

City of Austin, Texas

Rental Housing Development Assistance Application March 2022

June West 1200-1206 W Koenig Lane











June West



Executive Summary & Project Proposal



Project Narrative

June West is a proposed mixed-income family apartment community to be located at 1200-1206 W Koenig Ln. This ± 1.13 acre multifamily development will consist of 80 units, of which 100% will be targeted for workforce housing.

To date, \$1.4 million in previous AHFC funding has been awarded to this project. The current \$2,300,000 request is a result of increasing construction costs due to supply chain issues and the COVID-19 pandemic. This additional request results in a total of \$3,700,000 @ 2% interest for the June West project. This current \$2,300,000 request is meant to account for all cost increases between now and closing, including any interest rate increases. Please note that this request anticipates that we will not be receiving \$2.16M TDHCA Multifamily Direct HOME Loan Funds. It is estimated that the decision for the TDHCA HOME Loan Funds will be announced late summer 2022.

Please keep in mind that these funds also help to facilitate a substantial number of 60% and 80% AMI units, which otherwise would not be built in this underserved, high-income location.

The proposed development will consist of a mix of studio, one, two, and three bedroom units serving families (general population) at 30%, 50%, 60%, and 80% median family income levels. This site is currently zoned GR-MU-CO-NP and will not require a rezone to allow for the intended use.

We feel this project is particularly important for the City of Austin given the high concentration of nearby jobs (26,010 within a mile radius of the site), and nearby amenities, making this an ideal location for families. With various grocery stores, restaurants, and coffee stops nearby on Burnet Rd, Brentwood Neighborhood Park to the north, and McCallum High School a short 10-minute walk from the site, residents of this community would have easy access to many of Austin's most desirable jobs and amenities. This area is also considered high opportunity as defined in the QAP. Allowing for the development of workforce housing in this area will help Austin work toward economic desegregation and offer low-income households an opportunity to live in the vibrant Brentwood neighborhood. This site is located within the Austin Independent School District. Children living in the proposed development would be zoned for Brentwood Elementary, Lamar Middle School, and McCallum High School.







Unit and Development Amenities

Unit amenities will include high efficiency appliances and lighting, a dishwasher, washer and dryer hookups, granite countertops in kitchen and bathrooms, resilient hard surface flooring, kitchen tile backsplash, and tile tub surrounds.

Community amenities will include an on-site leasing center, fitness center, cyber lounge, children's playroom, outdoor BBQ stations, and community multipurpose room.

Accessibility

To the best of our knowledge and ability, all of Saigebrook's and O-SDA's developments comply with the Equal Opportunity Housing regulations as well as Fair Housing, ADA and UFAS standards. This development will be designed to meet or exceed the accessibility requirements of the Federal Fair Housing Act as implemented by HUD. All common spaces will be designed to allow for accessibility to persons with limited mobility. Additionally, a minimum of 10% of all units, and 100% of the community amenity space will be designed and constructed to allow for accessibility to persons with limited mobility. An additional 2% of the units will be also designed for hearing and visual disabilities. All units will be fully adaptable and elevator-served.

ADA features for the units will include but are not limited to:

- All passage doors to be 36" wide
- Knee space in both bathrooms (if applicable) for wheelchair access
- Under counter knee space in kitchen for wheelchair access
- 34" height countertop in bathroom and kitchen work area
- All individual rooms are made fully accessible by providing adequate turn radius
- Fully accessible bathtub/shower combination
- Strobe light alarms and doorbells for HV units
- Temperature controlled water valves
- Accessible light switches and outlets

An accessible route will connect the accessible parking spaces to the accessible and adaptable units or elevator, as well as the common areas of the development. As a further measure to ensure compliance, the development team retains an Accessibility and Compliance Consultant to provide plan review and inspection services for compliance with the Texas Accessibility Standards (TAS), the Uniform Federal Accessibility Standards (UFAS), Fair Housing Act (FHA), and the International Building Code (IBC) Chapter 11.







Community room and cyber lounge at Edgewood Place, Longview, TX

Support Services

All of Saigebrook and O-SDA's communities offer targeted onsite support services. Our service providers tailor their offerings to meet the specific needs of residents in each community, as determined through resident surveys and meet-and-greets. Usually, this includes onsite parenting, nutrition, and personal finance classes, kids' activities and tutoring, and monthly free social events.





Above: A free event for residents at O-SDA Industries developed **La Madrid Apartments**, Austin, TX Below: Fitness center at O-SDA Industries developed **Stillhouse Flats**, Harker Heights, TX





Green Building

Even before the current emphasis on green building methods, our team strived to promote sustainable building practices and energy and natural resource conservation in our communities. These efforts have had a significant positive impact in the cost of operations, and the out-of-pocket costs to our residents. Our team commits to a minimum of a 1-star Austin Energy Green Building rating for this development, as required by Austin's S.M.A.R.T Housing program and will endeavor to achieve a higher rating.





Above: The interior of an affordable unit at Saigebrook and O-SDA developed **LaMadrid Apartments** and **Art at Bratton's Edge**, Austin, TX. Below: Swimming Pool at **Saige Meadows**, Tyler, TX.



Local public art

Our team recognizes the importance of art education, reflecting our priority to grow and invest in Austin's creative economy. In each one of our communities, we commission a local artist to create an original sculpture, mosaic, or other form of artwork. Our continued commitment to local public art aims to create a sense of place and community at each property. Often local children are provided the opportunity to participate in the artist's creation, thereby creating a sense of pride and achievement within their neighborhood.





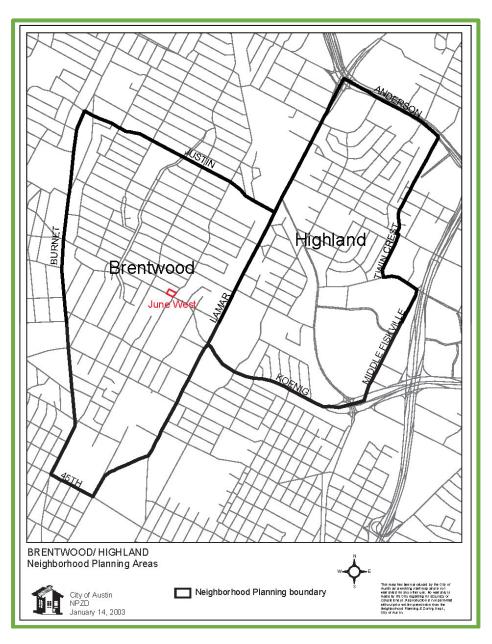


At **Aria Grand**, we worked with Ethan Azarian of Blue Cow Studios and students from Travis Heights Elementary School to create four custom murals for the community. The students were excited to work with Ethan to create a lasting mark on their neighborhood.



Alignment with the Brentwood/Highland Combined Neighborhood Plan

June West is located within the boundaries of the Brentwood/Highland Combined Neighborhood Plan, which was adopted as part of the Austin Tomorrow Comprehensive Plan in 2004 via Ordinance No. 040513-30. The neighborhood plan outlines a vision for a clean, safe community with access to parks and green spaces, and improved bicycle and pedestrian infrastructure. The plan describes a need to improve affordability options in the form of affordable home ownership and affordable rental housing. This is a goal that the proposed development would help the neighborhood meet.









June West



Latest Construction Cost Estimate February 2022



MAKER Bros.

JUNE WEST Austin, TX

2/17/2022

Architect: 3 Bar Architecture

Owner: Saigebrook Development/O-SDA

Unit Net SF: 60,448 SF Units: 80 Ea Cost: \$ 11,907,784 Avg Unit SF: 756 SF

Cost/SF: \$ 196.99 Duration: 16 Mo

Cost Cost/SF **PRECONSTRUCTION** 15,000 76.15 **MOBILIZATION** 15,000 76.15 **EXCAVATION** 309,100 1,569.10 **EROSION CONTROL / SWPPP** 26,000 131.98 SITE PREP & CLEARING 74.62 14,700 **GC EXCAVATION** 15,000 76.15 **TERMITE & PEST CONTROL** 2,200 11.17 SITE UTILITIES 303,700 1.541.69 DRY UTILITIES 19,500 98.99 CONCRETE PAVING 197,700 1,003.59 PAVEMENT MARKINGS 27,000 137.06 SIDEWALKS & A/C PADS 123,500 626.93 **FENCES** 27,100 137.57 **RETAINING WALLS** LANDSCAPE & IRRIGATION 108,800 552.31 SITE AMENITIES 55,000 279.20 CAST IN PLACE CONCRETE 780,600 3,962.59 GYPSUM/LIGHTWEIGHT CONCRETE 224,900 1,141.67 MASONRY SYSTEMS 195,600 992.93 METAL STAIRS AND RAILS 115,300 585.30 STRUCT. STEEL/MISC. METALS 32,100 162.95 ROUGH CARPENTRY MATERIALS 1,588,700 8.064.79 **ROUGH CARPENTRY LABOR** 880,200 4,468.20 TRUSS MATERIALS 515,700 2,617.87 FINISH CARPENTRY MATERIAL 68,400 347.22 FINISH CARPENTRY LABOR 173,300 879.73

MOISTURE PROTECTION	79,200	402.05
BUILDING INSULATION	161,300	818.81
ROOFING SYSTEMS	191,800	973.64
GUTTERS & DOWNSPOUTS	6,500	33.00
ACCESS DOORS AND PANELS	9,800	49.75
WINDOW SYSTEMS	66,300	336.56
MIRRORS AND MIRRORED DOORS	9,930	50.41
FINISH HARDWARE / BATH ACCESSORIES	59,195	300.49
PREHUNG DOORS	195,975	994.83
GYPSUM BOARD ASSEMBLIES	592,800	3,009.26
CERAMIC TILE	87,300	443.16
RESILIENT FLOORING & CARPET	156,600	794.96
PAINTS & FINISHES	230,000	1,167.56
LOUVERS & VENTS	11,500	58.38
PROJECT SIGNAGE	10,000	50.76
POSTAL SPECIALTIES	8,985	45.61
RESIDENTIAL APPLIANCES	192,800	978.72
CABINETS & COUNTERTOPS	353,200	1,792.96
WINDOW TREATMENTS	17,000	86.30
MISCELLANEOUS SPECIALTIES	8,400	42.64
SWIMMING POOL/SPLASH PAD		-
SHELL FINISHOUT		-
ELEVATORS	175,000	888.36
PLUMBING SYSTEMS	568,000	2,883.36
FIRE PROTECTION SYSTEMS	181,300	920.34
HVAC SYSTEMS	456,000	2,314.81
ELECTRICAL SYSTEMS	594,200	3,016.36
LIGHT FIXTURES & FANS	88,000	446.72
FIRE ALARM SYSTEMS	56,000	284.28
CATV / TELEPHONE / DATA	44,000	223.36
	-	-
SUBTOTAL:	10,445,184	53,023.34
GENERAL REQ's(6%):	626,800	3,181.40
OVERHEAD(2%):	209,000	1,060.47
GC FEE(6%):	626,800	3,181.40
GRAND TOTAL:	\$ 11,907,784	\$ 60,446.61







June West



Project Summary Form

Project Summary Form								
1) Project Na	ame	2) Project Typ	oe 3) N	lew Construction	n or Rehabilitat	ion?		
June Wes	st	100% Affordal		New Con	struction			
4) Location Des	cription (Acreage, sid	de of street distance	e from intersection	5) [Mobility Bond C	Corridor		
1.13ac, 1200-1206 V					North Lamar E			
	,		,		\			
6) Census Tract 15.05	7) Council Dis District 7	trict	B) Elementary So BRENTWOOD) Affordability F 45 YEARS			
			DIVEL IN TOO DO					
10) Type of Structure	e	11) Occu	pied?		will funds be u			
A 101 6 11					n, Pre-develop	ment,		
Multi-family		No		and	d Construction			
	13) Su	mmary of Rental						
Income Level	Efficiency	One	Two	Three	Four (+)	Total		
		Bedroom	Bedroom	Bedroom	Bedroom	0		
Up to 20% MFI Up to 30% MFI	6	1	2	1		10		
Up to 40% MFI	6	1	2	1		0		
Up to 50% MFI	12	4	10	6		32		
Up to 60% MFI	12	4	10	6		32		
Up to 80% MFI	1	2	2	1		6		
Up to 120% MFI						0		
No Restrictions						0		
Total Units	Units 31 11 24 14				0	80		
14) Summary of Units for Sale at MFI Level								
Income Level	Efficiency	One	Two	Three	Four (+)	Total		
Up to 60% MFI						0		
Up to 80% MFI						0		
Up to 120% MFI						0		
No Restrictions Total Units	0	0	0	0	0	0		
Total Offics	U	U	U	U	U	U		
		es and Prioritie						
	tiative	# of Ur		Initiative		of Units		
Accessible Units fo			Cont	tinuum of Care I	Units	2		
Accessible Units fo	-	•						
Use the City of Austi	•	•						
16) Is the property with	nin 1/2 mile of an I	magine Austin (Center or Corric	lor?	Yes			
17) Is the property with	nin 1/4 mile of a Hi	igh-Frequency 1	Γransit Stop?	Ye	es			
18) Is the property with	nin 3/4 mile of Trai	nsit Service?	Yes					
19) The property has I			Yes	I				
,	-		165					
20) Estimated Source		nds		11	_			
	<u>Sources</u> Debt	4,500,000	Ī	<u>Uses</u> Acquisition		25,000		
Third Pa	arty Equity	13,798,620		Off-Site	4,1	23,000		
Timut	Grant	10,100,020		Site Work	1.0	40,400		
Deferred Develo		911,564		Sit Amenities		90,900		
Other-TDH	•	·		Building Costs		09,273		
Previous AHFO		1,400,000	C	Contractor Fees		62,600		
Current AHFC	Request	2,300,000		Soft Costs		44,615		
			_	Financing		13,236		
			L	Developer Fees		81,080		
	Total \$	22.910.184		Reserves Total		43,079 10.184		





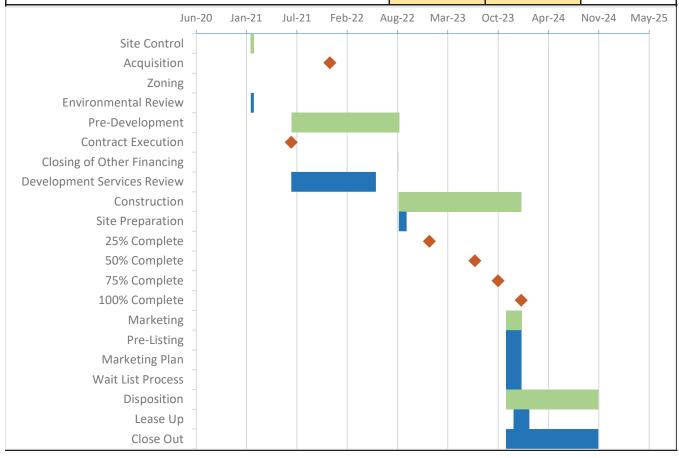


June West



Project Timeline

Developme	ent Schedule	
	Start Date E	nd Date
Site Control	Jan-21	Feb-21
Acquisition	Dec-21	
Zoning		
Environmental Review	Jan-21	Feb-21
Pre-Development	Jul-21	Sep-22
Contract Execution	Jul-21	
Closing of Other Financing	Sep-22	Sep-22
Development Services Review	Jul-21	Jun-22
Construction	Sep-22	Jan-24
Site Preparation	Sep-22	Oct-22
25% Complete	Jan-23	
50% Complete	Jul-23	
75% Complete	Oct-23	
100% Complete	Jan-24	
Marketing	Nov-23	Jan-24
Pre-Listing	Nov-23	Jan-24
Marketing Plan	Nov-23	Jan-24
Wait List Process	Nov-23	Jan-24
Disposition	Nov-23	Nov-24
Lease Up	Dec-23	Feb-24
Close Out	Nov-23	Nov-24









June West



Development Budget

	Dev	elopment Bu	idget
	Total Project	Requested AHFC	Description
Bus Basslanasat	Cost	Funds	Description
Pre-Development	22.722		
Appraisal	20,500		appraisal and market study
Environmental Review	23,100		environmental/soils
Engineering	322,000		
Survey	11,900		
Architectural	235,000		architectural design + building permits
Subtotal Pre-Development Cost	612,500	\$0	
Acquisition			
Site and/or Land	4,000,000		
Structures			
Other (specify)			
Subtotal Acquisition Cost	4,000,000	\$0	
Construction			
Infrastructure			
Site Work	1,040,400	1,040,000	From original RHDA Application
Demolition	125,000		
Concrete	1,005,500	1,005,000	New Requested RHDA Funds
Masonry	195,600		
Rough Carpentry	3,198,300	850,000	total woods/plastics; New requested RHDA funds
Finish Carpentry	-		
Waterproofing and Insulation	247,000		Thermal and Moisture Protection
Roofing and Sheet Metal	339,200		roofing and metals
Plumbing/Hot Water	1,024,000	445,000	total Mech/HVAC/Plumbing; New Requested RHDA Funds
HVAC/Mechanical	-		
Electrical	726,200	360,000	From original RHDA Application
Doors/Windows/Glass	283,575	·	
Lath and Plaster/Drywall and Acoustical	237,300		Special Construction
Tile Work	1,122,700		Finishes including floors
Soft and Hard Floor	-		
Paint/Decorating/Blinds/Shades	449,325		Furnishings
Specialties/Special Equipment	383,285		Specialties, Site Amenities, Elevator
Cabinetry/Appliances	192,800		Equipment
Carpet	-		Mark 1973
Other (specify)	1,462,600		GC Fees: Gen Requirements, OH, Profit
Construction Contingency	595,389		
Subtotal Construction Cost	12,628,173	\$3,700,000	
Soft & Carrying Costs	12,020,170	ψο,, σο,σσο	
Legal	562,500		Legal, closing costs &Syndication Org costs
Audit/Accounting	60,000		-50. ,
Title/Recording	150,000		
Architectural (Inspections)	131,000		Architectural and lender inspection fees
Construction Interest	798,687		Constr Int+Constr &Perm Loan orig fees
Construction Period Insurance	368,204		Hazard/liability & Blders Risk
Construction Period Taxes	69,654		Trazara/Hability & Didets Misk
Relocation Permits&RelatedFees	195,426		Permits and Related Fees
Marketing			ו פרווונג מווע ויכומנכע ו פפג
· ·	100,000		FFE Office and Common areas
Davis-Bacon MonitoringFFE-common area	150,000		FFE Office and Common areas
Developer Fee	2,281,080		
Other (checifu) Personase Tou Credit For	000.000		Operating Reserves, Tax Credit Fees, Bonds, HOME app fee,
Other (specify) Reserves& Tax Credit Fees	802,960	4.0	Soft Cost Contingency
Subtotal Soft & Carrying Costs	5,669,510	\$0	
TOTAL DDG:			
TOTAL PROJECT BUDGET	22,910,184	\$3,700,000	







June West



Operating Pro Forma

15 Year Rental Housing Operating Pro Forma (RHDA)

The proforma 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.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,120,147	7 \$1,142,550	\$1,165,401	\$1,188,709	\$1,212,483	\$1,338,679	\$1,478,010
Secondary Income	\$ 14,400	\$14,688	\$14,982	\$15,281	\$15,587	\$17,209	\$19,000
POTENTIAL GROSS ANNUAL INCOME	\$1,134,547	7 \$1,157,238	\$1,180,383	\$1,203,990	\$1,228,070	\$1,355,889	\$1,497,011
Provision for Vacancy & Collection Loss	\$85,091	1 -\$86,793	-\$88,529	-\$90,299	-\$92,105	-\$101,692	-\$112,276
Rental Concessions	\$	\$0					
EFFECTIVE GROSS ANNUAL INCOME	\$1,049,456	6 \$1,070,445	\$1,091,854	\$1,113,691	\$1,135,965	\$1,254,197	\$1,384,735
EXPENSES							
General & Administrative Expenses	\$ 41,500.00	\$42,745	\$44,027	\$45,348	\$46,709	\$54,148	\$62,772
Management Fee	\$ 52,473	\$53,522	\$54,593	\$55,685	\$56,798	\$62,710	\$69,237
Payroll, Payroll Tax & Employee Benefits	\$ 136,266	\$140,354	\$144,565	\$148,902	\$153,369	\$177,796	\$206,115
Repairs & Maintenance	\$ 58,140	\$59,884	\$61,681	\$63,531	\$65,437	\$75,860	\$87,942
Electric & Gas Utilities	\$ 13,500	\$13,905	\$14,322	\$14,752	\$15,194	\$17,614	\$20,420
Water, Sewer & Trash Utilities	\$ 27,000	\$27,810	\$28,644	\$29,504	686,06\$	\$35,229	\$40,840
Annual Property Insurance Premiums	005'69 \$	\$71,585	\$73,733	\$75,945	\$78,223	\$90,682	\$105,125
Property Tax	\$ 139,000	\$143,170	\$147,465	\$151,889	\$156,446	\$181,363	\$210,250
Reserve for Replacements	\$ 24,000	\$24,720	\$25,462	\$26,225	\$27,012	\$31,315	\$36,302
Other Expenses	\$ 18,200	\$18,746	\$19,308	\$19,888	\$20,484	\$23,747	\$27,529
TOTAL ANNUAL EXPENSES	625,625\$	9 \$596,441	\$613,799	\$631,668	\$650,061	\$750,464	\$866,532
NET OPERATING INCOME	\$469,877	7 \$474,004	\$478,055	\$482,024	\$485,904	\$503,733	\$518,203
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$306,579	\$306,579	\$306,579	\$306,579	\$306,579	\$306,579	\$306,579
Second Deed of Trust Annual Loan Payment	0\$	0\$ (0\$	0\$	0\$	0\$	0\$
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment	74,000	\$74,000	\$74,000	\$74,000	\$74,000	\$74,000	\$74,000
Other Annual Required Payment							
ANNUAL NET CASH FLOW	\$89,298	\$ \$93,424	\$97,475	\$101,444	\$105,325	\$123,154	\$137,624
CUMULATIVE NET CASH FLOW	\$89,298	\$ \$182,722	\$280,197	\$381,641	\$486,966	\$1,815,926	\$2,858,538
Debt Coverage Ratio	1.23	3 1.25	1.26	1.27	1.28	1.32	1.36







June West



Scoring Sheet

Product Normal	1	1
Project Name	June West	
Project Type Council District	100% Affordable District 7	
Census Tract	15.05	
Prior AHFC Funding	\$1,400,000	
Current AHFC Funding Request Amount	\$2,300,000	
Estimated Total Project Cost	\$22,910,184	
High Opportunity	No	
High Displacement Risk High Frequency Transit	YES	
Imagine Austin	Yes	
Mobility Bond Corridor	North Lamar Blvd	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	10	# of rental units at < 30% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk High Frequency Transit	5% 15%	% of City's affordable housing goal to reduce displacement % of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corroidors
SCORE	3	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	32	# of rental units at < 50% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	FALSE 5%	% of City's affordable housing goal for high opportunity areas
Displacement Risk High Frequency Transit	15%	% of City's affordable housing goal to reduce displacement % of City's affordable housing goal near high frequency transit
High Frequency Transit Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corroidors
SCORE	5	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk High Frequency Transit	5% 15%	% of City's affordable housing goal to reduce displacement % of City's affordable housing goal near high frequency transit
Imagine Austin	15%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corroidors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	11%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	5% 15%	% of City's affordable housing goal to reduce displacement
High Frequency Transit Imagine Austin	15%	% of City's affordable housing goal near high frequency transit % of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	9%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corroidors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	8	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	2	Total # of units provided up to 100 per year
Continuum of Care Score	1	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	Yes	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score 2 Bedroom Units	0 12	Mobility, Access to Jobs, Community Institutions, Social Cohesion Total Affordable 2 Bedroom units
3 Bedroom Units	7	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	9	Multi-bedroom Unit/Total Units * 20
TEA Grade	86	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	6	Educational Attainment, Environment, Community Institutions, Social Cohesio
Accessible Units	10	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score Metro Access Service	5 Yes	Accessible Unit/Total Units * 20 Within 3/4 mile of fixed route transit
Accessibility Weighted Score	2	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	23	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	31%	% of total project cost funded through AHFC request
Leverage Score	21	3 points per 5% reduction in leverage below 50% (max 30)
AHFC Per Unit Subsidy (including prior amounts)	\$88,095	Amount of assistance per unit
Subsidy per unit score	14	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$54,412	Amount of assistance per bedroom
Subsidy per Bedroom Score Debt Coverage Ratio (Year 5)	1.28	(\$200,000 - per bedroom subsidy)*25/\$200,000 Measured at the 5 Year mark
Debt Coverage Ratio (Year 5) Debt Coverage Ratio Score	22.32514242	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	76	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	106	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Development Team Management Team Notes		







June West



1a. Detailed Listing of Developer's Experience





Aria Grand

1800 S IH 35 SR, Austin, Texas 78745. Opened December 2019, 99% leased. Construction began September 2018.

70-unit new construction family mixed-income development. Financed using 9% LIHTC tax credits and City of Austin General Obligation (GO) Bond. 30%, 50%, and 60% AMI. This is a 1.42 acre site, containing two buildings, totaling 82,173 square feet of gross floor area. Development budget was \$16,800,000.



La Madrid Apartments

11320 Manchaca Road, Austin Texas 78748. Opened October 2018, 99% leased. Construction began October 2016. NGBS Gold Certified.

95-unit new construction family mixed-income development. Financed using 9% LIHTC tax credits and City of Austin GO Bond. 30%, 50%, and 60% AMI. This is a 6.02 acre site, containing nine buildings, totaling 118,132 square feet of gross floor area. Development budget was \$20,400,000.





Kaia Pointe

104 Bettie Mae Way, Georgetown Texas 78633. Opened December 2018, 95% leased. Construction began September 2017.

102-unit new construction family mixed-income development. Financed using 9% LIHTC tax credits. 30%, 50%, and 60% AMI. This is a 5.05 acre site, containing six buildings, totaling 113,877 square feet of gross floor area. Development budget was \$18,800,000.



Art at Bratton's Edge

15405 Long Vista Dr, Austin Texas 78728. Opened December 2016, 100% leased. Construction began July 2015. NGBS Green Certified.

78-unit new construction family mixed-income development. Financed using 9% LIHTC tax credits. 30%, 50%, and 80% AMI. This is a 5.05 acre site, containing four buildings, totaling 84,026 square feet of gross floor area. Development budget was \$14,300,000.





The Abali (Under construction) 4603 - 4611 N IH 35, Austin, Texas 78722. Construction began 2020.

56-unit new construction family mixed-income development. Financed using 9% LIHTC tax credits. 30%, 50%, and 60% AMI. This is a 0.92-acre site, containing one building, totaling 58,880 square feet of gross floor area. Development budget was \$14,600,000.



Vi Collina (Under construction) 2401 E Oltorf St, Austin, Texas 78741. Construction began 2020.

170-unit new construction family mixed-income development. Financed using 4% LIHTC tax credits. 30%, 50%, 60%, and 80% AMI. This is a 4.59-acre site, containing one building, totaling 180,147 square feet of gross floor area. Development budget was \$37,600,000.

	PROPERTY	TYPE , STYLE &	UNIT TYPE	FINANCING	TOTAL DEVELOPMENT
	FINOPERIT	TENANT MIX	OINII I I I I	SOURCES	COST
Pre-Development	Saison North 10010 N Capital of TX Highway Austin, TX 78759	New Construction Family Affordable & Market Rate 30%, 50%, and 60%	48 - 1 BR 44 - 2 BR 24 - 3 BR TOTAL = 116	LIHTC - 9% (TDHCA)	\$32.5MM
	June West 1200-1206 W Koenig Lane Austin, TX 78756	New Construction Family Affordable 30%, 50%, 60%, and 80%	31 - 0 BR 11 - 1 BR 24 - 2 BR 14 - 3 BR TOTAL = 80	LIHTC - 9% (TDHCA)	\$20.3MM
VIII.	Kiva East 4724 & 4806 East Side Ave. Dallas, TX 75226	New Construction Family Affordable & Market Rate 30%, 50%, and 60%	18 - 1 BR 48- 2 BR 21 - 3 BR TOTAL = 87	LIHTC - 9% (TDHCA)	\$22.2MM
TO AMERICAN AND AND AND AND AND AND AND AND AND A	The Mulholland	New Construction Family Affordable & Market Rate 80%	50 - 1 BR 90 - 2 BR 26 - 3 BR TOTAL = 166	51 @ 80	\$31.2MM
HAWTHORNE	The Hawthorne on McNeil	New Construction Family Affordable & Market Rate 80%	20 - 1 BR 61 - 2 BR 25 - 3 BR TOTAL = 106	51 @ 80	\$23.6MM
Under Construction	Kestrel on Cooper 2017-2025 S Cooper Street Arlington, TX 76010	New Construction Family Affordable & Market Rate 30%, 50%, and 60%	21 - 1 BR 36 - 2 BR 27 - 3 BR 6 - 4 BR	LIHTC - 9% (TDHCA)	\$20.7MM
	Vi Collina 2401 E Oltorf St Austin TX	New Construction Family 100% Affordable 30%, 50%, 60%,. and 80%	48 - 1 BR 81 - 2 BR 41 - 3 BR Total: 170	LIHTC - 4% (TDHCA)	\$37.6 MM
DEVELOPMENTS COMPLETED					
	Cielo Place 3111 Race Street Fort Worth, TX 76111	Adaptive Reuse Family Affordable & Market Rate 30%, 50%, & 60%	50 - 0 BR 11 - 1 BR 18 - 2 BR 12 - 3 BR Total: 91	LIHTC - 9% (TDHCA)	\$22.2MM
	Everly Plaza 1801-1821 8th Ave and 1801 Hurley Ave. Fort Worth, TX 76110	New Construction Senior Affordable & Market Rate 30%, 50%, & 60%	64 - 1 BR 24 - 2 BR Total: 88	LIHTC - 9% (TDHCA)	\$19.4MM
	The Abali 4603-4611 N IH 35 Austin, TX 78722	New Construction Family Affordable & Market Rate 30%, 50%, and 60%	16 - 0 BR 10 - 1 BR 19 - 2 BR 11 - 3 BR Total: 56	LIHTC - 9% (TDHCA)	\$14.6MM
	Sunset at Fash Place 2504 Oakland Blvd. Fort Worth, TX 76103	New Construction Senior Affordable & Market Rate 30% 50% & 60% AMI	50 - 1 BR 16 - 2 BR Total: 66	LIHTC - 9% (TDHCA)	\$14.3MM
	Canova Palms 1717 Irving Blvd Irving, Texas	New Construction Senior Affordable & Market Rate 30%. 50% & 60% AMI	41 - 1BR 17 - 2 BR Total: 58	LIHTC - 9% (TDHCA)	\$11.3MM

	PROPERTY	TYPE , STYLE & TENANT MIX	UNIT TYPE	FINANCING SOURCES	TOTAL DEVELOPMENT COST
	Alton Plaza 202 Whaley Street Longview, TX 75607	New Construction Adaptive Reuse Family Affordable & Market Rate 30%. 50% & 60% AMI	6 - 0BR 16 - 1BR 26 - 2 BR Total: 48	LIHTC - 9% (TDHCA)	\$10.2MM
	Elysium Grand 3300 Oak Creek Drive Austin, Texas	New Construction Podium Family Affordable & Market Rate 30%. 50% & 60% AMI	18 - 1 BR 53 - 2 BR 19 - 3 BR Total: 90	LIHTC - 4% (TDHCA)	\$19.6MM
	Mistletoe Station 1916 Mistletoe Blvd. Fort Worth, TX 76104	New Construction Garden Style & Podium Style Family Affordable & Market Rate 30%, 50% & 60% AMI	21 - 1 BR 67 - 2BR 22 - 3BR Total: 110	LIHTC - 9% (TDHCA)	\$28.2MM
	Aria Grand IH35 & Woodland Drive Austin, TX 78704	New Construction Podium Family Affordable & Market Rate 30%. 50% & 60% AMI	12 - 1 BR 30 - 2 BR 28 - 3 BR Total: 70	LIHTC - 9% (TDHCA)	\$16.8MM
	Edgewood Place 617 Clinic Drive Longview, TX 75605	New Construction Garden Style Family Affordable & Market Rate 30%. 50% & 60% AMI	18 - 1BR 36 - 2BR 20 - 3BR Total: 74	LIHTC - 9% (TDHCA)	\$13.4MM
	Kaia Pointe 104 Bettie Mae Way Georgetown TX 78633	New Construction Garden Style Family Affordable & Market Rate 30%, 50% & 60% AMI	28 - 1 BR 56 - 2 BR 18 - 3 BR Total: 102	LIHTC - 9% (TDHCA) \$13,530,000	\$18.8MM
	Stillhouse Flats 2926 Cedar Knob Road Harker Heights, TX 76548	New Construction Garden Style & Townhomes Family Affordable & Market Rate 30%, 50% & 60% AMI	22 - 1 BR 50 - 2 BR 24 - 3 BR Total: 96	LIHTC - 9% (TDHCA) \$14,180,000 Local Government Contribution	\$16.8MM
	LaMadrid Apartments 11320 Manchaca Road Austin, TX 78748	New Construction Garden Style & Townhomes Family Affordable & Market Rate 30%, 50% & 60% AMI	18 - 1 BR 53 - 2 BR 24 - 3 BR Total: 95	LIHTC - 9% (TDHCA) \$13,380,000 City of Austin RHDA	
AGANCE BRANCE BR	Barron's Branch 817 Colcord Ave Waco, TX 76707	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	30- 1 BR 86 - 2 BR 48 - 3 BR 4 - 4 BR Total: 168	LIHTC - 9% (TDHCA) \$20,331,756	
	Art at Bratton's Edge 15405 Long Vista Dr Austin, TX 78727	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	16 - 1 BR 46 - 2 BR 16 - 3 BR Total: 78	LIHTC - 9% (TDHCA)	
	Liberty Pass 17321 Lookout Road Selma, TX 78154	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	12 - 1 BR 62 - 2 BR 26 - 3 BR 4 - 4 BR Total: 104	LIHTC - 9% (TDHCA)	

PROPERTY	TYPE , STYLE & TENANT MIX	UNIT TYPE	FINANCING SOURCES	TOTAL DEVELOPMENT COST
Summit Parque 12777 Merit Drive Dallas, TX 75251	New Construction Mid-Rise Family Affordable and Market Rate 30%, 50%, 60% AMI	31 - 1 BR 49 - 2 BR 20 - 3 BR Total: 100	LIHTC - 9% (TDHCA) \$14,870,000	\$23.9MM
Saige Meadows 13488 Hwy 69N Tyler, TX 75706	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	Flats: 22 - 1 BR 44 - 2 BR 4 - 3 BR Townhomes: 6 - 2 BR 16 - 3 BR Total: 92	LIHTC - 9% (TDHCA) \$11,870,348	\$9.4MM
La Ventana 2109 Texas 351 Abilene, TX 79601	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	16 - 1BR 36 - 2 BR 28 - 3 BR 4 - 4 BR Total: 84	LIHTC - 9% (TDHCA) \$6,462,643	\$9.5MM
Amberwood Place 411 W Hawkins Pkwy Longview, TX 75604	New Construction Garden Style Family Affordable and Market Rate 30%, 50%, 60% AMI	12 - 1 BR 32 - 2 BR 32 - 3 BR 2 - 4 BR Total Unit 78	LIHTC - 9% (TDHCA) \$8,740,526	\$10.MM
Tylor Grand 3702 Rolling Green Dr. Abilene, TX 79606	New Construction Garden Style Family Affordable 30%, 50%, 60% AMI	32 - 1 BR 64 - 2 BR 20 - 3 BR 4 - 4 BR Total Unit 120	LIHTC - 9% (TDHCA) \$13,914,133	\$1.6MM
The Roxton 307 N. Loop 288 Denton, TX 76209	Rehab Garden Style Family Affordable & Market Rate 30%, 50% & 60% AMI	16 - 1 BR 86 - 2 BR 24 - 3 BR Total: 126	LIHTC - 9% (TDHCA) \$14,500,717	\$18.6MM







June West



1b. Certificate of Status



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for SAIGEBROOK DEVELOPMENT, LLC (file number 801477453), a FLORIDA, USA, Foreign Limited Liability Company (LLC), was filed in this office on September 07, 2011.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on June 10, 2020.



Phone: (512) 463-5555

Prepared by: SOS-WEB

Ruth R. Hughs Secretary of State

TID: 10264



CERTIFICATE OF RESERVATION OF ENTITY NAME OF

June West, LLC

The undersigned, as Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

Saigebrook Development, LLC 220 Adams Dr Ste. #280, 138, Weatherford, TX 76086

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 12/03/2020



Ruth R. Hughs Secretary of State

Phone: (512) 463-5555 Fax: (512) 463-5709
Prepared by: Kasey Gunderson TID: 10317







June West



1c. Statement of Confidence – Not Applicable







June West



2a. Resumes of Principles

LISA STEPHENS

President lisa@saigebrook.com www.saigebrook.com





President
megan@o-sda.com
www.o-sda.com

ABOUT US

Saigebrook Development and O-SDA Industries are two powerhouse WBE- and HUB-certified real estate development firms that partner regularly to deliver first in class mixed-income housing communities. Together, they have been part of 30 successful Housing Tax Credit applications across the state of Texas.

Owner and principal of WBE- and HUB-certified Saigebrook Development, Lisa Stephens has specialized in providing first-class affordable and workforce housing communities since 1999. She has closed more than \$750 million of federal, state, and local competitive funds to date and constructed in excess of 5,000 apartment homes. Saigebrook Development offices in Weatherford, Texas.

Megan Lasch, owner and principal of MBE/WBE- and HUB-certified O-SDA Industries, has more than 14 years of experience in project management and consulting in the affordable housing industry, managing all aspects of project life cycles. Megan has a background in engineering, project management, real estate analysis, and design. O-SDA Industries is based in Austin, Texas.





