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Submission Time:  
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Unique ID:

6909 Ryan Drive RFQ  
March 19, 2024 4:37 pm  
Chrome 122.0.0.0 / Windows  
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**Description Area**

Request For Qualifications&nbsp;6909 Ryan DriveAffordable Rental Housing Development OpportunitySubmissions Due: 11:59 p.m. CS----T on&nbsp;March 20th, 2024Please fill out this form to submit a response to the RFQ for 6909 Ryan Drive.You can find the RFQ here.Note: This application has a "save and resume later" option that saves all information you have entered - except for document uploads&nbsp;- until you are ready to submit a completed form. Be sure to click the "Save and Resume Later" button at the bottom to use this feature, and to upload all attachments prior to submitting.&nbsp;If you have any questions about this application, please contact Sarah Ramos or Alex Radtke.

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**Exhibit A: RFQ Response Form, Affidavits, and Certifications**

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**Development Team Questions - 35 points**

**Description Area**

The following questions provide AHFC with initial qualifying information regarding a respondent's experience with and approach to multi-family and mixed use developments.

**Description Area**

1. Please provide the company name, point of contact name, and point of contact email for each of the following members of your proposed development team for this development.&nbsp;Unscored

**Developer Name**

Tyler Grooms

**Developer Company**

Manifold Development, LLC

**Developer Email**

tgrooms@manifoldre.com

**Architect Name**

Maria Reynoso

**Architect Company**

Evolve Architects (formerly Kelly Grossman Architects)

**Architect Email**

mareynoso@evolvearch.com

**Engineer Name**

Chris Randazzo

**Engineer Company**

GarzaEMC

**Engineer Email**

crandazzo@garzaemc.com

**Property Manager Name**

Matt Lutz

**Property Manager Company**

Capstone Real Estate Services

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**2. Please describe why your development team is best suited to develop the site.**

The team assembled for this development opportunity shares years of development experience, a significant depth of knowledge, and proven ability to deliver high quality affordable housing. Manifold is a locally based developer which has successfully delivered hundreds of millions of dollars of mixed-use developments in the Austin area. Additionally, Evolve Architects has extensive experience with affordable and market rate housing and collaboration with public entities producing over XXXX units which have various levels of affordability including LIHTC developments. Capstone has significant market and affordable/rent restricted management experience over XXXX units. Finally, GarzaEMC has a robust portfolio of public projects, in addition to having previously consulted on this site while utilized by Austin Energy.

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**3. How many multi-family developments has the developer or co-developer who will act as guarantor for this development placed in service within the last ten years? Provide a list of developments with the following: a) Name; b) Address; c) Number of units; d) Date of last Certificate of Occupancy; e) Affordability Restrictions (if any)**

**4. Please describe your development team's experience with designing, financing, developing, and operating mixed-use developments.**

Each member of the development team is acutely aware of the challenges involved in planning and delivering a vibrant mixed-use project. Manifold currently has a mixed-use pipeline of over 1 million square feet in and around Austin, all at different phases of design and entitlements. Throughout the design phase, great attention is given to planning civil and/or commercial spaces that will not only complement the development, but will also serve as a great amenity and addition to the surrounding community. To this point, Evolve Architects has designed various mixed-use projects throughout Austin, with each successfully utilizing ground floor retail space to attract quality businesses to serve the residents of the project and the neighborhood as a whole.

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**5. Please describe your anticipated financing strategy for this project.**

The development team will leverage a number of creative structured financing strategies to ensure a successful capitalization of the project. In particular, we will divide the project into two condos, an affordable condo (80% AMI and below; averaging to 60% AMI) and a workforce condo (100% and 120% AMI). That condo structure will allow us to take advantage of state and federal sources on the equity side using the affordable condo as well as federally-subsidized sources on the debt side for the whole project to complete the capital stack without the need for any City of Austin (RHDA) funds.

See the sources and approximate values below for a development cost of approximately \$137m:

Private Activity Bonds (~ \$36.7m) would allow the project to receive LIHTC and would be held in an interest-generating account for the duration of the construction, using a strategy called "short-term cash-backed bonds".

Bond Interest Reinvestment Proceeds (~ \$3.5m) generated from the private activity bonds, would cover the interest costs of holding the bonds for the duration of construction.

