

Request for Proposal:

*Attn: Alan Fish (Tannehill RFP)
1000 E. 11th Street, Suite 200
Austin, Texas 78702*

Tannehill Lane Apartments

*Development of the Austin
Housing Finance Corporation's
7.96 acre Tannehill Lane
property*

The NRP Group LLC
200 Concord Plaza, Suite 900
San Antonio, Texas 78216



Table of Contents

1.0	Executive Summary	3
2.0	Development Concept	5
3.0	Development Team	21
4.0	Financial Feasibility	35
Appendix A	Proposed Site Plan & Rendering	
Appendix B	Litigation	
Appendix C	Pro Forma	



Section 1.0: Executive Summary

1.0 Executive Summary

The NRP Group is pleased to submit this Request for Proposal to develop 3811 Tannehill Lane. This development site offers an incredible opportunity to lock-in housing for low to moderate income families that have resided in the East MLK Neighborhood throughout their lives. Our proposal consists of a residential multifamily community that will include 305 units, all of which will be income-restricted and range from one to four bedroom units. However, our proposal is much more than just housing – our main emphasis with this space is **community** and we hope that message is clear throughout. Our development will be outfitted with retail space for local entrepreneurs and startups, as well as offer a public park with bike lanes, sidewalks, and a nature trail to invigorate this corridor. We'll also provide transformational resident services to further support the needs of our local community. The NRP Group desires to partner with the Austin Housing Finance Corporation to make this exciting development a reality.

The NRP Group has the capability and vision to meet the purpose and goals for 3811 Tannehill Lane – we have a strong history of creating catalytic multifamily projects, helping to transform communities by providing economic growth and high quality, affordable housing for families, children, and seniors.

The opportunity to work with AHFC on this important initiative will serve as a model of how housing needs are addressed during times of crisis in a responsible and civic manner, and we look forward to working together in building this **community**.

Thank you for your consideration,



Jason Arechiga
Senior Vice President – Development
The NRP Group
jarechiga@nrpgroup.com
210-487-7878



Max Whipple
Development Associate
The NRP Group
mwhipple@nrpgroup.com
248-979-4243



Section 2.0: Development Concept

2.1 Development Concept

Tannehill Lane is an incredible opportunity to lock in long-term affordability in a rapidly developing neighborhood. NRP has the vision—and expertise—to make this a reality.

Our proposal for Tannehill Lane is a 305-unit affordable housing development that will be targeted for working families, individuals, and seniors. As we will discuss in later sections, we plan for all units to be affordable to households earning between 30%-70% of the Area Median Family Income (MFI) and below.

Site Plan

The proposed development will consist of two buildings with 305 units. The construction will be four-story “wrap” style. This consists of units of both buildings “wrapping” around a +/- 555 space parking garage, providing convenient access for tenants while also shielding the structure from public view. Two internal courtyards will offer amenity space for residents, further discussed below. The leasing office and +/- 2,500 square feet of community commercial space will sit on the front corner off the main entrance, adjacent to a public park that will be used by future residents and the surrounding community. Sidewalks, walking trails, and bike lanes along the site perimeter will contribute to improving the connectivity and vibrancy of the neighborhood.



Proposed site plan. See Appendix A for enlarged



Rendering of proposed project. Facing southeast from Tannehill Lane.

2.1.1 – 2.1.6 Development Overview

Project Metrics

Building Type	4-story stick frame wrap with integral 5-level garage
Gross Floor Area	Residential: Approximately 305,000 square feet Clubhouse/Amenity Space: 4,000 square feet Retail Space: 2,500 square feet
Building Height	51'
Impervious Cover	Approximately 4.21 acres of the site will be used for impervious cover
Parking Allocation	5-level parking garage, which will include roughly 555 parking spaces. The majority of these spaces will be designated for resident parking, although some spaces will be assigned for the retail space that will be provided.
Open Space	Approximately 20% of the site will designated as park or open space
Overall Density	+/- 38 units per acre

2.1.7 Unit Breakout

Unit Mix & Affordability

	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	Total
1 Bedroom	2	3	4	4	2	15
2 Bedroom	12	24	36	30	18	120
3 Bedroom	14	27	40	34	20	135
4 Bedroom	4	7	10	9	5	35
Total	32	61	90	77	45	305

Based on feedback from the community, NRP believes the highest and best use for the Tannehill Lane property is affordable, rental housing to allow working professionals and families to remain in the areas that they were raised and continue to work. In doing so, we are able to maximize the number of families that we can support with this property. Our proposal sets-aside all units for low to moderate income families earning up to 70% of the Austin MSA (\$98,900 for a family of four). Additionally, this development places a heavy emphasis on two, three, and four bedroom units to cater toward families, which will help create a community atmosphere in conjunction with the public park, supportive resident services, and amenities provided at the development.

Average Unit Sizes

1 Bedroom 1 Bath	656 square feet
2 Bedroom 2 Bath	902 square feet
3 Bedroom 2 Bath	1055 square feet
4 Bedroom 2 Bath	1304 square feet

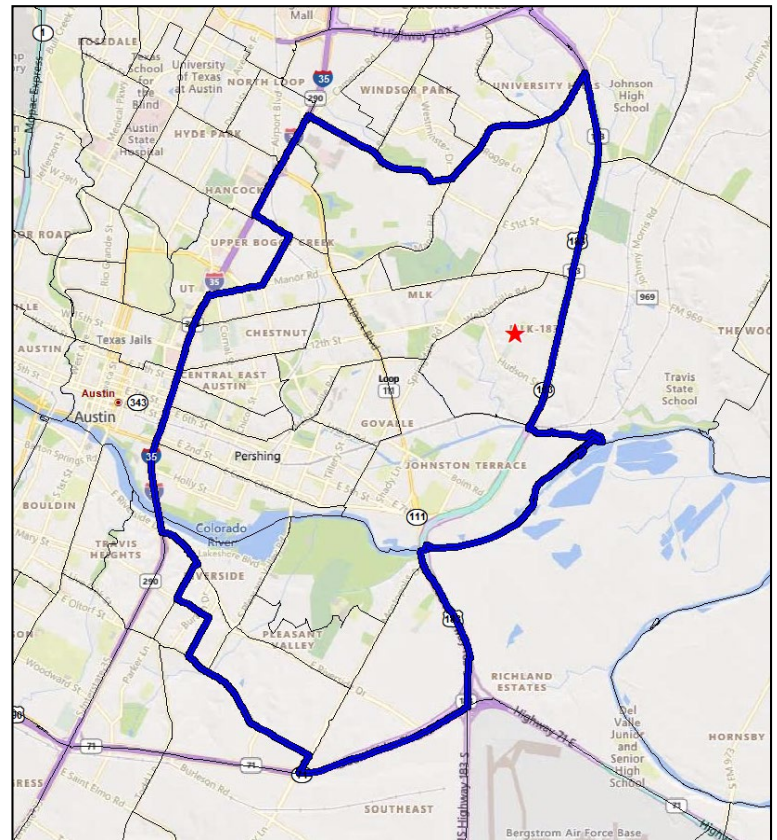
2.2 Market Demand

Market Demand

We worked with our market analyst in determining the appropriate income mix that is most suitable for this location. Based on the vast number of affordable developments and units in East and Southeast Austin over the past few years, we believe that a mixed-income community between the 30% and 70% AMI bands offers the best opportunity for deep-targeted affordability, while also providing for the moderate-income 'workforce' jobs that employ Austin's most vital residents.