OUR PROCESS

Saigebrook and O-SDA's dedicated team has built its reputation as a mixed-income housing developer that produces consistent quality, sustainability, innovative design, and long-term viability in each of its communities. The firms oversee every aspect of development, including but not limited to planning, environmental testing, design oversight, financing, permitting, construction, lease-up, and stabilization.

Saigebrook and O-SDA retain long-term ownership of all their properties, maintaining affordability and ensuring high-quality property management. Collectively, the Saigebrook and O-SDA team has extensive experience in all aspects of housing development, compliance and ownership.

OUR COMMUNITIES

Saigebrook and O-SDA specialize in affordable housing for families and seniors. Each property in our portfolio is unique, offering indoor and outdoor amenities that encourage compatibility, recreation and connectivity to the community. Typical amenities include fully-furnished leasing centers with community rooms, fitness centers, cyber lounges, BBQ grill stations and picnic tables, swimming pools, covered parking and local community-created art.

All of our affordable housing units are built with long-term sustainability and energy efficiency in mind. Unit amenities include Energy Star® appliances, granite countertops, kitchen backsplash tile, high efficiency lighting, resilient hard-surface flooring, spacious closets and storage, and tile tub surrounds.



5714 Sam Houston Circle Austin, TX 78731

(830) 330-0762

megan@o-sda.com

Megan Lasch- Mrs. Lasch has eleven years of experience in the project management and development industry. Having received her bachelor's degree in Biosystems Engineering from Oklahoma State University, Ms. Lasch began her career as an engineering consultant where she helped design a variety of public and private development projects.

In 2010 Ms. Lasch formed O-SDA Industries, LLC to provide real estate development consulting services to clients in the affordable housing industry in Texas. O-SDA is a City of Austin MBE/WBE/Texas HUB certified real estate development firm.

O-SDA is a full-service real estate development company committed to solving the need for affordable housing in Texas urban centers and suburban areas. Ms. Lasch has helped secure nineteen (29) allocations of 9% Housing Tax Credits in the last eleven application cycles in Texas. Ms. Lasch also holds an experience certification for affordable housing from Texas Department of Housing and Community Affairs (TDHCA). Ms. Lasch is based in Austin, Texas and serves as a project manager, developer or consultant on developments financed by our development team. Ms. Lasch helps to manage all aspects of the project life cycle from site identification, finance application process, to managing third party consultants throughout the design process and ultimately to project completion. Ms. Lasch is a member of the Texas Affiliation of Affordable Housing Providers. In addition, she has served on the board for Skillpoint Alliance and was elected chair in 2016. Megan is a three time Austin Under 40 Finalist and was recognized as Austin Business Journal Woman in Power Profiles in 2020. Recent development and consultant experience includes the following:

Name	Location	Units	Affordable	Market Rate	Tenancy Type	Status
Saison North	Austin, Texas	116	82	34	Family	Pre-
Saison North	Austili, Texas	110	62	37		Development
Luna Mast	Augein Tayon	80	80	0	Family	Pre-
June West	Austin, Texas	00	80	U		Development
Kiva East	Dellas Tayes	87	71	16	Eamily.	Pre-
consultant only	Dallas, Texas	0/	/1	16	Family	Development
Clifton Riverside	Fort Worth,	94	80	14	Eamily.	Pre-
consultant only	Texas	74	80	14	Family	Development
Kestrel on	Arlington,	90	74	16	Family	Under
Cooper	Texas	70	/4	16	Family	Construction
Vi Callina	Augein Tayon	170	170	0	Eamily.	Under
Vi Collina	Austin, Texas	170	170	0	Family	Construction
The Abali	Austin, Texas	56	51	5	Family	Stabilized

Sunset at Fash Place	Fort Worth, Texas	66	59	7	Senior	Stabilized
Everly Plaza- consultant only	Fort Worth, Texas	88	79	9	Senior	Stabilized
Cielo Plaza- consultant only	Fort Worth, Texas	91	81	10	Family	Stabilized
Canova Palms	Irving, Texas	58	50	8	Senior	Stabilized
Aria Grand	Austin, Texas	70	60	10	Family	Stabilized
Elysium Grand	Austin, Texas	90	69	21	Family	Lease up
Mistletoe Station	Fort Worth, Texas	110	74	36	Family	Stabilized
Alton Plaza	Longview, Texas	48	33	16	Family	Stabilized
Edgewood Place	Longview, Texas	74	58	16	Family	Stabilized
Kaia Pointe	Georgetown, TX	102	80	22	Family	Stabilized
Stillhouse Flats	Harker Heights, TX	96	88	8	Family	Stabilized
LaMadrid Apartments	Austin, TX	95	83	12	Family	Stabilized
Tupelo Vue	Winter Haven, FL	70	70	0	Family	Stabilized
Liberty Pass	Selma, TX	104	96	8	Family	Stabilized
Barron's Branch	Waco, TX	76	76	0	Family	Stabilized
Art at Bratton's Edge	Austin, TX	76	68	8	Family	Stabilized
Barron's Branch	Waco, TX	92	77	15	Family	Stabilized
Saige Meadows	Tyler, TX	92	82	10	Family	Stabilized
Summit Parque	Dallas, TX	100	75	25	Family	Stabilized
Amberwood	Longview, TX	78	68	10	Family	Stabilized
La Ventana	Abilene, TX	84	72	12	Family	Stabilized
Tylor Grand	Abilene, TX	120	120	0	Family	Stabilized
Singing Oaks (Rehab)	Denton, TX	126	122	4	Family	Stabilized
Pinnacle at North Chase	Tyler, TX	120	120	0	Family	Stabilized
Palms on Lamar	Austin, Texas	476	476	0	Family	Stabilized







June West



2b. Resumes of Development Team









Alice Cruz, Across, LLC

Alice Cruz is a graduate of the University of North Dakota with a degree in Public Administration. She worked for the City of Fort Worth's Neighborhood Services Department for 6 years. Most of her work was focused housing and community development projects that utilized CDBG, HOME, ESG, HOPWA, HFC, and LIHTC funds. Alice has worked on most aspects of development, including funding applications, design process, overall project management, through to project closeout. After a short time with Fort Worth Housing Solutions, Alice joined the Saigebrook Development team, where she is a Senior Development Associate.



Abby Penner

Abby Penner is a graduate of Texas A&M University with a degree in Civil Engineering. She worked as an engineering consultant for 3 years where she helped design a variety of commercial and multi-family development projects. Abby has worked on most aspects of site design, permitting, and construction. After leaving her Civil Engineering firm, Abby joined the Saigebrook Development Team, where she is a Senior Development Associate.



Alice Woods

Alice Woods holds a Master of Science in Community and Regional Planning from the University of Texas at Austin. Throughout her time living, working, and studying in St. Louis, Miami, Cape Town and Austin, Alice has developed a passion for progressive urban planning and affordable housing. During her graduate studies at UT, Alice was as a research assistant on the university's Gentrification and Displacement Study for the City of Austin, a project that aimed to combat gentrification-based displacement in Texas. After graduating in 2019, Alice joined Saigebrook Development and O-SDA Industries where she is a Development Associate.









Jeff Piatt, Housing Tax Credit Services, LLC

Jeff is an UT Austin Graduate with 24 years of experience in the construction industry. Jeff's 10 years of experience in Affordable multifamily housing started when he was hired at TDHCA in 2009 as an inspector. Jeff left TDHCA in 2011 in the executive position of Construction Manager Under the Disaster Recovery division for both Single and Multifamily construction. Jeff has extensive experience in the requirements of LIHTC and CDBG program requirements and specializes in providing guidance to be sure that both architectural plans and construction management create developments in compliance with all applicable regulations including Fair Housing Act Design Accessibility Requirements and program material and design requirements.







June West



2c. Resumes of Property Management Team



CORPORATE OVERVIEW

Accolade Property Management, Inc. is a real estate management firm headquartered in Irving, Texas with extensive property management experience across all product types. Accolade Property Management's principals believe that local market expertise and knowledge coupled with our proven management practices will result in the maximization of the returns on the investment. Founded in 2002, Accolade Property Management, Inc. was formed to provide third party clients with superior, results oriented management. Accolade's clients include developers, partnerships, individual investors, and financial institutions.

Accolade Property Management, Inc. specializes in the management of multifamily assets. The team of professionals at Accolade has produced superior results on all asset types. Whether a Class A+ in lease up or a Class C distressed asset, Accolade understands the dynamics of the marketplace and the factors that effect the correct positioning of an asset. Accolade embraces every asset individually and designs a business plan to maximize the value of the asset.



CORPORATE BACKGROUND

Formed in 2002 by one its principals, Accolade Property Management, Inc. to take advantage of an ever changing real estate market. Accolade Property Management, Inc. became a firm dedicated to its success by ensuring the success of its clients' investments. Ms. Stephanie Baker, managing partner, knew that her breadth of knowledge, marketing savvy and hands on experience with assets primarily in Texas, Florida and New Mexico could create an organization strictly focused on superior property management services. The genesis of the firm commenced by Ms. Baker hand selecting Accolade's Key Management. Accolade's success is lead by professionals with extensive experience in Real Estate Management with over 150 years combined management expertise.

Over the years the management team at Accolade has been effective in the management of new Class A+ developments with construction management and specialized marketing needs, as well as, assets that required significant physical rehabilitation.



CURRENT PORTFOLIO OF ASSETS

		Years	#	Year		
Asset	Location	Managed	Units	Built	Type	Occupancy
Amberwood Place	Longview,TX	3	78	2014	LIHTC	99%
Art at Bratton's Edge	Austin, TX	2	76	2016	LIHTC	98%
Ash Lane	Euless,TX	16	250	1997	LIHTC-40/60	98%
Barron's Branch I and II	Waco, TX	3	168	2015	New lease up	100%
Casa Bandera	LasCruces, NM	4	232		Market Rate	95%
Colonial Commons	Ft. Myers, FL	3	332	2015	Market Rate-New Lease Up	100%
Cooper Glen	Denton, TX	1	202	2005	Market 221(d) 4	95%
Dunedin Commons	Dunedin, FL	1	320	2017	Market Rate- New Lease Up	80%
Fountains of Rosemead	Dallas, TX	16	382		LIHTC-40/60	95%
Garland Meadows	Garland, TX	5	152	1996	LIHTC-40/60	98%
Gulf Breeze	PuntaGorda,FL	9	171	2008	ACC/LIHTC-SHIP, BOND, RRLP	99%
High Range Village	LasCruces,NM	18	144	1985	Market Rate-Rehab	94%
Kaia Point	Georgetown, TX	1	96	2018	LIHTC Lease Up	30%
Lakes at Collier Commons	Land O' Lakes, FL	9	252		Market Rate	98%
Lakes of Eldorado	McKinney, TX	15	220	1997	LIHTC-40/60 rehab	95%
La Madrid	Austin, TX	1	95	2017	LIHTC-Lease Up	97%
La Ventana	Abilene, TX	3	84	2014	LIHTC Lease Up	99%
Liberty Pass	Selma, TX	3	104		LIHTC Lease Up	100%
Norstar at Bear Creek	Euless, TX	16	256	1998	Market Rate	95%
Oakridge Estates	Tarpon Springs,FL	4	62	2011	ACC/LIHTC-Lease Up	100%
Palms of Pinellas	Largo, FL	1	94	2018	Workforce Housing County fund	90%
Parkridge Place	Abilene, TX	25	170		AHDP-Rehab	96%
Pinnacle at North Chase	Tyler, TX	3	120	2012	LIHTC-40/60	98%
Roxton	Denton, TX	3	126	2013	LIHTC -40/60	92%
Saige Meadows	Tyler, TX	3	92	2015	LIHTC Lease Up	100%
Silver Creek I	N.RichlandHills, TX	17	216	1999	Market Rate 221(d)4	95%
Silver Creek II	N.RichlandHills, TX	17	208	2001	Mkt Rate 221(d)4	94%
Stillhouse	Harker Heights, TX	1	96	2017	LIHTC- Lease up	100%
Summit	Irving, TX	16	267	2001	Market Rate	96%
Summit Parque	Dallas, TX	2	100	2015	Mid-Rise Lease Up	97%
Sunrise Park	Lake Wales, FL	5	72	2011	ACC/LIHTC Lease Up	100%
Tylor Grand	Abilene, TX	2	120	2012	LIHTC-40/60	100%
Venetian Walk	Venice, FL	4	61	2014	ACC/ LIHTC Lease Up	100%
Verandas I & II	PuntaGorda,FL	1	120		ACC/LIHTC Lease Up	100%
Villages at Tarpon Springs	Tarpon Springs,FL	3	95		Acq.Rehab LIHTC, RAD conversion	100%
Westchester I & II	Grand Prairie, TX	14	316		Market Rate Lease Up	98%
TOTAL			5949		-	



KEY MANAGEMENT

Accolade Property Management, Inc.'s Key Management Team is a highly experienced team of professionals who have significant expertise in the components of property management. Our team culminates years of experience in multifamily operational management, financial management and accounting, and physical maintenance. Our Management Team understands the intricacies of the market and importance of highly specialized personnel to implement the business plan. Accolade believes that its Management Team has endless capabilities to achieve the objectives and goals of its clients.

STEPHANIE A. BAKER PRESIDENT

BUSINESS EXPERIENCE

Present ACCOLADE PROPERTY MANAGEMENT, INC.

President, 2002-Current

- Serves as President and Chief Operating Officer
- Responsible for the oversight of corporate management, marketing, accounting, operations and human resources
- Responsible for development of new business for the corporation
- Develops strategic business plans for clients for the management and marketing of their assets
- □ Responsible for the coordination of accounting operations, budgeting and systems analysis on managed properties
- Oversees the development of positioning strategies for properties being rehabilitated or properties in lease up
- Directly involved in corporate marketing of services, development of strategic marketing plans for clients and in training for marketing and leasing
- Developed Accolade Property Management, Inc. Policy and Procedure Manual and Operating Systems

Prior FOCUS ASSET MANAGEMENT GROUP, Inc.

President, 1992-2002

- □ Served as President and Chief Executive Officer
- Responsible for all corporate policies
- □ Supervised corporate management, marketing, accounting, and human resources
- Responsible for portfolio property management, marketing, accounting, and personnel
- □ Responsible for the coordination of accounting operations, budgeting and systems analysis on managed properties and the corporation
- □ Responsible the supervision of a portfolio of assets valued at \$175,000,000

FOCUS ASSET MANAGEMENT GROUP, Inc.

Executive Vice President/Vice President Management Systems, 1989-1992

- Served as Chief Operating Officer
- Oversight of reporting functions to property owners
- Supervised Regional Supervisors
- □ Directly responsible for supervision of 75 employees
- Responsible for assignment of \$5 million in contracts
- Developed and implemented the FAMG operating systems, automated onsite operations through computer systems
- □ Created a Takeover Procedure for acquisition of new assets

CRG Management, Inc.

Regional Supervisor, 1986-1989

- Responsible for supervision of 30 onsite employees at 5 assets
- Develop marketing, budgeting, and operating plans for assets directly responsible
- ☐ Trouble shooter for distressed assets, improving resident profiles, reducing delinquency balances, addressing physical liabilities
- Supervised marketing and lease up on four assets

EDUCATION

- University of Texas, Arlington
 Bachelor of Business Administration with concentrations in
 Real Estate and Marketing
- □ Certified Property Manager Candidate
- □ Housing Credit Certified Professional 1999-Current

CIVIC

- Member National Association of Home Builders
- □ Board Member, Residential Realty Group, a Texas non-profit dedicated to providing affordable housing
- □ Board Member, Texas Apartment Association, Education Committee 2002-current
- □ President, Marsh Lane Apartment Owner's Coalition

AWARDS

- □ Pillar of the Industry Award 2002- Best Loft Development
- □ Pillar of the Industry Award 2002- Best Property Website
- DBCA, Obelisk Award, New Initiatives, 2002
- □ Charles L. Edson Excellence in Affordable Housing 2008 (Awards awarded to assets directly supervised by Ms. Baker)

BERT VERDUIN SENIOR VICE PRESIDENT/CONTROLLER

BUSINESS EXPERIENCE

Present ACCOLADE PROPERTY MANAGEMENT, INC.

Senior Vice President/Controller, 2002-Current

- □ Supervision of accounting department includes oversight of accounts payable and receivables.
- Responsible for monthly financial reporting to clients.
- Responsibilities include preparation and review of annual budgets.
- □ Directs and manages cash management and bank accounts.
- □ Prepares financial reports for clients, as well as, Mortgage and Servicing Agencies including U.S. Department of H.U.D. and other governmental agencies.
- Responsible for the Corporations financial statement and prepares tax returns for corporation.
- Audits and reviews accounting procedures and systems utilized on properties managed. Includes compliance analysis for Land Use Restrictions.
- Oversight of day-to-day operations of human resources includes payroll, payroll reports and administration of retirement plan, cafeteria plan and other company benefits.

Prior FOCUS ASSET MANAGEMENT GROUP, INC.

Controller, 1994-2002

Supervision of accounting department, including accounts payable, monthly reports and annual budgets. Oversight of HR department, including payroll, payroll reports and administration of 401k and 125k plans.

STROBE MANAGEMENT SERVICES, INC.

President, 1987-1994

As a Consultant, assisted property management firms in implementation of property management software and establishing procedures for accounting departments. Evaluated onsite personnel and made recommendations on improving operations.

REALTY DEVELOPMENT CORP.

Senior Vice President/Controller, 1982-1987

Oversight of day-to-day operations of property management firm, including supervision of clerical and accounting staff, regional property managers and onsite employees. Implemented cash management system and prepared tax returns for partnerships and corporations.

EDUCATION

- University of North Texas BBA Finance
- Certified Public Accountant
- Texas Real Estate Broker, New Mexico and Georgia Real Estate Broker Housing Credit Certified Professional (HCCP)

COMPUTER SKILLS

- Microsoft Word
- Microsoft Excel
- YARDI
- Rent Roll
- AOI Property Management Software
- HUDManager 2000
- QuickBooks Pro

APRIL M. HENN REGIONAL MANAGER – SOUTH TEXAS

BUSINESS EXPERIENCE

Present ACCOLADE PROPERTY MANAGEMENT

Regional Supervisor, 2020 - Current

- □ Supervisor seven assets, 635 apartment units
- □ Preserve the Company's Core values.
- □ Successfully oversaw 4 new development LIHTC communities during the lease up process.
- Ensure staff compliance with company policies and procedures.
- Oversee day to day operations and monitor revenue and expenditures.
- Create and successfully implement capital and operational budgets.
- ☐ Handle and/or assist with all resident problems that cannot be solved through Property Manager.

Prior ACCOLADE PROPERTY MANAGEMENT

Senior Property Manager, 2018 - 2020

- □ Supervised five assets, 473 apartment units.
- □ Trained, lead, and assisted teams to operate at their full potential; including leasing, marketing, customer service, communication, and maintenance to ensure high occupancy.
- Empower Property Managers while holding them accountable for decisions and results.
- □ Pre-Audit and attend all scheduled inspections and reviews.

KETTLER PROPERTY MANAGEMENT

Residential Manager, 2016-2018

- □ Supervised daily operations for a 252-unit conventional property.
- □ Developed and executed plan to achieve and maintain 98% or better occupancy.
- □ Supervised a staff of six.
- Analyzed operational information for impact on NOI, identified trends and recommended appropriate adjustments.

PEGASUS RESIDENTIAL

Residential Manager 2012-2015

- ☐ Managing of a 156 conventional property.
- ☐ Implemented the property budget two years in a row. This includes controlling expenses and exceeding income.
- □ Planned and executed all capital projects.
- ☐ Handled employee evaluations, verbal & written counseling's, and terminations.

CAPSTONE REAL ESTATE

Residential Manager 2009-2012

- ☐ Managing of a 208-unit tax credit property.
- □ Completed LIHTC training.
- ☐ Effectively verified income and assets of new leases to streamline approval process through compliance depot.
- □ Audited files to comply with state audits.
- □ Planned, organized, and participated in resident events in accordance with the LURA.
- ☐ Completed annual recertifications for all residents.

EDUCATION

- □ Austin Apartment Association, Fair Housing Courses
- □ Various certificates from ongoing continuing education
- □ Victoria Community College

AWARDS

- □ Everready of the Year 2020
- □ The Pacer 2019

COMPUTER SKILLS

- Microsoft Word
- □ Microsoft Excel
- YARDI / YARDI RENTCAFE
- □ RESIDENT 360
- □ LEAD2LEASE
- □ Onesite
- □ AMSI
- □ Bluemoon



MANAGEMENT PHILOSOPHY

Accolade Property Management, Inc. manages through a proactive approach. We believe after a careful analysis of the asset complimented by our knowledge of the marketplace, we can initiate a comprehensive business plan that will encompass:

- □ Highly Specialized Personnel
- □ Asset Specific Marketing Plan
- Physical Maintenance Plan
- □ Financial Reporting and Accounting

Highly Specialized Personnel:

Our Management Teams recruit and train personnel which exceeds the client's expectations. Accolade constantly recruits personnel through real time experiences on sites in the marketplace and through networking. Once recruited, our personnel are trained in the most effective techniques for completing their tasks and in Fair Housing Laws. Accolade conducts regular shops of their marketing teams and uses these to hone the leasing skills of our staffs and to assure continuity in operations. Our Maintenance Team attends "hands-on" training with a Senior Maintenance Director. The onsite management, marketing, and maintenance teams play a critical role in our success. We believe firmly that with their intimate vantage of the asset and market, we can be most effective. Our organization recognizes that in our competitive marketplace, well trained personnel are critical to attain the highest accolades.

Asset Specific Marketing Plan:

Mass Marketing has become a way of life in today's competitive economy. However, Accolade believes that niche marketing is the key to success for multifamily assets. Accolade begins the process by becoming students of the marketplace, the comparables, and the asset. Knowledge of the product, identification of an effective pricing structure, identification of the Target Market is the foundation for the Marketing Plan. Once these are identified, Accolade designs a marketing plan. Accolade initializes the plan to include product preparation which includes the readiness of show units, presentation of product which includes the collateral material, and demonstration of product which includes our specialized leasing teams. Additionally, if the asset is existing, a thorough review of the lease files will result in a resident profile to understand the current Target Market and the retention factor. The signage and onsite graphics are coordinated to support the marketing plan. Once the product and pricing strategies are identified, external advertising and marketing outreach strategies are designed. Our marketing teams will be armed with concise marketing strategies to reach opinion leaders in their market. Accolade's Key Management is experienced in targeting the audience for the asset.

With weekly review of the marketing results and quick adaptation to changing market indicators, Accolade has been very successful in the marketing of their assets managed.

Physical Maintenance Plan:

Upon engagement, Accolade will thoroughly inspect the property. A unit by unit inspection will commence, as well as, an exterior inspection, an amenity and common area inspection, and a review of governmental records to determine improvements needed or code deficiencies. Accolade's management team are well versed in Building Codes, State Statutes, and ADA Act. Through this intensive physical inspection, Accolade develops a maintenance plan and a capital plan for the asset. Once the needs are identified, a scope of work is developed and bids are obtained to complete the scope. The maintenance plan, capital plan, and the budget for implementation are presented to the client.

On an ongoing basis, service orders are reviewed for continuity and to identify any trends in the repairs. Accolade uses this data to value engineer and re-evaluate the maintenance plan if required. Accolade's Key Management recognizes that the Physical Plant is the foundation of the asset and its integrity is fundamental to the maximization of the investment.

Financial Reporting and Accounting:

Accolade effectively monitors the performance of their business plan through timely and accurate financial reporting. Daily reporting generated by the onsite property management software to the Corporate Headquarters, allows proficient results. Our full service accounting department is supervised closely by our Controller which is essential for accounting controls. Budgets are prepared based on the business plan and the budgets are used as benchmarks of our success. Accolade recognizes that our clients' needs are different and provides flexibility in reporting through customization of financial reports. Utilizing YARDI property management software, upper management and owners can monitor real time operations through the World Wide Web. Monitoring and accounting for some of our specialized assets requires specialty software to assist with monitoring and maintaining compliance. Our systems are very effective in meeting our exceeding the quality assurance standards of our clients.



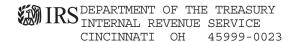




June West



3a. Federal IRS Certification



Date of this notice: 08-17-2021

Employer Identification Number:

87-2201272

Form: SS-4

Number of this notice: CP 575 G

JUNE WEST LLC LISA M STEPHENS SOLE MBR 5501A BALCONES DR NO 302 AUSTIN, TX 78731

For assistance you may call us at: 1-800-829-4933

IF YOU WRITE, ATTACH THE STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 87-2201272. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, Entity Classification Election, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, Election by a Small Business Corporation. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you. You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is JUNE. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Keep this part for your records. CP 575 G (Rev. 7-2007)

Return this part with any correspondence so we may identify your account. Please correct any errors in your name or address.

CP 575 G

999999999

Your Telephone Number Best Time to Call DATE OF THIS NOTICE: 08-17-2021

() - EMPLOYER IDENTIFICATION NUMBER: FORM: SS-4 NOBOD

EMPLOYER IDENTIFICATION NUMBER: 87-2201272

INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023
LISA M STEPHENS SOLE MBR
5501A BALCONES DR NO 302
AUSTIN, TX 78731







June West



3b. Certified Financial Audit – Not Applicable







June West



3c. Board Resolution - Not Applicable







June West



3d. Financial Statements – To be Provided Under a Separate Confidential Cover







June West



3e. Funding Commitment Letters



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Greg Abbott GOVERNOR www.tdhca.state.tx.us

BOARD MEMBERS

Leo Vasquez, Chair Paul A. Braden, Vice Chair Brandon Batch, Member Kenny Marchant, Member Ajay Thomas, Member Sharon Thomason, Member

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

HOUSING TAX CREDIT PROGRAM
COMMITMENT

This Housing Tax Credit Commitment (the "Commitment") in connection with an award of Housing Tax Credits from the 2021 State Housing Credit Ceiling, as defined in 10 TAC §11.1(d)(120), is made and entered into by and between the TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, a public and official agency of the State of Texas (the "Department"), and JUNE WEST, LLC, (the "Development Owner"), herein collectively referred to as the "Parties." This Commitment does not constitute an "allocation" for purposes of Section 42 of the Internal Revenue Code.

RECITALS

WHEREAS, Development Owner agrees to carry out the new construction (including adaptive re-use), rehabilitation, and/or reconstruction of the Development as more fully described in TDHCA application number 21075 (the "Application") and in accordance with all representations made in the Application, as may be amended from time to time in accordance with the Department's rules, and as required to adhere to Chapter 2306 of the Texas Government Code ("Chapter 2306"); Title 10 of the Texas Administrative Code ("10 TAC") Chapter 1 ("Administration"), Chapter 10 ("Uniform Multifamily Rules"), and Chapter 11 ("Qualified Allocation Plan"); Section 42 of the Internal Revenue Code ("Section 42"), all applicable Internal Revenue Service ("IRS") notices and revenue rulings, all applicable Regulations and Decisions of the United States Department of the Treasury, and all other applicable state and federal laws, rules, regulations, and other requirements, all collectively referred to herein as the "Legal Authorities"; and

WHEREAS, Department has reviewed the Application, and on July 22, 2021, the Governing Board of the Department approved both an award of Housing Tax Credits and the establishment of a waitlist for possible further awards of Housing Tax Credits, the waitlist to be administered in accordance with the Legal Authorities, and for which on September 2, 2021, such awards and waitlist were adjusted and approved by the Board to address a ministerial error;



NOW, **THEREFORE**, for and in consideration of the premises herein expressed, and the mutual benefits derived and to be derived, the Parties hereto, each intending to be legally bound, do by their execution hereof agree as follows:

TERMS

The following terms shall have the meanings specified:

Development	JUNE WEST	
Development Owner	June West, LLC	
Development Address	NWC W KOENIG LN AND GROVER AVE AUSTIN, TX 78756	
Building Identification Numbers	TX 21-07501 - 21-07599	
Set-Asides	NONE	
Allocation Category	NEW CONSTRUCTION	
Annual Tax Credit Commitment Amount	\$1,500,000	
Contact Person	LISA STEPHENS	
Contact Address	5501-A BALCONES DR., #302 AUSTIN, TX 78731	
Contact Phone/Email	(352) 213-8700 LISA@SAIGEBROOK.COM	
Effective Date of Commitment	September 14, 2021	
Expiration Date of Commitment	October 14, 2021	

CONDITIONS

The Annual Tax Credit Commitment Amount reflected in the Commitment is the maximum amount of tax credits awarded by the Board. It is subject to downward (but not upward) adjustment in accordance with applicable laws, rules, and regulations concerning the issuance of IRS Form 8609 for each building so as to ensure, among other things, that no more credits than necessary are provided and ultimately allocated. In issuing this Commitment, the Department has relied upon the information submitted by the Development Owner to be accurate and complete in all material respects. The Department reserves the right to revoke, modify, or terminate this Commitment if the Department determines, in accordance with any applicable Legal Authorities, that the Development Owner has provided erroneous, misleading, incomplete, false, or fraudulent information to the Department or other parties for which the Legal Authorities require notification in connection with the Application for Housing Tax Credits or has in a material manner failed to comply with any state or federal requirement applicable to the Application for and awarding of Housing Tax Credits, and such failure cannot be cured or waived.

Pursuant to 10 TAC §10.402(a) of the Uniform Multifamily Rules, unless sooner terminated in accordance with applicable Legal Authorities, this Commitment shall expire on the date specified herein below in paragraph A unless the Development Owner indicates acceptance by executing the Commitment, paying the required fees specified in 10 TAC §11.901 of the Qualified Allocation Plan, and timely and fully satisfying any and all other conditions set forth herein, imposed by the Department's Board in the making of the award, or in the Uniform Multifamily Rules. As provided for in 10 TAC §10.402(a), the Commitment expiration noted in paragraph A below may not be extended. Without limitation, failure to submit the documentation in sections A.1.-6. below, by the specified submission dates, may result in the termination of the award documented in this Commitment:

A. Not later than **October 14, 2021**, which is the expiration date of this Commitment, the Development Owner must provide in form and substance satisfactory to the Department in its reasonable judgment all of the following items (if not already provided):

- This Commitment, accepted and agreed to by the Development Owner, as evidenced by the original signature of an individual duly represented as being authorized to act on behalf of the Development Owner without need of joinder or approval by anyone else;
- 2. In accordance with 10 TAC §11.901(6) of the Qualified Allocation Plan, a check for the Commitment Fee in the amount of \$30,000; \$40,000.
- 3. In accordance with 10 TAC §10.402(d) of the Uniform Multifamily Rules, each and all of the following documents must be submitted by the Development Owner and failure to provide these documents may cause this Commitment to be rescinded:
 - a. For entities organized under the laws of the State of Texas, a copy of the Certificate of Filing for the Certificate of Formation and a Certificate of Fact from the Office of the Secretary of State. For entities organized under the laws of a jurisdiction other than the State of Texas, a Certificate of Application for foreign qualification in Texas and a Certificate of Fact from the Texas Secretary of State. If the entity is newly formed and a Certificate of Fact is not available, a statement is provided to that effect;
 - b. A current statement of Franchise Tax Account Status issued by the Texas Comptroller of Public Accounts or, if the entity is newly formed and no status is available, a statement by the Development Owner must be provided to that effect;
 - c. Evidence that the signer(s) of the Commitment has (have) the authority to sign on behalf of the Applicant in the form of a certified corporate resolution which indicates the person or subentity in Control consistent with the entity contemplated and described in the Application and that those Person(s) signing the Commitment constitute all Persons required to sign or submit such documents; if intervening persons or entities are involved in any such execution, certified resolutions as to the authority of each and all persons executing or executing on behalf of any entity must also be provided;
 - d. Evidence of final approval of any zoning that is required or was proposed or needed to be changed pursuant to the Development plan;

- e. Evidence that any necessary replatting in order to vacate a right of way has been completed and evidence of control of the entire Development Site;
- f. Evidence of satisfaction of any conditions identified in the Credit Underwriting Analysis Report, in the conditions approved by the Board from the Executive Award Review and Advisory Committee as provided for in 10 TAC Chapter 1, Subchapter C (relating to Previous Participation Review), in the conditions approved by the Board regarding 10 TAC §11.101(a)(2) related to Undesirable Site Features, in the conditions approved by the Board regarding 10 TAC §11.101(a)(3) related to Neighborhood Risk Factors, or any other conditions of the award required to be met at the time of Commitment;
- g. Documentation of any changes to representations made in the Application subject to 10 TAC §10.405 of the Uniform Multifamily Rules (relating to Amendments and Extensions); and
- h. For Applications underwritten with a property tax exemption, documentation must be submitted in the form of a letter from an attorney identifying the statutory basis for the exemption and indicating that the exemption is reasonably achievable subject to appraisal district review. Additionally, any Development with a proposed Payment in Lieu of Taxes agreement or similar agreement, however designated ("PILOT") must provide evidence regarding the statutory basis for the PILOT and its terms.
- 4. If the Applicant proposes to relocate existing units in an otherwise qualifying At-Risk Development, provide evidence that the affordability restrictions and any At-Risk eligible subsidies are approved to be transferred to the Development Site.
- B. In accordance with 10 TAC §10.402(f) of the Uniform Multifamily Rules, all documents outlined in the Carryover Manual, including for USDA-funded developments, documentation of the submission of a complete Preliminary Assessment Tool to the USDA, relating to the execution of a Carryover Allocation Agreement pursuant to §42(h)(1) of the Internal Revenue Code and Treasury Regulations §1.42-6 must be submitted to the Department no later than 5:00 p.m. Austin local time on November 1, 2021, unless such date has been extended in writing by Department. Requested extensions made after that time and date will not be considered by staff.
- C. In accordance with 10 TAC §10.402(g) of the Uniform Multifamily Rules and pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code, all documents outlined in the Post Carryover Activities Manual relating to the 10% Test must be submitted to the Department no later than 5:00 p.m. Austin local time on **July 1, 2022**, unless extended in writing by Department. Requested extensions made after that time and date will not be considered by staff.
- D. In accordance with $\S42(h)(1)(E)(i)$ of the Internal Revenue Code, all Buildings in the Development must be placed in service no later than **December 31, 2023**.
- E. Extensions to the deadlines itemized in paragraphs B and C, to the extent permitted under the Legal Authorities, must be requested in accordance with 10 TAC §10.405(c) of the Uniform Multifamily Rules

and must be submitted prior to the date for which an extension is being requested. The Department may require documentation relating to the need for any extension and staff may recommend and the Board may assess point deductions on other current or future applications in accordance with Tex. Gov't Code §2306.6710(b)(2).

F. Subsequent to the allocation of tax credits, should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted. If additional funds are required to ensure financial feasibility there can be no assurance that additional funds or other financial assistance will be available from the Department. In no event will the amount of Housing Tax Credits be increased.

This Commitment is subject to the following Development-specific conditions as reflected in the Department's published Credit Underwriting Analysis Report. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities), the documentation required to demonstrate satisfaction of each condition must be submitted to the Department not later than 5:00 p.m. Austin local time on **October 14, 2021**.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

Commitment: Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that all drives and parking will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance coverage for the buildings and for the residents' personal property as long as the site remains a designated floodplain.

Carryover: Formal approval for \$1.4 M loan from City of Austin clearly stating all terms and conditions.

10% Test: Architect or engineer certification that the site plan conforms to City of Austin requirements associated with a Critical Water Quality Zone (CWQZ).

Cost Certification:

- a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.
- b: Certification that testing for asbestos was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.
- c: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.
- G. This Commitment is also subject to the following Development-specific conditions as recommended by the Executive Award and Review Advisory Committee ("EARAC"), and imposed by the Board. Unless otherwise stated within the specific condition (which may not conflict with any of the Legal Authorities),

the documentation required to demonstrate satisfaction of each condition must be submitted to the Department not later than 5:00 p.m. Austin local time on **October 14, 2021**.

NA

H. This Commitment is also subject to the following Development-specific conditions as imposed by the Board regarding 10 TAC §11.101(a)(2) related to Undesirable Site Features

NA

I. This Commitment is also subject to the following Development-specific conditions as imposed by the Board regarding 10 TAC §11.101(a)(3) related to Neighborhood Risk Factors

NA

J. This Commitment is also subject to the following Development-specific conditions as imposed by the Board in its award

NA

K. Development Owner acknowledges that this Commitment does not represent a commitment of any funds awarded under the Multifamily Direct Loan Program; award Letters and specific Direct Loan Conditions for Multifamily Direct Loans will be issued separately from this Commitment Notice. However, those Development Owners awarded Multifamily Direct Loans composed of HOME funds from the Department are cautioned against taking any choice-limiting action as described and addressed in CPD Notice 01-11, including but not limited to any transfers or assignments of the property, in anticipation of the Federal commitment but prior to receiving Federal environmental clearance from the Department. Development Owners expecting to ultimately receive a commitment of any such funds from the Department are encouraged to familiarize themselves in detail with the HUD environmental review process and, if applicable, submit their request for Federal environmental clearance as soon as possible, but in no event later than with the applicable date indicated in 10 TAC §13.11(b) (2). Choice-limiting activities as defined by HUD in 24 CFR Part 58 may result in the termination or rescission of any related funding commitment and potentially lead to the revocation of this Commitment as a result of the financial infeasibility created by the loss of such funds and further penalties pursuant to 10 TAC §13.11(a) and 10 TAC §11.9(f).

I. Included with this Commitment is the "Application Verification and Compliance Review" form. This review form contains representations from the Application, changes during the Application process, and the Application as underwritten and approved by the Board. Please review the attachment for accuracy and identify any errors by marking the corrected information in red. This is solely to facilitate a detailed review of said representations and the legal obligations they have created and does not constitute an opportunity to change, modify, abrogate, or otherwise alter any such representation or the enforceability thereof. The Application Verification and Compliance Review form, initialed and signed by a person with full authority to act on behalf of the Development Owner, must be submitted with this Commitment.

