

Executive Summary

Foundation Communities (FC) is submitting this application as a request for both a partnership with Austin Housing Finance Corporation and contribution of acquisition funds for a hotel conversion. This is a timely and time-sensitive opportunity for FC to partner with AHFC to create approximately 120 units of permanent supportive housing targeted for individuals exiting homelessness. FC has been on the hunt for an extended stay hotel for several months. This hotel meets a lot of our redevelopment goals as it is in good condition, has great potential for adaptive reuse, and is located in a very desirable, high opportunity, and transit connected area of North Austin.

Despite taking a hit from the pandemic, Austin's hotel for sale market is still very competitive. The hotel seller has required confidentiality and a tight 60 day due diligence period. Most of the third party reports and due diligence items required in this application will be completed over the next 60 days. We submitted this application without the due diligence with hopes to expedite and secure critical acquisition funding from AHFC first, while quickly moving forward with due diligence and other funding applications.

With this application we propose that AHFC purchase and retain ownership of the hotel, then enter a ground lease with an Foundation Communities affiliate to redevelop the new community and act as the long-term manager and service provider. Foundation Communities is the ideal partner for this because we have successfully demonstrated a similar model with 2 other Austin hotel conversions in which AHFC owns the land and FC manages the community. We are the largest nonprofit provider of affordable housing in Austin, serving over 7,000 residents across 22 communities, with 3 under construction. Of those, 8 are SRO communities targeting individuals exiting homelessness. Our communities are beautiful, well maintained, and enriched with services.

APPLICATION CHECKLIST/ INFORMATION FORM				
DEVELOPER : Foundation Communities		OWNER/BORROWER NAME : TBD		
DEVELOPMENT NAME : TBD		FUNDING CYCLE DEADLINE : May 7, 2021		
FEDERAL TAX ID NO: 74-2563260		DUNS NO: 55-635-2268		
PROJECT ADDRESS: Confidential		PROGRAM : RHDA		
CONTACT NAME : Sabrina Butler		AMOUNT REQUESTED: \$16,131,500		
CONTACT ADDRESS AND PHONE : 3000 S IH 35, suite 300, Austin, TX 78704				
APPLICATION TABS				INITIALS
A 1	EXECUTIVE SUMMARY/PROJECT PROPOSAL			SB
A 2	PROJECT SUMMARY FORM			SB
A 3	PROJECT TIMELINE			SB
A 4	DEVELOPMENT BUDGET			SB
A 5	OPERATING PRO FORMA			SB
A 6	SCORING SHEET			SB
ATTACHMENT TABS				
1	ENTITY INFORMATION	1.a.	Detailed listing of developer's experience	SB
		1.b.	Certificate of Status	SB
		1.c.	Statement of Confidence	SB
2	PRINCIPALS INFORMATION	2.a.	Resumes of principals	SB
		2.b.	Resumes of development team	SB
		2.c.	Resumes of property management team	SB
3	FINANCIAL INFORMATION	3.a.	Federal IRS Certification	SB
		3.b.	Certified Financial Audit	SB
		3.c.	Board Resolution	TBD
		3.d.	Financial Statements	SB
		3.e.	Funding commitment letters.	SB
4	PROJECT INFORMATION	4.a.	Market Study	TBD
		4.b.	Good Neighbor Policy	SB
		4.c.	SMART Housing Letter	TBD
		4.d.	MOU with ECHO	TBD
		4.e.	Resident Services	SB
5	PROPERTY INFORMATION	5.a.	Appraisal	TBD
		5.b.	Property Maps	TBD
		5.c.	Zoning Verification Letter	TBD
		5.d.	Proof of Site control	TBD
		5.e.	Phase I ESA	TBD
		5.f.	SHPQ	TBD
The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct.				
<i>Unsigned/undated submissions will not be considered.</i>				
SIGNATURE OF APPLICANT		DATE AND TIME STAMP OF RECEIPT		
<input type="text"/> PRINTED NAME Sabrina Butler TITLE OF APPLICANT Director of Real Estate DATE OF SUBMISSION <input type="text"/>		<input type="text"/>		
FOR AHFC USE ONLY				

Project Summary Form

1) Project Name TBD	2) Project Type 100% Affordable	3) New Construction or Rehabilitation Rehabilitation
4) Address(s) or Location Description CONFIDENTIAL		5) Mobility Bond Corridor
6) Census Tract 17.53	7) Council District District 7	8) Elementary School DAVIS EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? No	12) How will funds be used? Acquisition

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	30					30
Up to 40% MFI	30					30
Up to 50% MFI	60					60
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	120	0	0	0	0	120

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	12	Continuum of Care Units	60
Accessible Units for Sensory Impairments	3		

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

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

20) Estimated Sources and Uses of funds

Sources	
Debt	
Equity	
Grant	
Other	5,757,591
Deferred Developer Fee	
Previous AHFC Funding	
Current AHFC Request	16,131,500

