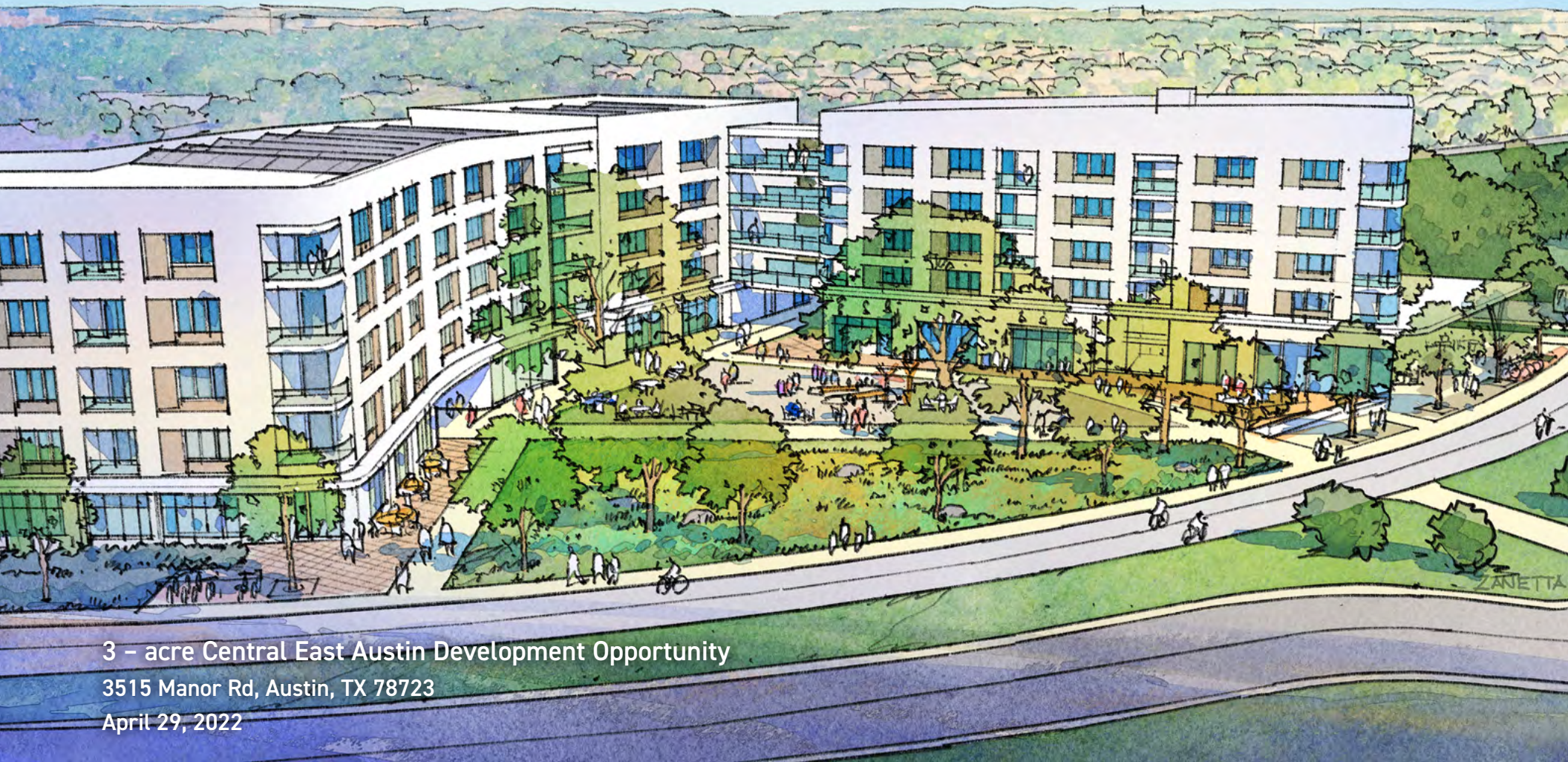


Seabrook Square

Response to Request for Proposals



3 – acre Central East Austin Development Opportunity

3515 Manor Rd, Austin, TX 78723

April 29, 2022

Submitted by

Development Team NHP Foundation | Capital A Housing | Integral Care

Partnered With Origin Studio House | SixSquare | Austin Area Urban League | Raasin in the Sun
Art From the Streets | Urban Foundry Architecture | Civiltude | Allied Orion Group



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A. EXECUTIVE SUMMARY

A.1 Cover Letter



Seabrook Square Proposals

3 Acre Central East Austin Development Opportunity
3515 Manor Rd, Austin, TX 78723

A.1 Cover Letter

Dear Central East Austin Community, Austin Housing Finance Corporation staff, and Austin Public Health staff,

The National Housing Partnership Foundation (NHPF), Capital A Housing, and Integral Care are pleased to respond to the Request for Proposals for the development opportunity at 3515 Manor Road. Together the organizations have developed and own and operate more than 10,000 affordable housing units across the country, including nearly 300 units of Permanent Supportive Housing units in Travis County. This unique collaboration combines local expertise and experience in serving low income and unhoused families with national operations and development expertise built over decades.

Seabrook Square, our proposal for 3515 Manor Road, is envisioned as an inclusive, sustainable, and active hub for the J.J. Seabrook Neighborhood that seamlessly integrates with the neighborhood's existing resources, cultural history, and physical environment. This proposal has been realized through rich collaboration with the development team of NHPF, Capital A Housing, and Integral Care; the design team of Urban Foundry Architecture and Civiltude; and Central East Austin community leaders including Origin Studio House, SixSquare, Austin Area Urban League, Raasin in the Sun, and Art From the Streets. The development features amenities for residents and the community at large including a lush community square, Community Hall, Resilience Hub, and active ground floor spaces for both local businesses and artists.

Seabrook Square is proposed to encompass 262 total housing units (10 of which are live-work residence-studios reserved for East Austin artists) across 4 structures, with on-site parking provided in an interior parking garage. Community open space, 1,950 square feet of commercial space for local business, and 7,917 square feet of service space for residents and neighbors round out the proposed development.

Residences of Seabrook Square will be available to families of all sizes with multi-bedroom layouts making up 42% of the affordable units; a diversity of income levels with a total of 244 units available to households at or below 60% MFI; and our unhoused neighbors with 60 units reserved for individuals exiting homelessness owned and operated by Integral Care, which the neighborhood association has [specifically identified as a priority for including in affordable housing](#). This proposal meets and exceeds each Affordable Housing Goal set out by the community and AHFC while balancing the need to limit additional subsidy.

This team has a holistic approach to collaboration, design, and implementation with the goal of supporting diverse housing opportunities, cultural preservation, and BIPOC entrepreneurship in Central East Austin. We recognize that you will have many choices of developer partners for this important initiative. But if you would like to have a team of financially able nonprofit and local developers with an experienced local social service provider, who also share your goals of affordable housing creation, resident empowerment and neighborhood improvement for the long term, then we believe Seabrook Square is the right choice to move forward.

Sincerely,
NHP Foundation
Capital A Housing
Integral Care

B DEVELOPMENT PLAN

- B.1 Development Concept
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Seabrook Square Proposals

3 Acre Central East Austin Development Opportunity
3515 Manor Rd, Austin, TX 78723

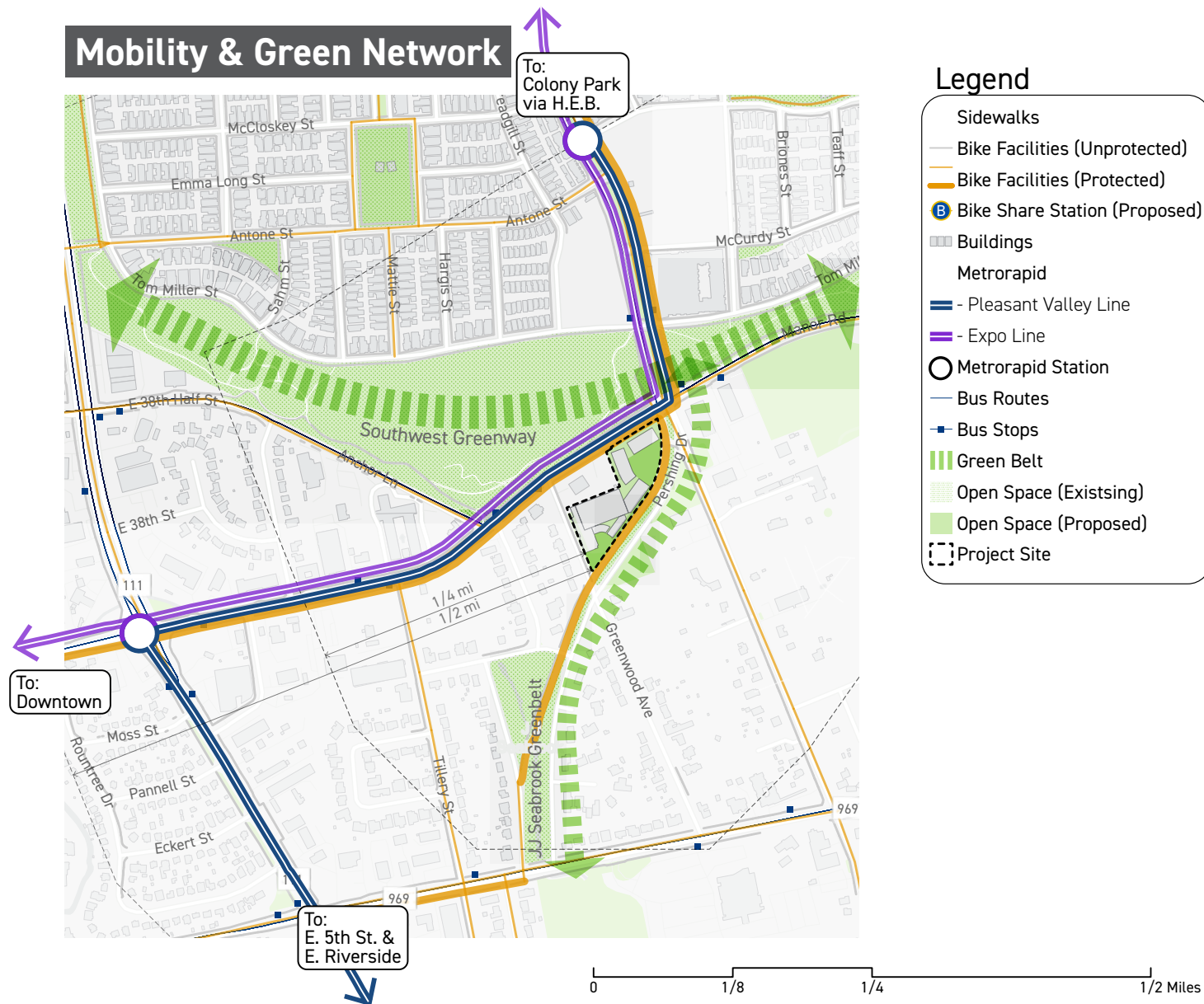


B.1 Development Concept

Seabrook Square takes care to connect with and enhance the larger active transportation and green space networks of the E MLK neighborhood, providing nodes of activation along the J.J. Seabrook Greenbelt and bike share facilities on site for easy access to protected bike facilities nearby.



B.1 Development Concept Summary



B.1 Development Concept Summary

B.1.1 Affordable Housing Priorities

The Preferred Development Scenario under the development team's proposal for Seabrook Square exceeds each affordable housing priority established for the RFP

- 244 units are income restricted at 60% MFI or below
- 158 units are income restricted at 50% MFI or below (65% of total affordable units)
- 82 units are income restricted at 30% or below (34% of total affordable units)
- 102 income restricted units are multi-bedroom (42% of affordable units)
- 60 units are designated as permanent supportive housing (PSH) owned and operated by Integral Care, a proven service provider who has been supporting our homeless community for more than 40 years.
- Integral Care's decades of experience and trauma-informed design best practices drove the decision to place all 60 PSH units within their own building with direct access to support services spaces. This provides for better protection for PSH residents and a more supportive community experience. However, the overall design of the development emphasizes communal outdoor spaces and connectivity to the wider neighborhood, in keeping with what we've heard from neighborhood residents.
- A robust housing and commercial preference policy is planned in partnership with the Austin Area Urban League
- The financial proposal effectively leverages a variety of funding sources

Proposed Conceptual Architectural Elevation at Manor Road



B.1 Development Concept Summary

B.1.2 Social Service Priorities

As the on-site social service provider in this proposal, Integral Care is uniquely qualified to help individuals who have the most barriers to achieving housing stability. Integral Care has over a decade of experience implementing Housing First principles to address the needs of individuals experiencing chronic homelessness, who also live with mental illness, substance use disorder and/or other chronic health conditions.

- Integral Care is committed to supporting residents in achieving long-term housing stability. At their most recent development, Integral Care residents have experienced a 51% decrease in Emergency Room Visits, a 60% decrease in Medical Inpatient Admissions, and a 79% decrease in Medical Inpatient Bed Days resulting in a community cost savings of \$724,305 over its first year.
- Integral Care will prioritize eligibility for individuals experiencing homelessness, who meet the definition of Chronic Homelessness, and are referred from the Coordinated Entry system.
- Integral Care has experience leveraging multiple funding sources and support to provide the robust services needed to work with the most vulnerable chronically homeless population with Serious Mental Illness and/or Substance Use Disorders. This population is often the most difficult to house and costs the community the most money in service utilization. Although this level of support services is costly, the return on investment community-wide is substantial both in monetary and wellness terms. While other proposals may include lower overall supportive service budgets, Integral Care's long experience shows that robust services are needed to ensure success for this high needs, high priority population.

B.1 Development Concept Summary

B.1.3 Community Priorities

The Seabrook Square proposal was designed from the beginning to meet every single Community Priority identified by the surrounding neighbors.

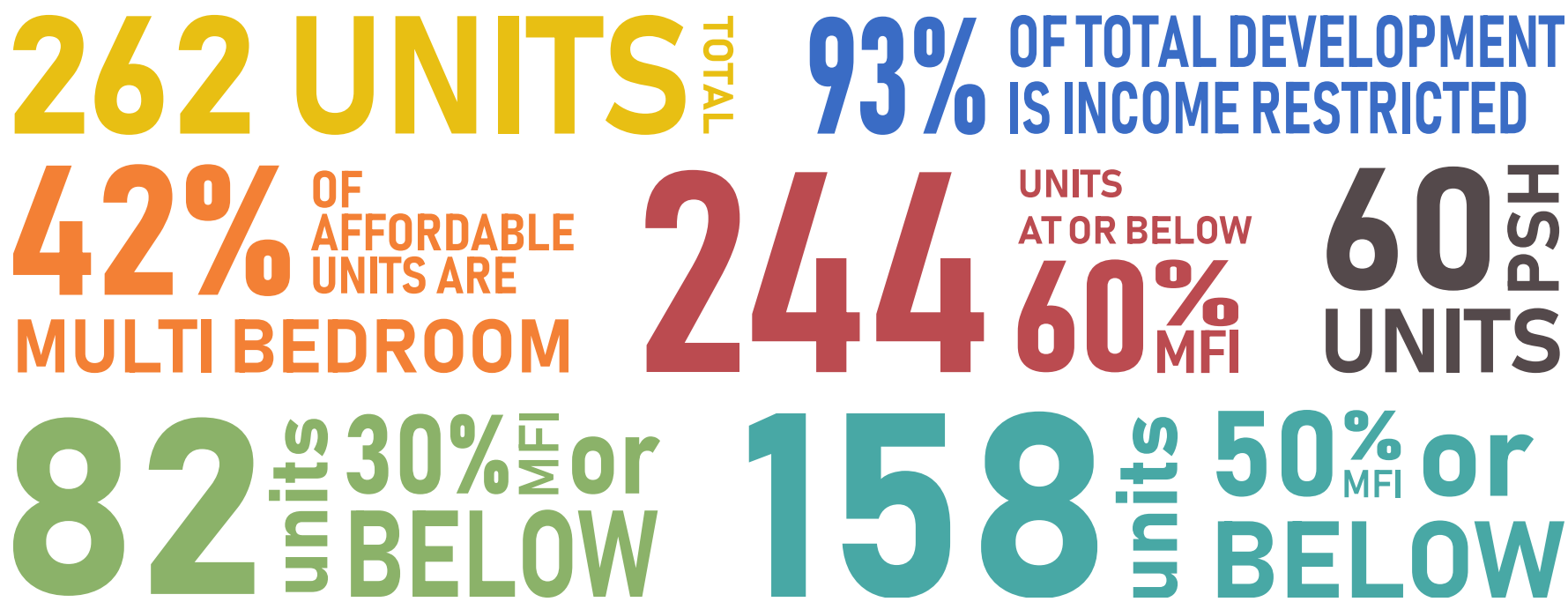
- Seabrook Square's heart is in the community square, flanked by active ground-floor commercial uses including a cafe and art house,, a Community Hall, affordable live-work art studios for resident artists, and offices for a local arts organization, with a "Commercial Expansion Scenario" that substantially increases space available for local small businesses.
- Outside, Seabrook Square integrates with the neighborhood physically through a chain of open spaces, functional green features, and paths that complete the neighborhood's active transportation and leisure networks. Inside, amenity space including a business center will be available for community use. Residential building forms along Greenwood complement the existing neighborhood scale while shielding the onsite parking from public view.
- The cultural integration of Seabrook Square is achieved in partnership with East Austin community leaders, business owners, non-profit organizations, and artists in an effort to create a new bastion against displacement.
- From the ground up, Seabrook Square provides a level of ecosystem services, alternative energy generation, and sustainable transportation options to foster a healthy and resilient environment for its residents and the surrounding community while discouraging as much as possible adding additional car traffic to neighborhood streets through the installation of a MetroCycle ebike station and other strategies. The solar panels and batteries planned on the site will also help weather climate change by creating a new off-grid neighborhood Resilience Hub in partnership with the city's Office of Sustainability that can provide electricity, water, and heat when the city's systems go down.
- The central feature of Seabrook Square is a large community square nestled among residential buildings with active ground floor uses on two sides, and the beautiful J.J. Seabrook Greenbelt extension on the south-eastern edge. The square is deliberately oriented towards the interior of the JJ Seabrook neighborhood to welcome nearby residents and integrate the development into the fabric of the community.
- Seabrook Square would create a new arts hub for East Austin, with spaces for local artists to live, create, engage, and inspire the community. The proposal includes 10 affordable artist live-work units engaging the community square, public art installations in the open spaces across the site, and a new office for a local community arts organization dedicated to engaging neighbors in projects that beautify and root public spaces in the areas culture and history.