J. In addition to the requirements of the Legal Authorities, Development Owner hereby agrees and acknowledges that all assurances, pledges, conditions, restrictions, representations, or obligations, however designated, which the Development Owner (including any of its affiliates) undertook in applying for Housing Tax Credits will be incorporated into a Land Use Restriction Agreement ("LURA") or other applicable document with respect to the Development. Such LURA or document will also incorporate provisions requiring compliance with Section 42 and with Chapter 2306, including but not limited to requirements for: annual reporting and periodic inspections; payment of the fees, charges, and expenses of the Department in connection with monitoring and compliance activities; management, operating, maintenance, and repair standards; tenant selection and income certification; limitations on rents, charges, and fees payable by tenants; cost controls and management selection; and a minimum thirtyyear affordability period, or such longer period as elected and set forth in the Application. If any liens (other than mechanics' or materialmen's liens for which construction bonds are in place or other provisions made to ensure discharge) have been recorded against the Development prior to the recording of the LURA, the Development Owner shall also obtain and submit to the Department the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA following the foreclosure of any such lien.

On behalf of the Department:

DocuSigned by:	
By:	9/14/2021 3:55:36 PM CDT
Authorized Representative	Date

I (We), Development Owner, hereby acknowledge and agree to abide by all terms and conditions stated in this Commitment and any referenced documentation contained herein.

I (We), on behalf of the Development Owner, hereby acknowledge and agree that pursuant to 10 §10.406 of the Rules, the transfer of an allocation of Housing Tax Credits or ownership of a Development supported with an allocation of Housing Tax Credits to any person including an Affiliate of the Development Owner shall not occur unless the Development Owner obtains the Department's prior, written approval of the transfer.

I (We) hereby acknowledge that failure to comply with this Commitment, the Legal Authorities, as applicable, and any referenced documentation contained therein may result in a refusal by the Department to issue IRS Form(s) 8609 for purposes of Housing Tax Credits as well as its exercise of other remedies, including revocation of this Commitment.

I (we) hereby acknowledge that the Development will be constructed in compliance with the 2010 ADA Standards (with the HUD exceptions listed in "Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities" *Federal Register* 79 FR 29671, if relevant) and as further amended by 10 TAC Chapter 1, Subchapter B.

Development Owner

Development Owner

EIN 87-220120 2

Employee Identification Number

Authorized Representative

Date

Authorized Representative (Printed Name, Title)

ng Vilen

RHDA LOAN PRELIMINARY AWARD LETTER AND TERM SHEET





Lisa Stephens Saigebrook Development, LLC 5501A Balcones Drive #302 Austin, TX 78731

RE: <u>Preliminary Award Letter for RHDA Loan for June West</u>

Dear Ms. Stephens,

We are pleased to inform you that your loan application submitted under the Rental Housing Development Assistance Program (RHDA) has been preliminarily approved by the Board of Directors of the Austin Housing Finance Corporation ("AHFC").

Set forth in Exhibit A hereto is a list of the terms and conditions applicable to the final award and funding of the loan (the "RHDA Loan"). **This preliminary award letter does not guarantee the funding of the RHDA Loan or the principal amount or terms of the RHDA Loan.** Subject to the requirements of Exhibit A, a maximum loan amount of \$1,400,000 is preliminarily awarded to June West, LLC for the new construction of the multifamily rental development to be known as June West located at 1200-1206 West Koenig Lane.

The final sizing of the principal amount of the RHDA Loan (and other loan terms) will be based on a final review by AHFC staff of the other sources of funds available to finance the Development, the final size and scope of the Development, the Development costs and any other information requested by AHFC staff.

This preliminary award letter must be executed and returned within **10** calendar days after receipt. Please return an executed copy of this letter evidencing your acceptance of this letter and its terms. Be sure to note the estimated closing date in the space provided near your signature block. Please note that this date should be not less than **60** calendar days from the date of this letter.

AHFC counsel will prepare the RHDA Loan documents. Please note that failure to complete all requirements in a satisfactory manner and on a timely basis will result in a closing delay and may result in a reduction of the loan amount or loss of the award.

Board of Directors: Steve Adler, President * Natasha Harper-Madison, Vice President

Vanessa Fuentes, Director * Sabino Renteria, Director * Gregorio Casar, Director * Ann Kitchen, Director

Mackenzie Kelly, Director * Leslie Pool, Director * Paige Ellis, Director * Kathie Tovo, Director * Alison Alter, Director

Spencer Cronk, General Manager * Rosie Truelove, Treasurer * Jannette Goodall, Secretary

* Anne L. Morgan, General Counsel *

AHFC RHDA Loan Award Letter – June West Apartments 10-28-2021

Ellis Morgan is responsible for the loan closing for this development. He can be reached at 512-919-4774 or via email at ellis.morgan@austintexas.gov . Please do not hesitate to contact him with any questions about this preliminary award letter.

Sincerely,

James B. May, AICP

Acting Housing and Community Development Officer

City of Austin | Housing and Planning Department

City of Austin | Austin Housing Finance Corporation

T: 512.974.3192 | 1000 East 11th Street, Suite 200, Austin, TX 78702

Borrower Estimated Closing Date: __June 1, 2022

ACCEPTED BY APPLICANT:

SAIGEBROOK DEVELOPMENT, LLC

Lisa Stephens, President

Date : 10-29-2021

EXHIBIT A

TERM SHEET FOR RHDA LOAN

Relating to Preliminary Award of RHDA Loan with respect to June West

NOTE: This Term Sheet is a brief summary of certain terms and conditions relating to the preliminary award of the above-referenced RHDA Loan. The summary of the RHDA Loan terms below are subject to change based on the final review and underwriting approval of AHFC staff. Neither the preliminary award letter nor this Term Sheet constitute a commitment to fund the RHDA Loan.

1. SUMMARY OF TRANSACTION

Property:	A to-be-constructed multifamily project containing 80 units located in the City of Austin, Texas. The property is commonly referred to as "June West" ("Development").	
Applicant:	Saigebrook Development, LLC	
Borrower:	June West, LLC. The Borrower must be the owner of the Development. The Applicant or an affiliate of the Applicant (or other entity approved by AHFC) must be a partner or member of the Borrower. The legal and beneficial owners of the Borrower and any member or partner must be acceptable to AHFC. The General Partner of the Borrower will be an affiliate of Travis County Housing Finance Corporation.	
Developer:	Saigebrook Development, LLC	
Basic Financing Structure:	9% Tax Credits, Senior (Taxable) Loan and RDHA Loan.	
Senior Lender:	Citibank is expected to be the senior lender (the "Senior Lender") for the Development. Any other Senior Lender must be acceptable to AHFC. The Senior Lender is expected to provide a Senior Loan to the Borrower in the amount \$5,300,000. The Senior Loan will have a first lien on the Development. The Senior Lender has provided a preliminary term sheet/commitment letter to fund the Senior Loan. AHFC reserves the right to review and comment on the Senior Lender term sheet/letter of commitment.	
RHDA Loan	\$1,400,000 maximum principal amount (see "Principal Amount" below)	
LIHTC Investor:	The LIHTC Investor is expected to be Hudson Housing Capital, LLC. The LIHTC Investor has provided a preliminary commitment to fund the 9% LIHTC investment. Any other LIHTC Investor must be approved by AHFC in writing. The Applicant shall provide AHFC a commitment to fund by the LIHTC investor; AHFC reserves the right to comment on any portion of that commitment that affects the RHDA Loan.	

Other Subordinate Loans/Grants:	None. (Any Land loans will be repaid in full at closing.)
Funding Order/Priority of Subordinate Liens:	The funding order of proceeds of the Senior Loan, the RHDA Loan, and any other funding source is subject to AHFC's written consent prior to closing. The RHDA Loan will have a second lien priority unless AHFC consents otherwise.
Loan Security:	Subordinate lien on fee or leasehold estate and any improvements, UCC filings for fixtures; subordinate assignment of leases and rents; and, a subordinate collateral assignment of all contracts, management agreements, all permits, and other agreements relating to the Development.
Estimated Sources and Uses of Funds	Based on the Applicant's RHDA Loan application, the estimated sources and uses of funds for the Development are set forth in Schedule 1 to this Term Sheet.
Developer Fee (and other Payments to Developer):	The final amount of the Developer Fee and any deferred portion of the Developer Fee are subject to the written consent of AHFC. AHFC will require a final Developer Fee that contains a deferred portion of at least 25% of the Developer Fee. All amounts paid to the Developer (including its consultants) and the sources of such payments must be clearly disclosed to AHFC and shall be treated as part of the Developer Fee.

2. RHDA LOAN TERMS

Principal Amount:	\$1,400,000 is the maximum principal amount. Such amount of the Loan is subject to reduction prior to Loan closing based on a review by AHFC staff of all final sources of funds available to finance the Property and the final development costs and other uses of funds relating to the acquisition and construction/rehabilitation of the Property, including without limitation softs costs and the Developer Fee. In this regard, AHFC will determine the final sizing assuming the RHDA Loan as the "last" (gap) funding source for the transaction.
Sources of Funds for RHDA Loan:	2018 General Obligation Bonds
Interest Rate:	2.0% per annum. Unpaid interest is accumulated but not compounded (simple interest). (0% interest for initial 2 years TBD.)
Term:	42 years (2 years construction plus 40 years).
Maturity Date:	42 years from the first day of the month in which the RHDA Loan is closed.
Forgiveness:	The RHDA Loan will <u>not</u> be subject to loan forgiveness.

Loan Draws: Loan Repayment	RHDA Loan proceeds will be advanced to Borrower on a "drawdown" basis upon receipt of a written request from Borrower, supported by documentation meeting all Loan Agreement requirements in connection with each draw. Draw requests are limited to one per month unless additional monthly draws are approved by AHFC. Borrower must be an approved vendor of the City of Austin to receive draw payments. If there is an initial draw of the RHDA Loan at closing, the initial draw will be paid to the settlement agent. The RHDA Loan will be repaid from net cash flow (cash flow remaining after
from Net Cash Flow:	payment of operating expenses and Senior Loan debt service). In the net cash flow "waterfall" the RHDA Loan will be paid from 50% cash remaining after repayment of the deferred portion of the Developer Fee. The net cash flow waterfall is subject to AHFC's approval. Any repayments of the RHDA Loan shall be applied first to interest and then to principal.
Optional Prepayment:	The Loan may be prepaid by Borrower in whole or in part at any time without penalty or premium.
Mandatory Repayment Provisions:	The RHDA Loan is subject to mandatory repayment upon the occurrence of the following events: (i) sale or other disposition of the Development, (ii) to the extent of any "cashout" portion of the refinancing of the Senior Loan (except as otherwise approved by AHFC), (iii) transfer of any partnership or member interest except the tax credit investor limited partner or member interest under the terms of the partnership or operating agreement, or (iv) default under the Loan Agreement or any other Loan document. At maturity, the outstanding principal amount and accrued interest due must be paid in full.
Loan Repayment from Excess Financing Proceeds:	Excess financing proceeds, determined at the earlier of cost certification or conversion (after payment of the non-deferred portion of the Developer Fee), must be applied on a 50-50 basis to pay down the RHDA Loan and the deferred portion of the Developer Fee.
Non-Recourse Except for Carve- Outs:	The RHDA Loan will be nonrecourse except for industry standard carve outs. Carve outs include guarantees against fraud, misrepresentation, bankruptcy, and environmental issues.
General Conditions to Closing:	Closing is subject to full satisfaction of AHFC's due diligence requirements, final underwriting analysis and the execution and delivery of all required due diligence items (including lender title insurance, other property and liability insurance, escrow deposits, etc., and execution and delivery of all RHDA Loan documents, other required documents and certificates and legal opinions, payment of fees, and other requirements. The Senior Loan and the 9% Tax Credits must close simultaneously with the RHDA Loan.

Expected Closing	February 2022. Closing of the RHDA Loan is also subject to closing of the 9%		
Date:	Tax Credits and Senior Loan. The RHDA Loan must be closed on or before May 1, 2022, subject to extension with AHFC's written consent.		
Final Underwriting and Loan Sizing:	The final sizing and terms of the RHDA Loan will be based on a final underwriting analysis by AHFC staff, including but not limited to:		
	 Updated RHDA Loan application exhibits, including Development Summary Form, Timeline, Budget and 15- year Operating Pro Forma. The Budget and the 15-year Operating Pro Forma must be provided in an unlocked Excel spreadsheet and, if requested, include net cash flow ("below the line") projected distributions in a manner consistent with AHFC distribution requirements. 		
	Documentation necessary to support the sources and uses of funds development costs, financing entities, and other items from the origina RHDA Loan application, including the following:		
	a. Substantially final construction contract(s) with the schedule of values.		
	b. Substantially final, and reasonably detailed, commitments, term sheets, letters of interest or similar written communications from all other debt, equity, grant and other providers of financing proceeds.		
	c. Substantially final draft of the partnership or operating agreement.		
	d. Any other documents, computations and/or other items required by AHFC.		
	3. Additional information and/or conditions as may be required by AHFC.		

3. RHDA AFFORDABILITY PROVISIONS

RHDA Loan-Related Affordability Provisions: The following table summarizes the income, rent, and other affordability restrictions, accessibility, and permanent supportive housing provisions (if applicable), relating to the Development required as a condition to the funding of the RHDA Loan:

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom Unit	Total
Up to 30% MFI	6	1	2	1	10
Up to 50% MFI	12	4	10	6	32
Up to 60% MFI	12	4	10	6	32
Up to 60% MFI	1	2	2	1	6
Total Units	31	11	24	14	80

Initiative	# of Units
Accessible Units for Mobility Impairments	8
Accessible Units for Sensory Impairments	2

Initiative	# of Units
Continuum	
of Care	2
Units	

4. RHDA LOAN REQUIREMENTS

Notification of Material Changes in Development or Sources of Financing: The Applicant must notify AHFC immediately of any material changes in the information relating to the Development, including financing sources, Development costs, the size of the Development, or any other material change in information that was submitted to AHFC in its RHDA Loan application. The determination of materiality will be determined by AHFC in its sole discretion and the Applicant is strongly encouraged to bring changes to AHFC's attention as soon as possible. AHFC reserves the right to re-size the maximum amount of the RHDA Loan and to change other loan terms based on such material changes.

Budget and Contingencies:	The budget for the construction of the Development, including all budget line items, must be approved by AHFC. The budget must include a hard cost contingency of no less than 5% of budgeted hard costs for new construction projects and no less than 10% of budgeted hard costs for rehabilitation projects. The budget must include a soft cost contingency of no less than 5% of budgeted soft costs, excluding (1) soft costs incurred prior to or in connection with closing; (2) interest reserve and bank fees; (3) capitalized operating reserve deposits and other costs that may be due in connection with Conversion for which specific sources are identified; and (4) developer fees. The Borrower must provide a copy of the Development's proposed annual operating budget to AHFC.
General Contractor:	The general contractor and any prime subcontractor for the Development must be approved in writing by AHFC. AHFC requires payment and performance bonds equal to 100% of the construction (rehabilitation) contract amount. Surety issuing bonds must have an A.M. Best rating of "A/VIII" or better and must be acceptable to AHFC in all other respects. In lieu of bonds, AHFC will accept a letter of credit ("LC") equal to 10% of the hard cost budget. LC provider must be rated "BBB" or better.
Management Agent:	Accolade Property Management, Inc., Irving, Texas, is expected to be the Management Agent for the Development. Any other Management Agent must be approved in writing by AHFC.
Replacement Reserve:	Borrower must fund a replacement reserve for each of the first 15 years following conversion in a minimum amount of \$250/unit/year for new construction projects.
Taxes and Insurance:	Real estate taxes and insurance premiums must be escrowed with the Senior Loan servicer on a monthly prorated basis in an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums, or other similar charges affecting the Development.
Survey, Appraisal, Environmental, Plan/Cost Reviews:	Survey, appraisal, environmental and plan/cost review reports are subject to review and approval as to substance and form by AHFC. Surveys must be certified to AHFC. Appraisals must be addressed to AHFC, or AHFC must receive a reliance letter satisfactory to AHFC.
Property Tax Exemption:	Documentation related to any tax exemption relating to the Development must be acceptable to AHFC in all respects. AHFC may require a legal opinion addressed to it regarding any such tax exemption.

5. RHDA LOAN DOCUMENTS AND DUE DILIGENCE ITEMS

Promissory Note:	Borrower must execute AHFC's standard form of Promissory Note.
Deed of Trust:	Borrower must execute AHFC's standard form of Deed of Trust.
Loan Agreement:	Borrower must execute AHFC's standard form of Loan Agreement (including Exhibit A (Definitions), Exhibit B (Statement of Work) and Exhibit C (Insurance Requirements).
Restrictive Covenants:	Borrower must execute AHFC's standard form Restrictive Covenants Running with the Land.
Environmental Indemnity Agreement:	Borrower must execute AHFC's standard form of Environmental Indemnity Agreement.
Due Diligence Items:	Borrower must provide AHFC all due diligence items requested by AHFC in form and substance satisfactory to AHFC.

6. FEES & EXPENSES

AHFC Legal Fees:	The fee for AHFC's counsel for the Loan closing is estimated at \$40,000 and that amount assumes no significant negotiation over AHFC's loan document forms or due diligence requirements. The legal fee is subject to increase at AHFC's discretion and must be paid in full by Borrower from RHDA Loan proceeds or other financing sources at Closing.
Conversion Fee and Expenses:	AHFC will charge a minimum conversion fee (conversion of the Senior Loan from construction to permanent status) of \$5,000. AHFC's legal expenses relating to such conversion are estimated to be a minimum of \$7,500.
Other Costs:	Applicant is responsible for costs of survey, title insurance policy, hazard insurance policy, tax escrow fee, and all other normal and customary loan closing expenses as determined by AHFC.

Schedule 1 Estimated Sources and Uses of Funds (Permanent)

SOURCES	Original (RHDA Application)	(Revised – Provided 10/15/21)
AHFC RHDA Loan	\$ 1,186,000	\$ 1,400,000
Senior Loan	5,300,000	4,600,000
Tax Credit Equity	13,498,650	13,798,620
Deferred Developer Fee	597,218	663,374
	400 504 050	\$20,461,994
Total	\$20,581,868	φ20,40 1,334
USES		
Pre-Development Costs	\$1,160,000	\$ 0
Acquisition Cost	4,000,000	4,000,000
Construction (Hard) Costs	8,899,156	10,160,560
Soft Costs (excluding Dev. Fee)	4,532,204	4,335,274
Developer Fee	1,990,508	1,966,160
Total	\$20,581,868	\$20,461,994

Board of Directors: Steve Adler, President * Natasha Harper-Madison, Vice President

Vanessa Fuentes, Director * Sabino Renteria, Director * Gregorio Casar, Director * Ann Kitchen, Director

Mackenzie Kelly, Director * Leslie Pool, Director * Paige Ellis, Director * Kathie Tovo, Director * Alison Alter, Director

Spencer Cronk, General Manager * Rosie Truelove, Treasurer * Jannette Goodall, Secretary

* Anne L. Morgan, General Counsel *





November 22, 2021

Lisa Stephens Saigebrook Development, LLC 5501-A Balcones Drive, #302 Austin, TX 78731

CONFIDENTIAL

Re: June West, Austin, TX

Dear Lisa:

Capital One, National Association (together with its affiliates, "<u>Capital One</u>") is pleased to provide you with its proposal as outlined in the attached summary of terms and conditions (this letter together with the exhibits attached hereto, the "<u>Proposal</u>") to provide financing for your proposed development, June West (the "<u>Development</u>").

This Proposal contains an outline of suggested terms only, and it does not represent a commitment by Capital One or create any obligation whatsoever on Capital One's part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate Capital One lending authorities. This Proposal replaces and voids any and all previous financing proposals by Capital One for the Development.

Based on the information you have provided, the Development appears feasible, and Capital One is willing to begin due diligence on the following terms.

The proposed terms and conditions below (including capitalized terms in **bold**) are supplemented by those set forth in Exhibit A hereto.

<u>BORROWER</u>: A formed or to-be-formed limited partnership or limited liability company will act as the **Borrower**.

<u>TYPE and PURPOSE of LOAN</u>: The "<u>Construction Loan</u>" is a non-revolving multiple-draw loan advanced to finance a portion of the **Property Improvements** and to bridge the LIHTC equity pay-ins or other subordinated financing. Closing of the Construction Loan will be subject to satisfaction of the conditions set forth in <u>Exhibit B</u>.

Advances under the Construction Loan will be made no more frequently than monthly, with the funding based upon the percentage-of-completion for actual work-in-place as approved by Capital One and its construction consultant. Retainage will be withheld on each advance and the terms of the construction contract between the **Borrower** and the Development's general contractor (the "General Contractor") must be acceptable to Capital One. **Retainage Terms** and **Subcontractor Buyout Requirements** with the General Contractor to be approved by Capital One. Funds will be deposited into the **Borrower**'s construction account held by Capital One. If requested, funds may be wired from that account; however, scheduled wire charges may apply.

The **Permanent Loan** will be provided by the **Permanent Loan Lender** as determined by **Borrower** and reasonably acceptable to Capital One. Certain amounts outstanding under the

Construction Loan will be repaid by the **Permanent Loan Lender** and convert to the **Permanent Loan** (the "<u>Conversion</u>") in accordance with and subject to the conditions of the **Permanent Loan Take Out Commitment** at the end of the Construction Loan Term.

<u>COLLATERAL</u>; <u>ETC.</u>: First lien deed of trust/mortgage on the **Borrower**'s interest in real property and improvements (whether fee simple or leasehold). Assignments and/or first lien security interest in rents and leases, general partner/managing member's interest, low income housing tax credits, construction contract, architect's contract, management contract, development agreement, social service contract, FF&E and all accounts including escrow, reserve, and operating accounts.

The Construction Loan will become due upon sale of, or refinance of any debt incurred in respect of, the Development property or **Property Improvements.**

<u>AFFORDABILITY RESTRICTIONS</u>: The Development will be affordable to tenants under the **Affordability Restrictions** and may include any **Operating Subsidies** awarded to the **Borrower**.

AMOUNT OF LOAN: The final Construction Loan Amount shall be the lesser of:

- The maximum **Construction Loan Amount** set forth on Exhibit A, and
- Up to 80% of the sum of the value of the Development property including the as completed and stabilized value including rent restrictions, inclusive of property tax abatement (if applicable) and the value of the tax credits at the lesser of appraised value or the accepted purchase price.

<u>LOAN FEE:</u> The **Construction Loan Origination Fee** shall be payable on the final **Construction Loan Amount** at the closing of the Construction Loan and is nonrefundable.

<u>CONSTRUCTION LOAN INTEREST RATE and PAYMENTS</u>: Rates quoted are predicated on the assumption that all operating accounts, construction accounts, reserve accounts and any other deposit accounts of the **Borrower** and the Development, including escrow accounts, will be maintained with Capital One for the entire period that the Construction Loan is outstanding. If circumstances are such that this cannot be achieved, pricing may vary.

For the Construction Loan, the rate will be determined using the **Construction Loan Spread** plus an **Index**. In no instance shall the **Index** be less than the **Index Floor**. A current indicative rate for the **Index** can be found in <u>Exhibit A</u>. For underwriting purposes, the interest reserve will be sized assuming a **Construction Minimum Rate**.

During construction, interest-only payments will be due monthly. Interest shall be calculated utilizing a 360-day basis for the actual number of days principal is outstanding.

<u>CONSTRUCTION LOAN TERM and EXTENSION</u>: The **Construction Loan Term** is inclusive of the **Construction Completion Date**, which shall not be extended more than 60 days due to force majeure and, in any event, shall not be extended beyond the placed-in-service date. Construction shall commence no later than 30 days following the **Anticipated Closing Date**.

If the **Construction Loan Term** is extended, there will be an **Extension Fee** based on the amount of the Construction Loan extended, including unfunded amounts that will remain available after extension. An **Extension Period** may be authorized subject to satisfaction of conditions including, but not limited to:

• compliance with all placed-in-service requirements

- lien-free completion
- adequate interest reserve
- all scheduled equity due at that point having been funded and the Construction Loan repaid to the Construction Loan Paydown Balance. (The estimated Construction Loan Paydown Balance is set forth on Exhibit A but the final amount will be calculated based on the final Construction Loan Amount less application of proceeds from any equity investor installment scheduled to pay down the Construction Loan prior to Conversion net of any costs approved to be paid from the installment).
- receipt of extension for all additional financing sources and permanent commitments, as necessary
- no event of default in any documents governing any credit facility, subordinate debt, grant, equity or other binding agreements governing the **Borrower**, Development or **Guarantor**
- Extension Period Physical Occupancy
- Extension Debt Service Coverage Ratio
- **Extension Fee** payment

Additional extension criteria may be added upon changes in the financing structure and/or receipt of the loan/equity documents for other lenders/financing partners. If the extension is exercised, the **Borrower** will pay any and all reasonable costs related to the extension, including cost for an updated appraisal, if required.

<u>GUARANTIES</u>: Capital One will have full recourse to the **Borrower**, as well as a payment and performance guaranty from (i) the general partner/managing member of the **Borrower**, and (ii) each other **Guarantor** listed on <u>Exhibit A</u>, all of which shall be satisfactory to Capital One following due diligence (collectively, "**Guarantors**"). **Guarantors** may be subject to **Additional Covenants**. In addition, a lien-free completion guaranty will be required from each **Lien-Free Completion Guarantor**.

The **Borrower** and the **Guarantors** will jointly and severally provide environmental indemnification which shall survive the Conversion.

<u>EQUITY</u>: **Total LIHTC Contribution** will come from the sale of tax credits. Equity terms must be acceptable to Capital One and are subject to credit approval.

Except for certain costs approved by Capital One to be paid at closing of the Construction Loan from the proceeds of equity, the equity investor shall deposit the equity contribution amount in an account of **Borrower** held at and controlled by Capital One. The funds in that account will be disbursed by Capital One to: (i) pay for approved budgeted items and/or applied to the Construction Loan in accordance with the loan documents, and (ii) pay down and/or repay the Construction Loan after construction completion. Capital One will have no obligation to make an advance of the Construction Loan unless and until Capital One has disbursed any installment of equity proceeds then on deposit with Capital One (as will be more particularly provided for in the applicable loan documents).

<u>ADDITIONAL SOURCES OF FINANCING</u>: For all **Additional Sources** included in the financing structure, such loan shall be entered into, effective and subject to commitments in form and substance satisfactory to Capital One as a condition to closing, and all amounts owing to the **Additional Sources** must remain subordinate on terms satisfactory to Capital One to the amounts outstanding under the Construction Loan until paid in full and terminated. There will be a **Servicing Fee** to administer the **Additional Sources** during construction. An intercreditor agreement may be required.

<u>DEVELOPER FEE</u>: **Developer Fee** payments will be subordinate to the Construction Loan and will be paid out in accordance with a schedule to be agreed during underwriting.

<u>CONTINGENCIES</u>: Capital One requires a minimum **Hard Cost Contingency** and **Soft Cost Contingency** within the budget. Should the applicable finance agencies not permit such contingencies, then a portion of **Developer Fee** will be escrowed at closing of the Construction Loan in the amount of such contingencies less what is included in the budget. The escrowed portion of **Developer Fee** will be released with the completion equity installment.

PAYMENT AND PERFORMANCE BONDS OR LETTERS OF CREDIT: The General Contractor will provide payment and performance bonds during construction, provided by a surety with at least an AM Best rating of "A" and acceptable to Capital One in its sole discretion. However, if the General Contractor is unable to provide bonds, or uses a surety company with a lower rating, Capital One is willing to consider a letter of credit in favor of Capital One for no less than 15% of the total amount stated under the construction contract from a highly-rated issuer acceptable to Capital One in its sole discretion.

<u>THIRD PARTIES</u>: Third-party firms including, but not limited to, the General Contractor, property manager, consulting engineer, and environmental consultant are subject to Capital One's review and approval.

<u>NET OPERATING INCOME</u>: **Net Operating Income** will be treated as set forth on <u>Exhibit A</u>. All **Net Operating Income** will be held in a deposit account at Capital One.

<u>EXPENSES</u> and <u>GOOD FAITH DEPOSIT</u>: Underwriting, closing, and any other expenses must be reimbursed to Capital One whether or not the Construction Loan closes. Customary expenses include but are not limited to: appraisal, plan & cost review, flood search, legal fees or costs, insurance consultant review, and construction signage.

Please include the **Good Faith Deposit** when you return a countersigned copy of this Proposal to us. Within three weeks following the closing of the Construction Loan, the **Good Faith Deposit** (including any additional deposits) will be returned provided that Capital One has confirmed all third-party costs have been paid from the closing requisition. The **Good Faith Deposit** should not be included as a line item in the development budget. If for any reason the Construction Loan does not close, any third-party or legal costs billed to Capital One will be deducted from the **Good Faith Deposit** (including any additional deposits) and any remaining portion will be refunded. Additional deposits may be required for continued underwriting and legal document drafting if incurred costs and current cost and fee estimates exceed the **Good Faith Deposit** prior to final credit approval and closing.

<u>PATRIOT ACT DISCLOSURE:</u> We hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "<u>PATRIOT Act</u>"), Capital One may be required to obtain, verify and record information that identifies the **Borrower** and each **Guarantor**, which information includes the name, address, tax identification number and other information regarding the **Borrower** and each **Guarantor** that will allow Capital One to identify the **Borrower** and each **Guarantor** in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act.

<u>ECOA NOTICE</u>: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding

contact); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this Capital One is the Consumer Financial Protection Bureau, 1700 G Street NW, Washington DC 20552. If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact the office of Capital One listed at the top of this letter within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

<u>CONFIDENTIALITY</u>: The contents of this Proposal may not be shared with any third party without Capital One's prior written consent, except for potential equity and subordinated debt investors, professional advisors, management, and regulatory or other governmental bodies on a need-to-know basis. All persons who are informed of the contents of this Proposal also shall be informed that such contents are confidential and cannot be disclosed without Capital One's prior written consent.

<u>WAIVER OF JURY TRIAL</u>: THE PARTIES HERETO, TO THE EXTENT PERMITTED BY LAW, WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING ARISING OUT OF, IN CONNECTION WITH OR RELATING TO, THIS PROPOSAL, THE CONSTRUCTION LOAN AND ANY OTHER TRANSACTION RELATED HERETO OR THERETO. THIS WAIVER APPLIES TO ANY ACTION, SUIT OR PROCEEDING WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE.

<u>ACCEPTANCE</u>; <u>EXPIRATION</u>: To accept this Proposal, the Proposal must be countersigned and returned to us along with the **Good Faith Deposit** within seven (7) business days of the date of the letter or the terms of this letter shall become null and void. Once accepted, if the closing of the Construction Loan does not occur by the **Anticipated Closing Date**, or either party notifies the other in writing that such party does not intend to close on substantially similar terms outlined in this Proposal, then this Proposal shall become null and void.

Notwithstanding the foregoing, the provisions of this letter set forth under the headings "Expenses and Good Faith Deposit", "Confidentiality" and "Waiver of Jury Trial" shall survive the termination or expiration of this Proposal and shall remain in full force and effect regardless of whether the Construction Loan closes.

It is hereby acknowledged and understood that this Proposal is not a commitment to lend, nor is it intended to be a letter of commitment, and Capital One is not bound to any of the terms and conditions herein outlined. The terms of the financing are not set until formally approved by Capital One and the financing documentation has been executed by Capital One, the Borrower and the other parties thereto.

[signature page follows]

It is my sincere pleasure to make this Proposal to you. I look forward to your acceptance and to our developing relationship. Please signify your understanding of the above by signing and returning a copy of this Proposal letter together with the **Good Faith Deposit** within seven (7) business days.

Sincerely,

Dan Miller

Director, Capital Officer

Capital One, National Association

Accepted and Agreed:

Saigebrook Development, LLC

Name: Lisa Stephens

Title: President

Date: 11-29-2021

EXHIBIT A

The terms and conditions set forth below supplement those set forth in the Proposal letter

Borrower	June West, LLC
Property Improvements	The new construction of a 80-unit family housing affordable/mixed income development. The unit design includes a mix of one, two, and three bedroom units within 1 midrise style building.
Affordability Restrictions	 10 units restricted to 30% of AMI 32 units restricted to 50% of AMI 32 units restricted to 60% of AMI 6 units restricted to 80% of AMI A minimum underwritten 10% discount to
	market is required
Operating Subsidies	N/A
Construction Loan Amount	Up to \$10,942,177 (final amount to be sized during underwriting)
Construction Loan Origination Fee	100 bps
Construction Loan Spread	275 bps
Index	One-Month Term SOFR (4 bps as of 10/22/2021
Index Floor	50 bps
Construction Minimum Rate	Construction Loan Spread + (greater of Index and Index Floor) + a minimum 100 bps underwriting cushion
Construction Loan Term	24 months
Construction Completion Date	15 months of the date of close
Retainage Terms	10% retainage will be withheld on all draws until 50% completion, and the portion of retainage withheld up until that point will continue to be held until Substantial Completion. Thereafter, retainage withheld will be lowered to 0% on all remaining draws until Substantial Completion, resulting in a net aggregate retainage of 5% held at Substantial Completion, subject to credit approval.
Subcontractor Buyout Requirements	A to be determined percentage of total trade costs committed under executed subcontracts and/or letters of intent reasonably satisfactory to Capital One at closing. Executed subcontracts shall be required to be provided within a to be determined number of days following closing, such that an aggregate to be determined percentage of total trade costs is achieved.
Construction Loan Paydown Balance	Approximately \$5,281,442 (final amount to be sized during underwriting)
Extension Fee	50 bps
Extension Period	6 months
Extension Period Physical Occupancy	92.5%, for 1 month prior to maturity
Extension Debt Service Coverage Ratio	1.15x for 1 month prior to maturity

Guarantor 1	Lisa Stephens
Guarantor 2	Saigebrook Development, LLC
Additional Covenants	minimum Liquidity of \$1MM and Net Worth of \$5MM
Lien-Free Completion Guarantor	General partner/managing member of the Borrower, all Guarantors
Permanent Loan Lender	TBD. (Freddie Mac via COMF Agency Finance or any other lender determined by borrower and acceptable to Capital One)
Permanent Loan	Up to \$4,500,000. The Permanent Loan amount is expected to be sized to a minimum debt service coverage ratio of 1.15 and a maximum Loan to Value of 90%.
	The Permanent Loan term is expected to be 15 years from Conversion based on a 35-year amortization schedule. A 25 bps underwriting cushion will be added to the underwritten Permanent Loan interest rate until the interest rate is locked. The Permanent Loan interest rate must be locked prior to or at Construction Loan closing.
Permanent Loan Take Out Commitment	A forward take-out loan commitment acceptable to Capital One executed prior to Construction Loan closing. The commitment will be documented by means of a tri-party agreement among Capital One, the Borrower and the Permanent Loan lender. This agreement will establish: • a firm commitment to finance the Development property, subject to achievement of satisfactory completion and any rental achievement goals that apply; • a fixed interest rate for the Permanent Loan; and • a commitment expiry date that shall not occur prior to the Construction Loan maturity date.
Total LIHTC Contribution	\$13,798,620
Additional Source 1	\$1,400,000 - RHDA, City of Austin, 100%
(Subordinate Debt)	funded at closing
Hard Cost Contingency Soft Cost Contingency	5% of total construction contract 5% of all soft costs (less origination fees, interest reserve, developer fee, and capitalized reserves)
Servicing Fee	N/A
Developer Fee	Budgeted Developer Fee totals \$1,617,433. Developer Fee payments are subject to final underwriting and credit approval. Adjustments permitted per TDHCA regulations.

Net Operating Income	During the construction phase, distributions of net operating income (income after expenses) are prohibited. The Borrower will report operations and will pay interest from the interest reserve provided that any net operating income in excess of \$50,000 is swept into an Interest Escrow Account for the benefit of Capital One, subject to credit approval. After the interest reserve is exhausted, funds in the Interest Escrow Account will be utilized. Any remaining funds in the Interest Escrow Account will be released upon conversion.
Good Faith Deposit	\$20,000
Anticipated Closing Date	6/30/2022. If the closing date exceeds 120 days from the date of this Proposal, pricing and terms may be subject to change.

EXHIBIT B

CONDITIONS TO CONSTRUCTION LOAN CLOSING

The conditions to closing of the Construction Loan shall be customary for transactions of this nature and appropriate for this particular transaction, including but not limited to:

- 1. All agreements with respect to the organization of Borrower and the equity investors shall be in form and substance satisfactory to Capital One and all equity contributions to the Borrower required at closing shall have been funded to an account at Capital One.
- 2. No additional debt shall be secured by the Development property other than the Additional Sources.
- 3. All money funded for acquisition costs prior to Conversion must be the lower of the cost or the value of the land based on an appraisal approved by Capital One.
- 4. All due diligence and underwriting have been completed to the satisfaction of Capital One (including the approval of the credit officer and/or credit committee).
- 5. All representations and warranties under the loan documents shall be true and correct in all material respects and after giving effect to the closing, there shall be no default or event of default under the loan documents.
- 6. Delivery of the following items to Capital One:
 - a. Financial statements, tax returns, operating statements, rent rolls or related documentation requested by Capital One for the Development, the Borrower and the Guarantors, as applicable.
 - b. Executed loan documents and other documents executed in connection therewith which shall be mutually acceptable to Borrower and Capital One.
 - c. A Phase I environmental survey dated within six months of the Anticipated Closing Date on which Capital One is entitled to rely. At the sole discretion of Capital One, additional environmental due diligence may be required, including but not limited to a Phase II environmental survey, asbestos and/or lead paint tests; provided that Capital One will consider using an updated version of existing Phase I if acceptable to Capital One's in-house environmental risk manager.
 - d. Management agreement and management plan from an approved third-party management company reasonably acceptable to Capital One.
 - e. Commitment for title insurance, issued by a title company acceptable to Capital One, covering the Property Improvements, together with the payment of premiums necessary for the title company to issue a mortgagee's policy of title insurance, with respect thereto, for the Construction Loan Amount, together with all endorsements thereto as required Capital One.
 - f. Evidence that the Property Improvements are not located in a flood prone area.