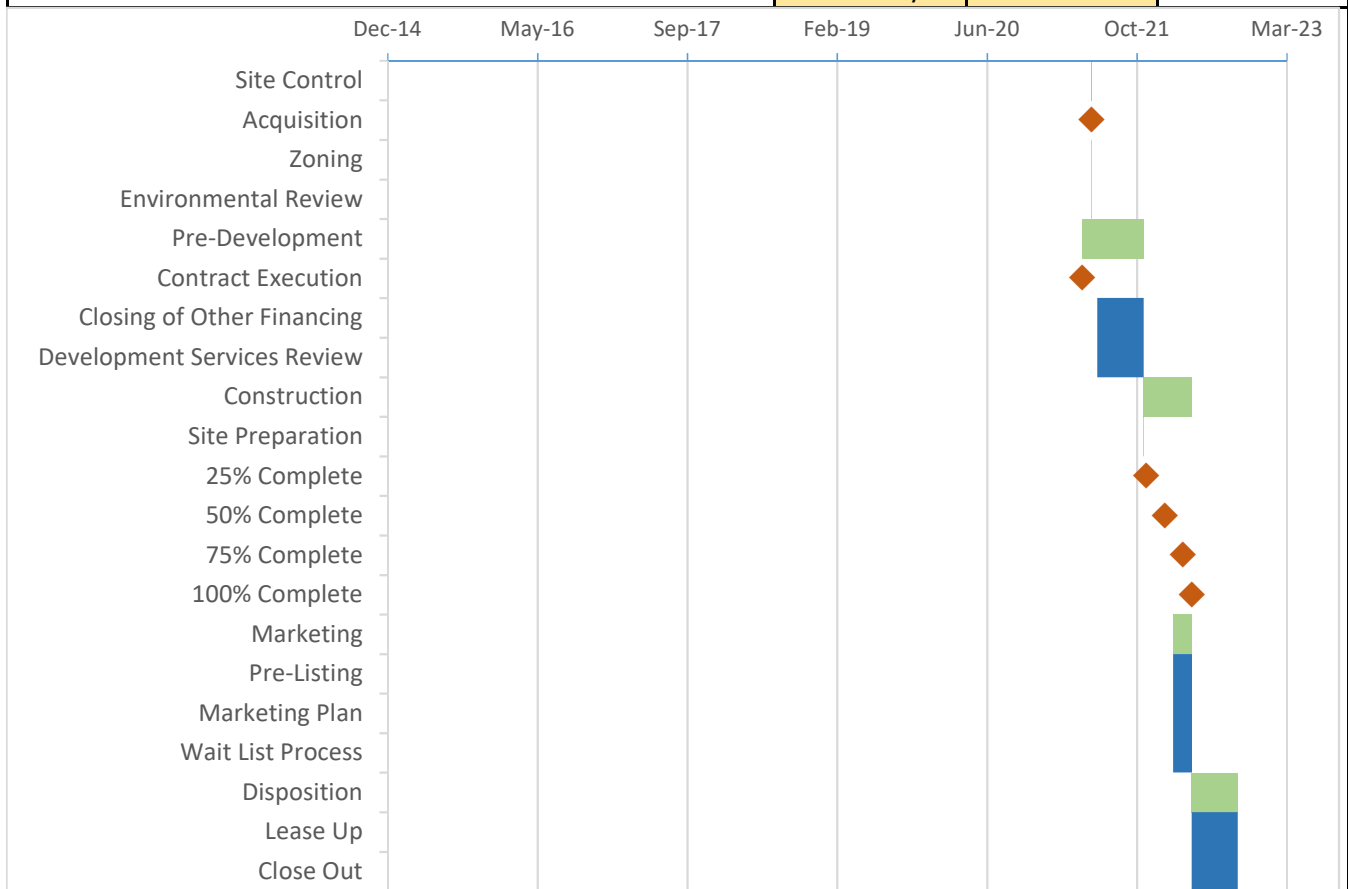
Total \$ 21,889,091

Uses	
Acquisition	16,292,790
Off-Site	
Site Work	
Sit Amenities	
Building Costs	4,100,000
Contractor Fees	
Soft Costs	811,000
Financing	40,000
Developer Fees	645,301

Total \$ 21,889,091

Development Schedule

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



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	28,500		
Environmental Review	10,000		
Engineering			
Survey	10,000		
Architectural	200,000		
Subtotal Pre-Development Cost	\$248,500	\$0	
Acquisition			
Site and/or Land	16,292,790	16,131,500	
Structures			
Other (specify)			
Subtotal Acquisition Cost	\$16,292,790	\$16,131,500	
Construction			
Infrastructure			
Site Work			
Demolition			
Concrete			
Masonry			
Rough Carpentry			
Finish Carpentry	3,500,000		rough estimate rehab costs
Waterproofing and Insulation			
Roofing and Sheet Metal			
Plumbing/Hot Water			
HVAC/Mechanical			
Electrical			
Doors/Windows/Glass			
Lath and Plaster/Drywall and Acoustical			
Tiel Work			
Soft and Hard Floor			
Paint/Decorating/Blinds/Shades			
Specialties/Special Equipment			
Cabinetry/Appliances			
Carpet			
Other (FF+E)	250,000		
Construction Contingency	350,000		
Subtotal Construction Cost	\$4,100,000	\$0	
Soft & Carrying Costs			
Legal			
Audit/Accounting			
Title/Recordin	40,000		
Architectural (Inspections)			
Construction Interest			
Construction Period Insurance	61,079		
Construction Period Taxes			
Relocation	0		
Marketing	0		
Davis-Bacon Monitoring	0		
Developer Fee	645,301		developer fee - 15% of non-acquisition costs
Other (Reserves)	339,992		operating and lease up reserves
Oother (Professional fees)	109,000		accounting, consultant, legal
Other (Misc)	30,000		city fees and holding costs
Other (Soft Cost contingency)	22,429		
Subtotal Soft & Carrying Costs	\$1,247,801	\$0	
TOTAL PROJECT BUDGET	\$21,889,091	\$16,131,500	