The median income for residents of the Tannehill Lane census tract is approximately \$46,000 – directly correlating with the proposed income mix of the development.

The chart below demonstrates that there is an excess demand for housing far and above our proposal at each of the different income bands.



Unit Size	2021 Demand	2022-2023 Growth Demand	10% External Demand	Total Demand	Comparable Units	Inclusive Capture Rate	Add'l. Units Allowed
Overall	10,304	-22	1,028	11,310	164	1.5%	1,533
30% Band	2,766	-71	269	2,964	7	0.2%	438
50% Band	2,939	-3	294	3,230	88	2.7%	396
60% Band	4,599	52	465	5,116	69	1.3%	698

2.3.1 – 2.3.2 Conceptual Plan



The conceptual plan calls for 305 total units, broken up into two 4-story buildings that wrap around a 5-story garage. The building will include approximately 4,000 square feet of amenity and clubhouse space, as well as about 2,500 square feet of community retail space. There will also be two interior courtyards that will provide additional amenities for residents. The 5-story garage will provide about 555 parking spaces for residential and commercial use. Additionally, about 20% of the total land area will be designated as open space – divvied up amongst the public park, stormwater management area, and other green space around the property.

2.3.3 Open Space

Open Space

The development will include approximately 1.6 acres of open space for both residents of the property and the surrounding neighborhood to use. Our current plan shows a public park as well as open area with trees and grass, with a focus on preserving as many of the existing trees on-site. Pending future meetings with the community, we could leave as is or add more specific amenities. This could include a walking trail, playground, dog park, community sculptures/art, etc. NRP's proposal accounts for \$750,000 dedicated toward the construction of a public park, sidewalks, and bike lanes where applicable.

Our goal with this proposal is to create an inclusive space that is centered around a vibrant community park, while placing a heavy emphasis on connectivity to the existing infrastructure via sidewalks, trails, and bike lanes.



2.3.4 Resident Amenity Space

Meaningful amenity space is vital to creating a vibrant community and supporting residents needs.

Amenities

The property will include a number of community amenities for tenant use. The courtyards will include a resort-style pool, BBQ grill stations, a picnic area, playground, and yard games. The community center will feature a co-working center with WiFi, children's activity room, and a health and wellness center. A telehealth room will be installed, allowing residents to "visit" with their doctor from the comfort of home. With a proposal focused on a family-oriented community, these amenities will be especially impactful for our residents.

NRP has worked with residents at our numerous Texas developments to determine the most used and beneficial amenities, however these can be altered based on community input. Additional possibilities include a conference room, community kitchen, and library to name a few.



2.3.4 Community Retail Space

With 2,500 SF of community space, the possibilities are endless to provide meaningful community space for retail, events, and other uses.

Our construction budget includes outfitting 2,500 square feet as “warm white box” – or more or less ready to go. If selected, NRP would engage community members to understand what types of uses they would like to see in their neighborhood. Our financial proposal does not account for receiving rent. This allows us to lease space to community orgs, nonprofits, and budding entrepreneurs for free. This arrangement can also allow for a flexible use—one month the space can be used as a gallery, the next month as a pop-up shop for a new business. Below you will find some examples where NRP has provided community space for unique uses:

GARDENS AT SAN JUAN SQUARE

Digital Library

On San Antonio’s West Side, NRP partnered with Bexar County to build the BiblioTech, the first ever digital library in the nation to be co-located in public housing. The library provides internet access, computers, e-readers, and thousands of digital books to residents and the greater community. Additionally, workshops and classes are offered in subjects such as robotics and programming.



theresidences — AT CAREER GATEWAY —

Workforce Development

In Columbus, Ohio NRP teamed up with Nationwide Children’s Hospital and local nonprofits to create a 2,400 square foot onsite career development training space at an affordable housing development. The initiative provides extensive job training opportunities onsite for tenants and other community residents. The hospital is a lead training entity, hiring many residents after training.



2.4 Proposed Timeline

Preliminary Schedule	
Board Selection	November 2, 2021
NRP Due Diligence	November 2021 – March 2022
Development Agreement Executed	February 2022
AHFC Inducement Resolution	March 2022
Full Design Kickoff	March 2022
TBRB Bond Application Submission	April 2022
RONO Application Submittal	April 2022
City Council Resolution of No Objection	June 2022
TBRB Bond Reservation	January 2023
TDHCA Application Submittal	January 2023
TDHCA Determination Notice	March 2023
Closing	April 2023
Construction Commencement	May 2023
Construction Completion	March 2025
Stabilization	May 2026

**This preliminary schedule is an estimate based upon various application deadlines and constraints at the local and state level.*

The timing of the bond allocation will be critical to forming the closing and construction schedule. The process has become extremely competitive with many deals competing for limited funding.

2.5 – 2.6 Zoning & Neighborhood Plan

Responsible development that takes into consideration existing uses and neighborhood factors.

Proposed Zoning Districts

NRP's development proposal considers rezoning of the majority of the property to Multifamily Residence Medium Density (MF-3) District, while rezoning a small piece of the property to Community Commercial (GR) District for the planned retail and flex space. We will also look to utilize the City's Affordability Unlocked Program, which provides various compatibility waivers that will help make this development a reality.

Neighborhood Plan Conformance

The East MLK Combined Neighborhood Plan identifies 13 goals – the NRP development proposal closely aligns with 9 of those goals. Our development will meet the goals as follows:

Goal Two: Promote a mix of land uses that respect and enhance the existing neighborhood and address compatibility between residential, commercial, and industrial uses.

Our development is focused toward the rear of the site to provide a natural transition to the single-family homes to the West and serve as a buffer to the commercial/industrial uses further East.

Goal Three: Preserve existing small businesses and encourage new neighborhood-serving commercial services in appropriate locations.

By providing 2,500 square feet of community commercial space, this development provides the opportunity to support existing small businesses being priced out of nearby spaces, or support local entrepreneurs and start-ups that will benefit the surrounding neighborhood.

