

Form Name: 6909 Ryan Drive RFQ
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Description Area

Request For Qualifications 6909 Ryan DriveAffordable Rental Housing Development OpportunitySubmissions Due: 11:59 p.m. CS----T on 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 - 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. If you have any questions about this application, please contact Sarah Ramos or Alex Radtke.

Exhibit A: RFQ Response Form, Affidavits, and Certifications

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. Unscored

Developer Name

Jason Hauck

Developer Company

Morgan Group

Developer Email

jasonh@morgangroup.com

Co-Developer Name (if applicable)

Travis Russell

Co-Developer Company (if applicable)

Morgan Group

Co-Developer Email (if applicable)

travisr@morgangroup.com

Architect Name

Bill Davies

Architect Company

The Davies Collaborative

Architect Email

billd@daviescollaborative.com

Engineer Name

Augustine Verrengia

Engineer Company

WGI

Engineer Email	augustine.verrengia@wginc.com
Property Manager Name	Shelley Watson
Property Manager Company	Morgan Group
Property Manager Email	shelleyw@morgangroup.com

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

MORGAN is a 3rd-generation, family-owned, vertically-integrated multifamily development company. We have been developing institutional-quality multifamily communities since the early 1980s. MORGAN has an in-house general contractor and an in-house property management company. Having these disciplines in-house allows real time feedback to construction costs and operating trends.

MORGAN's development team approaches each new development opportunity with thoughtfulness towards design, constructability, and ultimate functionality and livability. We hold ourselves to a very high standard and ensure that we maintain a disciplined underwriting approach to ensure that the terms we offer on allow for the proposed project to get capitalized, closed, and delivered - regardless of the market challenges that we may face. This approach proved true this past year when Morgan was able to close and commence construction on two new high profile Austin-area (Bee Cave and Domain) projects. Many of our peers were forced to either drop their deals or re-trade the seller due to quickly declining market conditions. We are proud that MORGAN was able to stand by our proposed terms and close on the developments as agreed.

Our intention is no different on the Ryan Drive development opportunity. We have fully vetted the proposed conceptual design and have spent considerable time and resources ensuring our proforma assumptions are sound. This upfront work will allow us to efficiently work through the design and entitlement process and move towards closing under the terms that we offer on from day 1. We pride ourselves in offering a surety of close to our partners, investors, and land sellers.

In addition to MORGAN's reliability to close on the agreed terms, we are very well versed in the mixed-income space. Our team has extensive experience developing and operating mixed-income communities and our in-house Essential Housing team stays current on the latest industry standards in the market to ensure a positive experience from the resident's perspective as well as smooth operations from the owner's perspective. MORGAN's Essential Housing team has proven invaluable in navigating a very challenging and complex space. A link to their website is included here: <https://www.morganessentialhousingapts.com/>

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.

MORGAN has a decorated history of multifamily and mixed-use developments that spans across multiple generations. MORGAN has built or acquired nearly 29,000 units to date. Currently, MORGAN's owned and managed portfolio consists of more than 18,500 units across Texas, California, Arizona, Colorado, Missouri & Florida. MORGAN strives to deliver best-in-class multifamily and mixed-use assets and to responsibly manage our investors' capital.

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

MORGAN anticipates assembling the full capital stack for this project through conventional financing sources. MORGAN maintains valued and trusted relationships with capital partners by adapting to ever-changing market conditions, maintaining a disciplined underwriting approach, and practicing sound accounting principals. For this project specifically, MORGAN intends to solicit a construction loan from a national and/or regional lender to finance ~50% - 60% of the total development cost. MORGAN will partner with an institutional equity investor for the remainder of the financing. MORGAN also intends to co-invest its own capital in order to align incentives. If awarded, MORGAN may also discuss with AHFC about the loan application process for AHFC's Rental Housing Development Assistant Program, if appropriate.

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.

Example Developments - 40 Points

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

Project Description (Project 1)

Caroline at Longhorn Quarry is a 355-unit Class-A garden-style multifamily development located in northeast San Antonio. The 14 acre site encompasses thirteen 3-story buildings and a standalone 1-story clubhouse. A unique characteristic of this opportunity is the MORGAN's partnership with the San Antonio Housing Trust Public Facility Corporation ("SAHTPFC"). This partnership was structured as a 99 year ground lease where 50% of the units will be rented to individuals making less than 60% and 80% of the Area Median Income (AMI).