Project Name	TBD	
Project Type	100% Affordable	
Council District	District 7	
Census Tract	17.53	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$16,131,500	
Estimated Total Project Cost	\$21,889,091	
High Opportunity	Yes	
High Displacement Risk	NO	
High Frequency Transit	No	
Imagine Austin	Yes	
Mobility Bond Corridor	0	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	30	# of rental units at < 30% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	15%	% 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	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	8	% of annual goal * units * 50%, max of 75
< 40% MFI	30	# of rental units at < 40% MFI
< 50% MFI	60	# of rental units at < 50% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	15%	% 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	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	11	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	15%	% 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	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% 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	11%	% of City's affordable housing goal
High Opportunity	15%	% 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	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	19	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	60	Total # of units provided up to 100 per year
Continuum of Care Score	10	(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	12	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	0	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	0	Multi-bedroom Unit/Total Units * 20
TEA Grade	84	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	0	Educational Attainment, Environment, Community Institutions, Social Cohesion
Accessible Units	15	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	3	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	2	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	27	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	74%	% of total project cost funded through AHFC request
Leverage Score	0	3 points per 5% reduction in leverage below 50% (max 30)
AHFC Per Unit Subsidy (including prior amounts)	\$134,429	Amount of assistance per unit
Subsidy per unit score	8	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$134,429	Amount of assistance per bedroom
Subsidy per Bedroom Score	8	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	0.00	Measured at the 5 Year mark
Debt Coverage Ratio Score	0	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	16	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	62	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

1. Applicant Entity

a. Introduction

Foundation Communities (FC) is a nationally recognized nonprofit founded in 1990 with a mission to provide quality affordable housing and supportive services to low-income families and individuals. FC has 30 years of experience creating housing where individuals and families succeed. Our vision for strong families and communities involves more than just providing a roof over peoples' heads. By combining affordable housing and free on-site services, we empower low-income residents with the tools they need to achieve long-term stability and self-sufficiency. FC focuses on four main areas:

Opening Doors to Homes: We own and manage over 3,500 apartments across 22 properties in Austin and 3 in the North Texas. Over 7,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.

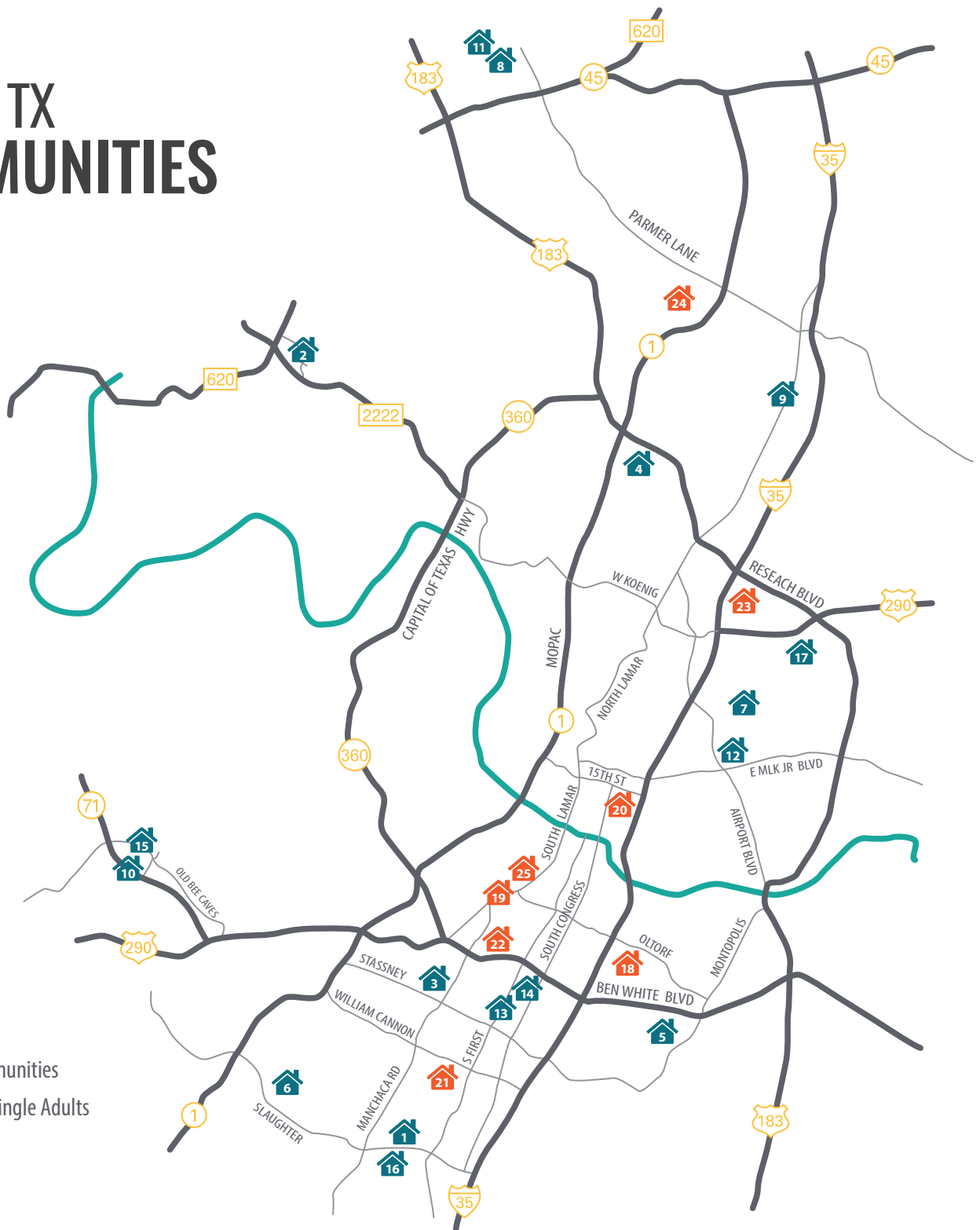
Healthy Communities: All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have 859 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 156 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

Learning in a Community: On-site Learning Centers give over 600 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.

Financial Stability: Financial Centers provide free tax preparation to 20,000+ low-income individuals each year with the help of 600 volunteers. Annual refunds amount to more than \$35 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business.