LIHTC Equity (~\$22.7m): Despite the project not being located in a QCT or DDA, it will generate sufficient low-income tax credits on the affordable condo to meet the equity requirements for the project. This example assumes a \$0.85 LIHTC rate, which is in line with recent projects in the Austin area.

45L Credits (~1m): By making the project energy-efficient, it will allow us to leverage EnergyStar ratings into approximately \$1m in 45L Credits, to be sold to the LIHTC investor at the same rate as LIHTC.

Federally Subsidized Loan Product (~110m): Our development team's unique value proposition is leveraging a combination of two direct loan products from the Federal Government, available due to the project's location and its affiliation with AHFC, to achieve up to an 80% loan-to-cost with significantly lower interest rates than market. This is the key piece in our financial strategy for the project.

At this time, we do not expect to need any soft funds (gap funding) or to defer any portion of the developer fee.

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**6. Provide a copy of the most recent certified financial audit or disclosures (completed within the last two years) from the developer who will act as guarantor for this development.**

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**Example Developments - 40 Points**

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**Description Area**

7. Provide a detailed summary of two of the developer's or co-developer's most innovative and successful developments placed in service within the last seven years. 40 Points&nbsp;

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**Project Description (Project 1)**

Sunset Ridge Apartments is a mixed-income development project uniquely situated in 19.6 acres in West Austin (8509 Southwest Parkway). This garden-style project consists of 8 three- and four-story wood-frame buildings with indoor and outdoor community amenities including but not limited to a community room, game room, gym, pool, dog park, pet spa, BBQ areas, and more. In total, the development will feature 444 units, 222 of which are affordable to households earning between 50% and 80% AMI (income averaged to 60% AMI), and 222 of which are workforce, reserved to households earning 120% AMI and below. The affordable component of the project has 70% of the units with 2 or more bedrooms.

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**Placed-in-service Date (Project 1)**

Jul 01, 2027

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**Address (Project 1)**

8509 Southwest Parkway, Austin TX 78735

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**Type of development (e.g., single family, detached condo, attached condo, multifamily condo) (Project 1)**

Garden walk-up

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**Income restrictions (Number of Units at or below 30% MFI, Number of Units at or below 50% MFI, Number of Units at or below 60% MFI, Number of units at or below 80% MFI, Number of units at or below 120% MFI, Number of unrestricted units) (Project 1)**

50% MFI or below: 101 units  
60% MFI or below: 77 units  
80% MFI or below: 44 units  
120% MFI or below: 222 units  
Unrestricted: 0 units

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**Number of Units by Bedroom Count (Number of efficiencies, Number of 1 bedrooms, Number of 2 bedrooms, Number of 3 bedrooms, Number of 4+ bedrooms) (Project 1)**

Workforce Units:  
Efficiency: 29 units  
1-bedrooms: 131 units  
2-bedrooms: 59 units  
3-bedrooms: 3 units  
4-bedrooms: 0 units

Affordable Units (proportionally distributed as 20% @ 80% MFI, 35% @ 60% MFI, 45% @ 50% MFI):

Efficiency: 22 units  
1-bedrooms: 44 units  
2-bedrooms: 144 units  
3-bedrooms: 6 units  
4-bedrooms: 6 units

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**Target population (Project 1)**

General population / families

**Partnership structure, including specifying if this was a public/private partnership (Project 1)**

Sunset Ridge Apartments was a public/private partnership between Travis County Housing Finance Corporation (TCHFC) and its affiliate TCC Hill Country Development Corporation (public-sector partners) and Manifold Development, JSA Development, and a LIHTC investor (private-sector partners). In this partnership, TCHFC served as the tax-exempt bond issuer and as a partner for property tax exemption on both the workforce and the affordable components of the project, and serving as the General Contractor for sales tax exemption. On the private side, Manifold Development partnered with Janine Sisak of JSA Development (known primarily for her work at DMA Companies) as the project developers and long-term owners of both the affordable and the workforce components of the project. On the affordable side only, there was a further partnership with a LIHTC investor, as mandated by Section 42 of the IRS code, in order to comply with the LIHTC program.