- g. A market and feasibility study for the Property Improvements prepared by an approved market consultant.
- h. Evidence that the Development will have adequate parking per zoning requirements.
- i. Pro forma operating statement for the Development.
- j. Survey of the Development that includes any easements or licensing agreements in place.
- k. Evidence of fire, hazard, flood (as applicable), builder's risk, workman's compensation, and all other insurance as will be required by the loan documents, each naming Capital One as loss payee or mortgagee.
- I. Receipt and approval by Capital One of a final construction budget, a construction schedule and a draw schedule, together with a third-party plan and cost review performed by a third party acceptable to Capital One which shall, among other things, verify the adequacy of such construction budget. The cost breakdown should clearly indicate those line items to be funded by the equity contributions and the timing thereof.
- m. A recent (within 30 days prior to closing) set of lien searches indicating that the Development and the Borrower are free and clear of all security interests (or will be at the time of closing).
- n. The Borrower's partnership agreement or operating agreement, as applicable, and all amendments and modifications thereto, and copies of any notes, guarantees, and other instruments and agreements issued or executed pursuant thereto.
- o. Certified copy of Borrower's and its general partner's or managing member's and each Guarantor's charter documents, certificates of good standing as of a recent date and evidence of corporate authorization to enter into the transaction contemplated by this Proposal and the loan documents in form and substance acceptable to Capital One.
- p. Any deed containing reversionary rights or project specific covenants must be in form and substance acceptable to the Lender, including any Lender protections that are deemed necessary by the Lender.
- q. The purchase agreement or ground lease of the Development property and landlord estoppel letters as may be required by Capital One, as applicable. If the Borrower's interest in the Development property is subject to a ground lease, the ground lease must be financeable as determined by Capital One. Any such ground lease (i) may not permit termination of the lease or transfer of the fee interest by landlord without Capital One's consent, (ii) must be transferable to Capital One under same terms and assignable by Capital One to a new party, and (iii) must require the landlord to send Capital One notice of any defaults under the lease and grant Capital One certain rights to cure.
- r. Opinions of counsel with respect to the Borrower, each Guarantor, and such other entities reasonably requested by Capital One, and covering such matters as Capital One shall deem reasonably necessary or desirable in connection with the transaction.

- s. Current plans and specifications for the Development.
- t. The contract between Borrower and the Development's architect, together with an agreement from such architect consenting to the assignment of the plans and specifications prepared by the architect to Capital One and providing for the subordination of all statutory and contractual liens and claims of the architect against the Development.
- u. The general construction contract between Borrower and the General Contractor (which shall be a fixed price/stipulated sum or guaranteed maximum price contract consistent with the budget approved by Capital One), together with an agreement from the General Contractor consenting to the assignment of such contract to Capital One, and providing for the subordination of all statutory and contractual liens and claims of the General Contractor against the Development.
- v. Evidence that the Subcontractor Buyout Requirements have been met.
- w. All management contracts, operating agreements, franchise agreements, or other contractual arrangements affecting the operation of the Development. Capital One reserves the right to require that all such contracts and agreements be conditionally assigned by Borrower to Capital One, and to further, at the option of Capital One, require that such assignments be acknowledged by the contracting third parties.
- x. Evidence in the form of letters from the appropriate provider or from the project engineer, that public water, sanitary and storm sewer, electricity, gas, and other required utilities are available to the Development (as clearly identified in said letters) and in quantities sufficient for the successful operation of the Development. All utility lines must enter the Development through adjoining public streets or, if passing through adjoining private land, do so in accordance with recorded public or private easements satisfactory in form and content to Capital One.
- y. Evidence that the Permanent Loan Take Out Commitment has been executed for the Permanent Loan under the terms outlined in Exhibit A.
- z. Evidence that the Development and all planned improvements and intended uses will fully comply with all applicable deed restrictions, laws, regulations, and zoning requirements, and copies of all building and grading and demolition permits, operating permits, licenses, consents and approvals, which building and grading and demolition permits, operating permits, licenses, consents and approvals shall be conditionally assigned to Capital One.
- aa. Executed rental agreements by and allocating agency for any operating or rental subsidies including project-based vouchers, public housing assistance, veterans' assistance or any other underwritten revenue.
- bb. Such other financial information and other documents as shall be required by the loan documents.
- cc. All documentation and other information required by the policies and procedures of Capital One to comply with applicable "know your customer" and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.



January 19, 2022

Lisa Stephens June West, LLC 5501-A Balcones Drive #302 Austin, TX 78731

Dear Lisa,

This letter will serve to confirm Legacy Bank and Trust's ("Bank") interest in providing permanent financing for the 80 units in Austin, Texas named June West ("Project"). The Project will utilize the Low-Income Housing Tax Credit program and require a permanent mortgage of up to \$4,600,000. The terms presented below are for discussion purposes and are indicative of a loan structure we would propose and are based on the information provided by you and our underwriting assumptions. Loan approval will be subject to final underwriting and standard due diligence by the Bank.

Terms:

Borrowers: June West, LLC

Credit Facility: Permanent Mortgage Loan of \$4,600,000 (Four Million Six

Hundred Thousand Dollars).

Use of Proceeds: Loan proceeds will be used exclusively to provide permanent

financing for the Project in Austin, Texas.

Anticipated Closing Date: On or before June 30th, 2022, with funding expected to occur on or

before June 30^{th,} 2024, following Project completion and stabilization subject to extension as may be approved by Bank.

Term: 18 years from closing, principal and interest due monthly following

funding based on a 40-year amortization.

Interest Rate: 10 Year Treasury plus 2.75% fixed at Project closing (currently

4.48%)

Collateral: 2nd Mortgage during construction phase behind the Construction

Lender. At Conversion and upon funding of the Permanent Mortgage and payoff of the Construction Loan Legacy will hold 1st Mortgage, Assignment of Rents, and UCC Filing on FFE on the property to be constructed known as June West in Austin, Texas.

Origination Fee: 1.0% origination fee will be payable at closing.

Guarantor(s): non-recourse except for standard carve-outs for fraud or other

wrongdoing.



Pre-payment Penalty: None. Borrower can repay a portion or all of the proposed debt at

any time with no penalty and no yield maintenance requirement.

Expenses: Borrower will pay all expenses associated with the Loan including,

but not limited to, attorney's fee, lender's title insurance policy,

appraisal, environmental report and survey.

Deposit Accounts: The related deposit accounts for this project will be maintained at

the Bank including:

Replacement Reserve

Operating Reserve

• Tax and Insurance Reserve

Conditions Precedent to Lending:

1) Approval of self-contained appraisal report stating Market Value of the project at closing. The loan amount will be subject to a maximum 85% loan-to-value based on 'stabilized-restricted' appraised value.

- 2) Approval of Phase I environmental report at closing.
- 3) Lien Free Project completion and stabilization achieved at 90% occupancy for a consecutive 90-day period.
- 4) Satisfactory results of all legal due diligence, including lien, judgement and tax search, and other matters the Bank may request.
- 5) The Bank shall receive a valid and perfected priority lien and security interest in the Collateral and the Bank shall have received satisfactory evidence that there are no liens on the Collateral except a subordinate 2nd mortgage in the amount of \$1,400,000 provided by the City of Austin or Austin Housing Finance Corporation.
- 6) A Debt Coverage Ratio that exceeds 1.15x at conversion to perm at funding.

Borrower agrees to indemnify and to hold harmless the Bank, and its officers, directors, and employees against all claims, expenses, damages, liabilities and expenses which may be incurred by or asserted against any such person in connection with or arising out of this letter and the transactions contemplated hereby, other than claims, damages, liability, and expenses resulting from such person's gross negligence or willful misconduct.

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed publicly or privately to any third person except those who are in a confidential relationship to you (such as your legal counsel and accountant), or where the same is required by law (including all applicable federal and state securities laws), which conditions Borrower and its agents agree to be bound by upon acceptance of this letter or to those parties directly involved with financing the Project.

This Letter of Interest is intended to be a summary of the most important elements of the agreement to enter into a loan transaction with Borrower, and it is subject to all requirements and conditions contained in loan documentation proposed by the Bank in the course of closing the credit facility described herein. Not every provision that imposes duties, obligations, burdens or



limitations on Borrower is contained herein, but shall be contained in the final Loan documentation satisfactory to the Bank.

Acceptance of the terms and conditions of this offer shall be evidenced by returning a signed copy of this letter to the Bank to the attention of Eric Leonard no later than February 19th, 2022, or this offer shall expire. If Borrower accepts the terms and conditions of this offer by the date stated above, closing shall occur on or about June 30th, 2022, or this offer shall expire unless extended by the Bank in writing.

This proposal supersedes all prior agreements and commitments, conversations and understandings relating to the subject matter hereof. Oral agreements or commitments to loan money, extend credit, or forbear from enforcing repayment of a debt, are not enforceable. The proposal contained herein is the complete and exclusive agreement between the borrower and the Bank. Any change in terms or conditions subsequent to this proposal must be in writing, signed by an officer of the Bank and acknowledged in writing by the borrower. Legacy Bank and Trust reserves the right to withdraw this availability if any of the terms and conditions stated herein is not fulfilled. Any loan originated by Legacy Bank would also be subject to the terms and conditions of Legacy Banks underwriting, review, due diligence and approval of transaction by Legacy Bank and its management.

Legacy Bank and Trust is a full-service community bank that is also a Certified Development Financial Institution (CDFI) which is a U.S. Treasury Department designation for community oriented financial institutions. Any further action from the Bank will require the award of the applied for project and tax credits by the necessary government agencies, as well as adherence to normal underwriting and due diligence procedures as determined by Legacy Bank and Trust. This letter and the proposed credit facility shall be governed by and constructed in accordance with Missouri law without regard to its conflict of law provisions.

If you should have any questions, please do not hesitate to contact me at (417) 753-4343.

Sincerely,

Eric Leonard

Executive Vice President

Accepted by:

2-11-2022

Date







Rental Housing Development Assistance Application

June West



4a. Market Study







Rental Housing Development Assistance Application

June West



4b. Good Neighbor Policy

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.

(3) Pre-Application Engagement

Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). (see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)

Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4)	App (lication	requi	rements
-----	-------	----------	-------	---------

l Provide	communications pl	an

Provide documentation showing the content of the notice, and proof of delivery

Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.

Megan Lasch 2-25-21

Signed printed name date







Rental Housing Development Assistance Application

June West



4c. SMART Housing Letter



City of Austin

P.O. Box 1088, Austin, TX 78767 www.cityofaustin.org/housing

Housing and Planning Department

S.M.A.R.T. Housing Program

March 1, 2021 (Revision to letter dated February 23, 2021)

S.M.A.R.T. Housing Certification June West LLC, 1200-1206 W Koenig Ln (ID 775)

TO WHOM IT MAY CONCERN:

June West LLC (development contact Megan Lasch; ph: (830) 330-0762; email Megan@O-SDA.com) is planning to develop June West, an **80-unit multi-family** development at 1200-1206 W Koenig Lane, Austin TX 78756. All **80** of the units will be rented to households at or below **80%** Median Family Income (MFI). The project will be subject to a minimum 5-year affordability period after issuance of a certificate of occupancy, unless funding requirements are longer.

The Housing and Planning Department (HPD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since 13% (10) of the units will serve households at or below 30% MFI, 40% (32) of the units will serve households at or below 50% MFI, 40% (32) of the units will serve households at or below 60% MFI, and 8% (6) of the units will serve households at or below 80% MFI, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance except for Austin Water Utility (AWU) Capital Recovery Fees. The expected fee waivers include, but are not limited to, the following fees:

AWU Capital Recovery Fees
Building Permit
Site Plan Review
Construction Inspection
Demolition Permit Fee

Concrete Permit Electrical Permit Subdivision Plan Review Parkland Dedication Fee (by separate ordinance) Regular Zoning Fee Mechanical Permit Plumbing Permit Zoning Verification Land Status Determination Building Plan Review

Prior to issuance of building permits and starting construction, the developer must:

- Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Contact Austin Energy Green Building: 512-482-5300 or greenbuilding@austinenergy.com).
- ♦ Submit plans demonstrating compliance with the required accessibility or visitability standards.

Before a Certificate of Occupancy will be granted, the development must:

- ♦ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- Pass a final inspection to certify that the required accessibility or visitability standards have been met.
- An administrative hold will be placed on the building permit, until the following items have been completed: 1) the number of affordable units have been finalized and evidenced through a sealed letter from project architect and/or engineer, 2) a Restrictive Covenant stating the affordability requirements and terms has been filed for record at the Travis County Clerk Office.

The applicant must demonstrate compliance with S.M.A.R.T. Housing standards after the certificate of occupancy has been issued or repay the City of Austin, in full, the fees waived for this S.M.A.R.T. Housing certification.

Please contact Alex Radtke by phone 512.974.2108 or by email at alex.radtke@austintexas.gov if you need additional information.

Sincerely,

Sandra Harkins

Sandra Harkins, Project Coordinator Housing and Planning Department

Cc: Kristin Martinez, AE Jonathan Orenstein, AWU Mashell Smith, ORS







Rental Housing Development Assistance Application

June West



4d. MOU with ECHO – Sample Provided. Executed Version to be Sent When Finalized

Memorandum of Understanding (MOU) Between Ending Community Homelessness Coalition (ECHO) and Rental Housing Development Assistance (RHDA) Applicant

I. OVERVIEW

- To qualify for a Continuum of Care unit, applicants will meet the following definition of homelessness:
 - 1. "Households that qualify as homeless under the HUD HEARTH Act ¹Homeless definition paragraph one: (i) those whose primary nighttime residence is not designed as a sleeping accommodation for human beings, (ii) those in shelter, transitional housing, or motels paid for by charitable organizations, and (iii) those exiting institutions after 90 days or less and who were previously homeless;" and
 - 2. Be referred through Coordinated Assessment.
- The owner/agent will dedicate X units to the Continuum of Care.

II. GENERAL ROLES

- The Owner/Agent will systematically alert ECHO of anticipated unit vacancies to be filled by the Continuum of Care, comply with the summary of time limitations outlined below, and comply with attached tenant screening criteria. Details outlined below.
- ECHO will assume responsibility for readying eligible homeless applicants to quickly apply to fill those
 vacancies and efficiently meet all requirements of the tenant screening and lease up process to the
 Owner/Agent's satisfaction. Details outlined below. Referred households will have the following
 characteristics:
 - 1. Homeless status has been certified
 - 2. Household matches the property's income, unit size restrictions, etc.
 - 3. Household has completed Coordinated Assessment
- For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment system; individual household vulnerability and eligibility will be considered as part of the Coordinated Assessment process. ECHO will then pair that household with an appropriate support service program. These are support service programs, not governed by ECHO, that are often positioned to provide short term and/or long term support services to the households during their new tenancy that will promote their stability as tenants. Details outlined below.

¹ The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH); May 20, 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act .



III. RESPONSIBILITIES OF OWNER/AGENT

- Provide ECHO, in a separate email, the following documents at least 30 days prior to the start of application acceptance:
 - 1. Standard Application
 - 2. Standard Lease Agreement including specifications regarding utility payments
 - 3. List of documents needed for a complete application
 - 4. Property rules related to smoking, parking, pets, etc.
- Email ECHO point of contact with timely notification of a vacancy that will be assigned as a CoC unit and provide relevant information about the vacant unit.
- Copy assigned support service provider on all communication with a homeless applicant. Note that ECHO will obtain a Release of Information for each household to allow this communication to proceed.
- Whenever possible, accept initial applications by secure email or fax in order to decrease the number of visits the applicant and service provider need to make to the property.
- Screen the batch of up to three referred applicants for eligibility and suitability in the order received from ECHO (i.e. Applicant #1 and Applicant #2).
- Alert ECHO, assigned support service provider, and applicants of any deficiencies in applications.
- Make an eligibility determination within 5 business days whenever possible.
- Ensure a general response time for all communications with the MOU partner of 1-2 business days.

IV. RESPONSIBILITIES OF ECHO

- Provide Owner/Agent with a batch of up to three applicants that meet the property's eligibility criteria
 within 5 business days of notification from the Owner/Agent of an available CoC unit. If the applicants
 are rejected or decline an offer of housing, ECHO can refer more applicants if requested by the
 Owner/Agent. If a suitable applicant is not identified within 30 business days, then the property may
 revert back to its standing waiting list to fill the vacancy.
- Provide the Owner/Agent with a complete referral package for each referral that includes:
 - 1. Completed housing application of the Owner/Agent.
 - 2. Required supporting documentation needed by the Owner/Agent to process applications::
 - a. Picture IDs for all adults
 - b. Income and asset documentation
 - 3. Verification of homelessness for CoC unit eligibility.
 - 4. Determination that household is most appropriate as determined by the Austin/Travis County Continuum-of-Care Coordinated Assessment process.



- 5. Release of Information from the referred households to authorize ECHO and the Owner/Agent to share information regarding the households' applications, including third party documents the development receives from doing third party verifications (i.e. bank statements, credit reports, etc).
- 6. Contact information for assigned support service provider.
- Support the appropriate support service program in informing the applicants referred that this is only
 a referral and does not constitute an offer of housing and that the Owner/Agent will confirm eligibility
 for the housing and conduct a screening that will include a credit check, criminal background check,
 and landlord history check.
- Support the appropriate support service program in accompanying the referred applicants for interviews with the Owner/Agent and lease signing at the property if the household needs that support.
- For each referral, ECHO will identify the household as prioritized through the Coordinated Assessment
 process; individual household vulnerability and eligibility will be considered as part of the Coordinated
 Assessment process. ECHO will then pair that household with an appropriate support service program.
 These are support service programs, not governed or guaranteed by ECHO, that are often positioned
 to provide short term and/or long term human services to the households during their new tenancy
 that will promote their stability as new tenants.
- Ensure a general response time for all communications with the MOU partner of 1-2 business days.



V. SUMMARY OF TIME LIMITATIONS TO COORDINATION

Party	Step	Time Limitation
Owner/Agent	Email announcement of vacancy to be dedicated to homeless preference	Immediately upon vacancy - or as soon as anticipated
ЕСНО	Submit up to 3 referrals to fill vacancy in a ranking order for consideration	5 business days
Owner/Agent	Announce eligibility determination	5 business days
ЕСНО	Second attempt to fill unit before vacancy may go to general waiting list	5 business days
All parties	General response time for all communications between parties	1-2 business days



VI. ESTABLISHED POINTS OF CONTACT

ECHO Point of Contact
Name: Bree Williams
Title: Director of Community Housing
Phone: 512-940-9690
Email: <u>breewilliams</u> austinecho.org
Address:
Website: www.austinecho.org

RHDA Applicant Point of Contact
Name:
Title: Owner
Phone:
Email:
Address:
Website:



VII. VACANCY INFORMATION

aca cy A o ceme t mai Co te ts	
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VIII. MOU ATTACHMENTS

- RHDA Applicant should attach the following to this MOU:
 - 1. Rental Application and related document requirements, if available
 - 2. Standard Lease and utility payment specifications, if available
- ECHO should attach the following to this MOU:
 - 1. CoC Unit Screening Criteria
 - 2. Sample Release of Information



IX. MOU SIGNATURES

ЕСНО	
Name:	
Title: Executive Director	
Phone:	
Email:	
Address:	
Website: www.austinecho.org	
Signature:	
Date:	
RHDA Applicant	
Name:	
Title: Owner	
Phone:	
Email:	
Address:	
Website:	
Signature:	
Date:	









Rental Housing Development Assistance Application

June West



4e. Resident Services



Support Services

All of Saigebrook and O-SDA's communities offer targeted onsite support services. Our service providers tailor their offerings to meet the specific needs of residents in each community, as determined through resident surveys and meet-and-greets. Usually, this includes onsite parenting, nutrition, and personal finance classes, kids' activities and tutoring, and monthly free social events. Over the next three years June West has budgeted a total of \$45,906 for supportive services at this development. Resident Portfolio Services is currently working with us on three other Austin area properties (Aria Grand, The Abali, and La Madrid) and has helped create events for our residents including recent back-to-school preparation, craft activities with corresponding lessons/videos, and providing information to tenants who could benefit from the City of Austin's Rent Assistance Program during COVID-19.





Above: A free event for residents at O-SDA Industries developed **La Madrid Apartments**, Austin, TX Below: Fitness center at O-SDA Industries developed **Stillhouse Flats**, Harker Heights, TX



SAMPLE PRS CURRICULUM & REPORTS

CALENDARS & FLIERS

LURA REPORT

MONTHLY EVENT SUMMARY

PICTURE SUCCESS STORIES

FINANCIAL LITERACY CURRICULUM

Woodview Apartments





Good Neighbor Program -Eu'Meka Brandon, Resident Services Coordinator. Please send questions or suggestions to: woodviewgnp@portfolioresidentservices.org: null

Saturday	m	10	17	Program Coordination September Calendar Copies & Distribution 11:00 AM - 1:00 PM	31
Friday	2	6	16	23	30
Thursday	Program Coordination 1:00 PM - 3:00 PM Summer Lunch Program Kids' Cafe 3:00 PM - 4:00 PM	9 Operation Back to School Parent Prep 1:00 PM - 3:00 PM Summer Lunch Program Kids' Cafe 3:00 PM - 4:00 PM	Community Outreach Program Contact Community Partners & Vendors 10:00 AM - 12:00 PM Program Coordination Flyer Distribution 12:00 PM - 1:00 PM	Family Skills Development* Healthy Meal Prep 11:00 AM - 1:00 PM Neighborhood Advancement* Crime Watch Safety Tips 1:00 PM - 2:00 PM	29 Fun & Freedom Activity* Kids' Treasure Hunt 4:00 PM - 5:00 PM
Wednesday		Non-GNP Kids' Cafe 3:30 PM - 4:00 PM	Non-GNP Last Kids' Cafe for the Summer 3:30 PM - 4:00 PM	4×2, 2+2, 3, 4; -	28
Tuesday		Operation Back to School School Supplies 1:00 PM - 3:00 PM Summer Lunch Program Kids' Cafe 3:00 PM - 4:00 PM	Program Coordination Calendar Creation 11:00 AM - 1:00 PM Personal Growth Opportunity* Build your Savings Account 1:00 PM - 2:00 PM State Workforce Development* Local Workforce Solutions Assistance 2:00 PM - 3:00 PM Summer Lunch Program Kids' Cafe 3:00 PM - 4:00 PM	Education Program* 20 Ways to Reduce Waste 11:00 AM - 12:00 PM Social Services & Referrals Posture Yourself (Relieve Back Pain) 12:00 PM - 1:00 PM Welfare Programs* Family Money Skills 1:00 PM - 2:00 PM	Youth Development Tutoring Wiz Kids 4:00 PM - 5:00 PM
Monday		Non-GNP Kids' Cafe 3:30 PM - 4:00 PM Non-GNP Kids' Cafe 3:30 PM - 4:00 PM	Non-GNP Kids' Cafe 3:30 PM - 4:00 PM	19	26
Sunday		4	11	18	25

Don't Forget...All programs are FREE for residents. Sign up your family today!



GOOD NEIGHBOR PROGRAM CREDIT COUNSELING

SELF-GUIDED REPAIR SEPTEMBER 6TH 12:00 PM

Our Credit Counseling program is designed to provide residents with financial literature and information to help improve their credit and more.

Join us to learn more!

Horizon Meadows Activity Center



September 2019



PORTFOLIO RESIDENT SERVICES

Good Neighbor Program -Teri Henderson, Resident Services Coordinator Please send questions or suggestions to: sedonavillagegnp@portfolioresidentservices.org

14 Recreational Activity Recreational Activity **Health and Nutrition** Recreational Activity Recreational Activity 2:00 PM - 3:00 PM Adult Development 2:00 PM - 3:00 PM 1:00 PM - 2:00 PM 3:00 PM - 4:00 PM 1:00 PM - 2:00 PM 3:00 PM - 4:00 PM Meet & Greet Paint & Sip Card Games Happy Hour Saturday 13 20 Recreational Activity Recreational Activity Community Potluck 12:00 PM - 1:30 PM 1:30 PM - 2:30 PM **Board Games** 12 19 Ice Cream Social 1:00 PM - 2:00 PM Patio Gardening-Start Seeds Neighborhood Development Men's Coffee Social Neighborhood Development **Neighborhood Development** Wine & Cheese Tasting 11:00 AM - 12:00 PM Recreational Activity 10:00 AM - 11:00 AM 10:00 AM - 11:00 AM Health and Nutrition 11:00 AM - 12:00 PM 10:00 AM - 11:00 AM Recreational Activity 11:00 AM - 12:00 PM Recreational Activity Adult Development 12:00 PM - 1:00 PM Health and Nutrition Recreational Activity 11:00 AM - 1:00 PM **Health and Nutrition** Recreational Activity **Health and Nutrition** 12:00 PM - 1:00 PM 12:00 PM - 1:00 PM 2:00 PM - 3:00 PM Wellness Stretches Health & Nutrition 1:00 PM - 2:00 PM 1:00 PM - 3:00 PM **RSVP Senior Corps** Seasonal Flu Shots Walk & Talk Club Travel Planning **Tote Painting** Card Games Health Fair Thursday Karaoke 11 18 Chair Volleyball 1:00 PM -2:00 PM 10:30 AM - 12:00 PM Recreational Activity Adult Development Health and Nutrition 12:00 PM - 1:00 PM **Estate Planning** Ladies' Brunch Wednesday 10 Health and Nutrition Screening & Understanding-Blood Sugar 10:00 AM - 11:00 AM September Birthday Celebration 12:00 PM - 1:00 PM **Neighborhood Development** Cooking Class-Alfredo Lunch Creative Writing Workshop **Brain Twisters & Puzzles** 11:00 AM - 12:00 PM 11:00 AM - 12:00 PM 11:00 AM - 12:00 PM 10:00 AM - 11:00 AM Social Media How-To Recreational Activity Recreational Activity Recreational Activity **Health and Nutrition** Recreational Activity Recreational Activity Health & Nutrition Adult Development **New Resident Tour** 12:00 PM - 1:00 PM 12:30 PM - 1:30 PM 1:00 PM - 2:00 PM 1:30 PM - 2:30 PM Knitting Group Tuesday 16 Lunch and a Movie: The Green Mile Pen Pals 12:00 PM - 1:00 PM Recreational Activity 10:00 AM - 11:00 AM Health and Nutrition 11:00 AM - 12:00 PM Recreational Activity Recreational Activity 11:00 AM - 1:30 PM Fall Wreath Making Physician Referrals 1:30 PM -3:00 PM Monday 29 15 22 Sunday

Don't Forget... All programs are FREE to residents! Sign Up Today!



Enjoy tasty treats & wine as our talented art instructor leads us in creating a beutiful piece of art.

SATURDAY, SEPT 28TH 3-4PM SEDONA VILLAGE





LURA Summary

Adobe Ranch Apartments

LURA	Activity	Event Description	Date
Counsel	ling Services		
	Counseling Service*	Is Counseling Right for Me?	1/29
	Counseling Service*	Is Counseling Right for Me?	2/25
	Counseling Service*	Basic Parenting Skills pt. 1	3/4
	Counseling Service*	Basic Parenting Skills pt. 2	4/1
	Counseling Service*	211-Crisis Services	5/1
	Counseling Service*	Suicide Awareness and Prevention	6/4
	Counseling Service*	Depression & Anxiety	7/2
	Counseling Service*	Healthy Marriages	8/1
Credit C	ounseling		
	Credit Counseling*	Increasing Your Credit Score	1/24
	Credit Counseling*	Credit Smart	2/18
	Credit Counseling*	Credit Smart Series pt. 3	3/11
	Credit Counseling*	Credit Smart Series pt. 4	4/8
	Credit Counseling*	Credit Smart Series pt. 5	5/13
	Credit Counseling*	Dealing with Debt	6/5
	Credit Counseling*	Build Credit-Not Debt	7/9
	Credit Counseling*	Dealing with Debt	8/6
Financia	l Planning Assistance or Courses		
	Financial Planning Assistance or Course*	Family Money Skills	1/15
	Financial Planning Assistance or Course*	Building Savings Through IDA's	2/8
	Financial Planning Assistance or Course*	Financial Literacy	2/22
	Financial Planning Assistance or Course*	Income Tax Assistance	3/5
	Financial Planning Assistance or Course*	TAAHP Scholarship Applications	3/8
	Financial Planning Assistance or Course*	TAAHP Scholarship Applications	3/26
	Financial Planning Assistance or Course*	TAAHP Scholarship Program	4/15
	Financial Planning Assistance or Course*	Monthly Budgeting	5/8
	Financial Planning Assistance or Course*	Steps to Avoiding Scams	6/11
	Financial Planning Assistance or Course*	Help Paying for College	7/16
	Financial Planning Assistance or Course*	Keeping Track of Your Money!	8/7
GED Pre	paration		
	GED Preparation*	Registering for the GED	1/17
	GED Preparation*	Registering for the GED	2/2
	GED Preparation*	GED Study Guides	2/9
	GED Preparation*	How to Find Resources	3/6
	GED Preparation*	Study Guides	3/25
	GED Preparation*	Practice Test	4/22
	GED Preparation*	Get Ready-Practice Test	5/10
	GED Preparation*	GED Practice Test	6/12
	GED Preparation*	Math-Test Practice	7/23



Good Neighbor Program

Monthly Event Summary Report

Report Summary

Park Place at Loyola Portfolio Member:

Contribution Value: 215 **Fotal Male Participants:** Michael Kroeger Resident Services Coordinator:

\$2,330.00 \$2,090.00 GIK Goods/Donations: 290 **Fotal Female Participants:** 98.00 Occupancy Rate:

\$240.00 GIK Services: 505 Total Participants: 9 New Residents Enrolled:

14.00 Total Volunteer Hours: 30 Total Activities:

65.00

Total Hours:

Financial Planning Assistance or Health and Nutritional Courses Health and Nutritional Courses Home Buyer Education Basic Adult Education Community Gardens Computer Facilities Credit Counseling Lura Req Courses Gordon, KIPP, Access Dental Kroeger, KIPP, Access # of Persons Provided by GNP &: Central Texas Food Bank, Michael Dental, Flash 16 20 7 4 39 16 15 16 20 9 7 တ Addiction Recover Resources Low-Cost Family Activities in Using the Debt Snowball Walking Group Exercise Apps for Mental Health Garden Maintenance Family Board Games Working On Budgets Healthy Portions Kids' Free Time The First Steps Family Literacy Description Austin Financial Planning Assistance or Health and Nutritional Course* Health and Nutritional Course* Home Buyer Education* Basic Adult Education* Family Development Community Garden* Family Development Adult Development Adult Development Credit Counseling* Computer Facility* Administration Course* Title 00.9 2.00 2.00 2.00 2.00 4.00 2.00 2.00 2.00 2.00 2.00 2.00 2.00 # of Hrs. 2 Freq.

Legal Assistance

8

Family Law Resources

Legal Assistance*

2.00



Good Neighbor Program

Monthly Event Summary Report

		Organized Team Sports Programs	Organized Team Sports Programs				Scholastic Tutoring	Social Event - Social Events and Activities		State Workforce Development - Coordinate services with those	Transportation	Vocational Training	Youth Programs	Youth Programs
7	42	16	17	17	21	15	15	45	12	0	14	13	22	တ
Community Outreach	Resident Event	Soccer At The Park	Football At The Park	Outdoor Scavenger Hunt	Biking Around Park Place	Board Games	Summer Assistance	Kid's Movie	Find The Assistance You Need	Updating Resumes	Austin Scooter Safety	Choosing A College Major	Arts & Crafts	Life Skills
Neighborhood Development	Operation Back to School	Organized Team Sport*	Organized Team Sport*	Recreational Activity	Recreational Activity	Recreational Activity	Scholastic Tutoring*	Social Event*	Social Services & Referrals	State Workforce Development*	Transportation*	Vocational Training*	Youth Program*	Youth Program*
2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	4.00	1.00	2.00	2.00	2.00	2.00	2.00
_	_	_	~	_	_	~	_	2	~	_	_	_	_	_

nature
r's Sigr
. Manager's
Property

Date

Comments

GOOD NEIGHBOR PROGRAM

Michael Kroeger, Resident Services Coordinator
Park Place at Loyola



We had a family game night encouraging families to come together and have a good time. Families that play together build bonds over fun and interaction that help keep strong relationships in difficult times.







GOOD NEIGHBOR PROGRAM

Yesenia De La Torre, Resident Services Coordinator **Brompton Square Apartments**



Brompton Square and Memorial Hermann

Memorial Hermann Community Benefits Corporation started coming to Brompton every Wednesday for six weeks to teach the residents about diabetes. The residents learned several things like: how to take charge of their health, how to live a healthier life with diabetes and how diabetes affects their body. They were able to make sense of blood sugar numbers and meet others who have diabetes. They also had fun learning in a small group through games, activities and support conversations. There was a great turn out and all the residents that attended the classes said they learned a lot of good information. The residents really enjoyed these classes. After completing the course we had a graduation ceremony where the residents received a certificate, a gift and a gift card to HEB.





GOOD NEIGHBOR PROGRAM



Brunch & Bingo
Residents came out and enjoyed a fun game of bingo with some fantastic prizes as well as a delicious brunch!









Pulse Point:

3 Minute Budgets for Seniors

Audience: Seniors

LURA's Met

Educational Activities, On Site Education Programs to the Residents, Adult Education Program(s), Economic Empowerment Services, Human Economic Development, Budget Counseling, Financial Counseling, Financial Planning Assistance, Financial Planning Assistance or Courses, Personal Budget Counseling, Life Skills, Family Skills Development, Family Skills Development Program(s)

Materials Needed

- Computer with internet access
- Accessible printer (optional)

Advance Planning & Preparation

Seniors living on fixed incomes oftentimes struggle with providing the basics for themselves like food, medicine, and other essentials. It is a constant source of stress and worry. You can help and a little bit of peace of mind is priceless! The National Council on Aging has developed an online 3 minute "Budget Check Up" tool to complement their very helpful "Benefits Check Up." Both of these "Economic Check Ups" allow you to work with residents one on one to address their individual needs. By identifying spending habits, you can help residents establish a budget to stick to. By identifying possible benefits for which they are entitled, you can help them free up more money to cover their expenses! April is Financial Literacy month but these tools will come in handy anytime to help your residents get and stay on track. One prepares an excellent spring board for the other, in either order.

Since these tools are so quick and easy to complete, you can still set it up as a group activity. Just ensure that each resident has a private place to sit and discuss their personal finances with you as you enter the information with them on the computer. Waiting residents can have refreshments, work puzzles, play board games, etc. while you provide individualized and confidential assistance to each one. You may also have some other printed materials set out for them to take. See ideas in the "Additional Information and Resources" section below.

You will want to access the site ahead of time and familiarize yourself with the contents and process. Go to: https://calculator.benefitscheckup.org/calculators/make-a-budget-in-3-min?_ga=1.80585685.310098269.1429727284. Enter some sample numbers and see how easy it is to generate.

You can also utilize the attached budget worksheet as an offline alternative.

On your calendar or in a promotional flyer, note that you will be providing individualized, confidential budgeting help and ask residents to jot down and bring a list of their income and expenses (optional). It isn't necessary to do so but having to recall information on the spot is a bit more difficult especially for seniors who may be experiencing memory issues. Do not try to gather this information from residents ahead of time or take from residents to complete tool at a later time and print out!



Information should be given to you on the spot and only used to walk through the steps of the tool. This is the information that will be needed to answer questions:

- Estimates of current expenses (such as housing, food, health, transportation, bills/loans/debt payments, etc.)
- Estimates of current income and assets from all sources for self, spouse and others in the household
- Public benefits received (such as SNAP, Medicaid, etc.) and estimated amounts

Preparing for this activity is quick and easy. Simply set up a comfortable arrangement for you to meet one-on-one and confidentially with residents and ensure that printer is working or have print outs ready to go for each resident.

Presentation Instructions

At the beginning of this activity, explain to your group that you will be providing one-on-one and confidential assistance to each participant. Explain that you have alternate activities set up for them to do while they wait their turn. Assure residents that their personal identifying information such as name, etc. is not asked for and the information they submit is not stored by you or anyone else. You will be entering on 5 sheets of paper if you print all the information and 1 if you only print the "Spending Limit.") Review the budget and information at the bottom of the worksheet and discuss tips to reduce spending.

If your group is small and your resident doesn't mind a few more minutes, you can zip over to do a quick "Benefits Check Up." Identifying benefits for which they may be qualified may provide almost instant budget help for the problem areas you identified in your "Budget Check Up!" Or plan a separate "Benefits Check Up" in the near future to follow up.

FOR ADDITIONAL INFORMATION AND RESOURCES:

https://calculator.benefitscheckup.org/calculators/control-your-spending?_ga=1.69684946.310098269.1429727284 (explore ways to cut spending)

https://www.powerwallet.com/ (another free, quick, and easy money management/budget tool)

http://www.ncoa.org/enhance-economic-security/economic-security-Initiative/savvy-saving-seniors/top-10-things-all-seniors.html

http://www.consumerfinance.gov/newsroom/cfpb-report-finds-debt-collection-tops-older-consumer-complaints/ (protecting seniors from debt collectors, understanding senior rights)

Senior Coupons and Discounts:

http://www.theseniorlist.com/wp-content/uploads/2015/02/theseniorlist.com-2015-Best-List-Of-Senior-Discounts.pdf

http://www.seniordiscounts.com/

http://www.grocerycouponnetwork.com/how-it-works.php

Monthly Cash Flow Plan

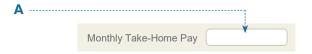
Cash flows in and out each month. Make sure you tell it where to go!

