

Request for Proposals

**3811 Tannehill Lane
Development
Opportunity**

AUGUST 5, 2021

**Presented to Austin Housing Finance
Corporation**

**Presented by DMA Companies and
Austin Habitat for Humanity**





DMA Development Company, LLC
4101 Parkstone Heights Drive, Suite 310 | Austin, TX 78746
P: 512.328.3232 | F: 512.328.4584
www.dmacompanies.com

Attn: Alan Fish (Tannehill RFP)
Austin Housing Finance Corporation
1000 E 11th Street, Austin, TX 78702

Re: Development of 3811 Tannehill Lane Property

DMA Development Company, LLC (DMA) and our partners are pleased to submit this response to the Request for Proposals regarding the development of AHFC's 7.96-acre site at 3811 Tannehill Lane.

Our proposal presents a moderate density, mixed-tenure community that includes deeply targeted rental and for-sale housing around a village green that seamlessly blends into this East Austin neighborhood. We are confident that our proposal excels in its architectural and design concept as well as its focus on accommodating and supporting Austin families.

Why select the DMA Team for this development opportunity?

- **Outstanding Design.** We have designed a livable, mixed-income, mixed-tenure village that meets all AHFC's development criteria and addresses much of the community input received to date. We have focused on delivering "Missing Middle" housing both in terms of density and income groups, providing housing for families and individuals in Austin that are increasingly being displaced by redevelopment and gentrification. We have done so very thoughtfully to provide all residents with high quality living spaces surrounded by community amenities, trees, and green open space. Our design program focuses inward, with housing surrounding the village green and community amenities, as well as outward, with detached and attached townhomes fronting Tannehill Lane and Jackie Robinson Street.
- **Local Development Team with Proven Track Record.** Our team has extensive experience in developing similar communities. DMA and Austin Habitat for Humanity (AHFH) have an array of similar, successful developments completed and under construction across Austin, all of which focus on affordable housing. Most our team's developments have significant components for families with children.



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- **Professional Integrity and Award-Winning Communities.** Our approach is always user focused. We look at the needs and desires of our users and find unique solutions to benefit not only our residents but the broader community as well. Our team members thoughtfully consider every single design decision that will have a long-lasting impact on the built environment. Our work is very highly regarded and has received several awards of professional distinction.

We would like to be considered as your partner for the development effort. By signing below, we agree to comply with all requirements, provisions, terms, and conditions specified in the referenced solicitation. The team contact for purposes of this submittal is Janine Sisak, who can be reached at 512-328-3232 ext. 4505 or at janines@dmacompanies.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "DMA", followed by a long horizontal line.

DMA Development Company, LLC

Diana McIver, President

1.0 Executive Summary

Family-Centric Design Concept

DMA Development Company, LLC (DMA) and Austin Habitat for Humanity (AHFH) are partnering to deliver both affordable home ownership and rental housing at this location in a family-friendly development. The design focuses both inward on a village green as well as outward toward Tannehill Lane and Jackie Robinson Street, achieving a very residential scale as opposed to maximizing density. The result is a mixed-income, mixed-tenure community that is both exemplary in its design yet a natural continuation of the surrounding neighborhood. The proposed design concept is a vibrant, visitable, inclusive, and livable urban village that provides the same quality experiences for all residents. We believe this community will be a paragon and a prototype of exceptional mixed-income, mixed-tenure development in Austin.

This proposal squarely responds to RFP development priorities. We have maximized the number of affordable units at the site, with a major focus on Missing Middle, family-friendly housing. Out of the 150 multi-family units, 80% will be multi-bedroom. In total, 83% of the development will be multi-bedroom housing, when the 26 single family homes are included. While this site allows for more density, we believe less density creates a more family friendly environment. For example, all the single-family housing units have individual yards where children can play safely outdoors and share in the ample open space and ground floor amenity space associated with the multi-family units.

Commitment to Housing Existing Austinites. Our team is also strongly committed to AHFC's Right to Stay/Return Policy. As this area has undergone rapid gentrification, many families and individuals with roots in area have moved further north and east, and this site is an incredible opportunity to bring those who are interested back to the neighborhood. It is also an opportunity for existing residents in East Austin facing rising rents and home prices to find new housing without moving far away. We commit to following both the spirit and the regulations of the Right to Stay/Return Policy through marketing and sale/lease-up.

The single-family homes, developed by AHFH, are all 4-bedroom single family homes, which will be income restricted for families making at or below 80% AMI. For the multi-family units, developed by DMA Development Company, LLC, we are proposing 150 one, two, and three-bedroom units in partnership with the Austin Housing Finance Corporation (AHFC) to deliver deeper affordability, including 10% below 30% Area Median Income, 10% below 50% AMI, 64% below 60% AMI, and 11% below 80% AMI. Furthermore, DMA and AHFH commit to restricting affordability for a minimum of 40 years for rental units and 99 years for sale units.

Financial Feasibility through a Proven Partnership. For the single-family component, AHFH has a strong reputation of providing long-term affordable homeownership opportunities in Central

Texas. Its tried-and-true process includes bringing in community groups to participate financially and physically in the home building process. These partnerships result in the affiliate being able to sell homes at an affordable rate to income qualified buyers.

The DMA/AHFC partnership on the multifamily component is also a tried-and-true approach. AHFC's involvement will result in a 100% property tax advantage, which reduces the need for any additional City of Austin funding. Our proposal assumes that the equity from the sale of 4% housing tax credits, plus tax exempt bond proceeds, plus deferred developer fee are the only sources of funding. Our proposal does not contemplate requesting G.O. Bond or HOME funding from AHFC for the multi-family portion of this development, and less than \$50,000 per unit for the homeownership portion.

DMA has completed two similar partnerships with AHFC — Aldrich 51 at the Mueller Redevelopment and The Nightingale at Goodnight Ranch — where the partnership achieved the property tax exemption structure to maximize the number of affordable housing units. We consider these partnerships to be two of our most successful ones. In fact, Aldrich 51 was awarded the Multifamily Property of the Year by the National Association of Housing Finance Agencies in 2019 and was a finalist for the Urban Land Institute's Jack Kemp Award that same year.

Both DMA and AHFH have extensive experience in developing similar communities in Austin. DMA is part of the master planning team for the RBJ redevelopment, which is a 17-acre mixed use urban village concept with a large percentage of affordability. DMA also worked along with Travis County to redevelop a 3-acre portion of Travis County's North Airport campus, as a vertical mixed-use development containing both extensive office space and 146 affordable residential apartments. Finally, DMA worked closely with Endeavor Real Estate on the redevelopment of the Plaza Saltillo tract to deliver 93 units of affordable housing directly adjacent to the light rail station. All three of these larger redevelopments will be completed this year.

AHFH also has extensive experience in single-family and multi-family development. In addition to constructing over 500 homes across Central Texas over the past 35 years, AHFH has recently developed urban infill housing, including 11 row homes at Mueller with architect Michael Hsu. AHFH is also currently developing 12 duplex homes in Montopolis slated for completion by 2023 and 126 townhomes and condos on Meadow Lake Boulevard, which will break ground next year.

Should the City of Austin select DMA and AHFH to execute the concept provided herein, DMA, as the prime developer, with our team's architect, Nelsen Partners, will master plan the entire 7.96-acre site. DMA will serve as the master developer in terms of leading the site design process and directing the construction of all the infrastructure for the entire site. DMA will also be the sole developer for the multi-family residential community, while Austin Habitat for Humanity will take the lead on the vertical development and financing of the single-family homes. On-site

infrastructure costs will be shared between DMA and AHFH, and operating costs will be assessed on a prorated basis according to a condominium regime.

2.0 Development Concept

2.1 Overall concept

The existing site is a large, forested, relatively flat site that presents a rare large, open site in a rapidly growing area of East Austin with excellent transportation accessibility, job proximity, and a quiet residential feeling. To take advantage of these assets, we are proposing a broad mix of housing ranging from single-family to garden-style multi-family. Our team is focused on providing “Missing Middle” housing that is appropriate for this area in East Austin’s urban periphery. While this promotes compatibility from an urban design perspective, more importantly, it provides an opportunity to provide housing types that are in short supply in Austin to serve low and middle-income families, many of whom have been displaced from this area by two decades of rapid gentrification.

Our proposal is a village concept featuring 26 single-family homes and duplexes and 150 low-rise apartments. The village green is the heart of the development and includes a community pavilion, plaza, pool, and green open lawn. This nexus of the village is surrounded by housing, ranging from single family to the west and south to three-story walk-up apartments to the north and east. The housing has been designed carefully to interact with both the village green at the heart of the development as well as the adjacent streets, Tannehill Lane and Jackie Robinson Street, allowing our design concept to focus both inward and outward simultaneously.

Our proposal successfully activates Tannehill Lane and Jackie Robinson Street by providing single-family and duplex housing that fronts both streets. This housing is distinctly pedestrian-oriented, as the garages for most of these homes are alley-loaded and hidden from street view. Homes along both streets feature front porches and front yards in a manner consistent with the principles of New Urbanism to promote and facilitate pedestrian activity, neighborliness, and community interactions. New sidewalks along both streets will support future residents and existing neighbors with access to and from the Route 20 bus stop as well as the adjacent Norman Elementary School.

Within the development, our team has avoided creating housing surrounded by parking lots. To accomplish this, we have designed a private road within the site that extends the existing Axel Lane into the site and connects it to a new internal circulation grid that feels more like a system of public streets than driveways. The result is a sense that a new, authentic neighborhood has been developed that connects directly into the existing urban fabric of neighborhoods to the south and west.

Housing, parking, and amenity spaces have been designed with construction costs in mind. Construction costs are steadily rising, despite the economic downturn that we suddenly find ourselves in. Because of the intersection of higher costs, plus the potential of lower rents post-pandemic, we approached this development prioritizing efficiency. Therefore, we have not proposed structured parking, or the highest density possible on this site. Such approach would surely result in needing additional gap financing from the City of Austin, and so instead, our proposal ensures efficiency to avoid the need to request G.O. Bond Funding on this development.

2.1.1 Building types

There are 26 single-family homes, primarily detached, with alley-loaded garages. Of these homes, 19 are two-story and 7 are three-story units. The two-story units are designed to allow Austin Habitat for Humanity to construct with volunteer labor, which is an effective cost-saving feature of the development. The three-story units will require contracting labor.

The 150 multi-family units are provided across 8 three-story walk-up apartment buildings of varying sizes with between 6 and 21 units in each. The building designs are quite efficient and provide circulation with open air corridors. While the multi-family residences surround and focus on the village green with community amenities, each also is surrounded by trees and greenspace to provide a unique park-like setting.