Austin, TX COMMUNITIES

 Family Communities
 Studios for Single Adults



1 Buckingham Place
166 UNITS

2 Cardinal Point
120 UNITS

3 Cherry Creek
122 UNITS

4 Crossroads
92 UNITS

5 Daffodil
40 UNITS

6 Homestead Oaks
140 UNITS

7 Jordan at Mueller
132 UNITS

8 Lakeline Station
128 UNITS

9 Laurel Creek
under construction
88 UNITS

10 Live Oak Trails
58 UNITS

11 The Loretta
design phase
137 UNITS

12 M Station
150 UNITS

13 Sierra Ridge
149 UNITS

14 Sierra Vista
238 UNITS

15 Southwest Trails
160 UNITS

16 Trails At The Park
200 UNITS

17 Trails At Vintage Creek
200 UNITS

18 Arbor Terrace
120 UNITS

19 Bluebonnet Studios
107 UNITS

20 Capital Studios
135 UNITS

21 Garden Terrace
103 UNITS

22 Skyline Terrace
100 UNITS

23 Spring Terrace
142 UNITS

24 Waterloo Terrace
132 UNITS
under construction

25 Zilker Studios
110 UNITS
design phase

CREATING HOUSING WHERE FAMILIES SUCCEED

Since 1990, Foundation Communities has been providing attractive, affordable homes and support services for thousands of low-income families and individuals, empowering them with the tools they need to succeed.



HOUSING + SERVICES

Attractive, affordable homes for over 7,000 individuals

- 2,500 low-income families
- 300 formerly homeless children
- 700 single adults including veterans, seniors, and individuals with disabilities

On-site counseling, case management and food pantry



HEALTH

Assistance with health insurance enrollment

Access to integrated primary and mental health care, including substance abuse treatment

Fitness and nutrition classes



EDUCATION

After-school and summer learning for 1,000 children and teens

Early childhood education for children ages 3 to 4

English as a Second Language classes to increase literacy and life skills

College humanities course for low-income adults in partnership with UT and ACC



FINANCIAL STABILITY

Free income tax preparation for 20,000 families, generating \$35 million in local tax refunds

1-on-1 financial coaching and money management classes

Assistance with college financial aid

Matched savings accounts



A partner agency of



Foundation Communities
512-447-2026
www.foundcom.org

1. Applicant Entity

b. Certificate of Status



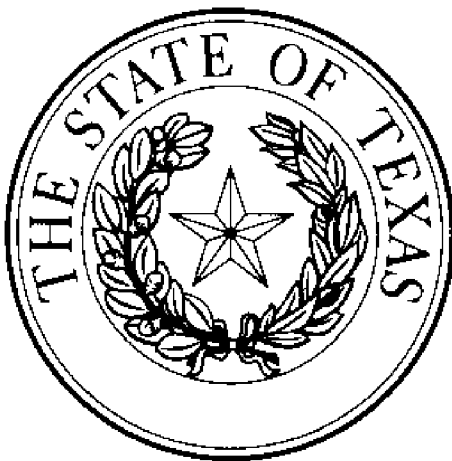
Office of the Secretary of State

Certificate of Fact

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

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on April 21, 2021.



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State

1. Applicant Entity

c. Applicant Capacity

Walter Moreau, Executive Director. During his 30+ year career, Walter has secured subsidy financing of more than \$500 million to create more than 4,000 units of service-enriched, nonprofit-owned affordable housing, and 14 onsite Learning Centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

Sabrina Butler, Director of Real Estate Development, oversees FC's overall real estate development portfolio, from site selection through construction completion and stabilization. With a background in finance, Sabrina brings a particular strength in securing both public and conventional financing for FC's multi-family housing pipeline, and provides refinancing support to the existing portfolio as well. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing portfolio management and community development finance. Sabrina has a Masters in Regional Planning.

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

Tillie Croxdale, Real Estate Project Manager, underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Real Estate Development with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelor in Architecture, a Master in Real Estate Finance and 10 years' experience in the affordable housing field.

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

1. Applicant Entity

c. Applicant Capacity

Project management: FC has been managing affordable housing communities in house for 30 years. Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team. She oversaw the successful completion of The Jordan at Mueller and Waterloo and is currently overseeing 3 communities under construction.

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

Site selection and Control: Walter Moreau has 30 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third party land broker to find sites and negotiate with sellers.

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

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

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

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

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

1. Applicant Entity

d. Statement of Confidence

This is not applicable as the majority of Foundation Communities portfolio is located within City of Austin and monitored by HPD.

1. Applicant Entity

e. Financial Capacity

Foundation Communities has 30 years of experience utilizing multiple funding tools in the development of affordable multifamily housing. We have an excellent track record of securing funding in competitive allocations of 9% tax credits, Federal Home Loan Bank AHP funds, and City of Austin RHDA funds as well as strong working relationships with multiple lenders and tax credit investors.

Tax Credits: Over the past 18 years, Foundation Communities has applied for and been awarded 9% tax credits for 15 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.

City of Austin: The City of Austin has been a major contributor on every project completed by Foundation Communities in the past 18 years. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin HPD/AHFC staff.

FHLB: Foundation Communities has applied for and received 17 awards through the FHLB Affordable Housing Program.

Lenders: Foundation Communities has excellent relationships with several lenders that allow for competitive rates and pricing. We currently have private mortgages with Compass BBVA, Bank of America, Wells Fargo, Capital One Bank, University Federal Credit Union, and Greater Texas Federal Credit Union.

Private Fundraising: FC has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$10 million in private funds to help fund construction of 6 new communities.

Other: FC has also utilized TDHCA's Multifamily Direct Loan Program (TCAP and National Housing Trust Fund loans), and the federal Capital Magnet Fund program.