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**Primary funding strategy and sources (Project 1)**

Sunset Ridge Apartments used an innovative funding strategy called a “50/50” structure where half of the project is affordable and eligible for 4% low-income housing tax credits, and half of the project is workforce. This combination allows for the equity generated by the affordable component to meet the equity requirements for the entire project, while the increased income from the workforce component allows for a larger loan size as the workforce income subsidizes the affordable component with its increased DSCR.

Overall, the capital structure of Sunset Ridge Apartments was composed of \$34.6m in Private Activity Bonds (held and reinvested during construction), ~\$20.4m in LIHTC Equity proceeds at \$0.855 per tax credit dollar, ~\$86.3m in HUD 221(d)(4) loan proceeds, ~\$1m in 45L credit equity, ~\$3.9m in Bond Reinvestment Proceeds, and \$8.85m in RHDA funds to close the gap after an ~50% deferral in developer fee.

This project, similar to Ryan Drive, was not located in a QCT or DDA, and therefore did not benefit from the 30% boost in LIHTC eligible basis.

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**Current occupancy rate (Project 1)**

0% (Pre-construction)

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**What were the design considerations for this project and how did they impact the project? (Project 1)**

The affluent submarket and target users, environmental restrictions, and unprecedented affordable housing offering are the most significant design considerations for this project. Comparable properties in the submarket are luxury, garden-style apartments with resort-level amenities and high-grade fixtures and finishes. To meet and/or exceed comparables, the architect, Evolve, and the developer, Manifold (both part of this proposed project team), are working to ensure high quality materials and design are incorporated in all aspects of project. Additionally, since the development is in the Barton Springs recharge zone, Manifold is working alongside city staff to ensure enhanced environmental restoration and protection devices are incorporated into the design. Finally, and most notably, Manifold sought to develop a property in which the units designated for affordable housing are indistinguishable from the market rate units. All the fixtures, finishes, and designs are the same and the amenities shared. To the untrained eye, one would not be able to decipher the difference between an affordable housing and market rate unit.

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**How the project shifted from initial underwriting/approvals through closing, construction, and conversion (Project 1)**

While this project has not yet been delivered, it has been continuously evolving since the initial feasibility analysis. Given the significant affordability offered in this development, there are many private and public partners who have had an influence on its programming and design. Notably, the public partnerships with HUD, TDHCA, and AHFC, have provided target income restrictions and design requirements. Successful early collaboration with these public groups has provided invaluable feedback and helped both entitlements and design, ensuring a high quality, affordable project will be delivered. Additionally, private industry relationships have helped vet potential partners and helped Manifold choose a highly regarded architect and general contractor for the project. Currently, Manifold is awaiting its site plan approval and will submit building permit applications within the near future, anticipating breaking ground well before the end of this year.

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**Describe your community engagement efforts during pre-development, construction, and operation (Project 1)**

Since the project's inception, Manifold has sought to engage the community's input in its design and development process. Alongside city staff, Manifold met with adjacent homeowners and the neighborhood association to discuss concerns and answer questions about the project. This town hall was held on January 19th and was a successful forum in which concerned homeowners were able to have their questions addressed and for Manifold to share development plans. When under construction, as discussed later in this proposal, the general contractor will appoint a point of contact to stay in communication directly with adjacent homeowners regarding any questions or concerns they may have during the construction process. Finally, during operations, Manifold's selected property manager, Capstone (also part of the proposed development team), will stay in contact with the adjacent homeowner associations regarding any ongoing questions or concerns.

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Please attach underwriting pro forma for the development, as approved by either the state housing finance agency, the lender, or the equity investor (Project 1)

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**Project Description (Project 2)**

The Shiloh is a 285 unit multifamily community in the West Oak Hill submarket of southwest Austin. Due to its location in an environmentally sensitive area, the development team and consultants approached the project with minimizing environmental impacts as one of the main priorities. The project opted-in to follow current code as it relates to impervious cover and increased water quality standards. As a result, the project boasts tastefully planned greenspaces and walking paths around the site along with a biofiltration pond parallel to the southern property line.

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**Placed-in-service Date (Project 2)**

Sep 01, 2021

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**Address (Project 2)**

6811 Old Bee Caves Road

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**Type of development (e.g., single family, detached condo, attached condo, multifamily condo) (Project 2)**

Garden with elevators

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**Income restrictions (Number of Units at or below 30% MFI, Number of Units at or below 50% MFI, Number of Units at or below 60% MFI, Number of units at or below 80% MFI, Number of units at or below 120% MFI, Number of unrestricted units) (Project 2)**

This project did not implement rent-restricted units.