B.2 Development Description

B.2.1 Preferred Development Scenario

The development team has modeled a Preferred Development Scenario in which we balance the desired deeper levels of affordability and multi-bedroom unit mix with the need to limit additional subsidy. This scenario seeks to maximize deeply affordable units and accommodate as many multi-bedroom units as possible while maintaining overall unit count within the proposed building footprint. The proportion of multi-bedroom units could be increased, but the financing gap would also increase as either fewer units could be built or the buildings would be enlarged (increasing construction costs).

In addition to the 60 PSH units, there are another 22 units set aside for households at or below 30% MFI. This scenario also includes 10 live/work units at 50% and 60% MFI.



B.2 Development Description

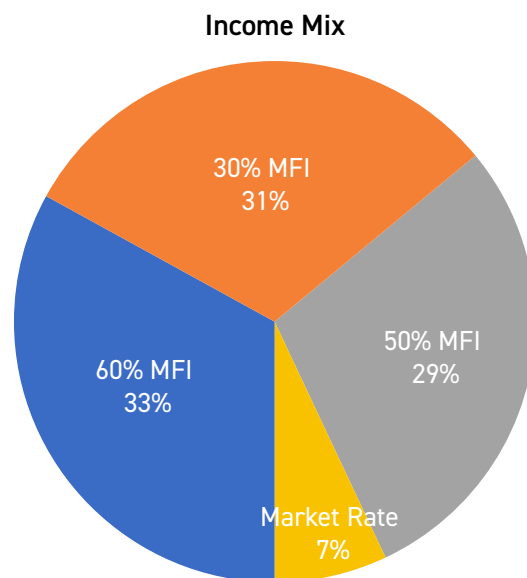
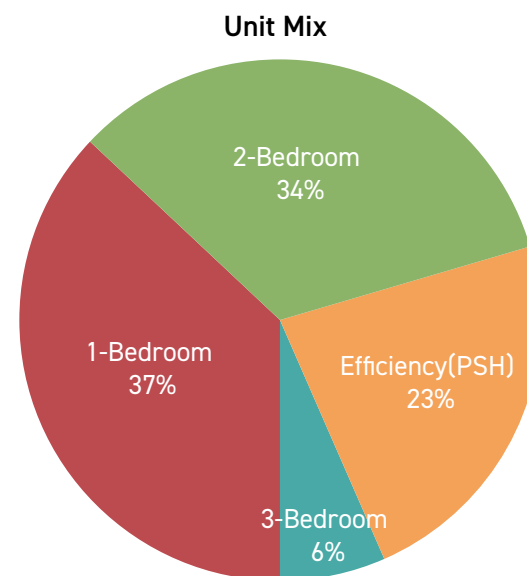
B.2.1 Preferred Development Scenario

Number of Units											
Bedroom Count	Income Restriction (percentage of area median family income)										Total
	20	30	40	50	60	70	80	100	120	Unrestricted	
Efficiency		60									60
1		10		32	40					14	96
2		10		37	39					4	90
3		2		7	7						16
Total		82	0	76	86	0	0	0	0	18	262

Number of Permanent Supportive Housing (PSH) units	60
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Site Information			
Zoning	GR-V-NP & GR-NP (using Affordability Unlocked entitlements)		
Gross Floor Area Total	227,547.3	Residential	217,680.3
		Commercial	1,950.0
		Service/Amenities	7,917.0
Maximum Height	64'		
Impervious Cover	72.60%		
Number of Parking Stalls	250		

Development Timeline			
Development Activity	Start Date	End Date	Notes
Site Control	7/2022	9/2022	Site control agreement execution (per RFP)
Financing	7/2022	9/2023	Sept 2023 closing
Zoning	N/A	N/A	No rezoning needed - project will use Affordability Unlocked
Subdivision	10/2022	8/2023	Combined with site plan
Site Plan	11/2022	8/2023	
Construction	10/2023	10/2025	
Lease Up	10/2025	1/2026	



B.2 Development Description

B.2.2 Additional Development Scenario

Less Subsidized Development Scenario

Because we recognize that one of the City's goals is to minimize the amount of public subsidy needed to finance the development of 3515 Manor Road, we have also included a scenario that minimizes required subsidy while meeting the baseline requirements of the RFP.

In this scenario, the overall square footage of the development and the total number of overall units remain constant, but changes to bedroom mix and affordability levels were necessary to drive down the cost and close the financing gap. The Less Subsidized Scenario requires approximately \$3.6 million in city subsidy, which is \$2.5 million less than the Preferred Development Scenario.

If the City's primary goal is to reduce the amount of additional subsidy required to complete the development, the Less Subsidized Scenario will meet that goal. However, the development team believes that the Preferred Development Scenario will provide a better outcome for the community, though it does come at an increased upfront cost.

5 FEWER 3-BEDROOM UNITS
54 FEWER UNITS
AT 50% \leq AND \$2.5M
BELOW LESS IN SUBSIDY

Expanded Commercial Development Scenario

This development option builds on the Preferred Development Scenario, but increases the overall square footage of the building at the corner of Manor Road and E M Franklin Avenue to accommodate more commercial space for local businesses.

With this option added on to the Preferred Development Scenario, the total number of overall units remains constant, as do the affordability mix and multi-bedroom unit mix. To achieve this while increasing the overall commercial square footage, the following changes were made:

- Increasing the size of the building at the corner of Manor Road and E M Franklin by one additional floor, and increasing the number of parking spaces to accommodate the increased commercial square footage. This increased development costs by roughly \$8.3 million, bringing the total development cost to \$71.4 million.
- Decreasing the amount of live-work units. Five units were converted from live-work to normal residential units as they were moved from the ground floor to the second floor to accommodate the increased commercial space.

With the increase of commercial space from 1,950 square feet to 8,000 square feet, additional rent revenue eliminates the need for City subsidy and project-based vouchers on the 15 non-PSH units at 30% MFI.

6,050 ADDITIONAL sqft
OF COMMERCIAL ON MANOR Rd.
\$8.2M ADDITIONAL DEV COST

B.3 Financial Offer

The development team proposes to provide the following financial benefits to the Austin Housing Finance Corporation. These parameters are based on existing agreements that NHPF has with the Houston Housing Authority on two partnerships in the North Post Oak neighborhood of Houston. If selected, the development team is open to discussing alternative financing arrangements with AHFC

Item	Amount	Notes
Proposed Percentage of Developer Fee to AHFC	2.5%	The team proposes to defer 25% of the total fee and give 2.5% of the total fee to AHFC.
Proposed Total Amount of Developer Fee to AHFC	\$203,658	This amount reflects the developer fee earned on the Preferred Scenario.
Proposed Amount of General Contractor Fee to AHFC	none	NHPF has a nonprofit Contractor entity that will be used to off-set sales tax
Proposed Amount of GP Management Fee to AHFC	1% of gross income	Est'd to be ~\$30,000 in year 1 under Preferred Scenario
Proposed Upfront Ground Lease Payment to AHFC	\$1,000	
Proposed Ongoing Annual Ground Lease Payment to AHFC	\$100/year	
Proposed Percentage of Cash Flow to AHFC	15% of residual cash flow	Est'd to be ~\$32,000 in year 1 under Preferred Scenario
Proposed Percentage of Future Capital Transactions to AHFC	1% of sale price plus 15% of residual proceeds	
Proposed AHFC Rental Housing Development Assistance Request	\$3.6M - \$6.1M depending on scenario	The Less Subsidized Scenario represents the lowest subsidy request to meet the baseline requirements of the RFP. The City subsidy requested under that scenario is ~\$3.6M. The Preferred Scenario provides deeper affordability and more multi bedroom units, but requires additional subsidy (~\$6.1M) to deliver.

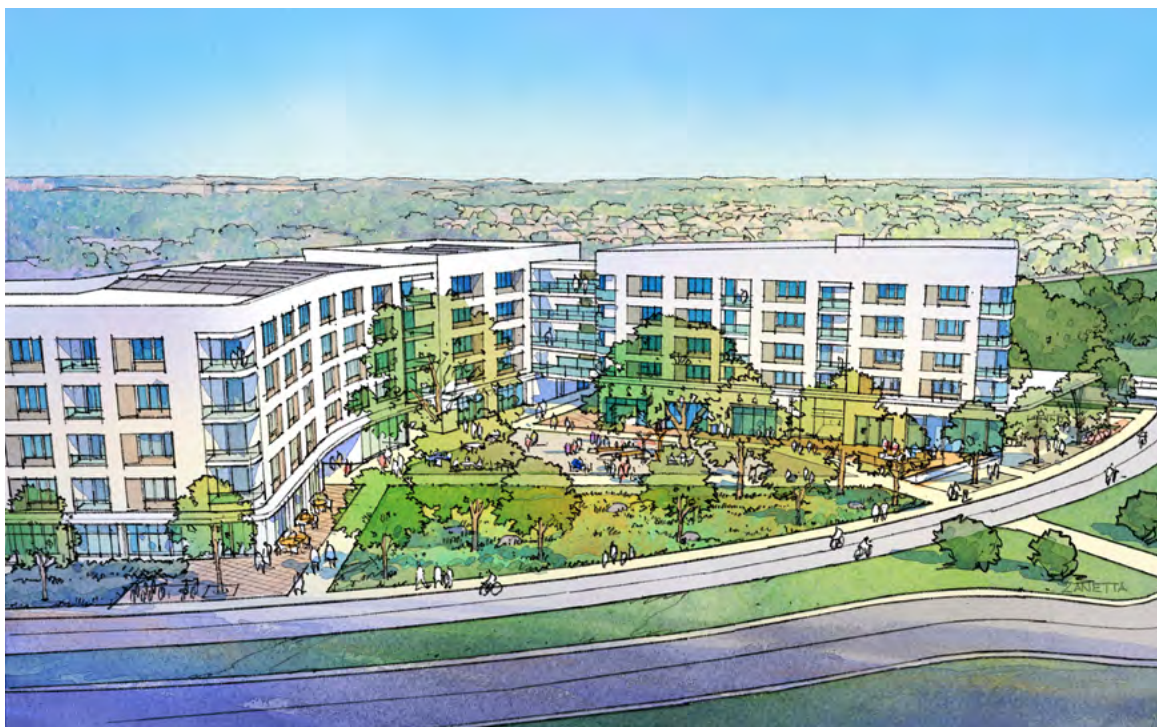
B.4 Housing and Commercial Preference Policy

To address the rampant displacement of people on the Eastside, we commit to working with AHFC to implement a Right-to-Return and a Right-to-Stay policy at Seabrook Square's rental housing and commercial space. This policy will give priority to households with ties to the community, whether they are in danger of being pushed out by rising rents and taxes, or have already been displaced and would like to come home.

To ensure our affirmative marketing to get the word out in areas suffering from displacement is effective, the **Austin Area Urban League** will be working on the team to create and execute an outreach and community engagement campaign to the communities they have been serving for decades, rather than hiring a company or someone without deep experience in East Austin. Additionally, this team proposes a partnership with the Urban League to implement a commercial preference policy for small businesses that will create economic mobility opportunities for people most vulnerable to displacement. (See 7.1.4 Option: Expanded Commercial Space for Anti-Displacement)

B.5 Community Priority Alignment

B.5.1 Ground Floor Non-Residential Space



[Origin Studio House](#). This location of Origin will be an arts-focused space for Austin's residents to engage in film screenings and explore artistic works inspired by multiple aspects of the African diaspora.

The café's indoor and outdoor tables will serve as a gathering place for Seabrook Square's residents and neighbors from the surrounding J.J. Seabrook neighborhood, as well as a destination for Austin's Black population to engage, preserve, access and reimagine their heritage through a global cultural lens. (See "Neighborhood Integration – Cultural" below.) The design will feature garage doors, shop front windows and outdoor seating engaging both the community square and Manor Road. The Origin Studio House cafe space will engage both the neighborhood and greater Austin, drawing in travelers on the Expo MetroRapid line and Manor Road on one side and neighbors bicycling and walking along the J.J. Seabrook Greenbelt and Pershing Drive multi-use trail on the other.

The commercial rent for this space is being cross-subsidized by market-rate apartments in the development, to deliver a below-market rent that will allow Origin to thrive sustainably in this space

Seabrook Square's activity is centered on the community square, surrounded by active uses including a BIPOC-owned community cafe and affordable art studios for resident artists.

