a community will create population growth which will then create a need for housing units.

Historical employment growth is a leading indicator of population and household growth, and housing demand increases. This indicator is more reliable than others in areas that are experiencing significant growth. This is because other projections typically utilize straight-line estimates, based on prior historical data, rather than current employment information.

The formulation used to determine the demand for rental housing using the basic employment forecast technique is as follows:

(A)

$$\frac{\text{Forecast of Basic Employment}}{1} \times \frac{\text{Total Employment}}{\text{Basic Employment}} \times \frac{\text{Total Population}}{\text{Total Employment}} = \text{Forecast Pop.}$$

(B)

$$\frac{\text{Forecast Population}}{\text{Forecast Household Size}} = \text{Forecast Households}$$

(C)

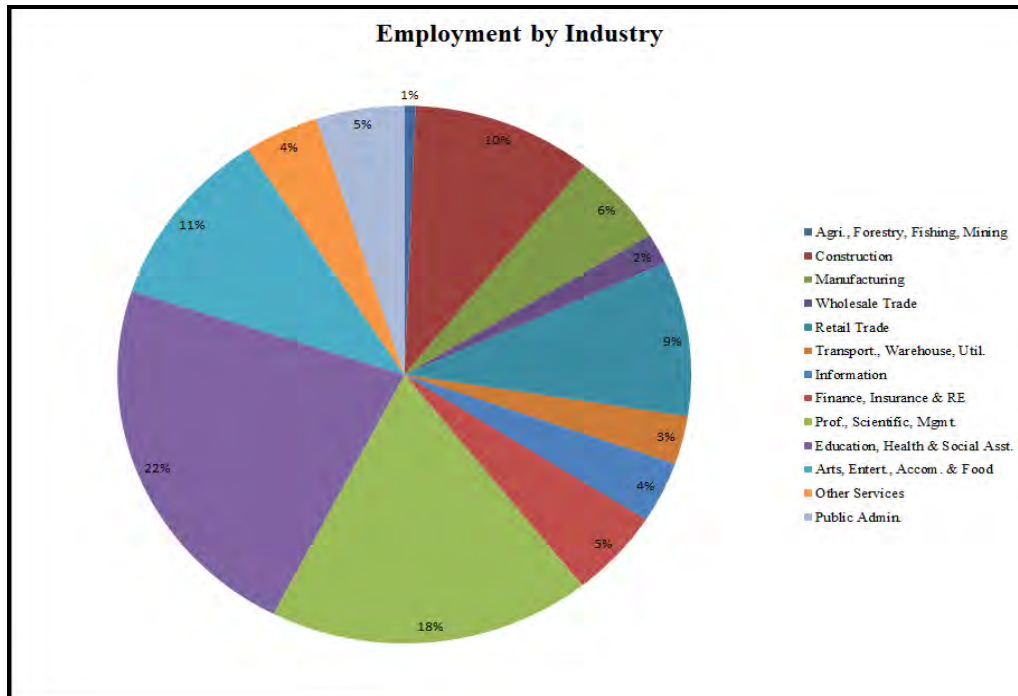
$$\text{Forecast Household} \times \text{Forecast Percent Tenure Renter} = \text{Forecast Rental Unit Demand}$$

7.3.1 - Determining the Location Quotient

The following represents the employment base of the sub-market by category, and is used to analyze the non-basic and basic employment of the sub-market in comparison to the Texas averages. It represents the profile in relation to the type of employment. The table identifies the employment industries that represent basic employment to the primary market area. Further analysis of the relative concentration in each industry will in turn help identify future growth and the requirements for additional housing.

Employment By Industry 2020	Primary Market		Texas		Location Quotient
	# of Employees	Percent	# of Employees	Percent	
Agri., Forestry, Fishing, Mining	379	0.6%	436,063	3.3%	0.19
Construction	6,226	10.2%	1,009,137	7.7%	1.32
Manufacturing	3,376	5.5%	1,194,968	9.2%	0.60
Wholesale Trade	1,128	1.8%	397,145	3.0%	0.61
Retail Trade	5,681	9.3%	1,502,104	11.5%	0.81
Transport., Warehouse, Util.	1,771	2.9%	710,531	5.4%	0.53
Information	2,251	3.7%	236,427	1.8%	2.03
Finance, Insurance & RE	3,229	5.3%	870,314	6.7%	0.79
Prof., Scientific, Mgmt.	11,116	18.2%	1,460,015	11.2%	1.63
Education, Health & Social Asst.	13,734	22.5%	2,832,987	21.7%	1.04
Arts, Entert., Accom. & Food	6,603	10.8%	1,140,343	8.7%	1.24
Other Services	2,566	4.2%	690,186	5.3%	0.79
Public Admin.	3,036	5.0%	565,010	4.3%	1.15

The industries which are basic to the economy are those that have a location quotient greater than 1.0. If the location quotient of the industry is 1.0 or less, it is assumed that 1) the production of goods or services from that industry is sufficient to meet the needs of the area, and 2) the number of employees that are employed is also adequate to meet the demand for the goods and services. These are, by definition, non-basic employees and employers. In that the location quotient helps identify the basic industries in the local economy, the above table reflects the following in regard to basic employment within the sub-market area:



There is a positive “Location Quotient” in **Construction, Information, Professional / Scientific / Management, Education / Health & Social Assistance, Arts / Entertainment / Accommodation / Food Service, and Public Administration** jobs. All of these categories have a location quotient greater than 1.0, indicating these industries are basic to this sub-market, and that these industries, and their size, relative to state averages, will drive the population growth of the primary market area.

7.3.2 - Determining the Number of Basic Employees

The portion of the location quotient that exceeds 1.0 represents the proportion of employees who are engaged in producing that excess. These are considered the basic employees; the employees that serve as a base for future tenancy to the proposed project. The following formula calculates the number of basic employees:

$$\frac{\text{Location Quotient} - 1.0}{\text{Location Quotient}} = \text{Percent of Basic Employees in Industry}$$

$$\begin{aligned} &\text{Total Employees in Industry} \\ &\times \text{Percent of Basic Employees} \\ &= \text{Number of Basic Employees} \end{aligned}$$

Utilizing the above formula, we can calculate the total number of basic employees in the area.

Basic Industries	# of Basic Employees
Construction	1,500
Information	1,144
Professional, Scientific, Management	4,278
Education, Health & Social Assistance	466
Arts, Entertainment, Accom. & Food	1,262
Public Administration	390
Total Basic Employment	9,040

7.3.3 - Determining the Economic Base Multiplier

It is estimated that an increase in basic employment will cause an increase in total employment, with attending growth in population and disposable income. Therefore, we can forecast growth in basic employment to forecast the changes in population and the changes in household demand using a technique known as the economic base multiplier. The “Economic Base Multiplier” is the ratio of total employment to “basic employment”. Thus, we calculate the Economic Base Multiplier to forecast future employment growth and the resulting demand for housing.

Economic Base Multiplier	
Total Population in the Market Area	99,845
Total Employment in the Market Area	61,096
Total Basic Employment	9,040
5 Year Adjusted Forecast of Basic Employment	10,480
The EB Multiplier	6.759

7.3.4 - Forecasting Total Employment

Utilizing the economic base multiplier, we are able to calculate the total future employment for the target market area.

Forecast of Basic Employment x EB multiplier = Forecast of Total Employment

$$10,480 \quad \times \quad 6.759 \quad = \quad 70,827$$

7.3.5 - Forecasting Total Population

Because we have an estimation of the total employment for this area, we can proceed to develop a forecast for the total population based on employment growth. This can then be used to extract household formation estimation as an indication of additional demand for housing.

The population/employment ratio (PE) is used to determine the ratio of total population to total employment in the market area.

$$\text{PE Ratio} = \frac{\text{Total Population}}{\text{Total Employment}} = \frac{99,845}{61,096} = 1.634$$

We utilize this PE ratio to obtain a forecast of the total population as follows:

Forecast Total Employment x PE ratio = Forecast Population

$$70,827 \quad \times \quad 1.634 \quad = \quad 115,748$$

7.3.6 - Forecasting Housing Demand

2025 Population Projection - 2020 Population Estimate = Change In Population

115,748 - 99,845 = 15,903

Average household size = 2.36

Change In # of Households 2020 to 2025 = 6,751

Tenure	Owner Total	x	=	34.5%
	Additional Single Family Needed	or	=	2,330

Change In # of Households 2020 to 2025 = 6,751

Tenure	Renter Total	x	=	65.5%
	Additional Rental Units Needed	or	=	4,421

Renter Demand Growth = 4,421

Thus, our estimate of the growth of the apartment households per year for the Primary Market Area, based on the employment growth methodology, straight-line delineation and our assessment of the new households in the area, is as follows:

FORECAST APARTMENT HOUSEHOLD DEMAND TABLE

YEAR	2021	2022	2023	2024	2025
DEMAND	884	884	884	884	884

7.4 – GAP DEMAND – EMPLOYMENT BASED

Gap Demand is the measure of forecast compared to forecast supply. This is used to determine the balance or imbalance within a sub-market in terms of demand for housing units. The following table nets future demand and future supply to give a projection of additional rental units required by the market. At the same time, it only includes future supply that is currently known to us.

**“GAP DEMAND”
FUTURE DEMAND NET AGAINST FUTURE SUPPLY**

Total Demand 2021-2025		4,421
New Supply	Total	93% Stabilized
Projects in Lease-up		
The Abali (LIHTC, 72% occ.)	56	12
Travis Flats (LIHTC, 70% occ.)	146	34
Bridge at Granada (Bond, 88% occ.)	258	13
Aura on Lamar (48% occ.)	279	126
Projects Under Construction		
Norwood Estates (Bond)	228	212
The Pearl	383	356
The Hedge	219	204
Highgrove	313	291
AML I Branch Park	237	220
AML I Mueller III South	169	157
Medina Highlands	310	288
Crestview Highline	102	95
Broadstone N Lamar	298	277
ACC Highline	72	67
The Henderson at Reinli (Bond)	306	285
Projects in Planning		
6801 Burnet	314	292
AML I Mueller IV	326	303
ACC Highline	234	218
N Lamar at the Loop	228	212
Windsor Village	410	381
Mueller Tower	200	186
Subject	100	93
Total Supply Change In Market	5,188	4,321
Net Gap In Supply and Demand		100

Based on the employment growth, the PMA will be able to accept the subject's units as well as those in lease up, under construction, and in planning.

Evidence suggests that LIHTC projects tend to derive most of their demand from households already living in the area. The "Overall Capture Rate" calculation in Section 5.3 found 12,049 renter households that are income qualified. Thus in our mind, this project is feasible even without additional growth in the number of renter households.

7.5 – CONCLUSIONS & FORECAST

Based on our analysis, it can be seen that Travis County continues to grow at an acceptable rate. Long term, with continued job formation the employment base and household formation will continue to be positive, resulting in the need for additional rental housing.

It is apparent from the occupancy and rental rates of the marketplace that there is a need for additional rental housing. Additionally, the stock of quality "affordable" housing is in short supply. Based on the developer's intent to utilize Low Income Housing Tax Credits, he will be able to keep rental rates lower than market.

CHAPTER 8

EVALUATION OF RENTS AND EXPENSES

8.1 – INCOME ANALYSIS

Gross income estimates are primarily used to calculate probable net operating income benefits that may be derived from ownership of the property. In typical evaluation theory, the usual basis for gross income projection is market rent (economic rent), which is defined as being “the rental income that a property would most likely command in the open market; it is indicated by current rents paid and asked for comparable space as of the date of an appraisal.”¹⁷ If the property is encumbered by a lease(s), or as with the subject, statutory rent restrictions, frequently it is necessary to include the contract or statutory rent specified in the lease(s) in the estimate of potential gross income.

8.2 – ANALYSIS OF RENTAL RATES

In order to study the submarket’s rents in terms of incomes served, Apartment MarketData (AMD) collaborated to develop the following rent tables. The tables establish the rent ranges (net rent) by income group.

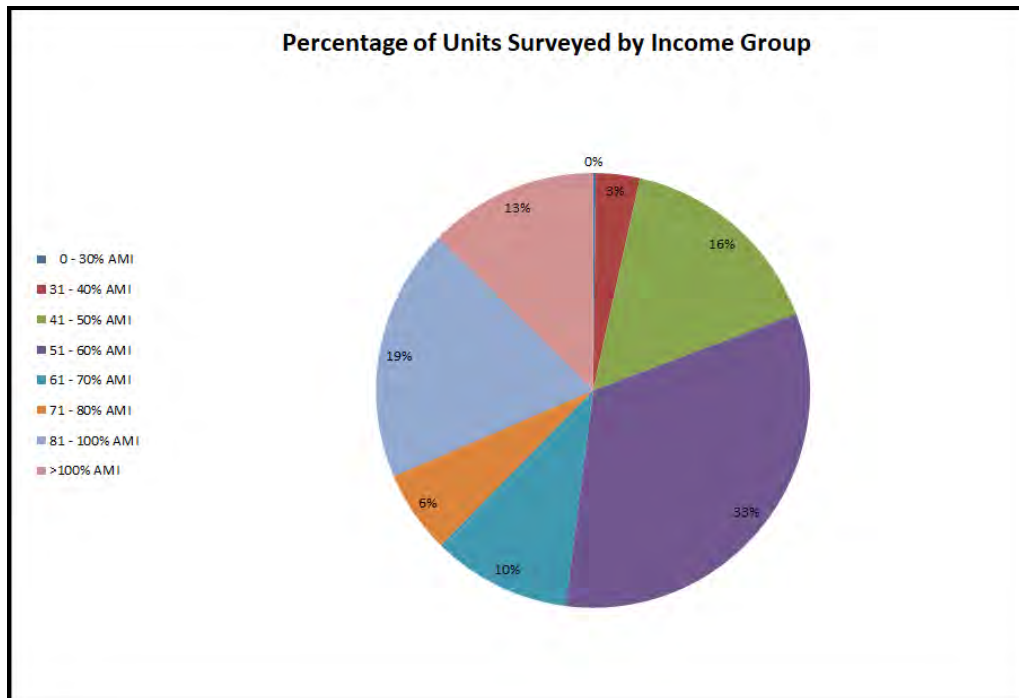
Rent Ranges (Net Rents)	0% - 30%	31% - 40%	41% - 50%
1 Bdrm	\$ - - \$501	\$502 - \$687	\$688 - \$873
2 Bdrm	\$ - - \$598	\$599 - \$821	\$822 - \$1,043
3 Bdrm	\$ - - \$686	\$687 - \$944	\$945 - \$1,201
4 Bdrm	\$ - - \$761	\$762 - \$1,048	\$1,049 - \$1,335

Rent Ranges (Net Rents)	51% - 60%	61% - 70%	71% - 80%
1 Bdrm	\$874 - \$1,058	\$1,059 - \$1,244	\$1,245 - \$1,430
2 Bdrm	\$1,044 - \$1,266	\$1,267 - \$1,489	\$1,490 - \$1,712
3 Bdrm	\$1,202 - \$1,458	\$1,459 - \$1,715	\$1,716 - \$1,973
4 Bdrm	\$1,336 - \$1,622	\$1,623 - \$1,909	\$1,910 - \$2,196

¹⁷ Appraisal of Real Estate, Tenth Edition, Appraisal Institute, Chicago, 1992

With the rent ranges established, we then searched the AMD database for apartment communities that had individual unit types with rents that fell within the ranges listed above. The tables at the end of this chapter study each income group separately. The submarket and income group is shown in the top left corner of the table.

On each page the name of the projects included in the analysis are listed by year built. Going across the page, the number of units that fall into the rent range is listed, the number occupied, and the occupancy percentage. Totals are provided at the top of the page, along with the total number of vacant units by bedroom type.



From our analysis of the rents (market and affordable) within the PMA, we see that 33% of the rents charged would be equivalent to 60% AMI rents. We also see that 48% of the rents in the marketplace target higher incomes.

At the 60% AMI level, projects are 95.8% occupied.

8.3 – MARKET AREA – RENTAL & OCCUPANCY RATES

The following tables summarize the rental rates and occupancies of other rental properties found within the PMA and/or the general area for which the subject is found. For purpose of analysis, these tables separate the properties by the decade in which they were constructed.

AREA PROPERTIES CONSTRUCTED IN THE 1970's

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	2,731	2,605	\$ 886.34	581	\$ 1.525	95.4%
2 BR	2,137	2,049	\$ 1,214.44	922	\$ 1.318	95.9%
3 BR	217	212	\$ 1,228.51	1,082	\$ 1.136	97.7%
4+ BR	8	8	\$ 2,168.50	1,703	\$ 1.274	100.0%
OVERALL	5,093	4,874	\$ 1,040.60	747	\$ 1.393	95.7%

AREA PROPERTIES CONSTRUCTED IN THE 1980's

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	3,107	2,979	\$ 1,032.40	613	\$ 1.684	95.9%
2 BR	1,515	1,456	\$ 1,252.29	909	\$ 1.377	96.1%
3 BR	16	16	\$ 1,544.69	1,145	\$ 1.350	100.0%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	4,638	4,451	\$ 1,105.99	712	\$ 1.554	96.0%

AREA PROPERTIES CONSTRUCTED IN THE 1990's

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	307	294	\$ 1,293.22	575	\$ 2.250	95.8%
2 BR	308	287	\$ 1,671.03	1,044	\$ 1.600	93.2%
3 BR	104	96	\$ 1,402.32	1,239	\$ 1.132	92.3%
4+ BR	28	27	\$ 1,561.29	1,336	\$ 1.169	96.4%
OVERALL	747	704	\$ 1,474.23	889	\$ 1.658	94.2%

**AREA PROPERTIES
CONSTRUCTED IN THE 2000's**

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	423	401	\$ 1,430.22	758	\$ 1.886	94.8%
2 BR	621	580	\$ 1,756.66	1,066	\$ 1.648	93.4%
3 BR	183	174	\$ 2,499.49	1,396	\$ 1.791	95.1%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	1,227	1,155	\$ 1,754.91	1,009	\$ 1.739	94.1%

**AREA PROPERTIES
CONSTRUCTED IN THE 2010's**

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	2,828	2,753	\$ 1,550.41	729	\$ 2.126	97.3%
2 BR	1,104	1,055	\$ 1,972.95	1,092	\$ 1.807	95.6%
3 BR	172	164	\$ 1,802.96	1,279	\$ 1.410	95.3%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	4,104	3,972	\$ 1,674.66	850	\$ 1.970	96.8%

**AREA PROPERTIES
CONSTRUCTED IN THE 2020's**

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	699	638	\$ 1,546.44	678	\$ 2.280	91.3%
2 BR	204	198	\$ 2,342.82	1,135	\$ 2.064	97.1%
3 BR	10	10	\$ 2,745.30	1,483	\$ 1.851	100.0%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	913	846	\$ 1,737.52	789	\$ 2.202	92.7%

8.3.1 - Current Market Conditions

The competitive sub-market supply and demand analysis conducted by Apartment MarketData Research Services included 1,752 affordable units within the PMA, and 1,936 conventional units. The market reflects solid demand, as did the overall macro market, for all of the competitive projects in the micro-market.

The occupancy rate for the income restricted one bedrooms is 89.2%, for income restricted two bedrooms it is 94.0%, for income restricted three bedrooms it is 95.6%, and the overall average occupancy for income restricted units is 92.4%.

CURRENT INVENTORY OF COMPARABLE INCOME RESTRICTED PROPERTIES

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	706	630	\$ 734.74	519	\$ 1.417	89.2%
2 BR	721	678	\$ 1,132.74	921	\$ 1.230	94.0%
3 BR	293	280	\$ 1,356.87	1,151	\$ 1.179	95.6%
4+ BR	32	31	\$ 1,533.25	1,313	\$ 1.168	96.9%
OVERALL	1,752	1,619	\$ 1,017.16	805	\$ 1.264	92.4%

Apartment MarketData conducted an analysis of some 1,649 conventional (Market Rate) units in and around Primary Trade Area. These projects were all built between 2009 and 2015. The occupancy rate for the market rate one bedrooms is 96.3%, for market rate two bedrooms it is 93.0%, the occupancy for the market rate three bedroom units is 92.4%, and the overall average occupancy for market rate units is 95.0%.

CURRENT INVENTORY OF COMPARABLE MARKET RATE PROPERTIES

UNIT TYPE	# OF UNITS	OCCUPIED UNITS	AVG. RENT	AVG. SIZE	AVG. \$ PSF	OCCUPANCY %
1 BR	1,230	1,184	\$ 1,612.86	718	\$ 2.245	96.3%
2 BR	587	546	\$ 2,237.60	1,100	\$ 2.035	93.0%
3 BR	119	110	\$ 2,897.94	1,499	\$ 1.933	92.4%
4+ BR	0	0	\$ -	0	\$ -	0.0%
OVERALL	1,936	1,840	\$ 1,881.27	882	\$ 2.133	95.0%

8.3.2 - Estimate of Market Rent

The following pages represent the best estimate of market rents for the subject, based on existing rents in and around the PMA. The projects included in our analysis were:

AMLI at Mueller
Mosaic at Mueller
Waller Creekside

Midtown Commons
Sync at Mueller
West Koenig Flats

RENTAL RATE COMPARISON NET OF RENTAL CONCESSIONS INCOME RESTRICTED

	Sq. Ft.	Subject	Market	Variance	% Variance		Subject	Max. Program Rent*	Variance	% Variance
1-1	650	\$ 477	\$ 1,583	\$ (1,106)	-69.9%		\$ 477	\$ 477	\$ -	0.0%
1-1	650	\$ 849	\$ 1,583	\$ (734)	-46.4%		\$ 849	\$ 849	\$ -	0.0%
1-1	650	\$ 1,406	\$ 1,583	\$ (177)	-11.2%		\$ 1,406	\$ 1,406	\$ -	0.0%
1-1	772	\$ 1,406	\$ 1,699	\$ (293)	-17.2%		\$ 1,406	\$ 1,406	\$ -	0.0%
2-2	927	\$ 567	\$ 2,074	\$ (1,507)	-72.7%		\$ 567	\$ 567	\$ -	0.0%
2-2	927	\$ 1,012	\$ 2,074	\$ (1,062)	-51.2%		\$ 1,012	\$ 1,012	\$ -	0.0%
2-2	927	\$ 1,681	\$ 2,074	\$ (393)	-18.9%		\$ 1,681	\$ 1,681	\$ -	0.0%
2-2	1,001	\$ 1,681	\$ 2,163	\$ (482)	-22.3%		\$ 1,681	\$ 1,681	\$ -	0.0%
3-2	1,205	\$ 651	\$ 2,414	\$ (1,763)	-73.0%		\$ 651	\$ 651	\$ -	0.0%
3-2	1,205	\$ 1,166	\$ 2,414	\$ (1,248)	-51.7%		\$ 1,166	\$ 1,166	\$ -	0.0%
3-2	1,205	\$ 1,938	\$ 2,414	\$ (476)	-19.7%		\$ 1,938	\$ 1,938	\$ -	0.0%

* Excluding utility allowance

From the preceding comparison of rents by individual unit types, one can see that the subject's tax credit rents on a Total Rent Basis are between 11% and 73% below market rents currently offered in the marketplace.

Detailed Rent Adjustment worksheets are provided at the end of this section.

See Rent Comp Report

(Electronic Copy Only)

8.3.3 - Other Income

Other income is typically generated by an apartment complex which includes income from late charges, forfeited security deposits, vending machines, bad check charges, application fees, pet deposits, and interest charges. It is estimated that the average of this income is in the 2% range for most apartment projects of this style in Texas.

These may not be the only sources of other income, as many more circumstances for miscellaneous income generation for a property are available (i.e. cable television, washer/dryer rental, etc.).

8.4 – VACANCY & COLLECTION LOSS

“The effects of vacancy and collection loss results in a reduction in gross potential income. Both the investor and owner are primarily interested in the cash flow that a property can produce on an annual basis for a specific period, rather than what the property could produce if it were 100% occupied. Therefore, it is normally a prudent practice to expect some loss either in the form of vacancy, turnover, or from non-payment of rent by tenants.

Having provided an estimate of fair market rent in the foregoing discussion, it is necessary to remember that even the most sought after project is not expected to remain 100% occupied all the time. Thus, there are three possible scenarios which pertain to our analysis:

1. Totally Vacant
2. Partially occupied, and
3. Fully occupied

Accurately predicting the exact timing of each phase over the short term is extremely difficult based upon ramifications of erroneously estimating certain occupancy at a particular time. Moreover, probabilities pertaining to tenant roll over or income loss resulting from tenant vacancy compound the task. Other factors can singularly or jointly influence a property’s anticipated tenancy.

In addition to income loss to vacancy, income is also lost when rent cannot be collected from a tenant; or when units are utilized full time for other purposes, such as office use or payroll compensation.