2.1.2 Development Intensity by Use

All 26 single-family homes will each be approximately 1,450 square feet, excluding enclosed garage space (an additional 400 square feet). All of them will feature four-bedroom configurations. Multi-family units range from approximately 800 square feet for one-bedrooms (30 units); 1,150 square feet for two bedrooms (60 units); and 1,350 square feet for three bedrooms (30 units). About 7,000 gross square feet of space will also be dedicated to residential amenities including a leasing office, fitness center, community room, library, business center, and game room.

The single-family homes total to 37,700 gross square feet. Multi-family units total to 168,500 gross square feet. These square footages create a site floor-area ratio of approximately 0.6:1.

2.1.3 Building Heights

Single family homes range from two-stories to three-stories along Tannehill Lane, Jackie Robinson Street, and Axel Lane (extension) and all multi-family buildings are three-stories, meaning the site will not exceed 40 feet in height for any structure.

2.1.4 Impervious Cover

Our proposal features approximately 59% impervious cover. By maintaining 41% pervious cover on the site, our proposal can manage a significant amount of stormwater on-site, mitigating the impacts of new construction to lower lying areas to the southwest of the site.

2.1.5 Parking

Parking for single-family residences is provided via alley access and each home will have space for two vehicles. For multi-family residences, parking is distributed across two surface parking lots along the eastern periphery and via head-in parking and parallel spaces off the internal circulation streets. A total of 204 spaces is provided on-site to accommodate residents and visitors, exceeding standard parking requirements.

2.1.6 Open Space

Approximately 73% of the 7.96-acre site is open space, which includes open green areas, pathways, parklets, yards, rain gardens, surface parking, and the community plaza and pool. This also includes the 20 existing trees that will be retained in the development as well as new plantings.

2.1.7 Summary Tables

Single-Family

SF Homes	Income	Tenure	Unit Type	Net SF	Estimated Sales Price
26	≤ 80% AMI	Ownership	4/2.5	1,450	\$220,000

The estimated initial sales prices for the 26 single family homes will be \$220,000, which is priced to attract families in the 55% to 80% AMI range. This is considerably lower than both the current median home sales price in Travis County which is approximately \$560,000 and significantly lower than the published “Development Incentive” Maximum Sales Price of \$320,200 for a four-bedroom house (Effective June 1, 2021). While AHFH will affirmatively market to families making 70% MFI or less, AHFH reserves the right to price the affordable for-sale units to be at no more than 35% of household income for families at or below 80% MFI.

If the City of Austin would like us to achieve deeper affordability on all 26 of the single-family units, the City could contribute an additional amount of G.O. funding to this development.

Multi-Family

Units	Income	Tenure	Unit Type (BR/BA)	Net SF	Estimated Rent
ONE BEDROOMS (30 Units)					
4	30% AMI	Rental	1/1	800	\$502
4	50% AMI	Rental	1/1	800	\$874
16	60% AMI	Rental	1/1	800	\$1,059
3	80% AMI	Rental	1/1	800	\$1,296
3	Market	Rental	1/1	800	\$1,500
TWO BEDROOMS (60 Units)					
7	30% AMI	Rental	2/2	1,150	\$600
7	50% AMI	Rental	2/2	1,150	\$1,045
64	60% AMI	Rental	2/2	1,150	\$1,268
9	80% AMI	Rental	2/2	1,150	\$1,714
3	Market	Rental	2/2	1,150	\$2,000
THREE BEDROOMS (30 Units)					
4	30% AMI	Rental	3/2	1,350	\$687
4	50% AMI	Rental	3/2	1,350	\$1,202
16	60% AMI	Rental	3/2	1,350	\$1,469
4	80% AMI	Rental	3/2	1,350	\$1,974
2	Market	Rental	3/2	1,350	\$2,300
TOTAL: 150					

Our multi-family units include one-, two-, and three-bedroom units, as indicated in the table above. There are 30 one-bedroom units, 90 two-bedroom units, and 30 three-bedroom units, which means that 80% of the multifamily units are family friendly.

The summary of income targeting is as follows:

Income Target	Number of Units	Percentage of Total Units
30% AMI	15	10%
50% AMI	15	10%
60% AMI	96	64%
80% AMI	16	16%
Market Rate	8	5%

This is significantly deeper income targeting than a typical 4% housing tax credit/tax exempt bond transaction, which typically do not include any 30% or 50% AMI units unless such deeper targeting is required to obtain additional soft funding. Here, we proposed that 20% of our total multifamily units be rent restricted for households at or below 50% AMI, while another 64% are rent restricted

for households at or below 60% AMI, even though we do not intend to request additional soft financing.

2.2 Market Demand

According to the City of Austin's Strategic Housing Blueprint, there is a projected demand for creation of 60,000 affordable units over the coming decade for households earning approximately \$60,000 or less per year. The market demand for affordable housing in East Austin is acute, as this is an area that is undergoing extreme gentrification pressures. This area has historically been a high poverty area, with a large percentage of households earning less than \$25,000 annually, and a disproportionately large number of households headed by single-parents, and/or by parents who lack a high school diploma. In contrast, a review of homes for sale listed on the Austin Board of Realtors' Multiple Listing Service indicates that there are no habitable homes available for purchase in the area for a household earning twice as much. Gentrification pressure is high.

Additionally, based on a market study that we obtained in early January 2020 for a similar development in East Austin, this market is strong and shows significant demand for units priced at 60% AMI and below. In that case, which was a 93-unit affordable housing community, with 91 units restricted to 60% AMI and below, the market study showed 746 households in the market area qualifying, which across the same range of unit types that we are proposing herein, resulting in very low capture rates ranging from 2.9% to 8.2%, the latter being for the efficiency units. This is considered a very conservative estimate of the qualifying households. DMA has no doubt, based on our experience in this market, that there is significantly more demand than 746 households.

The market demand for AHFH single-family homes for families earning 55-80% AMI is self-evident in the nation's hottest real estate market that has seen record low housing supply for sale, nearly 23% year-over-year sales price increases (approximately \$100,000 in 6 months), and a median home listing price near \$500,000 within the city.

2.3 Conceptual plan



NEIGHBORHOOD
NELSEN
PARTNERS
ARCHITECTS & PLANNERS

DMA
COMPANIES

Austin
Habitat
for Humanity

TANNEHILL LANE
CONCEPT PRESENTATION
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SITE CONTEXT



The site is in the Hog Pen Neighborhood of the East MLK Combined Neighborhood Area, at the fringe of historic East Austin just within the Highway 183 loop. This is a transitional area between lower density residential neighborhoods, light industrial uses, and an array of civic uses including churches, schools, and cemeteries.

SITE RECAP

Total Site Area:	7.96 acres
Gross Single Family	37,700 sf
Gross Multi Family	168,500 sf
FAR	0.6:1
Impervious Coverage	59% impervious

Existing Trees Saved	20 trees
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Water Quality & Stormwater Management	30,000 sf
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BUILDING PROGRAM

Residential 150 Units and 26 SF & Townhomes

MULTIFAMILY

1 BR	30 units	800 sf
2 BR	90 units	1,150 sf
3 BR	30 units	1,350 sf
	150 units	168,500 sf

FOR SALE

4 BR 2 story	19 units	1,450 sf
4 BR 3 story	7 units	1,450 sf
	26 units	37,700 sf

TOTAL RESIDENTIAL	176 units & for sale	206,200 sf
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RESIDENTIAL AMENITIES

7,000 sf gross
LEASING OFFICE, FITNESS CENTER, COMMUNITY ROOM, LIBRARY, BUSINESS CENTER, GAME ROOM

TOTAL

PARKING

RESIDENTIAL	Preferred	Provided
Multifamily-Afford.	150	150
Unlocked		
For Sale & Townhomes	26	54

Total	204
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NELSEN PARTNERS
ARCHITECTS & PLANNERS

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SITE PLAN
Illustrative
SCALE: 1" = 60' 0" | 30' | 60' 0"

The illustrative site plan above shows a mix of single-family and multi-family structures, two- to three-stories in height, fronting Tannehill Lane, Jackie Robinson Street, and surrounding the internal village green. Parking is provided through 150 surface spaces, primarily to serve the multi-family component, and 54 covered private parking spaces for the single-family homes (2 spaces each). There is substantial open space provided for all residents to enjoy and shared community amenities in the center of the development. In addition to new sidewalks, raingardens, and preserved trees, these amenities also include a community pavilion, plaza, pool, playground, and parklet.

SITE RECAP

Total Site Area:	7.96 acres
Gross Single Family	37,700 sf
Gross Multi Family	168,500 sf
FAR	0.6 : 1
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TOTAL

PARKING

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NELSEN PARTNERS
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SITE PLAN -
Stormwater Management
SCALE: 1" = 60' 0" 30' 60'

Over 30,000 square feet on the site supports water quality and stormwater management. The trees shown in the plan above are all existing trees that will be preserved. The areas in green outlined by dotted lines are grass areas, rain gardens, and bioswales that serve as both open space and water management systems.

SITE RECAP

Total Site Area:	7.96 acres
Gross Single Family	37,700 sf
Gross Multi Family	168,500 sf
FAR	0.6:1
Impervious Coverage	59% impervious

Existing Trees Saved	20 trees
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Water Quality & Stormwater Management	30,000 sf
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BUILDING PROGRAM

Residential 150 Units and 26 SF & Townhomes

MULTIFAMILY

1 BR	30 units	800 sf
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3 BR	30 units	1,350 sf
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FOR SALE

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7,000 sf gross

LEASING OFFICE, FITNESS CENTER, COMMUNITY ROOM, LIBRARY, BUSINESS CENTER, GAME ROOM

TOTAL

PARKING

RESIDENTIAL	Preferred	Provided
Multifamily-Afford. Unlocked	150	150
For Sale & Townhomes	26	54

Total	204
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The program plan above indicates the different uses on the site. The single-family homes (detached and attached) are indicated in purple. The multi-family structures are shown in blue, with darker gradients showing the location of the three-bedroom units. The community pavilion is shown in yellow.



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VIEW 1 -
Single Family along TANNEHILL

The Rendering above shows the townhomes along Tannehill Lane, looking south. Each home has a private yard that promotes community interaction with neighbors and pedestrians from the surrounding neighborhoods. New sidewalks and landscaping represent a major infrastructural improvement to Tannehill Lane that improves pedestrian safety, particularly to and from neighboring Norman Elementary, as well as additional stormwater management support.