1. Applicant Entity

e. Financial Capacity

Project Name	PIS	Type	Units	Funding Tools
The Loretta – <i>construction</i>	2022	New	137	9% LIHTC City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Zilker – <i>construction</i>	2022	New	110	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Laurel Creek – <i>under construction</i>	2021	New	88	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds Capital Magnet Fund
Waterloo Terrace	2020	New	132	9% LIHTC TDHCA - NHTF City of Austin - GO Bonds FHLB San Francisco
Jordan At Mueller	2019	New	132	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Cardinal Point	2017	New	120	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase III	2017	New	20	TDHCA - TCAP City of Austin - GO Bonds FHLB San Francisco
Bluebonnet Studios	2016	New	107	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME FHLB San Francisco
Lakeline Stations	2016	New	128	9% LIHTC City of Austin RHDA Program Department of Justice Funds Capital Magnet Fund
Live Oak Trails	2016	New	58	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME Department of Justice Funds Capital Magnet Fund

1. Applicant Entity

e. Financial Capacity

Project Name	PIS	Type	Units	Funding Tools
Homestead Oaks	2015	New	140	9% LIHTC City of Austin - GO Bonds FHLB San Francisco HUD 221(d)(4) - Mortgage
Capital Studios	2014	New	135	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Arbor Terrace	2013	Rehab	120	TDHCA - NSP City of Austin - GO Bonds & CDBG FHLB Atlanta
Sierra Vista	2012	Rehab	238	9% LIHTC City of Austin RHDA Program FHLB San Francisco
M Station	2011	New	150	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase II	2008	Rehab	15	City of Austin - HTF FHLB San Francisco
Skyline Terrace	2006	Rehab	100	9% LIHTC TDHCA HOME City of Austin HOME & HTF FHLB San Francisco
Spring Terrace	2005	Rehab	142	TDHCA HOME & HTF City of Austin - HOME & CDBG FHLB Dallas
Garden Terrace Phase I	2003	Rehab	88	TDHCA - HOME City of Austin - HOME & CDBG FHLB Atlanta HACA
Southwest Trails	2001	New	160	4% LIHTC TDHCA - Housing Trust Fund City of Austin - HOME & HTF FHLB Dallas
Trails at The Park	2000	New	200	9% LIHTC
Trails at Vintage Creek	2000	Rehab	200	City of Austin - Housing Revenue Bond
Daffodil	1996	Rehab	40	TDHCA - RTC AHDP
Peters Colony	1995	Rehab	160	TDHCA - RTC AHDP
Shadow Brook	1995	Rehab	403	TDHCA - RTC AHDP
Sleepy Hollow	1995	Rehab	128	TDHCA - RTC AHDP
Buckingham Duplexes	1991	Rehab	166	TDHCA - RTC AHDP
Sierra Ridge	1991	Rehab	149	
Crossroads	1990	Rehab	92	City of Austin - GO Bonds

1. Applicant Entity

f. Non-profit Developer

Foundation Communities, Inc. is a 501(c)3 nonprofit corporation. The following is an explanation of the support documentation attached. Foundation Communities was originally formed March 5 1990 under the name Central Texas Mutual Housing Association (CTMHA). In 1990 the IRS issued the attached determination letter that recognized Central Texas Housing Mutual Corporation as a 501(c)(3). After changing the organization's name, the IRS issued the attached letter in 2001 reaffirming the 501(c)(3) status for Foundation Communities, Inc. and recognizing the group exemption for all the subordinate nonprofit affiliates.

1. Applicant Entity

f.(i) IRS Letter

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

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION

C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:

74-2563260

Case Number:

755122043

Contact Person:

ANNETTE SMITH

Contact Telephone Number:

(214) 767-6023

Our Letter Dated:

May 23, 1990

Addendum Applies:

No

Dear Applicant:

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

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

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

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

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

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

Sincerely yours,



Bobby E. Scott
District Director

Internal Revenue Service

Department of the Treasury

**P.O. Box 2508
Cincinnati, OH 45201**

Date: June 6, 2001

Person to Contact:

Marion F Robinson- Baugh
Customer Service Representative

Toll Free Telephone Number:

8:00 A.M. to 9:30 P.M. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

74-2563260

Foundation Communities

3036 S 1st St 200
Austin, TX 78704-6382

Dear Sir or Madam:

This is in response to your request for affirmation of your organization's exempt status.

In May 1990, we issued a determination letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on the information supplied, we recognized the subordinates named on the list your organization submitted as exempt from federal income tax under section 501(c)(3) of the Code. Additionally, we have classified the subordinates your organization operates, supervises, or controls, and which are covered by written notification to us, as organizations that are not private foundations because they are organizations of the type described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Donors may deduct contributions to your organization's subordinates as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to the subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization and its subordinates are required to file Form 990, Return of Organization Exempt from Income Tax, only if the gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

Your organization and its subordinates are not required to file federal income tax returns unless subject to the tax on unrelated business income under section 511 of the Code. If subject to this tax, the organization must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization or its subordinates' present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Foundation Communities
74-2563260

Unless specifically excepted, your organization and its subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each of its employees during a calendar year. Your organization and its subordinates are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Each year, at least 90 days before the end of your organization's annual accounting period, please send the following items to the Internal Revenue Service Center at the address shown below:

1. A statement describing any changes during the year in the purposes, character, or method of operation of your organization's subordinates;
2. A list showing the names, mailing addresses (including Postal ZIP Codes), actual addresses if different, and employer identification numbers of subordinates that:
 - a. Changed names or addresses;
 - b. Were deleted from the roster; or
 - c. Were added to the roster.
3. For subordinates to be added, attach:
 - a. A statement that the information on which your organization's present group exemption letter is based applies to the new subordinates;
 - b. A statement that each has given your organization written authorization to add its name to the roster;
 - c. A list of those to which the Service previously issued exemption rulings or determination letters;
 - d. A statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code if the group exemption letter covers organizations described in section 501(c)(3);
 - e. The street address of subordinates where the mailing address is a P.O. Box; and

Foundation Communities
74-2563260

- f. The information required by Revenue Procedure 75-50, 1975-2 C.B. 587 for each subordinate that is a school claiming exemption under section 501(c)(3). Also include any other information necessary to establish that the school is complying with the requirements of Revenue Ruling 71-447, 1971-2 C.B. 230. This is the same information required by Schedule A, Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your organization's group exemption roster did not change since the previous report.