Goal Four: Promote the development and enhancement of the neighborhood's major corridors.

Sitting at the hard corner of Tannehill Lane and Jackie Robinson Street, this development sits directly off US-183 and provides convenient access to the downtown area.

Goal Five: Provide housing that helps maintain the social and economic diversity of residents.

Through our participation in the AHFC's Right to Stay/Return Policy, we will prioritize housing opportunities for members of the local neighborhood.

2.6 Neighborhood Plan

Responsible development that takes into consideration existing uses and neighborhood factors.

Neighborhood Plan Conformance

Goal Six: Protect and enhance historic resources and structures and preserve the area's historic and cultural character.

NRP will prioritize the preservation of the existing landscape throughout our development process.

Goal Seven: Create a transportation network that allows all residents to travel safely throughout the neighborhood by improving safety on major arterials and neighborhood streets.

By dedicating funds to sidewalk and road improvements, NRP will work with the City and TxDOT to ensure safe access throughout the EMLK Neighborhood.

Goal Eight: Provide access to, from, and through the neighborhood for all residents by promoting a neighborhood-friendly system of transportation.

Our development proposal will promote safe access to the nearby bus stops through roadway and sidewalk improvements.

Goal Nine: Improve bicycle and pedestrian traffic safety on neighborhood streets.

Funds will be dedicated to installing bike lanes and sidewalks on the exteriors of the property and on the surrounding streets to provide safe transportation for bicyclists and pedestrians.

Goal Thirteen: Create more public open space, including parks and green spaces, improve existing parks and increase recreational amenities in the neighborhood.

NRP will provide approximately 1.6 acres of the property for public open space, focused around a community park at the edge of the property. Funds are being set-aside to support park improvements, including the addition of amenities that are requested by the neighborhood.

2.7 Supportive Services

Built-in social services that empower low-income residents to reach independence.

Supportive Services

NRP will partner with a non-profit organization, Community Housing Resource Partners (CHR Partners), to provide on site resident services. CHR Partners is dedicated to creating quality, affordable housing where built-in social services empower low-income residents to reach independence.

These services will be tailored to the tenants and include afterschool programming and homework help, health/nutrition screenings, first-time homebuyer program, ESL assistance, financial literacy class, job readiness, adult education, and more. The service provider will survey residents to determine the best programming. NRP is substantially increasing the annual Supportive Services budget to provide the services outlined above, as well as any additional services that will be impactful for future residences.

NRP has partnered with CHR Partners on numerous developments across the state and country, totaling more than 7,500 units which have **proven** to successfully provide these transformational services and support our residents beyond just a rooftop. CHR has substantial experience working in Texas, having served as the Supportive Service Provider on more than 15 different developments.



2.8 Long-Term Stewardship

Long-Term Stewardship

NRP is a vertically-integrated, nationally-recognized multifamily firm that handles the development, construction, and management of all properties in-house. This approach allows us to collaborate during the development stage and explore value-add opportunities for long-term resident satisfaction and maintenance of the asset.

NRP plans to enter into a partnership with AHFC to develop the property. NRP would remain in the deal with NRP Management serving as the Management Firm for a period of 15-years. At that time, AHFC would have the opportunity to purchase the property outright, as NRP will grant AHFC a Right of First Refusal (ROFR). The partnership could also be continued and a syndication of new tax credits for rehabilitation of the property can occur.

NRP Management is a full-service property manager with over 25,000 market-rate, affordable, and senior rental units under management across the country. NRP Management takes pride in driving optimal performance while delivering an exceptional lifestyle experience to residents.

Through our management of thousands of units across the Austin-area, NRP is well-versed with the compliance and application process associated with income-restricted units.



2.9 – 2.10 Right to Stay & Affordable Housing Programs

Right to Stay Implementation

NRP will work closely with AHFC to institute a successful Right to Stay/Return Policy. This will include active and targeted communication to the eligible households, increased marketing efforts, and other measures as permitted by federal fair housing law.

Development Financing

Our proposal for Tannehill Lane assumes the use of the 4% LIHTC program to finance the development. NRP would partner with AHFC in the development. This would allow AHFC to issue tax-exempt private-activity bonds distributed by the Texas Bond Review Board (TBRB). In addition to tax-exempt bonds, the parties would apply for non-competitive 4% tax credits issued by the Texas Department of Housing and Community Affairs (TDHCA), which are sold to institutional investors and provide equity in the transaction. Further, in providing a substantial number of deeply-targeted units (50% AMI and below), our proposal accounts for a \$4.2M subsidy from AHFC, which equates to \$13,770 per unit. If desired by AHFC, the income mix can be revised to minimize or maximize the subsidy paid by the HFC.

Through the partnership between NRP & AHFC, the HFC will be the fee-simple owner of the property following the financial closing and will lease the land back to the partnership at a nominal cost. With AHFC remaining the fee-simple owner of the property, the development would be entitled to a 100% property tax exemption, which is crucial to the financial feasibility of the proposal.

City of Austin Tools

This development accounts for participation in the City of Austin's S.M.A.R.T. Housing initiative, which will provide fee waivers and S.M.A.R.T. Housing review process, which will help to speed up the entitlement process. We also plan to utilize the City's Affordability Unlocked program, which will provide relief from some compatibility requirements to maximize the use of the development site. By using the Affordability Unlocked program, the City of Austin will have additional oversight into the compliance of the development, while providing additional tenant protections to future residents.

2.11 – 2.13 Austin HFC Partnership

Land Consideration

NRP's financial pro forma accounts for a Purchase Price of \$1,960,000 for the development site to be paid to the AHFC. As stated above, through the partnership between NRP & AHFC, the HFC will be the fee-simple owner of the property following the financial closing and will lease the land back to the partnership at a nominal cost. With AHFC remaining the fee-simple owner of the property, the development would be entitled to a 100% property tax exemption, which is crucial to the financial feasibility of the proposal.

Austin HFC Financial Return

NRP intends to partner with AHFC to issue the tax-exempt private-activity bonds and serve as the General Partner in the transaction. Through this partnership, AHFC would receive 30% of the developer fee and 50% of the ongoing available cash flow – the estimated value amounts to more than \$2.8M. Additionally, the proposal accounts for a financial contribution of \$1.96M to the HFC for the purchase of the property. Finally, as a byproduct of issuing the private-activity bonds, the AHFC would be entitled to an Issuer Fee, which we are estimating to be an additional \$669,500 to the HFC.

Through negotiation of the development agreement or memorandum of understanding (MOU), NRP would offer a Right of First Refusal to AHFC to purchase the development or additional interest in the development.