In addition to the vacancy loss, this sub-market typically experiences approximately another 2.5% loss from the other circumstances discussed above. Thus, we will use a total loss of 7.5% for our Vacancy and Credit Loss in our analysis of income.”¹⁸

¹⁸ The Appraisal Institute, Chicago, IL

8.4.1 - Estimate of Stabilized Income

A review of the gross potential income was conducted using the market rental rates derived from the rent comparable analysis. Included in this review, the market analyst used the average projected vacancy, and compared this against the developer's projections. The income listed below for comparative purposes will be considered the stabilized income in the first year after lease up.

**STABILIZED INCOME PER MONTH
COMPETITIVE MARKET VS DEVELOPER PROJECTION TABLE**

Income	AMD Est. Per Unit	Proforma Per Unit	Variance Per Unit	% Variance
Avg. Rental Income	\$ 1,168.87	\$ 1,168.87	\$ -	
Per Sq. Ft. Multi.	\$ 1.34	\$ 1.34	\$ -	
Other Income	\$ 15.00	\$ 20.00	\$ 5.00	25.0%
Vacancy & Collection Loss	7.50%	7.50%	0.0%	0.0%
Eff. Gross Monthly Income	\$ 1,095.08	\$ 1,099.70	\$ 4.63	0.4%

* AMD – Apartment Market Data

Total Income: In summary, it is our opinion that the developer's estimated first year income of \$1,319,646 for the subject is reasonable.

8.5 – OPERATING EXPENSES

The subject project has no historical operating expenses, as it is a proposed development. As such, the analyst has utilized the developer's estimated expenses and actual operating expenses from other apartment buildings in order to estimate the operating expenses applicable to the project. The following is a discussion of the estimated stabilized operating expenses for the property. The analyst will use the expense estimates in the complete analysis and in the "as stabilized" net income analysis.

As a comparative guide, the analyst has utilized the operating expenses for similar buildings in area to compare to this project. This information was obtained from the local multi-family operators, appraisers, the IREM 2019 – Income/Expense Analysis (Austin area), and the TDHCA's 2021 (year end 2019) database for average operating expenses. In the table below, these expenses are compared against each other.

**“PER YEAR”
STABILIZED EXPENSES
PROJECTION TABLE**

Expense Comparison	IREM Per Unit	TDHCA Per Unit High	TDHCA Per Unit Low	Proforma Per Unit	% Variance IREM	% Variance Per Unit High	% Variance Per Unit Low
Proforma* w/o taxes	\$3,141	\$5,206	\$3,582	\$4,362	38.87%	-16.22%	21.79%
Est. Real Estate Taxes	\$2,756	\$886	\$725	\$875	-68.25%	-1.19%	20.77%
Estimated Expense	\$5,897	\$6,092	\$4,306	\$5,237	-11.19%	-14.03%	21.62%

* Adjusted for comparison purposes

8.5.1 - Fixed Expenses

These expenses consist of items that generally do not vary with occupancy and have to be paid whether the property is occupied or vacant.

Tax Expense: This was established as a reasonable value for this area based upon our surveys, and based on our estimate of assessed value times the mil-rate

Insurance Expense: The insurance expense represents the annual premium for fire, extended coverage, and on-site liability.

8.5.2 - Variable Expenses

We will use an estimate of expenses for each of these expenses based on information obtained from the local multi-family operators, and appraisers for comparable projects.

Management Fee: The management fee is typically based on a percentage of collected income. Larger multi-family properties in the Primary Market Area are typically managed by a professional management firm with management fees ranging from 4% to 6%.

General and Administrative: These expenses include office supplies, legal expenses, telephones, computer use, postage, etc.

Maintenance and Repairs Expense: This includes both routine and non-routine maintenance categories as well as landscaping, exterminating, etc. associated with the subject building.

Utilities: The subject to be individually metered for electricity and water. The estimated utility expense is reflective of the common area utilities for the parking areas and walk ways, water and sewer and trash.

Payroll and Related Expenses: This includes the payroll associated with all the employees of the project. The payroll expense includes payroll taxes, office salaries, and health insurance.

Reserves: Reserves for replacement have also been estimated for the subject property. The reserves for replacement is an allowance for the periodic replacement of building components, appliances, and furnishings, which have a shorter economic life than the structure as whole. A normal reserve and replacement figure for this type of building would be \$250-\$300 per unit per year.

Summary: Based on the preceding discussions, the developer estimates the total annual operating expenses to be \$4,362 per unit per year (without real estate taxes or reserves for replacement). Given our analysis above, this estimation appears reasonable and comparable to the other sources of comparison.

4.b. Good Neighbor Policy

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- ☒ Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

- ☒ Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.


(3) Pre-Application Engagement

- ☒ Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- ☒ Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4) Application requirements

- ☒ Provide communications plan
- ☒ Provide documentation showing the content of the notice, and proof of delivery
- ☒ Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.

 Signed	Jason Knotowicz printed name	11/3/2021 date
---	---------------------------------	-------------------

**Anderson Creek
1701 E Anderson Ln
Neighborhood Engagement**

Single Point of Contact

Chris Shear

Email: cshear@mcdhousing.com

Office Phone: 786-257-2767

McDowell Housing Partners is committed to being a good neighbor to residents, property owners, and businesses surrounding the Anderson Creek Apartment complex.

To facilitate a positive and collaborative relationship with stakeholders, the following actions have been, or will be, taken.

1. **Preliminary Research.** Since the winter of 2020, after a careful and thorough investigation, McDowell Housing Partners (“MHP”) identified potential sites that fit the purposes of the Austin Strategic Housing Blueprint, which serves to align resources, ensure a unified strategic direction, and facilitate community partnerships to achieve a shared vision of housing affordability. MHP has reviewed the plan in detail, and along with a market analysis, confirmed the need for additional affordable & workforce housing at the AMI levels that are being proposed. The team also identified other neighborhood property owners and stakeholders to contact.
2. **Initial Neighborhood Contacts.** McDowell Housing Partners has established contact with the Coronado Hills/Creekside Neighborhood Association:
 - In April 2021 the Coronado Hills/Creekside Neighborhood Association contacted us requesting information for their newsletter. Please refer to the attached April 20, 2021, newsletter attached.
 - On May 14, 2021, the city mailed out notifications to the residents and property owners that were located within 500 feet of the Anderson Creek property.
 - On June 24, 2021, we met with the neighborhood organizations to discuss our intent to submit a zoning application and the intended use of this development.
3. **Property Owner Notification.** In April 2021, once the initial plans were more concrete, MHP sent letters to property owners within a 500-foot radius of the site. The Evidence of notification will be submitted to the City of Austin Neighborhood Community Development Department as required.

In June 2021, once the project was included in the City Council Agenda, the city sent letters to property owners within a 500-foot radius of the site. The site achieved rezoning for a zoning designation of GR on October 14, 2021. The surrounding neighbors within a 500-foot radius and the Coronado Hills Neighborhood Association was notified of the rezoning.

4. **Neighborhood Engagement - Planning and Construction Phase.** The following communication strategies are or will be in place during the planning and construction phases.

- MHP will send out a quarterly newsletter with construction updates;
- MHP has and will make staff available to attend neighborhoods association meetings, offer presentations on the development of the project, or have small meetings with stakeholders (including the surrounding library, school and businesses);
- This plan establishes a Single Point of Contact for the planning and construction phases. Any changes to this contact will be communicated immediately to stakeholders. MHP will promptly respond to neighborhood inquiries;
- Neighborhood stakeholders will be invited to Groundbreaking and Ribbon-Cutting ceremonies.

5. **Neighborhood Engagement - Ongoing Building Operations.**

- Upon receiving a Certificate of Occupancy for the building, a Single Point of Contact on the MHP team will be assigned to be the liaison between the MHP and neighbors. Their contact information and MHPs response timeline will be widely distributed;
- MHP will respond promptly to neighborhood contacts;
- MHP will work closely with the neighborhood to attend neighborhood organization meetings as invited to do so or hosting periodic meetings at a time and location that is convenient for the nearby neighbors, as requested.
- MHP will inform neighborhood stakeholders of on-site social events and opportunities to volunteer at the property.

St. John Coronado Hills Neighborhood Plan: Link to Plan Online below:

[Microsoft Word - sjch_plan_merged_061412 \(austintexas.gov\)](#)

Meeting Via Zoom

April 20, 2021 @ 06:30 PM

<https://us02web.zoom.us/j/86224048523?pwd=cEthOVdsaHc5RUFuNW5UeXMrKzFnUT09>

Meeting ID: 862 2404 8523

Passcode: Neighbors

WEBSITE: WWW.CHCRNA.COM



PO Box 16384 • Austin TX 78761

April, 2021

Mission: to ensure the safety of residents—to preserve the integrity of the neighborhood—to increase the value of homeowner property

CRIME STATISTICS

Interested in looking at crime statistics for the city or for our neighborhood? The City of Austin GIS viewer allows you to search by a variety of geographic units, including neighborhood associations, zip codes, and proximity to a particular address. You can limit your search by date and by offense type. The link is at the bottom of the page at:

<https://www.austintexas.gov/department/crime-information> for information about using the viewer, or go directly to the viewer at <http://www.austintexas.gov/GIS/CrimeViewer/>

Another popular source for Austin crime statistics is CrimeLabb.com, which presents data from a variety of sources including the Austin Police Department in an easy-to-use format.

GARDENING NOTES

The February freeze damaged many landscape plants. While many cold-tolerant plants, including Texas wildflowers, have recovered and are in full spring bloom, some tender plants are still struggling.

Evergreen woody shrubs — many popular landscape shrubs, including Gardenias, Indian Hawthorn, Ligustrum, Oleander, Pittosporum, Primrose Jasmine, and Wax Myrtle, were badly hit by the freeze. Look carefully for signs of live wood or new growth. Prune away wood that is dry and brittle and shows no sign of life.

Herbaceous plants — this category includes many varieties of Sage, Plumbago, Lantana, Mexican mint Marigold, Pride of Barbados, society garlic, and many other plants. Look for new growth, and cut away any dead stems or mushy growth. Many plants in this category are already showing signs of life, but some may take a little longer.

Lawns — St. Augustine lawns may have suffered some damage, although the blanket of snow will have offered some protection. Do not fertilize until mid-April, when nights are warmer. Bermuda grass, buffalo grass, and zoysia are more cold hardy.

SLOW DOWN—SAVE LIVES

94 people died in wrecks in Austin in 2020, a substantial increase over the previous year. Speeding is a factor in almost a third of crashes, and high speeds boost the chance that a wreck will be deadly. Even small increases in speed can be deadly for pedestrians. Slow down to help keep our neighborhood safe!

SAN JACINTO DAY, APRIL 21

On April 21 Texas celebrates the anniversary of the battle of San Jacinto, which was the defining battle in Texas's war for independence from Mexico. On April 21, 1836, General Sam Houston's army defeated the army of General Santa Anna resulting in General Santa Anna's capture. General Santa Anna had commanded the Mexican troops at

the battle of the Alamo from February 22 to March 6, 1836. For real Texas history buffs: Sam Houston went on to become the Republic of Texas's first and third President as well as a Texas Senator in the U.S. Congress. He was elected governor of Texas in 1859 but opposed secession from the union and refused to take an oath of allegiance to the Confederacy. He was replaced by the legislature before voting to join the Confederacy in March, 1861.

MESSAGE FROM THE FIRE-FIGHTERS ASSOCIATION

As many of you know, the Austin Firefighters Association is located in our community and the President of their association would like share information on Proposition A.

"I support voting for Prop A because it solves disputes efficiently through neutral third-party arbitration.

Prop A is safe: Allows Austin Firefighters to focus on the important task of protecting your family and neighborhood

Prop A is fair: Together, we will solve disputes impartially through a neutral, third party process.

Prop A is Efficient: We will save time and taxpayer money, which would be better spent on tangible community services.

If you're still undecided or have questions, give me a call at (512) 217-3474 and I'll be happy to talk. "

Bob Nicks
President, Austin Fire Fighters Assoc.

Continued from page 1

MCDOWELL HOUSING PARTNERS (MHP)

On behalf of McDowell Housing Partners (MHP), we are proud to present our plans for a proposed multi—family affordable housing community, Anderson Creek.

McDowell Housing Partners (MHP) is the affordable and workforce development and investment arm of McDowell Properties, a national multifamily housing investment company focused on the acquisition, management, and repositioning of apartment communities in growth markets across the United States. The company has active offices in Dallas, New York, Miami, San Francisco and Raleigh. MHP's principals average over 100 years of experience in developing, optimizing, operating, and recapitalizing conventional, workforce, and housing Section 42 low-income tax credit housing across the country. MHP principals and key staff have completed the development of over 4,000 affordable/workforce housing units and have a demonstrated track record of successfully partnering with state and local governments to deliver the essential workforce and affordable communities that house the families and seniors who make communities thrive.

Anderson Creek, located on 1701 E. Anderson Lane, will be an 89-unit multi-family residential community that will be serving families that qualify at or below 80% of the area median income (AMI). The development is intended to serve the general population and the unit mix will include 1BR/1BA units, 2BR/2BA units and 3BR/2BA units. Anderson Creek is conveniently located near recreational centers, medical centers, pharmacies, grocery stores and public transportation which benefit residents and influenced our decision to seek a development at this site.

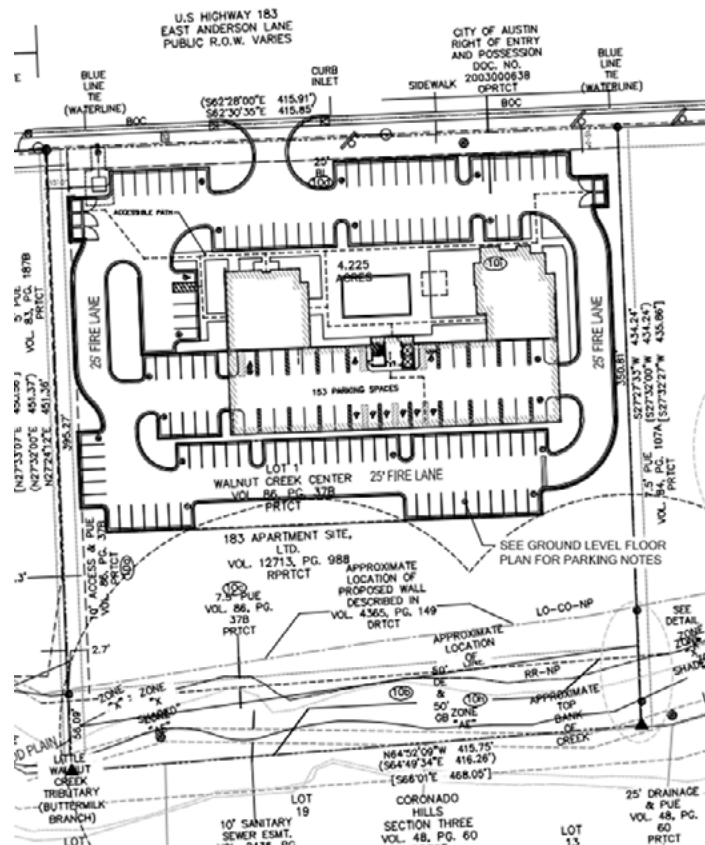
Anderson Creek's financing application was submitted to the Texas Department of Housing and Community Affairs (TDHCA) for tax credit financing in March and is currently under review. When the review period is complete, TDHCA will release a notification to all applicants with information regarding all proposed project rankings. We will receive a score that will indicate how competitive our application is and what the probability of obtaining funding will look like.

The building design will provide residents with high quality, modern appliances and finishes, as well as planned activities and an array of resort-style amenities including but not limited to a clubroom, state-of-the-art fitness center, and media center (Please see attached Site Plan & Renderings). There will be on-site property managers and maintenance technicians that will inspect the property on a daily basis in order to ensure that the property is maintained, and our residents are assisted with any questions or concerns that may require staff assistance.

Anderson Creek will also provide a variety of property safety features including FOB access to building entrances and advanced security surveillance systems in order to ensure resident safety. Anderson Creek's design features include green—building techniques and technology, which will allow the

community to run in an energy efficient and environmentally conscious manner. We have implemented large setbacks into the building's design and followed all environmental requirements in order to ensure that we are not encroaching on any environmentally protected areas.

We look forward to meeting your neighborhood organization and will be available to discuss any questions or concerns. Should you have any questions, please do not hesitate to contact Ana Padilla at apadilla@mcdhousing.com (786) 257—2774.



Who is my Neighbor?

Next door or another place?
Hello, my name is, what's yours?
What can we do together?
Good questions.

Come to our back yard,
Barbeque next Saturday.
Or at association meeting
See what we can do with our neighbors?

Or avoid neighbors not liked or know
Perpetuates history's deadly cruelties.
Prejudiced by the ism viruses of
Race, gender religion,
Too many to number:
Killing us all.

With today's electronic means
We can still avoid neighbors, partition ourselves
Or reach out or zoom across, around until our
Masks slip a little and we recognize
Others as humane beings.

Technology created not a zoom village
Shrunk world to a neighborhood
Before we're ready?

Technology, a tool and not control device
When we become smarter than our phones...
Build little bridges across our associations,
Doors open wider
Voices ring out
"Welcome, here for a while."

Stephen Pete Sebert
November 2020



If you have noticed this sign on Coronado Hills and would like to order one, these signs are available here:

Go to <http://www.austintexas.gov/page/vision-zero-yard-sign> for information on the signs.

To actually request them, email visionzero@austintexas.gov

THANK YOU, MIKE for printing our newsletter
for **FREE!**
Visit www.mikesprintshop.net, 512-467-6655



WHO'S WHO

President, Branston Cyphers chcrna.pres@gmail.com
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Newsletter Editor, Natalie Dowd.....bailorad@gmail.com
Newsletter Distributer, Jo Jensen.....jo.jensen126@gmail.com
Andre Black, District Rep..... Andre.black@austintexas.gov



Dear Residents,

Want to be notified of an event, special happenings around the neighborhood or be included in case of an emergency situation?

We are compiling a list of neighbors' names and contact information for that purpose.

Please fill out and use the Google form: <https://forms.gle/dENhFxjxVJ8SYm5u5>; or clip and drop off form below at 7304 Glenhill Rd.; or mail to P.O. Box 16384, Austin TX 78761.

Name _____

Email _____

Phone _____

Address _____

Please indicate your contact preferences:

Neighborhood Notices _____ and/or Emergencies Only _____

To provide your information electronically, please email chcrna.sec@gmail.com

All information will remain confidential and will not be shared.

4.c. SMART Housing Letter



City of Austin

P.O. Box 1088, Austin, TX 78767
www.cityofaustin.org/housing

Housing and Planning Department S.M.A.R.T. Housing Program

11/2/2021 (Update from letter dated 3/3/2021)

S.M.A.R.T. Housing Certification
McDowell Housing Partners, LLC,
601 Brickell Key Drive, Suite 700 Miami, FL 33131 (ID 654)

TO WHOM IT MAY CONCERN:

McDowell Housing Partners, LLC (development contact Ana Padilla; ph: 786-257-2774; email apadilla@mcdhousing.com) is planning to develop Anderson Creek, a 100-unit multi-family development at 1701 E. Anderson Lane, Austin, Texas, 78752. The project will be subject to a minimum 5-year affordability period after issuance of a certificate of occupancy unless funding requirements are longer.

This revision updates the unit count from 89 units to 100 units and specifies the affordability mix.

The Housing and Planning Department (HPD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since 15% (15) of the units will serve households at or below 30% MFI, 45% (45) of the units will serve households at or below 50% MFI, and 40% (40) of the units will serve households at or below 80% 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 expected fee waivers include, but are not limited to, the following fees:

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

Concrete Permit
Electrical Permit
Subdivision Plan Review
Parkland Dedication Fee
(by separate ordinance)
Regular Zoning Fee

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

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

- ◆ Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Contact Austin Energy Green Building: 512-482-5300 or 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.

This project has received a Transit Oriented Waiver, see Attachment-1. If the project is unsuccessful in securing State or Federal Government funds, including Low Income Housing Tax Credits, the project will be ineligible to be certified S.M.A.R.T. Housing and any fees waived shall be repaid.

The applicant must demonstrate compliance with S.M.A.R.T. Housing standards 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 Nathan Jones by phone 512.974.3462 or by email at nathan.jones@austintexas.gov if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to be 'Nathan Jones', with a stylized, flowing script.

Nathan Jones, Project Coordinator
Housing and Planning Department

Attachment - Attachment 1

Cc: Kristin Martinez, AE

Jonathan Orenstein, AWU

Mashell Smith, ORS

4.d. MOU with ECHO



November 01, 2021

RE: Letter of Support for Anderson Creek

To Whom It May Concern:

The Ending Community Homelessness Coalition (ECHO) is the lead Continuum of Care (CoC) agency for Austin/Travis County. ECHO is charged with creating and managing access to permanent housing on behalf of the homeless response system. The Anderson Creek development has committed 10% of the property's units to the CoC as documented by an executed Memorandum of Understanding between McDowell Housing Partners and ECHO. Units dedicated to the CoC will be made available to the homeless response system for the duration of the executed agreement. ECHO is therefore in support of the Village Square development as it will produce long term resources to end homelessness in Austin/Travis County.

Please feel free to reach out with any questions.

Sincerely,

Bree Williams

Bree Williams (Feb 11, 2021 13:57 CST)

Bree Williams
Director of Community Housing
breewilliams@austinecho.org

Established Point of Contact:

Kaylin Rubin
Community Housing Portfolio Manager
kaylinrubin@austinecho.org

MCD Anderson Creek Support Letter

Final Audit Report

2021-02-11

Created:	2021-02-11
By:	Poleth Robledo (polethrobledo@austinecho.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAzJV_EdhC_WapMeFTJ24IEADaTaDBrcZt

"MCD Anderson Creek Support Letter" History

-  Document created by Poleth Robledo (polethrobledo@austinecho.org)
2021-02-11 - 7:54:19 PM GMT- IP address: 162.229.210.47
-  Document emailed to Bree Williams (breewilliams@austinecho.org) for signature
2021-02-11 - 7:54:38 PM GMT
-  Email viewed by Bree Williams (breewilliams@austinecho.org)
2021-02-11 - 7:56:41 PM GMT- IP address: 104.185.183.103
-  Document e-signed by Bree Williams (breewilliams@austinecho.org)
Signature Date: 2021-02-11 - 7:57:00 PM GMT - Time Source: server- IP address: 104.185.183.103
-  Agreement completed.
2021-02-11 - 7:57:00 PM GMT



Memorandum of Understanding (MOU) Between Ending Community Homelessness Coalition (ECHO) and McDowell Housing Partners (Owner/Agent)

I. OVERVIEW

- To qualify for a Continuum of Care unit, applicants will meet the following definition of homelessness:
 1. "Households that qualify as homeless under the HUD HEARTH Act ¹Homeless definition paragraph one: (i) those whose primary nighttime residence is not designed as a sleeping accommodation for human beings, (ii) those in shelter, transitional housing, or motels paid for by charitable organizations, and (iii) those exiting institutions after 90 days or less and who were previously homeless;" and
 2. Be referred through Coordinated Assessment.
 - The owner/agent will dedicate 10% of the units at Anderson Creek to the Continuum of Care.
-

II. GENERAL ROLES

- The Owner/Agent will systematically alert ECHO of anticipated unit vacancies to be filled by the Continuum of Care, comply with the summary of time limitations outlined below, and comply with attached tenant screening criteria. Details outlined below.
 - ECHO will assume responsibility for readying eligible homeless applicants to quickly apply to fill those vacancies and efficiently meet all requirements of the tenant screening and lease up process to the Owner/Agent's satisfaction. Details outlined below. Referred households will have the following characteristics:
 1. Homeless status has been certified
 2. Household matches the property's income, unit size restrictions, etc.
 3. Household has completed Coordinated Assessment
 - For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment system; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed by ECHO, that are often positioned to provide short term and/or long term support services to the households during their new tenancy that will promote their stability as tenants. Details outlined below.
-

¹ *The Homeless Emergency Assistance and Rapid Transition to Housing Act* (HEARTH); May 20, 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act .