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**Number of Units by Bedroom Count (Number of efficiencies, Number of 1 bedrooms, Number of 2 bedrooms, Number of 3 bedrooms, Number of 4+ bedrooms) (Project 2)**

1-Bedrooms: 181  
2-Bedrooms: 104

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**Target population (Project 2)**

General

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**Partnership structure, including specifying if this was a public/private partnership (Project 2)**

Manifold was responsible for site selection, entitlement strategy, entitlement negotiations, and valuations. Slate was responsible for product design, construction, and sale of asset.

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**Primary funding strategy and sources (Project 2)**

Traditional bank loan and private equity

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**Current occupancy rate (Project 2)**

92.3% Occupied

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**What were the design considerations for this project and how did they impact the project? (Project 2)**

Due to its positioning within an environmentally sensitive area, the development team and consultants approached the project with a focus on mitigating environmental impacts. This strategic decision led the project to opt-in to adhere to current code regulations, particularly concerning impervious cover and water quality standards, even surpassing minimum requirements where possible. As a result of these proactive measures, the project showcases planned greenspaces and interconnected walking paths thoughtfully integrated throughout the site, fostering a blend of nature and urban development. Notably, the inclusion of a biofiltration pond along the southern property line serves as an example of the project's sustainable water management practices. Beyond meeting regulatory obligations, these design considerations reflect an effort to create an environment that not only minimizes ecological disturbances but also enhances the overall quality of life for residents.

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**How the project shifted from initial underwriting/approvals through closing, construction, and conversion (Project 2)**

The development project encountered several challenges and observations during its execution. There was a notable increase in construction costs that presented a significant challenge to the project's budgetary constraints. Secondly, efforts to integrate design considerations and feedback from Austin Fire Department and City Environmental resulted in a decrease to the overall unit yield. However, it's noteworthy that the quality and design integrity of unit finishes and layouts remained consistent throughout the project timeline. Although the onset of the COVID-19 pandemic did introduce delays in the procurement of materials and availability of trades, diligent management ensured that the project maintained its scheduled completion.

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**Describe your community engagement efforts during pre-development, construction, and operation (Project 2)**

In addition to managing construction logistics, the project actively engaged with local stakeholders to address broader community concerns and objectives. Specifically, discussions were held with neighbors and nearby neighborhood groups to explore the feasibility of installing a traffic signal on 290 and the project's environmental objectives. These engagements served to foster community understanding and support for the project. Notably, following these discussions, the project received endorsement from a neighborhood group for amending a restrictive covenant on the site. This amendment was crucial as it permitted residential use, facilitating the project's alignment with its intended goals and bolstering community acceptance of the development.

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**Please attach underwriting pro forma for the development, as approved by either the state housing finance agency, the lender, or the equity investor (Project 2)**

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**Community Review Questions - 20 Points**

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**8. Please describe your development team's construction management practices that will be used as part of this development to act as a good neighbor to the adjacent property owners.**

The General Contractor will abide by all applicable Austin noise and working hours code. The General Contractor will appoint a point of contact who will be responsible for reaching out to the neighborhood with periodic updates on construction milestones. Any concerns, questions, or complaints will be directly addressed by the point of contact before, during, and after construction. The development team will also be kept informed regarding all neighborhood communication.

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**9. Please describe your proposed property management company for this development and why they are best suited to operate and maintain the property.**

Capstone Real Estate Services, Inc. is a full-service, 3rd-party management company with a portfolio spanning 65+ cities. Founded in 1969, Capstone maintains 8 offices across 9 states and is headquartered in Austin, Texas. Unlike its competitors, Capstone owns no real estate, thereby avoiding conflicts of interest with its clients.

Capstone has extensive experience managing communities under various compliance programs and is currently ranked by NAHMA as the 13th largest manager of affordable housing in the nation, and the 8th largest manager of LIHTC. Their current affordable portfolio consists of over 20,000 units operating under various programs such as LIHTC, SMART Housing, RAD, Housing Choice Vouchers (HCV), the 811 reporting system, Public Housing, Project-Based Section 8, Section 202, HOME, Tax-Exempt Bond, RTC, and more.