City of Austin Housing Development Assistance

By providing more than 180 deeply-targeted units (50% AMI and below), our proposal currently accounts for a \$4.2M subsidy from the City of Austin, which equates to \$13,770 per unit. However, with anticipated increases in the Austin-Round Rock Area Median Income (AMI), we believe that the requested subsidy will decrease substantially between now and the time of Closing. If desired by AHFC, the income mix can be modified to minimize or maximize the subsidy from the City to support the development. Additionally, we can explore utilizing TDHCA's Multifamily Direct Loan in order to further reduce the soft funding requested from the City.



Section 3.0: Development Team

COMPANY HISTORY:

The NRP Group was founded in 1994 with a clear goal: to develop, construct and own apartment communities that support residents' lifestyles and give them homes they can be proud of.

Since then, our growth has been exponential. We have developed and constructed well over 40,000 residential units in 16 states; we now manage more than 140 properties – encompassing 21,000+ luxury, family and senior rental units – in 11 states.

The Texas office was founded in 2004 in San Antonio. Since then, over 18,000 units have been constructed throughout the state, with over 8,000 units in San Antonio alone. NRP is a leading affordable and workforce housing developer in the State of Texas, and we are proud to be the largest builder in our hometown of San Antonio.

MISSION:

To create exceptional rental opportunities for individuals and families, regardless of income.

COMPANY CREDO:

We will be innovators. Our talented professionals will set the pace for our industry through their collective ambition to succeed where others may not.

Our relentless approach to problem solving, honed by years of collaborating with the most sophisticated community and financial partners, will continue to create the highest-quality communities that improve the lives of the residents and enhance the neighborhoods in which they are located.

EMPLOYEE BREAKDOWN

15 States

13 Offices



CORE VALUES



INTEGRITY



OPEN + APPROACHABLE



TEAMWORK



RESPECTING INDIVIDUALS



PROFESSIONALISM



SENSE OF PURPOSE

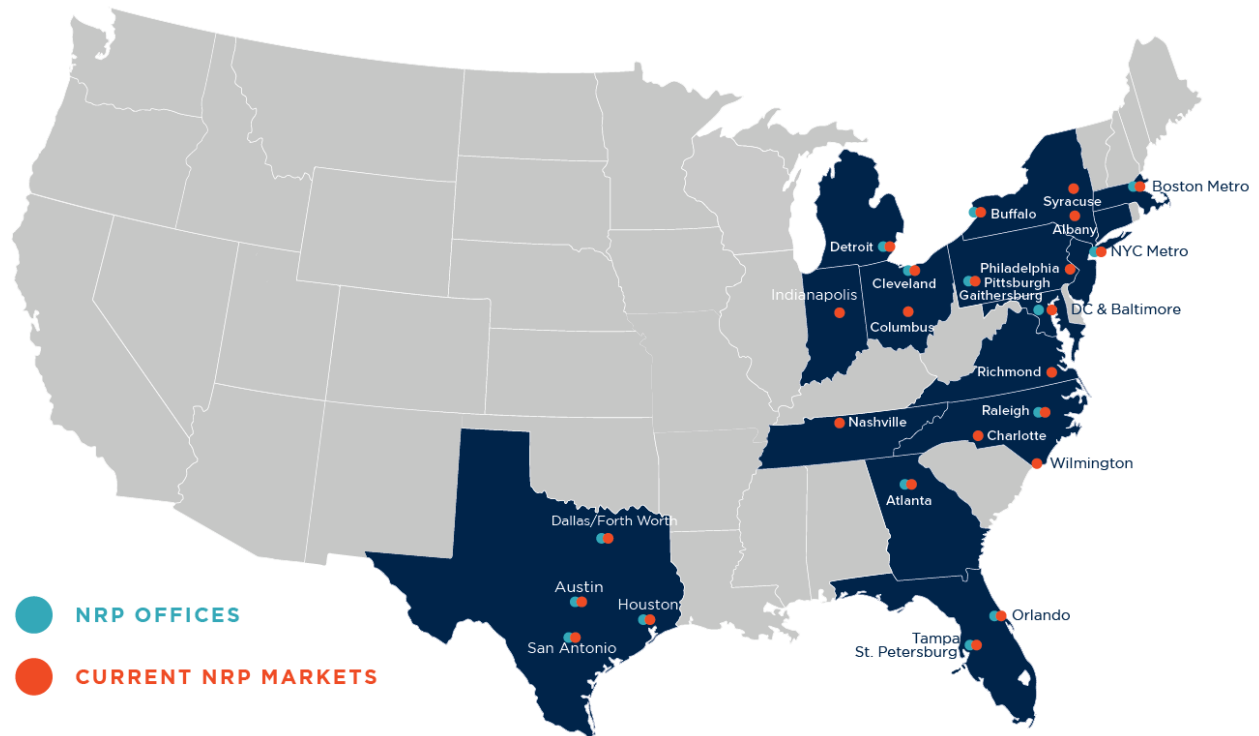


HIGH PERFORMANCE



FUN

3.0 Firm History & Presence



NRP TEXAS BY THE NUMBERS

- Delivered over 18,000+ units at a value of almost \$2B
- One of the largest multifamily developers in Texas
- 350+ employees in Texas

3.0 Firm History & Presence

The NRP Group is a full-service, vertically integrated developer, general contractor and property manager.



DEVELOPMENT

NRP Development handles every aspect of development from concept to completion. Experienced multifamily developer of market rate, affordable and senior housing developments along with significant experience in single-family infill housing.



CONSTRUCTION

NRP Construction is a full-service general contractor, licensed in 14 states, providing professional construction services for multifamily and single family homes. Over 40,000 units have been built since inception.



PROPERTY MANAGEMENT






NRP Management is a full-service property manager with over 20,000 market rate, affordable and senior rental units under management. This team has achieved over 75 affordable and market rate lease-ups in the last five years with industry leading performance results.



ASSET MANAGEMENT

NRP Asset Management maximizes the value of over 150 properties with 23,500 units at an asset value of \$1.66 billion, and has executed market rate dispositions of \$1.9 billion with value creation of 34% sale price over total project cost.

3.0 Firm History & Presence

	LIHTC + MODERATE INCOME	NRP OVERALL
 PROJECTS	204	265
 UNITS DEVELOPED	26,000	44,000
 TOTAL PROJECT COST	\$3.4 BILLION	\$6.2 BILLION
 PORTFOLIO VALUE	\$1.0 BILLION	\$1.7 BILLION
 UNITS UNDER MANAGEMENT	19,000	24,000



#3 Builder
#5 Developer

2021 National Multi-
Family Housing Council
Top 50



#2 Developer

2020 Top 50 Affordable
Housing Developers
Affordable Housing
Finance



Developer of the Year

San Antonio Business Journal
"Building San Antonio Awards"
2020 & 2019

3.1 Organizational Chart



Master Developer & Team Lead:
NRP Lone Star Development LLC

Jason Arechiga, Senior VP
Debra Guerrero, SVP Government Affairs
Max Whipple, Development Associate

General Contractor: NRP Contractors II LLC
Taylor Brown, President
Dan Hull, Executive VP

CONSTRUCTION | the
NRP
group

Property Manager: NRP Management
Erick Waller, President

MANAGEMENT | the
NRP
group

Architect: Womack + Hampton Architects, LLC
Larry Lapomarda, A.I.A.