III. RESPONSIBILITIES OF OWNER/AGENT

- Provide ECHO, in a separate email, the following documents at least 30 days prior to the start of application acceptance:
 1. Standard Application
 2. Standard Lease Agreement - including specifications regarding utility payments
 3. List of documents needed for a complete application
 4. Property rules related to smoking, parking, pets, etc.
 - Email ECHO point of contact with timely notification of a vacancy that will be assigned as a CoC unit and provide relevant information about the vacant unit.
 - Copy assigned support service provider on all communication with a homeless applicant. Note that ECHO will obtain a Release of Information for each household to allow this communication to proceed.
 - Whenever possible, accept initial applications by secure email or fax in order to decrease the number of visits the applicant and service provider need to make to the property.
 - Screen the batch of up to three referred applicants for eligibility and suitability in the order received from ECHO (i.e. Applicant #1 and Applicant #2).
 - Alert ECHO, assigned support service provider, and applicants of any deficiencies in applications.
 - Make an eligibility determination within 5 business days whenever possible.
 - Ensure a general response time for all communications with the MOU partner of 1-2 business days.
-

IV. RESPONSIBILITIES OF ECHO

- Provide Owner/Agent with a batch of up to three applicants that meet the property's eligibility criteria within 5 business days of notification from the Owner/Agent of an available CoC unit. If the applicants are rejected or decline an offer of housing, ECHO can refer more applicants if requested by the Owner/Agent. If a suitable applicant is not identified within 30 business days, then the property may revert back to its standing waiting list to fill the vacancy.
- Provide the Owner/Agent with a complete referral package for each referral that includes:
 1. Completed housing application of the Owner/Agent.
 2. Required supporting documentation needed by the Owner/Agent to process applications::
 - a. Picture IDs for all adults
 - b. Income and asset documentation
 3. Verification of homelessness for CoC unit eligibility.
 4. Determination that household is most appropriate as determined by the Austin/Travis County Continuum-of-Care Coordinated Assessment process.
 5. Release of Information from the referred households to authorize ECHO and the Owner/Agent to share information regarding the households' applications, including third party documents the



development receives from doing third party verifications (i.e. bank statements, credit reports, etc).

6. Contact information for assigned support service provider.

- Support the appropriate support service program in informing the applicants referred that this is only a referral and does not constitute an offer of housing and that the Owner/Agent will confirm eligibility for the housing and conduct a screening that will include a credit check, criminal background check, and landlord history check.
 - Support the appropriate support service program in accompanying the referred applicants for interviews with the Owner/Agent and lease signing at the property if the household needs that support.
 - For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment process; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed or guaranteed by ECHO, that are often positioned to provide short term and/or long term human services to the households during their new tenancy that will promote their stability as new tenants.
 - Ensure a general response time for all communications with the MOU partner of 1-2 business days.
-



V. SUMMARY OF TIME LIMITATIONS TO COORDINATION

Party	Step	Time Limitation
Owner/Agent	Email announcement of vacancy to be dedicated to homeless preference	Immediately upon vacancy - or as soon as anticipated
ECHO	Submit up to 3 referrals to fill vacancy in a ranking order for consideration	5 business days
Owner/Agent	Announce eligibility determination	5 business days
ECHO	Second attempt to fill unit before vacancy may go to general waiting list	5 business days
All parties	General response time for all communications between parties	1-2 business days



VI. ESTABLISHED POINTS OF CONTACT

ECHO Point of Contact

Name: Kaylin Rubin

Title: Housing Portfolio Coordinator

Phone: 737-231-0495

Email: kaylinrubin@austinecho.org

Address: 300 E. Highland Mall Blvd. #200

Website: www.austinecho.org

McDowell Housing Partners Point of Contact

Name: Christopher Shear

Title: Manager Director

Phone: 787-257-2767

Email: cshear@mcdhousing.com

Address: 601 Brickell Key Drive Suite 700, Miami, FL 33131

Website: www.mcdprop.com



VII. VACANCY INFORMATION

Vacancy Announcement Email Contents

Property Name:

Contact Person:

Phone:

Email:

Date unit will be ready for occupancy:

of Bedrooms:

Utilities tenant is responsible for:

Is this a first floor or elevator unit?

Is this an accessible unit?

Anything else an applicant should know about the unit?



VIII. MOU ATTACHMENTS

- RHDA Applicant should attach the following to this MOU:
 1. Rental Application and related document requirements, if available
 2. Standard Lease and utility payment specifications, if available

- ECHO should attach the following to this MOU:
 1. CoC Unit Screening Criteria
 2. Sample Release of Information



IX. MOU SIGNATURES

ECHO

Name: Jezzmen McPeters

Title: Associate Director of Housing and System Advancement

Phone: 512-522-0277

Email: jezzmenmcpeters@austinecho.org

Address: P.O. Box 150249, Austin, TX 78715

Website: www.austinecho.org

Signature: Jezzmen McPeters
Jezzmen McPeters (Oct 29, 2021 14:08 CDT)

Date: Oct 29, 2021

McDowell Housing Partners

Name: Christopher Shear

Title: Manager Director

Phone: 786-257-2767

Email: cshear@mcdhousing.com

Address: 601 Brickell Key Drive Suite 700, Miami, FL 33131

Website: www.mcdprop.com

Signature: Chris Shear
Chris Shear (Oct 29, 2021 15:07 EDT)

Date: Oct 29, 2021

Anderson Creek CoC Unit MoU

Final Audit Report

2021-10-29

Created:	2021-10-29
By:	Poleth Robledo (polethrobledo@austinecho.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1gzYoML-lce-v6LcAhQnJHc1vKK1zjJ

"Anderson Creek CoC Unit MoU" History



Document created by Poleth Robledo (polethrobledo@austinecho.org)

2021-10-29 - 6:30:08 PM GMT



Document emailed to Chris Shear (cshear@mcdhousing.com) for signature

2021-10-29 - 6:31:59 PM GMT



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2021-10-29 - 7:07:17 PM GMT- IP address: 50.226.153.6



Document e-signed by Chris Shear (cshear@mcdhousing.com)

Signature Date: 2021-10-29 - 7:07:27 PM GMT - Time Source: server- IP address: 50.226.153.6



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2021-10-29 - 7:07:29 PM GMT



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Agreement completed.

2021-10-29 - 7:08:55 PM GMT



Adobe Sign

4.e. Resident Services

Anderson Creek Amenities

The proposed 100-unit senior community to be located at 1701 E. Anderson Lane, Austin, is conveniently located near recreational centers, medical centers, pharmacies, grocery stores and public transportation.

Recreational Center

Located miles 0.8 miles southwest of the property, the Virginia L. Brown Recreation Center offers youth, teen, adult and senior programs and special events. The center houses the Austin Parks and Recreation Department, the Austin Police Department, the Austin Public Library, Health and Human Services, three joint use conference rooms, as well as the J.J. Pickle Elementary School.

The center includes outdoors recreational facilities, as well as one activity room, a full-size kitchen and shares the use of the gymnasium with the J.J. Pickle Elementary School.

Grocery Store & Pharmacy

Located just 2 miles northwest of the property, Walmart Supercenter offers a full selection of groceries, as well as a drugstore. In addition to Walmart, the community is served by H.E.B, which also offers a variety of categories, such as produce, seafood, meat- market, flower shop, bakery, and general merchandise. A pharmacy is also located inside the store. H.E.B is located less than 1.9 miles east of the property.



Medical Center

There are several medical centers surrounding the property. Hope Medical Clinic, a primary

care facility serving the needs of people with limited access to medical resources in the Austin area, is located just 1.7 miles north of the property. They also have the Hope Dental Clinic, which offers limited, but free dental services to the community.

The community is also served by People's Community Clinic, which is located 2.1 miles south of the property. People's Community Clinic provides high quality, affordable health care to Central Texans regardless of income or insurance status. The clinic offers a number of programs developed in response to areas of need in physical and mental health, chronic disease, family planning and other areas.

Located 1.9 mile north of the property, Cross Creek Hospital offers psychiatric center offers programs for adolescents, adults and older adult program which includes the following services: Medical care, medication management services, individual/group therapy, as well as family therapy.

Ascension Seton Medical Center Austin is located approximately 6miles southwest of the property. They are a full-service hospital and emergency room that offers acute and specialty care, inpatient and outpatient services, and a heart transplant program.



Ascension



Cross Creek
HOSPITAL



Hope Medical Clinic

Get Up Project



**PEOPLE'S
COMMUNITY
CLINIC**

Transportation

Just west of the property, at .03 miles/6 min walk on Cameron Road, tenants have access to multiple bus stops with high frequency transportation services running every 15 min or better, 7 days a week.

Education

Northeast Early College High School, a school rated B, is located 0.6 miles from the site. It offers students the opportunity to graduate with a diploma and associate degree. Through an innovative partnership with Austin Community College, every student has the opportunity to enroll in college-level classes. In addition to earning college credit, students are preparing to compete in the work force, while saving thousands of dollars in college costs.

Also, Austin Community Center is located less than 3 miles from the site. It offers the opportunity to an affordable college education for students who want to earn a degree, learn a marketable skill, or advance their careers.



Jobs

The site location provides excellent access to jobs within walking distance. There are 42,885 primary jobs within 2 miles of the site, and 12,991 jobs within 1 miles of the site based on the 2018 Census on the Map data.

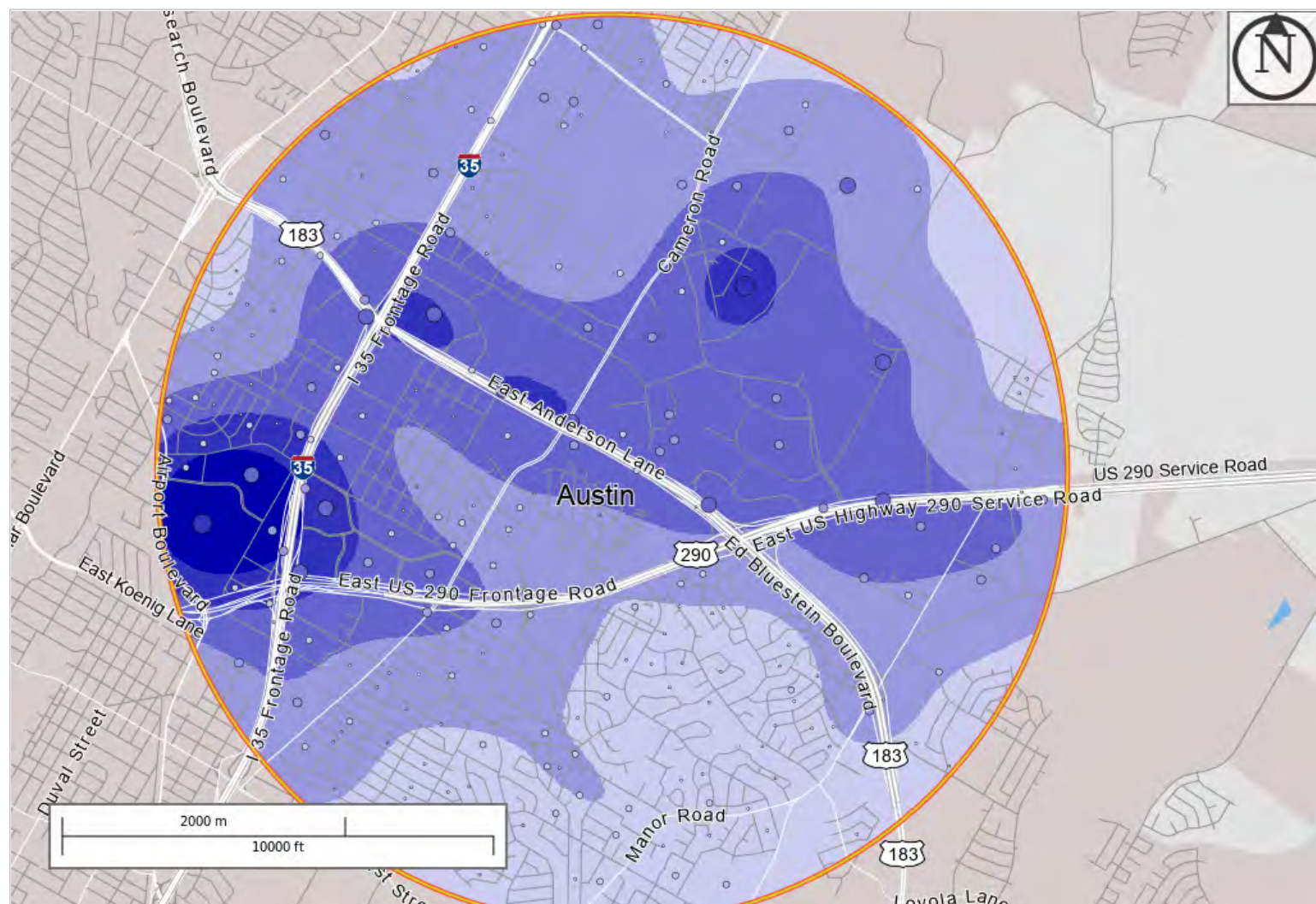
Work Area Profile Report

Primary Jobs for All Workers in 2018

Created by the U.S. Census Bureau's OnTheMap <https://onthemap.ces.census.gov> on 11/02/2021

Counts and Density of Primary Jobs in Work Selection Area in 2018

All Workers



Map Legend

Job Density [Jobs/Sq. Mile]

- 5 - 834
- 835 - 3,323
- 3,324 - 7,470
- 7,471 - 13,277
- 13,278 - 20,743

Job Count [Jobs/Census Block]

- 1 - 10
- 11 - 150
- 151 - 760
- 761 - 2,400
- 2,401 - 5,860

Selection Areas

- Analysis Selection



Additional Information

Analysis Settings

Analysis Type	Area Profile
Selection area as	Work
Year(s)	2018
Job Type	Primary Jobs
Labor Market Segment	All Workers
Selection Area	Selection Area Freehand Drawing buffered 2.00 miles
Selected Census Blocks	627
Analysis Generation Date	11/02/2021 10:54 - OnTheMap 6.8.1
Code Revision	5a28dab6722a45c1d92e7074a4e03e8be2a8ecad
LODES Data Version	20211018_1647

Data Sources

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

Notes

1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and are not available before 2009.
2. Educational Attainment is only produced for workers aged 30 and over.
3. Firm Age and Firm Size statistics are beta release results for All Private jobs and are not available before 2011.

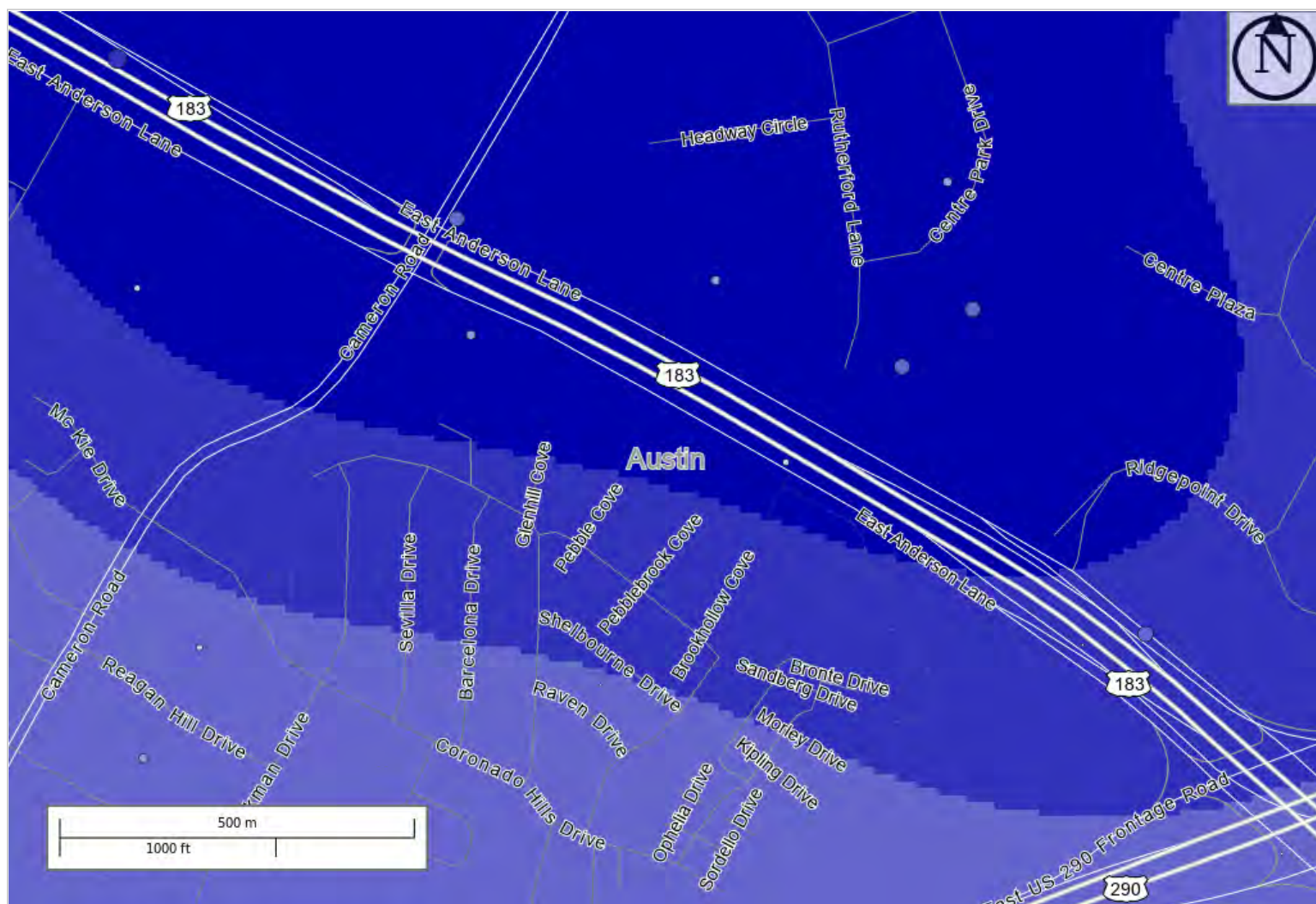
Work Area Profile Report

Primary Jobs for All Workers in 2018

Created by the U.S. Census Bureau's OnTheMap <https://onthemap.ces.census.gov> on 11/02/2021

Counts and Density of Primary Jobs in Work Selection Area in 2018

All Workers



Map Legend

Job Density [Jobs/Sq. Mile]

- 5 - 333
- 334 - 1,317
- 1,318 - 2,959
- 2,960 - 5,256
- 5,257 - 8,211

Job Count [Jobs/Census Block]

- 1 - 5
- 6 - 76
- 77 - 385
- 386 - 1,216
- 1,217 - 2,969

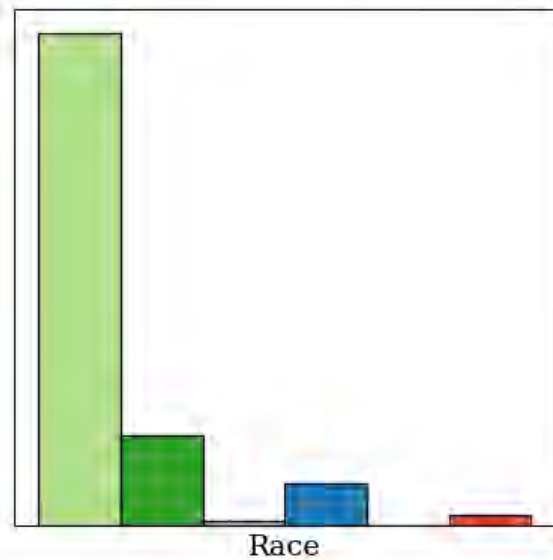
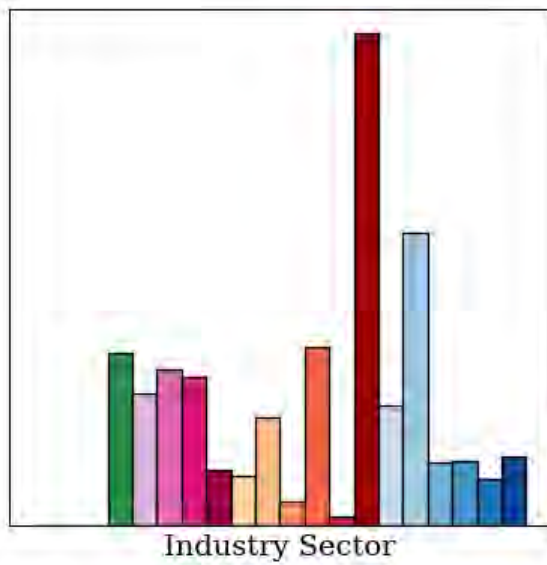
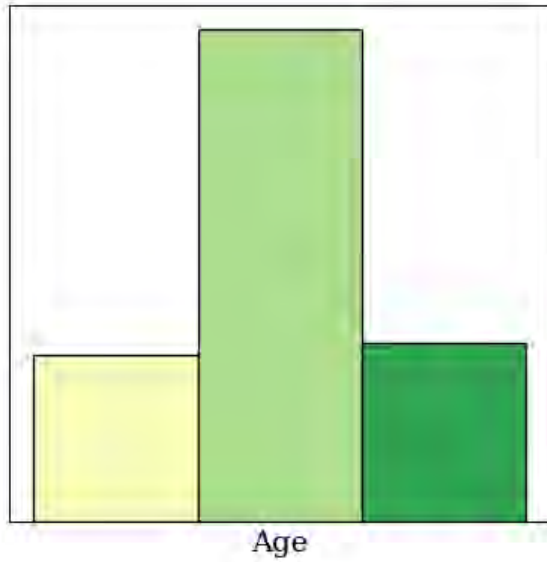
Selection Areas

- 📍 Analysis Selection



Primary Jobs for All Workers by Total in 2018

Employed in Selection Area



Primary Jobs for All Workers by Total in 2018

Employed in Selection Area

Total	2018	
	Count	Share
Total Primary Jobs	12,991	100.0

Total	2018	
	Count	Share
Total Primary Jobs	12,991	100.0

Additional Information

Analysis Settings

Analysis Type	Area Profile
Selection area as	Work
Year(s)	2018
Job Type	Primary Jobs
Labor Market Segment	All Workers
Selection Area	Selection Area Freehand Drawing buffered 1.00 miles
Selected Census Blocks	164
Analysis Generation Date	11/02/2021 11:00 - OnTheMap 6.8.1
Code Revision	5a28dab6722a45c1d92e7074a4e03e8be2a8ecad
LODES Data Version	20211018_1647

Data Sources

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

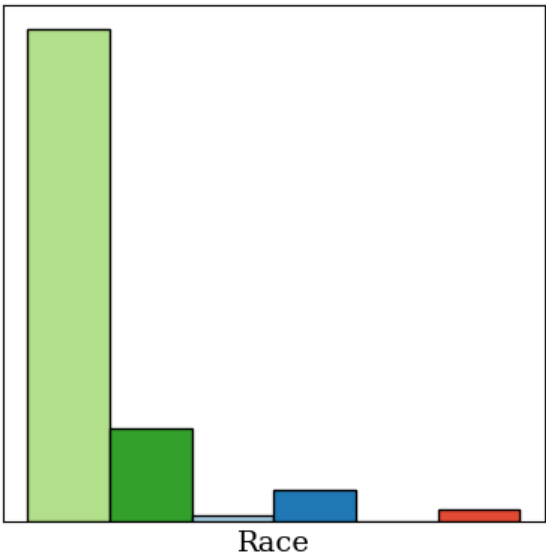
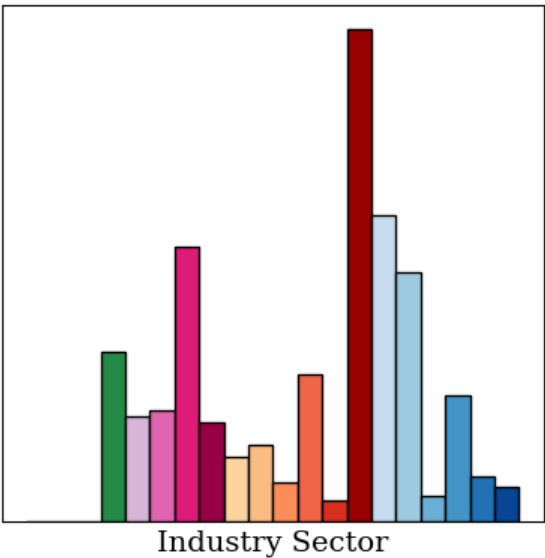
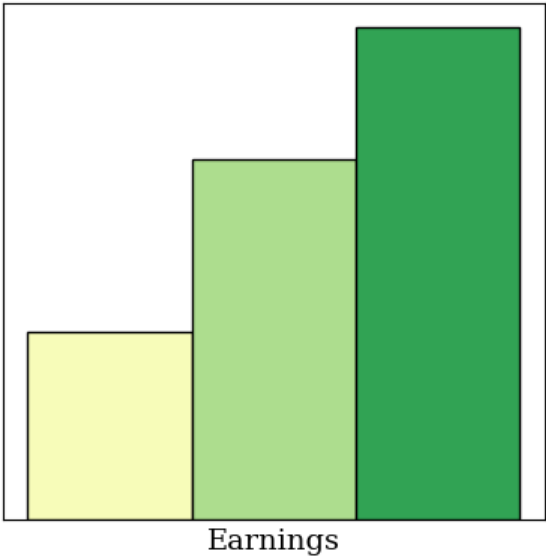
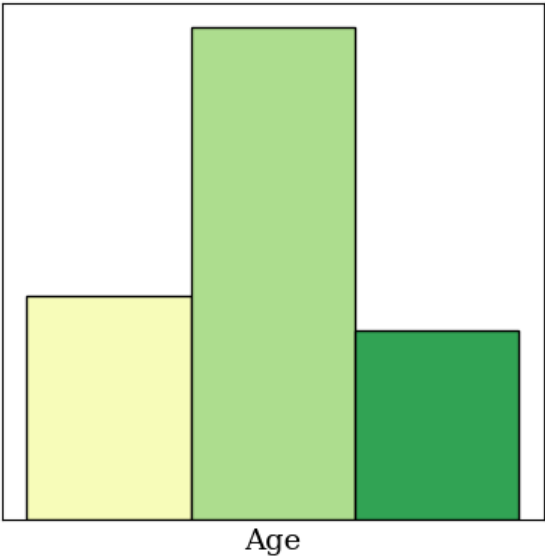
Notes

1. Race, Ethnicity, Educational Attainment, and Sex statistics are beta release results and are not available before 2009.
2. Educational Attainment is only produced for workers aged 30 and over.
3. Firm Age and Firm Size statistics are beta release results for All Private jobs and are not available before 2011.