Yes, this budget form has a lot of lines and blanks.

But that's okay. We do that so we can list practically every expense imaginable on this form to prevent you from forgetting something. Don't expect to put something on every line. Just use the ones that are relevant to your specific situation.

step I

Enter your monthly take-home pay in the box at the top right (A). This is the amount you have for the month to budget. So far so good, huh?



step 2

Within each main category, such as Food, there are subcategories, like Groceries. Start at the top and work your way down, filling out the Budgeted column (B) first. Add up each subcategory and put that number in the Total box (C).

Also, pay attention to Dave's recommended percentages (D). This will help you keep from budgeting too much for a category.



step 3

Finally, enter your take-home pay in the top box at the end of the page (E), then add up all categories and place that total in the Category Totals box (F). Then subtract your Category Totals amount from your Take-Home Pay. You should have a zero balance (G). Doesn't that feel great?



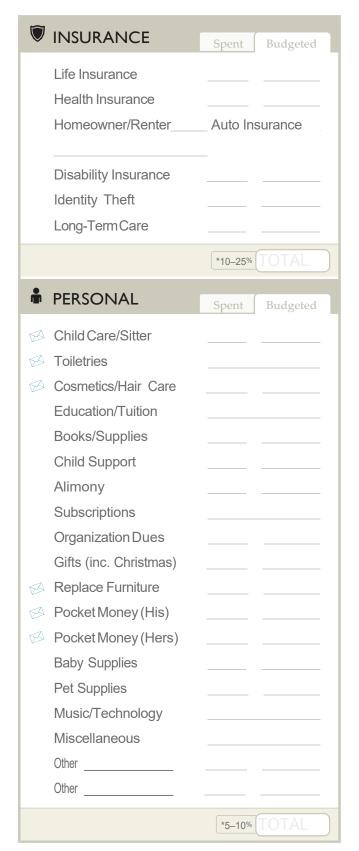
step 4

When the month ends, put what you actually spent in the Spent column (H). That will help you make any necessary adjustments to the next month's budget.



Monthly Cash Flow Plan Cash flows in and out each month. Make sure you tell it where to go!

		Monthly Take-Home Pay
	Add up budgeted column & enter here	These icons represent good options for cash envelopes
♥ CHARITY	Spent Budgeted	FOOD Spent Budgeted
Tithes		Groceries
Charity & Offerings		Restaurants
	*10-15% TOTAL *	*5-15% TOTAL
SAVING	Spent Budgeted	** CLOTHING Spent Budgeted
Emergency Fund		Adults
Retirement Fund		Children
College Fund		Cleaning/Laundry
	*10-15% TOTAL	*2-7% TOTAL
★ HOUSING	Spent Budgeted	** TRANSPORTATION Spent Budgeted
First Mortgage/Rent		Gas & Oil
Second Mortgage		Repairs&Tires
Real Estate Taxes		License & Taxes
Repairs/Maint.		Car Replacement
Association Dues		Other
	*25–35% TOTAL	*10-15% TOTAL
* UTILITIES	Spent Budgeted	MEDICAL/HEALTH Spent Budgeted
Electricity		Medications
Gas		Doctor Bills
Water		Dentist
Trash		Optometrist
Phone/Mobile		Vitamins
Internet		Other
Cable		Other
	*5-10% TOTAL	*5-10% TOTAL





number to zero

Campaign	LURA's Met	Target Audience
Credit Counseling,	Credit Counseling, Economic Empowerment Services,	Adults, Seniors
Financial Literacy,	Human Economic Development, Assist residents with	
Entrepreneurial Education	budgeting, budget counseling, family budgeting, financial	
	counseling, financial planning assistance, financial	
	planning assistance or courses, personal budget	
	counseling	

Objective/Description: The Credit Smart initiative is designed to help consumers build and maintain better credit, make sound financial decisions, and understand the steps to successful long-term home ownership.

ADVANCE PLANNING AND PREPARATION:

Freddie Mac developed Credit Smart, a series of 12 financial education modules, to increase understanding by teaching life-long money management skills. You may review an overview of these materials by visiting their website at: http://www.freddiemac.com/creditsmart/.

You may choose to use only selected modules or use them as a series over time (no more than once a week). Each module includes its own instructor guide and participant presentation guide. Materials are free and may be downloaded individually at: http://www.freddiemac.com/creditsmart/guide/guideworkbook.html. Module titles (and how activities should be named on your calendar) are:

- Your Credit and Why It is Important
- Managing your Money
- Goal Setting
- Banking Services: An Important Step
- Establishing and Maintaining Good Credit
- Understanding Credit Scoring

- Thinking Like a Lender
- Avoiding Credit Traps
- Restoring Credit
- Planning for your Future
- Becoming a Homeowner
- Preserving Home Ownership

The website contacts exercises, games, and other activities to reinforce each module, ideas for promoting the program, and a certification of completion. Familiarize yourself with the program materials and decide on your course of action to schedule all the modules over a period of time or in part. Follow the instructions in each module's instructor guide to prepare in advance. Be sure to have adequate copies of the participation presentation guide.

PRESENTATION STRATEGY:

Found in the selected instructor's guides.

MATERIALS NEEDED:

• See instructor's guides

FOR ADDITIONAL INFORMATION AND RESOURCES:

http://www.freddiemac.com/creditsmart/

http://www.freddiemac.com/creditsmart/guide/workshop_tools.html

http://www.freddiemac.com/creditsmart/guide/guide_workbook.html

http://www.freddiemac.com/creditsmart/guide/promote initiative.html



[Credit Smart (or edit to specific topic)]



[Insert Day, Date, and Time]



If you are looking for ways to better manage your money and build credit, then this program is for you! This series will teach life-long money management skills for a better financial future.



Sponsored by the Good Neighbor Program [Your Name], Resident Services Coordinator



Campaign	LURA's Met	Target Audience
Adult Education, College	Educational Activities, On Site Education Programs to the	Adults, Seniors, Young
Prep Class, Financial	Residents, Adult Education Program(s), College Preparatory	Adults and College
Literacy, Personal Growth,	Classes, Guidance Counseling, Budget Counseling, Financial	Students
Family Skills	Counseling, Financial Planning Assistance, Financial Planning	
	Assistance or Courses, Personal Budget Counseling, Life Skills,	
	Family Skills Development, Family Skills Development	
	Program(s), Economic Empowerment Services, Human	
	Economic Development	

Objective/Description: To help participants recognize the signs of debt distress, make a plan to take control of debt repayments and spending, learn about their FICO score, and why it's best to avoid risky solutions such as title, debt consolidation, tax refund anticipation, and payday loans.

ADVANCE PLANNING AND PREPARATION:

Most likely, the participants attracted to this session on your calendar will probably be experiencing some degree of financial hardships. They may be looking for effective solutions and help to become more financially stable. Attendance alone speaks as a sign they are looking to gain more control of their situation. However, talking about debt can be uncomfortable for most adults so it's important that you be prepared to present this material in a way that keeps your own value judgments out of the mix and puts participants at ease to listen, if not share. Material can be found and downloaded at: http://www.financialworkshopkits.org/workshops/cate gory/dealing-with-debt-for-adults.aspx#materials. This material includes a Power Point Presentation (which is optional), a Script (Facilitator's Guide) for your

discussion, printable Handouts to share with participants, and additional resources.

PRESENTATION STRATEGY:

Simply follow the presentation strategy as described in the Script. If you have a computer available and choose to include the Power Point Presentation, participants may follow along with your talking points. At the end of the presentation, encourage participants to speak with you privately and confidentially about other resources which may be available to help them on an individual basis (direct economic assistance such as benefit and entitlement programs, etc.)

MATERIALS NEEDED:

Session handouts (included in the presentation materials)

FOR ADDITIONAL INFORMATION AND RESOURCES:

(Please note there are also additional resources listed on the web site for this material.)

http://www.daveramsey.com/articles/content-center/category/lifeandmoney_debt/

https://www.mint.com/blog/goals/how-to-get-out-of-debt-0813/

http://www.practicalmoneyskills.com/personalfinance/creditdebt/debt/outofdebt.php

http://www.equifax.com/debtwise/

https://financiallit.org/resources/resource-lists/debt-collection-and-credit-bureau-information/

http://www.moneymanagement.org/ (MMI has been an effective GNP community partner, and is a non-profit referral resource to help participants manage debt)





Dealing with Debt



Insert Day, Date, and Time

Almost everyone will be in debt at some point in their lives. Learn proper money management and debt elimination!



Sponsored by the Good Neighbor Program Your Name, Resident Services Coordinator









Rental Housing Development Assistance Application

June West



5a. Appraisal

APPRAISAL REPORT

OF

1.13 ACRES OF VACANT LAND

LOCATED AT THE NORTH CORNER OF W. KOENIG LANE AND GROVER AVENUE

AUSTIN, TRAVIS COUNTY, TEXAS 78756

DATE OF APPRAISAL / INSPECTION: JUNE 6, 2021

DATE OF REPORT: JUNE 8, 2021

PREPARED FOR AND AUTHORIZED BY

MS. ABBY PENNER
DEVELOPMENT ASSOCIATE
O-SDA INDUSTRIES
5910 COURTYARD DRIVE, #255
AUSTIN, TEXAS 78731

PREPARED BY

DAVID L. PALLANTE AND ASSOCIATES, LLC 8524 HIGHWAY 6 NORTH, #238 HOUSTON, TEXAS 77095

David L. Pallante and Associates, LLC

Real Estate Appraisers

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8524 HIGHWAY 6 NORTH

#238

HOUSTON, TX 77095

PHONE (281) 352-5267

FAX (832) 476-2133

E-MAIL: dpallante@sbcglobal.net

June 8, 2021

Ms. Abby Penner Development Associate O-SDA Industries Austin, Texas 78731 DLP Job No. 038-21

RE: Appraisal report as to the estimated Market Value in "as is" condition of 1.13 acres of land (comprised of two contiguous tracts) located at the north corner of W. Koenig Lane and Grover Avenue and within the City of Austin, Travis County, Texas 78756.

Dear Ms. Penner:

We are pleased to submit this appraisal report covering the above-described property, also described as being TCAD account numbers 229701 & 229703. The investigation has been conducted in accordance with accepted appraisal procedures and conforms with the code of professional ethics and standards of professional conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property totals 1.13 acres of land and is being acquired for a proposed, 80 unit rent restricted LIHTC development catering to the general population. Based upon the data and conclusions set forth in the accompanying detailed report, our opinion of the requested value, assuming a reasonable exposure time of 6 months or less, as of *June 6*, 2021, is as follows:

Valuation Premise	Premise Qualifier	Interest Appraised	Date of Value	Indicated Value
Market Value - 1.13 Acres	As Is	Fee Simple	June 6, 2021	\$4,010,000

Marketing & Exposure Period

The sales indicated that exposure time (i.e., the length of time the subject property would have been exposed for sale in the market had it sold at the Market Value concluded in this analysis as of the date of this valuation) would have been about 6 months. The estimated marketing time (i.e., the amount of time it would probably take to sell the subject property if exposed in the market beginning on the date of this valuation) is estimated to be 6 months.

Ms. Abby Penner Development Associate O-SDA Industries June 8, 2021 Page Two

On the following pages you will find information pertinent to the subject property and its valuation. Your attention is also directed to the Assumptions and Limiting Conditions which are an integral part of the appraisal report. Please read them to fully understand the basis of the subject's valuation estimate. The opinions of value expressed herein are contingent upon the conditions set forth in the attached report. Field data from which this report was prepared is retained in our files. If there are any questions regarding the valuation herein, please contact the undersigned for further discussion or clarification.

Respectfully submitted,

David L. Pallante, MAI

- S Pallanto

Review Appraiser

State Certified General Appraiser

TX-1320347-G Expires 03/31/2023

Mian A. Elmond Brian A. Edmonds Inspecting Appraiser

State Certified General Appraiser TX-1380422-G

Expires 02/28/2023

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Appraised / Location: 1.13 acres of land (comprised of two contiguous tracts) located

at the north corner of W. Koenig Lane and Grover Avenue and within the City of Austin, Travis County, Texas 78756.

Date of the Appraisal:

Date of Inspection:

Date of the Report:

June 6, 2021

June 6, 2021

June 8, 2021

Highest & Best Use:

As Vacant - The site should be developed as contemplated.

Assuming there was no government subsidy (no LIHTCs) the highest and best use would be to develop the site with a market

rate, multifamily community.

Site Area: 1.13 acres (or) 49,225 sq. ft.

Site Shape: Mostly rectangular and functional

Utilities: All public utilities are available and connected to the site.

Electric service is provided by Austin Energy; natural gas by Atmos Energy; water and sewer by the City of Austin; and telephone / internet / cable tv service by AT&T and other

providers.

Adverse Easements: None noted / known.

Flood Hazard: Flood Zone X ($\pm 70\%$) & Zone AO ($\pm 30\%$)

Legal Description: As per a Land Title Survey, presented in the report, the subject

property is comprised of two (2) contiguous tracts of land totaling 1.130 acres (approximately 49,225 sq. ft.) and being Lot A of J. Broaddus Subdivision, a subdivision in Travis County and Lot 13-W, amended plat of Lots 11, 12, 13, 14, 15 and the west 35 feet of Lot 16, in Block W, of Violet Crown

Heights, Section Two, a subdivision in Travis County.

Summary of Important Facts and Conclusions / Continued

Zoning:

The subject site is zoned GR-MU-CO-NP (Community Commercial - Mixed Use - Conditional Overlay - Neighborhood Plan). According to the Site Investigation Report prepared by Kimley-Horn and Associates, Inc. (dated February 2021 and provided to the TDHCA), the subject's zoning allows for multifamily residential but the subject's development is not currently allowed due to density issues. In addition, as per a letter from the Housing and Planning Department of the City of Austin, the subject site as proposed is not permitted unless the City approves an application under the Affordability Unlocked Program.

For purposes of our analysis we have assumed the subject would be approved for the Affordability Unlocked Program and the proposed multifamily land use is considered legally permissible.

TAX AND ASSESSMENT DATA

2021 Assessed Value

TCAD Account Numbers - 229701 & 229703

\$1,835,165

2020 Tax Rate

(per \$100 of Assessed value)

\$2.226665

2021 Tax Liability:

\$40,863

FINAL CONCLUDED VALUE

Valuation Premise	Premise Qualifier	Interest Appraised	Date of Value	Indicated Value
Market Value - 1.13 Acres	As Is	Fee Simple	June 6, 2021	\$4,010,000

PART I INTRODUCTION

IDENTIFICATION OF THE APPRAISAL PROBLEM

- The **intended use and purpose of the appraisal** will be to provide an opinion of market value of the land, in "as is" condition of the Fee Simple Estate as of the effective date of our inspection (June 6, 2021.) The herein value will be used in the analysis of proposed, 80 unit rent restricted LIHTC development catering to the general population.
- ► The **intended users** are O-SDA Industries; Mercy Community Capital; Texas State Affordable Housing Corporation; City of Austin Housing Finance Corporation; and the June West, LLC.
- The property being appraised is comprised of a 1.13 acres of land (comprised of two contiguous tracts) located at the north corner of W. Koenig Lane and Grover Avenue and within the City of Austin, Travis County, Texas 78756.
- As per a Land Title Survey, presented in the report, the subject property is comprised of two (2) contiguous tracts of land totaling 1.130 acres (approximately 49,225 sq. ft.) and being Lot A of J. Broaddus Subdivision, a subdivision in Travis County and Lot 13-W, amended plat of Lots 11, 12, 13, 14, 15 and the west 35 feet of Lot 16, in Block W, of Violet Crown Heights, Section Two, a subdivision in Travis County.
- The site is currently being utilized by a car dealership and is improved with a one-story, metal clad building (±3,014 sq. ft. built circa 1964), a covered canopy structure, an ancillary structure, and parking lot. It is our opinion, the existing improvements offer no contributory value (given our estimate of land value). In fact, the subject's proposed buyer plans to demolish these improvements.

PROPERTY RIGHTS APPRAISED

The property rights appraised were the *Fee Simple Estate* which is defined as: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. ¹

¹ Dictionary of Real Estate Appraisal - Fifth Edition, Appraisal Institute, Chicago, IL, Page 78.

Part I - Introduction / Continued

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis." ²

None

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." ³

- The subject site is currently improved with a one-story, metal clad building (±3,014 sq. ft. built circa 1964), a covered canopy structure, an ancillary structure, and parking lot. Our estimate of "as is" market value assumes a demolition expense of \$100,000 which is consistent with the developer budgeted amount and considered reasonable.
- The subject's proposed development is not an allowed use unless the City approves an application under the Affordability Unlocked Program. Our concluded market value is based on the assumption that the application will be granted.

SCOPE OF WORK

In consultation with Ms. Abby Penner, we provided a market value estimate of the subject's Fee Simple Estate in "as is" condition as of June 6, 2021.

As part of this appraisal, I have made several independent investigations, conducted interviews and performed different analyses. Most of the data relied on to reach a value conclusion is included within this report. The appraisal process is a systematic procedure employed to provide the answer to a specific question about real property values. Following is how we approached this appraisal problem:

1. Area and Neighborhood Analysis

We have gathered information about Austin, Travis County, and the Austin - Round Rock CBSA based on information available from various sources. Our neighborhood analysis was also based on available published information. In addition, we drove within and around the defined neighborhood and much of the information contained in this section was based on actual observation.

² **Ibid,** Page 4.

³ The Appraisal Foundation, USPAP, 2018-2019 ed., page 4.

Part I - Introduction / Continued

2. Site Description and Analysis

An inspection of the subject property was performed on June 6, 2021 by Brian A. Edmonds. Photographs were taken from several different points showing typical scenes around the subject property. In evaluating the subject site we utilized a buyer provided site survey, F.E.M.A. flood maps, TCAD-provided plat maps, and a STDB-provided aerial map.

3. Improvement Description and Analysis

The subject site is currently improved with a one-story, metal clad building ($\pm 3,014$ sq. ft. - built circa 1964), a covered canopy structure, an ancillary structure, and parking lot. It is our opinion, the existing improvements offer no contributory value (given our estimate of land value). In fact, the subject's proposed buyer plans to demolish these improvements.

4. Market Data Program

Appraising vacant land requires the appraisers to gather information on similar tracts of land with a similar highest and best use and location. Due to the subject's location we sought land sales in the general or similar areas that were purchased for multifamily development, consistent with the planned rent restricted development.

5. Approaches to Market Value

Income Approach - Not utilized since we are valuing the site as though vacant land and this approach is not applicable.

Sales Comparison Approach - Utilized since the property is being purchased for the underlying land with no value assigned to the improvements. As such, we have valued the land using comparable sales.

Cost Approach - Not utilized since the property is being purchased for the underlying land with no value assigned to the improvements. As such, we have only valued the land and not the improvements.

Research and Analysis - The appraisal involved using the following data sources:

- ► Information obtained from the Travis County Appraisal District (TCAD)
- ► Flood maps from FEMA
- Plat Maps from the TCAD
- Aerial Maps from STDB
- Proprietary database of vacant land sales
- Discussions with market participants and real estate professionals

Significant Issues - None

Part I - Introduction / Continued

MARKETING & EXPOSURE TIME

An estimate of exposure time is required by USPAP for market value appraisal assignments (Standards Rules 1-2(c)(iv) and 7-2(c)(iv)). An estimate of marketing time is not mandated by USPAP, but it is often required by the client and so becomes an assignment condition in those assignments. The following definitions are taken from USPAP (AO-7):

Exposure Time: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market."

Marketing Time: The amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal."

The only distinction between exposure time and marketing time is that exposure time occurs before the effective date of the appraisal, whereas marketing time occurs after the effective date. While USPAP requires an estimate of exposure time (and sometimes marketing time), this is probably the least precise and most subjective aspect of the entire appraisal process. PWC (PriceWaterhouseCoopers) conducts quarterly surveys of investor requirements, and one of the components is an estimate of marketing time.

Based on a review of the published data, as well as ongoing conversations with market participants and familiarity with industry trends, the appraisers have estimated exposure time and marketing time for the subject as follows:

Exposure Time ±6 Months

Marketing Time ±6 Months

COMPETENCY

The appraisers have valued numerous tracts of land within the past 36 years. We are of the opinion that our past experience as well as our research and investigations into the market, as explained in the "Scope of Assignment", has made us competent to appraise the subject property.

DEFINITIONS

Please refer to the Glossary of Terms in the Addenda.

Part I - Introduction / Continued **OWNERSHIP AND SALES HISTORY** As per information provided by Travis County Appraisal District & Clerk records, the current owner of the subject property is the Hardeman Family Joint Venture, Ltd. This entity acquired the subject property from Broaddus Properties, Ltd. on July 27, 2007 (CCR#: 2007-141-638TR) for an unknown amount. It is our understanding the site will be acquired for development of an affordable housing community and this appraisal will be used in analyzing the sale / acquisition. The property is under contract to June West, LLC (subject's developer) for \$4,000,000 or \$81.26 psf. Our estimate of market value is \$4,010,000 which is \$10,000 or 0.25% above the contracted sales price. A variance of this magnitude is fairly nominal, suggesting the contract price is within a "realm of reasonableness" which is generally considered to be 10%.

Regional Map

REGIONAL ANALYSIS

Four Real estate values reflect the influence of four primary forces that motivate human activity; environmental factors, governmental policies, social trends, and economic conditions. The purpose of the Regional Analysis is to describe and analyze the area within which the interactions of the four major forces influence property uses and values. This section will further analyze past trends for insight into possible future trends, specifically with respect to their influence on the subject property.

Environmental Factors

Location: In 1999-2000, the Office of Management and Budget (OMB) reviewed and revised the Metropolitan Area standards. The new standards replaced the Metropolitan Area classification with a Core-Based Statistical Area (CBSA) classification. The new Core-Based Statistical Area (CBSA) consists of a county containing an Incorporated Place or Census Designated Place with a population of at least 10,000, along with any adjacent counties that have at least 25% of employed residents of the county who work in the CBSA's core or central county. CBSAs are categorized as being either **Metropolitan** (core population of at least 50,000) or **Micropolitan** (core population between 10,000 and 50,000). This allows common statistics to be collected for less urban areas of the nation. These two county-based CBSA definitions will cover approximately 90% of the U.S. population.

The subject property is located in the Austin-Round Rock Metro CBSA, which is comprised of five counties: Bastrop, Caldwell, Hays, Travis, and Williamson. Austin, the state capital of Texas and the seat of Travis County, is located in the east-central part of Texas. Austin is approximately 160 miles west of Houston, 190 miles south of Dallas/Fort Worth, and 75 miles north of San Antonio. To the west of the Austin area is the rocky and lush Texas Hill Country. The eastern portion of the region, and for many miles further east, lies within the Edwards Plateau (blackland), and this area is devoted primarily to agriculture. I-35 runs in a north/south direction, bisecting the Austin region. Historically, I-35 has served as the line of demarcation between Austin's rich and poor. Most honest observers would still consider West Austin more desirable than East Austin. However, the east side of town has experienced considerable gentrification in the past 20 years, and the psychological barrier represented by I-35 is fading.

Topography: The city is divided in a north/south direction by the Balcones Fault Line, separating the Texas Hill Country to the west from the blackland rolling plains to the east. Elevations range from 428 feet above sea level in the southeastern section of the city to 900 feet in the northwestern section. Another significant physical feature is the Colorado River, flowing from the northwest Hill Country, forming a portion of the western city limits, then separating the city between the Central Business District and South Austin.

Climate: Austin's climate is characterized by hot muggy summers and mild winters. Average daily high temperatures range from 60° in January to 96° in August. The average annual rainfall is 32.5 inches and humidity ranges from approximately 50 to 70 percent throughout the year. Snow rarely falls in Austin and typically less than 25 days a year have below freezing temperatures. In summary, Austin's climate permits recreation and construction year round.

Natural Barriers: The Colorado River traverses the area in a northwest to southeast direction. A series of dams constructed along the river by the Lower Colorado River Authority (LCRA) has created the Highland Lakes, which are used for hydroelectric power generation, water reservoirs, and recreational venues. Starting in downtown Austin and going upstream, the lakes include Lady Bird Lake (fka Town Lake), Lake Austin, Lake Travis, Lake Marble Falls, Lake LBJ, Inks Lake, and Lake Buchanan. Lady Bird Lake passes through the middle of Austin, along the south end of the CBD, and it has always been the natural boundary between north and south Austin. Lady Bird Lake and Lake Austin are both "constant level" lakes, permitting development right up to the shoreline. The other lakes are true reservoirs, and the water level fluctuates according to rainfall levels.

Highways: Austin is situated at the junction of Interstate 35 (I-35), US Highway 183, US Highway 290 and Texas Highway 71. Interstate 35, dubbed the NAFTA Highway, extends from the Mexican border at Laredo to Minneapolis, Minnesota. As it passes through Austin, I-35 is very congested, but it is not practical to widen the road. To help with traffic congestion, State Highway 130, a project of the Texas Department of Transportation, is the state's first highway to be developed under a Comprehensive Development Agreement, allowing the work of property acquisition, design, and construction to be undertaken simultaneously.

The new SH-130 is a 49-mile tollway extending from Interstate 35 north of Georgetown southward to U.S. 183 southeast of Austin, passing though Williamson and Travis Counties. SH-130 was completed in April 2008 and the roadway was connected to I-35 in the southern suburb of Buda via SH-45 South Tollway in May 2009.

Several additional long term roadway projects having significant impact on the area's roadway infrastructure include a controversial proposed 84-mile outer loop, the proposed Katy Expressway, and the cross-town freeway. A portion of the outer loop in southwest Austin has been constructed in the large, master planned community of Circle C. In North Austin, an east-west connection from FM 1325 to FM 620 is also included in plans for an outer loop.

A common criticism of Austin's roadway infrastructure is the lack of an east/west cross-town freeway. Improvements to U.S. Highway 183 and State Highway 71 will enhance the flow of cross-town traffic in the far north and south sections of town. However, there exists a continuing controversy over the construction of a centrally located freeway between I-35 and MoPac. A new plan would allow commuters in south Austin to drive between I-35 and U.S. 290 West by constructing a two-lane road connecting I-35 to the MoPac south extension and another between U.S. 290 West and FM-1826.

Commuter Rail: A potential long term boost to the local area is the new commuter rail system. Owned by the Capital Metropolitan Transit Authority, MetroRail is a system that serves the Greater Austin area. The Red Line, Capital Metro's first and only rail service, operates on 32 miles of existing freight tracks and has nine stations. The northern terminus is the Leander Station and Park & Ride and the southern terminus is at the Convention Center in downtown Austin. After years of delays, MetroRail was inaugurated in March 2010. Daily ridership during the first nine months was approximately 800 riders per weekday, less than half of original expectations. The number of riders has generally been increasing, although well below original expectations and still considered low. In fact, Austin's MetroRail continues to be one of the worst performing commuter rail systems nationwide.

Even with increases in ridership, MetroRail is far from operating at break-even levels. The primary reason for pursuing MetroRail was to relieve congestion on Austin's road system. Several shortcomings in the MetroRail system suggest that is unlikely to achieve sufficient ridership to have a measurable impact on traffic:

- 1) Austin is spread out over a very large area. The train may be convenient if you happen to live near a station and work near a station, but relatively few Austinites fit this description. The train is not very convenient if you must walk a mile or more from home or work to reach the station, particularly during the hot, humid summer months. There are bus stops located near each train station, and riders may transfer to a bus free of charge, but each transfer increases the total travel time.
- 2) There is no parking provided near most of the train stations. Thus, a rider cannot drive to the nearest train station and take the train downtown. Instead, he must drive to a Park & Ride bus location and take a bus to the nearest train station.
- 3) MetroRail only operates on weekdays from 5:50 AM to 7:30 PM. The last train departs from downtown at 6:30 PM. Thus, it does not serve those who might work a little late some nights, or who might want to enjoy dinner at a downtown restaurant after work.
- 4) With just a couple exceptions, the MetroRail system does not directly serve most of Austin's major employers. Since MetroRail was superimposed upon an existing freight rail system, Capital Metro was basically forced to work with the existing rail lines, which are not near most of the major employment centers.

The City of Austin is encouraging transit oriented developments (TOD) around each train station, with the hopes of creating more demand for the train service. However, these have not yet spurred significant ridership. As with similar attempts at rail service in other cities, it is unlikely that MetroRail will ever be self sustaining, and it could potentially be a drain on local tax coffers in perpetuity.

Airport: Austin-Bergstrom International Airport opened in 1999, replacing the Robert Mueller Municipal Airport. There are six major airlines serving Austin, including Southwest, American, US Airways, United, Delta, and Frontier.

Recreation and Cultural: There are numerous recreational and cultural opportunities in the Austin area. The Highland Lakes (7 man-made lakes on the Colorado River) and the adjoining parks are used for fishing, water skiing, sailing, jet skiing, and camping. Austin has 150 parks and playgrounds, 21 public swimming pools and 10 large municipal pools, including Barton Springs Natural Pool, 10 public and 14 private golf courses, 156 tennis courts, and 12 recreational centers. Zilker Park is located just west of downtown Austin and it has a natural spring swimming pool, outdoor theater, and hike and bike trails. The Texas Hill Country and Highland Lakes system not only enhance the aesthetics of the area but the recreational value as well.

The University of Texas provides a wide range of recreational and cultural amenities. The university's nationally ranked sports programs provide events such as football, basketball, volleyball, baseball and swim meets. The Bass Concert Hall and the Performing Arts Center, located on the UT campus, host local and touring entertainers while the Frank Erwin Center hosts musical and sporting events.

Other cultural features in the area include the LBJ Library and Museum, The Paramount Theatre (constructed in 1891), as well as numerous art galleries and museums which are primarily located at the University of Texas. The dominant music scene is in the 6th Street Entertainment District that is visited by rock, jazz, and blues bands.

Governmental Policies

Government: Austin is the Capital of Texas, housing the executive, legislative and judicial branches of government. These three branches of government are concentrated around the Capitol building, just north of the CBD, though various state offices are scattered throughout the metropolitan area. Austin is also the seat of Travis County, so various county departments are located in Austin and surrounding areas. Austin's municipal government is a council-manager form of government, with a mayor and six council members who are elected at large and serve a two-year term, wherein half of the council members are elected annually. Travis, Williamson and Hays Counties are served by a county judge and commissioners' court.

Zoning: Zoning and development guidelines are more complex than most metropolitan areas. The City of Austin has imposed stringent restrictions on the spread of development into pristine areas on the periphery of the region. At the same time, the city is actively encouraging high density redevelopment in central Austin, particularly the CBD and the surrounding urban core.

Real Estate Taxes: Ad valorem taxes are assessed by the cities, school districts, counties, road and municipal utility districts. While tax rates vary by jurisdiction, total real estate taxes in the Austin area are generally \$2.20 to \$2.80 per \$100 of assessed value. The State of Texas also imposes a gross receipts tax, which is roughly 0.331% of gross revenues for most businesses.

Gross Receipts Tax: Beginning January 1, 2008, Texas instituted a Franchise Tax that applies to most businesses and ownership entities. It is also referred to as a Margin Tax or a Gross Receipts Tax. The appraisers prefer the term Gross Receipts Tax, because several states have a GRT, so the term is widely understood. Also, with respect to real estate investments, Gross Receipts Tax more accurately describes the method of calculating the tax. The GRT is calculated by multiplying a taxable entity's taxable margin by the tax rate of 1%, or 0.5% for retailers and wholesalers. No tax is owed if the tax due is less than \$1,000 or if the taxable entity's total revenue from its entire business does not exceed \$1 million, subject to adjustment based on changes in the consumer price index. For businesses with less than \$10 million of total revenue, a simplified computational formula call the E-Z computation can be used, whereby the tax is imposed at a rate of 0.331% of total revenue. This is the method typically adopted by owners of commercial real estate.

The GRT applies to most ownership entities, including partnerships, corporations, limited liability companies, banking corporations, savings and loan associations, professional associations, business associations, business trusts, joint ventures, joint stock companies, holding companies and most other legal entities. Entities exempted from the tax include sole proprietorships, general partnerships (if all ownership interests are directly held by natural persons), passive entities, tax-exempt entities, an estate of a natural person, real estate investment trusts (with some exceptions), real estate mortgage investment conduits, certain family limited partnerships that are passive entities, certain grantor trusts, certain kinds of trusts and passive investment partnerships, and non-corporate entities that would qualify because of their activities as a tax-exempt entity if they were a corporation. As a practical matter, virtually all types of commercial real estate are subject to the GRT. Even if a particular owner is exempted, the GRT should still be treated as an operating expense, since the next owner would likely be subject to the tax.

Public Utilities: Austin owns and operates electrical, water, and waste water systems. Natural gas is supplied by Texas Gas Service. Austin has three major water treatment facilities: the Green, Davis, and Ullrich plants. The city also has three waste water treatment plants: the South Austin, Govalle, and Walnut Creek facilities.

Economic Conditions

Unemployment: The following chart summarizes recent unemployment trends from the *U.S. Bureau* of *Labor Statistics* for the CBSA, the state, and the nation.

Unemployment Trends - Austin-Round Rock CBSA

Period Ending	04/21	12/20	12/19	12/18	12/17	12/16
Civilian Labor Force	1,268,362	1,267,150	1,255,200	1,207,936	1,164,240	1,108,316
Total Employment	1,210,952	1,202,103	1,224,993	1,090,300	1,053,500	1,003,400
Job Growth	8,849	(22,890)	134,693	36,800	50,100	
Unemployment	57,410	65,047	30,207	117,636	110,740	104,916
CBSA Rate	4.5%	5.1%	2.4%	9.7%	9.5%	9.5%
Texas	6.3%	7.1%	3.3%	3.6%	3.7%	4.6%
National Rate	5.7%	6.5%	6.4%	3.9%	4.1%	4.7%

As outlined, the Austin - Round Rock CBSA is faring well, relative to the state. Relative to the nation (5.7% unemployment), the regional economy is faring better. In addition, the MSA's unemployment rate decreased 80 basis points between March - April 2021. Most importantly, the MSA has gained roughly 10,986 jobs over the past month as more business reopen and the impact of COVID-19 is waning. Based on recent trends and unemployment filings, the unemployment rate is expected to continue decreasing over the next 12 months.

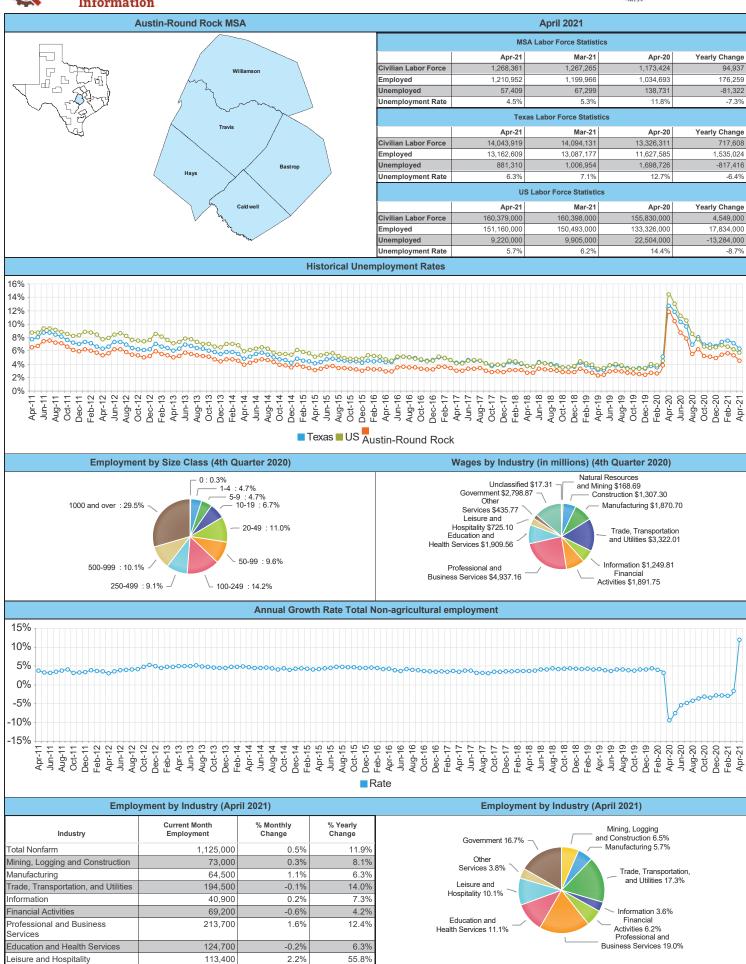
Employment by Industry: Austin has a diverse economic basis, including large components in government, education, tourism, and high-tech manufacturing. The three largest employment sectors in the MSA are Professional / Business Services, Trade, and Government. Austin is a primary player in high-tech research and development. Although the semiconductor industry directly impacts the area's economy, the core of the high tech community is more software and multimedia products than the production of semiconductors.

In addition to numerous high-tech employers, various government entities provide a very stable base for the local economy. As the capital of Texas and seat of Travis County, Austin has a disproportionate share of government jobs. The typical civil service jobs are augmented by the University of Texas, one of the largest universities in the country, Texas State University in San Marcos, and the IRS regional service center in Southeast Austin. In all, the government sector accounts for 188,300 jobs, or 16.7% of the non-farm MSA total.