Landscape Architect: Lee & Associates
Richard W. Lee, President

 **LEE & ASSOCIATES**
LANDSCAPE ARCHITECTURE

Civil Engineer: LJA Engineering
Danny Miller, P.E.



3.2 Structure of the Team

The NRP Group is the development entity that will be directly involved in the Residential development. The team is comprised of leaders in each of the relevant sectors of the development, construction, and management industries described within this proposal. The NRP Group has 1000+ employees, with offices in Ohio, Pennsylvania, New York, Michigan, North Carolina, Florida, Indiana, Virginia, Massachusetts, Maryland and Texas. As a general matter, The NRP Group will assume responsibility for the entire development process.

NRP is well-suited to develop the project as one of the most experienced developers in affordable housing nationwide and within Texas. Our team, including many of these subconsultants, have teamed up in developing more than 19,000 units across the state of Texas. Our team is well-versed with the nuances of the City of Austin municipal code, from architectural, to civil, to legal.



3.2 Structure of the Team



Developer – The NRP development team handles every aspect of development from concept to completion. With every new project, the team reviews and details the many elements that contribute to success: site selection and zoning, market studies, and designs that combine the most desirable features for each market. NRP partners with local governments, financial institutions and neighborhood organizations on its many multi-family housing, single-family infill homes, senior housing, and land development projects.



Architect– Womack + Hampton Architects, L.L.C. is a full service architectural firm engaged in land planning, architectural design and visualization, and construction contract administration of multifamily developments throughout the United States. We have extensive experience in providing a variety of design typologies ranging from low density 'garden' style communities, to high density 'wrap', 'podium', and 'high rise' developments, and continue to be one of the industry's leading influences in new multifamily design innovation.



Landscape Architect – Richard Lee and his team will lend their experience to provide safe, stable multifamily communities through their in depth planning, landscape architecture, and graphic production skillset. Lee & Associates has the seasoned team, experts in their respective markets who have the experience and track record to help sort through their unique complexities.

3.2 Structure of the Team

MANAGEMENT | the **NRP** group

Management -- NRP Management is a full-service property manager with over 19,000 luxury, family and senior rental units under management. The team includes specialists in corporate compliance, accounting, operations, marketing and leasing support as well as on-site expertise in community management, leasing and maintenance at each community.

NRP Management provides expertise in initial lease-ups, on-going operations, market analysis, maintenance and training.



Engineer – For more than 45 years LJA has been a leader in land development engineering and consultation throughout Texas. LJA will provide civil engineering, land planning and surveying services for Tannehill Lane. LJA and their team offer the specialized skills and experience to determine an economic and efficient design and flexibility to changing conditions while remaining committed to the project.

CONSTRUCTION | the **NRP** group

Construction – NRP Contractors is a full-service general contractor providing a range of services to maximize cost efficiency & productivity. Licensed in 12 states, NRP Contractors has built nearly 40,000 multifamily and senior units across the nation and has honed its skills to place a priority on key architectural features while expediting timelines to meet objectives. Services include conceptual estimating, project management, design, consultation, civil engineering, architecture and budget development. The Company currently has over 3,000 units under construction.

3.3 Relevant Development Experience

The Baldwin at St. Paul Square

239 Center Street, San Antonio, TX 78202

Public-Private Partnership | Workforce Housing

271 units | 4-story wrap product

Previously the home of the Collin-Gunther Company, NRP saw the unique opportunity for an adaptive reuse development of an underutilized historical building located near San Antonio's downtown.

Located on the City's Near Eastside, St. Paul Square was a pocket of downtown characterized by closed storefronts and little activity. With unbeatable proximity to downtown, the Pearl district, and Hemisfair Park, NRP saw the potential for a catalytic development that would reinvigorate the area.

NRP and the San Antonio Housing Trust took the initiative to move forward with this development, which led to the construction of a 271-unit mixed-income community. 50% of the units are reserved for those earning 80% of the Area Median Income (AMI) or below, while the remaining units are set to market-rate, ensuring affordability is preserved for years to come.

Following the completion of the apartment complex, St. Paul Square has rapidly revitalized – resulting in the introduction of numerous restaurants, bars, retail options, and office space. St. Paul Square is now seen as one of the most lively areas within San Antonio.



Site Area	3.2 acres
Gross Floor Area	300,000 square feet
Development Budget	\$48.5M
Timeline	Start: April 2013 Completion: June 2018

3.3 Relevant Development Experience

Cevallos Lofts

301 E. Cevallos Street San Antonio, TX
Public-Private Partnership | Workforce/Affordable
252 units | 4-story surface parked

Located in San Antonio's vibrant Southtown, Cevallos Lofts was among NRP's first public-private partnerships geared toward providing mixed-income housing options. Of the 252 total units, 25% of them are set-aside for those earning 50% or less of the Area Median Income.

The development features 1 and 2-bedroom loft-style apartments, along with 2-story townhouse units. The development includes state of the art amenities, including multiple lounges, three fitness centers, two business centers, and a resort-style swimming pool to name just a few.

This development came to fruition in partnership with the San Antonio Housing Trust, utilizing conventional debt, tax credit debt and equity, and City of San Antonio funds to finance the transaction.

In the years following the completion of the Lofts, a number of luxury market-rate apartments, prime culinary and mixology fixtures, and fine arts destinations have popped up in the surrounding area.



Site Area	5.5 acres
Gross Floor Area	275,000 square feet
Development Budget	\$38M
Timeline	Start: June 2007 Completion: January 2012

3.4 References

NRP regularly partners with public entities across the State to develop affordable housing.



San Antonio Housing Trust

Pete Alanis, Executive Director
2515 Blanco Road
San Antonio, Texas 78212
Phone: 210.735.2772



Housing Authority of the City of Austin

Mike Gerber, President & CEO
1124 S. IH 35
Austin, Texas 78704
Phone: 514.477.4488



Capital Area Housing Finance Corporation

Jim Shaw, Executive Director
4101 Parkstone Heights Dr. Suite 280
Austin, Texas 78746
Phone: 512.347.9953



Travis County Housing Finance Corporation

Andrea Shields, Executive Director
700 Lavaca Street, Suite 1560
Austin, Texas 78701
Phone: 512.854.9116

Attached please find a summary detailing NRP's ongoing and past litigation identified as Appendix B.