Total	2018	
	Count	Share
Total Primary Jobs	42,885	100.0

Primary Jobs for All Workers by Total in 2018

Employed in Selection Area



Primary Jobs for All Workers by Total in 2018

Employed in Selection Area

Total	2018	
	Count	Share
Total Primary Jobs	42,885	100.0

PROPERTY INFORMATION

5.a. Appraisal

Travis CAD

Property Search Results > 230725 183 APARTMENT SITE LTD

Tax Year: 2021

for Year 2021

Property

Account			
Property ID:	230725	Legal Descrip on:	LOT 1 WALNUT CREEK CENTER
Geographic ID:	0229210232	Zoning:	LOCO
Type:	Real	Agent Code:	2024
Property Use Code:			
Property Use Descrip on:			
Protest			
Protest Status:			
Informal Date:			
Formal Date:			
Loca on			
Address:	1701 E ANDERSON LN TX 78757	Mapsco:	
Neighborhood:	1EA3	Map ID:	022621
Neighborhood CD:	1EA3		
Owner			
Name:	183 APARTMENT SITE LTD	Owner ID:	208856
Mailing Address:	901 S MO PAC EXPY, BLDG 1 STE 270 AUSTIN, TX 78746-5759	% Ownership:	100.0000000000%
		Exemp ons:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$882,350	Ag / Timber Use Value
(+) Agricultural Market Valua on:	+	\$0	\$0
(+) Timber Market Valua on:	+	\$0	\$0

(=) Market Value:	=	\$882,350	
(-) Ag or Timber Use Value Reduc on:	-	\$0	

(=) Appraised Value:	=	\$882,350	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$882,350	

Taxing Jurisdic on

Owner: 183 APARTMENT SITE LTD

% Ownership: 100.0000000000%

Total Value: \$882,350

En ty	Descrip on	Tax Rate	Appraised Value	Taxable Value	Es mated Tax		
01	AUSTIN ISD	1.102700	\$882,350	\$882,350	\$9,729.68		
02	CITY OF AUSTIN	0.533500	\$882,350	\$882,350	\$4,707.34		
03	TRAVIS COUNTY	0.374359	\$882,350	\$882,350	\$3,303.15		
0A	TRAVIS CENTRAL APP DIST	0.000000	\$882,350	\$882,350	\$0.00		
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.110306	\$882,350	\$882,350	\$973.29		
68	AUSTIN COMM COLL DIST	0.105800	\$882,350	\$882,350	\$933.53		
Total Tax Rate:		2.226665					
					Taxes w/Current Exemp ons:	\$19,646.99	
					Taxes w/o Exemp ons:	\$19,646.98	

Improvement / Building

No improvements exist for this property.

Land

#	Type	Descrip on	Acres	Sq.	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	4.2200	183823.00	0.00	0.00	\$882,350	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valua on	Appraised	HS Cap	Assessed
2022	N/A	N/A	N/A	N/A	N/A	N/A
2021	\$0	\$882,350	0	882,350	\$0	\$882,350
2020	\$0	\$882,350	0	882,350	\$0	\$882,350
2019	\$0	\$588,234	0	588,234	\$0	\$588,234
2018	\$0	\$588,234	0	588,234	\$0	\$588,234
2017	\$0	\$588,234	0	588,234	\$0	\$588,234

Deed History - (Last 3 Deed Transac ons)

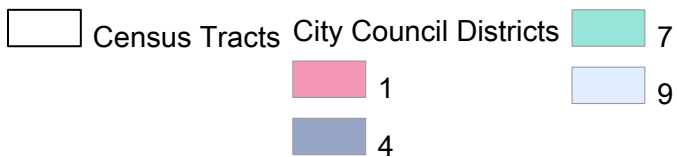
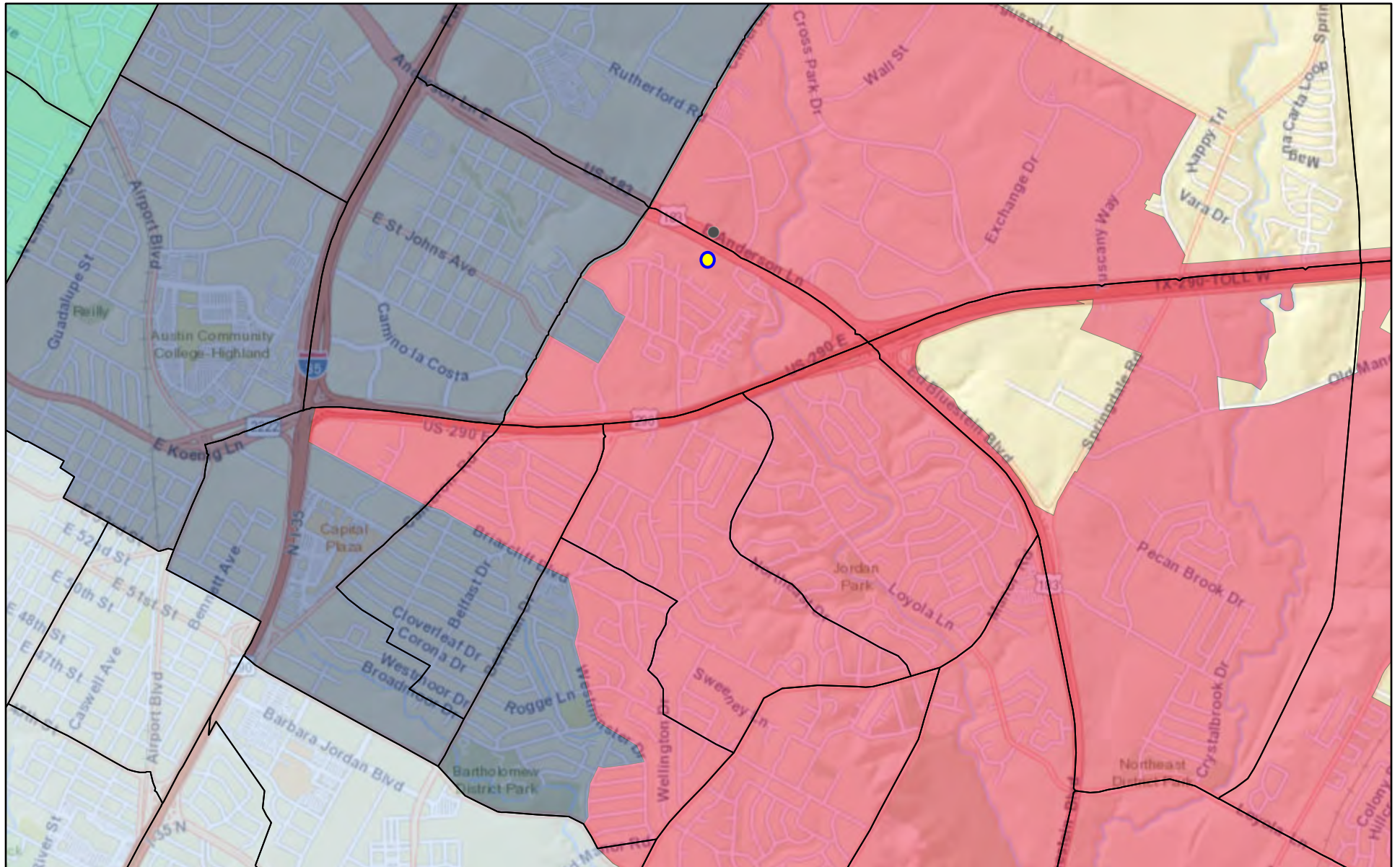
#	Deed Date	Type	Descrip on	Grantor	Grantee	Volume	Page	Deed Number
1	1/1/2012							
2	1/1/2011							
3	6/4/1996	WD	WARRANTY DEED	BYRAM JOHN D	183 APARTMENT SITE LTD	12713	00988	

Ques ons Please Call (512) 834-9317

This site requires cookies to be enabled in your browser se ngs.

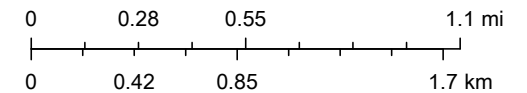
5.b. Property Maps

Census Tract 18.11 and City Council District 1



 1700 East Anderson Lane

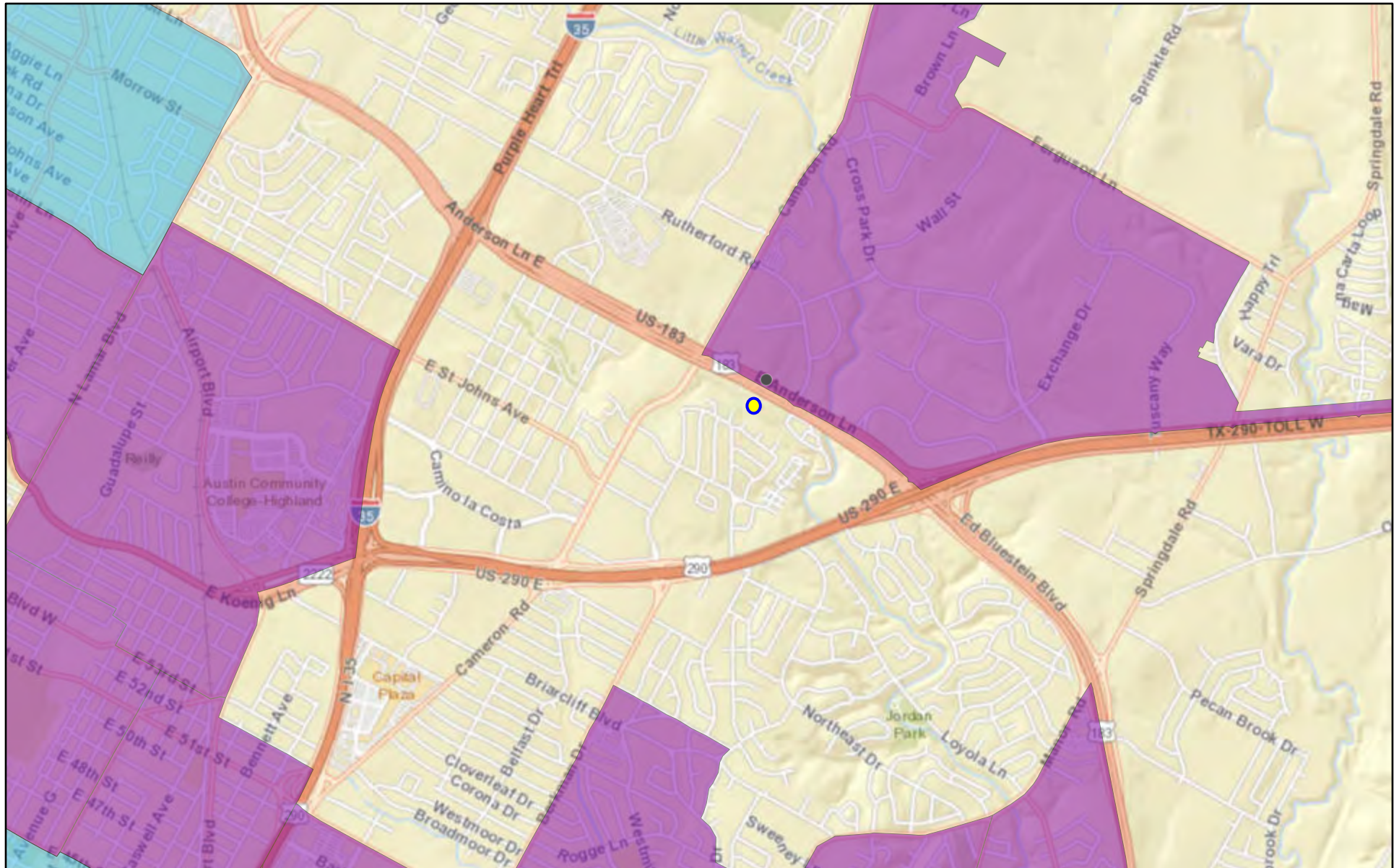
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

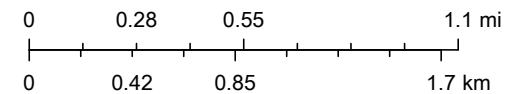
Opportunity Values Map



- High Opportunity
- Emerging Opportunity

1700 East Anderson Lane

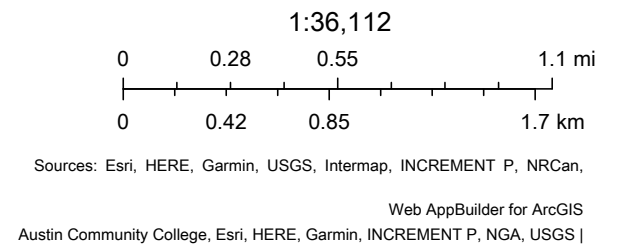
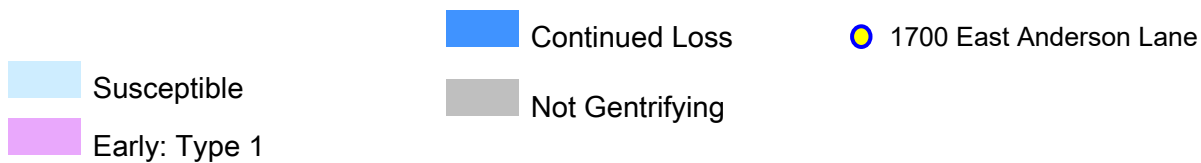
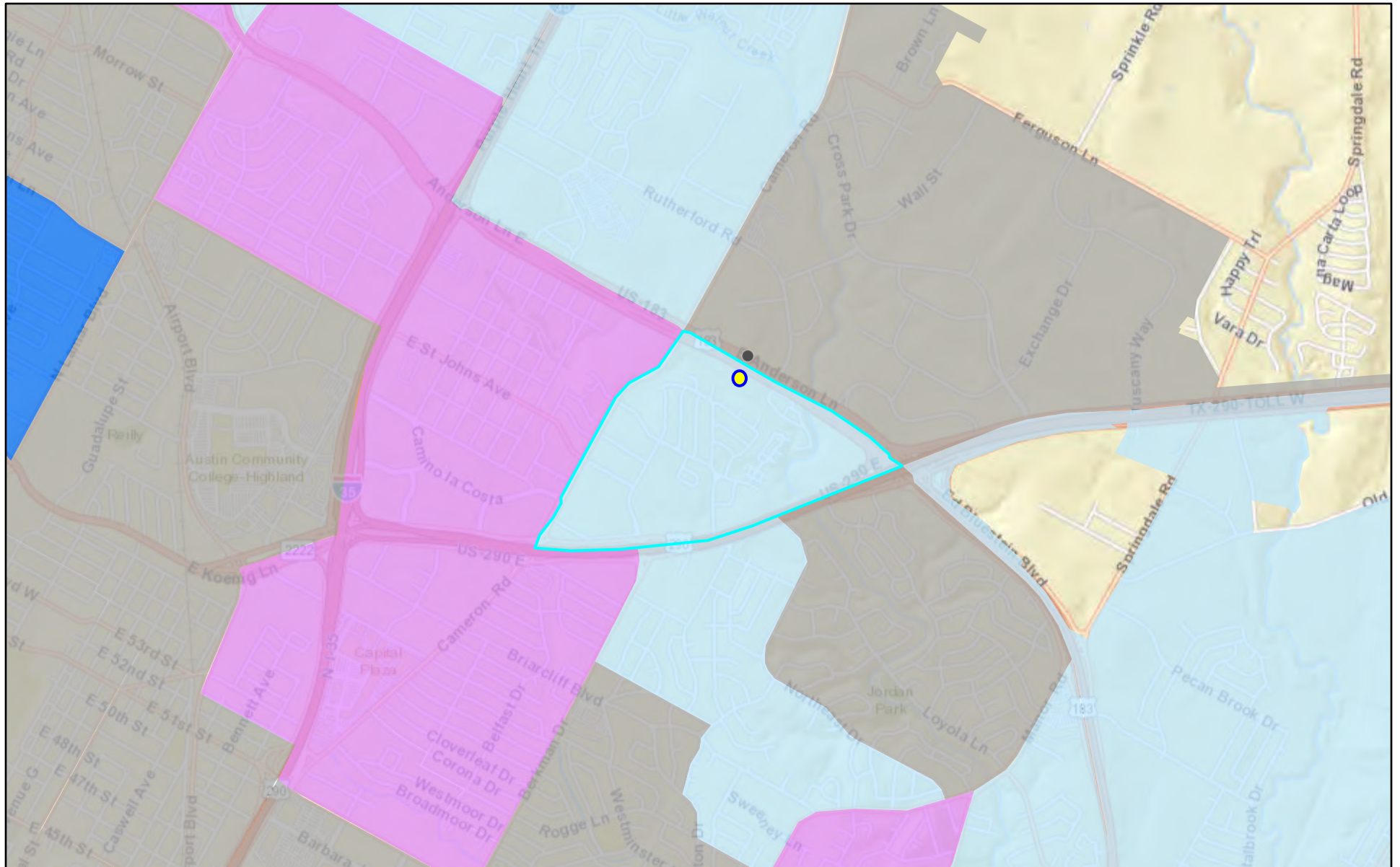
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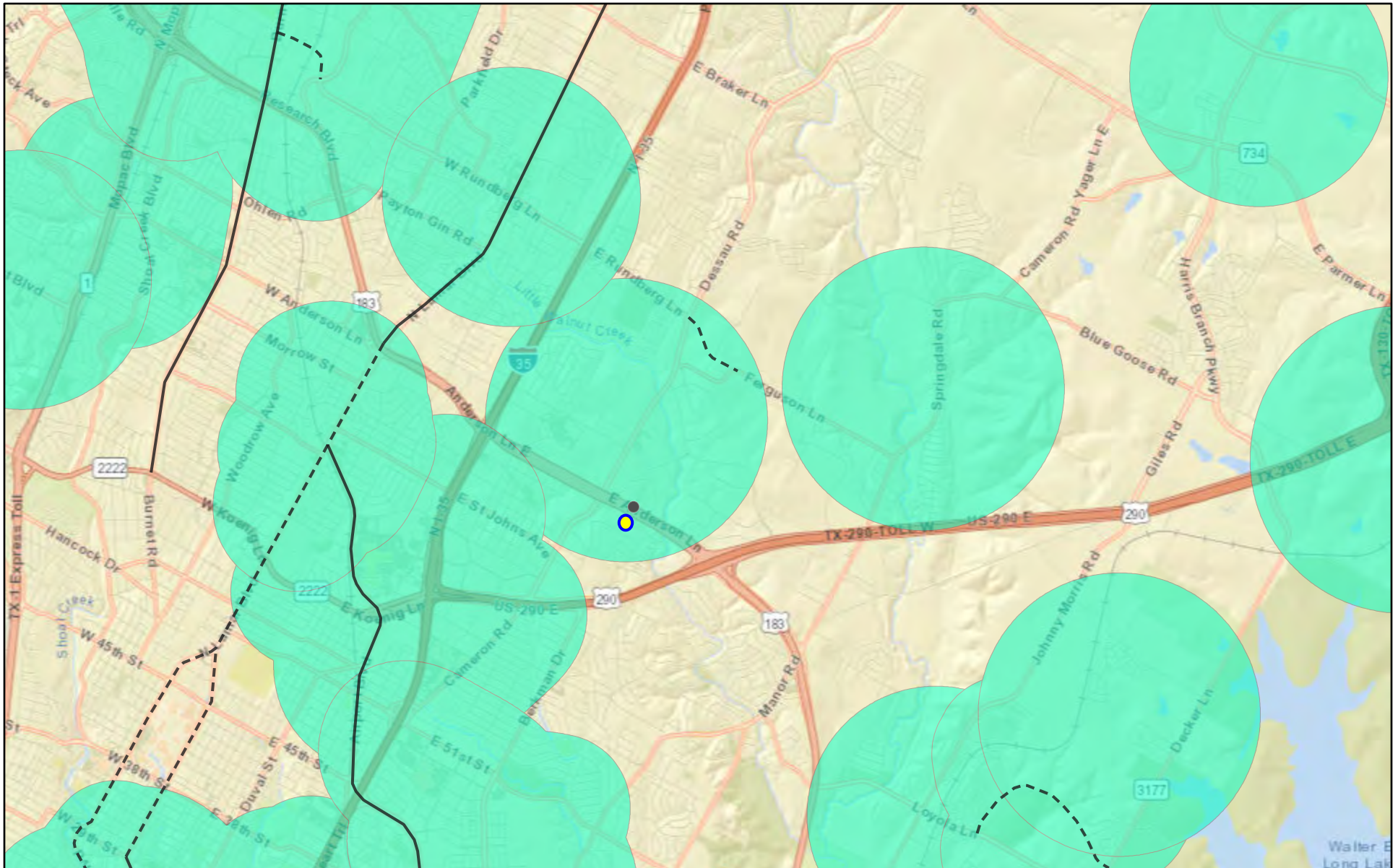
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Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Gentrification Values Map