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VIEW 5 -
Three Story Walkups

The rendering above is from the northern portion of the site looking toward Norman Elementary. These three-story walkups provide between 12 and 21 units in each structure. This Missing Middle multi-family housing is perfectly compatible with lower density housing in the surrounding area while providing much needed additional housing options to East Austinites.



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VIEW 3 -
Community Building and Plaza

The rendering above shows the community plaza, pool, and pavilion, looking northeast across the site. These amenities provide residents with a significant amount of additional recreational space as well as space for support services.



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VIEW 2 -
Single Family along AXEL EXT

The image above is a northbound view along the new Axel Lane Extension near the center of the site. Just as townhomes line Tannehill Lane, townhomes also line Axel Lane Extension, with vehicular access hidden in an alley behind each of the houses.



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VIEW 4 -
Interior Single Family Porch

This final rendering above provides an eastward view from the townhomes along Axel Lane Extension, looking out across the street and landscaping toward the multi-family buildings.

2.4 Timeline

DMA will serve as the master developer, in terms of leading the site development and design process and constructing all the site work and infrastructure for the entire site. DMA will also project manage the rental housing and common areas of the proposed development to see that it is successfully executed pursuant to the milestones outlined below. AHFH, as the co-developer, will reimburse DMA for its share of the site work and infrastructure costs, and will develop and finance the construction of the single-family homes, in terms of the vertical development. AHFH also will manage the sale process to qualifying homeowners.

This proposed development requires a deep bench, and therefore we have assembled a team of personnel and consultants with varying expertise to adequately manage the nuances of a development this complex. In this case, as in all cases, DMA principals will be very involved in all aspects of the development providing the City of Austin assurance that this development is led by decision-makers.

DMA Development Company executives—Diana McIver, Janine Sisak, and JoEllen Smith—will all be involved in various capacities in the development and financing of this proposed development. The division of labor respects the three principals’ respective strengths. As such, Diana McIver will be very involved community engagement and in the design concept to ensure its appropriateness for the end-user. JoEllen Smith will also be involved in design, but from an execution and production standpoint, and will lead the DMA team on day-to day development. Janine Sisak will structure the transaction, manage the financial projections, assemble a financing team of investors and lenders, oversee the development process as it relates to deal structuring, and manage the closing process. As DMA’s General Counsel, Janine will also be heavily involved in the negotiation of all contract documents, including the master development agreement. Serving as Senior Project Manager will be Mark Gilbert, who has more than 10 years’ experience in the public sector, including Travis County and the City of Austin, where he had focused on the redevelopment of public land and public-private partnerships.

Phase I: Master Development Agreement Negotiations

DMA and AHFH expects the City to select a Developer and begin the negotiations process in late 2021. Finalizing a complex Master Development Agreement (“MDA”) with the City can take anywhere from 2 – 4 months, and we believe about 2 months is reasonable for this scope since this is not a very complex transaction. All standard site and development-related due diligence items will begin once the MDA is signed by all parties, including the pursuit of rezoning.

Phase II: Due Diligence Period

After the signing of the Contract, which we anticipate by the end of 2021, DMA will commence a project review period to perform site due diligence, gather and review all critical information related to the property, conduct necessary surveys and inspections, develop detailed project schedule and financing feasibility. During this time, DMA and its consultants will begin working

with the major City of Austin departments including, but not limited to, Austin Water Utility, Austin Energy, Austin Transportation Department, Public Works, Austin Fire, Utility Coordination and Accessibility.

At the end of the Due Diligence Period, which we expect to be about 3 months in length, DMA is willing to allow any earnest money deposits to become non-refundable. During the due diligence period, DMA will also begin the design and permitting process which can run concurrently.

Phase II: Design and Permitting

Once major due diligence items are complete, the developer's architect's and engineering teams will begin site plan engineering and design (SDP plans) and schematic design for all buildings and public and common areas. It is anticipated that an SDP set of plans will take 3 months to develop. At that point, the team will submit for SDP review and permit which is anticipated to take 10 – 12 months. During that time, the design team will continue to develop building design plans progressing through Schematic Design, Development Design and eventually, Construction Documents for Building Permit (BP) and later for Construction. The expedited building permit review process is a three-month process. A likely scenario is that the team will be able to submit for SDP and BP such that both are approved at the same time, which we anticipate occurring in April 2023.

Phase III: Financing

DMA will begin negotiations with its proven financial partners as early as the Master Development Agreement is signed. While the development continues through several iterations of design and pricing, proformas and terms sheets with those financial partners will be revised and updated. As the projects nears 90% Construction Documents, DMA will secure capital commitments from its investors and primary lenders.

Phase IV: Closing on the Land

DMA prefers closing on the land at the point when construction is ready to commence. This flexibility is extremely important to executing the proposed development. We anticipate that the closing would occur in the spring of 2023.

Phase V: Construction

Demolition, site work and infrastructure for the full project will take approximately 3 months. Construction of the multi-family portion of the development will take approximately 24 months, for a placed in-service estimate of spring 2025. Construction of the single-family homes will be completed in phases, with the first phase commencing in April 2023 (completing 7 units with volunteers in 7 months); a second phase commencing in June 2023 (completing 7 units with contractor labor in 5 months); a third phase commencing in November 2023 (completing 5 units with contractor labor in 5 months); and a fourth and final phase commencing in November 2024 (completing 6 units with volunteer labor in 7 months).

Timeline in Summary

Start Date	Milestone	End Date
1/1/2022	Site plan development process begins	2/1/2022
1/1/2022	Architect begins design development	3/1/2022
2/1/2022	Begin rezoning process/Neighborhood Plan Amendment process	5/1/2022
2/15/2022	Apply for SMART Housing and Affordability Unlocked Certification	3/1/2022
3/1/2022	Submit Site Development Application to COA for completeness check	3/1/2022
3/15/2022	Submit application for OHDA funding for single family component	3/15/2022
4/1/2022	Submit SDP application to COA	4/1/2022
4/1/2022	Architect begins construction drawings	7/1/2022
5/15/2022	Receive funding commitment of OHDA funding for single family component	5/15/2022
8/1/2022	Submit permit set drawings to COA	8/1/2022
9/1/2022	Submit application to Neighborhood Housing for No Opposition Resolution, concentration resolutions if applicable	9/1/2022
12/1/2022	Submit bond reservation application for 2023 lottery	12/1/2022
1/15/2023	Obtain bond reservation from Bond Review Board	1/15/2023
1/15/2023	Submit tax credit application for 4% housing tax credits	1/15/2023
3/1/2023	COA approves SDP and building permits	3/1/2023
3/15/2023	TDHCA approves tax credits/Applicant returns commitment	3/15/2023
4/1/2023	Close on Land/Construction Loan Closing/Partnership Closing	4/1/2023
4/15/2023	Begin construction	4/15/2023
4/15/2024	Complete construction on first 19 single-family houses	4/15/2024
4/15/2025	Construction complete on all multifamily units & single-family houses	6/10/2025
12/31/2025	Full occupancy achieved	12/31/2025

2.5 Zoning

The existing zoning is Public (“P”). Our intention is to request a rezone to Multi-Family Residence-Medium Density, including the Neighborhood Plan overlay (“MF-3-NP”). This allows up to 40-foot height which can be increased under the Affordability Unlocked Program, as well as 65% impervious cover. This base zoning has a FAR of 0.75:1, which can also be waived under Affordability Unlocked. Because Affordability Unlocked is permitted for special purpose zoning districts like Public (P) zoning, which is the current zoning on the site, we will also explore all options under existing zoning.

DMA will engage The Drenner Group to manage the rezoning process on behalf of the applicant as reflected in Section 3. The Drenner Group has the significant experience helping its clients navigate the rezoning process and respond to the input of the various stakeholders.

2.6 Neighborhood Plan Alignment

Our proposal strongly aligns with the East MLK Combined Neighborhood Plan. Among the 6 stated goals of the Plan related to land use, urban design, and historic preservation, our proposal directly addresses three of them (#1, #2, and #5) and is consistent with all of them. Our proposal is an infill housing proposal with both homeownership and rental housing opportunities that respects surrounding areas in terms of scale, uses, and design. The proposed income categories for both ownership and rental housing support and encourage the social and economic diversity that has traditionally flourished in East Austin. By integrating deeply affordable units, our proposal provides an opportunity for those who already live in the neighborhood to stay in the neighborhood, within their existing social network, despite the rapidly rising housing prices in East Austin. This site, adjacent to single family, civic and light industrial uses, is the perfect location for a community of houses and small “Missing Middle” multi-family structures to integrate seamlessly, providing a mixed-income, mixed-tenure development focused on enhancing the existing surrounding community through high-quality design, tree preservation, and community-fostering outdoor spaces.

While the Future Land Use Map (FLUM) in the Neighborhood Plan envisioned long-term Civic use at this site, we believe our mixed-income housing plan is consistent with the desire for this site to serve the public and is compatible with surrounding residential areas for both current and anticipated future land uses.

2.7 Support Services

Our proposal includes a wide range of unit types, from one-bedroom to four-bedroom homes. The targeted population will weigh heavily toward families, with most households earning less than 60% of the area median income who may benefit from a certain level of support beyond simply enjoying activities provided in the community areas, such as movie nights, exercise classes, social networking functions, and educational programming. Services will be coordinated by DMA Properties, who has been providing these services to all of DMA's communities for more than 15 years, and by AHFH, for the for-sale housing units.

For those residents needing a higher level of support, DMA will develop a slate of services that may include programming for children to include tutoring, computer classes, art and music classes, and recreational activities. Additionally, DMA may offer adult courses on topics such as career counseling, financial literacy, first time homebuyer education, English as a second language, health and wellness and computer classes. The following services will be among those provided:

- Resume building, interview skills, and networking educational programming provided by Career Creators Consulting.
- After school programming provided by the Creative Action Network or the YMCA.
- Arts classes for residents of all ages, coordinated through Big Medium.
- Camile Pahwa Scholarship Program whereby children, young adults, and adult learners can apply for scholarships for summer camp, technical school, college, graduate school, etc. To date, DMA has awarded more than \$40,000 in scholarships.
- Social and educational programming, such as poetry slams and story-telling nights.
- Exercise classes, such as yoga and boot camp, offered on-site, which can be available to on-site residents as well as residents of the larger community.

While providing services to the residents, DMA aims to foster a community for the residents that is positive and supportive. DMA will encourage a high level of resident participation because doing so creates a safer and more prosperous community. DMA will also encourage volunteerism among our residents and within the broader community.