5.1.1 Community Café and Art House



The most active pedestrian corner of Seabrook Square features a 1,950 square foot café and community space occupied by

B.5 Community Priority Alignment

B.5.1 Ground Floor Non-Residential Space

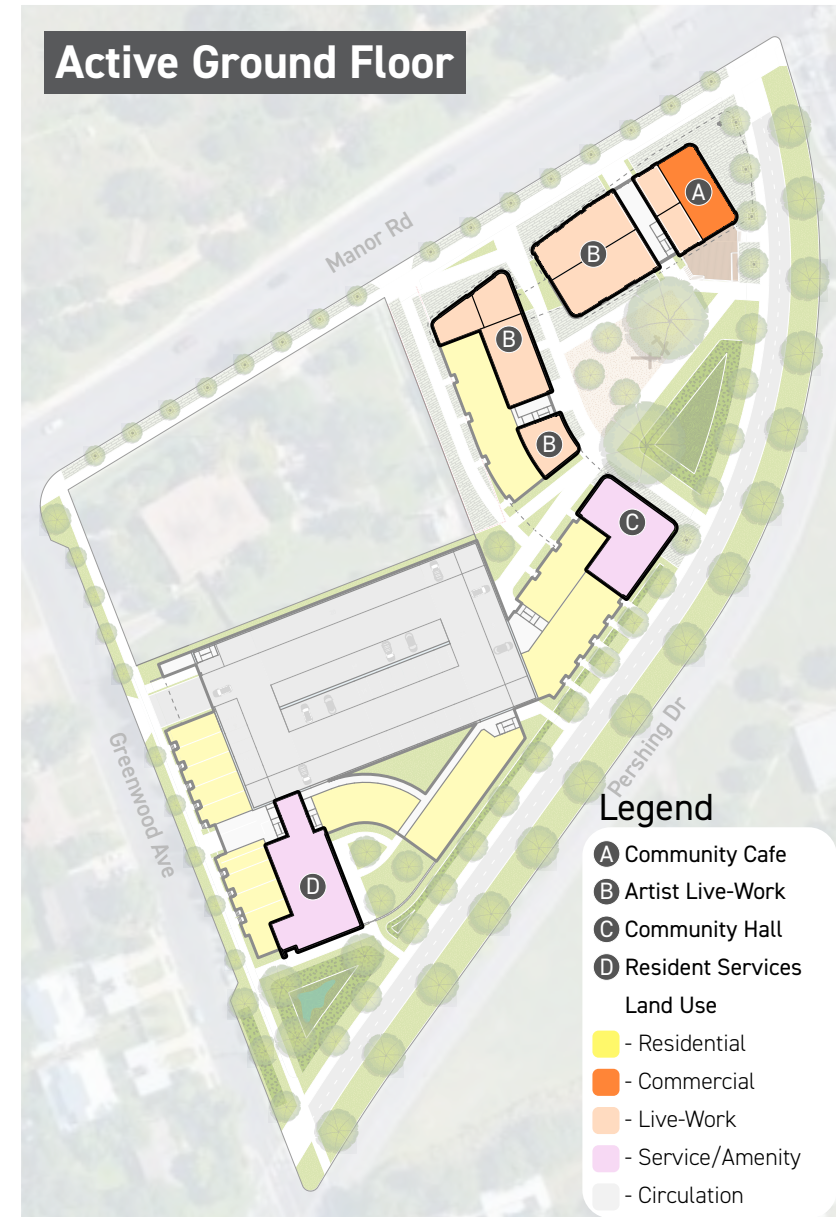
5.1.2 Resident Artists in Subsidized Live-Work Home-Studios

Further activating the edges of the community square and the Manor Road streetscape will be 10 live-work units. These units will include housing and art studios for resident artists. All units will be rented at below-market-rates, supporting Austin artists and their ability to remain in the city and enrich the community with their work. The studios could accommodate both visual artists and musicians, and open directly onto the community square and Manor Road, so that on pleasant days the resident artists can open their doors to display artwork, share their music, or otherwise activate these ground floor spaces.

While this development team acknowledges the Austin Economic Development Corporation's (AEDC) Right of First Refusal to purchase or lease the proposed non-residential spaces, we strongly urge AEDC to consider working with BIPOC-led organizations to prioritize leasing these spaces to BIPOC-owned businesses and artists. If acceptable to AEDC, this team proposes that the resident artists will be curated by SixSquare, a local Austin arts organization centered on the traditional black neighborhoods of Central East Austin. (See "Neighborhood Integration – Cultural" below.)

5.1.3 Community Hall

Completing activation of the community square is The Community Hall. The Community Hall includes a community center and business center. The community center will be open for reservation to non-profits and other local groups like the neighborhood association and youth organizations. The business center is intended to serve both Seabrook Square residents and neighbors. If additional funding is secured, the business center could be expanded to offer discounted dedicated and coworking space to neighborhood businesses. (See "Option: Expanded Anti-Displacement



B.5 Community Priority Alignment

B.5.1 Ground Floor Non-Residential Space

Commercial Space" below.)

5.1.4 Option: Expanded Anti-Displacement Commercial Space

Seabrook Square's base proposal (Preferred Scenario) includes full financing and funding for 13,027 square feet of commercial and live-work space in the ground floors of the two buildings with frontage on Manor Road. This space is designed to activate both the Manor streetscape and the edges of the community square. It comprises 11,077 square feet across 10 live-work apartment-studios for artists and local businesses, and 1,950 square feet for the café and arthouse.

While the base proposal (Preferred Scenario) meets the affordability and other requirements of the RFP, the Expanded Commercial Development Scenario offers an option to substantially increase the retail and food/beverage space along the Manor streetscape and the community square. This would be accomplished by adding nearly a full floor of commercial space to Building 1 (fronting Manor Road) and shifting the five floors of largely residential units up one (for a total of six floors), without losing any residential space.

We propose to partner with the **Austin Economic Development Corporation** to raise the financing for this expansion (estimated \$8.7 million) and to own and operate the space, in a way that creates an opportunity to enhance racial equity in a rapidly gentrifying part of East Austin, by partnering with the **Austin Area Urban League**.

The Urban League has a deep history in this community, and could expand its already established [Entrepreneurship and Economic Empowerment Center Program \(E3CP\)](#) - an "Urban" Incubator for Austin Entrepreneurs - with an office in Seabrook Square to provide small business owners with educational services, coaching, and mentorship in the areas of financial literacy/ credit readiness, entrepreneurship, and business development.

But beyond training and support, partnering with the Urban League to identify new entrepreneurs and those at risk of displacement would create a pipeline of tenants for the small commercial spaces. We also suggest that the Development Corporation work with the Urban League to develop a grant or interest-free-loan program to help these new entrepreneurs with startup costs. And partnering with the Austin Economic Development Corporation to raise philanthropic, state, or federal funds to subsidize construction would mean those entrepreneurs could be offered below-market-rate, affordable leases to help nurture and sustain their businesses while still collecting enough rent to prevent the need for ongoing city subsidies. Creating a more vibrant and active community square and Manor Road streetscape, while bringing retail and services to Seabrook Square residents and neighborhoods, is the icing on the cake.



B.5 Community Priority Alignment

B.5.2 Integrate Development with the Neighborhood, Both Physically and Culturally

5.2.1 Physical Integration: Connectivity

Seabrook Square proposes to respond to the existing neighborhood context by repairing missing connections in the local pedestrian and green/open space networks. The chain of open spaces and rain gardens along the existing Pershing Drive multi-use trail will serve as an extension of the J.J. Seabrook Greenbelt, completing the gap to connect it with Mueller's Southwest Greenway. The development roots itself in the large community square forming the center of this greenbelt extension, providing a complimentary public use and activation along the path. Intimate paseos connect this plaza to Manor Road to the north as well as to an accessory green space to the west that doubles as fire access to the residential buildings.



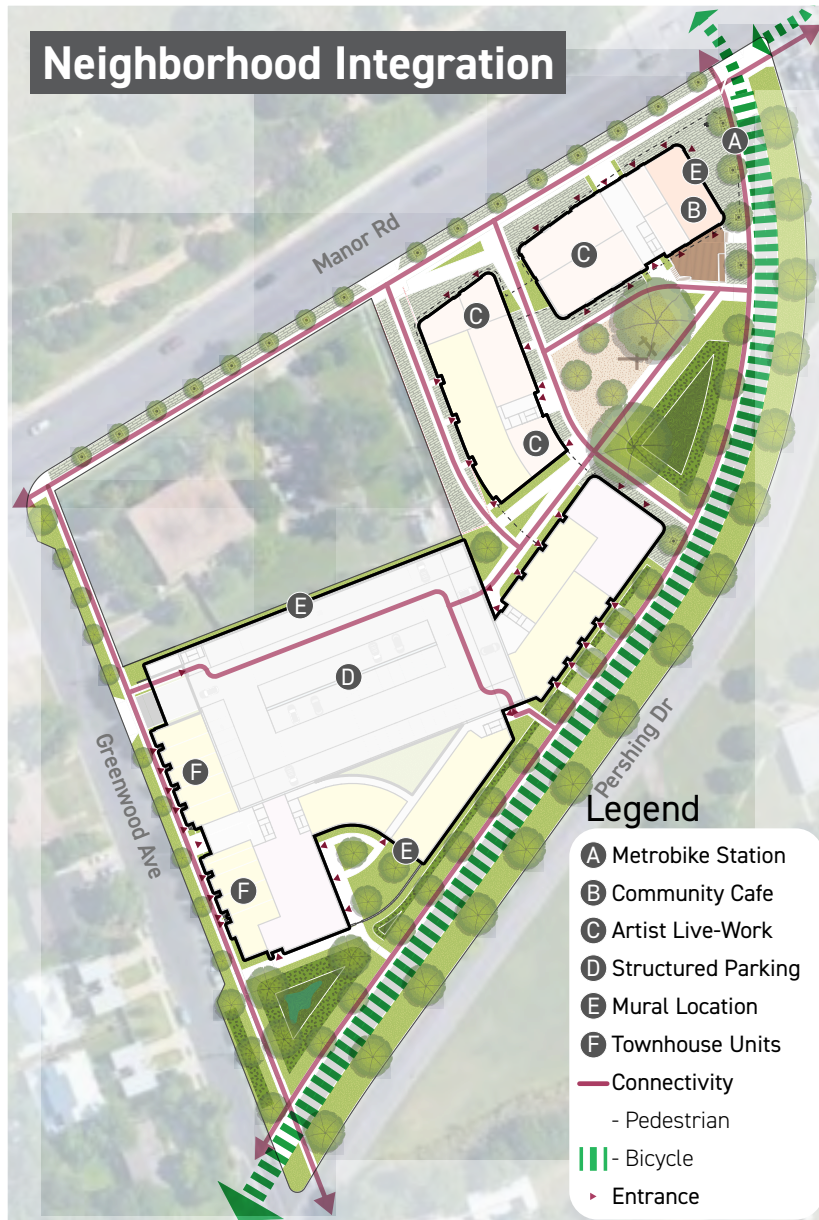
Residents of Seabrook Square will also be highly incentivized to utilize bicycles and public transportation, taking advantage of the great All-Ages-All-Abilities bicycle network and transit lines on Manor Road and, a short walk away, MLK. These incentives will also serve to steer residents and visitors away from over-utilizing private cars, which will help preserve the neighborhood's bike and pedestrian networks by not overloading them with new vehicles. (See "Incorporate Environmentally Sustainable Development Techniques and Practices" below.)

5.2.2 Physical Integration: Greenwood Avenue Residential

A townhouse style mixed-income residential building fronts Greenwood Avenue. A brief cadence of front stoops engage the street with a house-scale row of homes, while the building form then steps back at the upper levels to complement its residential context. This building also provides a shield to the parking garage beyond, enabling the rest of the site to be free of surface parking and vehicle circulation. This design satisfies the parking needs for the residential and commercial uses on site while shielding its visibility at ground level.

B.5 Community Priority Alignment

B.5.2 Integrate Development with the Neighborhood, both Physically and Culturally



5.2.3 Physical Integration: No Surface Parking

Seabrook Square emphasizes green spaces and plazas for human rest and gathering, especially along Pershing Drive. The development team has chosen to maximize these spaces rather than give precious square footage up to surface parking, and accordingly ALL parking will be in the on-site parking garage that is itself shielded from neighborhood and resident view by homes. Although structured parking is more costly to build than surface parking, the development team feels this design is a better long-term use of space well worth the increased cost.

5.2.4 Cultural Integration: Historic Central East Austin

3515 Manor Road is in the J.J. Seabrook neighborhood, named for Dr. John Jarvis Seabrook, a Black educator, pastor, president of Huston-Tillotson College (now Huston-Tillotson University), and prolific community activist who served on many city boards and commissions and non-profit committees. The site's location is just to the east of the traditional six square miles on the East Side that the city's planners designated for Black residents to be pushed into in the 1920s, and where 80% of Black Austinites lived by 1930. But as Austin's ongoing gentrification pushes residents of Austin's historical Central East Austin communities ever outwards, the site's census tract has fallen to 30% Black/African American – this is still the highest in the city.

The Seabrook Square team includes Black community leaders, business owners, and artists in an effort to create a new bastion against displacement for Central East Austin communities. Our hope is that this will become a gathering place, business incubator, arts community, and welcoming residence and social hub for Black Austinites and others

B.5 Community Priority Alignment

B.5.2 Integrate Development with the Neighborhood, both Physically and Culturally

with historic ties to the surrounding neighborhoods that are so rapidly being transformed. Our partners include:

- **Origin Studio House**, a local Black-owned business, has accepted rights to first tenancy the anchor commercial space to operate a café and art house. Origin supports artists and strengthens the local community by providing programming and creating new cultural amenities informed by Black creatives. (See “Community Café and Art House” above.)
- **SixSquare**, a local Black-operated non-profit, would identify resident artist applicants to occupy the live-work units, with a preference for artists with historical ties to the Austin Black Cultural District. (See “Resident Artists in Subsidized Live-Work Home-Studios” above.)
- **Austin Area Urban League**, a Black-led community non-profit, will be contracted to market the availability of affordable units in the Eastern Crescent, with a focus on families and individuals with ties to Central East Austin. The Urban League will utilize the existing social networks of East Austin, including its own and those of churches, schools, and other institutions to help those vulnerable to displacement find a permanent place to call home. Under the Expanded Commercial Scenario, the Urban League could offer mentorship, training, and tenant placement for East Austin entrepreneurs who are new or at risk of displacement.
- **Raasin in the Sun**, a Black-led cultural arts and environmental non-profit organization featuring powerful Mural Arts and Creative Placemaking programs serving to unite, restore, and inspire communities throughout Austin Texas and beyond. Its programs include creative placemaking, residential restorations, mural arts, Project Green, Project Clean, and Environmental Justice.



B.5 Community Priority Alignment

B.5.3 Incorporate Environmentally Sustainable Development Techniques and Practices

5.3.1 Sustainable Water Quality and Conservation

The community square that centers the development doubles as public amenity and functional green landscape – instead of an impervious expanse of pavers or concrete, the Green will utilize “functional green” pervious pavers and decks to create a space that can be enjoyed by residents and neighbors while also storing stormwater from rainfall events with stacked underground detention.

The linked series of rain gardens, ponds, native plantings, and mature shade trees that form a cascading set of water retention along Pershing Drive are designed to provide a level of ecosystem service that enhances the health, safety, and welfare of the community.

Below the surface, provided there is adequate financing, Seabrook Square will tap into the adjacent “purple pipe” infrastructure of treated-but-not-potable water from the nearby Mueller development to utilize recovered water for irrigation and any other uses not requiring higher-quality drinking water.

5.3.2 Solar Power and Community Climate Resilience Hub

Seabrook Square will deploy solar panels across the development's roofscape – both the buildings and the parking garage – to generate much of its own power. Battery storage in the parking garage could serve as a daily demand-response power source for residents to both lower utility bills and lessen demand on the electrical grid during peak demand hours.

This development team has experienced firsthand the value of solar energy in reducing climate vulnerability for affordable housing



B.5 Community Priority Alignment

B.5.3 Incorporate Environmentally Sustainable Development Techniques and Practices

communities, having worked on Louisiana's [first net-zero apartment building](#), and is eager to explore how this development can not only enhance the resilience of its residents, but also of the surrounding community. The costs for rooftop solar panels are included in the development's financial model.

The solar and battery storage serve another purpose – during the winter storm of 2021, Austin learned just how fragile our state's electricity infrastructure can be. We propose to offer the development's Community Hall as a "Resilience Hub" in coordination with the [recent efforts](#) of the City of Austin's Office of Sustainability, utilizing the electricity generation and storage (and insulated water pipes) for residents and neighbors to keep warm, charge devices, and obtain water. The hall could also be used for food and water distribution and other city emergency response efforts.