Imagine Austin Center Map



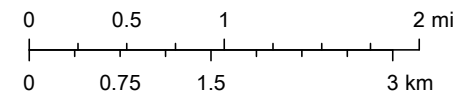
● 1700 East Anderson Lane

2016 Mobility Bond Corridor Projects - - - - Preliminary Engineering and Design

— Construction Eligible Corridor

Imagine Austin Center: 1/2-Mile Buffer

1:72,224

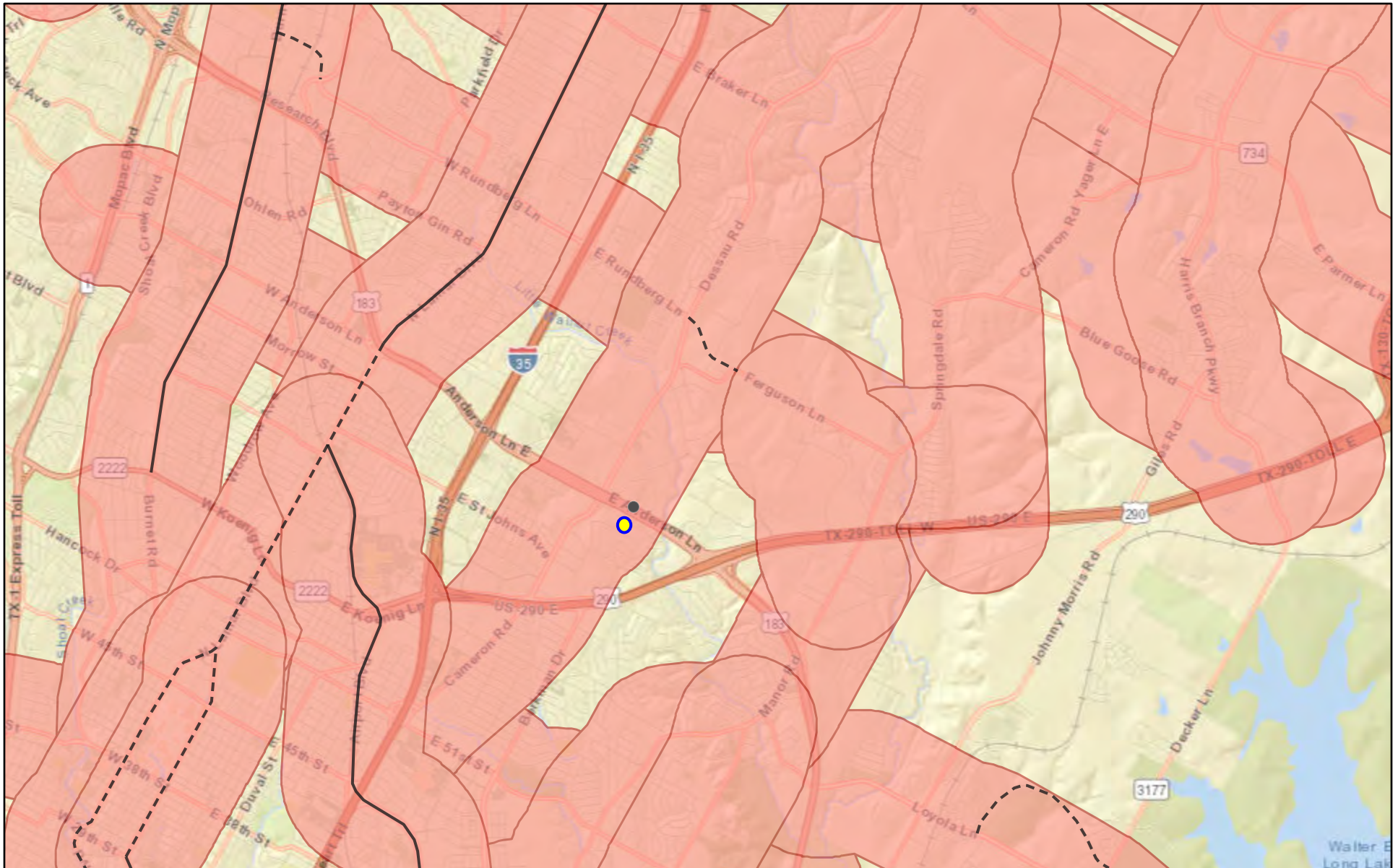


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Web AppBuilder for ArcGIS

Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Imagine Austin Corridor Map



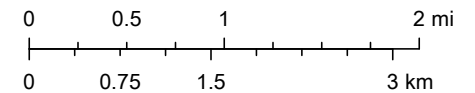
1700 East Anderson Lane

2016 Mobility Bond Corridor Projects - - - Preliminary Engineering and Design

— Construction Eligible Corridor

Imagine Austin Corridor: 1/2-Mile Buffer

1:72,224

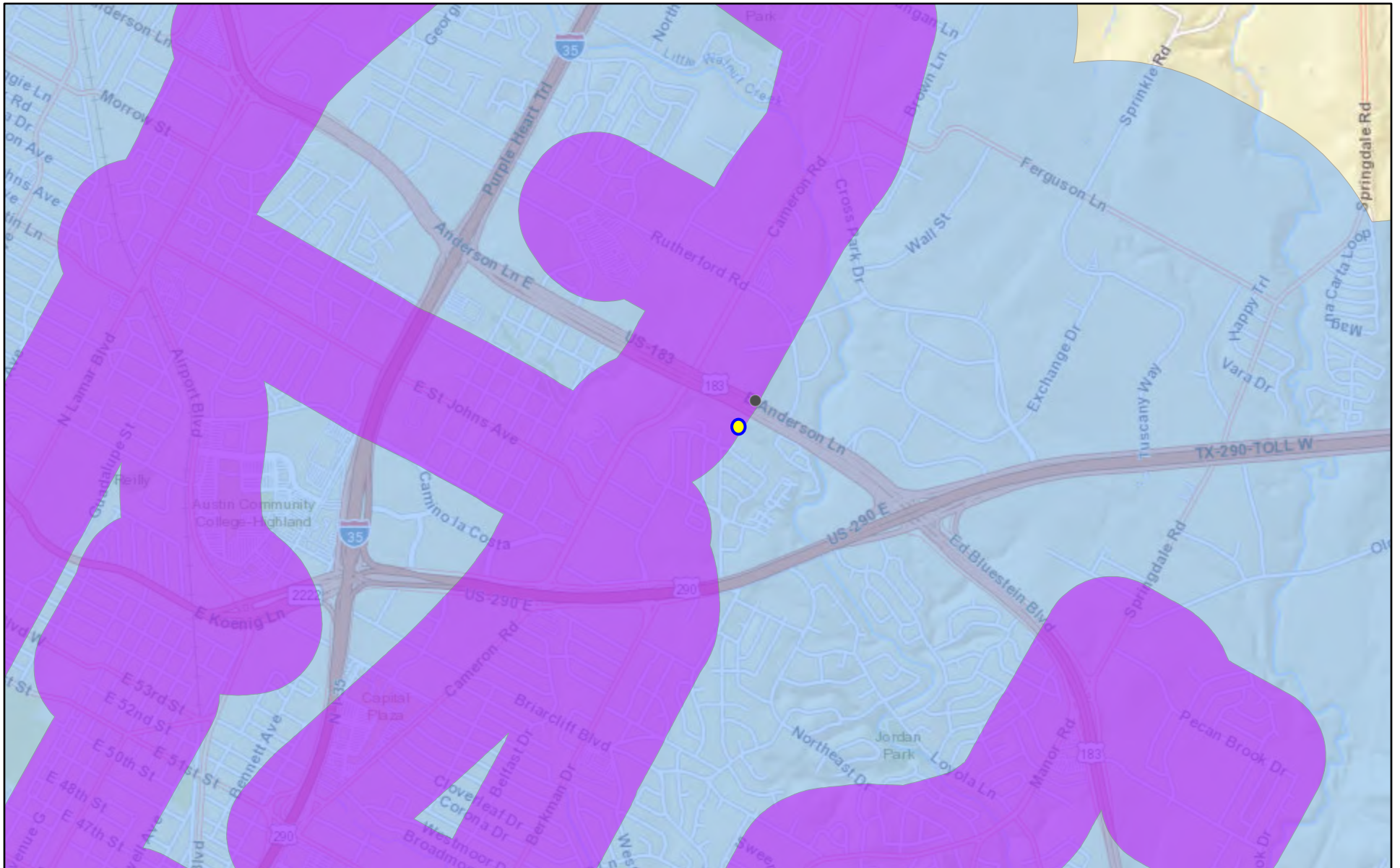




Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,


Web AppBuilder for ArcGIS

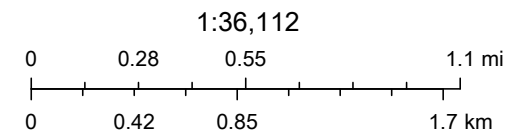
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Transit Map

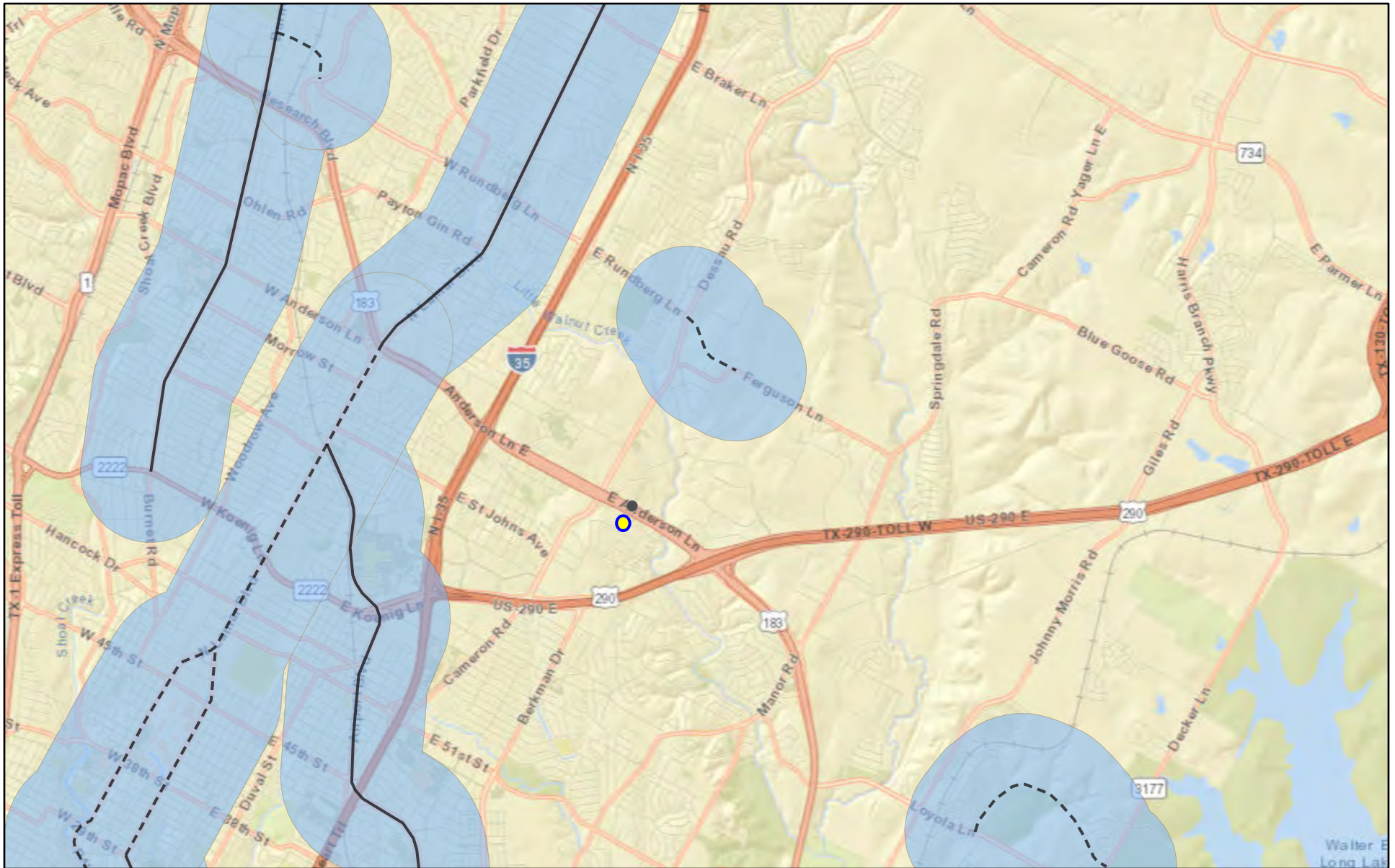


-  High Frequency Bus Routes: 1/4-Mile Buffer
-  Bus Routes: 3/4-Mile Buffer

 1700 East Anderson Lane



Mobility Bond Corridor Map



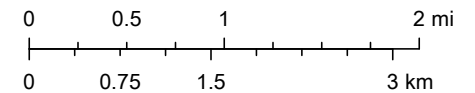
● 1700 East Anderson Lane

2016 Mobility Bond Corridor Projects - - - - Preliminary Engineering and Design

— Construction Eligible Corridor

Mobility Bond Corridor: 1/2-Mile Buffer

1:72,224

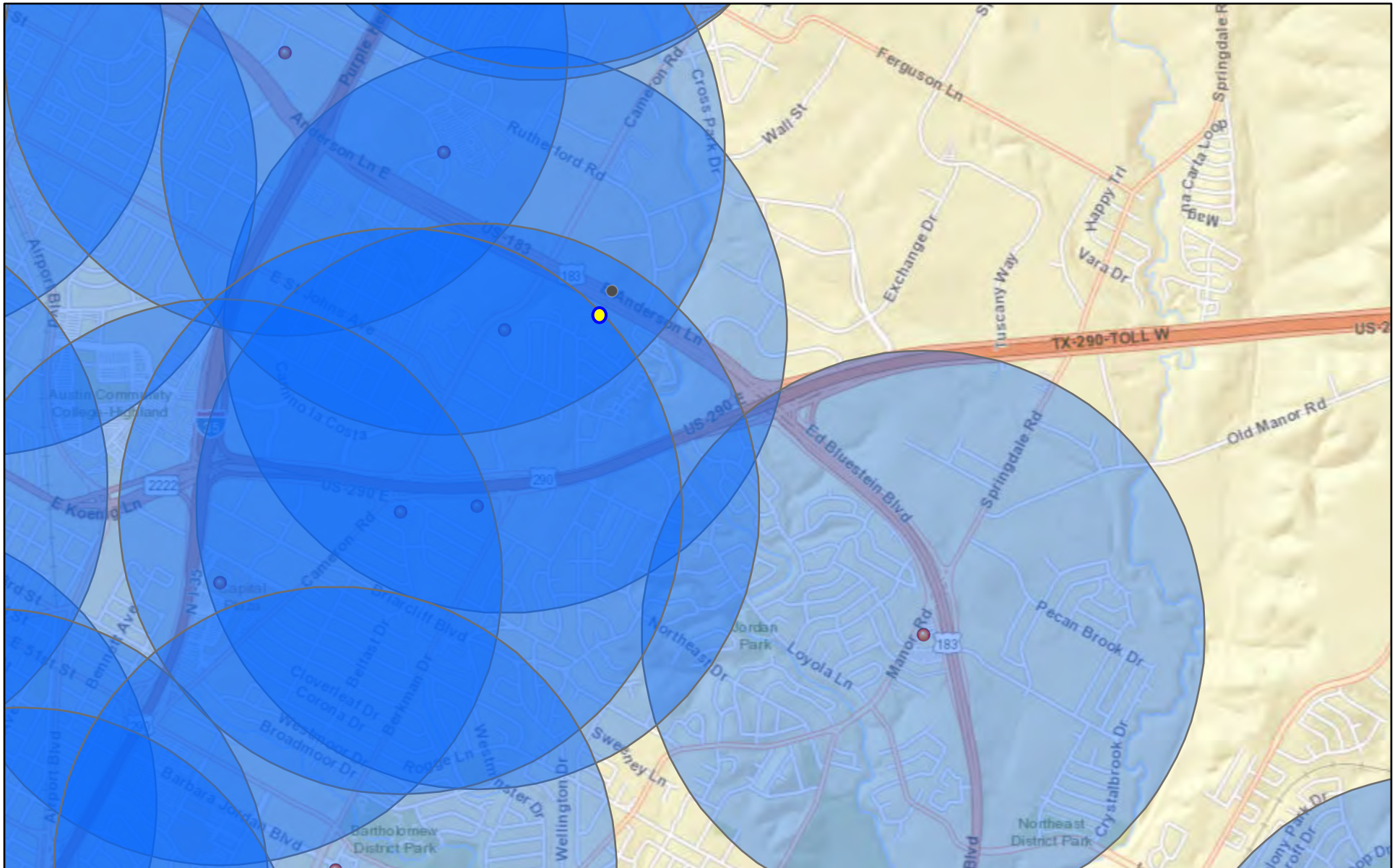


Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS

Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS | City of Austin Planning and Development Review Department |

Healthy Food Access



Healthy Food

1700 East Anderson Lane

Healthy Food Retail Locations

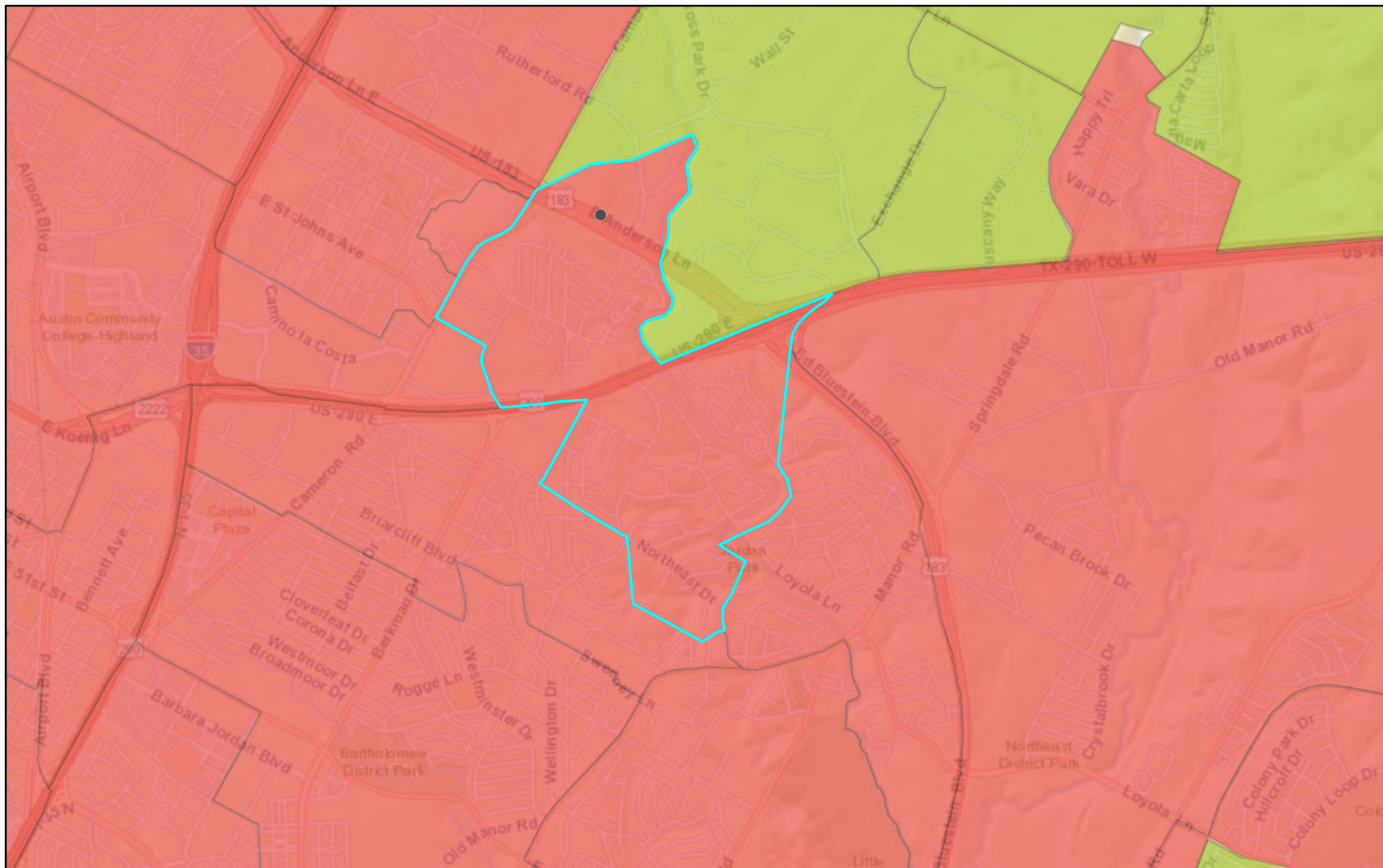
1:36,112

0 0.28 0.55 1.1 mi
0 0.42 0.85 1.7 km

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |

Andrews EL, Austin ISD



4/17/2019, 2:46:17 PM

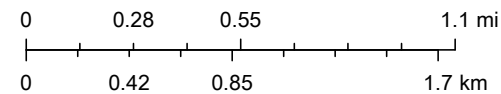
Austin Elementary School Attendance Areas

Austin ISD



Manor ISD

1:36,112



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

Web AppBuilder for ArcGIS
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS |



2020 and 2021 Small DDAs and QCTs

Go

Map Options : Clear | Reset | Full Screen

Non Metro DDA

Hide the overview

The 2021 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2021. The 2021 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 23, 2020

Map Options

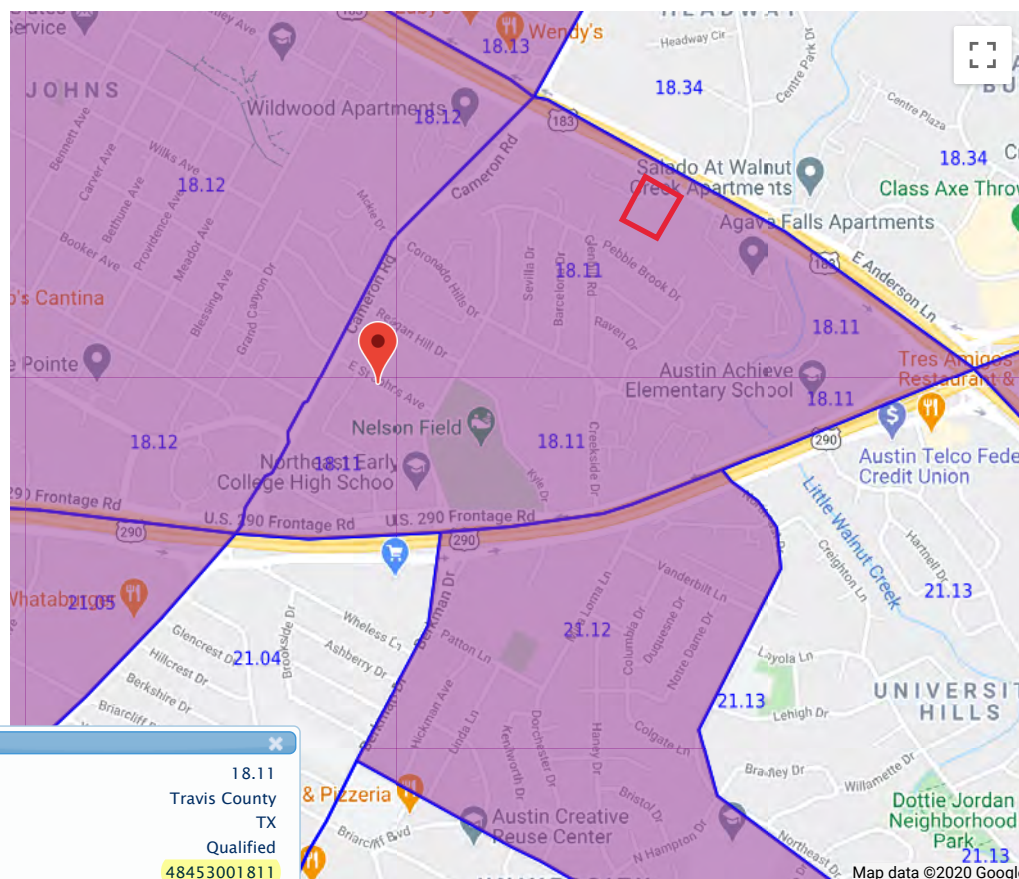
15 Current Zoom Level

- ☐ Show Difficult Development Areas (Zoom 7+)
- ☒ Color QCT Qualified Tracts (Zoom 7+)
- ☒ Show Tracts Outline (Zoom 11+)
- ☐ Show FMR Outlines (Zoom 4+)
- ☐ Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

- ☒ 2021
- ☐ 2020



Map data ©2020 Google

QCT for 2021

18.11
Travis County
TX
Qualified
48453001811



1.4K

About PD&R

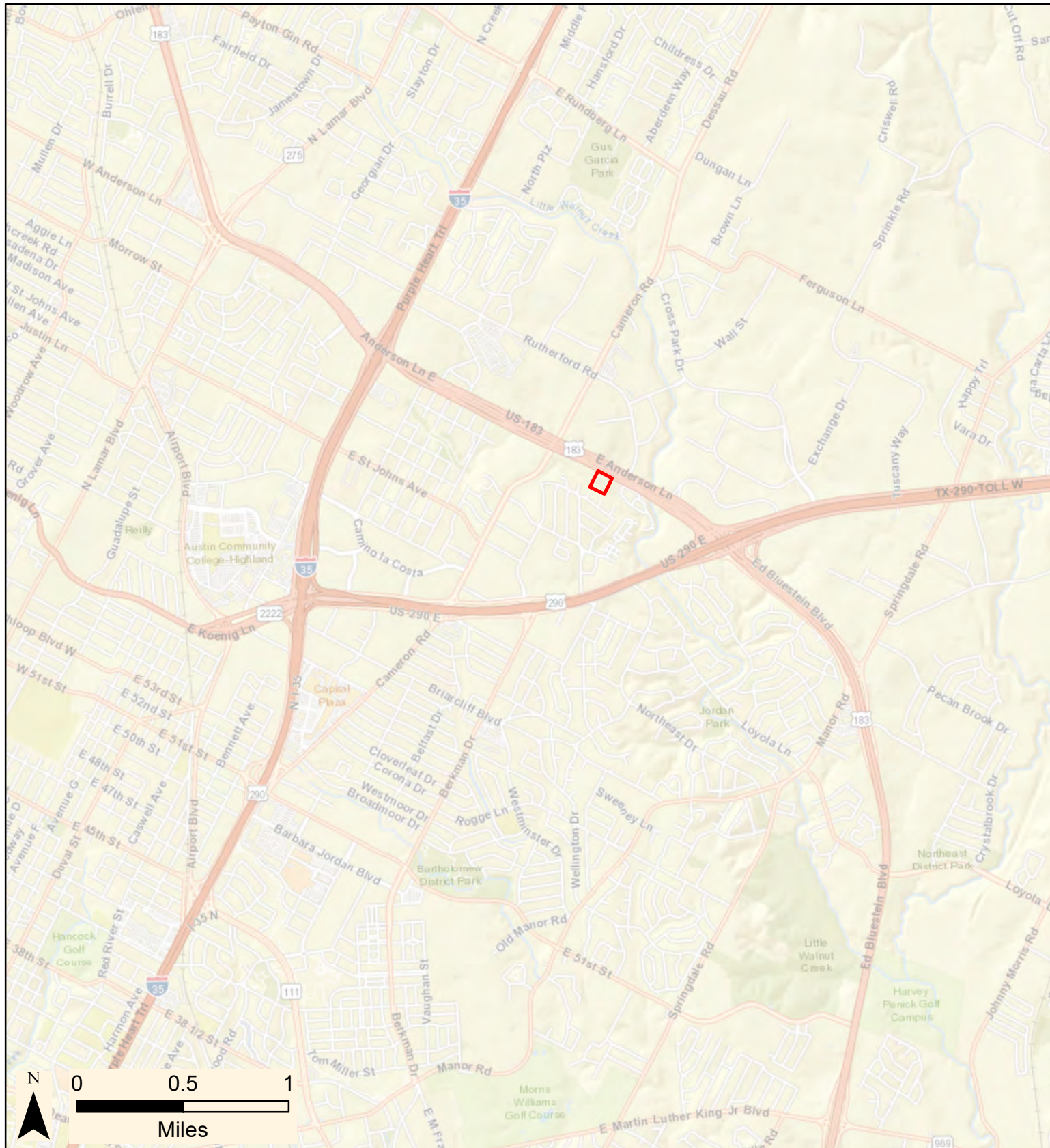
- Delegations of Authority and Order of Succession
- Events
- HUD at 50
- HUD Secretary's Awards
- PD&R Careers