The above information should be sent to the following address:

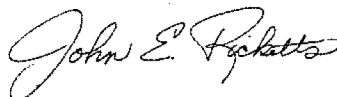
Internal Revenue Service Center
Attn: Entity Control Unit
Ogden, UT 84409

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Your organization's Group Exemption Number is .

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

1. Applicant Entity

f.(ii) Audit

1. Applicant Entity

f.(iii) Board Resolution

Foundation Communities Board is aware of and very supportive of this acquisition and request for funding and will officially vote to approve such at the next board meeting in June. The Board Resolution will be provided with other due diligence items.

2. Development Team

a.+ b. Team members

Role	Info	Contact	MBE	WBE	NP
Owner	TBD Foundation Communities nonprofit affiliate	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	TBD				
Engineer	TBD				
Attorney	Rigby Slack Lawrence & Comerford, 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Novogradac & Company LLP 11044 Research Blvd. Austin, TX 78759	Susan Wilson, CPA, Partner (512) 349-3232 susan.wilson@novoco.com			
General Contractor	TBD				
Construction Lender	TBD				
Lenders	TBD				
Tax Credit Consultant	TBD				
Property Manager	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

2. Development Team

c. Experience

Foundation Communities has nearly 30 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. Eleven of our existing communities were new construction projects financed with tax credits with three communities under construction. The remaining fourteen communities in our portfolio were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rain water harvesting). We have experience with the design and construction of structures that are zero lot VMU, 4-story elevator, 3-story walk up, and renovations of apartment complexes, hotels, nursing homes, and duplexes. We have a great track record of gaining neighborhood support, zoning changes, completing construction within tax credit deadlines, and achieving green certifications with AEGB, LEED, and Enterprise Green Communities. All of FC's 10 recently completed communities received 4 or 5 star AEGB ratings and seven of those received LEED Gold or Platinum Certifications.

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3. Property Management Team

a. Experience

Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 25 Austin properties and earns property management and asset management fees that help support the overall nonprofit mission. Our team monitors portfolio health, tracks each project monthly, and aggregates detailed performance metrics at the portfolio level for review by the CFO. FC also has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. The success of our property management is demonstrated through its high occupancy (97% in 2020), low turnover, and healthy investment in capital repairs and upgrades to existing portfolio (\$680/unit in 2020).

Vicki McDonald, Chief Real Estate Officer. Primary responsibilities include the oversight of our entire real estate portfolio, monitoring annual operating budgets, major capital improvements, and management of a team of ten staff who are directly involved in the daily oversight of property operations, capital improvements, sustainability initiatives, supportive housing, safety and risk management and new construction. She links real estate operations and development through input and participation on the acquisition, design, and construction transition to operations. She is a CCIM Designee, a licensed Texas Real Estate Broker and has owned a real estate management and brokerage firm for 25 years before joining Foundation Communities.

Cacki Young, Director of Supportive Housing Management. Cacki oversees FC's supportive housing portfolio for single adults. Cacki's role includes developing and managing strategic partnerships and policies to increase and maintain access to housing for highly vulnerable populations. Additionally, her role supports both property management and supportive services staff working together in a blended management model to support housing retention. Cacki has a degree in Social Work and previously worked as a licensed social worker in family supportive housing and created financial stability programming for low-income individuals and families. She has worked for FC since 1999.

Valicia Nichols, Director of Compliance, oversees compliance for the entire portfolio and is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She has been with FC since 2011 and maintains FC's good standing with compliance agencies, e.g., TDHCA (state); City of Austin; FHLB as well as investors.

3. Property Management Team

b. Compliance Reports from Austin



City of Austin

Neighborhood Housing and Community Development

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

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
3226 W Slaughter Lane
Austin, TX 78748

Re: FY19-20 Monitoring Review of Homestead Oaks

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
2906 E Martin Luther King Boulevard
Austin, TX 78702

Re: FY19-20 Monitoring Review of M Station

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 4, 2020. The purpose of the review was to ensure program compliance with federal regulatory requirements set forth in the agreement between NHCD and Foundation Communities.

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
4320 S. Congress Ave.
Austin, TX 78745

Re: FY19-20 Monitoring Review of Sierra Vista

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD

3. Property Management Team

c. Compliance Reports from outside Austin

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services

Name of Monitoring Agency

PO Box 701769

Address

Dallas TX 75060

Initial Certification

☒ Annual Update for Period

06/01/2019 to 5/31/2020

Date

Date

From: Sleepy Hollow Mutual Housing Corp

Owner Name

Sleepy Hollow Apartments

Property Name

3903 Ichabod Circle Arlington TX 76013

Address

Property Identification Number 200992880

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner

Walter Morem

Date

6/1/20

Warning:

Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services

Name of Monitoring Agency

P.O. Box 601769

Address

Dallas TX 75360

Initial Certification

☒ Annual Update for Period

10/1/2019 to 9/30/2020

Date

Date

From: Foundation Communities

Owner Name

Peters Colony Apartments

Property Name

1810 E Peters Colony Road Carrollton TX 75007

Address

Property Identification Number 669827200

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 6/29/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner

Walter Morris

Date

9/28/20

Warning:

Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services

Name of Monitoring Agency

PO Box 701769

Address

Dallas TX 75060

____ Initial Certification

☒ Annual Update for Period

07/01/2019 to 6/30/2020

Date

Date

From: Shadow Brook Mutual Housing Corp

Owner Name

Shadow Brook Apartments

Property Name

2020 South Cooper St Arlington TX 76013

Address

Property Identification Number 17144264

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner

Walter Hoen

Date

6/22/20

Warning:

Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

4. Development Proposal

a. Development Description

- 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.
 - **Target Population** – This development will target very low and extremely low income individuals, persons transitioning out of homelessness, persons at-risk of homelessness, persons with physical, intellectual, and/or developmental disabilities, youth aging out of foster care, persons transitioning out of institutionalized care, and persons unable to secure permanent housing elsewhere due to various barriers, and/or persons with special housing needs. Foundation Communities has been providing services and housing to this target population for over 15 years.
 - **Special Needs and Homeless Set aside**– as part of a FHLB application, FC will commit to a 30% - 50% set aside for persons with Special Housing Needs and persons meeting the FHLB definition of homeless.
 - **Continuum of Care and Vouchers**– as part of this application, FC expects to commit approximately 60 units to persons referred through Continuum of Care, assuming PSH project based vouchers become available through HACA for such purpose.
 - **Accessibility** - 10% of the total units will be made accessible for persons with mobility and 2% of total units will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.
- 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 development site is located within the North Burnet/Gateway Regulating Plan and conforms to the zoning of Commercial Mixed Use.

4. Development Proposal

a. Development Description

- 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 provider(s) of other funding and the status of those funding commitments.
- **Total Development Cost - \$21,885,091** – Development Costs are very preliminary at this very early stage. A more refined budget will be provided after completion of a physical needs assessment, schematic design, and further due diligence.
 - **City of Austin - \$16,131,500** – In this application, FC is applying for funds to be used for acquisition. We request these funds from the City to be in the form of a deferred forgivable loan with a 40 year term.
 - **National Housing Trust Fund (NHTF) –\$4,000,000** - FC will apply for NHTF funds in 2021. These funds are not competitive, but are first come first service, so the application will be submitted as soon as third party reports are available.
 - **Federal Home Loan Bank (FHLB) - \$1,200,000** – FC will apply for FHLB funds in 2022. This is a competitive application due in March and awards announced in June.
 - **Owner Equity - \$557,591** - FC has committed its own funding as a placeholder for the 2022 FHLB application and private fundraising that will be pursued as the project is developed. This owner equity will be loaned to the property as a 3% interest 40 year cash flow contingent loan.
- iv. Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.
- This site is not located within a PUD or TOD or zoned VMU.

4. Development Proposal

b. Funding Commitments

Attached is evidence of commitment from Foundation Communities to provide owner bridge funding and a permanent source of owner equity for development costs as funding applications and fundraising are pursued.



3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



May 4, 2021

James May
City of Austin Housing and Planning Department
PO Box 1088
Austin, Texas 78767

Re: Owner Equity Commitment

Dear James,

Foundation Communities, a mission driven charitable nonprofit, is committed and fully prepared to provide \$1,757,591 in owner bridge funding during the construction period and as a permanent owner's contribution to the project. This commitment will be reduced as other gap funding is secured. Foundation Communities certifies that these funds are and will remain readily available at Commitment and until the required investment is completed. It is very customary for mission-based, service-enriched housing developed by non-profits to have their own funding paired with private fundraising as a substantial piece of their permanent funding stack.

Foundation Communities has committed and provided the necessary gap financing required for many of its past projects, including the following owner's contributions to RHDA funded communities:

- Lakeline Station - \$1,725,000
- Bluebonnet Studios - \$4,043,004
- Live Oak Trails - \$1,420,000
- Homestead Oaks - \$1,205,857
- Capital Studios - \$1,113,539
- M Station - \$2,000,000
- Sierra Vista - \$1,550,000



a Partner Agency of



United Way for Greater Austin



Foundation Communities is able to make these owner's contributions due to its strong history of fundraising and fiscal responsibility. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, JPMorgan Chase, Orsinger, and the Michael & Susan Dell Foundations. In the last five years, FC has been successful raising over \$10 million in private funds to help fund construction of 6 communities.

Foundations Communities also took advantage of the historically low interest rates in 2013 and refinanced two of the properties in its portfolio to create a Growth Fund to support future development projects. This opportunity paired with \$5 million from a private investor has provided Foundation Communities with \$14 million to create an internal revolving line of credit, which can be used in tandem with housing tax credits to further its mission of providing first class affordable homes and supportive services. Foundation Communities also maintains an internal Central Reserve to support capital projects within the existing portfolio, and as an additional source of funding support for development pipeline projects as needed.

Sincerely,

Walter Moreau

Walter Moreau
Executive Director,
Foundation Communities, Inc.



a Partner Agency of



United Way for Greater Austin



4. Development Proposal

c. Market Assessment

Foundation Communities will engage a market analyst as part of our due diligence and will forward to AHFC once available.

4. Development Proposal

d. Continuum of Care

As part of this application, FC expects to commit approximately 60 units to persons referred through Continuum of Care, assuming PSH project based vouchers become available through HACA for such purpose.

4. Development Proposal

e. Resident Services

- i. A description of the services to be provided to residents and/or clients, and the estimated annual cost of providing those services. If the development will also be applying for LIHTC, please reference the specific services as allowed for by TDHCA's Qualified Allocation Plan (QAP).

Foundation Communities will provide free supportive service programs that will educate, support and improve health and financial standing for residents. Two to Four full time case managers will be available on site. Supportive Service programs to be offered on site include:

- **Adult Education Classes** – Staff and volunteers offer “at your door” educational opportunities to adults such as ESL, computer skills, financial literacy and GED.
- **Workforce Development**- Staff and volunteers work one on one with interested residents to develop resumes, conduct job searches, prepare for interviews, and research educational and training opportunities to help residents to increase their employment income.
- **Healthy Food Pantry**: An on-site Healthy Food Pantry will be open to both residents and community members and will offer fresh produce, dairy, eggs, meat, and shelf-stable foods.
- **Counseling and Referrals** – Our staff will provide one-on-one counseling and warm connections to local health resources and assistance with obtaining benefits and entitlements such as Social Security, Medicaid, and Food Stamps.
- **Health Fairs & Events**: These include Health Fairs for resident, and community members, featuring opportunities for health screenings, immunizations, and access to resources like PPE.
- **Nutrition and Fitness Classes**: Free cooking, nutrition, and fitness classes, such as yoga, walking groups, aerobics, and the ever-popular Zumba classes, will be offered to residents and the community.
- **Eviction Prevention** – property management and services staff collaborate to prevent eviction through early communication, referrals for rent assistance, and counseling

- ii. The number and types of residents/clients expected to be served annually.