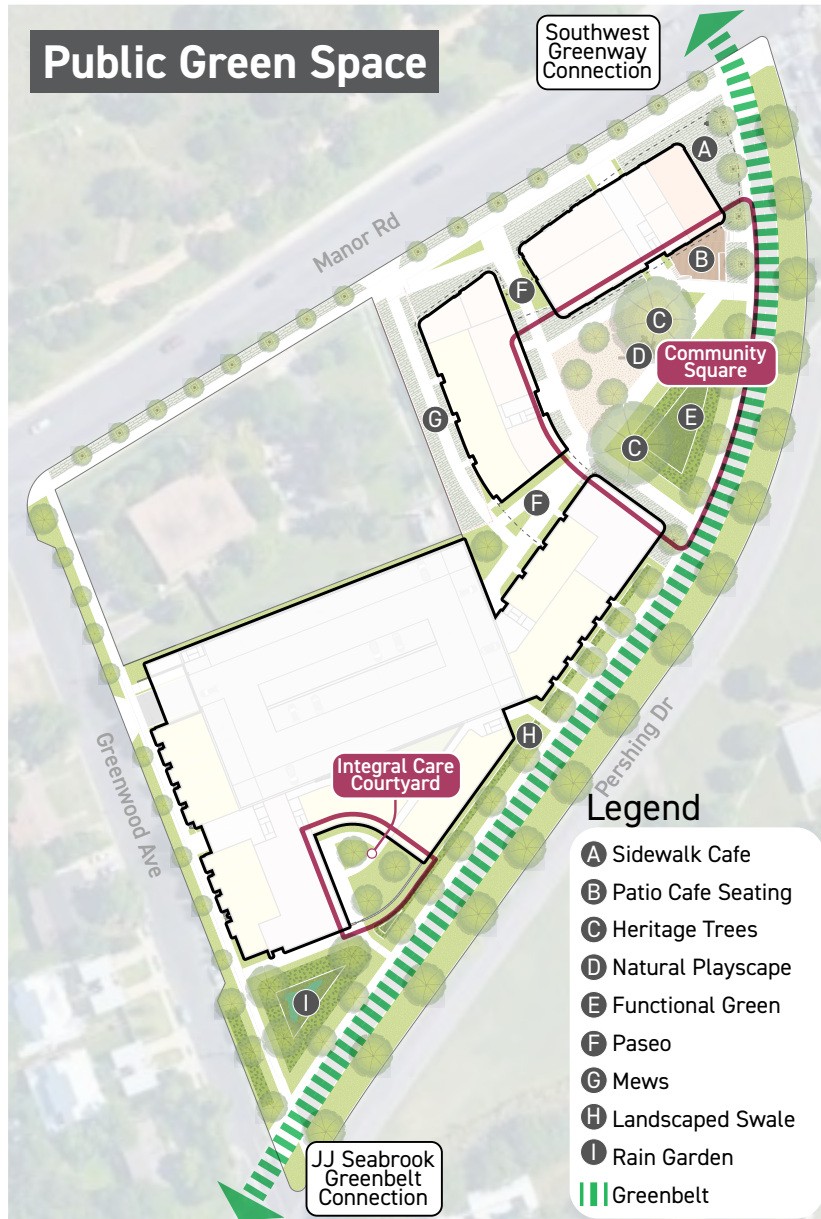
5.3.4 Sustainable Transportation

Finally, Seabrook Square is designed to support multiple options for active transportation by enhancing the existing pedestrian infrastructure, and encouraging neighborhood and resident bicycle usage for the site's access to two All-Ages-All-Abilities bicycle routes. The development team proposes to coordinate with Capital Metro to install a MetroCycle bike-share station along Manor Road, and will be offering secured and powered bicycle storage for residents to facilitate e-bike usage. The development will also offer bike-share and transit passes to encourage residents to utilize bicycles and transit and reduce car dependency and neighborhood traffic.



B.5 Community Priority Alignment

B.5.4 Provide Publicly Accessible Green Space or Open Space



The central feature of this proposal is a large community square nestled among residential buildings with active ground floor uses on two sides and the beautiful J.J. Seabrook Greenbelt extension on the south-eastern edge. The hallmark of the square will be two large, potentially heritage trees relocated from another area on the site, complemented by the inclusion of fruit trees in response to the community-identified need for increased shade and a neighborhood food forest. The square will also include a natural playscape with active and imaginative features as well as comfortable seating and picnic areas to foster intergenerational engagement with residents and neighbors.



B.5 Community Priority Alignment

B.5.5 Incorporate Art from Local Artists

It is not an exaggeration to say that Seabrook Square will create a new thriving, sustainable hub for East Austin arts and artists:

Live: Ten live-work apartment-studios for limited-income, East Austin artists at below-market-rate, affordable rents. Five are one-bedroom and five are two-bedroom units so that artists with families can have space to thrive and create without risk of displacement. Project partner SixSquare, a Black-led East Austin arts organization, will be entrusted with selecting the artist-tenants, so that artists with ties-to and active-in the Eastern Crescent will receive preference for this once-in-a-lifetime opportunity.

Create: The live-work units will all have separate, individual studio space for visual, musical, and other artists. The studio spaces will add only about \$200/month to the rent of similar apartments without studios, making them a sustainable, displacement-resilient creation space option for eastside artists.

Engage: Seabrook Square will offer several public-facing spaces to engage the community in art. Project partner Raasin in the Sun, a Black-led East Austin arts organization already active in the neighborhood, will install at least one large-scale public art mural installation honoring the cultural and historical legacy of the community on one or more of the buildings' faces. Project partner Origin Studio House will offer small-scale film screenings and display visual arts pieces centered on the African diaspora. The live-work units will also open onto the community square, allowing the resident artists to display or perform works of art to this gathering space through large windows or even open doors on nice days.

Empower: Raasin in the Sun will work with project partner Art from the



B.5 Community Priority Alignment

B.5.5 Incorporate Art from Local Artists

Streets, an East Austin organization of homeless and at-risk artists, to collaborate with Integral Care's residents to incorporate the perspective of Austinites experiencing homelessness into the outdoor murals. Raasin in the Sun will also receive a heavily discounted office space to allow it to organize community members to cultivate resilience through cultural arts and environmental initiatives.



Raasin in the Sun's "Resilience Project" just down the street from the Seabrook Square site. The mural, with images of community trailblazers stenciled by artist Niz G, highlights the contributions of African Americans through a hyperlocal lens, honoring the authentic culture of the area.



B.6 E MLK Combined Neighborhood Plan Alignment

The East MLK Combined Neighborhood Plan (E-MLK CNP) was originally adopted in November 2002. The vision of the East MLK Neighborhood as described in the plan is, “to be a diverse community that emphasizes traditional values, pride of ownership and a strong sense of community. The neighborhood will be well balanced with residential and commercial uses, walkable shops, restaurants, cultural opportunities, parks and green spaces...”

The proposed Seabrook Square development aligns with numerous goals outlined in the E-MLK CNP that recommend the project site at 3515 Manor Road be used in the future as a “Neighborhood Urban Center.”

- By including a variety of rental units in different forms (Townhomes, Live-Work Units, Apartments) combined with commercial space, the proposed development promotes a mix of land uses that will respect and enhance the existing neighborhood surroundings while addressing compatibility between different land uses (*Goal 2*).
- By offering the proposed ground floor commercial space to a business such as Origin Studio House the proposal offers new neighborhood commercial services in an appropriate location, such as a Neighborhood Urban Center (*Goal 3*).
- Incorporated in the proposed mixture of housing unit types and sizes are the requirements that nearly all of these units be rented out to populations across a wide range of incomes, specifically between 30% and 60% of the Austin area median family income (MFI). The provision of units at varying income levels will provide housing that maintains the social and economic diversity of its residents (*Goal 5*).

The Seabrook Square proposal includes improvements and community benefits that extend beyond the actual site boundary.

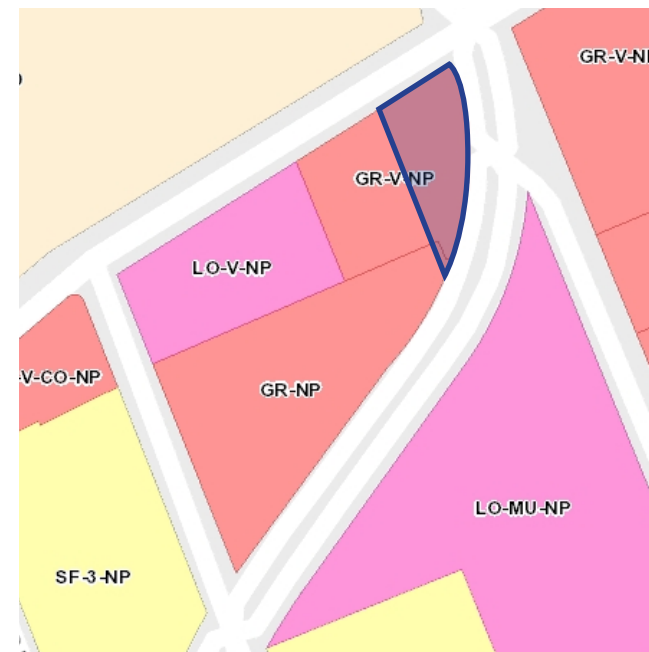
The design vision of the development intends to activate Manor Road, which serves to promote and enhance one of the neighborhood’s major corridors (*Goal 4*).

- The proposal aims to improve bicycle and pedestrian traffic safety on neighborhood streets through a variety of actions (*Goal 9*).
- The inclusion of a MetroCycle Bike Station and intent to repair missing connections in the local pedestrian and bike networks will support the creation of a transportation network that allows all residents to travel safely throughout the neighborhood (*Goal 7*).
- One of the fundamental design approaches for this proposal is not only to maintain but to further promote the connectivity between the site and surrounding neighborhood by implementing principles that will invite neighborhood travel into and through the site with comfort and convenience. This approach serves to provide access to, from and through the neighborhood for all residents by promoting a neighborhood-friendly system of transportation.

B.6 E MLK Combined Neighborhood Plan Alignment

- Woven throughout the proposal are strategies identified by the development team that aim to protect and enhance the historic resources while preserving the area's historic and cultural character (*Goal 6*). Strategies include showcasing local artist's work and making nature a focal point of the development concept vision.
- By activating local pedestrian infrastructure to increase activity while also improving street lighting around the development will help to address neighborhood security by improving the overall sense of public safety (*Goal 10*).
- Altogether, Seabrook Square will create more public open space through public squares to increase recreation amenities in the neighborhood while also improving connectivity between the neighborhood's existing network of green spaces along the J.J. Seabrook Greenbelt trail (*Goal 13*).

The Neighborhood Plan's Future Land Use Map designates this area as "mixed use", which agrees with the current "GR-V" and "GR-V-NP" zoning on the site. We would not submit a neighborhood plan amendment or rezoning as part of the development of this site, but do anticipate using Affordability Unlocked to increase the unit density. While "GR" zoning (Community Commercial) does offer 90% impervious cover, the use of the parking garage to concentrate parking and "functional green" pervious cover in pedestrian areas mean we anticipate using far less than the allowed amount of impervious cover.



B.7 Permanent Supportive Housing Eligibility

Integral Care will be the owner and operator of the Permanent Supportive Housing component in this proposal. Eligible applicants for this property must be:

- 18 years of age or older unless Federal/State Regulation Provide a Variance, and
- Single households (current building schematics include 60 efficiency units), and
- Must have completed Coordinated Assessment through the Austin/Travis County Coordinated Entry System, and
- Meet the definition of Chronic Homelessness as defined in 24 CFR 578.

All participants will be referred for available units through the Coordinated Entry system. Chronic homelessness verification documentation will be documented in HMIS and will be uploaded into the participant's electronic health record upon enrollment in the program. Integral Care pulls individuals with a disabling condition, such as a persistent mental illness, substance use disorder, and/or medical issues, from the Coordinated Entry list.

B.8 Social Services Description

Services will be provided based on Housing First, an evidence-based model in which individuals move immediately, without pre-condition, from the streets or shelters into housing. Once housed, they are offered rehabilitation services and recovery supports to help them regain their health and stability. If this development team is selected, Seabrook Square will be Integral Care's third Housing First, single-site apartment community. The first, Terrace at Oak Springs, opened in fall 2019 and currently houses 50 formerly chronically homeless individuals. The second, Bungalows at Century Park, is due to open in 2022 and will serve 60 chronically homeless individuals. In alignment with Housing First principles, Integral Care is committed to keeping entry to housing as low-barrier as possible. As choice and self-determination are key aspects of the Housing First model, Integral Care invites all potential residents to tour the property, meet onsite staff, and ask questions prior to completing an application. Although participation in supportive services is not required of any resident, the PSH team provides assertive and active outreach to all residents to identify their housing and recovery goals and create a care plan that builds on their strengths. The onsite PSH team primarily uses harm reduction interventions and motivational interviewing techniques to support individuals in achieving their goals. Staff are trained in trauma-informed care and person-centered care planning. Additionally, residents have the option of participating in regular community events and outings to local activities to help them integrate into the larger community.

In addition to on-site services, Integral Care has two clinic locations within a 2-mile radius of 3515 Manor Road. First, our Psychiatric Emergency Services clinic, located on Airport Boulevard provides urgent care psychiatric services in addition to substance use treatment. Additionally, Integral Care's Terrace at Oak Springs apartment complex and clinic is located on Oak Springs Drive. This Integral Care location houses our first PSH apartment complex which is attached to an integrated clinic offering both psychiatric and primary care services, in partnership with Lone Star Circle of Care. Through the support services budget, Integral Care will purchase a van to transport clients to these clinic locations. Additionally, with both locations within walking distance of 3515 Manor Road, residents will have access to psychiatric and primary care services within their neighborhood.

B.9 CLAS Standards Alignment

Integral Care has developed policies in alignment with CLAS standards to ensure that the highest standards are met in the provision of culturally and linguistically appropriate services. Through our Population Health program, Integral Care collects and maintains accurate and reliable data to better understand factors such as high-risk health behaviors, physical and mental health diagnoses, social determinants of health, and cost of care across the health continuum. Integral Care provides no-cost language accessible services to Limited English Proficiency clients or those with other communication needs through qualified Language Line telephonic interpreters and contractors who assist with interpretation and translation. The Learning and Development team created an online culturally competent care training that meets the 15 CLAS standards. Ongoing training on provision of culturally grounded services and issues relating to equity, access, diversity and inclusion is provided to staff, leadership and governance. New and existing providers complete the training as part of standard training requirements. Human Resources also advertises career opportunities with the Asian American Behavioral Health Network, African American Behavioral Health Network and Latino Healthcare Forum.

Integral Care's Quality Management Team also:

- Collects feedback from staff, community partners, and under-served groups about their perceptions of and experiences accessing Integral Care services (CLAS Standard 13);
- Tracks language access data (CLAS Standards 5-8); and
- Uses GARE organizational equity assessment to build organizational capacity to reduce health disparities and racial inequities (CLAS standards 10 -13).

B.10 Housing Stability Achievement

We propose that 80% of residents (48/60) will achieve housing stability by maintaining their housing over a 12-month period.

B.11 Social Services Funding and Budget Summary

In this proposed budget, Integral Care plans to have a zero-dollar budget for year one as the development will be under construction and staff will not need to be hired in the first year. The year two budget is **\$298,835** which, in the attached budget, is funded by other funding sources. This amount will include all start up and capital costs for the property to be successful. As all of the PSH individuals will be coming from literal homelessness, Integral Care will provide all unit furniture (couch, bed, loveseat, etc.) and all basic move-in needs to maintain living such as a coffee maker, cleaning supplies, dishes, towels, sheets, trash cans laundry basket, etc. Integral Care will have office space within the complex and will need capital expenses such as office furniture, computers for staff, and office supplies. Integral Care will purchase a van with year 2 funding to be able to transport clients to and from appointments and for staff to go to Central Texas Food Bank for a weekly food pantry that Integral Care will provide onsite to our residents.

It is anticipated that the development will be completed in the beginning of year 3. In years 3-5, Integral Care estimates a budget of **\$866,234** per year of which **\$666,666.67**, will be requested from Austin Public Health (APH). This includes ongoing cost of 7 full time staff, ongoing furniture and unit "move in kits" for unit turnover, training for staff, client assistance funds for residents, and funding for community events for clients.

In total, the five-year budget is a not to exceed amount of **\$2,897,537**, with **\$2,000,000** of that funding being requested from APH, in accordance with the requirements of the RFP. However, on an ongoing basis in year 6 forward, the budgeted program in this proposal exceeds that laid out in the RFP on a per-year basis going forward (\$400,000 per year). Integral Care works with the most vulnerable chronically homeless population with Serious Mental Illnesses and/or Substance Use Disorders, which are the hardest to house. Providing true PSH services to fidelity is costly, and requires more annual funding than what has been allocated on a per-year average through this RFP. Integral Care has proven this model is successful through our Terrace at Oak Springs budget, which has been vetted and approved for funding by APH, and has a similar cost per unit as this proposal. Additionally, Integral Care's Bungalows at Century Park, a hotel conversion project, has a similar service cost per unit and is also funded by APH.