Initiatives

- Aging Research and Resources
- Public Health Research and Resources
- Regulatory Barriers Clearinghouse

Research

- Case Studies
- Data Sets
- Periodicals
- Regulatory Barriers Clearinghouse
- Reports



Location Map

Anderson Creek

Approx. 1701 E Anderson Lane
Austin, Texas



Site





2020 and 2021 Small DDAs and QCTs

Go

Map Options : Clear | Reset | Full Screen

Non Metro DDA

Hide the overview

The 2021 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2021. The 2021 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 23, 2020

Map Options

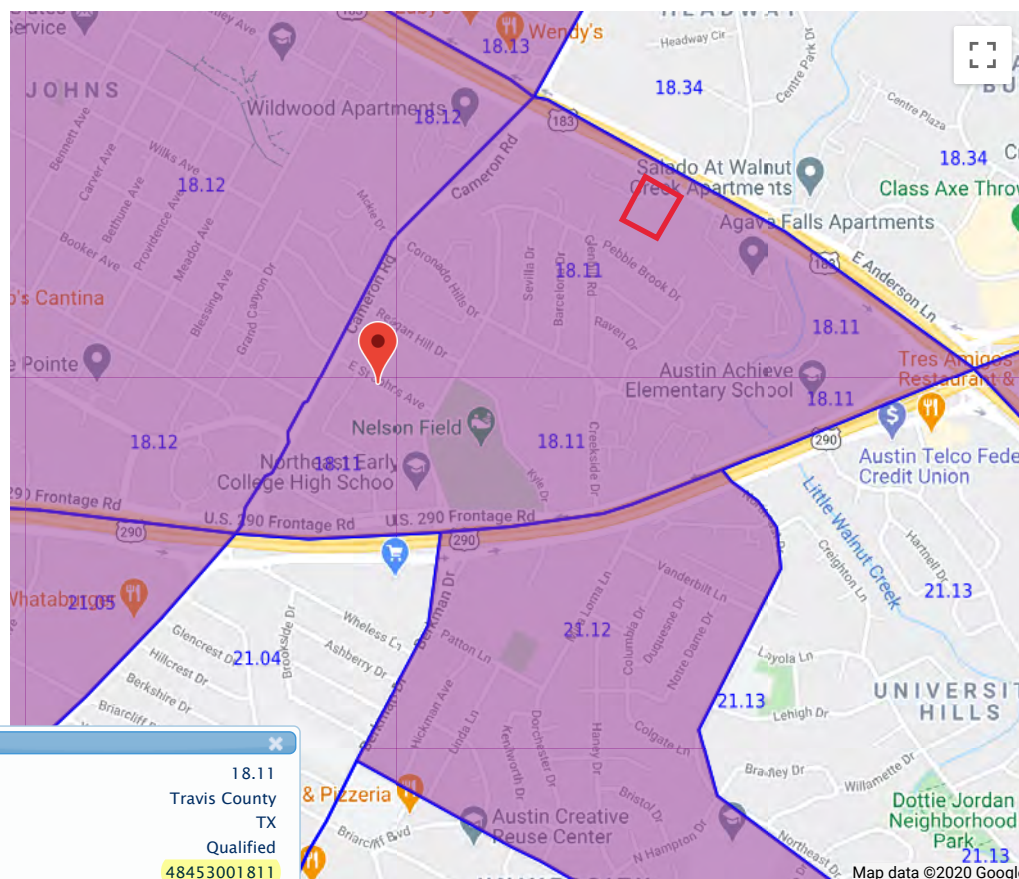
15 Current Zoom Level

- ☐ Show Difficult Development Areas (Zoom 7+)
- ☒ Color QCT Qualified Tracts (Zoom 7+)
- ☒ Show Tracts Outline (Zoom 11+)
- ☐ Show FMR Outlines (Zoom 4+)
- ☐ Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

- ☒ 2021
- ☐ 2020



Map data ©2020 Google

QCT for 2021

Tract
County
State
Status (2021)
Full Tract Number



1.4K

About PD&R

- Delegations of Authority and Order of Succession
- Events
- HUD at 50
- HUD Secretary's Awards
- PD&R Careers

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- Case Studies
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- Reports

City of Austin FloodPro Map



FEMA Floodplain

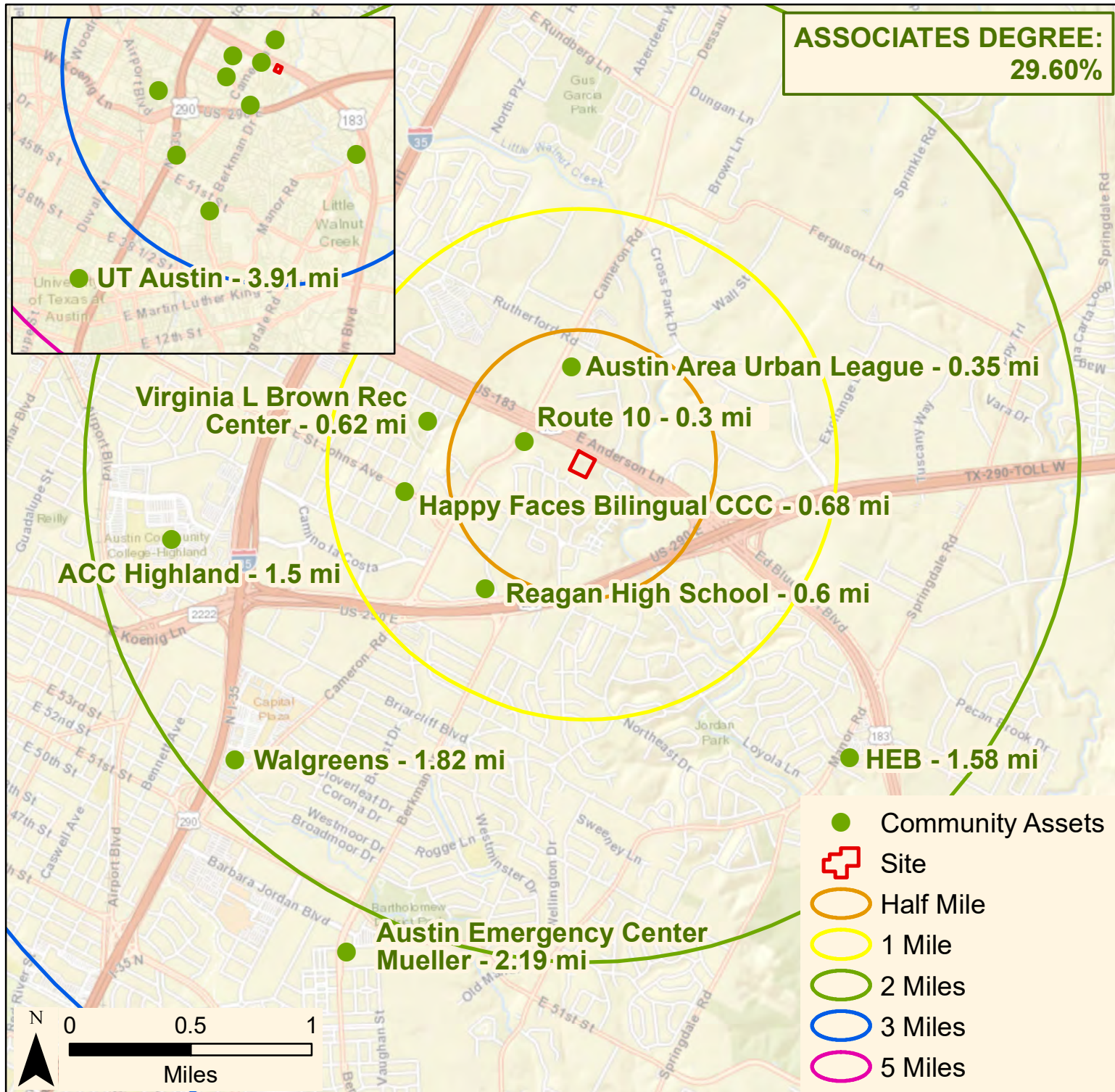
- 100 Year (Detailed-AE)
- 100 year (Shallow-AO)
- 100 Year (Approx-A)
- ⊗ X Protected by Levee
- 500 Year

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



0 848 1,696 Feet





Community Assets



Anderson Creek

Approx. 1701 E Anderson Lane
Austin, Texas

Public Transport: Metro Bus Route 10
Grocery: HEB
Pharmacy: Walgreens
Health: Austin Emergency Center
Childcare: Happy Faces Bilingual CCC
University: ACC Highland and UT Austin
Associates Degree: 29.60%
Outdoor Rec: Virginia L Brown Rec Center
Civic Org: Austin Area Urban League
Meal Service: Meals on Wheels
Rated School: Northeast Early College (fka Reagan) High School

5.c. Zoning Verification Letter



CITY OF AUSTIN - ZONING VERIFICATION LETTER

For questions concerning zoning compliance or any development criteria contact the Development Assistance Center of the City of Austin at (512) 974-6370.

This letter is to verify that the parcel listed is covered by the listed zoning classification on the date the letter was created.

Party Requesting Verification

Name: Ana Padilla
Mailing Address:
601 Brickell Key Dr. Suite 700
Miami, FL 33131

Tax Parcel Identification Number

Agency: TCAD
Parcel ID: 230725

Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

GR-CO-NP

Zoning Case Number(s)

Look up case info at https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp

C14-91-0087, C14-96-0003, C14-2011-0116, C14-2021-0023.SH

Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

911205-P, 960613-D, 99-0225-70(b), 20120426-102, 20211014-081

For Address Verification visit:

<http://austintexas.gov/addressverification>

To access zoning ordinance documentation visit:

<http://austintexas.gov/edims/search.cfm>

To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:

<http://austintexas.gov/department/austin-city-code-land-development-code>

<http://austintexas.gov/department/zoning>

This letter was produced by the City of Austin Communication Technology Management Department on behalf of the Planning and Development Review Department.

I, Stacy Meeks, of the Communications and Technology Management Department for the City of Austin, do hereby certify that the above information reflects the data and records on file in this office.

A handwritten signature in black ink, appearing to read "Stacy Meeks".

11/4/2021

230725

5.d. Proof of Site control



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY
USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
 ©Texas Association of REALTORS®, Inc. 2018

- 1. PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: 183 Apartment Site LTD

Address: 510 S. Congress Ave., Ste. 400, Austin, TX 78704

Phone: 512-474-4242 E-mail: pivy@byramproperties.com

Fax: 512-474-5213 Other: tjuarez@byramproperties.com

Buyer: McDowell Acquisitions, LLC

Address: 601 Brickell Key Drive, Suite 700, Miami Florida 33131

Phone: 786.257.2767 E-mail: cshear@mcdhousing.com

Fax: _____ Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Travis County, Texas at
1701 E. Anderson Lane, Austin, TX 78757
 (address) and that is legally described on the attached Exhibit _____ or as follows:

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas (Travis County Appraisal District Property ID #: 230725).

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
 (If mineral rights are to be reserved an appropriate addendum should be attached.)*

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

- (1) Cash portion payable by Buyer at closing \$ _____
- (2) Sum of all financing described in Paragraph 4 \$ _____
- (3) Sales price (sum of 3A(1) and 3A(2)) \$ \$4,250,000.00

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☒ (1) The sales price will not be adjusted based on a survey.
- ☐ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ _____ per:

- ☐ (i) square foot of ☐ total area ☐ net area.
- ☐ (ii) acre of ☐ total area ☐ net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- ☐ (i) public roadways;
- ☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- ☐ (iii) _____.

(c) If the sales price is adjusted by more than _____ % of the stated sales price, either party may terminate this contract by providing written notice to the other party within _____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. **FINANCING:** Buyer ~~will finance the portion of the sales price under Paragraph 3A(2) as follows:~~

- ☒ A. Third Party Financing: ~~One or more third party loans in the total amount of \$ _____.~~
This contract:

- ☒ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).

- ☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.

- ☒ C. Seller Financing: ^{Option} The delivery of a promissory note and deed of trust to Seller under the terms of the ~~attached Commercial Contract Financing Addendum (TAR 1931) in the amount of \$ _____ set forth in the Addendum to this Contract.~~

5. **EARNEST MONEY:**

- A. Not later than 3 days after the effective date, Buyer must deposit \$ 50,000.00 as earnest money with Heritage Title Company of Austin, Inc. (title company) at 401 Congress Avenue, Ste. 1500, Austin, TX 78701 (address) Emily Mansfield (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:

- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____.

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757**6. TITLE POLICY AND SURVEY:****A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☐ (a) will not be amended or deleted from the title policy.
 - ☒ (b) ~~will~~ be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 10 days after the effective date:

- ☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☒ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☒ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 45 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party \$0.00 (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:On or before March 30, 2021,

- (1) ~~Within 5 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey,~~ Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition ^{AS IS} ~~except that Seller, at Seller's expense, will complete the following before closing:~~ _____

B. Feasibility Period: Buyer may terminate this contract for any reason ^{on or before July 31, 2021} ~~within _____ days after the effective date (feasibility period) by providing Seller written notice of termination.~~

(1) Independent Consideration. (Check only one box and insert amounts.)

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. ~~If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.~~

☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. ~~If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.~~

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional 30 days by depositing additional earnest money in the amount of \$ 25,000.00 with the title company. ~~If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.~~

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

- (2) Buyer must:
- (a) employ only trained and qualified inspectors and assessors;
 - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
 - (c) abide by any reasonable entry rules or requirements of Seller;
 - (d) not interfere with existing operations or occupants of the Property; and
 - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

- (1) Delivery of Property Information: Within 5 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*
- ☒ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
 - ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
 - ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
 - ☒ (d) copies property tax statements for the Property for the previous 2 calendar years;
 - ☒ (e) plats of the Property;
 - ☒ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
 - ☒ (g) Seller will deliver to Buyer, the items checked in Section 7D (1), to the extent they are applicable and in the Seller's possession.

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*
- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
 - ☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
 - ☒ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations:** Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES: None.

- ~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease or fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller~~

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

~~must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any advance sums paid by a tenant under any lease;~~
- ~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. **Estoppel Certificates:** Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Helm CRE, LLC

Cooperating Broker: _____

Agent: Conley A. Covert

Agent: _____

Address: 901 S. Mopac Expy. Barton Oaks II Ste. 350A
Austin, TX 78746

Address: _____

Phone & Fax: 512.963.9833

Phone & Fax: _____

E-mail: conley.covert@helmcre.com

E-mail: _____

License No.: 591667

License No.: _____

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

- ☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
☒ 3.00 % of the sales price.Cooperating Broker a total cash fee of:
☐ _____ % of the sales price.

The cash fees will be paid in Travis County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before ~~the later of:~~

(1) ☐ _____ days after the expiration of the feasibility period.

☒ December 15, 2021 (specific date).

~~(2) 7 days after objections made under Paragraph 6C have been cured or waived.~~

- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

(1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;

~~(2) without any assumed loans in default; and~~

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers ~~except tenants under the written leases assigned to Buyer under this contract.~~

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

(1) tax statements showing no delinquent taxes on the Property;

(2) an assignment of all leases to or on the Property;

(3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;

(4) evidence that the person executing this contract is legally capable and authorized to bind Seller;

(5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and

(6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

- E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;

~~(3) sign and send to each tenant in a lease for any part of the Property a written statement that:~~

~~(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and~~

~~(b) specifies the exact dollar amount of the security deposit;~~

~~(4) sign an assumption of all leases then in effect; and~~

(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

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11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition ~~with any repairs Seller is obligated to complete under this contract~~, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Please see Addendum

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee;
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) ~~Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.~~
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) ~~If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.~~

B. Rollback Taxes: ~~If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.~~

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- C. ~~Rent and Security Deposits~~: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue; ~~or~~

~~(Check if applicable)~~

- ☐ ~~enforce specific performance, or seek such other relief as may be provided by law.~~

- B. If, without fault, Seller is unable within the time allowed to deliver the ~~escrow certificate~~, survey or the commitment, Buyer may as its sole remedies:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, ~~or seek such other relief as may be provided by law, or both.~~

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may as its sole remedies:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
 - (1) Seller and the sales price will be reduced by the same amount; or
 - (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

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- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☒ Seller ☒ Buyer ^{may} intend to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: ~~To the best of Seller's knowledge and belief. (Check only one box.)~~ See Addendum

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☐ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

~~(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)~~

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757**22. AGREEMENT OF THE PARTIES:**

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☐ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Financing Addendum (TAR-1931);
 - ☐ (3) Commercial Property Condition Statement (TAR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TAR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - ☐ (8) Information About Brokerage Services (TAR-2501);
 - ☐ (9) Information About Mineral Clauses in Contract Forms (TAR-2509); and
 - ☒ (10) Addendum

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☒ may ^{only} ~~may not~~ assign this contract ^{to an affiliated entity}. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipts this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on January 8, 2021, the offer will lapse and become null and void.

Commercial Contract - Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: 183 Apartment Site, Ltd., a Texas limited partnership

Buyer: McDowell Acquisitions, LLC, a Delaware limited liability company

By: JDB Real Properties, Inc., a Texas corporation, Gen. Partner

By (signature): _____

Printed Name: John Byram

Title: CEO & President

By: McDowell Properties, a California corporation, its manager

By (signature): _____

Printed Name: W. Patrick McDowell

Title: Chairman & CEO

By: Pat Ivy

By (signature): _____

Printed Name: Pat Ivy

Title: Secretary/Treasurer

By: _____

By (signature): _____

Printed Name: _____

Title: _____

Jan 06 2021

Commercial Contract -Unimproved Property concerning 1701 E. Anderson Lane, Austin, TX 78757**AGREEMENT BETWEEN BROKERS***(use only if Paragraph 9B(1) is effective)*

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or

☐ _____ % of the sales price, or

☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYSSeller's attorney: William D. Brown
Sneed Vine & PerryAddress: 2705 Bee Caves Road, Suite 160
Austin TX 78746Phone & Fax: 512-494-3127 & 512-476-1825E-mail: bbrown@sneedvine.com

Seller's attorney requests copies of documents, notices, and other information:

☒ the title company sends to Seller.☒ Buyer sends to Seller.

Buyer's attorney: _____

Address: _____

Phone & Fax: _____

E-mail: _____

Buyer's attorney requests copies of documents, notices, and other information:

☐ the title company sends to Buyer.☐ Seller sends to Buyer.**ESCROW RECEIPT**

The title company acknowledges receipt of:

☒ A. the contract on this day January 6, 2021 (effective date);☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.Title company: Heritage Title Company of Austin, Inc.Address: 401 Congress Ave., Ste. 1500
Austin, TX 78701By: emilymansfieldPhone & Fax: 512.505.5000 & 512.505.5024Assigned file number (GF#): 202100045 emE-mail: emansfield@heritage-title.com

ADDENDUM TO COMMERCIAL CONTRACT – IMPROVED PROPERTY ("CONTRACT")
between
183 APARTMENT SITE, LTD. ("SELLER")
and
MCDOWELL ACQUISITIONS, LLC ("BUYER")

Notwithstanding anything in the Contract to the contrary, the Contract is amended as herein provided. Nothing contained herein shall constitute or be deemed a release of any obligations or liabilities of Seller or Buyer under the Contract except as may be provided herein. Except as provided herein, the Contract remains in full force and effect. To the extent that the terms of this Addendum conflict with or modify the Contract, the terms of this Addendum shall control.

1. Financing. Buyer has the option, but not the obligation, to pursue Seller Financing pursuant to the terms detailed in the Promissory Note, attached hereto as Exhibit B and incorporated herein ("Note", and the Deed of Trust, attached hereto as Exhibit C and incorporated herein ("Deed of Trust"). If Buyer elects Seller Financing, Buyer agrees to notify Seller within 30 days prior to Closing of such election (otherwise such right to Seller Financing is waived). At Closing, the forms attached hereto as Exhibit B and Exhibit C shall be completed with the missing information at the beginning of each document, executed by Buyer, and delivered to Seller at Closing. The Deed of Trust shall be a first lien deed of trust against the Property and Buyer shall pay all recording cost and the cost of the premium for the Loan Policy to be issued to Seller at Closing. Monthly payments of interest only will be due with all outstanding principal and interest becoming due on the 2nd anniversary date of the Note. This Contract is not contingent upon Buyer obtaining Seller Financing.

2. Inspection. Buyer shall be permitted to continue to conduct inspections, studies, and assessments of the Property while the Contract is in effect. Buyer's entry onto the Property is at Buyer's sole risk, and Buyer hereby releases Seller from all liability in connection therewith, provided, however, the foregoing release shall not be applicable to any losses, claims or damages suffered by Buyer arising from the gross negligence or willful misconduct of Seller or Seller's members, employees, or agents. Any expenses incurred by Buyer in the performance of the inspections will be paid for by Buyer. Buyer will not permit any liens to attach to the Property by reason of the exercise of Buyer's rights under the Contract. Buyer will not unreasonably disturb, interrupt, or interfere with any activities of Seller or Seller's agents, employees, or contractors. Upon completion of all testing or other examinations of the Property, Buyer will restore the Property as close as reasonably practicable to the condition it was in prior to the testing or examinations. If the Contract terminates for any reason, Buyer will, subject to any proprietary rights of Buyer's consultants, promptly deliver to Seller copies of all third party studies, reports, surveys, tests, and other materials of any kind or nature generated for Buyer in connection with the Property; provided, however, all of which shall not be assigned nor conveyed by Buyer to Seller unless Seller reimburses Buyer for its costs in acquiring the same; further provided that Buyer does not and will not make any warranties or representations as to the accuracy or completeness of such third party reports or materials and expressly disclaims any and all liability for any reliance thereon. This provision will survive Closing and any termination of the Contract.

3. Insurance. Before Buyer or any agent of Buyer enters upon the Property, Buyer will provide a certificate of general liability insurance to Seller, in an amount not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate, naming Seller as an additional insured by appropriate endorsement and insuring against all risks in connection with any entry upon the Property. Buyer will maintain the required insurance in full force and effect for at least one year after Closing has occurred or the Contract has terminated or expired. Certificates of insurance evidencing this insurance coverage and containing a provision that the policies may not be terminated without prior written notice to Seller,

Addendum

together with the additional insured endorsements, must be delivered to Seller prior to any entry onto the Property by Buyer.