AHFH will also provide on-site services. AHFH has been a HUD-approved Housing Counseling Agency since 2010, allowing them to expand their reach through education for both Habitat families and the public. AHFH provides homebuyer education and housing counseling, including classes on budgeting, credit management, foreclosure prevention, and financial literacy, and will work one-on-one with families to assess their financial needs and develop an action plan. Housing counseling is required for individuals and families accessing the Affordable Homeownership Program, but AHFH also provides these services to members of the public, particularly individuals interested in homeownership and those homebuyers who are facing the threat of foreclosure. These services are provided in both English and Spanish and will be available to the rental

households as well.

2.8 Asset Stewardship

Our team intends to implement a condominium regime on this site which will allow the entire site to be developed under one single site development permit while also allowing for separate ownership of the two condo units (multi-family and single-family homes). DMA and AHFC, though a single purpose entity, will own a condo unit that encompasses the multifamily units and the amenities areas, while AHFH will own the condo unit that encompasses the single-family homes. AHFC will then implement a second condominium regime to create sub-condo units encompassing each single-family structure so that it can sell those sub-condo units to homeowners. To keep the single-family homeownership opportunities affordable, these sub-condo units will be subject to a 99-year restrictive covenant and will incur very minimal condominium association fees.

The single-family homes will be owned and maintained by individual families and will stay affordable for a period of 99 years through a restrictive covenant that will run with the property interest. AHFH will design and construct the 4-bedroom homes with an eye toward resiliency and durability to reduce the cost of long-term maintenance for the homeowners, as well as manage the pricing, marketing, and administrative of these unique homeownership opportunities.

The multifamily condominium will be owned by a to-be formed limited liability company, for which an AHFC affiliate would serve as the Managing Member and a DMA affiliate would serve as the Administrative Member. Regarding the multifamily condo, we propose the following arrangement at the end of the 15-year tax credit compliance period, which is subject to the tax credit investor's approval. This is an arrangement that DMA previously negotiated with AHFC on another similarly structured deal and is slightly different than the arrangement we negotiated on our two completed joint ventures with AHFC.

Because both DMA and AHFC are interested in owning the asset long term and maintaining its affordability, we will propose to the tax credit investor an option to purchase the project or the investor's interest at end of 15-Year tax credit compliance period. Specifically, the Managing Member ("MM"), who in this case would be an affiliate of AHFC and the Administrative Member ("AM"), which would be a DMA affiliate, will have a joint option to purchase the project at end of the 15-year compliance period for a price equal to greater of (1) fair market value (taking into account remaining extended use period) and (2) the outstanding project debt plus investor exit taxes. MM/AM will also have joint option to purchase investor interests at end of 15-year compliance period for a price equal greater of (1) fair market value (considering remaining extended use period) or (2) investor exit taxes. The investor member (if it approves) will have a put option to sell investors interests to MM and AM (as joint purchasers) for a nominal amount. MM/AM will purchase investor interests on a 50/50 basis or such other mutually agreeable basis. If an offer to purchase the project is made by a 3rd party, the MM/AM will also have a joint right

of first refusal to purchase the project for a purchase price equal to project debt plus investor exit taxes.

Following any such joint purchase of the project or investor interests, MM and AM will determine on a joint basis, acting in good faith, on future actions to be taken with respect to the Project; provided that the primary goal will be the continued affordability of the Project (based on existing restrictions) for the extended use period and beyond.

Management Plan

DMA Properties, LLC (“DMAP”) will serve as the Management Agent for the multifamily housing component, which will be highly regulated due to the utilization of the Housing Tax Credit. DMAP will also be responsible for the maintenance of the entire site, which primarily consists of caring for the community grounds, but would not consist of caring for the individual fenced in yards associated with the single-family homes. The latter would be the responsibility of the single-family homeowners.

DMA Properties, LLC, certified as a HUB, currently has more than 2700 units of affordable and market rate housing under management and enjoys an excellent reputation with DMA’s investor and lender partners. Since 2002, DMAP has provided management and asset management services in addition to providing services for residents of DMA’s communities. DMA Properties is led by Sergio Amaya, Executive Vice President, who holds the professional designations of Housing Credit Certified Professional (HCCP) and Specialist in Housing Credit Management (SHCM).

DMA Properties is a proven leader in managing affordable and special needs communities, takes an active, hands-on approach, and employs new and innovative management techniques at each community it manages. As part of its philosophy, DMA Properties is governed by nine core commitments:

- Customer Service – provide the best possible service to residents, owners, investors and lenders
- Financial Strength – reinforce our fiduciary responsibility to partners and asset managers through efficient property management
- Quality – provide attention to detail in daily tasks, reach goals and maintain our competitive advantage
- Consistency – perform at the highest level, day-in and day-out
- Excellence and Teamwork – work together to produce high quality results, maximize our collective intellectual capacity
- Reward and Credit – recognize and reward individual and team contributions to our success
- Employee Development – provide group and individual training and job development for all employees

- Diversity – recognize and value every individual’s unique skill and perspective
- Honesty and Integrity – maintain highest ethical standards

2.9 Implementation of Right to Stay/Return Policy

Our Team is excited to participate in the City and AHFC’s preference policy to mitigate and address residential displacement caused by rapid redevelopment and gentrification in East Austin. Our team understands that this site is in a “dynamic” stage of gentrification where demographic change is active and significant. DMA and AHFH are both able and willing to follow AHFC’s direction to improve our affirmative marketing toward households currently residing in or historically residing in those census tracts that have been under gentrification pressures the Eastern Crescent, as well as to any other preference categories identified by AHFC. We will absolutely make our units available to AHFC’s lottery process to boost access to residents who meet the stated preference categories.

2.10 Programs and Tools for Project Development

For the single-family component, AHFH has a strong reputation of providing long-term affordable homeownership opportunities in Central Texas. The tried-and-true process includes bringing in community groups to participate financially and physically in the home building process. These partnerships result in the affiliate being able to sell homes at an affordable rate to income qualified buyers. Through a restrictive covenant, the homebuyers can maintain an affordable monthly payment and the community receives a long-term affordable asset. In many cases, AHFH seeks predevelopment funding from the City of Austin that will go toward design services (architectural/site), legal (HOA/condo documents, etc.), and project management/general administrative costs. AHFH will submit a request for construction funding assistance but does so in addition to the funding it raises through its own fundraising and house sponsorship efforts.

From the homeowner perspective, AHFH works with prospective homeowners to help them access financing, most commonly through University Federal Credit Union. AHFC also is involved in subsequent sales to ensure that homeowners understand the impact of the affordable housing restrictive covenant which gives AHFH as the right to repurchase and assign to a different third party in the event of a default. This way, AHFC truly guarantees that that home remains affordable in compliance with the restrictive covenant during its 99-year term.

For the multi-family component, DMA plans to use a 4% housing tax credit/tax exempt bond structure, which provides proceeds from the sale of tax-exempt bonds, equity from the sale of the 4% tax credits, and deferred developer fee. Additionally, DMA will likely apply for additional entitlement and flexibility offered by the Affordability Unlocked Program as well as the SMART Housing Program.

Proposed Sources (Multi-Family)	
Debt	\$21,000,000
Equity	\$15,452,634
Deferred Developer Fee	\$ 1,930,987
Total	\$38,383,621

2.11 Land Strategy

For the multi-family component, DMA proposes a long-term ground lease with the Austin Housing Finance Authority. Our proposal includes an upfront lease payment in the amount of \$1,960,000.

The land for the single-family component will not be subject to a long-term ground lease but will be subject to a condominium regime. AHFH will likely purchase the condominium interest from either the City or the to-be formed DMA/AHFC entity. Downstream, AHFH will convey sub-condo to the homeowners, which it has done before in similar legal structures. Still, further legal advice and counsel will be needed in this case to ensure that this proposed structure achieves the goals, which is transferability of the sub-condo units to subsequent owners, as well as long term affordability through the 99-year restrictive covenant.

2.12 AHFC partnership for Multi-Family Component

DMA proposes the following arrangement for sharing the economics of the proposed residential development as structured. This is an arrangement that DMA previously negotiated with AHFC on another similarly structured deal and is slightly different than the arrangement negotiated on DMA's two completed joint ventures with AHFC.

Developer Fee	85% to DMA and 15% to AHFC affiliate, paid on a pro rata basis.
Contractor Fee	\$50,000 to AHFC affiliate for acting as the General Contractor to achieve sales tax savings.
Administrative Fee to AHFC	Flat \$15,000 per year in years 1-4; \$20,000 with 3% annual inflation beginning Year 5, payable out of cash flow.
Administrative Fee to DMA	\$40,000 per year beginning in Year 5 with 3% annual inflation, payable out of cash flow.
Ongoing Cashflow Split	50% to AHFC; 50% to DMA
Sale of Refinancing of Project	50% to AHFC; 50% to DMA

As is discussed in Section 2.8, for the multi-family, we propose a joint option to purchase the project and the investor interest at the end of the 15-year tax audit compliance period.