While the services are costly, the cost saving pays off for the community. The individuals that Integral Care houses in PSH are often the most difficult to house and cost the community the most money in service utilization (ER, EMS, inpatient stays, and jail). In a recent Return on Investment Report done at our Terrace at Oak Springs PSH apartment complex (the full report is provided in the attachments section), Integral Care saw a community cost savings of \$724,305 annually and a 51% decrease in Emergency Room Visits, a 60% decrease in Medical Inpatient Admissions, and a 79% decrease in Medical Inpatient Bed Days for residents living at Terrace at Oak Springs for more than a year. Integral Care has experience providing Housing First PSH services to true PSH fidelity and knows that while the cost is high, the payoff and return on investment is even higher in that individuals maintain their housing and show improvement in their wellness due to these impactful services. While the current budget will fund these support services through September 2027, Integral Care will seek additional funding following this grant term to maintain ongoing

B.11 Social Services Funding and Budget Summary

PSH support services for the residents long-term.

To offset the excess in the support service budget, Integral Care will utilize rental income, seek every opportunity to apply for various grants, and seek alternative funding sources. The proposed model of fully funding the 60-unit PSH portion of the project and the resulting lack of debt service, lease, or tax payments, mean that any excess funds generated by rents (achieved via project-based and tenant-based vouchers), is available to redirect back into services. Indeed, the project is projected to generate approximately \$500,000 in net operating income, which would cover the bulk of the gap in the first five years.

Also, in March 2022, Integral Care applied for \$1,237,666 for a 5-year grant from Austin Public Health Homeless Services Solicitation for PSH services. This application was going to support a new Integral Care PSH development on Menchaca Road with a similar staffing pattern and services offered. Since the submission of this RFP, Integral Care has decided not to pursue this property. If awarded, rather than not accepting this award, Integral Care will ask APH if the award can be transferred to the Manor Road property. Additionally, if/when Austin Public Health, TDHCA, and/or any other entity releases additional solicitations, Integral Care will apply for those to cover the costs of the support services. Currently, our Terrace at Oak Springs PSH development support services team is fully funded through a grant with Austin Public Health. Integral Care will attempt to seek the same funding for this project as opportunities arise.

Additionally, Integral Care is part of the Travis County Supportive Housing Collaborative, a group of non-profit service providers dedicated to adding affordable housing units to the Austin community. Through this collaborative, the non-profits expect to have tax abatement cost savings which will be pooled and shared between the collaborative. Integral Care would seek to utilize some of those funds to offset any excess costs.

Finally, Integral Care would be willing to invest internal funds into the support services budget. We are currently in the process of selling an apartment complex which was previously utilized for affordable housing. Integral Care could use some of the profits from this sale to fund some of the PSH support services team. Additionally, Integral Care has a fundraising arm of our organization that often fundraises for client assistance funds such as move-in kits and unit furniture. If awarded this RFP, Integral Care would work to ensure we are able to do this to contribute towards the supportive services budget.

In sum, Integral Care has met the requirement of the RFP to achieve services within a \$2 million, five-year contract. However, that was only possible due to the lack of clients in the first two years of the contract, and there was still a gap that was covered by Integral Care. Integral Care looks forward to a conversation with APH and other stakeholders on an funding level for effectively serving high-need individuals.

B.11 Social Services Funding and Budget Summary

Budget Line-Item	Total Budget (All Funding Sources) 5 Years	Complete an explanation for each City-funded line item.
Salaries		
Personnel	\$1,599,990	Salary & fringe for 7.0 fte
Operations		
General Operations	\$1,147,253	Years 3-5 Costs include: Network, telecommunications and internet connectivity costs. General Liability insurance cost. All facility related costs. Office and therapeutic supplies. Staff development/training and lab testing for staff. Computers and peripherals for staff. Local mileage reimbursement for staff. Indirect cost at 10% of total direct cost. Client group meals, food and community events. Online training for staff. Lab testing for staff. Year 2 Costs include: Capital costs for housing unit furniture and office furniture. Capital costs for vehicles. Purchase of computers for staff. Cost of supplies to set up the program. Indirect on costs at 10% of total direct cost.
Outsourced Professional Services	\$0	
Supplemental Programmatic Services	\$0	
Training/Travel Outside of Austin/Travis County	\$16,905	Out of state travel, registration and per diem for 2 conferences
Assistance to Clients		
Rental Assistance	\$20,700	Rent subsidies for clients
General Housing Assistance	\$1,725	Client security deposits
Direct Client Assistance	\$110,964	ongoing furniture purchase for unit turnover, essential move in items for clients (i.e. towels, sheets, utensils, etc.), incentives for clients, bus pass and taxi costs for clients, personal items for clients such as clothing and hygiene items
Client Food and Beverage	\$0	
Sub-Grantees (If Applicable)		
Sub-Grantee Personnel	\$0	
Sub-Grantee Operations	\$0	
Sub-Grantee Direct Assistance	\$0	
Sub-Grantee Other	\$0	

B.11 Social Services Funding and Budget Summary

Program Income		
Program Income	\$0	
Other		
Other	\$0	
Total		
Total Budget	\$ 2,897,537	
Requested COA Funding	\$2,000,000	
All Other Sources	\$897,537	

C DEVELOPMENT TEAM

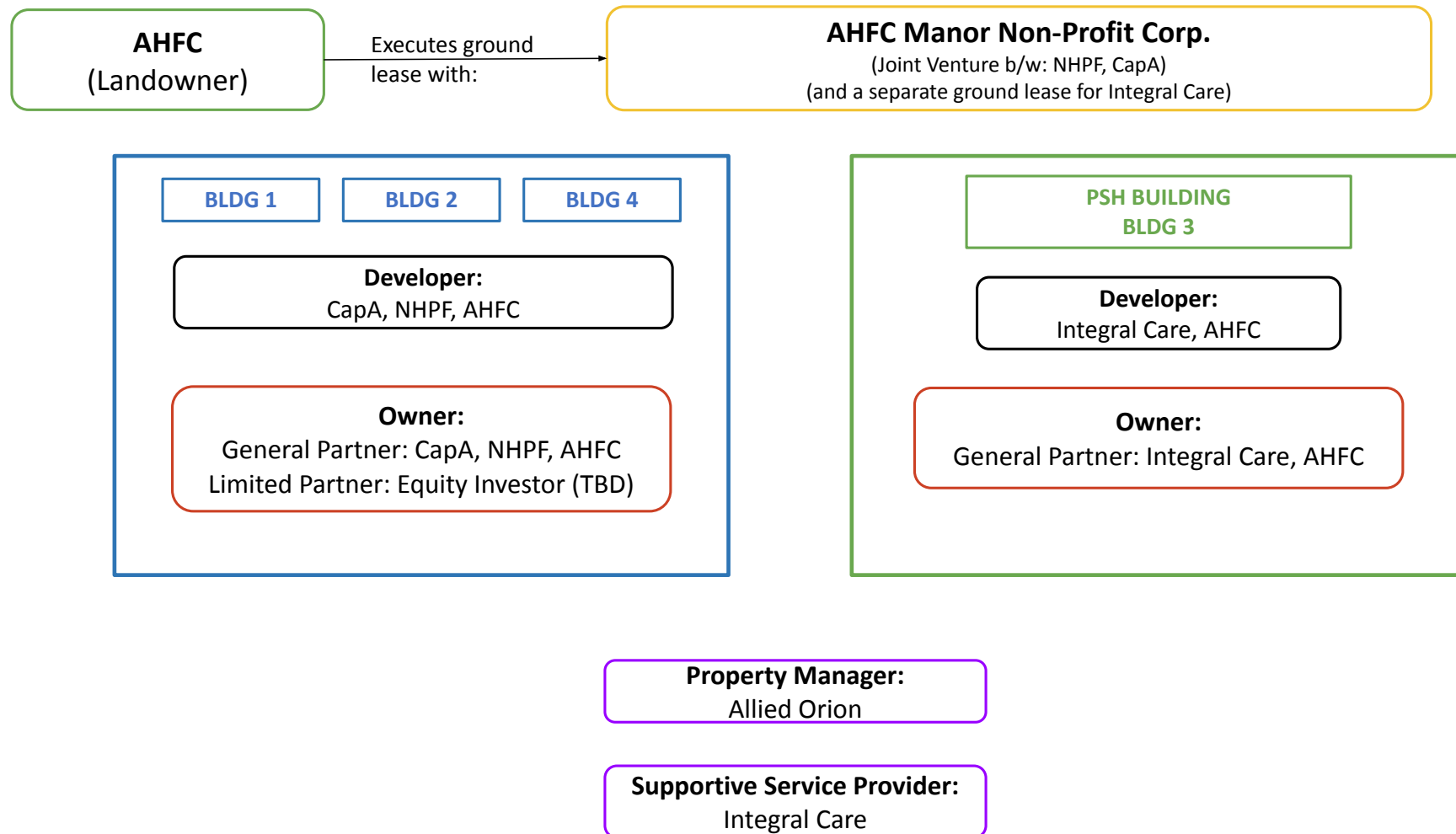
- C.1 Development and Operating Team
- C.2 PSH Support Services Delivery Components
- C.3 Development Team's Experience
- C.4 Property Management
- C.5 Social Service Provider
- C.6 Internal Controls
- C.7 Racial Equity Advancement

Seabrook Square Proposals

3 Acre Central East Austin Development Opportunity
3515 Manor Rd, Austin, TX 78723



C.1 C.1 Development and Operating Team



C.2 PSH Support Services Delivery



C.3 Development Team's Experience

C.3.1 The NHP Foundation

The NHP Foundation (NHPF) is a 501(c)(3) nonprofit developer and owner of over 10,000 units of low- and moderate-income housing in 16 states (including Texas) and the District of Columbia. NHPF is headquartered in New York, with additional offices in Chicago, Baltimore, and Washington, DC, and staff in Texas. NHPF was incorporated as a nonprofit in 1989, an off-shoot of the Congressionally chartered National Housing Partnership that was created in response to the socioeconomic issues urban areas faced in the late 1960s.

NHPF staff are seasoned professionals in both new construction and acquisition/rehab projects. Each development is assigned both a project manager and a construction manager to ensure projects are delivered on time and on budget, and issues are identified and resolved quickly. More information on our development experience is provided in the "Recent NHPF Developments" section below and in the attachments section. In addition to our development expertise, NHPF also provides on-site resident services at many of our properties through our affiliate, Operation Pathways. Operation Pathways staff work closely with NHPF developers to inform the design and build-out of community centers and common spaces. Operation Pathways, a CORES-certified resident services provider, offers services that are tailored to resident needs and centered around goals including: Academic Achievement, Financial Stability, Healthier Living, and Aging in Place. While the development team proposes to partner with Integral Care to provide general resident services (in addition to PSH services), NHPF's Operation Pathways staff provide another sounding board for resident-centered design during the development process and give us a unique understanding of how to ensure on-site resident services are an integral part of both the operation and the design of the project.

RECENT NHPF DEVELOPMENTS

We believe that for any developer, the best demonstration of development capacity is the ability to show results. Below is a selection of recent, relevant projects that highlight NHPF's development and operational capacity:

TEXAS



Temenos Place Apartments in the Midtown neighborhood of Houston is a Permanent Supportive Housing community being developed by NHPF in partnership with Temenos CDC, a local Houston-based nonprofit with the mission of alleviating chronic/unsheltered homelessness. The building consists of 95 efficiencies and will be subsidized with a project-based voucher contract administered by the Houston Housing Authority. The \$37.5 million development is funded by 4% LIHTC, tax exempt bonds, and federal funds administered by the City of Houston, and Harris County. The new building, which is six stories and served by elevators, will include significant common area space for supportive services. The building is currently under construction and is slated to open in spring 2023. NHPF will own and operate the building in partnership

with Temenos CDC, who will provide PSH services. Allied Orion Group is the third party property manager.

C.3 Development Team's Experience

C.3.1 The NHP Foundation



NHPF is partnering with Change Happens CDC to construct and operate The Citadel Apartments in Houston's historic African-American neighborhood, the Third Ward. This 74-unit, four-story senior development is being built to ICC-700 green building standards and is funded by 4% LIHTC, tax exempt bonds, a grant from the Corporation for Supportive Housing, a Capital Magnet Fund forgivable loan, and federal funding from the City of Houston. It will house seniors at a range of AMI levels, from 30% (PSH) to 60% AMI. The

development includes indoor and outdoor community space as well as flex space for Change Happens CDC events and services. Construction will be complete in spring 2023. NHPF will own and operate the building in partnership with Change Happens CDC, who will provide resident services. Allied Orion Group is the third party property manager.



In 2014, NHPF acquired Cleme Manor in Houston. Residents at this 284-unit garden-style apartment development were stressed, scared, and unable to spend much time outside due to crime, drug activity, prostitution, and violence. They felt alone and abandoned, residing in homes surrounded by deteriorating conditions. Local officials suggested conditions at the property were causing higher crime rates and lower academic achievement, resulting in discussions to shutter the local elementary school. The goal of the Cleme Manor project was to reduce crime and retain the local school by improving housing and quality of life for residents. NHPF's Asset Management Team worked with law enforcement to identify and mitigate the factors responsible for increased criminal activity, through interventions like installing new security systems

and implementing a program to routinely place courtesy patrol officers around the property. NHPF transformed the Cleme Manor complex by renovating the housing units, building a new play area, and rehabbing the leasing office, community space and laundry facilities to provide renewed amenities for residents. These investments demonstrated serious community buy-in and investment and convinced the city that the local elementary school would be able to produce better student outcomes. Residents feel safer, spend more time outdoors, and families can remain in their community due to a 27% drop in overall crime and the continued presence of the neighborhood elementary school.

ELSEWHERE



The Strand Residences and Theater is a mixed-use, mixed-income development featuring an 86-unit midrise building (new construction), new retail space (8,000 SF), a 60-space parking garage, and the renovation of a historic theater in Washington, DC's Deanwood community. The development is currently under construction. The residences will serve households earning between 30% and 80% AMI. The \$33.2 million project was funded with Low Income Housing Tax Credits, New Markets Tax Credits (for the community theater) and additional funding from the DC Municipal Government. The building is designed to Enterprise Green Communities

C.3 Development Team's Experience

C.3.1 The NHP Foundation

standards. NHPF will own and operate the development upon completion.



Harvest Homes, completed in 2017, is an Enterprise Green Communities-certified 38-unit rental property located in the East Garfield Park community of Chicago, IL. The \$13.1 million development was constructed with more than 50% local (city-resident) labor participation. NHPF partnered with People's Church of the Harvest to develop this community, which is located next to the church sanctuary. The development's family friendly (2-BR, 3-BR, 4-BR) units serve a growing need for family housing in the area and represent the first new construction built in East Garfield Park in more than 15 years. The project was funded by 9% LIHTC, State of Illinois energy incentives, and soft funding from

the City of Chicago. NHPF is currently working with People's Church of the Harvest on a second phase with 41 additional rental units as well as retail space for community culinary uses and a community grocery.



The MLK, Jr./Tyler Street Family Housing community in New Haven, CT features 56 townhomes, a community center with retail space (coffee shop/bakery) and a community garden, all approximately one mile from downtown New Haven. The rental townhomes serve households earning 30% to 120% AMI. The \$25.6 million project is funded with 9% LIHTC, permanent debt from Connecticut Housing Finance Authority, and additional soft funding from the State of Connecticut Department of Housing and the City of New Haven. The project is NHPF's first Passive House project, meeting all requirements for energy efficiency and conservation of resources.

C.3 Development Team's Experience

C.3.2 Capital A Housing

Capital A Housing is an Austin development company that specializes in residential projects with a heavy income-restricted affordable housing component. Capital A Housing maintains close relationships with Civilitude, an Austin civil engineering firm, and Constructinople, an Austin construction company, that together allow Capital A to handle affordable and market-rate housing development from soup to nuts. Capital A Housing and Constructinople specialize in development and construction for housing non-profit and governmental clients, as well as their own projects.