Major Employers: On the following page is a listing of the percentage of employees by industry type and a list and map of the ± 120 largest employers in the region:







28.9%

-0.2%

-0.9%

0.2%

42,800

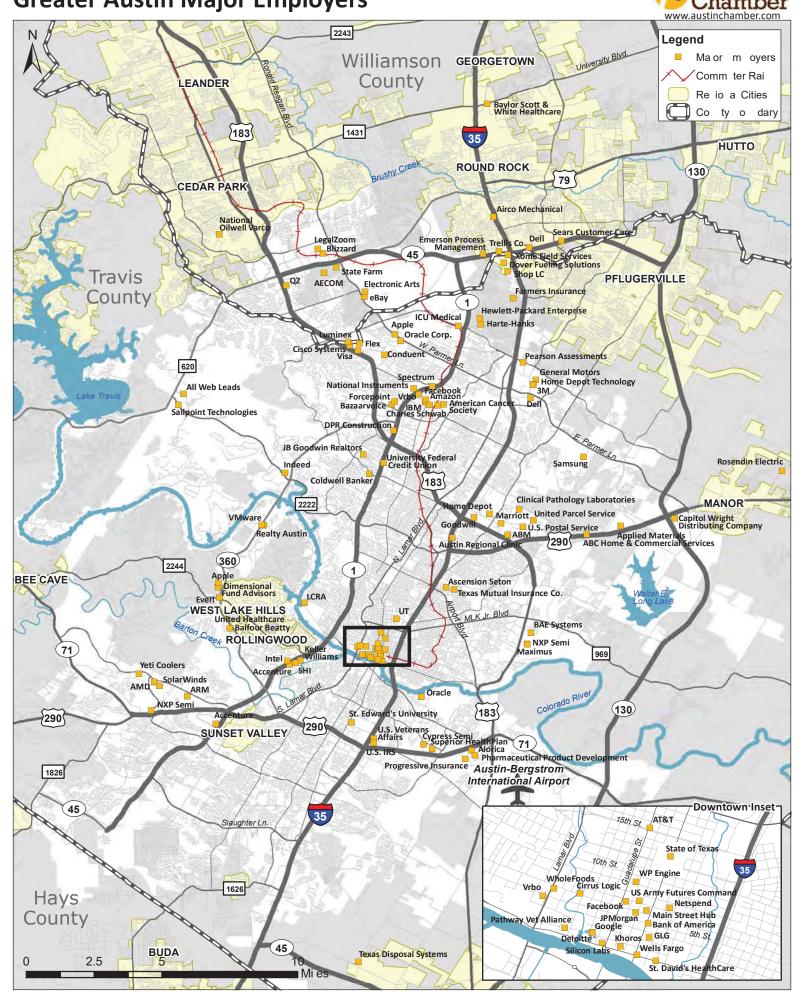
188,300

Other Service

Government

Greater Austin Major Employers







Company	Employees	Company	Employees
3M	600	Intel Corp.	1,700
ABC Home & Commercial Services	600	JB Goodwin Realtors	531
ABM Industries	900	JPMorgan Chase & Co.	713
Accenture	3,200	Keller Williams Realty	2,564
Advanced Micro Devices	1,900	Khoros	431
AECOM	722	LegalZoom	507
AirBorn*	500	Lower Colorado River Authority	1,810
Airco Mechanical	435	Luminex Corp.	474
All Web Leads	603	Main Street Hub	600
Alorica	500	Marriott Customer Engagement Center	464
Amazon	1,800	Maximus	550
Amazon Fulfillment Center*	2,000	McCoy's Building Supply*	493
American Cancer Society Cancer Information Center	530	National Instruments	2,200
Apple	6,200	National Oilwell Varco	429
Applied Materials	3,200	Netspend	625
ARM	686	NXP Semiconductors	4,000
Ascension Seton	9,947	Oracle Corp.	2,500
AT&T	2,800	Pathway Vet Alliance	439
Austin Regional Clinic	1,781	Pearson Assessments	600
BAE Systems	650	Pharmaceutical Product Development	1,200
Balfour Beatty Construction	437	Progressive Insurance Co.	1,837
Bank of America	600	Q2	800
Baylor Scott & White Healthcare	2,400	Realty Austin	485
Bazaarvoice	559	Rosendin Electric	450
Blizzard Entertainment	700	Sailpoint Technologies	523
Capitol Wright Distributing Company	700	Samsung Austin Semiconductor	8,935
CFAN*	700	Sears Customer Care	600
Charles Schwab	2,400	Shop LC	600
Cirrus Logic	824	Silicon Laboratories	700
Cisco Systems	614	Software House International	1,050
Clinical Pathology Laboratories	1,003	SolarWinds	578
Coldwell Banker	500	Southwestern University*	513
Conduent	778	Spectrum	1,765
Cypress Semiconductor	860	St. David's HealthCare Partnership	10,309
Dell Technologies	13,000	St. Edward's University	995
Deloitte	691	State Farm Insurance Co.	900
Dimensional Fund Advisors	1,131	State of Texas	62.853
Dover Fueling Solutions	550	Superior HealthPlan	735
DPR Construction	599	teleNetwork*	450
Durcon*	435	Texas Disposal Systems	750
eBay	647	Texas Mutual Insurance Co.	671
Electric Reliability Council of Texas*	710	Texas State University*	4,873
Electronic Arts	655	Thermon Manufacturing*	450
Emerson Automation Solutions	875	Trellis Co.	485
Everi, Games Division	429	TruSourceLabs	460
Facebook	2,000	U.S. Army Futures Command	500
Farmers Insurance Group	850	U.S. Dept. of Veterans Affairs	1,621
Flex	1,600	U.S. Internal Revenue Service	5,730
Forcepoint	500	U.S. Postal Service	2,931
General Motors	2,300	United Parcel Service	1,100
Gerson Lehrman Group	628	University Federal Credit Union	640
Goodwill Industries of Central Texas	1,568	University of Texas at Austin	23,925
Google	800	Visa	1,736
			· · · · · · · · · · · · · · · · · · ·
Grande Communications*	600	VMware	1 900
Harte-Hanks	800	Vrbo (HomeAway)	1,900
HEB Distribution Center*	680	Wells Fargo Bank Texas	1,003
Hewlett-Packard Enterprise	1,100	Whole Foods Market	2,687
Hama Danat Tashnala Cartar	600	WP Engine	435
Home Depot Technology Center	6.000	Variation Field Constitute	4.40
Home Depot Technology Center IBM Corp. ICU Medical	6,000 1,500	Xome Field Services Yeti Coolers	<u>440</u> 550

^{*}These employers are in metro area communities beyond the map extent. Southwestern and Airborn are located in Georgetown, and Durcon and the Electric Reliability Council are in Taylor, each of these cities are in Williamson County. Amazon fulfillment center, CFAN, Grande Communications, HEB Distribution Center, McCoy's Building Supply, teleNetwork, Texas State University, and Thermon Manufacturing are in San Marcos which is in Hays County. List excludes individual hospitals and other care providers, school districts, and other local government agencies.

Conclusions

The Austin-San Marcos region is an area whose residents are relatively young and very well educated. The foundations of the economy are the University of Texas, Texas State University and the State government. The various high-tech research facilities and employers such as 3M, Advanced Micro Devices, Apple Computers, IBM, Dell, MCC, Motorola, Sematech, Hewlett-Packard, Intel, NXP Semiconductors, Oracle, and Samsung are anticipated to continue to provide a strong technology base. In addition, the healthcare sector is a major component of the economy which will continue to grow as the population increases / ages. In addition, the region's demographics, location within the state, climate, schools, and recreational amenities are all favorable factors. Positively affecting Austin's economic development throughout the 2000s & 2010s are the high quality of life, a favorable business climate, the presence of the University of Texas (as a world-class research and development institution) and its recognition as a center of high-tech manufacturing and R&D. The near to long term future should see continued economic development within the Austin area with a continuation of steady, positive employment growth. In addition, as the impact of the Coronavirus is mitigated through vaccinations and other measures, demand is expected to increase and positively impact the MSA. Although the long term impact is unknown, the Federal Reserve and government have taken action to help mitigate the damage and the future looks promising.

Neighborhood Map

PART III NEIGHBORHOOD ANALYSIS

NEIGHBORHOOD DESCRIPTION

The neighborhood may be best defined as all the land within the following boundaries:

North: US-183; South: E. 45th Street; East: I-35; and

West: TX-1 (MoPac Expressway).

The subject property is located in the central portion of the neighborhood, ± 1 mile northwest of US-290; ± 1.4 miles west of I-35; and ± 1.5 miles southeast of TX-1 (MoPac Expressway).

General Data

The subject property is within the city limits of Austin, approximately 4.5 miles north of the Austin Central Business District (CBD). In addition, the subject is situated in North Central Austin, ± 3 miles north of University of Texas at Austin and ± 4 miles north of the Texas Capitol. Three arterials (I-35, TX-1 / MoPac Expressway, and US-183) border the defined neighborhood and all are within roughly 1.5 miles of the subject. In addition, W. Koenig Lane merges into US-290 (a major arterial which bisects a portion of the neighborhood), roughly 1 mile southeast of the subject. Finally, a light rail travels in a mostly northwest / southeast direction through the southeast and north central portions of the neighborhood; however, the closest station (*Highland Station*) is ± 0.8 mile east of the subject property.

As a consequence, much of this particular neighborhood is commercial in nature with considerable multifamily housing, both dated and new construction. The overall quality ranges from fair to very good; however, the current trend is positive and many older properties are being replaced with higher and better uses.

This neighborhood may be considered suburban with supporting commercial and retail development located along the major arterials / thoroughfares. From the standpoint of the visual and built-up characteristics of this neighborhood, it appears that the area is approximately 99% built up with a very limited amount of vacant land.

Neighborhood life Cycle

The complementary land uses that comprise neighborhoods typically evolve through four stages. These four stages comprise the life cycle of a neighborhood and are described as follows:

1) Growth: a period in which the neighborhood gains public favor and acceptance.

2) Stability: a period of equilibrium without marked gains or losses.

3) Decline: a period of diminishing demand.

4) Revitalization: a period of renewal, modernization and increasing demand.

The neighborhood is considered to be in a period of revitalization. There is a considerable amount of high-end multifamily development and many more developments are being added. A vast majority of any future development within this area will likely be of a high quality. Thus, there is strong likelihood that dramatic change in land use will continue and the overall outlook is promising.

Accessibility

The Austin CBD is directly accessible via I-35 which borders the defined neighborhood. In addition, the subject neighborhood is bordered by TX-1 (MoPac Expressway) and US-183 while US-290 bisects a portion of the neighborhood. Most importantly, W. Koenig Lane merges into US-290 roughly 1 mile southeast of the subject. Additional access is provided by various streets and thoroughfares which traverse the area (refer to the neighborhood map). Public bus service is available within the neighborhood and there is a bus stop along W. Koenig Lane, adjacent to the subject site. In addition, a light rail travels in a mostly northwest / southeast direction through the southeast and north central portions of the neighborhood; however, the closest station (*Highland Station*) is ± 0.8 mile east of the subject property.

Public Utilities / Infrastructure / Police & Fire Service

The area is within the city limits of Austin and thus water and sewer service is provided by this city. Electricity is supplied by Austin Energy; natural gas is provided by Atmos Energy; and Telephone / Internet / Cable tv service is provided by AT&T and other providers. Street maintenance is provided by the city of Austin and the State of Texas (U.S. Highways). The main streets are generally paved with curbs and underground storm sewer drainage. However, there are some roads with asphalt paving and open ditch drainage. Police and fire protection is provided by the city of Austin.

Zoning

The city of Austin subscribes to zoning. Thus, much of the area has a fairly orderly and planned appearance. However, some of the older land uses vary from the new development and thus portions of the area have a transitional appearance. In proximity to the subject, the land uses are fairly homogenous.

Hazards and Nuisances

The neighborhood is bordered or bisected by several arterials; as such, certain properties are affected by noise and car pollution. However, this could be said about many areas of Austin. The subject neighborhood does have a few designated flood hazard areas; however, flood zones are known and new development is located outside these areas or flood issues are mitigated before development. Overall, environmental conditions are considered typical.

Topography/Flood

The subject area has a generally level topography. From the writer's knowledge, there are some flood hazards from serious flooding or drainage problems in the immediate neighborhood. In particular, land adjacent to the Shoal Creek Grover Tributary and Shoal Creek Hancock Branch tend to flood. However, flood zones are known and new development is located outside these areas or flood issues are mitigated before development.

Quality and Convenience of Stores

The quality and convenience of stores which serve the subject's neighborhood is considered to be above average. There are numerous retail centers located along the arterials and major thoroughfares in the area. Most importantly, within ± 1 mile of the subject property, there is a HEB grocery store and Natural Grocers.

The following shopping opportunities are located within close proximity to the subject's neighborhood.

- ► Featuring more than 512,000 square feet of premier retail space and a wide variety of shopping and entertainment, the *Gateway Shopping Center* is located at the corner of Northbound US-183 and N. Capital of Texas Highway, roughly 4 mile north of the subject property. This upscale retail area includes market-exclusive retailers such as Crate & Barrel, Saks Fifth Avenue Off 5th, and The Container Store in addition to other notable national retailers Best Buy, Old Navy, REI, and Nordstrom Rack. Several Austin-originated brands like Avant Salon & Spa, The Birkenstock Store, Run-Tex, and Whole Foods Market are also included in the tenant mix.
- ▶ Located at the northwest corner of US-183 and TX-360 (±4.25 miles north / northwest of the subject property) is *The Arboretum*. This shopping center offers patrons a serene, pedestrian friendly, park-like setting in the upscale Great Hills neighborhood of northwest Austin. The Arboretum is home to the Renaissance Hotel and Convention Center, two 9-story office towers, and over 40 fine shops and restaurants including Pottery Barn, Ann Taylor, Gap, Barnes & Noble, Trader Joe's, and The Cheesecake Factory.

Located ±4.5 miles north of the subject property, the *Domain* features 300 acres of retail (180+ stores and a 65,000 sf Whole Foods); entertainment (65+ restaurants); greenspace (2 parks and 1.5 miles of trails); office (4+ million sf); residential (3,000+ units); and hospitality (4 hotels).

These shopping centers offer a variety of stores to service the everyday needs of the residents and provide ample employment opportunities.

Recreational and Cultural Opportunities

Recreational amenities and facilities are provided by the Parks and Recreation Department of the city of Austin. Recreational activities in the area include various neighborhood parks. In addition, given the proximity to the *Austin CBD* and *University of Texas*, many recreational and cultural opportunities are available. Furthermore, *The Domain and The Arboretum* are outside of the neighborhood but within 4.5 miles of the subject property and feature numerous amenities. Finally, Austin's new professional soccer team (*Austin FC*) will host it's first home game on June 19th at their new and almost completed stadium known as Q2 Stadium (±4 miles north of the subject and outside of the neighborhood). The U.S. Women's National Team will reportedly be the 1st team to play at the stadium when it hosts an international friendly on June 16, 2021.

Overall, residents of this area have good recreational and cultural opportunities and convenient access to the best that the MSA has to offer.

Medical Facilities

Hospitals just outside of the defined neighborhood include, but are not limited to, the following: Ascension Seton Shoal Creek (±2 miles southwest of the subject); Dell Children's Medical Center (±2.1 miles southeast of the subject); and St. David's Medical Center (±2.7 miles south of the subject).

Schools

The Texas Education Agency (TEA) monitors Texas schools with districts and campuses receiving a rating of A, B, C, D, or F for overall performance. Students living at the subject property are zoned to the following schools:

Austin ISD (Subject's ISD)		В
Brentwood Elementary	$(PK - 5^{th})$	A
Lamar Middle School	$(6^{th} - 8^{th})$	В
McCallum High School	$(9^{th} - 12^{th})$	A

As shown, the subject's school district and middle school are well rated while the elementary and high schools are very well rated. Although it is generally understood that these ratings are often meaningless, students at McCallum High School taking the SAT / ACT test scored well above the statewide averages (1186 SAT vs. 1027 statewide) and (23.7 ACT vs. 20.6 statewide).

Higher education is available within the defined neighborhood at the Austin Community College - Highland Campus, roughly 0.9 mile east of the subject property. Most importantly, the University of Texas at Austin is just outside of the neighborhood and roughly 3 miles south of the subject property. Additional schools of higher learning located within an approximate 10- to 30-minute commute include: several Austin Community College campuses; the University of Texas - Austin; St. Edward's University; Concordia University; and Hutson-Tillotson College.

Religious Facilities

There are several places of worship within the area representing several faiths and denominations.

Prestige and Homogeneity of Surrounding Area

The general prestige and social standpoint of the neighborhood ranges from average to good. Most of the area is moderate income. Within the immediate subject neighborhood a search at www.realtor.com revealed the following:

Zip Code	# of Homes	Low	High	2 nd High	Median
78756	11	\$595,000	\$1.799MM	\$1.50MM	\$840,000
(Subject's)		3br/1.0ba	5br/4.5ba	4br/2.5ba	
		(1,628 sf)	(3,117 sf)	(2,573 sf)	
78751	21	\$449,000	\$1.65MM	\$1.35MM	\$775,000
		2br/1.0ba	6br/4.5ba	4br/3ba	
		(850 sf)	(3,323 sf)	(2,529 sf)	
78752	11	\$320,000	\$775,000	\$750,000	\$537,000
		2br/2.0ba	2br/2.0ba	4br/3.0ba	
		(1,298 sf)	(1,342 sf)	(1,562 sf)	
78757	36	\$368,500	\$2.395MM	\$1.899MM	\$749,498
		2br/1.0ba	5br/5.5ba	4br/3.5ba	
		(954 sf)	(3,502 sf)	(3,199 sf)	

As outlined, home values vary by a significant amount. However, homes within the immediate vicinity of the subject property are generally available from the high \$500s to mid \$1 millions.

General Economic Considerations

The subject neighborhood is economically influenced by the following:

- The University of Texas was founded in 1883 and is the flagship institution of the University of Texas System. This campus is outside of the defined neighborhood and only 1 mile from the Texas State Capitol and roughly 3 miles from the subject site. This university boasts one of the largest single-campus enrollments in the nation, including over 40,000 undergraduates and 10,000 graduate students. In addition, the faculty and administrative staff total roughly 15,400.
- * Apple has a 38-acre campus located off of West Parmer Lane, roughly 7 miles north of the subject property and outside of the defined neighborhood. This operations center includes seven office buildings with 1.1 million square feet of space and is responsible for running the company's business operations for the entire Western Hemisphere. Apple has over 7,000 employees and their Austin operations are second only to the Cupertino/Bay Area in California. As of November 2019, construction has begun on Apple's major expansion of its operations in Austin. The \$1 billion, 3 million square foot campus is being built in phases less than a mile away from Apple's existing campus in the city's North Parmer Office Corridor and roughly 8.5 miles north of the subject property. The new, 133-acre facility is expected to house 5,000 employees, with the capacity to eventually fit 15,000 making Apple the largest private employer in the Texas state capital. The site will include a 50-acre nature and wildlife preserve that will be open to the public and, like all Apple facilities, it will be powered by 100 percent renewable energy. The site is expected to open by 2022 and represents Apple's largest hub outside its \$5 billion headquarters in Cupertino, California.
- JJ Pickle Research Campus, a 475 acre research facility owned and operated by the University of Texas. This campus is roughly 3.5 miles north of the subject property and is just outside of the defined neighborhood. There are 100 buildings located on this closed campus and at various times 1,000 people were employed at the campus. Current employment is not known.
- ▶ Dell's world headquarters is located in Round Rock, just north of Austin and outside of the defined neighborhood. The sprawling 2.1 million square foot campus employs over 13,000 people and was an early catalyst for several large tech companies setting up shop in North Austin. The impact is immeasurable as opportunities for entrepreneurs, small businesses, and STEM related programs are directly linked to the tech ecosystem born from their presence in Central Texas. Dell's second campus in Austin is located east of I-35 in the Parmer Austin mixed-use development. The 709,800 SF facility is home to the global operations executive team and the marketing and chief technology teams of its Client Services Group. Dell has plans to invest \$10 million in this facility over the next five years toward a higher headcount and new infrastructure, although these may change due to COVID-19 related issues.

- Samsung Austin Semiconductor's 2.5 million square foot semiconductor manufacturing facility is located off of East Parmer Lane and outside of the defined neighborhood. This semiconductor manufacturing facility is one of the most advanced semiconductor facilities in the world, building chips that power Samsung's mobile phones, tablets, and other electronic devices. In 2017, Samsung invested \$1 billion to expand its Austin operations to meet the demand for advanced system-on-chip products for mobile and electronic devices. The company continues to bet on Austin with the unveiling of the first manufacturing-focused 5G Innovation Zone in America in 2019. This new research space is designed for AT&T and Samsung to explore ideas and tech over 5G networks for improving manufacturing environments and creating smarter factories. Samsung has been in Central Texas for nearly 25 years and is currently investing \$4 billion in economic activity for the greater Central Texas region.
- Parmer Austin is a mixed-use development located between Parmer and Howard Lanes near I-35, roughly 6.5 miles northeast from the subject property. The 3.3 million square foot, 300-acre project is already packed with Fortune 500 companies and plans to become yet another hub for office space, retail, and housing in North Austin. Companies such as 3M Co., General Motors Co., The Home Depot and Facebook have leased nearly 2 million square feet of office space within the campus. Additionally, Apple recently confirmed their lease of 247,250 square feet. Approximately 1 million square feet of office is currently under construction or planned.

This business park features an amenity space called Parmer Grove. This section consists of an open lawn and sitting areas as well as table tennis, a putting green and bocce ball. Additional amenities will come to the business park in the form of Parmer Pond, a 23-acre district making up the southeastern portion of Parmer. The district is centered around an 11-acre pond and will include miles of hike and bike trails, restaurants and breweries, a fitness center, hospitality space, and an amphitheater. It will be anchored by the \$45 million St. David's Performance Center, the training facility for the Austin FC Major League Soccer team.

Conclusion

The subject neighborhood is well located relative to a major transportation arterials, the Austin CBD, and other major employment centers. The area is not adversely impacted by negative governmental or environmental forces. Social factors affecting residential values are generally average to above average and improving. Economic factors affecting value are considered to be closely related to the regional economy. Overall, the subject neighborhood is an established area which is well located to much of what Austin has to offer. The area is being revitalized with a fairly significant amount of replacement development. Overall, the long term potential is considered very good and the defined neighborhood is expected to continue improving.

PART IV MULTIFAMILY ANALYSIS

Information on the subject's defined neighborhood was available via ALN Apartment Data and the 1Q 2021 RealPage Apartment Market Report. According to the ALN survey, as of June 2, 2021, there were a total of 9,001 units in this submarket, representing approximately 4.8% of the Austin metropolitan market. The subject's submarket (as per the 1Q 2021 RealPage Apartment Market Report) is designated as Near North Austin (Area 8). Roughly 60% of this submarket is within the defined neighborhood and comprised of zip codes 78731, 78751, 78756 and 78757. In addition, the defined neighborhood includes portions North Central Austin (Area 9). Most importantly, the subject's submarket (Near North Austin) encompasses roughly 80% of the neighborhood and thus considered representative. In addition, to better gauge the relevance of the submarket data we made a comparison to neighborhood specific data as per ALN.

A percentage breakdown of the total units by year completed is as follows:

Percentage Unit Breakdown By Year

	reentage			- 3							
		Year Completed - Units*									
Submarket	2010 +	2000 - 2009	1990 - 1999	1980 - 1989	1970 - 1979	Pre- 1970	Total **				
ALN - Defined Neighborhood	3,732	1,020	N/A	1,074	2,146	1,029	9,001				
Units Built Per Year	332	102	0	107	215	N/A	156				
Percent of Total	41.5%	11.3%	0.0%	11.9%	23.8%	11.4%					
Austin	59,383	48,284	22,157	39,206	15,616	4,709	189,355				
Units Built Per Year	5,278	4,828	2,216	3,921	1,562	N/A	3,603				
Percent of Total	31.4%	25.5%	11.7%	20.7%	8.2%	2.5%					

^{*} The Austin units were based on a sampling of 72.1% of the 262,753 existing units.

Based on the ALN data, the subject's submarket is fairly small and represents about 4.8% of the total supply within the metropolitan market. In addition, the housing stock is considered somewhat dated with 35.2% of the supply having been built in the 1970s or earlier. This is in contrast to the metropolitan market which shows 10.7% of the supply was built over the same time period.

Development in the 1980s was below the metropolitan market and no development occurred in the 1990s. However, development rebounded in the 2000s but was well below the metropolitan market. Finally, development increased in the 2010s and was above the metropolitan market. Overall, 41.5% of all multifamily development ranges from new to 11 years old.

^{**} The total units built per year do not include pre-1970s era development.

Part IV - Multifamily Analysis / Continued

Recent Construction

No rent restricted communities were completed over the past 12 months within the defined neighborhood; however, several market rate communities were completed.

AVE Austin North Lamar (226 units - ± 1.1 miles northeast of the subject) was completed in

August 2020 and the 1st tenant moved in May 2020. This property is currently 100% occupied (84% in May 2021); as such, the indicated

absorption rate is 17.4 units per month.

Fivetwo at Highland (390 units - ± 0.9 mile east / southeast of the subject) was completed in

October 2020 and the 1st tenant moved in November 2019. This property is currently 80% occupied; as such, the indicated absorption

rate is 16.9 units per month.

St. Johns West (297 units - ± 1.0 mile northeast of the subject) was completed in May

2020 and the 1st tenant moved in February 2020. This property attained a stabilized occupancy of 97% in March 2021; as such, the

indicated absorption rate is 20.6 units per month.

Under Construction

1 rent restricted community is under construction within the defined neighborhood and several market rate communities were noted.

Travis Flats (LIHTC; 146 units; ± 1.5 miles southeast; Exp. Comp. 3^{rd} Qtr. 2021)

The Pearl (383 units; adjacent to subject; Exp. Comp. 3rd Qtr. 2021)

Aura North Lamar (279 units; ± 0.4 mile southeast; Exp. Comp. February 2022)

Ellis Highline (102 units; ± 0.4 mile northeast; Exp. Comp. July 2022)

Slate Airport Blvd. (319 units; ±0.8 mile southeast; Exp. Comp. December 2022)

6801 Burnet (315 units; ± 1 mile northwest; Exp. Comp. 1st Qtr. 2023)

Part IV - Multifamily Analysis / Continued

Proposed

8528 Burnet Road

Excluding the subject property, no rent restricted communities are proposed; however, several market rate communities were noted.

Madrone(209 units; ± 0.7 mile north; Exp. Ground Breaking 2Q 2021)7113 Burnet Road(360 units; ± 1.2 miles northwest; Exp. Ground Breaking 3Q 2021)Broadstone North Lamar(301 units; ± 0.6 mile northeast; Exp. Ground Breaking 3Q 2021)

900 Old Koenig Lane (240 units; ±0.2 mile southeast; Exp. Ground Breaking 4Q 2021)

(286 units; ± 2.5 miles north; Exp. Ground Breaking 4Q 2021)

A summary of the multifamily communities within the subject's defined neighborhood are presented on the following page.

The following table presents a snapshot of the subject's submarket and the overall Austin market.

	Arboretum	% of		
1st Quarter 2021	(Area 8)	the MSA	Austin	Variance
Existing Apartment Units	14,508	5.5%	262,753	
Quarterly Unit Demand (Absorption)	350	12.0%	2,923	2,573
Annual Unit Demand (Absorption)	209	2.9%	7,269	7,060
Quarterly Unit Completions	187	6.2%	3,021	2,834
Annual Unit Completions (a)	562	5.3%	10,641	10,079
Annual Unit Removals (b)	0		0	0
Annual Net Inventory Change (a-b)	562	5.3%	10,641	10,079
Annual Inventory Change Rate	4.0%		4.2%	0.2%
Overall Occupancy	93.2%		93.9%	0.7%
Quarterly Change (points)	1.2		0.0	1.2
Annual Change (points)	-2.3		-1.1	1.2
5-Year Average Annual Occupancy	94.5%		94.6%	0.1%
Average Effective Monthly Rent	\$1,227		\$1,285	\$58
Quarterly Rent Change	1.3%		2.1%	0.8%
Annual Rent Change	-8.1%		-3.0%	5.1%
5-Year Average Annual Rent Change	0.8%		1.6%	0.8%

Bolded indicators reflect below-market performance

KET	
MULTIFAMILY MARKET	UNF 2, 2021 - ALL PROPERTIES
	21 - AII PI
UNE WEST	LINE 2, 20

Effective	Rent/Sqft	\$2.17	\$2.11	\$2.76	\$2.11	\$2.00	\$1.84	\$6.34	\$1.82	\$1.74	\$2.07	\$2.04	\$1.75	\$2.05	\$1.98	\$1.64	\$2.21	\$1.93	\$1.93	\$1.75	\$1.74	\$2.03	\$2.02	\$1.91	N/A	\$1.64	\$2.02	\$1.54	\$1.59	\$1.48	\$1.87	\$1.69	;	\$1.07	\$1.89	\$1.40	\$1.17	\$1.64
Effective	Mo. Rent	\$1,558.04	\$1,392.16	\$1,864.13	\$1,585.97	\$1,267.86	\$1,584.63	\$5,376.59	\$1,525.38	\$1,307.35	\$1,676.45	\$1,588.13	\$1,470.65	\$1,663.61	\$1,585.22	\$1,259.91	\$1,714.35	\$1,604.51	\$1,604.51	\$1,313.45	\$2,179.39	\$1,968.39	\$2,020.79	\$1,736.61	N/A	\$1,120.11	\$1,210.63	\$1,142.50	\$1,248.47	\$971.42	\$1,119.29	\$1,137.03	1	\$933.70	\$1,276.90	\$808.76	\$1,035.50	\$1,296.61
Average	Sq. Ft.	717	629	675	752	633	861	848	839	751	811	780	838	810	799	692	777	831	831	752	1,250	970	1,000	910	N/A	685	009	740	784	657	597	673	į	874	674	579	883	791
	Occupancy	84.0%	85.26	71.1%	80.0%	94.9%	92.9%	N/A	94.4%	93.0%	%9.96	94.9%	94.0%	84.9%	%0.96	90.5%	91.2%	93.7%	93.7%	90.5%	%0.96	%0.96	%0.96	93.9%	N/A	90.2%	%8:96	80.56	94.0%	94.0%	92.0%	94.1%	ļ	92.0%	N/A	N/A	%9.66	%0.96
Year	Built	2020	2020	2019	2019	2019	2018	2018	2017	2016	2015	2014	2014	2014	2014	2013	2017	2009	2009	2009	2008	2007	2005	2007	N/A	1984	1984	1984	1983	1982	1981	1983	,	1978	1978	1975	1974	1973
# of	Units	226	297	52	390	194	353	206	309	343	210	179	314	274	139	246	3,732	175	175	316	79	115	335	1,020	N/A	288	192	228	88	104	174	1,074	;	92	195	108	320	276
	Type	Market	Market	Market	Market	Market	Market	Market - Seniors	Market	Market	Market	Market	Market	Market	Market	Market		Market	Market	Market	Market	Market	Market			Market	Market	Market	Market	Market	Market		:	Market	Market	Market	Market	Market
	Address	7400 N Lamar Blvd	601 W Saint Johns Ave	4811 Woodrow Ave	110 Jacob Fontaine Ln	5406 Middle Fiskville Rd	801 Sugaree Ave	4517 Triangle Ave	609 Clayton Lane	6701 Burnet Road	5608 Avenue F	5453 Burnet Rd	5400 N Lamar Blvd	4527 N Lamar Rd	105 West 51st Street	810 W Saint Johns Ave	** (sə)	5350 Burnet Rd	5350 Burnet Rd	810 W Saint Johns Ave	4616 Triangle Ave	4510 West Guadalupe Street	4600 W Guadalupe St		(5:	1003 Justin Ln	5200 N Lamar Blvd	8524 Burnet Rd	8615 Rockwood Ln	2101 W Anderson Ln	6309 Burns St	(S)		8801 McCann Dr	4505 Duval St	6008-6010 N Lamar Blvd	7581 Chevy Chase Dr	2819 Foster Ln
	Property Name	Magnolia at Crestview	St Johns West	Braxton	Fivetwo at Highland	FLORA	Crestview Commons	Village at the Triangle	Elan Parkside	Marg on Burnet	West Koenig Flats	Burnet Flats	Camden Lamar Heights	Echo	Waller Creekside on 51st	Midtown Commons at Crestview Station II	Totals / Weighted Averages (2010s+ properties) **	AMLI 5350	АМЦ 5350	Midtown Commons at Crestview Station I	Lofts at the Triangle	Residences at the Triangle II	Residences at the Triangle I	Totals / Weighted Averages (2000s properties)	Totals / Weighted Averages (1990s properties)	Argosy at Crestview	Summit at Hyde Park	Woodchase	Rockwood	ATX North	Lamar Place	Totals / Weighted Averages (1980s Properties)	-	Crossroads	Oak Park	Central Park I & II	Chevy Chase	Austin Midtown

Barclay	700 Franklin	Market	38	1973	N/A	411	\$811.05	\$1.97
Joplin at Crestview	7401 N Lamar Blvd	Market	150	1973	94.0%	200	\$772.00	\$1.54
Arcadian	8515 Shoal Creek Blvd	Market	82	1972	N/A	685	\$1,140.12	\$1.66
Autumn Chase	8600 Research Blvd	Market	84	1972	100.0%	514	\$903.45	\$1.76
Fashionaire	1405 W North Loop Blvd	Market	40	1972	92.0%	800	\$1,287.50	\$1.61
Hidden Gardens	5606 N Lamar Blvd	Market	71	1972	%0.96	755	\$1,105.42	\$1.46
Kensington Green	2200 W North Loop Blvd	Market	320	1972	82.0%	780	\$1,007.67	\$1.29
Oak Creek	1507 Houston St	Market	92	1972	82.0%	826	\$1,134.07	\$1.37
Shoal Creek North	8605 Shoal Creek Blvd	Market	52	1972	92.0%	748	\$1,048.85	\$1.40
Sidney	4605 Avenue A	Market	41	1971	92.0%	639	\$1,142.68	\$1.79
Abbey Road	2601 Penny Ln	Market	155	1970	86.4%	885	\$1,143.31	\$1.29
Villages at Lamar V	709 Lamar Place	Market	30	1970	100.0%	655	\$536.33	\$0.82
Totals / Weighted Averages (1970s Properties) **	pperties) **		2,146	1973	93.6%	745	\$1,061.94	\$1.43
Casa Del Sol	5403 Jeff Davis Ave	Market	100	1969	N/A	288	\$912.50	\$1.55
Park at Crestview	8220 Research Blvd	Market	248	1969	80.0%	905	\$1,101.22	\$1.22
District 53	600 E 53rd St	Market	100	1968	N/A	663	\$1,178.22	\$1.78
Aspenwood	4539 Guadalupe St	Market	98	1967	100.0%	929	\$1,050.81	\$1.60
Chelsea	5106 N Lamar Blvd	Market	152	1967	93.0%	654	\$1,291.39	\$1.97
Colony	2211 Richcreek Rd	Market	15	1967	N/A	717	\$1,028.33	\$1.43
Brentwood Townhomes	5506 Grover Avenue	Market	48	1966	N/A	880	\$1,275.00	\$1.45
Raphael	5518 Helen St	Market	49	1965	N/A	797	\$932.65	\$1.22
Tanglewood North	1020 E 45th St	Market	127	1965	80.08	703	\$1,169.09	\$1.66
Rosedale	2211 W North Loop Blvd	Market	104	1963	80.86	781	\$1,166.40	\$1.49
Totals / Weighted Averages (1960s Properties) **	operties) **		1,029	1967	64.4%	744	\$1,128.22	\$1.52
								Ī

9,001 Totals / Weighted Averages (ALL Properties) **
** Properties that do not list occupancy have been excluded from the occupancy totals / weighted averages.

\$1.86

\$1,425.44

892

92.5%

1996

Part IV - Multifamily Analysis / Continued

As previously outlined, the submarket has underperformed the overall market with regards to most metrics. The submarket's average rental rate is -4.5% below the metropolitan market and quarterly and annual rent changes have been inferior. The current submarket occupancy is slightly inferior while quarterly and annual occupancy change are superior and inferior, respectively. In addition, the 5-year average occupancy is considered similar. Quarterly and annual absorption were positive and above average and below average, respectively. Quarterly and annual completions were above average and slightly below average / similar, respectively.

The submarket data from the RealPage survey was compared to ALN data which only involved properties within the defined neighborhood, as follows:

	RealPage	ALN *	Variance
Units Sampled	14,508	6,551	7,957
Overall Occupancy (All Classes)	93.2%	94.6%	-1.4%
Overall Occupancy (2010s)	93.7%	94.6%	-0.9%
Average Monthly Rents (All Classes)	\$1,227	\$1,344	(\$117)
Average Monthly Rents (2010s)	\$1,440	\$1,458	(\$18)

^{*} Does not include properties in lease-up, senior, or LIHTC communities

The ALN survey data did not include properties that were in lease-up, senior, or LIHTC communities. Most importantly, the subject's defined neighborhood has outperformed the RealPage survey in every metric.

The following table presents the RealPage 1st Quarter 2021 forecast for the Arboretum (Area 8) submarket and the overall Austin market for the next 12 months ending 1st Quarter 2022.

12 Month RealPage Forecast		Arboretum (Area 8)	Austin
Annual Unit Completions	(a)	662	15,004
Annual Unit Demand	(b)	935	17,144
Net Absorption	(b-a)	273	2,140
Overall Occupancy		94.9%	95.0%
Annual Change (points)		1.8	1.2

The preceding chart shows a projected increase in occupancy over the next year in the overall Austin area and the subject's submarket. The increase in the stabilized occupancy being projected within Austin is due to a forecasted supply of 15,004 units, whereby there is projected demand for 17,144 units. Likewise, the increase in occupancy being projected within the submarket is due to a forecasted supply of 662 units, whereby there is projected demand for 935 units.