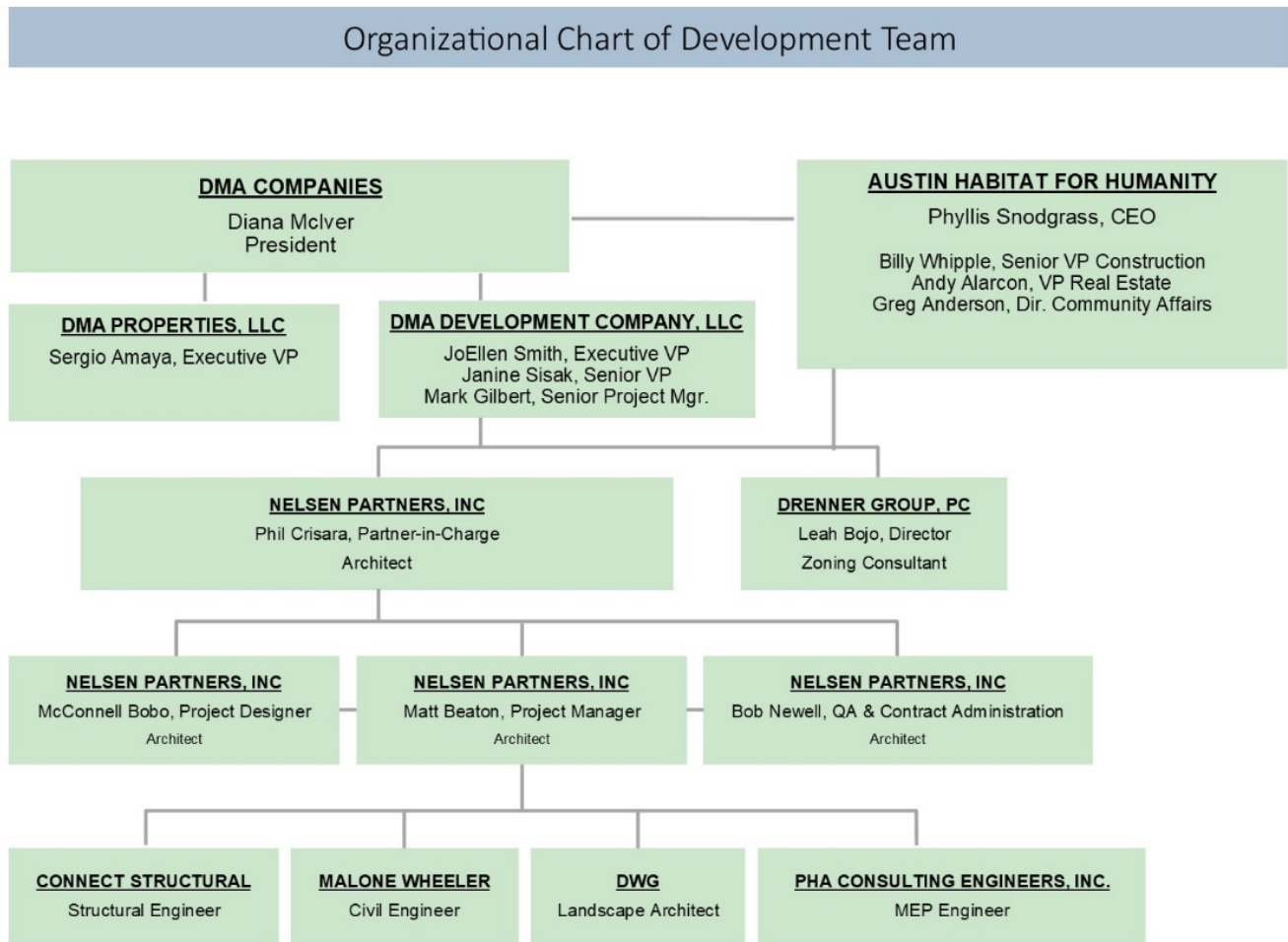
2.13 OHDA and RHDA Funding Assistance

AHFH has traditionally submitted funding requests to AHFC's Ownership Housing Development Assistance (OHDA) Program. For this proposal, AHFH would limit its OHDA funding request to design, legal, project management, and a reasonably small subsidy of the home construction costs. AHFH is highly skilled and successful at fundraising and minimizing costs by harnessing volunteer power. As a result, this total funding request would fall below \$50,000 per single-family home (and under \$1.3 million total).

If market conditions remain like those existing now, DMA does not anticipate requesting COA gap funding. It is difficult to predict construction pricing, tax credit equity pricing, and interest rates this far ahead of the construction loan closing, which according to the timeline presented in response to Section 3.0 is estimated for the first quarter of 2023. However, we feel confident that DMA can execute the multi-family component as presented with minimal to no additional funding from the City of Austin, other than the fee waivers provided under the SMART Housing Program.

3 Development Team

3.1 Team Organizational chart



3.2 Team Strengths and Key Members

Our team has extensive experience and significant capacity to deliver the proposed development as presented herein. DMA will be the primary developer for the entire project and the main contact for the City of Austin and AHFC.

DMA Development Company

DMA excels in the development of affordable and mixed-income housing within the public-private partnership framework that necessitates a thoughtful and creative approach to maximizing community benefits. With 40 years of experience in affordable housing utilizing a wide array of financing tools, DMA is widely recognized in Texas – and particularly in Austin – as the “go to” firm for creative, mixed-income, mixed-use rental developments. In addition to providing development consulting on more than 12,000 nonprofit-owned affordable units nationally, DMA has developed more than 30 affordable properties in two states (Texas and Georgia) and in the District of Columbia under the Housing Tax Credit Program and currently owns and manages a portfolio of more than 2,700 units with a value of more than \$200 million. Additionally, DMA has two high-profile properties under construction currently in Austin, totaling more than 350 units, including Talavera Lofts at the Saltillo Redevelopment and The Lady Bird at the RBJ Redevelopment. These developments have been successfully executed through highly complex transactions wherein DMA has joined forces with other development partners to achieve vibrant, urbanist, mixed-use communities with deep levels of affordability.

As evidenced by the case studies below, DMA has an unwavering commitment to design, and as such has been recognized nationally for its thoughtful and well-conceived urban infill developments. DMA’s success in this regard is in due to its long-standing partnership with Nelsen Partners who has provided architectural services on each of DMA’s vertical mixed-use developments in Austin to date, including Wildflower Terrace and Aldrich 51 at the Mueller Redevelopment, both of which have earned national recognition for design, as well as Travis Flats, an innovative mixed-use redevelopment on Airport Boulevard in partnership with Travis County. All of developments have achieved LEED Silver or AEGB 3-star ratings, which is an example of other guiding principles for our developments: sustainability and resiliency.

DMA’s work also shows a true commitment to affordability, in that it often achieves a much deeper level of affordability than the tax credit program requires. DMA achieves these additional community benefits by accessing several layers of gap financing that other private developer are reluctant to because of regulatory requirements that they do not understand. In contrast, DMA

has become an expert in the various affordable housing financing tools, including TDHCA's MFDL Programs, and the City of Austin's Rental Housing Development Assistance Program, which administers the City of Austin's HOME funds, GO Bond funds, and the City's S.M.A.R.T. Housing™ Program.

DMA Development Company, LLC is a 100% woman-owned company and is certified by the State of Texas as an Historically Underutilized Business (HUB). DMA's property management arm – DMA Properties, LLC – is also 100% woman-owned and certified as a HUB. DMA's corporate office is located at 4101 Parkstone Heights Drive, Suite 310 in Austin, Texas. DMA currently employs 20 full time corporate employees, and, its affiliate, DMA Properties, LLC, employs more than 60 people throughout Texas who manage and maintain its portfolio of properties. Resumes for its key staff are included below:

Diana McIver, President, DMA Development Company, LLC. Diana McIver is the owner and President of DMA Development Company, LLC, which has developed more than 2,700 units of multifamily housing financed under the Housing Tax Credit Program. She is also the founder and owner of Diana McIver & Associates, which has consulted with nonprofits in the development of more than 10,000 senior apartments nationally. She has 40 years of experience in the development of affordable housing both as a consultant and as a developer/owner. Diana is well respected in the affordable housing industry. She is Past President of the Texas Affiliation of Affordable Housing Providers and a recipient of its prestigious Jean W. MacDonald Lifetime Achievement Award. Diana has served on the Board of the Texas Association of Local Housing Finance Agencies (TALHFA) since 2010 and received its Member of the Year Award in 2014. In 2016, Diana was profiled by Affordable Housing Finance magazine as one of the country's ten most influential women in affordable housing. She has hands on experience with all DMA developments identified as part of this proposal she is been active in the project design, community engagement, and financing decisions, along with serving in an ownership role. Diana is a licensed Texas Real Estate broker.

Janine Sisak, Senior Vice President/General Counsel of DMA Development Company, LLC. Janine has 20 years of experience in the development, ownership, and management of affordable housing. Janine originates, structures, and implements projects funded through the Housing Tax Credit program, as well as a variety of HUD programs. Janine's experience is extensive, having managed multiple multifamily development from inception to stabilized operations, resulting in the creation of more than 2,000 units. Her recent projects include several urban high-density vertical mixed-use developments in Austin, Texas, including Wildflower Terrace and Aldrich 51 in the Mueller Development. Janine is also leading DMA's efforts on the ambitious RBJ Center redevelopment and on Talavera Lofts in the Saltillo Redevelopment. Janine currently serves as

Immediate Past President of the Texas Affiliation of Affordable Housing Providers. She also is a member of the Urban Land Institute and serves on the Workforce Housing/Affordable Housing Product Council on the national level, and on the Strategic Affordable Council at the regional level.

JoEllen Smith, Executive Vice President of DMA Development Company, LLC. JoEllen has served in numerous capacities during her twenty-two-year tenure, giving her the necessary overall perspective to lead DMA's operations. She has served in an officer capacity since 2002 and as Executive Vice President for the past twelve years. Her leadership role within DMA Companies is very diverse and ranges from providing oversight for daily operations to serving as the Principal in Charge for Development Production overseeing loan processing, construction, and transition to operations for DMA's developments financed through the housing tax credit program. Additionally, she is actively engaged in the repositioning and refinancing of DMA's existing assets, as well in the business development and marketing activities for both DMA's development and property management companies. In addition to her tax credit experience, JoEllen has significant project management experience serving as development consultant on more than 80 multifamily housing communities for seniors and persons with disabilities nationally financed under the HUD Section 202/811 Program and other financing programs. Most recently, JoEllen managed the successful completion of the mixed-use, mixed-income Travis Flats development in Central Austin. JoEllen is a member of the Texas Affiliation of Affordable Housing Providers and the Texas Association of Local Housing Finance Agencies.

Mark Gilbert, Senior Project Manager for DMA Development Company, LLC. Mark is a Senior Project Manager focused on developing new housing for DMA and managing ongoing construction projects. Mark previously worked in the public sector for 10 years, including Travis County and the City of Austin, where he had focused on the redevelopment of public land and public-private partnerships. Mark is a member of the Texas Affiliation of Affordable Housing Providers, the Texas Association of Local Housing Finance Agencies, and the Urban Land Institute.

Austin Habitat for Humanity

Austin Habitat for Humanity works every day to fulfil its mission to bring people together to build homes, communities, and hope. Fulfilling this mission helps them reach their ultimate vision of a world where everyone has a decent place to live. Austin Habitat was founded in 1985 to serve the affordable housing needs of Central Texas. In their 36-year history, Austin Habitat has built over 500 new homes; provided over 350 homes through their HomeBase subsidiary's partnership with private developers; performed critical repairs for over 350 homes; and education over 12,000 people in affordable homeownership, home repair, and housing counseling. Austin

Habitat is recognized as the largest provider of affordable homeownership opportunities in Central Texas.

Through the Affordable Homeownership Program, Austin Habitat builds and sells new, energy-efficient homes to hardworking families for whom homeownership would otherwise be out of reach. Each family invests in their attainment of the American dream through every step in the process: completing 300 “sweat equity” hours on the construction of their home and other Habitat homes, as well as other opportunities to assist. Each family receives financial education and counseling through their HUD-approved housing counseling program, and families are only approved for a home after the AHFH team has confirmed their financial stability and ability to pay on a long-term basis. Homes are sold at affordable cost with a mortgage designed to be less than 30% of the family’s household income, helping them to avoid cost burden and also utilize their incomes for education, employment training, and the costs of raising a family. The mortgage revenue generated through this program is recycled back into the program and used to provide the same opportunity of homeownership to other deserving families.