While Capital A Housing is a relatively new company, founded in 2018, its leadership is well versed in affordable housing in Austin, from construction to sales to policy. Capital A has a new 17-townhouse development in north-central Austin, "A at Lamppost", nearing its completion in Spring 2021. A at Lamppost was built under the city's Affordability Unlocked policy, which principal Conor Kenny worked on during his tenure at the city's Planning Commission. Capital A also partnered with the City of Austin to secure \$1.3 million in development assistance funding to keep 100% of the units there below-market-rate, with buyers falling below 80% of the city's Median Family Income.

Austin faces significant challenges in creating adequate affordable housing in the coming years, and Capital A Housing is deeply invested in meeting that challenge. Capital A's developments and overall strategy are built around Austin programs like Affordability Unlocked and Housing Development Assistance funding, the state's Low-Income Housing Tax Credit programs, and the Austin Transit Partnership's upcoming anti-displacement programs. Capital A applies its extensive knowledge of these policies and programs not only for its own developments, but also for other developers, in part because Austin's affordable housing needs are so great that there is more than enough work for everyone. Capital A also specializes in harmonizing its projects with the city's strategies around housing, transportation, and other intersecting issues, as well as with the needs and wishes of the city's diverse neighborhoods and communities.



C.3 Development Team's Experience

C.3.3 Integral Care

Integral Care is uniquely qualified to act as a collaborative applicant for the development of Seabrook Square's Permanent Supportive Housing. With more than 50 years of experience serving the target population, Integral Care has extensive knowledge of and experience addressing the barriers individuals experiencing homelessness face, as well as best practices for serving this population. In addition, Integral Care has significant development experience. Integral Care's most recent development, Bungalows at Century Park, is a hotel conversion project that will provide a single-site permanent supportive housing program model to 60 chronically homeless individuals. In 2019, Integral Care opened Terrace at Oak Springs, the first single-site permanent supportive housing project in Central Texas.

In total, Integral Care has developed 39 properties, including 16 apartment complexes and 8 community living settings. Over the past 10 years, Integral Care has acquired and rehabilitated 7 buildings, including both residential units and commercial (clinical and office) spaces. Integral Care has also continued to manage 15 additional properties during this time. A full list of the 7 residential properties developed by Integral Care in the past 10 years is provided below, which include permanent housing and permanent supportive housing. Details on the population served are also provided below.

As part of its array of permanent supportive housing services, Integral Care operates 50 units of single-site permanent supportive housing that pull from the coordinated entry system to serve chronically homeless individuals, with an additional 60 under development, 6 affordable housing properties, and 8 apartment complexes owned by its sister organization, New Milestones Foundation. The New Milestones Foundation project is funded through the US Department of Housing and Urban Development's (HUD) Section 811 Program for a total of 86 units. All residential properties developed over the years, including Terrace at Oak Springs and the 3 properties funded by the 811 program and listed on the list of properties developed in the past 10 years, were created to serve persons with disabilities. Our residential portfolio is currently 259 units, 60 of which are under development.

Residents do not have to be enrolled in Integral Care services to maintain tenancy. However, more than 95% of residents in these properties are service connected. Residents receive comprehensive behavioral health services including housing-based case management, integrated care, psychosocial rehab, substance abuse treatment, homeless prevention and service coordination. All residents have access to benefits planning and employment services. These properties serve single unaccompanied adults with disabilities with an average annual income of \$9,500. This is well below the 30% of AMF income maximum for tenancy in the proposed project.

In addition to permanent supportive housing units, Integral Care has developed 2 projects in the past 10 years that serve the Housing First target population, with a total of 64 units of transitional residential treatment services. Integral Care developed The Next Step Crisis Respite facility and the Genevieve Hearon building to serve persons who are experiencing a crisis and need supports to prevent highly expensive emergency service

C.3 Development Team's Experience

C.3.3 Integral Care

utilization. These programs are designed to serve the community at large; however, more than 50% of the persons served are homeless individuals experiencing a behavioral health crisis.

Property Type, Address and Key Financials	Total Units	Unit Types	Total Sq.Ft.
Bungalows at Century Park Total Project Costs TBD Sources: Austin Public Health, Housing Authority of the City of Austin Type: Hotel Conversion	60	PSH: Efficiency Units	28,958
Terrace at Oak Springs 3000 Oak Springs, TX / Total Project Costs \$19,393,304 Sources: Capital One Bank, City of Austin, Housing Authority of the City of Austin, Mobile Loaves & Fishes, National Equity Fund, Rathgeber Foundation, St. David's Foundation, Texas Dept. of Housing and Community Affairs, Texas Health and Human Services Commission, Integral Care Type: New Construction	50	PSH: Efficiency Units	40,732
HUD 811 7102 Guadalupe, Austin, TX 78752 / Total Project Costs \$1,312,603 Sources: HUD, City of Austin Type: Rehab	8	PSH: Efficiency Units	3,080
HUD 811 6607 Guadalupe, Austin, TX 78752 / Total Project Costs \$1,312,603 Sources: HUD, City of Austin Type : Rehab	7	PSH: Efficiency Units	2,843
HUD 811 1507 W. 39 th Street, Austin, TX 78756 / Total Project Costs \$1,930,107 Sources: HUD, City of Austin, Fundraising Type: Rehab	20	PSH: 19 1BR, 1 2BR	12,960
Residential Treatment Next Step Crisis Respite 6222 N. Lamar Austin, TX 78752 / Total Project Costs: \$3,648,104 Sources: City AHFC, City of Austin Rebate, DSHS, Private Fundraising Type: Rehab	32	Transitional housing	15,000
Residential Treatment: Genevieve Hearon 403 E. 15th St., Austin, TX 78701 / Total Project Costs \$2,440,349 Sources: City AHFC, City of Austin General Fund, DSHS, Private Fundraising Type: Rehab	32	Transitional housing	14,800

C.4 Property Management

NHPF's Asset Management Team is deeply involved in NHPF's communities post-construction, working with NHPF development staff, resident service providers, third-party property managers, and residents to maintain our thriving affordable housing communities. NHPF works with third party property manager Allied Orion Group to manage our Texas-based properties. For Seabrook Square, we propose partnering with Allied Orion to provide all property management-related services – including pre-leasing, lease-up execution, compliance with LIHTC and other funding requirements, and ongoing day-to-day operations. NHPF's experience with Allied Orion at our Houston properties has been extremely positive and we look forward to working with them on our new developments.

ALLIED ORION GROUP

Founded in 1985 and headquartered in Houston, Allied Orion has 30+ years of experience providing management for all types of multi-family properties, and they have a growing portfolio of more than 25,000 apartment homes under management throughout the nation.

While Allied Orion Group provides the extensive resources of a large company, their focus is not on quantity, but on quality service. They have extensive experience with all asset types and specialize in lease-ups and repositioning communities. The management team at Allied Orion has extensive experience with Conventional, Senior Housing, Tax Credit, Project Based Section 8, Public Housing Subsidies, RAD, PSH, Home Programs, CDBG funding, and Tax-Exempt Bonds. This comprehensive background, managing all types of properties for a diverse group of third-party owners, has enabled Allied Orion to provide the type of personalized service necessary to meet the goals and objectives of each of these owners.

Their affordable housing management experience is extensive. With more than 20 years of experience in managing communities for Housing Agencies, Allied Orion Group is one of the most successful and respected property management companies in the country. Allied Orion Group has held a contract to manage blended sites with the Houston Housing Authority (HHA) since 2001. Their portfolio's management performance meeting HUD benchmarks has contributed to HHA consistently being named a high performing agency by HUD. Currently, Allied Orion is also managing portfolios for three other public housing agencies in Texas: Harris County, Fort Worth, and San Antonio. These sites include Project Based Section 8 units, RAD PBRA units, senior, and permanent supportive housing units. These management contracts, encompassing the last two to eight years, have proven to be successful community partnerships because of performance benchmarks achieved and maintained by the Allied Orion Group.

C.4 Property Management

PROPERTY MANAGEMENT PHILOSOPHY

Allied Orion's operating philosophy is centered on the concept that managing a multi-family property is a service business. Allied Orion serves three clients: the development owners, the residents, and their team members. Their goal is to provide personalized service and to work as "one team, with one mission" to ensure the success of every community.

As part of this philosophy, Allied Orion employs and trains high-quality management professionals who are clearly focused on the Owner's objective and committed to service excellence. By investing in the education and training of their personnel, Allied Orion gives employees the tools that they need to be successful in their careers, ensuring job satisfaction, which translates into loyalty and commitment to the company and to the successful management of their clients' real estate assets. In the affordable housing portfolio, the corporate management team all have a background working at or with small, medium, and large public housing authorities and they are sensitive to the regulatory and political needs of their agency clients. Allied Orion believes that providing excellent customer service is the most important part of property management. Moreover, Allied Orion Group's management teams at both the site and corporate levels recognize that the management of affordable housing assets requires compassion and understanding to deal with the many challenges faced by the residents they serve.

PROPERTY MANAGEMENT AND SUPPORTIVE SERVICES COLLABORATION

Allied Orion has experience managing properties that include PSH units, and working collaboratively with the supportive services provider to ensure that all residents receive a high quality living experience. For example, at the Villas at Eastwood in Houston, Allied Orion provides property management services to 200 PSH units for people exiting homelessness and people with disabilities and mental health issues. The philosophy Allied Orion employs at the Villas at Eastwood informs the approach they will take at Seabrook Square.

Allied Orion will engage in a collaborative effort with Integral Care to grow the network of community and mainstream resources available to all residents and assist non-special needs residents in accessing help in the community should the need arise.

To ensure the effective provision of health, mental health, employment or other supports that may be needed by the special needs tenants to maintain their housing and achieve other personal goals, Allied Orion and Integral Care will execute a social service agreement. This agreement will outline the duties and responsibilities of both the property manager and the social service provider in providing services to the PSH and non-PSH residents.

Allied Orion, as the property manager, will have the responsibility for the overall physical plant maintenance, financial, and day to day operations. Allied Orion will employ the building's full time property management staff and will contract with a third party to provide on-site security. Allied

C.4 Property Management

Orion will work proactively with the Integral Care to avoid or minimize issues that may lead to lease violations, ensuring the success of each resident.

C.5 Social Service Provider

Integral Care has provided housing services in the Austin/Travis County community since the 1980s. Our housing programs currently provide access to housing and supportive services to over 1,500 people. The Seabrook Square Permanent Supportive Housing Project will be modeled on Terrace at Oak Springs, which Integral Care opened in fall 2019. Terrace at Oak Springs is a Housing First, single-site apartment community that houses 50 individuals with histories of chronic homelessness and who live with mental illness, substance use disorder, and/or other chronic health conditions. The onsite team at Terrace at Oak Springs has provided PSH supportive services to residents for over two years. Additionally, Integral Care has offered PSH supportive services to individuals with tenant-based vouchers through the Housing Authority of the City of Austin and the Housing Authority of Travis County since 1994.

Integral Care's community-based PSH team provides intensive supportive services to individuals living in scattered site properties. All PSH teams provide access to peer support services, SOAR, Supported Employment, and psychiatric services. Integral Care also has a Landlord Outreach team consisting of a Team Lead and 5 Landlord Outreach Specialists. This team works diligently to build relationships with property managers across the community and secure low-barrier units for individuals living with behavioral health challenges.

C.6 Internal Controls

All data will be stored on Integral Care's password-protected and encrypted devices and servers that can only be accessed by agency staff. Data will be stored by Integral Care staff on a HIPAA-compliant server. Only the Program Manager and authorized project staff will have access to program and client data. All agency staff are required to complete HIPAA compliance and documentation training upon hire and annually thereafter.

As part of the application process for the unit, a Release of Information is completed by the prospective resident for Property Management. The Supportive Services team does not share any protected health information with Property Management that is not directly related to housing and only the minimal amount of information needed would be shared. The importance of protecting PHI (Protected Health Information) and understanding the roles of Property Management and Supportive Services is discussed during orientation training for single site staff.

C.7 Racial Equity Advancement

C.7.1 Community-Driven

The development team has utilized the City of Austin's [Racial Equity Tool](#) to help organize our response to this element of the RFP:

This development team has engaged with the surrounding neighborhood prior to and during this RFP process to ensure this proposal meets community-identified needs, meeting with both the general JJ Seabrook Neighborhood Association membership and its Affordable Housing Task Force. It is important to the members of this development team that community input is solicited and respected throughout the development process.

Further, this team's robust and demonstrated experience in public service and community engagement reflects team members' individual values and our shared commitment to finding community-driven solutions to Austin's most challenging issues. We believe our team members' past experiences underscore the value we place on public service and solving community problems. This individual team member experience includes Nicole Joslin's executive leadership at local nonprofit organization, [Community Powered Workshop](#); Conor Kenny's participation in the [City of Austin's Planning Commission](#); and Lauren Avioli's experience on staff at the [City of Austin's Neighborhood Housing and Community Development Department](#). In each case, team members worked with the community to identify issues and determine solutions to make Austin a more livable city. We will bring the same spirit of public service and engagement to the design and development of the Seabrook Square community.

During the design phase, the project team will work closely with stakeholders who will be impacted by the proposed development, including area residents at risk of being displaced by increasing housing costs. The team will work with these groups to ensure that the ultimate design reflects the needs of the community and contributes to the City of Austin's anti-displacement strategy. Design workshops and focus group meetings will be held to share and refine site design and programming concepts to best suit current and future residents' needs. The project team will coordinate with the following entities to help ensure that historically marginalized groups are represented: Austin Area Urban League, SixSquare, and local neighborhood and community groups. Further, during lease-up, the project team will contract with the Austin Area Urban League to undertake targeted marketing to area residents vulnerable to displacement by focusing on the social institutions and networks that best reach these residents (such as local churches).

Additionally, the team will employ a [trauma-informed design](#) process for the permanent supportive housing portion in collaboration with Integral Care and the design team to ensure the building supports a healthy and dignified environment for its residents. This strength-based approach prioritizes design decisions based on resident experiences of choice, community, and comfort and is informed by the lived-experiences of potential residents.

C.7 Racial Equity Advancement

C.7.2 Advance Racial Equity

People: Seabrook Square will help ease some of the pressure facing low income and BIPOC residents in the area by providing additional long-term affordable rental housing and engaging in a robust community-led affirmative marketing effort to reach those most at risk of displacement.

In addition to residential benefits, the development will also offer non-residential opportunities. The proposed design includes 1,900 square feet of commercial space and 11 live-work units dedicated to providing affordable rental opportunities for local businesses and artists. While the development team acknowledges that the Austin Economic Development Corporation will receive right of first refusal for leasing commercial and live/work spaces per the RFP, we also propose to consult with the AAUL and SixSquare to identify lessees. This approach will enable the project team and City to seek out BIPOC-owned businesses and cultural anchors first to fill this space. Additionally, the on-site business center will be open to the community, giving local businesses and residents alike the opportunity to access the internet and print and copy documents for both personal and business purposes.

The development team is intentional about engaging and resourcing black-led organizations in the initial establishment and long-term stewardship of Seabrook Square in order to both support the growth of these organizations and ensure a genuine connection to Central East Austin's robust civic history and future.

Place: The proposed development will be located on City-owned land within one mile of a proposed Project Connect station in the Eastern Crescent. The project team proposes to enter into a long-term ground lease with the Austin Housing Finance Corporation, thereby keeping this land publicly owned in perpetuity. By providing additional housing, resident services, community, and commercial space, Seabrook Square will help foster opportunities for new businesses and households in East Austin to thrive.

Purpose: Seabrook Square prevents residential displacement by providing long-term affordable housing options across a spectrum of household incomes and sizes including 102 income-restricted multi-bedroom units, 244 units for households at or below 60% MFI, 82 units at or below 30%, and 60 units dedicated to permanent supportive housing. It also mitigates racial disparities through the inclusion of affordable commercial space prioritized for BIPOC-owned businesses and artists with ties to Central East Austin.

C.7 Racial Equity Advancement

C.7.3 Accountability

BIPOC communities experience disparate mental health impacts due to discrimination, unequal access to care, a lack of culturally and linguistically competent care, and additional stigma. This led to the creation of Integral Care's Racial Equity Plan (attached), informed by work with a national expert in the field of racial equity and cultural competency, and facilitated discussions among staff.