4. "AS IS" TRANSACTION. BUYER ACKNOWLEDGES AND AGREES THAT, PRIOR TO THE CLOSING, BUYER WILL HAVE PERFORMED DUE DILIGENCE TO BUYER'S SATISFACTION. NOTWITHSTANDING ANYTHING CONTAINED IN ANY OF THE THIRD-PARTY PREPARED DOCUMENTS PROVIDED IN SECTION 7.D.(1) OF THE CONTACT TO THE CONTRARY, BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS RELYING ON BUYER'S (OR BUYER'S REPRESENTATIVES') DUE DILIGENCE OF THE PROPERTY AND NOT UPON ANY STATEMENTS (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE BY SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES. AS A MATERIAL PART OF THE CONSIDERATION FOR THIS CONTRACT, BUYER HEREBY AGREES THAT THIS IS AN "AS IS, WHERE IS, WITH ALL FAULTS" SALE. EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED TO BE DELIVERED AT THE CLOSING AND THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 7A OF THIS ADDENDUM, THE CONTRACT IS MADE WITHOUT REPRESENTATION, OR WARRANTY BY OR AGAINST SELLER, OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, AND THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO BUYER "AS IS, WHERE IS AND WITH ALL FAULTS". WITHOUT LIMITING THE FOREGOING, SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES (OTHER THAN THE SPECIAL WARRANTY OF TITLE TO BE SET OUT IN THE DEED AND THE REPRESENTATIONS AND WARRANTIES IN SECTION 7A OF THIS ADDENDUM), PROMISES, COVENANTS, AGREEMENTS, OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, OR FUTURE, OF, AS TO, CONCERNING, OR WITH RESPECT TO FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY, MERCHANTABILITY, SUITABILITY, PROFITABILITY, DESIGN, QUANTITY, QUALITY, LAYOUT, FOOTAGE, PHYSICAL OR ENVIRONMENTAL CONDITION, OPERATION, VALUE, COMPLIANCE WITH SPECIFICATIONS, ABSENCE OF LATENT DEFECTS OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT) OR ANY OTHER MATTER AFFECTING THE PROPERTY. INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER IN RESPECT OF THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES. NOTWITHSTANDING ANYTHING CONTAINED IN ANY OF THE THIRD-PARTY PREPARED DOCUMENTS PROVIDED IN SECTION 7.D.(1) OF THE CONTACT TO THE CONTRARY, SELLER HAS NOT MADE AN INDEPENDENT INVESTIGATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS THEREOF. IN THIS REGARD, BUYER ACKNOWLEDGES THAT (A) BUYER WILL MAKE ITS DECISION TO PURCHASE THE PROPERTY BASED SOLELY UPON BUYER'S OWN DUE DILIGENCE AND INVESTIGATIONS, (B) BUYER HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN REAL ESTATE INVESTMENT TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS PROVIDED IN THE CONTRACT, AND (C) BUYER IS FINANCIALLY ABLE TO BEAR THE ECONOMIC RISK OF THE LOSS OF SUCH INVESTMENT AND THE COST OF THE DUE DILIGENCE AND INVESTIGATIONS UNDER THE CONTRACT. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY BUYER SUBJECT TO THE FOREGOING.

5. No Recordation. Neither the Contract nor any memorandum, affidavit, or other instrument evidencing the Contract or relating to the Contract (other than the closing documents contemplated by

Addendum

the Contract) will ever be recorded in the Official Public Records of Travis County, Texas, or in any other public records unless attributable to a dispute between the parties.

6. Date of Deadlines. In the event that any of the deadlines set forth herein end on a Saturday, Sunday, or legal holiday for national banks in Texas, such deadline will automatically be extended to the next day which is not a Saturday, Sunday, or legal holiday. Unless otherwise expressly provided herein, the last day of any period of time described herein shall be deemed to end at 11:59 p.m., Texas time. Time is of the essence in all things pertaining to the performance of the Contract.

7. Warranties, Covenants and Representations.

A. Seller warrants, covenants and represents to Buyer as of the Effective Date and as of the Closing Date, with Buyer relying upon such warranties, covenants and representations, that:

- i. Seller is authorized and empowered, and has the full capacity and right, to enter into the Contract and perform all of its obligations under the Contract and all other agreements, documents and instruments to be executed and delivered by Seller in connection with the transactions contemplated by the Contract (the "**Seller Transaction Documents**"); no consent of any third party or governmental agency is required, and the Contract and the Seller Transaction Documents constitute a legal, valid, and binding obligation of Seller enforceable in accordance with all said documents' terms. The individuals signing the Contract and the Seller Transaction Documents executed or to be executed pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller thereto. The Contract is, and when executed and delivered with the other Seller Transaction Documents shall be, binding upon and enforceable against Seller in accordance with their respective terms. The execution and delivery by Seller, and the performance by Seller of all of the terms, of the Seller Transaction Documents, will not violate (A) any judgment, order, writ, injunction, decree, or ruling of any court or governmental agency to which Seller is a party or to which Seller is subject, (B) any law, order, rule or regulation of any governmental agency or authority, or (C) any agreement to which Seller is a party or to which Seller or the Property is subject.
- ii. There are no pending actions, suits, arbitrations, claims, investigations, proceedings or investigations of any type against or affecting the Property or Seller and, to Seller's Knowledge (as defined below), none are threatened. Seller is not currently involved in any dispute with any governmental agency, or any agents or contractors of Seller. No judgments, orders, writs, injunctions or decrees of any court or governmental agency have been entered against Seller and that have not been satisfied or released. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings are pending or, to Seller's Knowledge, threatened, against Seller or the Property.
- iii. Seller has not received any written notice of any violation of any law, rule, ordinance, order, requirement and/or regulation to which Seller or the Property is subject. Additionally, Seller has not violated any covenants, conditions, restrictions and easements that affect the Property.
- iv. There are no pending (A) special assessments (i.e. governmental, administrative or private) or (B) condemnation, eminent domain or similar actions/proceedings against any portion of the Property, and Seller has no Knowledge of any threatened,

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contemplated or pending special assessments or proceedings that would affect any portion of the Property in any manner.

- v. Seller holds good, insurable and indefeasible title to the Property subject to any matters of record shown in the Title Commitment, and no other person or entity has any claim, right, title, interest or lien of any kind in, to or on said Property, including, without limitation, pursuant to any written or oral lease.
- vi. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance or trespassers.
- vii. There are no mechanic's liens, Uniform Commercial Code liens or unrecorded liens against the Property, and Seller shall not allow any such liens to attach to the Property before the Closing that will not be satisfied out of Seller's proceeds from Closing. All obligations of Seller arising from the ownership and operation of the Property and any business operated on the Property, including, but not limited to, taxes for the calendar year prior to the year of Closing, leasing commissions, salaries, contracts, and similar agreements, have been paid or will be paid before the Closing.
- viii. Seller has not generated, stored or disposed of any Hazardous Substances (as defined below) at the Property.
- ix. Seller is not a "foreign person", but is a "United States person", as such terms are defined in Sections 1445 and 7701 of the Internal Revenue Code of 1986, as amended.
- x. Except for the Contract, Seller has not entered into any contract for the sale of, and no person or entity has any option or any other rights to purchase, all or any portion of the Property. Prior to Closing or the earlier termination of the Contract in accordance with its terms, Seller will not enter into, or negotiate the terms and conditions of, any agreement or agreements with respect to the sale of the Property or any portion thereof (whether by option to purchase, right of first refusal, contract or otherwise) to any person other than Buyer and its assigns.
- xi. Seller has not entered into any agreements affecting the Property that shall be binding on Buyer after the date of Closing.
- xii. Seller agrees to pay and discharge all ownership, management, service, and maintenance and similar fees, costs and expenses incurred with respect to periods prior to and up through Closing, specifically including, without limitation, costs and expenses relating to materials supplied and labor performed.
- xiii. Seller agrees to continue to own, maintain and manage the Property in the same manner that Seller has heretofore owned, maintained and managed the Property up to and through Closing.
- xiv. Seller will not, without Buyer's prior written consent (with such consent to be within Buyer's sole and absolute discretion): (a) grant to, create or convey any interest in the Property (or any part thereof) to any other party other than Buyer and/or Buyer's assigns, or subject the Property to any liens, encumbrances, covenants, conditions, restrictions, easements or similar matters, (b) establish or consent to the establishment of any special association, community association, property owners'

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association, architectural control committee or any other such committee having jurisdiction over all or any portion of the Property, (c) obtain a plat or re-plat that includes the Property, (d) enter into any agreement affecting access to the Property, (e) enter into any lease with respect to the Property, (f) consent to any special assessment affecting the Property, and/or (g) affirmatively cause, or authorize third parties to cause, any use, generation, release, discharge, storage or disposal of Hazardous Substances on the Property. Seller promptly will provide to Buyer such information, in writing, regarding any proposals or plans relating to the items described in clauses (a) through (g) as Buyer may reasonably request.

- xv. Seller has not received any written notice of any existing or proposed plans to widen, modify or realign any street adjoining the Property. Additionally, Seller has not received any written notice of any pending or threatened proceeding by any governmental authority, or any other fact or condition, which would limit or result in the termination of the Property's access to and from such public highways, streets and roads.
 - xvi. During the pendency of this Agreement, Seller shall maintain all liability insurance Seller was carrying on the Effective Date.
- B. The representations, warranties and covenants of Seller contained in this Contract shall survive Closing for a period of one (1) year and not merge into the Deed (as defined below).
- C. As used in this Contract, the term “**Environmental Laws**” shall mean any local, state or federal ordinance, law, statute, rule, regulation, order or decree pertaining to environmental regulation, contamination, cleanup, disclosure and/or that imposes liability or standards of conduct concerning any Hazardous Substance, any state or federal superlien, superfund or environmental clean-up or disclosure statutes, and/or any amendments to any of the foregoing or as such matters are now or any time hereafter in effect. The term “**Hazardous Substances**” shall mean all substances and materials which are (a) included under, investigated, regulated, monitored, remediated or otherwise defined as “hazardous” or “toxic” by any governmental authority, Environmental Law or any local, state or federal ordinance, statute, regulation, rule, law, common law, order, action or policy of any kind or nature, including, but not limited to, (i) raw materials which include hazardous constituents, (ii) petroleum hydrocarbons, including crude oil or any fraction thereof, and all petroleum products, (iii) polychlorinated biphenyls, (iv) lead, (v) asbestos, (vi) infectious materials, and (vii) radioactive materials; (b) toxic, explosive, corrosive, flammable, carcinogenic, mutagenic, or otherwise hazardous or environmentally sensitive and are or become regulated by any governmental authority, agency, department, commission, board, agency or instrumentality; or (c) causing or threatening to cause a hazard to the health, safety, or welfare of persons on or about the Property.
- D. The term “**knowledge**” or “**Seller’s knowledge**” or other words to that effect shall mean the current, actual knowledge, without inquiry or investigation, of Tony Juarez, an employee of Byram Properties, and the person who is the most knowledgeable of any of Seller’s representatives about the Property. Buyer acknowledges that the individual named above is named solely for the purpose of defining and narrowing the scope of Seller’s knowledge, and not for the purpose of imposing any liability on or creating any duties running from such individual to Buyer. Buyer covenants that it will bring no action of any kind against such individual, related to or arising out of these representations and warranties.
- E. If, prior to Closing, Buyer discovers that any of the representations, warranties or

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covenants made by Seller herein were, when made, or have subsequently become, materially false or misleading and Seller does not, within 30 days after written notice from Buyer requesting Seller remedy or cure such false or misleading statement, cause a change in the underlying facts to make such statement no longer materially false or misleading, then Buyer shall have the right, as its sole and exclusive remedy, by written notice delivered to Seller given prior to the Closing Date, to terminate this Contract, whereupon the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee, less the Independent Consideration) shall be returned to Buyer and the parties shall be released from all future obligations hereunder except for those that expressly survive this Contract.

8. Entire Contract. The Contract, including this Addendum and the exhibits and schedules thereto, contains the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

9. Counterparts. The Contract may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

10. Facsimile/Electronic Signatures. In order to expedite the transaction contemplated herein, emailed and/or telecopied signatures may be used in place of original signatures on the Contract. Seller and Buyer intend to be bound by the signatures on the emailed and/or telecopied document, are aware that the other party will rely on the emailed and/or telecopied signatures, and hereby waive any defenses to the enforcement of the terms of the Contract based on the form of signature.

11. Texas Law. Unless superseded by federal law, the Contract shall be construed under the laws of the State of Texas. Exclusive venue for any dispute arising out of the Contract shall be in Travis County, Texas.

12. Invalidity. If any provision in the Contract or this Addendum is invalid, illegal, or unenforceable, the Contract and this Addendum shall be construed as if such invalid, illegal, or unenforceable provision had never been in the Contract and/or this Addendum.

13. Further Assurances. In addition to the acts and deeds recited herein and contemplated to be performed, executed or delivered by Seller or Buyer, Seller and Buyer hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, on the Closing Date or thereafter any and all such further acts, deeds and assurances as Buyer or Seller, as the case may be, may reasonably require in order to consummate fully the transactions contemplated hereunder.

14. Waiver of Jury Trial. To the extent permitted by applicable law, the parties hereby waive any right to trial by jury in any legal proceeding arising out of or relating to the Contract or the transactions contemplated hereby.

15. Waivers. No waiver of any term or provision of the Contract shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided elsewhere in the Contract, no waiver shall be binding unless executed in writing by the party making the waiver. Either party may waive any term or provision of the Contract intended for its benefit.

16. Deed Form. The form of Special Warranty Deed to be delivered by Seller at Closing is attached to this Addendum as Exhibit A.

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17. Release of Earnest Money. \$5,000.00 of Earnest Money shall be non-refundable and released to Buyer within three (3) business days of the receipt of Earnest Money by Title Agent (the "Hard Deposit"). Commencing on April 1, 2021 and continuing on the first calendar day of each month thereafter, the Buyer hereby authorizes the escrow agent to release \$1,500 of the Earnest Money deposited by Buyer pursuant to Section 5.A of the Contract to Seller (the "Released Earnest Money") until the earlier of (a) the Contract is terminated pursuant to the terms thereof, or (b) the date of the closing of the purchase and sale of the Property. The Released Earnest Money shall be non-refundable to Buyer, except as otherwise provided herein, and shall be applied to the sales price at closing. The escrow agent's failure to timely release any Released Earnest Money due shall not be deemed a default by Buyer under the Contract.

18. Second Earnest Money Deposit. If Buyer does not terminate this Agreement by delivering written notice thereof to Seller on or prior to May 29, 2021, Buyer shall deposit with the title company on or prior to such date additional earnest money in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (the "Second Earnest Money Deposit"). The Second Earnest Money Deposit shall be (i) non-refundable to Buyer, except as otherwise provided herein or in the Contract, and (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money. Notwithstanding the foregoing or anything contained herein or in the Contract to the contrary, in the event Buyer terminates the Contract pursuant to the termination right set forth in Section 7.B of the Contract (and not due to a Seller default), the Second Earnest Money Deposit shall be released to Seller.

19. Third Earnest Money Deposit. If Buyer does not terminate this Agreement by delivering written notice thereof to Seller on or prior to July 31, 2021, Buyer shall deposit with the title company on or prior to such date additional earnest money in the amount of One Hundred Twenty-Five Thousand and 00/100 Dollars (\$125,000.00) (the "Third Earnest Money Deposit", and together with the Second Earnest Money Deposit, the "Additional Deposits"). The Third Earnest Money Deposit shall be (i) non-refundable to Buyer, except as otherwise provided herein or in the Contract, (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money. Notwithstanding the foregoing or anything contained herein or in the Contract to the contrary, in the event Buyer terminates the Contract pursuant to the termination right set forth in Section 7.B of the Contract (and not due to a Seller default), the Third Earnest Money Deposit shall be released to Seller.

20. Rollback Taxes. If the sale contemplated hereby, a change in the use of the Property, or denial of any special use valuation of the Property would result in the assessment after the closing of additional taxes and interest applicable to the period of time before the closing ("Rollback Taxes"), then Buyer shall be responsible for the payment of the Rollback Taxes (including interest and penalties) if and when assessed after the closing. If any Rollback Taxes are due before the closing due to Seller's change in use of the Property or a denial of a special use valuation of the Property, then Seller shall pay those Rollback Taxes (including any interest and penalties) at or before the closing.

21. Plans and Approvals. Buyer shall have the right to file, at Buyer's expense, applications and plans necessary to obtain site development permits, any rezoning, and/or any other agreement, approval, or permit from any governmental authorities having jurisdiction over the Property that Buyer deems appropriate in connection with its intended use of the Property ("Buyer's Entitlements"). At no cost to Seller, Seller agrees to designate Buyer as Seller's agent to process applications for Buyer's Entitlements. Additionally, Seller agrees, at no cost to Seller, to join in the execution of any application required for Buyer's Entitlements (or file such application individually if required by the relevant governmental authority). Notwithstanding anything to the contrary contained herein, Buyer shall not, prior to the Closing Date, record or file with the City of Austin or other governmental authority any encumbrance, zoning ordinance or other document burdening Seller or the Property with any of Buyer's Entitlements without obtaining Seller's prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed.

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22. Feasibility Extension. Section 7.B.(2) of the Contract is hereby amended by adding the following at the end thereof:

"Such feasibility extension fee shall become a part of the earnest money, and the aggregate total of the earnest money shall be (i) non-refundable, except as otherwise provided herein, (ii) applied to the sales price at closing, and (iii) otherwise treated in the same manner as the earnest money."

23. Buyer's Title Objections. The last sentence of Section 6.C.(2) of the Contract is deleted and the following shall be inserted in lieu thereof: "If Buyer terminates, the earnest money (which shall include, to the extent applicable, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee, but not the Released Earnest Money), less any independent consideration under Paragraph 7B(1), will be refunded to Buyer."

24. Seller Default. Section 15.B.(1) of the Contract is deleted and the following shall be inserted in lieu thereof: "terminate this contract and receive the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee), less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy;". Section 15.C.(1) of the Contract is deleted and the following shall be inserted in lieu thereof: "terminate this contract and receive the earnest money (which shall include, to the extent applicable, the Released Earnest Money, the Additional Deposits, Closing Extension Fees, and the feasibility extension fee), less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy;".

25. Notice and Cure. Notwithstanding the terms of Paragraph 15 of the Contract, neither Seller nor Buyer shall be deemed in default under the Contract until the non-defaulting party has delivered written notice of such default to the defaulting party and the defaulting party does not cure such default within five (5) days of its receipt of said notice.

26. Seller's Broker Fees. With respect to Paragraph 9 of the Contract, Seller shall pay all broker fees and commissions arising by, through or under Seller, if any, at closing pursuant to the terms of a separate agreement. Seller indemnifies Buyer against, and shall hold Buyer harmless from, any and all suits, claims, demands, judgments, damages, costs and expenses of or for all such broker fees and/or commissions, and shall pay all costs of defending any action or lawsuit brought to recover any fees or commissions incurred by Buyer, including without limitation reasonable attorneys' fees.

27. Buyer's Broker Fees. With respect to Paragraph 9 of the Contract, Buyer shall pay all broker fees and commissions arising by, through or under Buyer, if any, at closing pursuant to the terms of a separate agreement. Buyer indemnifies Seller against, and shall hold Seller harmless from, any and all suits, claims, demands, judgments, damages, costs and expenses of or for all such broker fees and/or commissions, and shall pay all costs of defending any action or lawsuit brought to recover any fees or commissions incurred by Seller, including without limitation reasonable attorneys' fees.

28. Termination. Seller shall have the option to terminate the contract by written notice to Buyer on or before February 15, 2021. Buyer shall receive a full and prompt refund of Earnest Money including the Hard Deposit, together with accrued interest thereon, without the need for the Seller's consent for the release.

29. Extensions. Buyer shall have the right to extend the Closing date three (3) times for forty-five (45) days each, by delivering to Seller written notice thereof prior to the end of the then applicable Closing date, and delivering to the Title Company an extension fee in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) (each, an "Extension Fee") for each extension. Each Extension Fee shall become a part of and treated in the same manner as the Earnest Money and shall be (i) non-refundable to Buyer except to the extent the Earnest Money is refundable to Buyer pursuant to the terms of this Contract, and (ii) applied to the Purchase Price at Closing.

Addendum


SIGNATURE PAGE

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership

BY: Pat Ivy

By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner


BY: 
Pat Ivy
Secretary/Treasurer
Jan 06 2021

By: _____
Name: John D. Byram
Title: Chief Executive Officer

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California corporation,
its manager

By: 
Name: W. Patrick McDowell
Title: Chairman & CEO

Addendum

SIGNATURE PAGE

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership

By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner

By: _____
Name: John D. Byram
Title: Chief Executive Officer

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California corporation,
its manager

By: _____
Name:
Title:

Addendum

EXHIBIT A

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

(Form of Special Warranty Deed)

SPECIAL WARRANTY DEED

THE STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

§

COUNTY OF TRAVIS

§

183 APARTMENT SITE, LTD., a Texas limited partnership (hereinafter referred to as "Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by _____, a _____ (hereinafter referred to as "Grantee"), whose mailing address is [601 Brickell Key Drive, Suite 700, Miami, Florida 33131, Attn: Christopher Shear], the receipt and sufficiency of which consideration are hereby acknowledged and confessed, does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee, and its successors and assigns forever, all of that certain real property situated in Travis County, Texas, described on Exhibit A attached hereto and made a part hereof for all purposes, and all rights, privileges and appurtenances pertaining thereto (the "Land"), together with any right, title and interest of Grantor, if any, relating to, associated with, and/or appurtenant to the Land, including but not limited to: (a) adjacent streets, alleys, and rights-of-way, (b) riparian and water rights, (c) air rights, (d) uses, servitudes, licenses, easements, tenements, hereditaments and appurtenances now or hereafter belonging to or benefiting the Land, (e) oil, gas and other minerals lying on or under the Land, (f) buildings, improvements and fixtures located on or under the Land; and (g) licenses, warranties, and permits (all of the foregoing, together with the Land, being referred to collectively herein as the "Property").

TO HAVE AND TO HOLD the Land, together with all and singular the rights and appurtenances thereto in anywise belonging to Grantor, unto Grantee and its successors and assigns, forever; and Grantor does hereby bind itself and its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Land unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

The warranty of title to the Land provided by Grantor herein is expressly made subject only to those encumbrances set forth on Exhibit B attached hereto and made a part hereof for all purposes, to the extent and only to the extent that the same are valid and subsisting and affect the Land (the "**Exceptions**").

This conveyance is being made by Grantor and accepted by Grantee subject to taxes for the year 2020, the payment of which shall be prorated between Grantor and Grantee in accordance with the terms of the Contract (as defined herein).

GRANTEE ACKNOWLEDGES AND AGREES IT HAS CONDUCTED ITS OWN INDEPENDENT INVESTIGATION AND INSPECTION OF ALL ASPECTS OF THE PROPERTY PRIOR TO THE DATE OF THIS DEED. GRANTEE FURTHER ACKNOWLEDGES AND AGREES

Addendum

THAT IT IS RELYING SOLELY ON SUCH INDEPENDENT INVESTIGATION AND INSPECTION IN PURCHASING THE PROPERTY AND IS NOT RELYING ON ANY INFORMATION PROVIDED BY GRANTOR. GRANTEE FURTHER ACKNOWLEDGES THAT IT IS FULLY AND COMPLETELY SATISFIED THAT THE PROPERTY IS SATISFACTORY IN ALL RESPECTS FOR ITS INTENDED USE AND GRANTEE SHALL HAVE NO RECOURSE WHATSOEVER AGAINST GRANTOR IN CONNECTION WITH THE PROPERTY EXCEPT FOR GRANTOR'S REPRESENTATIONS AND WARRANTIES SET FORTH IN THE COMMERCIAL CONTRACT – UNIMPROVED PROPERTY BETWEEN GRANTOR, AS SELLER, AND GRANTEE, AS BUYER (THE "CONTRACT"). EXCEPT FOR GRANTOR'S SPECIAL WARRANTY OF TITLE PROVIDED HEREIN AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE CONTRACT, GRANTEE HEREBY ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, AND GRANTEE HEREBY WAIVES ANY SUCH REPRESENTATION, WARRANTY, PROMISE, COVENANT, AGREEMENT OR GUARANTY, AND GRANTEE ACKNOWLEDGES THAT GRANTOR IS CONVEYING THE PROPERTY TO GRANTEE "AS IS, WHERE IS", AND "WITH ALL FAULTS." SECTION 4 OF THE ADDENDUM TO THE CONTRACT IS INCORPORATED INTO THIS SPECIAL WARRANTY DEED FOR ALL PURPOSES.

[VENDOR'S LIEN LANGUAGE TO BE INSERTED IF BUYER ELECTS SELLER FINANCING]

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the ____ day of _____ 20__.

GRANTOR:

183 APARTMENT SITE, LTD., a Texas limited partnership

By: JDB REAL PROPERTIES, INC., a Texas corporation,
Its General Partner

Pro Forma – Do Not Sign

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS

§

COUNTY OF _____

§

§

This instrument was acknowledged before me on the ____ day of _____ 20__,
by _____, as _____ of _____

Addendum

JDB Real Properties, Inc., the General Partner of 183 Apartment Site, Ltd., a Texas limited partnership,
on behalf of said partnership.

Notary Public, State of Texas

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Exhibit A to Special Warranty Deed

Legal Description

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas.

Exhibit B to Special Warranty Deed

Exceptions

Addendum

EXHIBIT B**(Form of Promissory Note)****REAL ESTATE LIEN NOTE AND LOAN AGREEMENT NOTICE****** LOAN AGREEMENT NOTICE ****

NOTICE: THIS DOCUMENT AND ALL OTHER DOCUMENTS RELATING TO THIS LOAN CONSTITUTE A WRITTEN LOAN AGREEMENT WHICH REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS LOAN.