Austin Habitat for Humanity has won several awards for quality and innovation. Most recently, they were named 2019 Green Homebuilder of the Year by Austin Business Journal in recognition of their partnership with Guadalupe Neighborhood Development Corporation to build Net Zero homes, which produces as much energy as they consume.

Austin Habitat for Humanity has 36 years of project management experience and institutional knowledge about the most efficient and effective ways of creating affordable housing for hardworking families of Central Texas. Collectively, their staff bring experience that includes all phases of housing development including site acquisition, land development, design, and construction as well as marketing, outreach, finance, and other required areas.

Phyllis Snodgrass, CEO for Austin Habitat for Humanity. Phyllis maintains multiple lines of business from construction to retail while remaining focused on the organization’s mission and the families that they serve. Under her leadership, AHFH expanded partnerships with private developers to deliver 60 new affordable homes in 2020 alone. Phyllis is a strong advocate for affordable housing expansion in Central Texas and has supported successful advocacy campaigns including the \$250 million affordable housing bond in Austin.

Andy Alarcón, AICP, Director of Real Estate Development, Austin Habitat for Humanity. Andy is responsible for the search, review and oversight of land purchases and development activities for AHFH. Andy has successfully located numerous sites and formed partnerships across the Central Texas region to deliver local affordable housing.

Billy Whipple, Senior VP for Construction, Austin Habitat for Humanity. Billy leads the new construction team that works with volunteers, tradespeople, and subcontractors to build new homes for the organization's Affordable Homeownership Program. Billy's team coordinates bids and subcontractors, procures supplies and materials, and facilitates and tracks contracts for the entity. Billy's team has successfully delivered nearly 500 affordable homes in Austin.

Architect: Nelsen Partners, Inc.

Nelsen Partners is a highly respected architectural firm with expertise ranging from office/retail to hospitality to multifamily, including affordable housing developed utilizing the Housing Tax Credit Program. Nelsen Partners' Austin office includes a staff of 32, including 15 architects. Nelsen was selected as the architect for this proposed development because they have extensive experience designing buildings in Austin's central business district. Nelsen is also currently working with DMA as the architect for the Lady Bird at the RBJ campus, Talavera Lofts at the Saltillo Redevelopment, and Arbor Park in Northwest Austin. Completed developments with DMA include Travis Flats in Central Austin and Wildflower Terrace and Aldrich 51, both within the Mueller Development. Nelsen Partners has provided design services for local Austin office projects including Domain 7, Domain Gateway, 405 North Lamar, and 1011 West 5th Street, with several others under construction.

Philip Crisara, Partner-in-charge, Nelsen Partners. Philip has been with Nelsen for 33 years. As Managing Principal, he has led planning, design, and completion of numerous projects for the firm across the nation. Projects have included urban infill mixed-use, greenfield mixed-use, affordable multi-family, market rate multi-family, high-rise residential, office, retail, and restaurants. Philip's design approach is rooted in urban design and planning principles to deliver well-integrated and successful projects.

Matthew Beaton, Project Architect, Nelsen Partners. Matthew has been with Nelsen for 6 years and led project teams for several affordable and market-rate mixed-use and multi-family projects, including DMA's RBJ Senior Redevelopment Project as well as Chalmers Courts in East Austin. Matt is actively involved in the local community, promoting affordable housing and sustainable urbanism in Austin.

William McConnell Bobo, Project Designer, Nelsen Partners. McConnell has been with Nelsen for 7 years and has been involved in multiple mixed-use developments, multi-family, office, and international master planning projects. He has headed the recent design efforts for DMA at Arbor Park, a 150-unit senior affordable housing development in Austin as well as the office redevelopment of the former AISD headquarters.

Bob Newell, QA & Contract Administration, Nelsen Partners. Bob has been with Nelsen for 15 years and now leads the firm in providing design, senior project management, technical mentorship, and contract administration services for the full range of product types. His extensive experience and industry knowledge are a significant asset for the firm and all its clients.

Civil Engineer: Malone/Wheeler, Inc.

Malone/Wheeler is a civil engineering, project management, and land development consulting firm which has served its Central Texas partners since 1995. The Malone/Wheeler team of experts have successfully led a variety of projects in and around Austin, San Antonio, and the burgeoning I-35 corridor to include urban land development, mixed-use, multi-family, SMART housing, downtown office and condo high-rises, retail, TOD, large master planned community subdivisions, highway design, public works, municipal utilities, schools, and institutional facilities. Its services are comprehensive ranging from initial site assessment in terms of feasibility and entitlement assessment to implementation of full civil engineering solutions. DMA has successfully worked together with Malone/Wheeler on multiple projects including Talavera Lofts at Plaza Saltillo and is currently completing DMA's site plan for senior affordable housing in northwest Austin.

Lance Rosenfield, Project Lead, Malone/Wheeler. Lance has reputation as a leading civil project manager and consultant in Austin with over 15 years of engineering expertise in urban infill, transit-oriented development, community development, multifamily, commercial, and public works projects. He has worked on the RBJ Center Redevelopment with DMA. He assists multi-disciplinary teams as civil engineering leader to provide zoning support, land planning, engineering design management, consultant collaboration, City of Austin permitting, phasing, scheduling, and is well versed to consider both private and public stakeholders.

Landscape Design: Dwg. Studio.

Dwg. was established in 2010 by Daniel Woodroffe in Austin, Texas after many years of national and international experience in landscape architecture. The firm is passionate about urbanism, positioning the landscape as green infrastructure and designing solutions that encourage social and environmental change. Dwg. firm is focused on urban architectural landscapes, targeting our efforts at projects within high growth urban areas, which results in an expertise in all aspects of urban design. We are leaders in sustainable and low-impact development and collaborate with design teams and stakeholders to successfully implement project visions. In a little more than ten years, the studio has grown to a staff of 27 experts in urban architectural landscapes, civic infrastructure, and sustainable design, including 12 registered landscape architects.

Daniel Woodroffe, Founder, Dwg. Daniel has practiced landscape architecture in Central Texas for 20 years. His award-winning firm has a wealth of experience focused on the urban architectural landscape where his work expresses the role and importance of creating exceptional designs that are socially, environmentally, and economically equitable and resilient. Daniel and the Dwg team have worked on many East Austin projects, including the forthcoming Springdale Green, as well as many of Austin most projects ranging from The Domain to downtown's parklets to the new Music Lane on South Congress.

Multi-Family Property Management: DMA Properties, LLC

DMA Properties, LLC, will serve as the Management Agent for the affordable housing, which will be highly regulated due to the utilization of the Housing Tax Credit. DMA Properties, LLC, is certified as a HUB, currently has more than 2,700 units under management, and enjoys an excellent reputation with DMA's investor and lender partners. DMA Properties is headed by Sergio Amaya, Executive Vice President, who holds the professional designations of Housing Credit Certified Professional (HCCP) and Specialist in Housing Credit Management (SCHM).

Sergio Amaya, Executive Vice President of DMA Properties, LLC/DMA Property Advisors, LLC. Following a 20+ year career in property management, which included overseeing large commercial and multifamily portfolios, Sergio joined DMA in March 2005 to head up DMA's newly formed management company. Initially overseeing a portfolio of four small, rural DMA properties, Sergio's efforts have resulted in growing this portfolio seven-fold. As Executive Vice President of both DMA Properties, LLC – which manages DMA's portfolio – and as EVP and Manager of DMA Property Advisors, LLC – which provides third-party management services, Sergio oversees a staff of more than 70 employees and is actively involved in fiscal and compliance operations for all properties. Sergio has attained the property management designations of HCCP and SCHM and is a member of the Texas Apartment Association.

3.3 Project Examples

Aldrich 51



- Location: 2604 Aldrich Street at the Mueller Development
- Site Area: 3.46 acres
- Development Intensity: 240 units of residential or approximately 200,174 square feet of residential, and 3,225 sf of retail space.
- Total Development Budget: \$40,119,471 (\$27,376,634 in hard construction costs)
- Timeline:

Financial Closing: December 1, 2015

Construction Start: February 1, 2016

Construction Completion: September 27, 2017

100% Lease Up: May 2018

Due to the success of Wildflower Terrace, Catellus invited DMA to develop its second affordable housing community at Mueller. The objective for DMA was to develop workforce housing for people that worked either in Mueller or in the surrounding area. Throughout the development process, DMA worked closely with nearby employers such as Dell Children's Hospital and regional retail establishments like Home Depot, Best Buy, and HEB to ensure that their employees were aware of this opportunity to live and work at Mueller. The result is a 240-unit development on 3.46 acres, with structured parking, a significant exterior courtyard and a resort-style pool, which achieves a density of 70 units per acre. Like Wildflower Terrace, Aldrich 51 also achieves a deep level of affordability including 18 units at 30% Area Median Income (AMI) rents, 47 units at 50% AMI, 139 units at 60% AMI and 36 market-rate units, along with 3,500 square feet of retail. In 2019, Aldrich 51 was a finalist for the Jack Kemp Award for Excellence in Affordable Housing, and was awarded the National Association of Housing Finance Agency's Multifamily Excellence Award.

The unique challenges of this development included careful structuring to allow for an exemption from property taxes through a partnership with the Austin Housing Finance Agency, an exemption from sales tax on materials, a long-term ground lease, and the utilization of a condominium regime to expedite tax credit delivery to investors. DMA also obtained an essential City support resolution and attended bond TEFRA hearings during the time the Austin City Council was in transition, requiring a greater level of education for the new Council members. Additionally, DMA completed Mueller's very stringent design review process and achieved LEED Silver Certification.