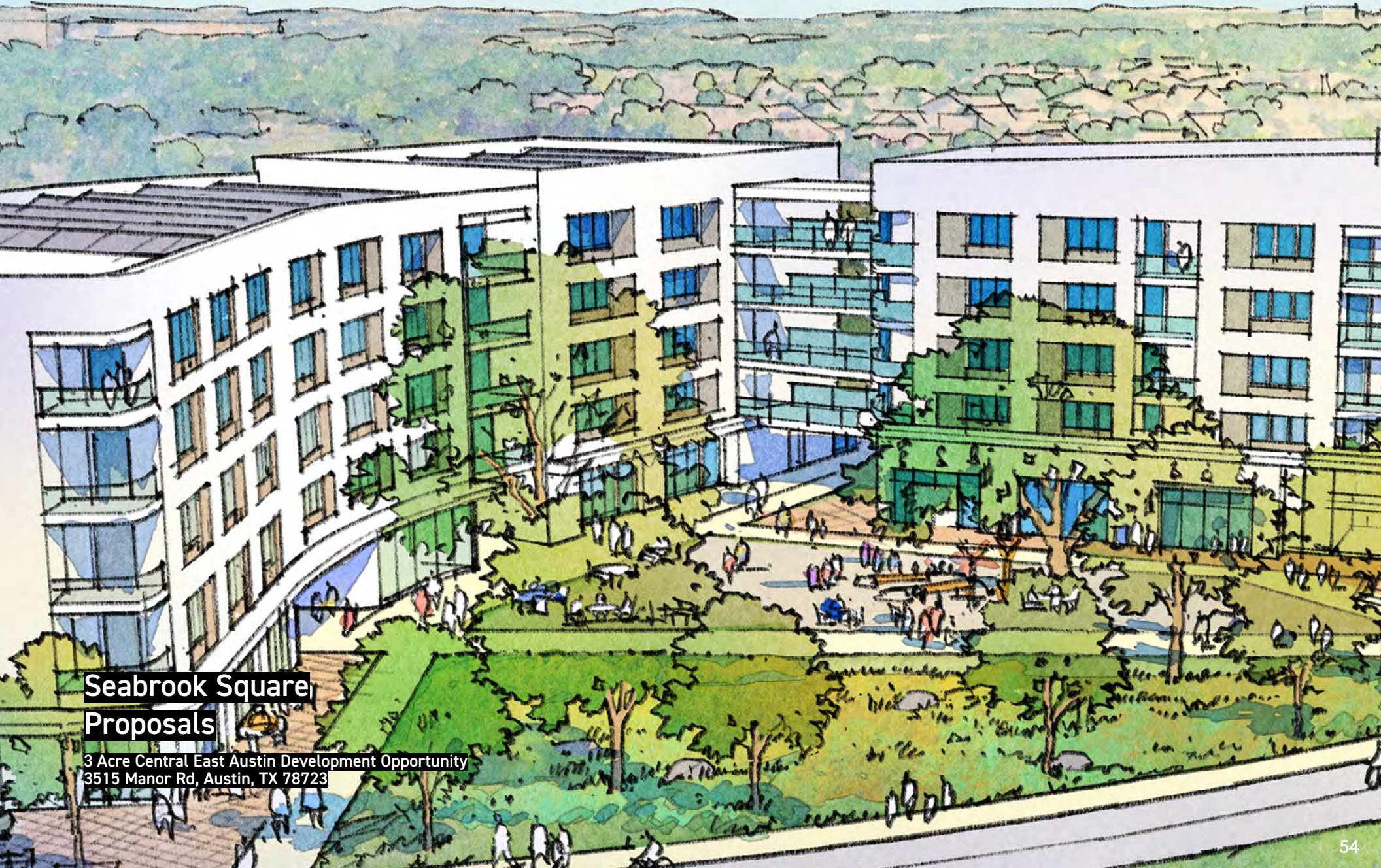
Integral Care is committed to eradicating our own institutional racism and structural inequities. Advancing racial equity will help ensure that BIPOC communities in Austin-Travis County have access to high-quality mental health services that are responsive to their needs.

The Racial Equity Plan identifies strategies and steps that must be incorporated in all efforts for Integral Care to be successful in advancing racial equity. Integral Care has taken steps such as the Board of Trustees appointing a Board/Staff Ad Hoc Committee on Racial Equity and engaging staff in multiple educational events and courageous conversations – including two virtual conferences aimed at expanding our diversity and inclusion practices, several book clubs and our Diversity & Inclusion Council's series of 1-hour monthly sessions for staff to teach their co-workers about their culture and identity. Integral Care also continues to take a deeper look at several staff opportunities to celebrate diversity and improve ourselves and our approach to care.

Integral Care will be inviting the community to engage in this work. Smith Research & Consulting LLC are performing a racial equity assessment of Integral Care. The consultants will use focus groups, interviews and survey results from a wide range of people to examine racial equity across our services, policies and procedures, environment, workforce and communications. Client access to services (including language access) as well as overall public perception of the agency will also be examined. They began to reach out to community members in August 2021.

D. FINANCIAL FEASIBILITY

D.1 Development Budget and Pro Forma



**Seabrook Square
Proposals**

3 Acre Central East Austin Development Opportunity
3515 Manor Rd, Austin, TX 78723

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario

The development team has modeled a Preferred Development Scenario in which we balance the desired deeper levels of affordability and multi-bedroom unit mix with the need to limit additional subsidy. Within this scenario, the team proposes two separate financing structures to build these units.

1. 60 Permanent Supportive Housing studios to be owned and operated by Integral Care on land ground leased from AHFC
2. 202 units of mixed income housing across three buildings to be owned and operated by NHPF and Capital A Housing. A Housing on land ground leased from AHFC

PSH Financing Structure

The team has chosen to model two separate financing structures for the following reasons:

1. TDHCA rules regarding unit sizes and supportive housing necessitate that the 60 PSH units be submitted as a separate application. Capital A Housing's extensive experience with the Travis County Supportive Housing Collaborative (TCSHC), including Integral Care, has shown that PSH clients can be well served by studio units of approximately 400 square feet. Designing the PSH units to that size enables the team to serve more people in the same amount of space (keeping costs and building heights down). However, were the PSH units to be submitted to TDHCA as a 4% LIHTC application along with the other 202 family-friendly units, this smaller size would not be allowed.
2. To provide sustainable supportive services at a development that will be fiscally healthy long-term, Integral Care desires to construct the building they will operate debt-free. With over \$6 million in American Recovery Plan Act (ARPA) funding previously awarded to the TCSHC by Travis County, they can bring a large share of the financing needed, but this funding must be used solely for PSH units. Additional funding sources targeted by the development team include HOME ARPA funding slated to be released by TDHCA. This funding is also targeted for supportive housing. The team anticipates that an application focused on these units will be more competitive for funding.
3. Integral Care is one of Austin's most experienced and professional supportive service providers for people exiting homelessness and who have multiple barriers to staying stably housed. They have determined through the course of their work that the best outcomes are possible when they have control over both the ownership of the development and the provision of social services. While the team proposes to employ an experienced third party property manager to ensure bifurcation of property management and support service roles, we respect Integral Care's expertise in this area. Therefore, we agree that a separate financing structure and separate ground lease with AHFC are the tools that will enable this development team partner to succeed at providing high quality, targeted care to Austinites who need it most.

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario (PSH)

Seabrook Square Permanent Supportive Housing Buildings		
Development Budget		
Use	Amount	Notes
Up-Front Ground Lease Payment	\$0	covered in non-PSH building budget
Predevelopment	\$ 1,095,004	
Site Work	\$ 468,000	
Infrastructure	\$0	included in site work
Hard Costs	\$ 9,143,161	
Soft Costs	\$ 922,139	
Developer Fee	\$ 1,732,996	
Total Development Cost	\$ 13,361,300	

Funding Sources		
Source	Amount	Funder/Lender Name
Owner Equity	\$6,666,700	County ARPA funds
Tax Credit Equity		
Private Activity Bonds		
Deferred Developer Fee		
AHFC Gap Financing		
Private Loan 1		
Private Loan 2		
Other Source 1	\$6,694,600	Upcoming State Home ARPA NOFA; or MFDL, Corporation for Supportive Housing, FHLB
Other Source 2		
Other Source 3		
Total Funding Amount	\$13,361,300	

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario (PSH)

15-yr Rental Housing Operating Pro Forma

The Pro Forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service.

Year		1	2	3	5	10	15
Revenue	Gross Annual Residential Rental Income	\$ 152,121.60	\$ 155,164.03	\$ 158,267.31	\$ 164,661.31	\$ 181,799.39	\$ 200,721.22
	Gross Annual Non-Residential Rental Income	\$0	\$0	\$0	\$0	\$0	\$0
	Gross Annual AHFC Project-based Voucher Subsidy	\$ 602,300.00	\$614,346.00	\$626,632.92	\$651,948.89	\$719,804.25	\$794,722.06
	Total Revenue	\$ 754,421.60	\$ 769,510.03	\$ 784,900.23	\$ 816,610.20	\$ 901,603.65	\$ 995,443.28
Operating Expenses	General & Administrative Expenses	\$ 33,000.00	\$33,990.00	\$35,009.70	\$37,141.79	\$43,057.52	\$49,915.46
	Management Fee	\$ 39,607.00	\$ 40,399.00	\$ 41,207.00	\$ 42,872.00	\$ 47,334.00	\$ 52,261.00
	Payroll, Payroll Tax & Employee Benefits	\$ 322,740.00	\$332,422.20	\$342,394.87	\$363,246.71	\$421,102.50	\$488,173.21
	Repairs & Maintenance	\$ 61,500.00	\$63,345.00	\$65,245.35	\$69,218.79	\$80,243.55	\$93,024.27
	Electric & Gas Utilities	\$ 16,000.00	\$16,480.00	\$16,974.40	\$18,008.14	\$20,876.37	\$24,201.44
	Water, Sewer & Trash Utilities	\$ 37,800.00	\$38,934.00	\$40,102.02	\$42,544.23	\$49,320.43	\$57,175.89
	Annual Property Insurance Premiums	\$ 24,941.00	\$25,689.02	\$26,459.69	\$28,071.09	\$32,542.09	\$37,725.20
	Property Tax	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Reserve for Replacements	\$ 15,000.00	\$15,450.00	\$15,913.50	\$16,882.63	\$19,571.60	\$22,688.85
	Other Expenses	\$ 85,366.00	\$87,926.57.00	\$90,564.37	\$96,079.73	\$111,382.75	\$129,123.13
	Total Expenses	\$ 635,954.00	\$ 654,636.00	\$ 673,871.00	\$ 714,065.00	\$ 825,431.00	\$ 954,288.00
	Net Operating Income	\$ 118,468.07	\$ 114,873.96	\$ 111,029.07	\$ 102,545.04	\$ 76,172.67	\$ 41,155.07
Debt Service	First Deed of Trust Annual Loan Payment	N/A	N/A	N/A	N/A	N/A	N/A
	Second Deed of Trust Annual Loan Payment						
	Third Deed of Trust Annual Loan Payment						
	Other Annual Required Payment						
	Other Annual Required Payment						
Annual Net Cash Flow		\$ 118,468.07	\$ 114,873.96	\$ 111,029.07	\$ 102,545.04	\$ 76,172.67	\$ 41,155.07
Debt Coverage Ratio		N/A	N/A	N/A	N/A	N/A	N/A

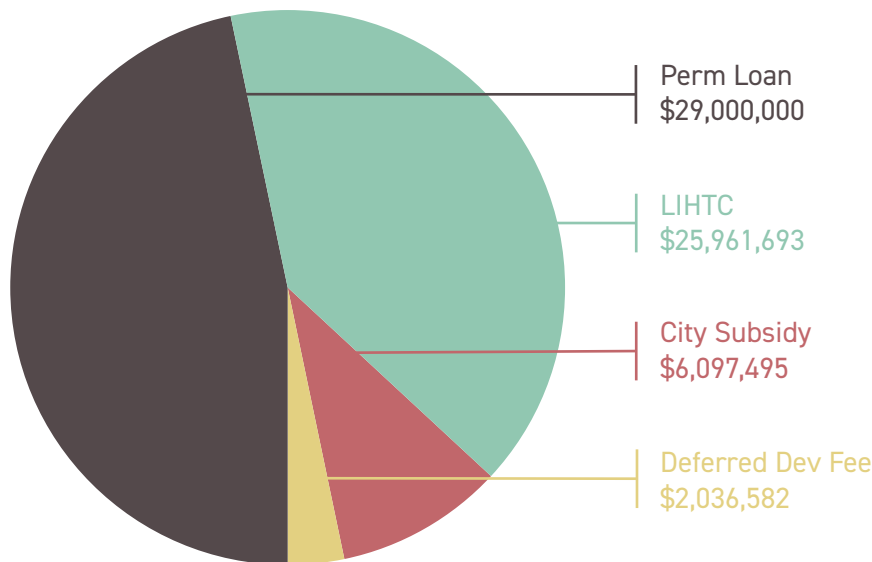
D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario (Non-PSH)

Non-PSH Financing Structure

The three other buildings on the site will be financed as one 4% LIHTC development. As discussed in the Development Concept section, the proposed design also features a structured parking garage to accommodate the necessary parking for the site while shielding it from public view. The cost of the parking spaces has been shared pro rata between the PSH and non-PSH structures. Site work and infrastructure costs are similarly shared.

Preferred Development Scenario Sources



To finance construction of the development, the team proposes to draw down an adequate amount of tax exempt bonds to meet LIHTC 50% test requirements as short term cash collateralized bonds. The remainder of the construction costs will be financed with a construction loan. The bonds and construction loan will be paid back by the permanent loan - likely a HUD 221(d)(4) loan - and other permanent sources of funding. At the time of application, the HUD 221(d)(4) loan's interest rate was approximately 4.65%. NHPF has secured HUD 221(d)(4) loans on several projects and is working with a lender to ensure all requirements would be met within the appropriate timeline.

Permanent funding sources include nearly \$26 million in 4% LIHTC equity. Our pricing is conservative at \$0.92 per credit and was obtained from Hudson Housing Capital (see attached Letter of Interest). NHPF has worked with Hudson on multiple LIHTC financed developments in Houston and elsewhere.

Acknowledging that the Rental Housing Development Assistance Program requires that 25% of the developer fee be deferred, the development team will also be deferring roughly \$2 million of developer fee, in addition to the 2.5% slated for transfer to AHFC (see Financial Benefits to AHFC section).

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario (Non-PSH)

Seabrook Square Income Restricted Housing Buildings (Non-PSH)		
Development Budget		
Use	Amount	Notes
Up-Front Ground Lease Payment	\$1,000	
Predevelopment	\$0	included in soft costs
Site Work	\$3,842,469	site work and site amenities
Infrastructure	\$0	included in site work
Hard Costs	\$40,910,528	building costs, contractor fees, 5% contingency
Soft Costs	\$10,195,446	soft costs, financing fees, required reserves
Developer Fee	\$8,146,327	13% of total development costs
Total Development Cost	\$63,095,770	

Funding Sources				
Source	Construction Period Sources		Permanent Sources	
	Amount	Funder/Lender Name	Amount	Funder/Lender Name
Owner Equity				
Tax Credit Equity	\$5,192,339	Hudson Housing Capital	\$25,961,693	Hudson Housing Capital
Private Activity Bonds	\$34,000,000	AHFC		
Deferred Developer Fee	\$2,036,582		\$2,036,582	
AHFC Gap Financing			\$6,097,495	AHFC RHDA
Private Loan 1			\$29,000,000	HUD 221(d)(4) loan
Private Loan 2	\$21,866,849	Construction loan		
Other Source 1				
Other Source 2				
Other Source 3				
Total Funding Amount	\$63,095,770		\$63,095,770	

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario (Non-PSH)

15-yr Rental Housing Operating Pro Forma

The Pro Forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service.