DATED: _____

<u>LENDER/FINANCIAL INSTITUTION:</u> 183 APARTMENT SITE, LTD., a Texas limited partnership By: JDB REAL PROPERTIES, INC., a Texas corporation, Its General Partner <p style="text-align: center;"><i>Pro Forma – Do Not Sign</i></p> By: _____ Name: _____ Title: _____	<u>MAKER/DEBTOR/OBLIGOR:</u> _____, a <p style="text-align: center;"><i>Pro Forma – Do Not Sign</i></p> By: _____ Name: _____ Title: _____
---	--

**** REAL ESTATE LIEN NOTE ****

DATE:

MAKER:

MAKER'S MAILING ADDRESS:

PAYEE: 183 APARTMENT SITE, LTD., a Texas limited partnership

PAYEE'S MAILING ADDRESS AND PLACE FOR PAYMENT:

PRINCIPAL AMOUNT: Three million six hundred thousand and 00/100 Dollars (\$3,600,000.00)

ANNUAL INTEREST RATE ON UNPAID PRINCIPAL FROM DATE OF FUNDING:

Six and one-half percent (6.50%)

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TERMS OF PAYMENT: (Interest Only): Interest on the outstanding Principal Amount under this Real Estate Lien Note (this "**Note**") shall be due and payable in monthly installments of _____/100ths Dollars (\$_____), each payable on the _____ (_____) day of each and every calendar month, the first payment being due on the _____ (_____) day of _____, 20____, and continuing regularly thereafter until _____, 20____ (the "**Maturity Date**") whereupon payment of the outstanding Principal Amount and all accrued and unpaid interest thereon shall be due and payable in full.

In the event any portion of the sums hereby loaned cannot be lawfully secured by the Deed of Trust securing this Note, payments in reduction of such sums shall be applied first to those portions not secured by the Deed of Trust. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Note, or the Deed of Trust securing same, whether considered separately or together with other charges that are considered a part of this Note and the Deed of Trust securing same, violates such law by reason of the acceleration of the indebtedness herein set forth, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Lender in excess of the amounts permitted by applicable law shall be applied by Lender to reduce the principal of the indebtedness evidenced by this Note, or, at Lender's option, be refunded.

The Maker hereof reserves the right to prepay this Note, in whole or in part, at any time prior to maturity without penalty, premium or restriction of any kind. Any prepayments are to be applied to the payment of installments last maturing and interest will immediately cease on the prepaid principal.

ANNUAL INTEREST RATE ON MATURED, UNPAID AMOUNTS: Past due principal and interest shall bear interest at ten percent (10.00%) per annum.

SECURITY FOR PAYMENT: A vendor's lien expressly retained in that certain Special Warranty Deed of even date herewith to Maker and executed by Payee to the Maker hereof upon the hereinafter described real property, and is additionally secured by a Deed of Trust to William D. Brown, Trustee (the "**Property**"), known as 1701 East Anderson Lane,, Austin, Texas, and further described as follows:

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas.

Maker promises to pay to the order of Payee at the place for payment and according to the terms of payment the principal amount plus interest at the rates stated above. All unpaid amounts shall be due by the final scheduled payment date.

If Maker defaults in the payment of this Note or in Maker's payment obligation in any instrument securing or collateral to it, then Payee shall give Maker written notice of such default at the Maker's Mailing Address and Maker shall have ten (10) days from the date of the written notice to cure such default; provided, however, Payee shall only be obligated to give Maker written notice of a payment default two (2) times during any calendar year during the term of this Note. In the event Maker fails to cure such default within such cure time period, then Payee may declare the unpaid principal balance and earned interest on this Note immediately due.

If Maker defaults in the performance of any non-monetary obligation in this Note or in any instrument securing or collateral to it, then Payee shall give Maker written notice of such default at the Maker's Mailing Address and Maker shall have thirty (30) days from the date of the written notice to cure such default; provided, however, if the nature of such non-monetary obligation cannot be cured within such

Addendum

thirty (30) day time period, then Maker shall not be deemed in default of this Note or any other instrument securing or collateral to it so long as Maker commenced curing such default within the thirty (30) day time period and diligently pursues such cure thereafter and cures such default in all events within one hundred twenty (120) days from the date of written notice of such default. In the event Maker fails to cure such default within such cure time period or commences to cure such default (whichever is applicable), then Payee may declare the unpaid principal balance and earned interest on this Note immediately due.

If this Note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Maker shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due.

Maker is responsible for the entire amount of this Note.

The terms Maker and Payee and other nouns and pronouns include the plural if more than one. The terms Maker and Payee also include, without limitation, their respective heirs, personal representatives, successors and assigns.

Nothing in this Note shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Payee for the use, forbearance, or detention of the money to be lent hereunder exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Payee shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Maker and Payee.

PAYEE'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS: If Maker fails to pay before the same become delinquent, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Payee may, at its option and without waiver of any other rights granted by this Note or the Deed of Trust securing same for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Payee shall immediately become due to Payee, together with interest thereon from the date on which said payments were made at the rate provided in this Note, and all such amounts shall be added to and become a part of the indebtedness secured by this Note.

Maker shall pay a charge of \$25.00 for any check returned for any reason.

Late charges, fees incurred for failure to furnish proof of insurance or taxes and returned check charges may be deducted from monthly payments prior to the application of the payment received for principal and interest.

IN THE EVENT ANY INSTALLMENT OF THE NOTE SHALL BECOME OVERDUE AND NOT SUCCESSFULLY DEPOSITED IN PAYEE'S BANK ACCOUNT WITHIN TEN (10) DAYS OF THE

Addendum

DUE DATE OF SUCH INSTALLMENT, THEN, IN ADDITION TO THE MAKER BEING DEEMED TO BE IN DEFAULT OF THIS NOTE, WITH PAYEE HAVING ANY AND ALL RIGHTS AND REMEDIES DESCRIBED HEREIN OR OTHERWISE AFFORDED BY LAW TO PURSUE AGAINST MAKER, A CHARGE OF FIVE PERCENT (5%) OF THE TOTAL MONTHLY PAYMENT FOR EACH MONTH SO OVERDUE MAY BE CHARGED BY THE PAYEE OF THE NOTE FOR THE PURPOSE OF DEFRAYING THE EXPENSE INCIDENT TO HANDLING SUCH DELINQUENT PAYMENTS. THIS LATE CHARGE IS NOT A GRACE PERIOD, AND ALL INSTALLMENTS ARE DUE PROMPTLY ON THEIR DUE DATE.

ALL PAYMENTS HEREUNDER SHALL BE APPLIED FIRST TO UNPAID FEES, COSTS AND EXPENSES THEN DUE AND PAYABLE UNDER THE NOTE OR DEED OF TRUST, SECOND TO ACCRUED INTEREST DUE AND PAYABLE UNDER THE NOTE, AND FINALLY TO REDUCE THE PRINCIPAL AMOUNT OUTSTANDING.

NOTICE PROVISION: Maker expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document and shall remain the address for notices unless Maker requests IN WRITING that the notice be sent to a different address.

This written Note and the Deed of Trust securing same represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

THIS NOTE IS PAYABLE IN FULL ON THE MATURITY DATE. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE NOTE AND UNPAID ACCRUED INTEREST THEN DUE. THE PAYEE IS UNDER NO OBLIGATION TO REFINANCE THE NOTE AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY AT PREVAILING MARKET RATES, WHICH MAY BE CONSIDERABLY HIGHER OR LOWER THAN THE INTEREST RATE ON THIS NOTE. IF YOU REFINANCE THIS NOTE AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.

Addendum

MAKER/DEBTOR/OBLIGOR:

_____ ***Pro Forma – Do Not Sign*** a

By: _____

Name: _____

Title: _____

Addendum

EXHIBIT C

(Form of Deed of Trust)

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DEED OF TRUST

DATE:

GRANTOR:

GRANTOR'S ADDRESS:

TRUSTEE: WILLIAM D. BROWN

TRUSTEE'S ADDRESS: 2705 BEE CAVES ROAD, SUITE 160, AUSTIN, TEXAS 78746

BENEFICIARY: 183 APARTMENT SITE, LTD., a Texas limited partnership

BENEFICIARY'S ADDRESS: 510 SOUTH CONGRESS AVE., SUITE 400, AUSTIN, TEXAS 78704

NOTE:

NOTE DATE:

NOTE AMOUNT: \$3,600,000.00

NOTE MAKER:

NOTE PAYEE: 183 APARTMENT SITE, LTD., a Texas limited partnership

FINAL MATURITY DATE: [insert maturity date that is 2 years from the closing date]

TERMS OF PAYMENT: As therein set forth

PROPERTY (INCLUDING ANY IMPROVEMENTS):

Lot One (1), WALNUT CREEK CENTER, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in Volume 86, Page 37B of the Plat Records of Travis County, Texas; together with the following: (a) any and all buildings, improvements, and tenements now or hereafter erected on the Property; (b) any and all heretofore or hereafter vacated alleys and streets abutting the Property, easements, rights, appurtenances, rents, leases, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the Property; (c) any and all fixtures, machinery, equipment, building materials, appliances, and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to: those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; plumbing and plumbing fixtures; refrigerating, cooking and laundry equipment; floor coverings and interior and exterior window treatments; furniture and cabinets; interior and exterior plantings and plant and lawn maintenance equipment; (e) any and all contracts and subcontracts relating to the Property; (f) any and all accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions related to the Property; (g) any and all permits,

Addendum

licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property; (h) any and all proceeds arising from or by virtue of the sale, lease, or other disposition of any of the Property; (i) any and all proceeds payable or to be payable under each policy of insurance relating to the Property; (j) any and all proceeds arising from the taking of all or a part of the Property for any public or quasi public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; (k) all other interests of every kind and character which Grantor now has or at any time hereafter acquires in and to the Property, including all other items of property and rights described elsewhere in this instrument.

OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY: This conveyance is made and accepted subject to, without limitation, any and all conditions, restrictions, reservations, easements, licenses, permits, covenants, rights-of-way or prescriptive rights affecting the Property, whether or not appearing in the applicable county records.

PRIOR LIENS: NONE

For value received and to secure payment of the Note, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property by, through and/or under Grantor, but not otherwise. If Grantor performs all the covenants and pays the Note according to its terms, this Deed of Trust shall have no further effect, and Beneficiary shall release it at Beneficiary's expense.

GRANTOR'S OBLIGATIONS:

Grantor agrees to:

1. Keep the Property in good repair and condition;
2. Pay all taxes and assessments on the Property before the same become delinquent;
3. Preserve the lien's priority as it is established in this Deed of Trust;
4. If the Property is improved, maintain, in a form reasonably acceptable to Lender, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Lender approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. protects Beneficiary with a standard mortgage clause;
 - d. provides flood insurance at any time the Property is in a flood hazard area; and
 - e. contains such other coverage as Beneficiary may reasonably require.
5. Comply at all times with the requirements of the 80% coinsurance clause;
6. Deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten (10) days before expiration;
7. Keep any buildings occupied as required by the insurance policy; and
8. If this is not a first lien, pay all prior lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS:

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee. If Trustee or his successor or substitute shall have given notice of sale

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hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the Property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.

2. If the proceeds of the Note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.

3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the Note or to repair or replace damaged or destroyed improvements covered by the policy.

4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the Note is payable for any sums so paid, including reasonable attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this Deed of Trust.

5. If Grantor defaults on the Note or fails to perform any of Grantor's obligations or if default occurs on a prior lien Note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement (e.g. the Note), then Beneficiary may:

- a. declare the unpaid principal balance and earned interest on the Note immediately due;
- b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Note.

TRUSTEE'S DUTIES:

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. Either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. Sell and convey all or part of the Property to the highest bidder for cash with a special warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. From the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
 - b. to Beneficiary, the full amount of principal, interest, reasonable attorney's fees, and other charges due and unpaid on the Note;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance.

GENERAL PROVISIONS:

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any Trustee's deed conveying the Property will be presumed to be true.

Addendum

3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended, or part of the Property is released.

5. In the event any portion of the sums intended to be secured by this Deed of Trust cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Deed of Trust or in the Note, whether considered separately or together with other charges that are considered a part of this Deed of Trust and Note transaction, violates such law by reason of the acceleration of the indebtedness secured hereby, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Beneficiary in excess of the amounts permitted by applicable law shall be applied by Beneficiary to reduce the principal of the indebtedness evidenced by the Note, or, at Beneficiary's option, be refunded.

6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including reasonable attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the Note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums unless such liability arises from Beneficiary's gross negligence or willful misconduct.

7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may collect rent and other income and receipts as long as Grantor is not in default under the Note or this Deed of Trust. Grantor will apply all rent and other income and receipts to payment of the Note and performance of this Deed of Trust, but if the rent and other income and receipts exceed the amount due under the Note and Deed of Trust, Grantor may retain the excess. If Grantor defaults in payment of the Note or performance of this Deed of Trust, Beneficiary may terminate Grantor's license to collect rent and then as Grantor's agent may rent the Property if it is vacant and collect all rent and other income and receipts. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the Property. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the Note and this Deed of Trust in the order reasonably determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes voluntarily or involuntarily bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term "Note" includes all sums secured by this Deed of Trust.

10. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

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11. If Grantor and Maker are not the same person, the term "Grantor" shall include Maker.

12. Grantor represents that this Deed of Trust and the Note are given for the following purposes: the indebtedness, the payment of which is hereby secured, is in part payment of the sales price of the real property herein described, and is also secured by a vendor's lien thereon retained in that certain Special Warranty Deed of even date herewith to the undersigned, and this Deed of Trust is given as additional security for the payment of said indebtedness.

13. The Note hereby secured is not assumable. If all or any part of the real property herein described is sold, transferred or otherwise conveyed, including by contract of sale, without Beneficiary's prior written consent, which consent is in Beneficiary's sole and absolute discretion, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable. The creation of a subordinate lien without the consent of Beneficiary will be construed as a sale or conveyance of the Property, but any subsequent sale under a subordinate lien to which Beneficiary has consented will not be considered as a sale or conveyance of the Property. Notwithstanding anything to the contrary contained herein, any deed under threat or order of condemnation, or passage of title by reason of death of a maker or by operation of law will not be construed as a sale or conveyance of the Property.

14. Grantor agrees that in the event of any sale, voluntary, judicial, or made under the terms of this Deed of Trust, of the real property herein described, the purchaser at such sale shall acquire title to all insurance policies thereon held by the Grantor, including all paid but unearned premiums on such policies and any monies representing payment of claims under the policy, and Grantor appoints Beneficiary as its attorney-in-fact for the purpose of endorsing a draft or check received in payment of such a claim and for the purpose of applying such claim proceeds first to repairs of the insured premise and the excess, if any, to the unpaid balance of the Note.

15. Nothing in the Note hereby secured shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Grantor and Beneficiary are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Beneficiary for the use, forbearance, or detention of the money lent exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of the Note hereby secured at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Beneficiary shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under said Note hereby secured, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Grantor and Beneficiary.

16. **BENEFICIARY'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS:** If Grantor fails to pay before the same become delinquent, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Beneficiary may, at its option and without waiver of any other rights granted by the Note hereby secured or this Deed of Trust for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Beneficiary shall immediately become due to Beneficiary, together with interest thereon from the date on which said payments were made at the rate provided in the Note hereby

Addendum

secured, and all such amounts shall be added to and become a part of the indebtedness secured by this Deed of Trust.

17. It is specifically agreed and understood that the creation of a lien against the real property described herein for the purpose of paying ad valorem taxes on the Property shall be a default hereunder and Beneficiary may immediately commence proceedings to protect its lien position and Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

18. **Notice Provision: Grantor expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document and shall remain the address for notices unless Grantor requests IN WRITING that the notice be sent to a different address.**

19. Grantor represents and warrants to Beneficiary that it will not knowingly place, hold, locate or dispose of any toxic materials or hazardous waste in, on or under the Property or any part thereof in violation of applicable law. Grantor covenants and agrees to comply strictly with all environmental laws, rules or regulations. Grantor agrees to (a) promptly give notice to Beneficiary upon Grantor's acquiring knowledge of the presence of any toxic materials or hazardous waste on the Property or of any contamination in connection therewith; and (b) promptly comply with any governmental requirements requiring the removal, treatment or disposal of such toxic materials or hazardous waste and provide Lender with satisfactory evidence of such compliance. Beneficiary shall have the right, but not the obligation, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with any toxic materials or hazardous waste on the Property.

20. This Deed of Trust is intended to be a security agreement pursuant to the Texas Business and Commerce Code (the "Code") for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Code, and Grantor hereby grants Lender a security interest in said items. Grantor agrees that Lender may file this Deed of Trust, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Grantor agrees to execute and deliver to Lender, upon Lender's request, any financing statement, as well as extensions, renewals and amendments thereof, and reproduction of this Deed of Trust in such form as Lender may require to perfect a security interest with respect to said items. Grantor shall pay all costs of filing such financing statement and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without prior written consent of Lender, Grantor shall not create or suffer to be created pursuant to the Code any other security interest in said items, including replacements and additions thereto. Upon Grantor's breach of any covenant or agreement of Grantor contained in this Deed of Trust, including the covenants to pay when due all sums secured by this Deed of Trust, Lender shall have the remedies of a secured party under the Code and, at Lender's option, may also invoke the remedies provided in this Deed of Trust as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Code or of the remedies provided in this Deed of Trust.

Addendum

21. If Grantor (i) shall execute an assignment for the benefit of creditors or an admission in writing by Grantor of Grantor's inability to pay, or Grantor's failure to pay, debts generally as the debts become due; or (ii) shall allow the levy against the Property or any part thereof, of any execution, attachment, sequestration or other writ which is not vacated within sixty days after the levy; or (iii) shall allow the appointment of a receiver, trustee or custodian of Grantor or of the Property or any part thereof, which receiver, trustee or custodian is not discharged within sixty (60) days after the appointment; or (iv) files as a debtor a petition, case, proceeding or other action pursuant to, or voluntarily seeks of the benefit or benefits of the U.S. Bankruptcy Code or any other debtor relief law, or takes any action in furtherance thereof; or (v) files either a petition, complaint, answer or other instrument which seeks to effect a suspension of, or which has the effect of suspending any of the rightful remedies or powers of the Beneficiary or the trustee under the Note, this Deed of Trust or in any other loan document; or (vi) allows the filing of a petition, case, proceeding or other action against Grantor as a debtor under the U.S. Bankruptcy Code or any other any debtor relief law or seeks appointment of a receiver, trustee, custodian or liquidator of Grantor or of the Property, or any part thereof, or of any significant portion of Grantor's other property and (a) Grantor admits, acquiesces in or fails to contest diligently the material allegations thereof, or (b) the petition, case, proceeding or other action results in the entry of an order for relief or order granting the relief sought against Grantor, or (c) the petition, case, proceeding or other action is not permanently dismissed or discharged on or before the earlier of trial thereon or sixty (60) days next following the date of filing, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

(remainder of page intentionally left blank; signature page follows)

Addendum

GRANTOR:

_____, a

Pro Forma – Do Not Sign

By: _____

Name: _____

Title: _____

STATE OF _____ §
COUNTY OF _____ §

This instrument is acknowledged before me on this ____ day of _____, 20__, by
_____, _____ of _____, a _____, on behalf of said
entity.

Notary Public for the State of _____

My Commission Expires: _____

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT

This First Amendment to Purchase and Sale Agreement (this "First Amendment") is made as of May 25, 2021, by and between MCDOWELL ACQUISITIONS, LLC, a Delaware limited liability company ("Buyer") and 183 Apartment Site LTD., a Texas limited partnership ("Seller").

WHEREAS, Buyer and Seller, entered into that certain Commercial Contract – Unimproved Property effective January 6, 2021 (the "Agreement"), concerning the purchase and sale of that certain tract of land located in Austin, Travis County, Texas, as more particularly described in the Agreement (the "Property");

WHEREAS, Buyer and Seller executed that certain Addendum to Commercial Contract – Improved Property (the "Addendum") which is attached to and deemed a part of the Agreement;

NOW THEREFORE, for good and sufficient mutual consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, it is agreed to by Seller and Buyer as follows:

1. The Agreement remains in full force and effect and remains unmodified except as expressly amended by this First Amendment. Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Agreement.
2. Section 10.A.(1) of the Contract is hereby amended by deleting the reference to "December 15, 2021" and inserting "January 15, 2022" in lieu thereof.
3. Section 18 of the Addendum is hereby amended by deleting the reference to "May 29, 2021" and inserting "June 30, 2021" in lieu thereof.
4. Section 19 of the Addendum is hereby amended by deleting the reference to "July 31, 2021" and inserting "August 31, 2021" in lieu thereof.
5. Seller and Buyer represent and warrant to each other that no default under the Agreement has occurred and is continuing as of the date of this First Amendment.
6. This First Amendment may be executed in counterparts, each of which shall be deemed an original document, but all of which will constitute one single document. A facsimile or email copy of this First Amendment and any signatures thereof shall be considered for all purposes as originals.
7. If any term or provision of this First Amendment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this First Amendment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or


unenforceable, shall not be affected thereby, and each such term and provision of this First Amendment shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, each of the parties below has executed this document.

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California Corporation,
its manager

By: 
Name: W. Patrick McDowell
Title: President

Date: May 25, 2021

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership

By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner

By: 
Name: Pat Ivy
Title: Secretary/Treasurer

Date: 5/25/2021, 2021

SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement (this “Second Amendment”) is made as of June ___, 2021, by and between MCDOWELL ACQUISITIONS, LLC, a Delaware limited liability company (“Buyer”) and 183 Apartment Site LTD., a Texas limited partnership (“Seller”).

WHEREAS, Buyer and Seller, entered into that certain Commercial Contract – Unimproved Property effective January 6, 2021 (the “Initial Agreement”), as amended by that certain First Amendment to Purchase and Sale Agreement effective May 25, 2021 (the “First Amendment”) (the Initial Agreement and the First Amendment are collectively referred to as the “Agreement”), concerning the purchase and sale of that certain tract of land located in Austin, Travis County, Texas, as more particularly described in the Agreement (the “Property”);

WHEREAS, Buyer and Seller executed that certain Addendum to Commercial Contract – Improved Property (the “Addendum”) which is attached to and deemed a part of the Agreement;

NOW THEREFORE, for good and sufficient mutual consideration, the receipt and sufficiency of which is hereby acknowledged by both parties, it is agreed to by Seller and Buyer as follows:

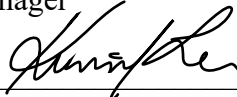
1. The Agreement remains in full force and effect and remains unmodified except as expressly amended by this Second Amendment. Capitalized terms used but not otherwise defined herein shall have the same meaning as in the Agreement.
2. Section 18 of the Addendum is hereby amended by deleting the reference to “June 30, 2021” and inserting “July 31, 2021” in lieu thereof.
3. Seller and Buyer represent and warrant to each other that no default under the Agreement has occurred and is continuing as of the date of this Second Amendment.
4. This Second Amendment may be executed in counterparts, each of which shall be deemed an original document, but all of which will constitute one single document. A facsimile or email copy of this Second Amendment and any signatures thereof shall be considered for all purposes as originals.
5. If any term or provision of this Second Amendment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Second Amendment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Second Amendment shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, each of the parties below has executed this document.

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California Corporation,
its manager

By: 
Name: Kenneth Lee
Title: President

Date: 6/30/2021, 2021

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership

By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner

By: _____
Name: Pat Ivy
Title: Secretary/Treasurer

Date: _____, 2021

IN WITNESS WHEREOF, each of the parties below has executed this document.

BUYER:

MCDOWELL ACQUISITIONS, LLC,
a Delaware limited liability company

By: McDowell Properties,
a California Corporation,
its manager

By: _____

Name: Kenneth Lee

Title: President

Date: _____, 2021

SELLER:

183 APARTMENT SITE, LTD.,
a Texas limited partnership

By: JDB Real Properties, Inc.,
a Texas corporation,
its general partner

By: Pat Ivy

Name: Pat Ivy

Title: Secretary/Treasurer

Date: June 30, 2021

5.e. Phase I ESA



Global Vision
Local Insight

PHASE I ENVIRONMENTAL SITE ASSESSMENT

**Anderson Creek
1701 East Anderson Lane
Austin, Texas 78752**

PREPARED FOR:

Texas Department of Housing and Community Affairs
&
McDowell Housing Partners
601 Brickell Key Drive, Suite 700
Miami, Florida 33131

February 10, 2021



Global Vision
Local Insight

Phase I Environmental Site Assessment

Deepa Vasan from AHFC
requested that we remove
the Phase I because the file
was too large

**Anderson Creek
1701 East Anderson Lane
Austin, Texas 78752**

**Progea Project No: 21018
February 10, 2021**

Prepared for:

**Texas Department of Housing and Community Affairs
&
McDowell Housing Partners
601 Brickell Key Drive, Suite 700
Miami, Florida 33131**

Prepared By:

**Progea, Inc.
www.progeaglobal.com
214.214.4330**

5.f. SHPO

NOT
APPLICABLE

APPENDIX

Deepa Vasan from AHFC
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because the file was too large