Travis Flats



- Location: 5310 Helen Street in Central Austin
- Site Area: 3.0 acres (Includes Office Component)
- Development Intensity: 147 units of residential or approximately 116,986 square feet
- Total Development Budget: \$33,989,612 (\$23,326,415 in hard construction costs)
- Timeline:

Construction Start: June 2019

Construction Completion: June 2021

Travis County issued a Request for Proposal in 2016 for a development team to redevelop a portion of its North Airport Boulevard Campus, which houses its tax offices, into a mixed-use development, the first of several such developments meant to spur the redevelopment of Travis County's entire 10-acre campus. Through a highly competitive process, DMA was selected to co-lead the development with its commercial developer partner. At this site, the challenge was to meet the RFP's objective of delivering substantial office space for Travis County services as well as a significant amount of affordable housing, while honoring compatibility standards with the adjacent low-density neighborhood. The solution was to create a mixed-used environment with the four-story office building on the Airport frontage connected by a skybridge to the four-story affordable residential building facing the neighborhood. Travis

Flats, the residential portion of the mixed-use development, provides 146 apartment unit total, with 13 units at 30% of AMI, 39 units at 50% of AMI, 60 units at 60% of AMI, and 24 units that are not income or rent restricted, which results in a truly mixed-income community. In structuring the affordability, DMA worked closely with Travis County to identify which percentage of its workforce at the North Airport Campus would income qualify to live at Travis Flats, and the percentage was more than 58%. DMA expects to house a number of Travis County employees who will be able to enjoy living conveniently and affordably near their workplace.

The unique challenge in this case is the intense private-public nature of this partnership due to the fact that Travis County owns the site, desires to be the sole tenant of the office building, and desires a financing structure for both the office building and the residential building that achieved a 100% property tax exemption. In this case, DMA, and its commercial development partner negotiated a master ground lease with Travis County, and then implemented a condominium regime and two sub-leases to separate the ownership of the two uses. The development and operational costs of the joint spaces, such as the parking garage and the paseo between the two buildings, are governed by the condominium declaration with a detailed allocation agreement. A condominium association with representation from the office building owner and the residential building owner will be responsible for the maintenance of the entire property.

Rebekah Baines Johnson Center Redevelopment



- Location: 1320 Art Dilly Drive in East Austin
- Site Area: 17.8 acres (full redevelopment site)
- Development Intensity (The Ladybird): 279 units of affordable senior housing (206,817 gross square feet).
- Total Development Budget (The Ladybird): \$69,278,901 (\$44,671,806 in hard construction costs)
- Timeline (The Ladybird):

Construction Start: June 2019

Construction Completion: October 2021 (Projected)

Located on Lady Bird Lake, just east of the central business district, the Rebekah Baines Johnson Center sits on a 17.8-acre campus that is currently being redeveloped into an urban village, named “the Hatchery,” in honor of the site’s earlier use as a federal fish hatchery. The centerpiece of the redevelopment is the existing 16-story senior independent living tower which will soon be surrounded by 279-units of additional affordable senior housing (named The Lady Bird) contained in a newly constructed vertical mixed-use building with structured parking. At completion, the Hatchery will contain 504 apartments for seniors, to include The

Lady Bird and a renovated Tower. Additional uses on the campus include approximately 260-units of market rate housing, 20,000 to 25,000 square feet of retail/commercial/office, and a 1-acre public park.

DMA, as part of a local master planning team, was selected through an RFP process in 2014 by the Austin Geriatric Center, the non-profit owner of the site. After the master development agreement was fully negotiated and signed in June 2015, the team reconceived the master plan developed during an earlier planning process due to changes in local law and ordinance interpretation which generated the need to obtain additional entitlement. In addition to that challenge, the final revised master plan had to account for the 54 heritage trees located on site that were protected under the City of Austin's heritage tree ordinance.

As noted, the challenges of this development were numerous, but with perseverance, the team was able to start construction in mid-2018. The final master design is urbanist, pedestrian-friendly, and provides a wide range of uses on the street level to spur activity and encourage public participation. The infrastructure for the entire 17-acre site is complete and provides for much improved street and pedestrian connectivity to Lady Bird Lake for the residents of the Hatchery as well as residents in the surrounding neighborhood. The 250-unit market rate rental community is under construction with a scheduled completion date of September 2020. Also under construction are the flagship offices and state of the art listening room of KLRU, Austin's classical music radio station, which will host community-wide events once its facility is operational in late 2020.

The Lady Bird, which contains 279 units of deeply affordable senior housing and structured parking, is currently under construction with a scheduled completion date of October 2021. The Lady Bird contains a mix of efficiency, one and two-bedroom units and achieves a deep level of affordability with 18 units at 30% of AMI, 72 units at 50% of AMI, 156 units at 60% of AMI, and 27 units at 80% of AMI. Additionally, there are 6 market rate apartments.

3.4 References

DMA References

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3.5 Disclosure of Litigation

Neither DMA nor AHFH have been party to any litigation during the past five years.

3.6 Organizational Capacity

DMA's corporate office in Austin houses its accounting, property management, and development staff, all of whom work as a team to take DMA's developments from inception through operations. DMA also employs more than 60 people at the various properties it owns and manages across the state.

AHFH is also based in Austin. The team is led by Phyllis Snodgrass, CEO, who maintains multiple lines of business from construction to retail while focusing on the organization's mission to support families. In addition, Andy Alarcon provides direct project support as Director of Real

Estate Development and Billy Whipple, Senior Vice President of Construction, leads a project management staff of 5 and manages subcontractors and volunteers for their new housing development. In total, AHFH employs 30 staff in their South Austin administrative office.

This summer, DMA Development Company, LLC completed Travis Flats and anticipates the completion of both The Ladybird at RBJ and Talavera Lofts at Plaza Saltillo in the fall. While we do have three 9% housing tax credit housing developments in Austin and Houston in our current pipeline, those will be under construction prior to the award of this particular development opportunity. Therefore, DMA will have ample project management capacity in-house to develop the Tannehill tract if awarded. Moreover, DMA has the financial capacity to ensure the project's success, which includes covering all pre-development costs prior to the financial closing. To this end, DMA has included audited financial statements and commitment letters in Attachment B.

Additionally, Nelsen Partners, Drenner Group, Connect Structural, Malone/Wheeler, DWG, and PHA Consulting Engineers have all confirmed sufficient capacity for the scale of this project and the anticipated timeline.

4 Financial Feasibility

With 40 years of success in the affordable housing industry, resulting in the creation of more than 3,000 multifamily units, DMA has the track record and the financial capacity to ensure the project's success, which includes covering all pre-development costs prior to the financial closing.

4.1 Development Budget, Home Sale data spreadsheet, and Rental Housing Operating Proforma

The development budgets, rental housing operating proforma, and home sales data spreadsheet are located below in Attachment A.

4.2 Funding Sources

For the multi-family component, DMA plans to use a 4% housing tax credit/tax exempt bond structure, which provides proceeds from the sale of tax-exempt bonds, equity from the sale of the 4% tax credits, and deferred developer fee.

Development Budget (Multi-Family)	
Debt	\$21,000,000
Equity	\$15,452,634
Deferred Developer Fee	\$ 1,930,987
Total	\$38,383,621

Because we are only at schematic design stage of this development, amid a competitive process, it is impracticable to provide firm commitments for financing at this time; however, we can provide conditional commitments. We expect to apply for non-competitive 4% housing tax credits and tax-exempt bonds to finance this development, both of which are typically received in due course. If we are selected to partner with the City of Austin on this development, we can easily provide firm commitments from our preferred lenders and investor partners. DMA has very strong relationship with various financing partners due to its twenty-two-year experience developing properties under the housing tax credit program.

For the single-family component, AHFH has a strong reputation of providing long-term affordable homeownership opportunities in Central Texas. The tried-and-true process includes bringing in community groups to participate in the home building process financially and physically;

responsible use of local and federal funding; foundation and community development funding; and applying cash equity to the deal. These partnerships result in the affiliate being able to deliver homes at the \$220,000 price point committed to herein.

The timeline for application and award of tax-exempt bonds, 4% tax credits, and OHDA funds are contained in the timeline provided in response to Section 2.4.

4.3 Financial Capacity

DMA's recent financial audit and financing commitments are included below in Attachment B.

Attachment A: Spreadsheets

Multi-family residential

Development Budget

Acquisition	\$	1,960,000.00	
Pre-development Budget	\$	1,547,500.00	
Site Work	\$	1,500,000.00	
Infrastructure	\$	1,500,000.00	
Hard Costs	\$	23,519,637.00	(includes contractor's fees and contingency)
Soft Costs	\$	3,856,484.00	
Developer Fee	\$	4,500,000.00	
Total Development Budget	\$	38,383,621.00	

Single-family homes

Development Budget

Acquisition	
Pre-development Budget	
Site Work	\$ 260,000.00
Infrastructure	\$ 650,000.00
Hard Costs	\$ 4,987,710.00
Soft Costs	\$ 745,530.00
Developer Fee	\$ 340,827.00
Total Development Budget	\$ 6,984,067.00

15-yr Rental Housing Operating Proforma

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

Revenue	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
Gross Annual Income (less vacancy loss and concessions)	\$2,102,063	\$2,144,104	\$2,186,986	\$2,230,726	\$2,275,340	\$2,512,159	\$2,773,627
Revenue Subtotal	\$2,102,063	\$2,144,104	\$2,186,986	\$2,230,726	\$2,275,340	\$2,512,159	\$2,773,627
Operating Expenses & Reserves							
General & Administrative Expenses	\$60,500	\$62,315	\$64,184	\$66,110	\$68,093	\$78,939	\$91,512
Management Fee	\$105,103	\$108,256	\$111,504	\$114,849	\$118,294	\$137,136	\$158,978
Payroll, Payroll Tax & Employee Benefits	\$245,000	\$252,350	\$259,921	\$267,718	\$275,750	\$319,669	\$370,584
Repairs & Maintenance	\$97,000	\$99,910	\$102,907	\$105,995	\$109,174	\$126,563	\$146,721
Electric & Gas Utilities	\$25,000	\$25,750	\$26,523	\$27,318	\$28,138	\$32,619	\$37,815
Water, Sewer & Trash Utilities	\$55,000	\$56,650	\$58,350	\$60,100	\$61,903	\$71,763	\$83,192
Annual Property Insurance Premiums	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	\$65,239	\$75,629
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$37,500	\$38,625	\$39,784	\$40,977	\$42,207	\$48,929	\$56,722
Other Expenses	\$5,680	\$5,850	\$6,026	\$6,207	\$6,393	\$7,411	\$8,592
Expenses Subtotal	\$680,783	\$701,206	\$722,244	\$743,910	\$766,227	\$888,268	\$1,029,745
Net Operating Income	\$1,421,280	\$1,442,898	\$1,464,742	\$1,486,816	\$1,509,113	\$1,623,891	\$1,743,882
Debt Service							
First Deed of Trust Annual Loan Payment	\$1,239,852	\$1,239,852	\$1,239,852	\$1,239,852	\$1,239,852	\$1,239,852	\$1,239,852
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Net Cash Flow	\$181,428	\$203,046	\$224,890	\$246,964	\$269,261	\$384,039	\$504,030
Cumulative Net Cash Flow	\$181,428	\$384,474	\$609,364	\$856,328	\$1,125,589	\$2,758,839	\$4,979,012
Debt Coverage Ratio	1.15	1.16	1.18	1.20	1.22	1.31	1.41

Affordable Homes Sale Data

	Unit Model 1	Unit Model 2	Unit Model 3	Unit Model 4	Unit Model 5	Unit Model 6	Unit Model 7
Number of Units	26						
Number of Bedrooms	4						
Square Footage	1450						
Anticipated Sale Price	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0
Borrower Contribution	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0
Homebuyer Down Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Principal Amount of Mortgage	\$215,000	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Interest Rate	3.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Estimated Annual Property Taxes	\$5,060	\$0	\$0	\$0	\$0	\$0	\$0
Estimate Annual HOA Fees	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Annual Insurance	\$1,100	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Annual PITI	\$13,148	\$0	\$0	\$0	\$0	\$0	\$0

Attachment B: Funding Commitments

Note: Confidential Financial Statements Included as Separate PDF.