Year		1	2	3	5	10	15
Revenue	Gross Annual Residential Rental Income	\$2,807,616	\$2,863,768	\$2,921,044	\$3,039,054	\$3,355,361	\$3,704,590
	Gross Annual Non-Residential Rental Income	\$423,120	\$431,582	\$440,214	\$457,999	\$505,668	\$558,298
	Gross Annual AHFC Project-based Voucher Subsidy	\$0	\$0	\$0	\$0	\$0	\$0
	Vacancy Loss	-\$242,305	-\$247,151	-\$252,094	-\$262,279	-\$289,577	-\$319,717
	Total Revenue	\$2,988,431	\$3,048,199	\$3,109,164	\$3,234,774	\$3,571,452	\$3,943,171
Operating Expenses	General & Administrative Expenses	\$100,500	\$103,515	\$106,620	\$113,114	\$131,130	\$152,015
	Management Fee	\$104,595	\$106,687	\$108,821	\$113,217	\$125,001	\$138,011
	Payroll, Payroll Tax & Employee Benefits	\$284,500	\$293,035	\$301,826	\$320,207	\$371,208	\$430,332
	Repairs & Maintenance	\$196,000	\$201,880	\$207,936	\$220,600	\$255,736	\$296,468
	Electric & Gas Utilities	\$33,702	\$34,713	\$35,754	\$37,932	\$43,973	\$50,977
	Water, Sewer & Trash Utilities	\$128,000	\$131,840	\$135,795	\$144,065	\$167,011	\$193,611
	Annual Property Insurance Premiums	\$150,000	\$154,500	\$159,135	\$168,826	\$195,716	\$226,888
	Property Tax	\$0	\$0	\$0	\$0	\$0	\$0
	Reserve for Replacements	\$60,600	\$62,418	\$64,291	\$68,206	\$79,069	\$91,663
	Other Expenses	\$91,100	\$93,833	\$96,648	\$102,534	\$118,865	\$137,797
	Total Expenses	\$1,148,997	\$1,182,421	\$1,216,826	\$1,288,701	\$1,487,709	\$1,717,762
Net Operating Income		\$1,839,434	\$1,865,778	\$1,892,338	\$1,946,073	\$2,083,743	\$2,225,409
Debt Service	First Deed of Trust Annual Loan Payment	\$1,598,190	\$1,598,190	\$1,598,190	\$1,598,190	\$1,598,190	\$1,598,190
	Second Deed of Trust Annual Loan Payment						
	Third Deed of Trust Annual Loan Payment						
	Other Annual Required Payment						
	Other Annual Required Payment						
Annual Net Cash Flow		\$241,244	\$267,588	\$294,148	\$347,883	\$485,553	\$627,219
Debt Coverage Ratio		1.15	1.17	1.18	1.22	1.30	1.39

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario

Notes on Construction Costs and Operating Expenses

It is important to note that the development team has sourced construction estimates from general contractors in Austin and Houston to arrive at our budget estimates. While these numbers may be higher than City of Austin staff have seen in the past, they are conservative and reflect the significant price increases that subcontractors are passing on to cover fluctuations in supply chains, labor, and the cost of borrowing. They also reflect a higher durability of construction finishes suited for low-income, and especially permanent-supportive, housing to ensure the public's investment and resident comfort is secured for decades. We suggest that lower cost estimates reflect some combination of 1) outdated cost assumptions; 2) lower-quality, less-durable construction; or 3) overly optimistic projections that will result in future requests for additional city subsidies.

Given the types of developments that NHPF and Capital A Housing undertake (i.e. publicly funded), these estimates also reflect efforts to meet Minority and Women Owned Business Enterprise (MWSBE) goals. Because these contractors tend to be smaller or less well capitalized, their costs are often higher than contractors with larger balance sheets. The development team anticipates meeting or exceeding the City of Austin's MWSBE goals and feels secure that this can be accomplished with the proposed budget.

Operating expenses were created based on NHPF and Allied Orion comps and include an on-site, full time Resident Services Coordinator to provide non-PSH services to all residents.

A Note on Live-Work Units

The Preferred Development Scenario includes 10 live-work units at 50% and 60% MFI. The breakdown of these units is shown in the table below.

Live-Work Unit and Affordability Mix		
Unit Size	MFI Level	Number
850 SF (1 bed; 1 work space)	50% MFI	1
850 SF (1 bed; 1 work space)	60% MFI	3
1050 SF (2 bed; 1 work space)	50% MFI	2
1050 SF (2 bed; 1 work space)	60% MFI	4

Unit and Affordability Mix

The pie charts below show the proposed breakdown of units by bedroom and affordability level. The Preferred Development Scenario seeks to maximize deeply affordable units and accommodate as many multi-bedroom units as possible while maintaining overall unit count within the

D.1 Development Budget and Pro Forma

D.1.1 Preferred Development Scenario

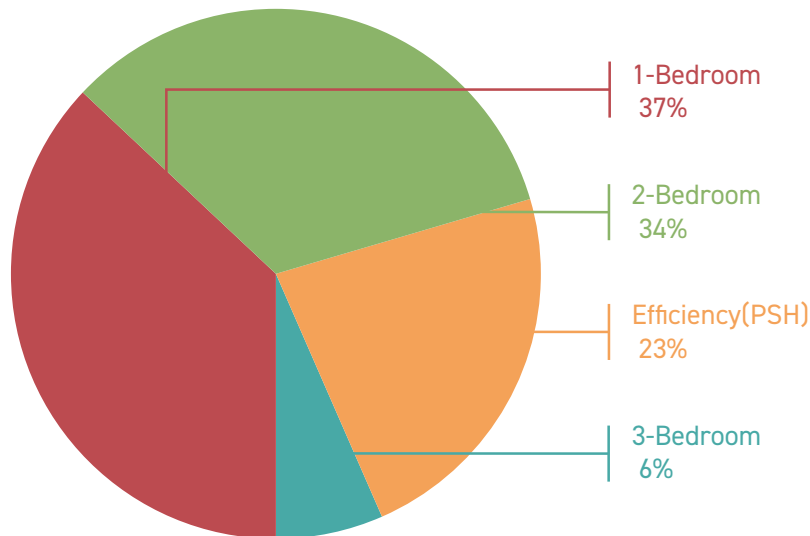
proposed building footprint. The proportion of multi-bedroom units could be increased, but the financing gap would also increase as either fewer units would be built or the buildings would be enlarged (increasing construction costs).

Note that these charts include the 60 PSH units for an overall picture of the affordability and unit mix in the development.

In addition to the 60 PSH units, there are another 22 units set aside for households at or below 30% MFI. The team will seek project-based vouchers (PBVs) for 15 of these units from HACA. If PBVs are not available, the development team would engage with the Continuum of Care to accept income qualified households with Housing Choice Vouchers, VASH vouchers, or other tenant-based sources of rental assistance.

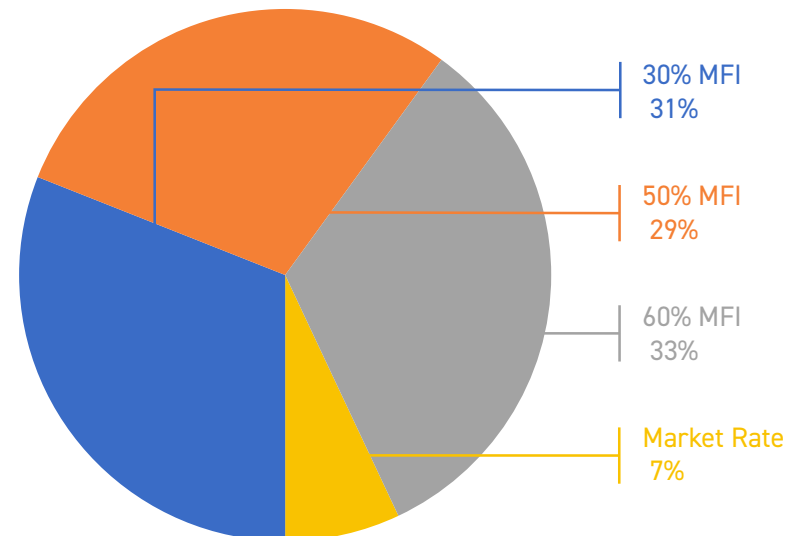
Alternatively, the Expanded Commercial Option discussed below provides enough additional rental revenue from the commercial space to eliminate the need for PBVs altogether. The development team is open to varying the commercial space on the site to generate revenue to cross-subsidize these units for extremely low income households.

Preferred Development Scenario Unit Mix



* Multi-bedroom Units as Percent of Affordable Units: 42%

Preferred Development Scenario Income Mix



* Total Units below 50% MFI: 60%

D.1 Development Budget and Pro Forma

D.1.2 Less Subsidized Scenario

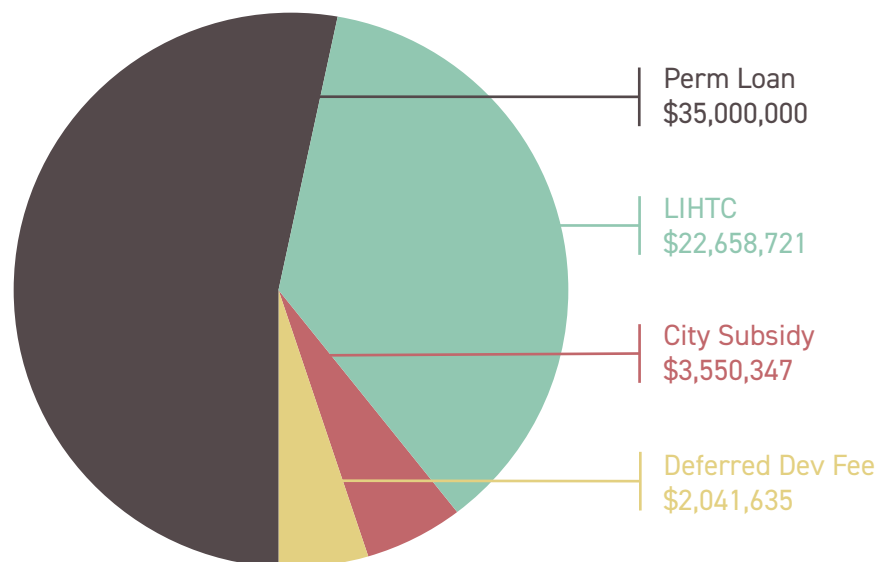
Because we recognize that one of the City's goals is to minimize the amount of public subsidy needed to finance the development of 3515 Manor Road, we have also included a scenario that minimizes required subsidy while meeting the baseline requirements of the RFP. This scenario provides a sensitivity analysis of sorts, helping the City and community understand how a minimal amount of additional subsidy can affect overall unit composition.

In this scenario, the overall square footage of the development and the total number of overall units remain constant, but changes to bedroom mix and affordability levels were necessary to drive down the cost and close the financing gap. Other assumptions on cost, operating expenses, and financing terms remain the same as in the Preferred Development Scenario.

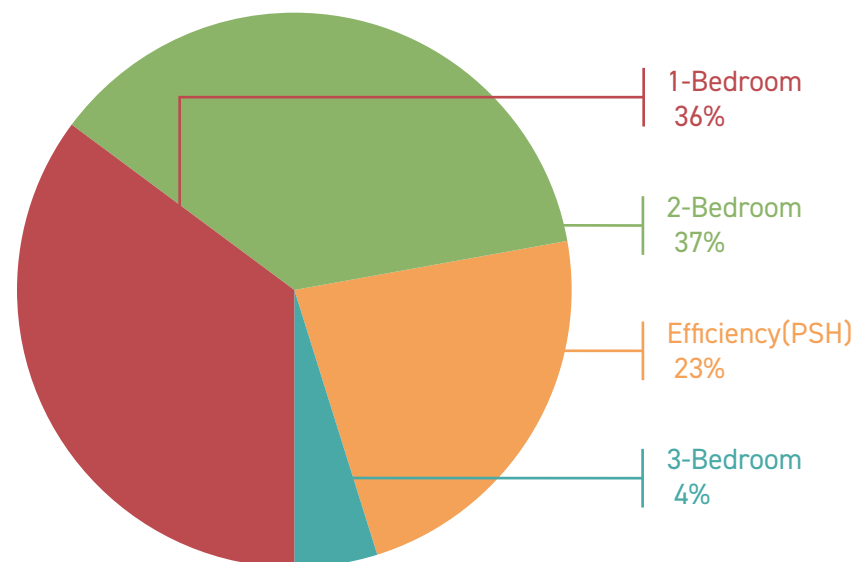
This scenario requires approximately \$3.6 million in additional subsidy (see chart of funding sources below), which is \$2.5 million less than the Preferred Development Scenario.

However, this reduction in needed funding comes at a cost of 54 fewer units affordable to households up to 50% MFI. Further, the number of multi-bedroom units was also reduced to minimize the funding gap while keeping the overall size of the building the same as in the Preferred Development Scenario.

Less Subsidized Scenario Sources



Less Subsidized Scenario Unit Mix

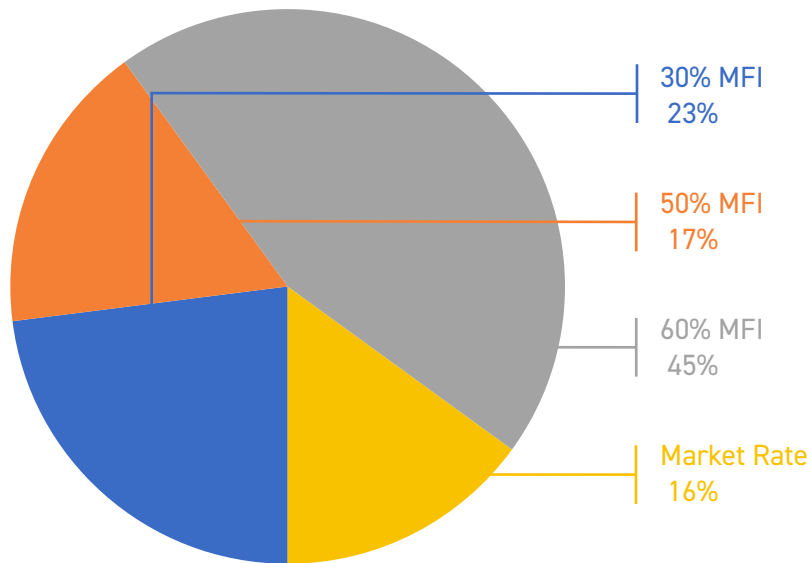


* Multi-bedroom Units as Percent of Affordable Units: 40%

D.1 Development Budget and Pro Forma

D.1.2 Less Subsidized Scenario

Less Subsidized Scenario Income Mix



* Total Units below 50% MFI: 40%

If the City's primary goal is to reduce the amount of additional subsidy required to complete the development, the Less Subsidized Scenario will meet that goal. However, the development team believes that the Preferred Development Scenario will provide a better outcome for the community, though it does come at an increased upfront cost.

D.1 Development Budget and Pro Forma

D.1.3 Expanded Commercial Space Option

Finally, in response to a desire for more active ground floor uses along Manor Road and increased opportunities for affordable spaces for small businesses in the area, the development team also modeled an option that builds on the Preferred Development Scenario, but increases the overall square footage of the building at the corner of Manor Road and E M Franklin Avenue to accommodate more commercial space for local businesses.

With this option added on to the Preferred Development Scenario, the total number of overall units remains constant, as do the affordability mix and multi-bedroom unit mix. To achieve this while increasing the overall commercial square footage, the following changes were made:

1. Increasing the size of the building at the corner of Manor Road and E M. Franklin by one additional floor, and increasing the number of parking spaces to accommodate the increased commercial square footage. This increased total development costs by roughly \$8.3 million, for a total of \$71.4 million in development costs.
2. Decreasing the amount of live-work units. Five units were converted from live-work to normal residential units as they were moved from the ground floor to the second floor to accommodate the increased commer.
3. cial space. See the table below for a breakdown of five live-work units provided in this development scenario.

With the increase of commercial space from 1,950 square feet to 8,000 square feet, additional rent revenue eliminates the need for City subsidy and project-based vouchers on the 15 non-PSH units at 30% MFI. The team modeled a commercial vacancy rate of 12.5% and a conservative (affordable) commercial rent (\$18.00 per square foot).

For more information on the proposed programming and operation of this expanded commercial space, see the “Expanded Commercial Space Option” response in the Development Concept section.

Live-Work Unit and Affordability Mix		
Unit Size	MFI Level	Number
850 SF (1 bed; 1 work space)	50% MFI	1
850 SF (1 bed; 1 work space)	60% MFI	1
1050 SF (2 bed; 1 work space)	50% MFI	1
1050 SF (2 bed; 1 work space)	60% MFI	2

Expanded Commercial Option Sources