Many of these properties have layered financing, similar to the proposal for the 6909 Ryan Drive site, with more than one program and set of regulations to follow. As a result, Capstone routinely works with various agencies including TDHCA, local Housing Authorities, HUD, Owners, Auditors, Equity Investors and local housing code compliance agencies in several states. For greater Austin, this includes AHFC, HACA, HATC, Safe Place, etc.

Capstone has a fully-staffed in-house Compliance Department to effectively monitor the properties it manages with government regulations. The key personnel of the Compliance Department have 40+ years of combined expertise in multiple affordable housing programs.

Capstone's Compliance Department is responsible for reviewing and approving all new move-ins and recertifications to ensure compliance with the various affordable programs managed by Capstone. In addition to providing quality control, this department also provides support, training and technical assistance to onsite staff and their supervisors while working with other enforcement authorities, such as lenders, government agencies and investors.

Capstone currently works with Austin Housing Finance Corporation (AHFC), at City View at the Park, a 70-unit LIHTC age-restricted community. Capstone initially took over in 2010 for the former general partner, and continues to manage today, with occupancy levels consistently remaining 95% and above. Other past assignments involving AHFC include Villas on Sixth, Retreat at North Bluff, and Woodland Heights. This long relationship strongly illustrates the success these two organizations hav

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**10. Please describe how your development team will develop and operate the proposed development in a way that advances racial equity within the community and your organizations.**

Our development team acknowledges the critical importance of promoting racial equity in urban development, particularly within the context of Austin's dynamic and evolving landscape. As potential co-stewards of the Ryan Drive site, we are committed to adopting an approach that prioritizes place-keeping over place-making, recognizing and honoring the existing fabric of the community. Our team is dedicated to fostering a development that not only serves as a valuable asset but also actively contributes to the ongoing vitality of the North Lamar/Airport district. Central to our vision is the implementation of principles rooted in racial equity and urban planning, with a focus on transit-oriented development (TOD) and community engagement. By embracing TOD principles, we aim to reduce reliance on cars, thereby promoting greater accessibility for future residents to essential services such as quality food, healthcare, childcare, employment opportunities, and other resources crucial for enhancing overall quality of life.

In addition to embracing transit-oriented development principles, our team is committed to engaging in intentional outreach and inclusion efforts throughout all stages of the development process. This includes actively seeking input from diverse community stakeholders, particularly those who have historically been marginalized or underrepresented in decision-making processes. By prioritizing community voices and perspectives, we aim to ensure that the development not only meets the needs of the broader population but also serves as a platform for advancing racial equity within the community. Furthermore, our commitment to equity extends beyond the development phase, as we will implement inclusive hiring practices and prioritize the creation of pathways to economic opportunity for local residents, particularly those from underserved communities. Through these concerted efforts, our development team seeks to not only create affordable housing but also foster a more equitable and inclusive community for all.

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**11. Please describe how your development team will form and leverage relationships with neighborhood groups, organizations, and business to help support a vibrant and enriching neighborhood.**

By fostering collaboration and actively involving neighborhood stakeholders, we can create a diverse and inclusive neighborhood that thrives economically and socially. Our goal is to build a place where residents feel a strong sense of ownership and pride, setting the stage for continued growth and prosperity in the years to come. Through ongoing dialogue with community stakeholders, we will work together to identify the ideal businesses or uses for the commercial space that has been requested from stakeholders. Our goal is to secure financially stable and compatible businesses or uses that will benefit the entire community. We are committed to creating a development that reflects the aspirations of the community and contributes positively to the neighborhood's vitality and cohesion.

Ensuring synergy between commercial and residential uses is vital for crafting a vibrant and cohesive neighborhood. Our commitment to integrating commercial components within the development isn't just about convenience; it's about fostering a thriving community where residents can live, work, and play seamlessly, all within walking distance of their homes. Synergy between commercial and residential spaces goes beyond mere functionality; it nurtures a sense of belonging and social cohesion. Moreover, commercial spaces will contribute to the economic vitality of the neighborhood. These spaces serve as hubs for local commerce, attracting foot traffic and supporting the growth of small businesses. Through partnerships with neighborhood organizations and business associations, we can ensure that these commercial spaces align with the community's vision and needs.

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