The final unit count is subject to design, but we expect that this development will house approximately 120 individuals at any given time.

4. Development Proposal

e. Resident Services

- iii. **Developer's experience and qualifications in providing the services to be offered, if services are offered by the developer.**

Foundation Communities, as the primary supportive service provider at all our communities, has nearly 25 years of experience in the provision of supportive services to its residents. Supportive services are an integral part of all Foundation Communities properties, and are included in the planning process for every new community from inception.

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

- iv. **Description of the organization(s) providing the services and a memorandum of understanding or some other type of signed agreement that indicates the relationship between the developer and service provider, if the services are provided by an external organization.**

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

4. Development Proposal

e. Resident Services

- v. Resumes of key personnel who will be actively involved in the delivery of services including information on certifications, licenses, years of experience, and education.

Services Staff

2 to 4 full-time Supportive Services Staff will be located on-site at this development, and will coordinate volunteer services staff, collaborate with community partners, manage the on-site Food Pantry, work closely with property management to help residents maintain their housing, and coordinate service delivery that promotes the empowerment and self-sufficiency of all residents. Services include, but are not limited to, helping residents access public entitlements (e.g. SSI, Unemployment), helping residents increase their income by improving their job skills to expand employment opportunities, encouraging residents to participate in the on-site Adult Education classes, and connecting interested residents to mental health programs. Staff must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.

Key leadership roles involved in service delivery.

- **Julian Huerta – Deputy Executive Director.** Julian provides leadership for all Foundation Communities' resident and community services. He develops and directs education, financial stability and supportive housing programs that serve more than 30,000 working poor families and homeless adults annually. Julian brings over 25 years' experience in program development, nonprofit administration and fundraising.
- **Cacki Young – Director of Supportive Housing Management.** Cacki oversees FC's supportive housing portfolio for single adults. Cacki's role includes developing and managing strategic partnerships and policies to increase -and maintain access to housing for highly vulnerable populations. Additionally, her role supports both property management and supportive services staff working together in a blended management model to support housing retention. Cacki has a degree in Social Work and previously worked as a licensed social worker in family supportive housing and created financial stability programming for low-income individuals and families. She has worked for FC since 1999.
- **Kori Hattemer – Director of Financial Programs.** In this capacity, she oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.

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

vi. Financial capacity of the Services provider:

Foundation Communities has a strong track record of fundraising to cover these programs. Funding for the supportive services will come from a combination of cash flow, grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. FC has raised approximately \$45 million over the past 5 years to fund services at our existing 22 properties in Austin. We have deep relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio contributing strong ongoing revenue to the organization, with all projects producing their targeted cash flow and reserves established by the Board. Below is the services budget.

Sources	Year 1	Year 2	Year 3
City/Grants	\$324,892	\$338,349	\$352,285
Project Cash Flow	\$139,919	\$135,758	\$131,304
TOTAL	\$464,811	\$474,107	\$483,589

Uses	Year 1	Year 2	Year 3
Service Staff Salaries	\$184,000	\$187,680	\$191,434
24-Hour Desk Clerks	\$108,742	\$110,917	\$113,135
Taxes and Benefits	\$84,177	\$85,861	\$87,578
General Admin	\$2,122	\$2,164	\$2,208
Direct Aide	\$10,078	\$10,280	\$10,485
Programs	\$75,692	\$77,206	\$78,750
TOTAL USES	\$464,811	\$474,107	\$483,589

4. Development Proposal

f. Affordability Unlocked

Not Applicable

4. Development Proposal

g. SMART Housing

Foundation Communities will submit a SMART Housing application once the Contract for Sale has been negotiated and executed.

5. Property

a. Maps

Location is confidential until closing.

5. Property

b. Appraisal

Foundation Communities will request an Appraisal in May as part of our due diligence and will be forwarded to AHFC staff once available.

5. Property

c. Site Control

Foundation Communities has executed Letter of Intent with the Seller and is working with AHFC staff during contract negotiations with the seller.

5. Property

d. Zoning

The Property is currently zoned as Commercial Mixed Use (CMU) as part of the North Burnet/Gateway Regulating Plan. This zoning allows for the intended change to residential or congregate living use. Foundation Communities will submit a request for verification zoning letter as part of the due diligence process and send to AHFC staff once received.

5. Property

e. Neighborhood Plan

The development site is located within the North Burnet/Gateway Regulating Plan and conforms to the zoning of Commercial Mixed Use. Below is a link to the Plan -

http://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Adopted%20Neighborhood%20Planning%20Areas/19_NorthBurnetGateway/nbg_reg_plan.pdf

After conducting a search within the City of Austin Community Registry, FC staff was unable to identify any registered neighborhood groups with boundaries that include the development site.

5. Property

f. Tenant Relocation Plan

The property is currently operating as a hotel and is therefore not applicable to City of Austin tenant relocation requirements

5. Property

g. Phase I ESA

A Phase I ESA will be conducted in May as part of our due diligence and will be forwarded to AHFC staff once available. FC will work with the environmental consultant to appropriately address environmental findings.

5. Property

h. State Historical Preservation Officer

Foundation Communities intends to submit an application in 2021 to TDHCA for National Housing Trust Funds, which requires SHPO. FC will engage our environmental consultant to conduct a SHPO consultation after submittal of the TDHCA application.