August 3, 2021

Ms. Janine Sisak
Austin Tannehill Housing, LLC
DMA Development Company, LLC
4101 Parkstone Heights Drive, Suite 310
Austin, TX 78746

**Re: Multifamily Housing at 3811 Tannehill Lane
Austin, TX**

Dear Ms. Sisak:

Thank you for considering JPMorgan Chase Bank, N.A. ("JPMorgan Chase" or "Lender") as a potential construction and permanent lender for the redevelopment of affordable rental housing located at 3811 Tannehill Lane, Austin, TX 78721. We have completed a preliminary review of the materials you have submitted, and the following is a brief outline of the terms that we propose to underwrite for credit approval. Of course, this letter is for discussion purposes only and does not represent a commitment by JPMorgan Chase to provide financing for the project nor an offer to commit, but rather is intended to serve as a basis for further discussion and negotiation should you wish to pursue the proposed transaction. Our interest and preliminary terms are subject to change as our due diligence and discussions with you continue. Such a commitment can only be made after due diligence materials are received, reviewed and approved and credit approval has been obtained.

Facilities:	JPMorgan Chase will purchase tax exempt bonds in the amount of \$26,000,000 to be issued by the Austin Housing Finance Corporation ("Issuer"), the proceeds of which will fund construction and permanent loans to the Borrower. Upon meeting the conditions required for the permanent period, the Construction Loan will convert to a Permanent Loan in an amount not to exceed \$21,000,000.
Borrower:	Austin Tannehill Housing, LLC A to-be-formed single-asset entity affiliated with the Developer.
Developer:	DMA Development Company, LLC
Project:	Tannehill Apartments will consist of a 150-unit family property located at 3811 Tannehill Lane, Austin, TX 78721

JPMorgan Chase Bank, N.A. • Community Development Real Estate • 221 W. 6th Street, 2nd Floor Austin, TX 78701 •

David H. Saling

512-656-6535

David.H.Saling@Chase.com

Construction Loan

Amount:	Approximately \$26,000,000; subject to final budget, sources and uses of funds, and LIHTC equity pay-in schedule.
Initial Term:	30 months.
Interest Rate:	Interest on the Construction Loan and the Bridge Loan will be payable monthly. The applicable interest rate for the Construction Loan shall be fixed at closing at 3.0%, and is based upon the Banks current cost of funds. Please note interest rates are highly volatile and subject to change.
Commitment Fee:	1.00% of the loan amount.
Extension Option:	One, conditional, six-month maturity extension(s).
Extension Fee:	\$100,000.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	Full payment and completion guarantees and environmental indemnity by Diana McIver and DMA Development Company, LLC or a guarantor or guarantors/indemnitor(s) satisfactory to JPMorgan Chase.
Developer Fee:	Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval.
Tax Credit Equity:	Approximately \$15,452,634, of which at least 20% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion.
Subordinate Liens:	Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase.
Repayment:	Construction Loan will be repaid from equity funded up to and including conversion to the Permanent Loan and from the Permanent Loan.
Loan to Value:	Up to 80% including the value of the real estate and low income housing tax credits.
Contract Bonding:	100% Payment and Performance Bonds from "A" rated surety
Physical Needs Assessment:	NA

Permanent Loan

Amount:	\$21,000,000 subject to final underwriting.
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Commitment Fee:	1.00% of the Permanent Loan amount payable at Construction Loan closing.
Interest Rate:	The interest rate for the Permanent Loan shall be locked at Construction Loan closing. The applicable interest rate shall be the 10-Year Swap Rate plus 223bps. The 10-Year Swap Rate will be subject to a floor of 1.00%. Current indicative rate is 4.80%. The underwriting rate equals the indicative rate plus 25 bps.
Outside Conversion Date:	The Borrower must convert to the Permanent Loan on or before 36 months from Construction Loan closing. This “Outside Conversion Date” is the Construction Loan closing date advanced by the sum of (i) the number of months of the initial Construction Loan term and (ii) the maximum number of months available under the Extension Option.
Failure to Convert to the Permanent Loan:	In the event the Permanent Period does not commence for any reason or does not commence on or before the Outside Conversion Date, the Borrower shall pay Lender a break funding premium equal to the greater of 1.0% of the Permanent Loan commitment amount or yield maintenance.
Permanent Loan Term:	Measured from Construction Loan closing and equal to the sum of (i) the number of months to the Outside Conversion Date and (ii) 216 months (18 years).
Amortization:	35 years.
Collateral:	First mortgage; other typical pledges and assignments.
Guarantee:	After conversion, the Permanent Loan shall be non-recourse to the Borrower, except as to standard carve-outs for the Borrower, General Partner, and Key Principals.
Loan to Value:	Up to 80% of the stabilized rent-restricted value.
Conversion Requirements:	<p>At least three consecutive calendar months of not less than:</p> <ul style="list-style-type: none"> • 1.20x debt service coverage ratio (DSCR); 1.15x all-in DSCR including all loans requiring debt service payment, and • 90% economic and physical occupancy. <p>And a pro forma forecast shows in the first ten years following conversion annual DSCR (based on annual revenue growth of 2% and annual expense growth of 3%) of not less than 1.00x.</p> <p>As applicable, commercial income and commercial tenants will be excluded from the DSCR and occupancy requirements.</p>
Prepayment Terms:	Prepayment prior to three years before the Permanent Loan maturity date will be subject to a prepayment fee equal to the greater of 1% of the loan

balance or yield maintenance. Thereafter, prepayment will be without premium.

Escrows/Reserves: Bank controlled escrows required for property taxes, insurance, and replacement reserves. Replacement reserve of \$250/unit/year (or such higher amount as required by any other party to the transaction) funded at conversion with 3-month initial deposit. An operating reserve equal to six months of operating expenses and debt service payments, to stay in place for the life of the loan, is required.

We appreciate the opportunity to discuss with you the possibility of providing construction and permanent financing for the proposed project. This letter of interest is for your information and use only, and is not to be shown to or relied upon by other parties. **Please note, credit markets are volatile. Loan fees and interest rates are subject to adjustment prior to Construction Loan Closing.**

JPMorgan Chase and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transaction described herein or otherwise. JPMorgan Chase and its affiliates may share information about you in connection with the potential transaction or other possible transactions with you.

This letter, which expires December 31, 2021, serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. JPMorgan Chase Bank N.A. cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Sincerely,

JPMORGAN CHASE BANK, N.A.

A handwritten signature in cursive script, appearing to read "David H. Saling".

David H. Saling
Authorized Officer

August 3, 2021

Ms. Diana McIver
DMA Development Company, LLC
4101 Parkstone Heights Drive
Austin, TX 78746

Re: HTC Tannehill
Austin, TX

Dear Ms. McIver:

This letter is a preliminary equity investment commitment from the National Equity Fund, Inc. (NEF) for HTC Tannehill ("Project"), a proposed LIHTC, multifamily community located in Austin, TX.

NEF, an affiliate of the Local Initiatives Support Corporation (LISC), was incorporated in 1987 with the mission to identify and develop new sources of financing to help provide affordable housing for low-income families and to assist non-profit organizations in creating this housing. NEF has worked with 700 local development partners in forming partnerships which acquire, develop, rehabilitate, and manage low-income rental housing. Since the enactment of the Federal Low Income Housing Tax Credit in 1986, NEF has raised more than \$12 billion in equity and invested it in more than 2,200 affordable housing projects in 46 states, including Washington, D.C. and Puerto Rico.

Described below are the basic terms, conditions, and assumptions of this preliminary commitment:

- The Project consists of a proposed new LIHTC, multifamily community which will consist of 150 total housing units located in Austin, TX. The Project will consist of one-bedroom, two-bedroom, and three-bedroom units totaling 142 LIHTC units targeted to families with incomes at or below 30%, 50%, 60%, and 80% area median income (AMI). The project will consist of 8 market rate units.
- The Project will be owned by a to-be created, Limited Partnership. The Limited Partner will be NEF Assignment Corporation with a 99.99% Limited Partner interest.
- NEF proposes to be the Federal Low Income Housing tax credit investor with an equity investment of approximately \$15,452,634 based on annual LIHTC allocation of \$1,717,131 which represents a price of \$0.90. We are assuming a tax credit rate of 4%. NEF's proposed equity pay-in schedule is depicted on the following page:

- o 40% at Closing;
- o 25% at 100% Completion
- o 30% at Stabilization
- o 5% at 8609

The final timing and amounts of equity payments at closing and during construction will be agreed upon by NEF and the General Partner prior to closing. NEF will charge a \$55,000 Due Diligence fee.

- **Reserves** - The Limited Partner will require the following reserves:
 - Operating Reserve: \$957,548
- **Guaranties and Adjusters** – NEF will require Diana McIver, DMA Development Company, LLC, and other guarantors as deemed necessary to provide guaranties of development completion, repurchase of NEF's interest if the project fails to meet basic tax credit benchmarks as well as on-going and operating guaranties. The Project's partnership agreement will include adjusters to the Limited Partner's capital contributions if there is a change in the agreed upon amounts of total projected tax credits or projected first year credits.
- **Sources** – NEF's terms are based on the Sources and Uses on the attached.

A final determination of our investment will depend upon confirmation of the project's assumptions; a full underwriting of the Project, the development team and their financial statements; the review of plans and specifications; the commitment for all other sources of financing; the development schedule; review of due diligence materials; successful negotiation of the partnership agreement and approval by NEF's Investment Review Committee and by its final tax credit investors.

Sincerely,



Jason Aldridge Vice
President
National Equity Fund