PART V DEMOGRAPHIC ANALYSIS

AREA DEMOGRAPHICS

Demographic information from within the defined neighborhood was based on the 2000 and 2010 U.S. Census. Estimates and projections for 2020 and 2025 were provided by Site to Do Business (STDB). Primary demographic information is presented as follows:

	Defined Neighborhood	Change (2020 - 2025)
Population	<u>.</u>	6,252
- 2000	46,278	11.9%
- 2010	44,431	
- 2020	52,582	
- 2025	58,834	
Households		3,118
- 2000	21,849	12.1%
- 2010	21,667	
- 2020	25,870	
- 2025	28,988	
	2020 Estimates	
Average HH Size	2.03	
Renter Occupied Units	58.8%	
Median HH Income	\$73,431	
Per Capita Income	\$51,587	
Average HH Income	\$105,238	
HH Income (\$25,000 and below)	15.2%	
HH Income (\$100K and above)	37.7%	
Less Than High School	6.0%	
College Degree (Associate +)	68.2%	
Population (17 and under)	16.6%	
Population (55 and above)	21.8%	
Median Age (Years)	35.0	

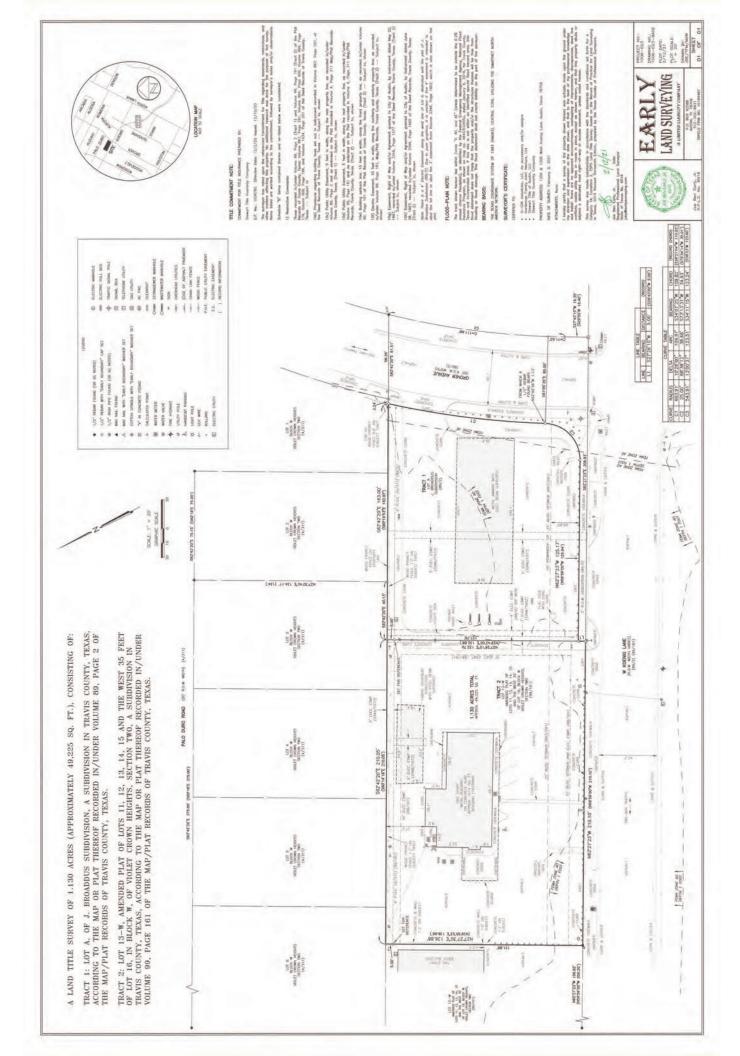
The subject's demographic statistics are compared to the Austin - Round Rock CBSA, as per the following page:

Part V - Demographic Data / Continued

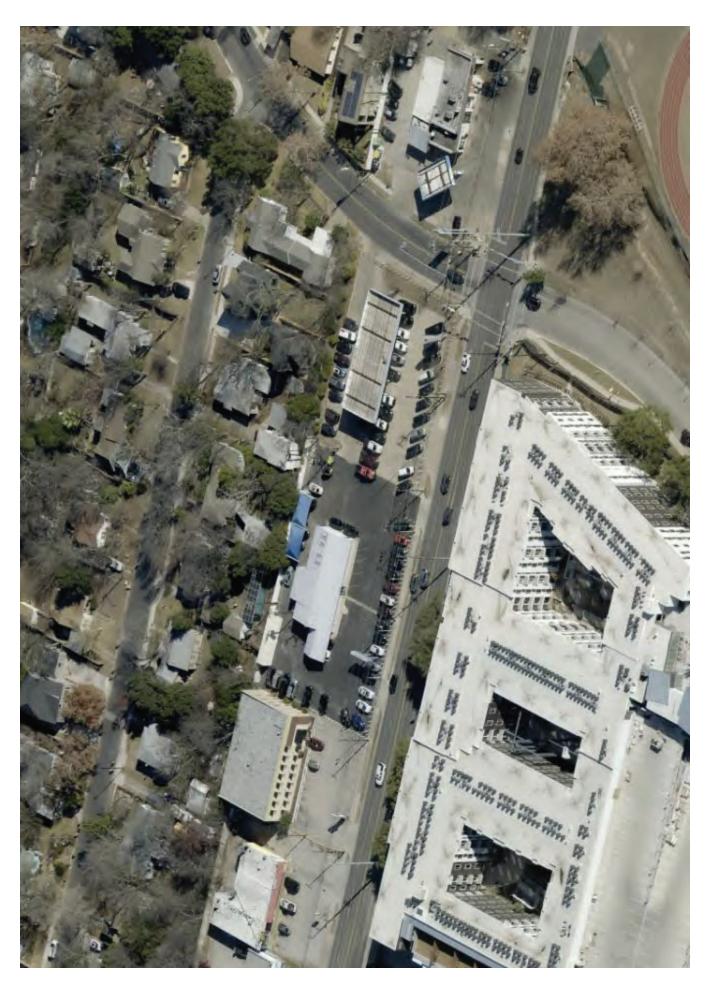
	Defined Neighborhood	Austin - Round Rock CBSA	Variance
Population change (2020-2025)	11.9%	13.7%	-1.8%
Household change (2020-2025)	12.1%	13.6%	-1.5%
Average HH Size	2.03	2.60	-0.57
Renter Occupied Units	58.8%	40.4%	18.4%
Median HH Income	\$73,431	\$78,659	-6.6%
Per Capita Income	\$51,587	\$40,917	26.1%
Average HH Income	\$105,238	\$108,137	-2.7%
HH Income (\$24,999 and below)	15.2%	13.2%	2.0%
HH Income (\$100K and above)	37.7%	39.5%	-1.9%
Less Than High School	5.96%	9.5%	-3.56%
College Degree (Associate +)	68.23%	52.0%	16.20%
Population (17 and under)	16.6%	24.3%	-7.7%
Population (55 and above)	21.8%	22.1%	-0.4%
Median Age (Years)	35.0	34.4	0.6

As outlined, the subject's defined neighborhood is expected to realize below average growth, as compared to the CBSA. However, the amount of growth is considered strong given that this is an established area with limited available acreage. The subject area has slightly lower median and average household incomes, but significantly higher per capita incomes. The subject area has a higher percentage of households earning less than \$25,000 and a lower percentage earning \$100,000 and above. In addition, the education levels are superior with a higher percentage of high school and college graduates.

There is a much smaller concentration of children and similar elderly component; as such, the median age is above average. In addition, there is a much higher percentage of households renting. Overall, the demographics are indicative of a moderate to upper income area with a high degree of transiency.

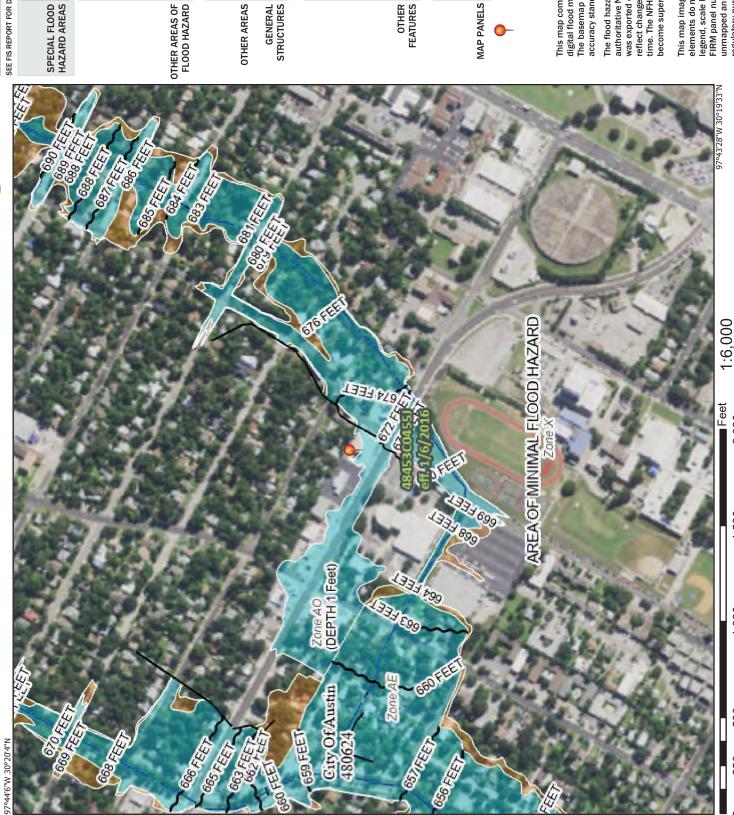






National Flood Hazard Layer FIRMette





Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

With BFE or Depth Zone AE, AO, AH, VE, AR Without Base Flood Elevation (BFE)

0.2% Annual Chance Flood Hazard, Areas depth less than one foot or with drainage areas of less than one square mile Zone X of 1% annual chance flood with average Regulatory Floodway

Future Conditions 1% Annual Chance Flood Hazard Zone X

Area with Reduced Flood Risk due to Levee. See Notes. Zone X

Area with Flood Risk due to Levee Zone D

NO SCREEN Area of Minimal Flood Hazard Zone X

Effective LOMRs

Area of Undetermined Flood Hazard Zone D

OTHER AREAS

Channel, Culvert, or Storm Sewer STRUCTURES | 1111111 Levee, Dike, or Floodwall Cross Sections with 1% Annual Chance

Base Flood Elevation Line (BFE) Water Surface Elevation Coastal Transect man Elijana

Limit of Study

Coastal Transect Baseline

Hydrographic Feature

OTHER

FEATURES

Digital Data Available

No Digital Data Available

Unmapped

MAP PANELS

point selected by the user and does not represent an authoritative property location. The pin displayed on the map is an approximate

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

authoritative NFHL web services provided by FEMA. This map reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or The flood hazard information is derived directly from the was exported on 6/7/2021 at 1:12 PM and does not become superseded by new data over time. This map image is void if the one or more of the following map legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for elements do not appear: basemap imagery, flood zone labels, regulatory purposes.

> 2,000 Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020 1,500 1,000

500

PART VI SITE & ASSESSMENT DATA & HIGHEST AND BEST USE

SITE DESCRIPTION

Location - The subject property is comprised of a 1.13 acres of land (comprised of two contiguous tracts) located at the north corner of W. Koenig Lane and Grover Avenue and within the City of Austin, Travis County, Texas 78756. Exposure and visibility is good given the W. Koenig Lane frontage.

Legal Description - As per a Land Title Survey, presented in the report, the subject property is comprised of two (2) contiguous tracts of land totaling 1.130 acres (approximately 49,225 sq. ft.) and being Lot A of J. Broaddus Subdivision, a subdivision in Travis County and Lot 13-W, amended plat of Lots 11, 12, 13, 14, 15 and the west 35 feet of Lot 16, in Block W, of Violet Crown Heights, Section Two, a subdivision in Travis County.

Site Area: 1.13 acres (or) 49,225 sq. ft.

Site Shape: Mostly rectangular and functional (refer to the site survey).

Surrounding Land Uses: The subject site is bordered as follows:

- <u>North</u> Average quality single family residential subdivision (generally built in the late 1940s and with good quality new homes noted and interspersed);
- <u>South</u> W. Koenig Lane through to an under construction, market rate, multifamily community (*The Pearl* 383 units) through to an average quality commercial building (built in the late 1950s bowling center);
- East Grover Avenue through to a low quality gas station / convenience store (built in the late 1950s) and ancillary building utilized by a car detailing business through to low quality, small office building (built in the early 1960s) through to the Shoal Creek Grover Tributary; and
- <u>West</u> Average quality office building (built in the early 1980s) through to a low quality strip retail center (built in the late 1950s) through to an average quality gas station / convenience store (built in the mid 1990s).

Utilities - All public utilities are available to the subject site. Electricity is supplied by Austin Energy; natural gas is provided by Atmos Energy; water & sewer service is provided by the City of Austin; and telephone / internet / cable tv service is provided by AT&T and other providers. Utility capacity is adequate for the proposed multifamily use.

Flood Zoning - As per FEMA Community Panel No. 48453C0455J, revised January 6, 2016, the subject site appears to be in Zone X ($\pm 70\%$) & Zone AO ($\pm 30\%$). Furthermore, according to a Site Investigation Report prepared by Kimley-Horn and Associates, Inc. (*dated February 2021 and provided to the TDHCA*) the site is also within the City of Austin Fully Developed 100 year floodplain (FEMA Flood Zone AE). Definitions for the subject's flood zone designations, as per the FEMA website, are as follows:

Zone X - Areas of minimal flood hazard, usually depicted on FIRMs as being outside the 100- and 500-year flood level.

Zone AO - Areas subject to inundation by 1-percent-annual-chance shallow flooding (usually sheet flow on sloping terrain) where average depths are between one and three feet. Average flood depths derived from detailed hydraulic analyses are shown in this zone. **Mandatory flood insurance purchase requirements and floodplain management standards apply**.

Zone AE - Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. Base Flood Elevations (BFEs) are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.

The subject property is being developed to city of Austin requirements. The finished ground floor elevation of the building will be at least 24" above the floodplain and all parking areas will be no more than 6 inches below the floodplain.

Topography - The topography is generally level and at street grade.

Zoning - The subject site is zoned GR-MU-CO-NP (Community Commercial - Mixed Use - Conditional Overlay - Neighborhood Plan). According to the Site Investigation Report prepared by Kimley-Horn and Associates, Inc. (*dated February 2021 and provided to the TDHCA*), the subject's zoning allows for multifamily residential but the subject's development is not currently allowed due to density issues. In addition, as per a letter from the Housing and Planning Department of the City of Austin, the subject site as proposed is not permitted unless the City approves an application under the Affordability Unlocked Program.

For purposes of our analysis we have assumed the subject would be approved for the Affordability Unlocked Program and the proposed multifamily land use is considered legally permissible.

Easements - A detailed survey of the subject's tract was available and, based on a physical inspection of the site, we did not notice any adverse easements.

School District, Fire and Police Protection - The subject site is situated within the Austin Independent School District. Police and fire protection is provided by the City of Austin.

Site Improvements - The site is currently being utilized by a car dealership and is improved with a one-story, metal clad building ($\pm 3,014$ sq. ft.), a covered canopy structure, an ancillary structure, and parking lot. These improvements offer no contributory value and are to be demolished at a developer provided cost of \$100,000.

Environmental Issues - A Phase I Environmental Site Assessment (ESA) was prepared on February 3, 2021 by Phase Engineering, Inc. The study found evidence of a historical recognized environmental condition and a de minimis condition, as follows:

"A previously reported petroleum product release occurred at the southeastern portion of the subject property and subsequently received regulatory agency closure with no requirement to maintain post-closure institutional or engineering controls".

"Minor floor staining observed in the storage areas of the onsite building".

Furthermore, the aforementioned study recommended / noted the following:

"Sampling of suspect asbestos containing materials prior to any demolition activities".

"Survey of lead-based paint is not recommended if the on-site building will be demolished per HUD regulation".

"Unless existing plumbing is planned for reuse, testing for lead in the drinking water is not recommended".

"Flood insurance or mitigation for flood impacts may be required".

"Noise mitigation measures are required".

We have assumed the aforementioned issues will be satisfactorily addressed and the herein value is based on that assumption. Furthermore, we have assumed these potential issues do not negatively impact the subject property.

REAL ESTATE TAX & ASSESSMENT ANALYSIS

The subject is identified as being tax identification numbers 229701 & 229703. The following is the subject's assessed value and associated tax liability:

Taxing Jurisdiction	2020 Tax Rates	January 2021 Assessed Value	Taxes Due *
Austin ISD	\$1.102700	\$1,683,917 Land (\$34.20 psf) **	\$20,236.36
City of Austin	\$0.533500	\$151,248 Improvements	\$9,790.61
Travis County	\$0.374359		\$6,870.11
Travis County Healthcare	\$0.110306		\$2,024.30
Austin Community College	\$0.105800		\$1,941.60
Totals	\$2.226665	\$1,835,165 Total	\$40,862.98

^{*} No delinquent taxes are due; ** Based on CAD land size

HIGHEST AND BEST USE

The use of a property to meet its Highest and Best Use must meet four criteria as a vacant site or as an improved site. The criteria are that the Highest and Best Use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. These uses all follow in sequence. The Highest and Best Use could not be met even if it is physically possible to construct a larger improvement if this is not financially feasible or if zoning would not permit this expansion. There are two distinct types of Highest and Best Use. The first type is the Highest and Best Use of the land as if vacant. The second type is the Highest and Best Use of a parcel as improved. This pertains to the use that should be made of the property as it exists. The following is my analysis of the Highest and Best Use as it pertains to the subject property and according to the four essential tests.

Subject Property, as if Vacant

Physical Possibility - As outlined earlier, the subject property is comprised of two (2) contiguous tracts of land totaling 1.13 acres. The site has adequate frontage and average - above average exposure, visibility, and traffic flow given the location along W. Koenig Lane. The site is mostly rectangular and well suited to small scale development. In addition, the site is well served with utilities, has a level topography, and is not negatively burdened by adverse easements or environmental issues. However, the site is appears to be in FEMA Flood Zone X ($\pm 70\%$) & Zone AO ($\pm 30\%$). Furthermore, according to a Site Investigation Report prepared by Kimley-Horn and Associates, Inc. (*dated February 2021 and provided to the TDHCA*) the site is also within the City of Austin Fully Developed 100 year floodplain (FEMA Flood Zone AE).

All factors considered, a multifamily development, similar to what is proposed, is considered physically possible.

40

Legally Permissible - As previously discussed, we have assumed a multifamily use would be legally permissible.

Financially Feasible - In order for any proposed use to meet the definition of Highest and Best Use, it must make financial sense. In other words, a proposed use must produce an income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations, and capital amortization. All uses that produce a positive return are financially feasible.

It is important to realize that, for an owner-user, the normal rules of financial feasibility do not apply. The specialized requirements of any specific business could predicate the construction and full utilization of a facility that would be unlikely (or even impossible) to rent in the open market at a rate that would support development. In such a case, a property could be constructed for its value in use to a specific owner. Naturally, the feasibility of the project would be inextricably tied to the fortunes of the occupying business. The financial feasibility of the subject site will focus only on speculative and non-subsidized uses which are physically and legally possible.

In view of the present market conditions, financial feasibility is directly proportional to the amount of net income that could be derived from the subject. The subject site is physically well suited as a multifamily land use, as evidenced by the site characteristics and surrounding development.

Multifamily Development - As outlined earlier, the defined neighborhood has realized a large amount of new development in the past ± 10 years. In addition, there are 5 market rate communities totaling 1,398 units under construction and 5 market rate communities totaling 1,396 units proposed. Most importantly, 1 under construction community (*The Pearl* - 383 units) is adjacent to the subject and 1 proposed community is 0.2 mile southeast (900 Old Koenig Lane - 240 units).

Based on ALN data, there are 10 market rate multifamily communities (not including LIHTC, senior, or non-stabilized properties) built since 2010 within the defined neighborhood. These communities are 94.6% occupied and all are generating cost-feasible rents ranging from \$1.64 to \$2.11 psf with an average of \$1.87 psf. Based on current construction costs and neighborhood land values, cost justified rents within the immediate subject neighborhood would need to be in the \$1.50 - \$2.00 psf range with occupancies of 90% to 95%, depending on the overall quality being proposed. Rents and occupancies of this magnitude are currently being attained in close proximity to the subject, suggesting feasibility is possible.

Maximum Productivity - After considering the current economic climate and subject's location and size, we are of the opinion that the development which is physically possible and legally permissible would also be its ultimate use. As such, the maximally productive (non-subsidized) use, assuming a multifamily land use is allowed, is to develop the site with a high density multifamily land use.

Part VI - Site & Assessment Data and H&BU / Continued
Subject Property as Improved (Existing)
The site is currently being utilized by a car dealership and is improved with a one-story, metal clad building ($\pm 3,014$ sq. ft built circa 1964), a covered canopy structure, an ancillary structure, and parking lot. It is our opinion, the existing improvements offer no contributory value (given our estimate of land value). In fact, the subject's proposed buyer plans to demolish these improvements and construct an 80-unit LIHTC community catering to the general population and to be known as <i>June West</i> .

PART VII - SALES COMPARISON APPROACH

The Sales Comparison Approach draws heavily upon the principle of substitution. In essence, this principle states that a prudent purchaser will pay no more for a particular property than it would cost him to acquire an equally desirable alternate property. This approach involves comparison of the subject property with other properties which have either recently sold and/or properties currently being offered for sale. This comparison process involves making adjustments between the subject property and the comparable properties on an item-by-item basis. The factors considered in the comparison include financial terms, conditions of sale, date of sale, physical characteristics, size and location. The subject property is the standard, and the adjustments are made to the sales price of the comparable property in order to arrive at an indication of value for the subject.

The weaknesses of this approach include the fact that there may be insufficient data in the marketplace to justify its use; that it is based upon historical data rather than future expectations; and that the conditions of comparability may not closely conform to the subject property. Its strength lies in the fact that it reflects actual market behavior of typical purchasers under current market conditions. In short, the reliability of this approach depends upon the similarity of the comparable properties.

To arrive at an indicated value of the subject's land via the Sales Comparison Approach, the Deed Records of **Travis County** were researched for sales of land in the immediate area of the subject. In addition, active real estate agents and appraisers in the area were contacted for information they might have that would aid in the investigation. All of the data gathered was checked for accuracy, analyzed, and then compared and adjusted to the subject. Adjustments have been made for the characteristics of the sales that were dissimilar to the subject, and upon applying the various adjustments, an indication of value was developed.

Ideally, sales which are recent, in close proximity to the subject, similar in their highest and best use, and have comparable physical characteristics are sought as a basis for comparison. In the absence of comparable market data it is often necessary to expand the scope of the sales search to include properties which vary from the aforementioned characteristics. Given the relative amount of sales activity, it was necessary to utilize sales which varied slightly from the subject in terms of time, location, and physical characteristics. Adjustments were made for dissimilar characteristics evident in the sales in comparison to the subject, and upon applying the various adjustments, an indication of the land value was developed. In all instances, the experience of the appraiser, coupled with his objective judgment, plays a major role in arriving at a final value.

A list of the sales which were considered comparable to the subject's land can be found on the following pages, along with the Land Sales Location Map and the Land Sales Analysis and Conclusion.

VACANT LA	ND COMPARABLE	Contract - Page 1 of 2		
KEY MAP:	N/A	TAX ID#:	364363	
STATE:	Texas	COUNTY:	Travis	CITY: Austin

SELLER: RCC Leasing, Inc.

PURCHASER: McDowell Acquisitions, LLC

DATE OF CONTRACT: November 30, 2021

LOCATION: 115 E. Saint Elmo Road; Southwest side of E. Saint Elmo

Road, roughly 200' southeast of S. Congress Avenue.

LEGAL: 1.141 Acres of land being Lot 1, St. Elmo Square, Travis

County, Texas.

PRICE: \$4,700,000 or \$94.56 Per Sq. Foot

TERMS: Cash to seller

CASH EQUIVALENT PRICE \$4,810,000 or \$96.78 Per Sq. Foot

(SEE COMMENTS):

DOCUMENTATION: N/A \$48,100 Per Unit

PHYSICAL INFORMATION

LAND SIZE: 1.141 Acres or 49,702 SF

UTILITIES: All Available

FLOOD CONTROL: Zone X

PROPOSED USE: 100 unit LIHTC community (Village Square)

CONST. SINCE PURCHASE: No

ZONING/DEED RESTRICTIONS: See Comments

EASEMENTS: Typical utility easements

EXISTING ROW: Yes

SITE DESCRIPTION: Rectangular and functional VERIFIED WITH: TDHCA (File #21046)

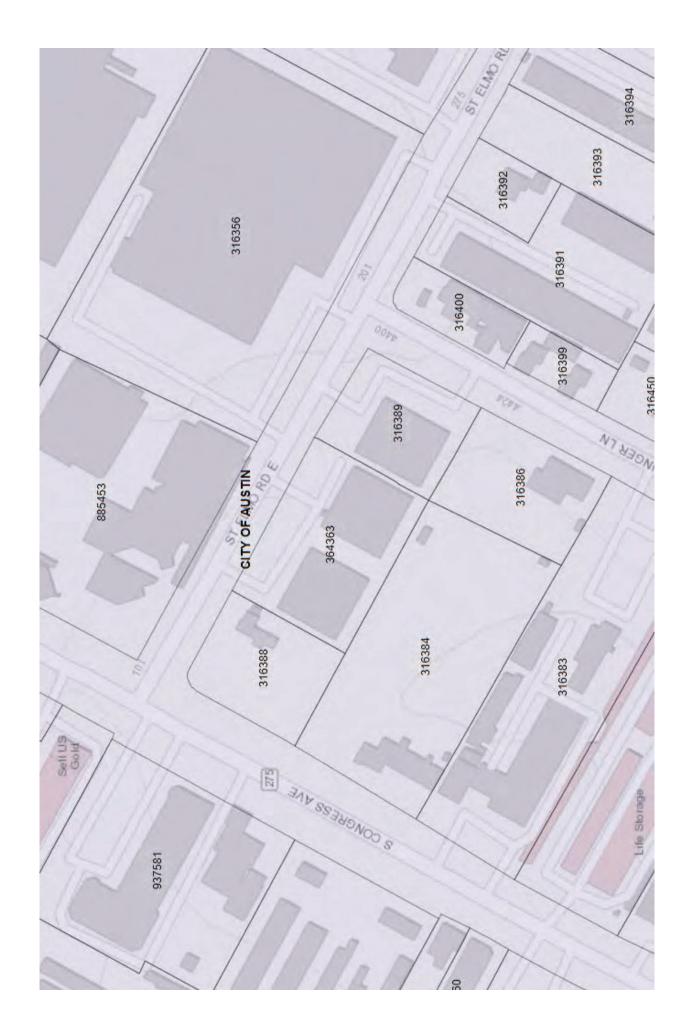
3-YEAR HISTORY / No previous sales noted / The rights conveyed were fee

RIGHTS CONVEYED: simple

VACANT LAND COMPARABLE # 1				Contract - Page 2 of 2
KEY MAP:	N/A	TAX ID#:	364363	
STATE:	Texas	COUNTY:	Travis	CITY: Austin

COMMENTS:

As proposed, the site will be improved with a 100-unit LIHTC community (catering to the general population) to be known as Village Square. The site is improved with 2 metal clad buildings (20,160 sq. ft.) with no contributory value and are to be demolished for \$110,000 (based on the developer's estimate). We consider the estimate to be reasonable and have added this amount to the base sales price. In addition, the site is zoned "LI-NP" Light Industrial - Neighborhood Plan; as such, the current zoning will need to be change to allow for the proposed development. However, it is considered likely the proposed development will be approved. The contract was negotiated on 1/08/2021.



Land Sale 1 - Plat Map

VACANT LA	AND COMPARABLE		Page 1 of 2		
KEY MAP:	N/A	TAX ID#:	237444		
STATE:	Texas	COUNTY:	Travis	CITY: Aust	in

SELLER: Ronan Corporation
PURCHASER: CSW Cart, Inc.
DATE OF SALE: December 14, 2020

LOCATION: 7113 Burnet Road; Southeast side of Burnet Road, roughly

370' northeast of Cullen Avenue.

LEGAL: 4.3881 Acres of land being Lot 1, Ronan Subdivision, Travis

County, Texas.

PRICE: \$15,000,000 or \$78.47 Per Sq. Foot

TERMS: Cash to seller

CASH EQUIVALENT PRICE \$15,115,116 or \$79.08 Per Sq. Foot

(SEE COMMENTS):

DOCUMENTATION: 2020-248-891 \$41,986 Per Unit

PHYSICAL INFORMATION

LAND SIZE: 4.3881 Acres or 191,146 SF

UTILITIES: All Available FLOOD CONTROL: Zone X

PROPOSED USE: 360 unit, market rate, multifamily community

CONST. SINCE PURCHASE: No

ZONING/DEED RESTRICTIONS: See Comments

EASEMENTS: Typical utility easements

EXISTING ROW: Yes

SITE DESCRIPTION: Rectangular and functional

VERIFIED WITH: Reliable 3rd party

3-YEAR HISTORY / No previous sales noted / The rights conveyed were fee

RIGHTS CONVEYED: simple

VACANT LAND COMPARABLE # 2						Page 2 of 2
KEY MAP:	N/A	TAX ID#:	237444			
STATE:	Texas	COUNTY:	Travis	CITY:	Austin	

COMMENTS:

As proposed, the site will be improved with a 360-unit, market rate multifamily community. The site is improved with a retail center and warehouse (totaling 38,372 sq. ft.) that offers no contributory value. We have estimated demolition costs to be \$115,116 (\$3.00 psf) and have added this amount to the base sales price. In addition, the site is zoned "CS-CO-NP"; "LO-CS-NP"; and "CS-1-CO-NP". As such, the current zoning will need to be change to allow for the proposed development. However, it is considered likely the proposed development will be approved.

Land Sale 2 - Plat Map

VACANT LAND COMPARABLE # 3						
MAP:	N/A	TAX ID#:	235851 / 235853 / 946410			
STATE:	Texas	COUNTY:	Travis	CITY: Austin		

SELLER: Richard G. Hardin, et al; Orangestone Burnet LLC; &

Donald and Martha Thompson

PURCHASER: OH Burnet, LP
DATE OF SALE: September 18, 2020

LOCATION: East side of Burnet Road at Addison Avenue, with additional

frontage along the west side of Burnet Lane.

LEGAL: Lot 1, Bradley Addition Replat, and Lots B & C, Penn

Estate, Travis County, Texas.

PRICE: \$15,885,000 or \$103.08 Per Sq. Foot

TERMS: Cash to seller

CASH EQUIVALENT PRICE \$16,030,500 or \$104.02 Per Sq. Foot

(SEE COMMENTS):

DOCUMENTATION: 2020-173-080 \$50,890 Per Unit

& Others

PHYSICAL INFORMATION

LAND SIZE: 3.538 Acres or 154,109 SF

UTILITIES: All Available FLOOD CONTROL: Zone X

PROPOSED USE: 315-unit market rate community

CONST. SINCE PURCHASE: No

ZONING/DEED RESTRICTIONS: CS-MU-V-CO-NP / CS-MU-CO-NP;

Legally Conforming

EASEMENTS: None / None Known

EXISTING ROW: Yes

SITE DESCRIPTION: Slightly irregular but functional

VERIFIED WITH: Reliable 3rd party

3-YEAR HISTORY / No previous sales noted / The rights conveyed were fee

RIGHTS CONVEYED: simple

COMMENTS: The site (assembled from 3 separate sellers) is slated to be

improved with a 315-unit market rate community by Oden Hughes, LLC. The property is currently improved with a small store, warehouse, restaurant, and apartment. These improvements total roughly 48,500 sq. ft. and offer no contributory value. We have estimated demolition costs to be \$145,500 (\$3.00 psf) and have added this amount to the

base sales price.

Land Sale 3 - Plat Map

VACANT LAND COMPARABLE # 4						
KEY MAP:	N/A	TAX ID#:	215034			
STATE:	Texas	COUNTY:	Travis	CITY: Austin		

SELLER: Nemerow Investments, LLC & Others

PURCHASER: The Abali, LLC DATE OF SALE: December 19, 2019

LOCATION: Along the southeast side of IH-35, ± 100 ' north of Bentwood

Road

LEGAL: Being part of Lots 2-6, Block G, Delwood Section One, Austin,

Travis County, Texas

PRICE: \$2,950,000 or \$73.90 Per Sq. Foot

TERMS: Cash to Seller

CASH EQUIVALENT PRICE: \$3,020,000 or \$75.66 Per Sq. Foot

\$53,929 Per Unit

DOCUMENTATION: 2019-200-333& 2 Others

PHYSICAL INFORMATION

LAND SIZE: 0.9164 Acres or 39,917 SF

UTILITIES: All Available

FLOOD CONTROL: Zone X

PROPOSED USE: 56-unit LIHTC community (The Abali)

CONST. SINCE PURCHASE: Yes (Under Construction)

ZONING/DEED REST: MF-6-CO-NP

EASEMENTS: Typical utility easements

EXISTING ROW: Paved

SITE DESCRIPTION: Rectangular and functional SALES HISTORY: No previous sales history.

VERIFIED WITH: Buyer and TDHCA (File #19295)

COMMENTS: The site is currently being improved with a 56-unit LIHTC

community (The Abali) catering to the general population. There will be a combination of studios, 1-, 2-, and 3-bedroom units catering to a low- to moderate-income clientele at the 30%, 50%, and 60% limits. There will also be 5 market rate units. The sales price was adjusted \$70,000 for demolition of pre-

existing structures on the site.

Land Sale 4 - Plat Map

VACANT LAND COMPARABLE # 5						Page 1 of 2
MAP:	N/A	TAX ID#:	100314			
STATE:	Texas	COUNTY:	Travis	CITY:	Austin	

SELLER: Anchor Equities, Ltd.

PURCHASER: FC Austin Eleven Housing Corporation

DATE OF SALE: December 9, 2019

LOCATION: Located along the northwest side of South Lamar Boulevard,

±250' northeast of Collier Street.

LEGAL: 0.5071 acre (22,087 sq. ft.) of land being out of a portion of

Lot 11, Evergreen Heights, City of Austin, Travis County,

Texas.

PRICE: \$2,550,000 or \$115.45 Per Sq. Foot

TERMS: Cash to seller

CASH EQUIVALENT PRICE \$2,613,253 or \$118.32 Per Sq. Foot

(SEE COMMENTS):

DOCUMENTATION: 2019-193-801 \$23,757 Per Unit

PHYSICAL INFORMATION

LAND SIZE: 0.507 Acres or 22,087 SF

UTILITIES: All Available

FLOOD CONTROL: Zone X

PROPOSED USE: 110-unit LIHTC community (classified as supportive

housing) known as Zilker Studios

CONST. SINCE PURCHASE: Yes

ZONING/DEED RESTRICTIONS: "CS-V" & "GR-V" - Legally Conforming

EASEMENTS: Typical utility easements

EXISTING ROW: Yes

SITE DESCRIPTION: Mostly rectangular and functional

VERIFIED WITH: Buyer

3-YEAR HISTORY / No previous sales noted / The rights conveyed were fee

RIGHTS CONVEYED: simple

VACANT LAND COMPARABLE # 5						Page 2 of 2
MAP:	N/A	TAX ID#:	100314			
STATE:	Texas	COUNTY:	Travis	CITY:	Austin	

COMMENTS:

The site is currently being improved with a 110-unit LIHTC community (classified as supportive housing) known as Zilker Studios. The site was improved with a $\pm 2,900$ sq. ft. single family residence built in 1925 (utilized as an office) and an ancillary structure. These improvements have no contributory value and were reportedly demolished at a cost of \$63,253. We consider the estimate to be reasonable and have added this amount to the base sales price.

Land Sale 5 - Plat Map

VACANT LAND COMPARABLE # 6						
KEY MAP:	N/A	TAX ID#:	188548			
STATE:	Texas	COUNTY:	Travis	CITY: Austin		

SELLER: Southwestern Bell Telephone

PURCHASER: 511 Springdale Ltd. DATE OF SALE: September 30, 2019

LOCATION: Northeast corner of E. 5th Street and Springdale Road. LEGAL: Lot 4-A, Resubdivision of Lot 4, Laura E. Mueller

Subdivision, Travis County, Texas.

PRICE: \$11,250,000 or \$92.93 Per Sq. Foot

TERMS: Cash to Seller

CASH EQUIVALENT PRICE: \$11,250,000 or \$92.93 Per Sq. Foot

DOCUMENTATION: 2019-152-227

PHYSICAL INFORMATION

LAND SIZE: 2.7791 Acres or 121,057 SF

UTILITIES: All Available

FLOOD CONTROL: Zone X ($\pm 99\%$) & Shaded Zone X ($\pm 1\%$)

PROPOSED USE: Speculative (Residential Likely)

CONST. SINCE PURCHASE: No

ZONING/DEED REST: CS-CO-NP

EASEMENTS: Typical utility easements

EXISTING ROW: Paved

SITE DESCRIPTION: Mostly rectangular and functional

VERIFIED WITH: Reliable 3rd party

3-YEAR HISTORY / No previous sales noted / The rights conveyed were fee

RIGHTS CONVEYED: simple

COMMENTS: Located in East Austin, this site was owned by

Southwestern Bell Telephone and is improved with a warehouse and a couple ancillary structures totaling 8,080 sq. ft. At the time of sale, a lease was entered into for a 2 year period with two 6 month options. The lease was for an unknown amount. The cost to demolish the improvements is assumed to not have been considered an immediate expenditure and has therefore not been added to the base sales price. Finally, a 1,500 sq. ft. easement was granted to AT&T for a telephone substation. We have not considered this easement to negatively impact the site

and have not made a deduction to land area.