3.6 Structure of the Team

With a team of more than 1,000 employees, NRP is well-suited with the resources needed to see the Tannehill Lane development come to fruition. In addition to the on-the-ground development team, NRP also has in-house architects & engineers that oversee our subconsultants to ensure adherence to deadlines and local code. Additionally, we have a development project management team that helps to oversee the affordable application process and much of the closing of the transaction.

Our team is currently working on approximately 20-25 developments that are in differing stages of their lifecycle (pre-development, development, construction, lease-up) across the state, but due to our staffing and organizational prowess, feel very comfortable with proceeding with this development and other developments we are exploring across the state.





Section 4.0: Financial Feasibility

4.1 Development Budget & Operating Proforma

Attached please find the Development Budget, Rental Housing Operating Proforma & Home Sales data spreadsheet identified as Appendix C.

4.2 Financial Proposal

NRP will apply for 4% housing tax credits and a reservation of tax-exempt private activity bonds to finance the development. Additionally, we will seek approximately \$4.2M in soft funding.

The intention is to partner with the Austin Housing Finance Corporation (AHFC). We would seek an inducement of approximately \$40M in private activity bonds to be issued by the AHFC through the Texas Bond Review Board (TBRB).

Due to the competitiveness of the private-activity bonds throughout Texas, it is unknown precisely when a bond reservation would be received, however we are forecasting January 2023. After receiving a bond reservation from TBRB, NRP will seek 4% non-competitive tax credits from the Texas Department of Housing and Community Affairs (TDHCA). This approval would follow approximately 3 months after the submittal of the tax credit application.

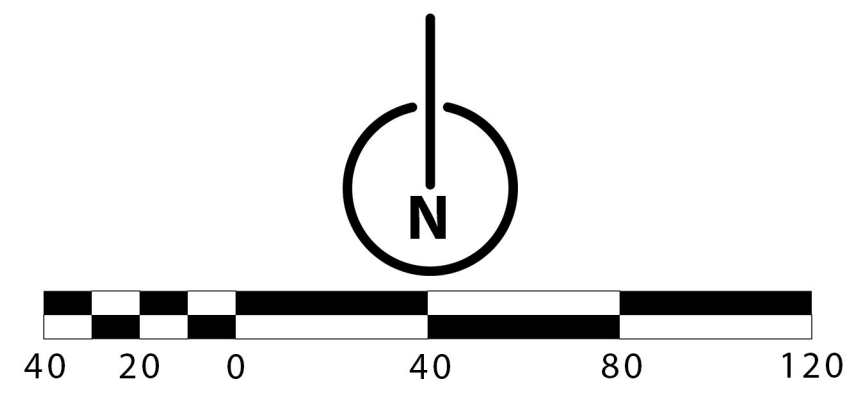
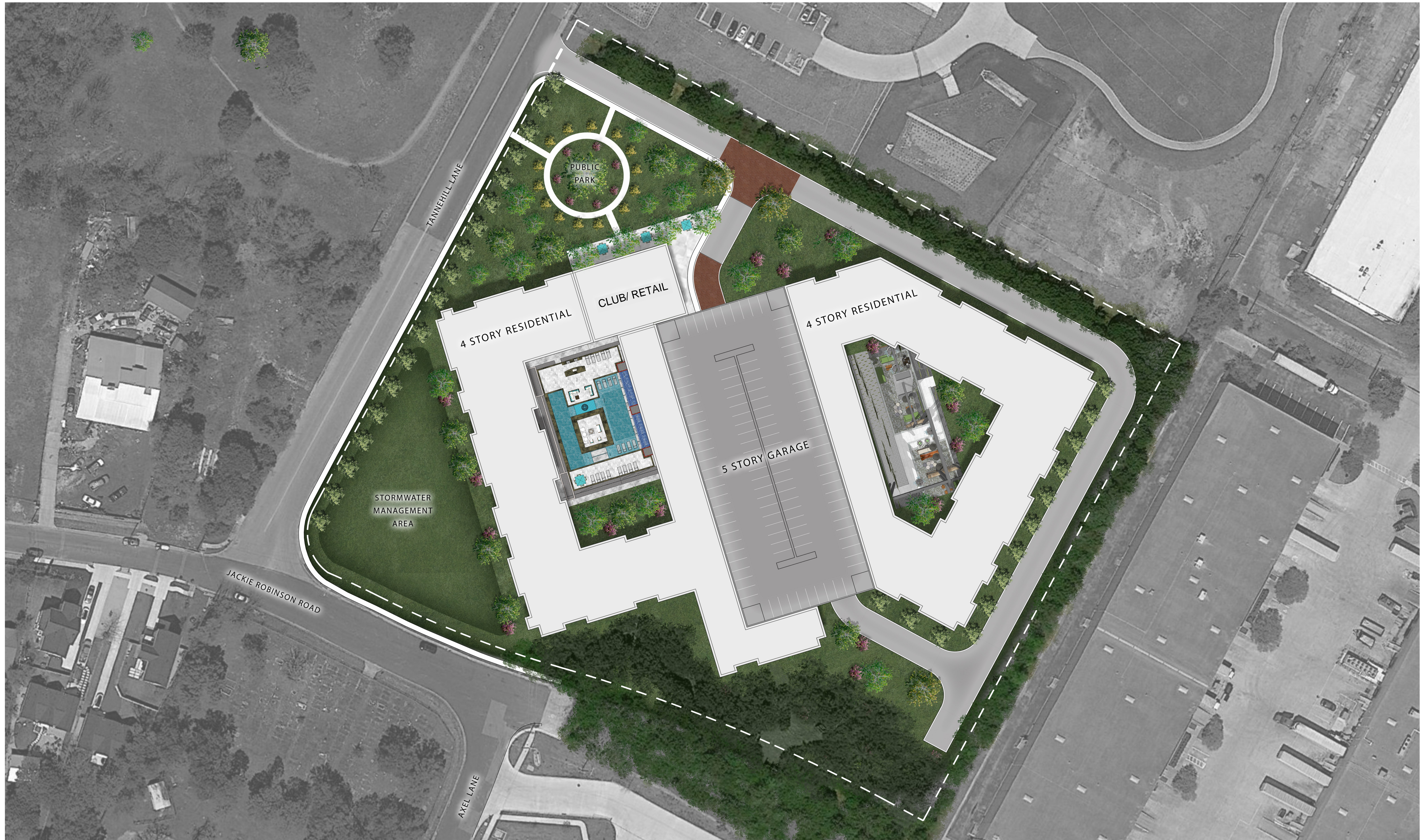
Further, in providing a substantial number of deeply-targeted units (50% AMI and below), our proposal accounts for a \$4.2M subsidy from AHFC, which equates to \$13,770 per unit. If desired by AHFC, the income mix can be revised to minimize or maximize the subsidy paid by the HFC.