The subject submarket is drastically underserved in terms of new, high-quality housing. Existing product prior to Caroline at Longhorn Quarry's delivery was mainly comprised of 1960's vintage apartment communities. The unique partnership allowed for the delivery of a new, Class-A community in a submarket in dire need of quality housing options. Demand for the project was evident - through stabilization, the property averaged 35 leases per month.

Placed-in-service Date (Project 1)

Jan 27, 2023

Address (Project 1)

5206 Wurzbach Pkwy, San Antonio, TX 78233

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

Multifamily Residential

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)36 units at or below 60% AMI
142 units at or below 80% AMI

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)1-bedrooms: 227 units
2-bedrooms: 110 units
3-bedrooms: 18 units
Total: 355 units

Target population (Project 1)

under served families with young children, newly married couples and singles looking for high quality attainable housing, first responders and essential workers

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

Caroline Longhorn Quarry was a public/private partnership between MORGAN and San Antonio Housing Trust Public Facility Corporation (SAHTPFC).

Primary funding strategy and sources (Project 1)

Caroline Longhorn Quarry was capitalized via a combination of private capital and a 65% loan-to-cost construction loan from JPMorgan.

Current occupancy rate (Project 1) 93%

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

Caroline at Longhorn Quarry emulates a contemporary hill country aesthetic. This is demonstrated in the exterior elevations comprising a mix of limestone, board and batten, and metal siding. The standalone clubhouse comprises a clubroom, private co-working offices, a conference room, and a state of the art fitness facility inclusive of a private yoga room. The resort-style sits adjacent to the clubhouse and is overlooked by two separate grill areas and fire pits. The amenity package at Caroline at Longhorn Quarry exceeded anything that had been delivered in the submarket to date.

The thoughtfulness of the amenity offerings and the quality of the unit interiors were met with overwhelming enthusiasm. The property management team was flooded with tours and applications throughout lease up and into stabilization.

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

From the project's initial underwriting in August 2020 to the final approved underwriting in July of 2021, the overall project cost increased less than 6.7% (\$3.7mm). Despite the small increase in cost, we were actually able to increase the project's yield on cost from 6.60% to 6.68% due to increasing rents from nearby rent comps.

The cost increase mentioned above were attributed to design considerations that the development team elected to implement - upgraded appliance packages, additional grill area, addition of an outside yoga lawn, adding private garages, etc.

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

The public/private partnership led to a lot of community questions. As a result of this, MORGAN and SAHT ran a very transparent process in which we solicited feedback from community members on what exactly they would like to see implemented in the project if it were to be approved.

This was a very helpful exercise that really shaped our programming for the project. The public felt strongly about greenspace - as a result, we implemented 3 separate "nodes" of open greenspace throughout the project. Each node has its own design characteristics that residents can enjoy.

The public feedback was very helpful and MORGAN was happy to forgo additional density and instead deliver the requested open spaces for future residents to enjoy.

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)

Project Description (Project 2)

Caroline at Memorial, a Class A wrap-style multifamily PFC development located in a high growth suburb of West Houston near the Energy Corridor. The 6.38-acre site encompasses 334 units within one 4-story building, and is zoned to Katy ISD, the #1 school district in the Houston metro.

This submarket boasts incredibly strong demographics - Average home values in adjacent neighborhoods are \$750K+ and the average household income within a one-mile radius of the site is \$130K+. These impressive demographics are desirable but have created barriers to entry for lower-income earners looking to live in a desirable neighborhood zoned to top-tier schools.

MORGAN's partnership with the Houston Housing Authority allowed us to deliver a Class-A project with attainable options for lower-earning families hoping to move into the submarket.

Placed-in-service Date (Project 2)

Aug 09, 2024

Address (Project 2)

15635 Memorial Drive, Houston, TX 77079

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

Multifamily Residential

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)

34 units at or below 60% AMI
134 units at or below 80% AMI

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: 229 units
2-bedrooms: 105 units
Total: 334 units

Target population (Project 2)

lower-earning families hoping to move into the submarket for the desirable schools, first responders and essential works

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

Caroline at Memorial was a public/private partnership between MORGAN and Houston Housing Authority.