Preliminary Sources & Uses	
<u>Sources</u>	
Private Activity Bonds	\$33,475,000
Tax Credit Equity	\$26,699,467
Soft Funding	\$4,200,000
Deferred Development Fee	\$5,695,502
Total Sources:	\$70,069,969

A consolidated financial audit of NRP was mailed directly to the Department, attention: Alan Fish.



Appendix A: Proposed Site Plan & Rendering



SCALE 1" = 40'-0"

FOR ILLUSTRATIVE PURPOSES ONLY

TANNEHILL
AUSTIN, TEXAS
Illustrative Site Plan



www.leeandassociates.net





Appendix B: Litigation

Litigation Schedule

PENDING LITIGATION

1. **Several Industries LLC v. The NRP Group LLC, et al., Case No. JS20-00062G, Justice Court, Precinct 4, Place 1, Dallas County, Texas**

Several Industries LLC filed a complaint in small claims court against The NRP Group LLC and Mercantile Apartments Ltd. for work performed at the Sterlingshire Apartments in Dallas, Texas. NRP denies that Several Industries is owed the amount demanded due to its defective work and the damage it caused to NRP property. NRP has engaged counsel to defend itself against these claims.

2. **County of Guadalupe, Texas v. NRP Properties, LLC and Cibolo Valley Apartments, LP, Case No. 20-2118-CV**

The County of Guadalupe has alleged that there is an outstanding financial assessment against Cibolo Valley Apartments, LP. NRP is working with the County's attorney to resolve this potential issue.

3. **NRP Contractors II LLC v. Blue Crab Remodeling, LLC, Circuit Court of Maryland for Baltimore County, Case No. C-03-CV-21-001224**

NRP and Blue Crab entered into a settlement agreement resolving certain disputes in which Blue Crab agreed to pay NRP a certain settlement amount by a certain date. In the event Blue Crab failed to pay the settlement amount, Blue Crab agreed that it would owe the full amount of the outstanding debt to NRP. Blue Crab failed to pay the settlement amount by the required deadline, and NRP filed this action for the entire outstanding debt.

INSURANCE MATTERS

1. ***Elite Dance by Damian, Inc. v. Marshall Heights LLC, Marshall Heights Holdings, LLC, NRP Manager, LLC and NRP Contractors LLC, Case No. GD – 15-020693, Court of Common Pleas, Allegheny County, Pennsylvania***

The owner of a shopping center in the vicinity of a multifamily development under construction, as well as a tenant of the same shopping center, each alleges that storm runoff during a heavy rain fall that damaged a shopping center was caused by negligent construction activity. NRP Contractors LLC believes the matter to be without merit. Discovery is ongoing, and the matter is being defended by counsel appointed by NRP's insurance carriers.

2. ***Commerce Park Place Holdings LLC & Travelers Property Casualty Company of America v. NRP Contractors LLC, American Arbitration Association Case No. 01-20-0000-0243; and Travelers Property Casualty Company of America and Commerce Park Place Holdings LLC v. NRP Contractors LLC; R.M. Riggle Enterprises Inc., MG Fire Design, Inc. et al., Case No. CV 20 927263***

On April 8, 2019, NRP Contractors LLC received notice as general contractor of The Vue in Beachwood, Ohio alleging that NRP performed defective work at the project, which was completed in 2015. On January 2, 2020, the Owner of the Vue and its insurer filed an arbitration demand and a lawsuit alleging defective construction and deficient design of the project's sprinkler system and balconies. The claims in the litigation are duplicative to those alleged in the arbitration and were recently stayed by the court pending the resolution of the arbitration proceedings. This matter has already been tendered to insurance who has appointed defense counsel to represent NRP's interests.

3. ***R.M. Riggle Enterprises, Inc. v. Commerce Park Place Holdings, LLC, NRP Contractors LLC and Travelers Property Casualty Company of America, Cuyahoga County Case No. CV 20 935714***

On August 7, 2020, Riggle Enterprises filed a declaratory judgment action against NRP Contractors LLC regarding whether NRP has any arbitration rights against Riggle in relation to the ongoing arbitration between NRP and the Owner of The Vue in Beachwood, Ohio. Riggle served as a subcontractor for The Vue project, and claims that it cannot be joined in the arbitration between NRP and The Vue. This matter, which has been stayed pending the resolution of the arbitration proceedings, has been tendered to insurance defense to represent NRP's interests.

4. ***West Bend Mutual Insurance Company v. R.M. Riggle Enterprises, Inc., NRP Contractors, LLC, MG Fire Design, Inc., Travelers Property Casualty Company of America, and Commerce Park Place Holdings, LLC, Cuyahoga County Case No. CV 21 943397***

On January 27, 2021, West Bend Mutual Insurance Company filed a declaratory judgment action against NRP Contractors LLC regarding the extent to which NRP has coverage under the West Bend insurance policy. The claims in this matter are related to those in The Vue litigation and arbitration matters above.

5. **Jarissa Young and the Estate of Xavion Young v. NRP Costa Mariposa Apartment, LLC and NRP Management LLC, Case No. 19-CV-1374, 405th District Court of Galveston County, Texas**

Jarissa Young, on behalf of herself and as a representative of the estate of her deceased son Xavion Young, is seeking damages in connection with the death of Xavion. Xavion drowned on January 6, 2019 in a retention pond located behind the Costa Mariposa Apartments. A complaint was filed by Ms. Young's counsel alleging that the proximate cause of Xavion's death was NRP's negligence. This matter has been tendered to NRP's insurance carriers and defense counsel has been assigned to represent NRP's interests.

6. **Maynor Morales Ramirez v. NRP Contractors II LLC and Osgood Street Apartments LLC, Case No. 1984 CV 02469**

Plaintiff, an employee of a subcontractor to NRP Contractors, alleges that NRP Contractors and the project owner is responsible for injuries he sustained in connection with an accident at the North Andover construction site in November, 2018. This matter has been tendered to NRP's insurance carriers for defense and defense counsel has been assigned to represent NRP's interests.

7. **Chase Barnett and Candice Barnett, As Next of Friend of Chase Barnett v. Azure Point, Ltd., Golden Triangle Redevelopment Corporation, LLC, and The NRP Group LLC, Case No. D-204074, 136th Judicial District Court of Jefferson County, Texas**

Chase Barnett, a minor, along with his mother Candice Barnett, as Chase's legal representative, are residents of Azure Pointe Apartments. Chase allegedly sustained injuries on the apartment's premises as a result of being physically assaulted by three unidentified individuals. A complaint was filed by Plaintiffs' counsel in Jefferson County, Texas. Plaintiffs allege that Defendants' negligence in maintaining the premises was the proximate cause of Chase's injuries. This matter has been tendered to NRP's insurance carriers for defense and defense counsel has been assigned to represent NRP's interests.

8. **Chacon v. NRP Contractors, LLC, Case No. D-1-GN-20-002704, 261st Judicial District, Travis County, Texas**

Helder Chacon filed a complaint alleging that loose gravel on the road adjacent to the Harris Ridge apartment project caused Chacon's vehicle to slide and strike a pedestrian guard rail. NRP Contractors denies that Chacon is owed anything and has tendered this claim to its insurance carrier for defense and indemnity against these claims and defense counsel has been assigned to represent NRP's interests.

9. **Alanis v. NRP Construction LLC, Case No. D-1-GN-20-002138, 201st Judicial District, Travis County, Texas**

Plaintiff was injured when he was hit by a car while walking across the street from where he parked his vehicle to the entrance of the Oaks at Techridge construction site. Plaintiff alleges that NRP is responsible for his damages as a result of NRP's role as general contractor. NRP denies any responsibility for the Plaintiff's injuries and has tendered this claim to its insurance carrier for defense and indemnity against these claims and defense counsel has been assigned to represent NRP's interests.

10. **Baldwin v. Costa Rialto, Ltd., et al., Case No. 2020-33889, 165th Judicial District, Harris County, Texas**

Andrea Baldwin is the mother of a resident at the Costa Rialto Apartments. While visiting her daughter, Andrea allegedly sustained injuries on the apartment's premises as a result of being physically assaulted by two unidentified assailants. Plaintiff alleges that Costa Rialto and NRP are liable for Plaintiff's injuries by failing to provide adequate security. This matter has been tendered to NRP's insurance carriers for defense and defense counsel has been assigned to represent NRP's interests.

11. **LMHA Oberlin Homes, LLC v. NRP Contractors, LLC, Case No. 20CV201172, Lorain County Court of Common Pleas**

LMHA filed a complaint against NRP Contractors LLC alleging that NRP's use of flexible duct work at a project completed in 2014 caused poor airflow into the furnaces which, in turn, caused the furnaces to run too hot and not function properly. NRP denies any wrongdoing, denies that LMHA is owed anything, and has tendered to insurance who has appointed defense counsel to represent NRP's interests

12. **Dwayne E. Fox v. NRP Investments LLC, Virginia Workers' Compensation Commission, Claim No. VA00001749180**

Dwayne Fox filed a claim with the Virginia Workers' Compensation Commission for a purported work-related injury that occurred on July 10, 2020. NRP has put its insurance carrier on notice of this pending workers' compensation claim.

13. **Shunna Jones v. NRP Group, et al., Cuyahoga County Case No. CV 20 939817**

Shunna Jones filed a claim against NRP Group alleging that Ms. Jones, a home health aide, was walking into the entrance of Cornerstone Senior Apartment Homes when she slipped and fell on a clear, slippery substance. NRP denies any wrongdoing, has put its insurance carrier on notice who has since engaged counsel to defend NRP against these claims.

14. **Kahley Cleveland, et al. v. The NRP Group, LLC, et al., Northern District of Ohio Case No. 1:21-cv-01057; Kayley Cleveland, et al. v. The Edison at Gordon Square, OCRC No. CLE H4 (46401) 05172021**

Kahley Cleveland and Ryan Scott allege discrimination based on familial status when property management purportedly denied a lease renewal after the plaintiffs had a baby. The plaintiffs filed claims in both the Northern District of Ohio and OCRC. NRP denies these allegations, has put its insurance carriers on notice of both of the pending matters, and is being represented by defense counsel that has been pre-approved by NRP's carriers.



Appendix C: Pro Forma

Development Budget

Acquisition	\$	2,710,000.00
Pre-development Budget	\$	1,500,000.00
Site Work	\$	4,396,000.00
Infrastructure	\$	300,000.00
Hard Costs	\$	42,423,824.00
Soft Costs	\$	11,042,145.00
Developer Fee	\$	7,698,000.00
Total Development Budget	\$	70,069,969.00

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)	\$3,646,197	\$3,857,178	\$3,934,322	\$4,013,009	\$4,093,268	\$4,519,300	\$4,989,673
Revenue Subtotal	\$3,646,197	\$3,857,178	\$3,934,322	\$4,013,009	\$4,093,268	\$4,519,300	\$4,989,673
Operating Expenses & Reserves							
General & Administrative Expenses	\$226,188	\$232,973	\$239,963	\$247,162	\$254,577	\$295,125	\$342,132
Management Fee	\$145,848	\$154,287	\$157,373	\$160,520	\$163,731	\$180,772	\$199,587
Payroll, Payroll Tax & Employee Benefits	\$502,640	\$517,719	\$533,251	\$549,249	\$565,726	\$655,832	\$760,288
Repairs & Maintenance	\$227,180	\$242,681	\$249,961	\$257,460	\$265,184	\$307,421	\$356,385
Electric & Gas Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water, Sewer & Trash Utilities	\$141,368	\$145,609	\$149,977	\$154,476	\$159,110	\$184,451	\$213,831
Annual Property Insurance Premiums	\$131,764	\$140,755	\$144,978	\$149,327	\$153,807	\$178,304	\$206,703
Property Tax	\$12,170	\$13,000	\$13,390	\$13,792	\$14,206	\$16,469	\$19,092
Reserve for Replacements	\$77,998	\$80,338	\$82,748	\$85,230	\$87,787	\$101,770	\$117,979
Other Expenses	\$79,001	\$81,371	\$83,812	\$86,327	\$88,917	\$103,079	\$119,496
Expenses Subtotal	\$1,544,157	\$1,608,733	\$1,655,453	\$1,703,543	\$1,753,045	\$2,023,223	\$2,335,493
Net Operating Income	\$2,102,040	\$2,248,445	\$2,278,869	\$2,309,466	\$2,340,223	\$2,496,077	\$2,654,180
Debt Service							
First Deed of Trust Annual Loan Payment	\$1,897,248	\$1,897,248	\$1,897,248	\$1,897,248	\$1,897,248	\$1,897,248	\$1,897,248
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	\$204,792	\$351,197	\$381,621	\$412,218	\$442,975	\$598,829	\$756,932
Cumulative Net Cash Flow	\$204,792	\$555,989	\$937,610	\$1,349,828	\$1,792,803	\$4,397,313	\$7,786,716
Debt Coverage Ratio	1.11	1.19	1.20	1.22	1.23	1.32	1.40