Primary funding strategy and sources (Project 2)

Caroline at Memorial was capitalized via a combination of institutional capital and a 65% loan-to-cost construction loan from Amegy Bank.

Current occupancy rate (Project 2)

to be delivered in August 2024

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

Caroline at Memorial emulates a timeless elevation comprising a mix of masonry and stucco. The attractive elevation is tucked off of Memorial Drive behind a grand oak tree and a circle drive with upgraded pavers. The entry provides residents a feeling of grand arrival as they pull off of Memorial Drive.

Amenities include a luxury resort style pool within an oversized courtyard. The courtyard contains an outdoor kitchen and multiple lounge areas with soft seating. Interior amenities include a we-work style business center, spa-inspired fitness center, private gated yards, and an oversized dog park.

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

From the project's initial underwriting in September 2021 to the final approved underwriting in July of 2022, the overall project cost increased 8.5% (\$6.8mm). Our construction team did a fantastic job navigating an inflationary environment in which construction costs dramatically increased. Due to strong relationships with our sub-contractors and a conservative initial budget, we were able to overcome the cost increase and close the deal and commence construction.

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

Given the affluence of the neighborhood, our team has received a tremendous amount of community feedback. MORGAN has navigated any negative feedback with professional courtesy and transparent operations.

MORGAN construction maintains a clean job site and adheres to strict working hours in an effort to be as least disruptive to our neighbors as possible.

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)

Community Review Questions - 20 Points

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.

As a fully vertically integrated company, MORGAN also has an in-house General Contractor that performs construction on all of our development projects. With every construction project, MORGAN endeavors to be an outstanding steward within each community in which we build. Like many things, and especially with construction, communication is extremely important. Before breaking ground, MORGAN Construction reaches out to all adjacent and neighboring property owners to establish contact, inform them of the upcoming construction, and provide contact information. MORGAN Construction will always have multiple supervisors onsite during all working hours and aims to be accessible throughout the project. Additionally, one of the adjacent property owners, Power Plumbing, is a commercial & multifamily plumbing subcontractor that MORGAN has a strong relationship with already.

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

MORGAN will operate this property with its integrated property management company. MORGAN's boutique-like property management provides immediate and excellent service that stands apart from other property managers. MORGAN's nearly 50 years of property management experience results in above-average property performance, better resident and associate retention, and an overall superior livable experience. We continue to invest in talented people that offer our MORGAN-managed properties the benefits of tenure and experience both in the corporate office and on-site. Our integrated property management company enables us to maintain a long-term management approach for all of our properties.

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.

Advancing racial equity within the community begins and ends with community engagement. AHFC, Austin Energy, and the City of Austin have done an outstanding job of soliciting input and feedback in order to create the RFQ for this site. MORGAN has intentionally informed the concept design in order to promote racial equity within this new housing development. Situated immediately adjacent to the Red Line, we are proposing a future transit plaza that includes both pedestrian and bike access not only from within the development but also from the public Right of Way in order to provide seamless accessibility for the project, the community, and the City at large. Additionally, rather than separating the affordable and market-rate units, MORGAN believes essential housing is more equitable and functions better with affordable and market-rate units spread throughout the entire apartment community. Additionally, MORGAN takes both federal and local Fair Housing laws very seriously, and will never discriminate based on race, color, national origin, religion, gender/sex, familial status and disability. These concepts are deeply embedded in MORGAN's culture -- our founder, Bill Morgan, was a Holocaust survivor that escaped persecution during World War II by fleeing to America.

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.

MORGAN envisions a collaborative and iterative design process that actively solicits input and feedback from the surrounding community and neighborhood. Many other developers view these projects merely as transactions, however the MORGAN company really operates as a family. This culture was enshrined in the company by our founder, Bill Morgan, and permeates through each and every one of our residential communities. We understand that a significant amount of community engagement and outreach work has already been completed for this site, dating back to early 2018. While we have done our best to incorporate this feedback into our concept design that we have submitted here, we intend to provide multiple opportunities for the surrounding stakeholders to provide input and influence the ultimate design to ensure this project is a valuable addition to the neighborhood and City alike.