Land Sale 6 - Plat Map

Land Sales Map

To arrive at an estimate of land value, the preceding sales have been compared to the subject tract and adjustments have been made to the respective per square foot sales price of the comparable properties. The common unit of comparison in the marketplace was the price per square foot. The following chart summarizes the sales which were seen to be applicable to our land value estimate.

Comp.	Date of Sale	Size (Acre)	Effective Ce \$/PPSF	Comments
1 Contract	November 30, 2021	1.14	\$96.78	As proposed, the site will be improved with a 100-unit LIHTC community (catering to the general population) to be known as Village Square. The site is improved with 2 metal clad buildings (20,160 sq. ft.) with no contributory value and are to be demolished for \$110,000 (based on the developer's estimate). We consider the estimate to be reasonable and have added this amount to the base sales price. In addition, the site is zoned "LI-NP" Light Industrial - Neighborhood Plan; as such, the current zoning will need to be change to allow for the proposed development. However, it is considered likely the proposed development will be approved. The contract was negotiated on 1/08/2021.
2 Sale	December 14, 2020	4.39	\$79.08	As proposed, the site will be improved with a 360-unit, market rate multifamily community. The site is improved with a retail center and warehouse (totaling 38,372 sq. ft.) that offers no contributory value. We have estimated demolition costs to be \$115,116 (\$3.00 psf) and have added this amount to the base sales price. In addition, the site is zoned "CS-CO-NP"; "LO-CS-NP"; and "CS-1-CO-NP". As such, the current zoning will need to be change to allow for the proposed development. However, it is considered likely the proposed development will be approved.
3 Sale	September 18, 2020	3.54	\$104.02	The site (assembled from 3 separate sellers) is slated to be improved with a 315-unit market rate community by Oden Hughes, LLC. The property is currently improved with a small store, warehouse, restaurant, and apartment. These improvements total roughly 48,500 sq. ft. and offer no contributory value. We have estimated demolition costs to be \$145,500 (\$3.00 psf) and have added this amount to the base sales price.

Part VII - Sales Comparison Approach / Continued

Sale	Date of Sale	Size (Acre)	Effective Ce \$/PPU	Comments
4 Sale	December 19, 2019	0.92	\$75.66	The site is currently being improved with a 56-unit LIHTC community (The Abali) catering to the general population. There will be a combination of studios, 1-, 2-, and 3-bedroom units catering to a low- to moderate-income clientele at the 30%, 50%, and 60% limits. There will also be 5 market rate units. The sales price was adjusted \$70,000 for demolition of pre-existing structures on the site.
5 Sale	December 9, 2019	0.51	\$118.32	The site is currently being improved with a 110-unit LIHTC community (classified as supportive housing) known as Zilker Studios. The site was improved with a $\pm 2,900$ sq. ft. single family residence built in 1925 (utilized as an office) and an ancillary structure. These improvements have no contributory value and were reportedly demolished at a cost of \$63,253. We consider the estimate to be reasonable and have added this amount to the base sales price.
6 Sale	September 30, 2019	2.78	\$92.93	Located in East Austin, this site was owned by Southwestern Bell Telephone and is improved with a warehouse and a couple ancillary structures totaling 8,080 sq. ft. At the time of sale, a lease was entered into for a 2 year period with two 6 month options. The lease was for an unknown amount. The cost to demolish the improvements is assumed to not have been considered an immediate expenditure and has therefore not been added to the base sales price. Finally, a 1,500 sq. ft. easement was granted to AT&T for a telephone substation. We have not considered this easement to negatively impact the site and have not made a deduction to land area.

The previously listed data sample was utilized to derive a land value estimate for the subject tract as vacant. These sales were of land located within the MSA and three were in fairly close proximity to the subject property. Primary emphasis was placed on land purchased for, or suitable to, multifamily housing. The time period searched was from late 2019 to the present. Refer to the grid chart following this analysis for a summation of all adjustments which were applied.

PROPERTY RIGHTS

All of the sales represented Fee Simple transactions. As such, no adjustments for property rights were needed.

FINANCING

This adjustment seeks to ascertain the cash equivalent sale price relative to the definition of market value as set forth previously. Favorable financing is an important consideration because it recognizes the impact, if any, on unit price paid. All sales were cash to seller or equivalent; thus, no adjustments were deemed necessary for financing.

MARKET CONDITIONS (DATE OF SALE)

This is an important consideration since property values tend to fluctuate over time. This fluctuation is dictated by market activity. In times of economic expansion property values will show an increase in value over time, whereas, in times of economic contraction, property values will stabilize or decline. If an extended period of economic contraction exists, the marketplace will exert a downward pressure on once stable property values. This downward pressure will exist until there is a general increase in optimism about the future among buyers. Ideally, an adjustment for time is extracted by comparison of the sale and subsequent resale of the same tract of land, with the only difference being the time frame involved. The sales utilized in this analysis represent five (5) sales and one (1) contract. The contract represents a recently negotiated transaction; thus, no adjustment was deemed necessary. However, the sales closed from September 2019 to December 2020 and the market has improved since these time periods; as such, *Sales 2 - 6* were adjusted as outlined later in the report. Time adjustments were applied at 3% per year, consistent with the 5 year annual rental rate increases in the MSA.

CONDITIONS OF SALE

All of the sales appeared to have been arms length transactions involving end-users. Thus, no adjustments were deemed necessary.

SIZE

Typically, property values and property size vary inversely. Thus, larger tracts tend to sell for lower per unit values than do smaller tracts. This is mainly due to the fact that smaller parcels usually have more intense uses than do larger parcels. Size, in this instance, is not absolute and there generally exists a range within which tracts are comparable. In addition, a tract which is too small for feasible development may suffer a loss in value. Data in the area indicates that a tract which is twice as large as another will sell for approximately 10% less. Conversely, a tract which is twice as small as another will sell for approximately 10% more. The sales were adjusted accordingly.

PHYSICAL CHARACTERISTICS

These attributes include site configuration, topography, ingress/egress, utilities, and flood plain criteria. The comparables were generally consistent with the subject in terms of configuration, easements, utilities, topography, flood plain, and ingress/egress; however, differences existed. Adjustments were applied as follows:

Flood Zoning - The subject site appears to be in Zone X ($\pm 70\%$) & Zone AO ($\pm 30\%$). Furthermore, according to a Site Investigation Report prepared by Kimley-Horn and Associates, Inc. (*dated February 2021 and provided to the TDHCA*) the site is also within the City of Austin Fully Developed 100 year floodplain (FEMA Flood Zone AE). However, **Sales 1 - 5** were within Zone X while **Sale 6** was within Zone X ($\pm 99\%$) & Shaded Zone X ($\pm 1\%$). Considered superior, *Sales 1 - 6* were adjusted downward -10%.

Easements - The subject property and **Sales 1** - **5** have typical easements. **Sale 6** has a 1,500 sq. ft. easement that was granted to AT&T for a telephone substation; however, we have not considered this easement to negatively impact the site and have not made a deduction to land area. Overall, the comparables were considered mostly similar.

Ingress / Egress - The subject site has frontage along two roads. Sales 3 and 6 have frontage along two roads while Sales 1, 2, 4 and 5 only have frontage along one road. Sales 1, 2, and 5 were adjusted upward 5% to 15%. However, Sale 4 had ample frontage and was considered similar; as such, no adjustment was applied.

LOCATION

An adjustment for location may be required if the characteristics of a comparable property are significantly different from the subject. Locational adjustments are analyzed in terms of relative time distance relationships between all likely destinations and origins. This adjustment is the most subjective of all adjustment categories as linkages between the property and important places outside the property must be assessed. To adjust for differences in location, each comparable was analyzed and adjusted in comparison with the subject property being appraised. In addition, the demographics were analyzed in the chart below to help with location comparison.

	2020 Demographic Data (1-mile radius)								
	Population	Median HH Income	Per Capita Income	Average HH Income	Owner Occupied HHs	College Degree (Associate +)			
Sale 1	15,480	\$59,429	\$33,884	\$78,416	34.6%	46.2%			
Sale 2	13,566	\$91,015	\$58,993	\$120,090	60.5%	71.9%			
Sale 3	14,363	\$94,886	\$63,052	\$126,690	74.7%	57.7%			
Sale 4	16,209	\$69,395	\$49,304	\$104,016	36.6%	71.7%			
Sale 5	20,125	\$92,921	\$69,328	\$128,859	39.4%	75.9%			
Sale 6	13,987	\$36,407	\$20,392	\$56,941	30.0%	40.4%			
Average	15,622	\$74,009	\$49,159	\$102,502		60.6%			
Subject	17,518	\$70,951	\$53,561	\$100,376	72.9%	35.3%			

Adjustments are primarily subjective and are outlined as follows:

Sale 1 is 8 miles south of the subject and 3.5 miles from the CBD. The demographic profile and surrounding land uses are inferior, although the site is adjacent to a good quality multifamily community (44 South - nearing completion - tenants must earn at or below 120% of AMI) and a good quality condominium development (Public Lofts). Access to transportation arterials is considered superior. Most importantly, this sale is in an area known as East Congress which is considered desirable and in close proximity to many dining / recreational activities. Considered superior, a downward -10% adjustment was applied.

Sale 2 is 1.2 miles northwest of the subject and 5.5 miles from the CBD. The demographic profile is superior while the surrounding land uses are inferior. Access to transportation arterials is considered mostly similar. Considered superior given the demographic profile, a downward -20% adjustment was applied.

Sale 3 is 0.9 mile northwest of the subject and 5.25 miles from the CBD. The demographic profile is superior while the surrounding land uses are mostly similar and the site is adjacent to a good quality multifamily community (*Marq on Burnet*). Access to transportation arterials is considered mostly similar. Considered superior given the demographic profile, a downward -25% adjustment was applied.

Sale 4 is 2 miles northeast of the subject and 3 miles from the CBD. The demographic profile is mostly similar while the surrounding land uses are inferior. The site is located along the northbound service road of I-35; as such, visibility is considered superior. However, access is considered inferior given that vehicular traffic can only access the site by traveling one-way on the I-35 service road. Considered inferior, an upward 25% adjustment was applied.

Sale 5 is roughly 5.75 miles south / southwest of the subject and 1.5 miles from the CBD. The demographic profile is superior and the surrounding land uses vary but are considered superior. Access to transportation arterials is considered mostly similar / slightly inferior. In addition, this sale is located along South Lamar Boulevard which is considered very desirable and features many restaurants and bars. Considered superior, a downward -25% adjustment was applied.

Sale 6 is roughly 5.5 miles southeast of the subject and 2.5 miles from the CBD. The demographic profile is significantly inferior and the surrounding land uses vary but are considered inferior. Access to transportation arterials is considered mostly similar. The area is currently in a period of revitalization and much of the higher end development is located near a popular mixed-use development known as *Plaza Saltillo*. The area should continue to improve and the long term potential is considered very good. Considered mostly similar, no adjustment was applied.

Please refer to the grid charts on the following pages for a summation of all adjustments applied.

SALE SIZE PRICE OF ADJ. NO. DATE (AC/SF) PER SF SALE TIME PER SF NO. DATE (AC/SF) PER SF SALE TIME PER SF 1 11/21 1.14 \$96.78 0% 0.0% \$96.78 Contract 49,702 49,702 879.08 0% 1.4% \$80.21 Sale 191,146 \$104.02 0% 2.2% \$106.30 Sale 154,109 \$75.66 0% 4.4% \$78.97 Sale 12/19 0.92 \$75.66 0% 4.4% \$78.97 Sale 12/19 0.51 \$118.32 0% 4.44% \$123.57							
11/21 1.14 \$96.78 0% 0.0% 0.0% 12/20 4.39 \$79.08 0% 1.4% 09/20 3.54 \$104.02 0% 2.2% 12/19 0.92 \$75.66 0% 4.4% 12/19 0.51 \$118.32 0% 4.44%		SIZE LOC.	FL EASI ING EG	FLOOD/ EASEMENT INGRESS- EGRESS		TOTAL	INDICATED VALUE PSF
12/20 4.39 \$79.08 0% 1.4% 191,146 09/20 3.54 \$104.02 0% 2.2% 12/19 0.92 \$75.66 0% 4.4% 12/19 0.51 \$118.32 0% 4.44%		0.00% -10%	-10.0%	0.0% 5	5.0%	-15.00%	\$82.26
12/20							
09/20 3.54 \$104.02 0% 2.2% 154,109 \$75.66 0% 4.4% 12/19 0.51 \$118.32 0% 4.44%		19.42% -20%	-10.0%	0.0%	15.0%	4.42%	\$83.76
09/20 3.54 \$104.02 0% 2.2% 154,109 \$75.66 0% 4.4% 12/19 0.51 \$118.32 0% 4.44%							
12/19 0.92 \$75.66 0% 4.4% 39,917 \$118.32 0% 4.44%		15.66% -25%	-10.0%	0.0%	- %0.0	-19.34%	\$85.74
12/19 0.92 \$75.66 0% 4.4% 39,917 \$118.32 0% 4.44%							
39,917 12/19 0.51 \$118.32 0% 4.44%		-11.08% 25%	-10.0%	0.0%	%0.0	3.92%	\$82.06
12/19 0.51 \$118.32 0% 4.44%							
	\$123.57	-2.28% -25%	-10.0%	0.0%	5.0%	-32.28%	\$83.68
Sale 22,087							
6 09/19 2.78 \$92.93 0% 5.06% \$97.64		12.30% 0%	-10.0%	0.0%	%0.0	2.30%	\$8.66\$
Sale 121,057							
			MEAN				\$86.23
			MEDIAN				\$82.97

RECONCILIATION

In conclusion, the factors which seem to exert the greatest influence regarding land value were location, flood zone, and site size. The range of final adjusted prices was from \$82.06 to \$99.88 per sq. ft. with a mean of \$86.23 and a median of \$82.97 per sq. ft. The sales required varying amounts of adjustments; thus, the reliability ranged from fair to good. *Sale 6* was considered an "outlier" since it varied so much from the other, more comparable sales. If this sale is removed, the mean decreases to \$83.50 per sq. ft. with a median of \$83.68 per sq. ft.

With primary emphasis placed near the adjusted mean and median of the range (excluding *Sale 6*), it is our opinion that the final estimated market value, in "as is" condition, unaffected by environmental issues, and assuming a reasonable exposure time of 6 months, as of *June 6, 2021*, was concluded to be as shown below:

1.13	Acres or	49,225	Sq. Ft.	X	\$83.50	PSF =	\$4,110,288
Less:	Demolition						(\$100,000)
INDI	INDICATED "AS IS" VALUE (ROUNDED) \$4,010,000						\$4,010,000

PART VIII RECONCILIATION

Based on the previous analysis, the estimated Market Value of the subject's **Fee Simple Estate**, in "as is" condition, and in accordance with accepted appraisal procedures and conforms with the code of professional ethics and standards of professional conduct of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP) and subject to the *Assumptions and Limiting Conditions* contained herein, was:

Market Value in "As Is" Condition as of June 6, 2021

Cost Approach Not Applicable (a)

Sales Comparison Approach \$4,010,000

Income Approach Not Applicable (a)

(a) - The Cost and Income Approaches to value were not utilized since the existing improvements offer no contributory value.

The previously outlined value conclusion is subject to the following *Assumptions and Limiting Conditions*.

PART IX ASSUMPTIONS & LIMITING CONDITIONS

- 1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
- 2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
- 3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
- 4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
- 5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- 6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- 7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- 8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
- 9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.
- 10. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority from any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

Part IX - Assumptions & Limiting Conditions/Continued

- 11. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
- 12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
- 13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- 14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
- 15. Any proposed improvements are assumed to be completed in good workmanlike manner in accordance with the submitted plans and specifications.
- 16. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- 17. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.
- 18. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.

PART X CERTIFICATION

The undersigned do hereby certify that, except as otherwise noted in this appraisal report:

- To the best of our knowledge and belief, the statements of fact contained in this appraisal report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions.
- We have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results. In addition, the Appraisal Assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. We are a disinterested party and will not materially benefit from the Development in any other way than receiving a fee for performing the appraisal and that the fee is in no way contingent upon the outcome of the appraisal.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice (USPAP).
- David L. Pallante, MAI reviewed the appraisal. Brian A. Edmonds prepared the appraisal and personally inspected the subject property. It should be noted, all pertinent data is contained in the report. In addition to the undersigned, N/A has provided significant assistance in collecting, verifying and analyzing data.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

Part X - Certification/Continued

- As of the date of this report, I, David L. Pallante, have completed the continuing education program for Designated Members of the Appraisal Institute.
- The values expressed in this report are not based in whole or part upon race, color, or national origin of the current/prospective owners or occupants.
- David L. Pallante & Associates, LLC is a corporation duly organized and validly existing under the laws of the state of Texas.

Based upon the information contained in this report and upon our judgement, knowledge, and experience as real estate appraisers, it is our opinion that the Market Value of the Fee Simple Estate, in "as is" condition, assuming a reasonable exposure time of 6 months or less, is as follows:

Valuation Premise	Premise Qualifier	Interest Appraised	Date of Value	Indicated Value
Market Value - 1.13 Acres	As Is	Fee Simple	June 6, 2021	\$4,010,000

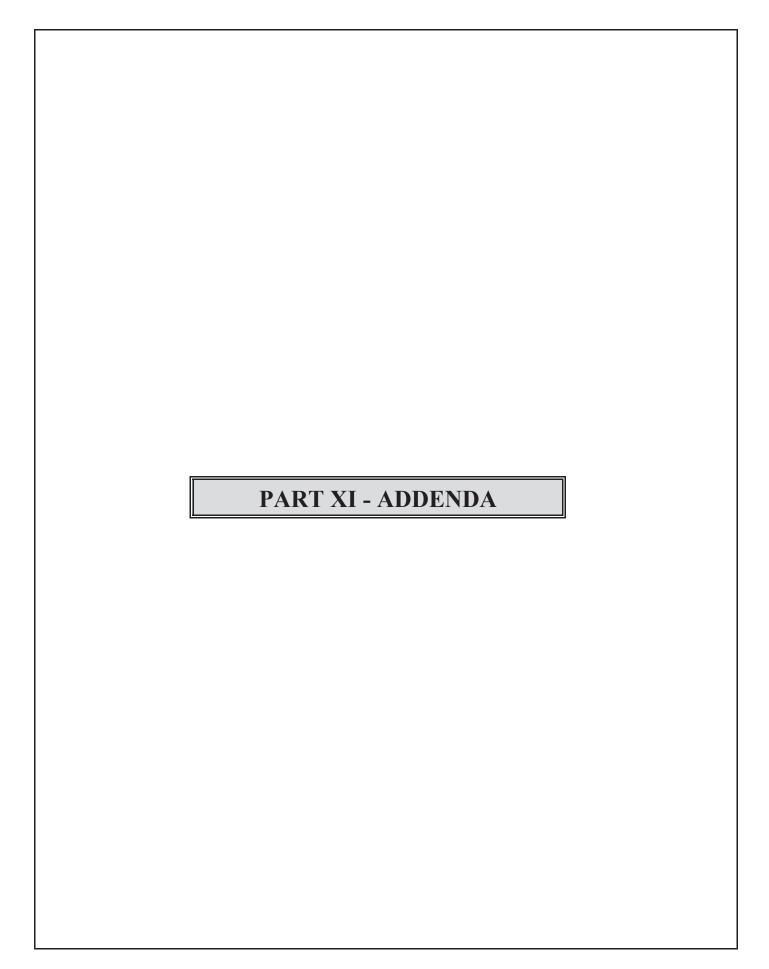
- S Pallante

David L. Pallante, MAI Review Appraiser State Certified General Appraiser TX-1320347-G

Expires 03/31/2023

Brian A. Edmonds Inspecting Appraiser State Certified General Appraiser TX-1380422-G Expires 02/28/2023

Mian A. Elmond



QUALIFICATIONS OF DAVID L. PALLANTE, MAI

Professional Memberships

Texas State Certified General Real Estate Appraiser (TX-1320347-G)

Designated Member, Appraisal Institute, (MAI #8964); Currently certified under the AI Continuing Education Program

Education

B.B.A. with concentration in Finance and Real Estate

Western Michigan University, Kalamazoo, Michigan

Business curriculum which included Real Estate Principles, Real Estate Finance, Real Estate Appraisal, Investments, and Feasibility Analysis, with various related finance courses.

Appraisal Institute Course Work:

Course 1A-1, Real Estate Valuation Principles

Course 1A-2, Real Estate Valuation Procedures

Course 1B-A, Capitalization Theory & Techniques, Part A

Course 1B-B, Capitalization Theory & Techniques, Part B

Course 2-1, Case Studies in Real Estate Valuation

Course 2-2, Valuation Analysis and Report Writing

Seminars / Continuing Education:

Real Estate and the Americans with Disabilities Act - March 1994

Real Estate Environmental Screening - March 1994

Appraisal Practices For Litigation - May 1995

Understanding Limited Appraisals - February 1996

11th and 15th Annual Legal Seminar on Ad Valorem Taxation - August 1997 and August 2001

Appraising and the Internet - December 1997

Keeping Current with Texas Real Estate (MCE) - June 1999

Uniform Standards of Professional Appraisal Practice (USPAP) - 2000 thru 2020

Appraisal Review: Commercial - February 2001

On-line Search Strategies for Real Estate Appraisers - March 2001

On-line Appraising from Blueprints and Specifications - August 2001

On-line Analyzing Operating Expenses - January 2002

On-line Feasibility, Market Value, Investment Timing: Option Value - January 2002

Appraisal of Nursing Facilities - February 2002

Appraisal Review: General - March 2003 & January 2005

Appraisal Consulting - March 2003

Land Valuation Adjustment Procedures - Module I and II - March 2003

The Houston Housing Story - Mike Inselmann (American Metro) - April 21, 2004

The Quiet Revolution in Housing & How it Affects the Appraisal Process - August 25, 2004

Houston Apartment Market Update - Mr. Cliff McDaniel, ARA Southwest - August 25, 2004

MCE Ethics and MCE Legal - January 2005

Qualifications of David L. Pallante, MAI / Continued

Seminars / Continuing Education (Continued):

The Road Less Traveled: Special Purpose Properties - January 2005

Houston Market Trends - Mr. Clark Davis, the Gerald Hines Company - March 2005

The Current State of the Houston Market - Mr. Jim McAlister, the McAlister Company, - May 2005

Local Economic Overview - Mr. Dan Seal, Greater Houston Partnership - August 2005

Impact of Hurricane Katrina on Houston - Mr. Fred Baca, Colliers - November 2005

CCIM 2006 Annual Commercial Real Estate Forecast Competition - February 2006

Property Taxes and Texas State Spending - Mr. Dan Patrick - February 2006

Market Analysis and the Site to do Business - March 2006

Mid-Year 2006 Office and Industrial Update: Good as it Gets - August 2006

Retail Markets in the Houston Area - February 2007

U.S. Army Corps of Engineers R.E. Division - October 2006

On-line Analyzing Distressed Real Estate - December 2006

On-line Valuation of Detrimental Conditions in Real Estate - March 2007

Real Estate Development Conference - Denver, CO. - May 2007

Update on The Uptown District - May 2007

Current Outlook on Houston Area Homebuilding - October 2007

Real Estate & the Economic Outlook from 2008-2009 - September 2008

Attacking & Defending an Appraisal Litigation - October 2008

Analyzing Operating Expenses - October 2008

LIHTC Basics - Novogradac - May 2009

Common Errors and Issues; Staying out of trouble in your Appraisal Practice; Spotlight on Challenges; and A Lenders Perspective - November 2010

Business Practices and Ethics - March 2006, December 2011, September 2016, February 2019

On-line Appraisal Curriculum Overview - Residential and General - December 2011

Internet Search Strategies - March 2013

Current Issues Regarding Appraisals of Senior Housing and Long-Term Care Properties - March 2014

Houston's New Formula for Economic Growth - May 2014

2014 Real Estate Trends in Commercial Properties - August 2014

State of the Economy and the Houston Real Estate Market - November 2014

Houston's Economy Past and Future - February 2015

Valuing Net Zero Energy Buildings - February 2015

Appraising FHA Today - March 2015

The Nuts and Bolts of Green Building for Appraisers - March 2015

Appraisal of Land Subject to Ground Leases - March 2015

Supervisor - Trainee Course for Texas - March 2015

2015 Real Estate Trends in Commercial and Residential Properties - September 2015

Houston Real Estate Market (Dr. James Gaines) - November 2015

Downtown Houston (Bob Eury of Central Houston) - October 2016

Appraisal Institute - 2017 and Beyond - December 2016

Houston Multifamily - Have We Seen the Bottom - February 2017

A Review of Disciplinary Cases - February 2017

Advanced Hotel Appraising - Full Service Hotels - February 2017

Real Estate and the Houston Grocery War - April 2017

Qualifications of David L. Pallante, MAI / Continued

2017 - 2018 State of the Economy - March 2018

The Bayou Greenway Project - May 2018

2018 Real Estate Symposium - September 2018

Texas Supervisor-Trainee Course - February 2019

Central Houston Update - February 2019

Novogradac LIHTC Year 15 Webinar - June 2019

Uptown Houston - January 2020

State of the Economy - All Bets Are Off - September 2020

That's a Violation - March 2021

Appraising Small Apartment Properties - March 2021

Essential Elements of Disclosure and Disclaimers - March 2021

Managing Appraiser Liability - March 2021

Professional Experience

Appraisal experience includes both the appraisal and review of commercial properties, industrial, special purpose, vacant land and subdivisions (both commercial and residential). This work is performed for various types of clients which include lending institutions, governmental agencies, and various corporations, attorneys and individuals. Some of the more prominent / interesting appraisal assignments include the following:

Land

- ► 10,000 acres of timberland in East Texas
- ► The 400 acre Via Ranch Katy, TX
- ► Norwood Park Mixed-use subdivision Austin, TX
- ▶ Point Northwest Mixed-use subdivision Houston, TX

Miscellaneous

- ► 2,000,000 gallons of wastewater capacity Houston, TX
- ► Lakeside (West Houston) Airport
- ► The historic Balinese Ballroom Galveston, TX
- ► Proposed Ritz Carlton New Orleans, LA
- ► The Hardin House Dormitory Austin, TX

Office

- ► Energy Tower I, II and III Office Buildings (over 1 million sf) Houston, TX
- ► Energy Center III, IV and V Office Buildings (over 1.6 million sf) Houston, TX
- ► Three Eldridge Office Building Houston, TX
- ▶ 1,248,000 sq. ft. Exxon Mobil office building Houston, TX
- ▶ 1,098,399 sq. ft. 1600 Smith Office Tower Houston, TX
- ▶ 1,003,980 sq. ft. One Allen Center office building Houston, TX
- ► 1725 and 1735 Hughes Landing Office Buildings (651,847 sf) The Woodlands, TX
- ► The historic Davis Buildings Austin, TX

Retail

- ▶ Pavilion on Post Oak Shopping Center Houston, TX
- ► Whole Foods (Hughes Landing) The Woodlands, TX

Qualifications of David L. Pallante, MAI / Continued

Multifamily

- ► Mosaic Lofts Houston, TX
- ► St. Germain Lofts Houston, TX
- ► Over 250 LIHTC apartment appraisals throughout Texas and Louisiana
- ► Over 2,500 conventional apartment appraisals throughout Texas and Louisiana

Portfolios

- ▶ 15 property conventional apartment portfolio with properties in Houston and Austin, TX
- ▶ 12 property Section 8 apartment portfolio with properties in Texas, Mississippi, Kentucky, North and South Carolina, and Georgia
- ► 15 property office portfolio Austin, TX
- ▶ 10 property LIHTC portfolio with properties in Texas and Louisiana

Mr. Pallante has testified in Federal Bankruptcy, District, and Commissioners Court as an expert witness in the valuation of real estate. Mr. Pallante has also testified before the Bond Review Board in Austin, Texas with regards to a proposed bond-financed, LIHTC community. In addition, Mr. Pallante has served as a special commissioner with regards to several condemnation proceedings.

DAVID LAWRENCE PALLANTE 605 E 15TH STREET GEORGETOWN, TX 78626



Certified General Real Estate Appraiser

Appraiser: David Lawrence Pallante

License #: TX 1320347 G License Expires: 03/31/2023

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz Commissioner

QUALIFICATIONS OF BRIAN A. EDMONDS

Licensing and Professional Affiliations

Texas State Certified General Real Estate Appraiser (TX-1380422-G)

Education

B.S. with a major in Economics University of Houston, Houston, Texas

Qualifying Education:

Basic Appraisal Principles - August 2009

Basic Appraisal Procedures - August 2009

15-Hour National USPAP Equivalent Course - August 2009

Online General Appraiser Sales Comparison Approach - September 2011

Online Real Estate Finance Statistics and Valuation Modeling - January 2012

General Appraiser Income Approach - October 2012

General Appraiser Market Analysis Highest and Best Use - June 2013

General Appraiser Site Valuation and Cost Approach - January 2014

Online General Appraiser Report Writing and Case Studies - January 2014

Commercial Appraisal Review - Subject Matter Elective - October 2014

Expert Witness for Commercial Appraisers - Subject Matter Elective - October 2014

Seminars / Continuing Education:

Online Cool Tools: New Technology for Real Estate Appraisers - August 2010 & February 2019

Online Rates and Ratios: Making sense of GIMs, OARs, and DCF - September 2010

Online Analyzing Operating Expenses - October 2011

Online Forecasting Revenue - October 2012

Online Advanced Internet Search Strategies - October 2012

Online Business Practices and Ethics - December 2012 & January 2019

The Dirty Dozen - February 2017

Essential Elements of Disclosures and Disclaimers - February 2017 & 2021

A Review of Disciplinary Cases: How to Avoid a Visit with the Licensing Board - February 2017

Managing Appraiser Liability - February 2017 & 2021

Workfile Documentation for Appraisers - February 2017

2020-2021 7-Hour Equivalent USPAP Update Course - January 2021

Online Data Verification Methods - February 2019

That's a Violation - February 2019 & 2021

Introduction to Expert Witness Testimony for Appraisers: To Do or Not to Do - February 2021

Qualifications of Brian A. Edmonds / Continued **Professional Experience** ► Researcher, David L. Pallante & Associates, Houston, TX, December 2004 - September 2009 ► Appraiser Trainee, David L. Pallante & Associates, Houston, TX, October 2009 - January 2015 ► State Certified General Real Estate Appraiser, David L. Pallante & Associates, Houston, TX, February 2015 - Present My appraisal experience includes the appraisal of commercial properties including, but not limited to, conventional and LIHTC multifamily properties, office buildings, and retail centers. This work has been performed for various types of clients which includes lending institutions, governmental agencies, corporations and individuals.

BRIAN ANTHONY EDMONDS 8524 HIGHWAY 6 NORTH #238 HOUSTON, TX 77095



Certified General Real Estate Appraiser

Appraiser: Brian Anthony Edmonds

License #: TX 1380422 G License Expires: 02/28/2023

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz Commissioner

GLOSSARY OF TERMS

INTRODUCTION

This section provides definitions for real estate terms that are used throughout this appraisal. Unless otherwise stated, the source for all definitions is *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

Actual Age - The number of years that have elapsed since construction of an improvement was completed; also called *historical* or *chronological age*.

Appraisal - (Noun) the act or process of developing an opinion of value; an opinion of value. (Adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. *Comment:* An appraisal must be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value). *Source: USPAP, 2020-2021*

As Is Market Value - The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Assignment Conditions - Assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work. *Comment:* Laws include constitutions, legislative and court-made law, administrative rules, and ordinances. Regulations include rules or orders, having legal force, issued by an administrative agency. *Source: USPAP*, 2020-2021

Client - The party or parties who engage an appraiser (by employment or contract) in a specific assignment. *Comment:* The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent. *Source: USPAP, 2020-2021*

Confidential Information - Information that is either a) Identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or b) Classified as confidential or private by applicable law or regulation. *Source: USPAP 2020-2021*

Cost Approach - A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.

Depreciation - In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

Glossary of Terms / Continued

Depreciated Cost - Cost less depreciation as of the date of the appraisal.

Direct Capitalization - A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Appraiser clarification: For Direct Capitalization to be appropriate and reliable, 1) the property must be put to its highest and best use, 2) only stabilized income should be capitalized, 3) the estimated NOI should be forward looking (proforma), and 4) cap rates should be extracted from the sale comparables in the same manner they are applied to the subject property.

Economic Life - The period over which improvements to real property contribute to property value.

Effective Age - The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age.

Effective Date - The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply.

Exposure Time - The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Extraordinary Assumption - An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. *Comment:* Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. *Source: USPAP 2020-2021*

Fee Simple - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Highest and Best Use - The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Glossary of Terms / Continued

Hypothetical Condition - A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. *Comment:* Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *Source: USPAP* 2020-2021

Income Approach - A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.

Intended Use - The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment. *Source: USPAP 2020-2021*

Intended User - The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment. *Source: USPAP 2020-2021*

Leased Fee - An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

Market Rent - The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TI's).

Market Value - As quoted in the Federal Register, Volume 55, 12 C.F.R. Part 34.42(g), Page 34696, August 24, 1990, as amended at Federal Register, Volume 57, Page 12202, April 9, 2002; Federal Register, Volume 59, Page 29499, June 7, 1994, Market Value is defined as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale of a specified date and passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and each acting in what they consider their own best interest;
- (3) A reasonable time is allowed for exposure in the open market;

Glossary of Terms / Continued

- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Marketing Time - An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Potential Gross Income - The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted.

Prospective Opinion of Value - A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Prospective Opinion of Value - A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connections with projects that are proposed, under construction, under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Remaining Economic Life - The estimated period during which improvements will continue to represent the highest and best use of the property; an estimate of the number of years remaining in the economic life of the structure or structural components as of the date of the appraisal; used in the economic age-life method of estimating depreciation.

Replacement Cost - The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

Reproduction Cost - The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

Glossary of Terms / Continued
Sales Comparison Approach - The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.
Scope of Work - The type and extent of research and analyses in an appraisal or appraisal review assignment. Source USPAP 2020-2021

SUBJECT PICTURES



View looking east - southeast onto subject, near midpoint of southwest property line



View looking northwest onto subject, near midpoint of southwest property line



View looking north - northwest onto subject, near midpoint of southeast property line



View looking west - southwest onto subject, near midpoint of southeast property line



View of existing improvements (to be demolished)



View of existing improvements (to be demolished)

SUBJECT PICTURES



Adjacent multifamily community (The Pearl - under construction)



Adjacent office building



Northeast along Grover Avenue



Southeast along Grover Avenue



Northwest along W. Koenig Lane



Southeast along W. Koenig Lane





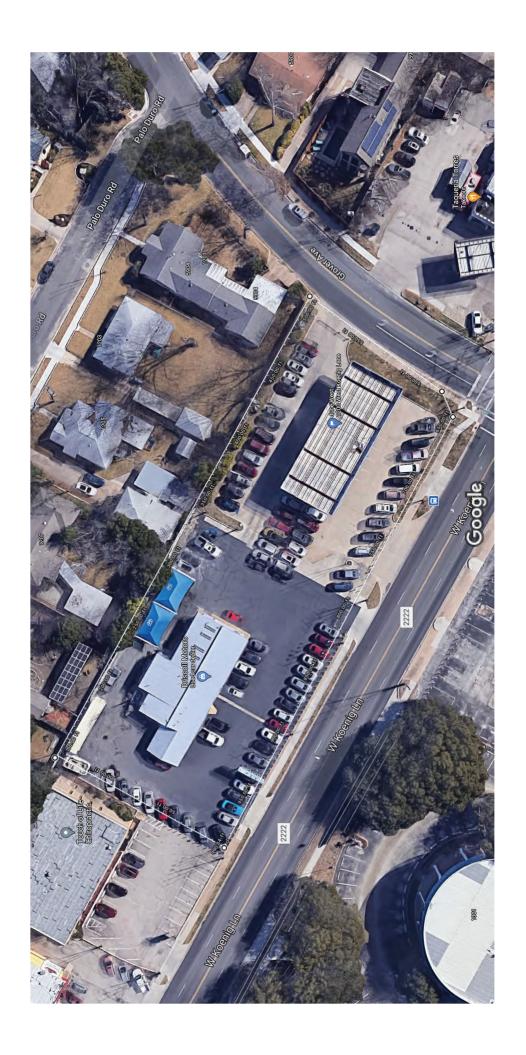


Rental Housing Development Assistance Application

June West



5b. Property Maps







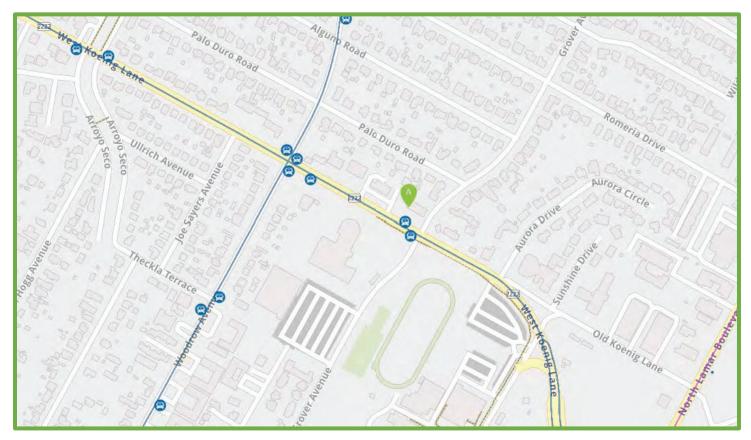
Google Maps 1200 West Koenig Lane, Austin, TX to 1120 Koenig/Grover, Austin, TX 78756

Walk 13 ft, 1 min



Nearby Transit Stops

1. 1120 Koenig/Grover Stop ID: 2468
 2. 1205 Koenig/Grover Stop ID: 2425





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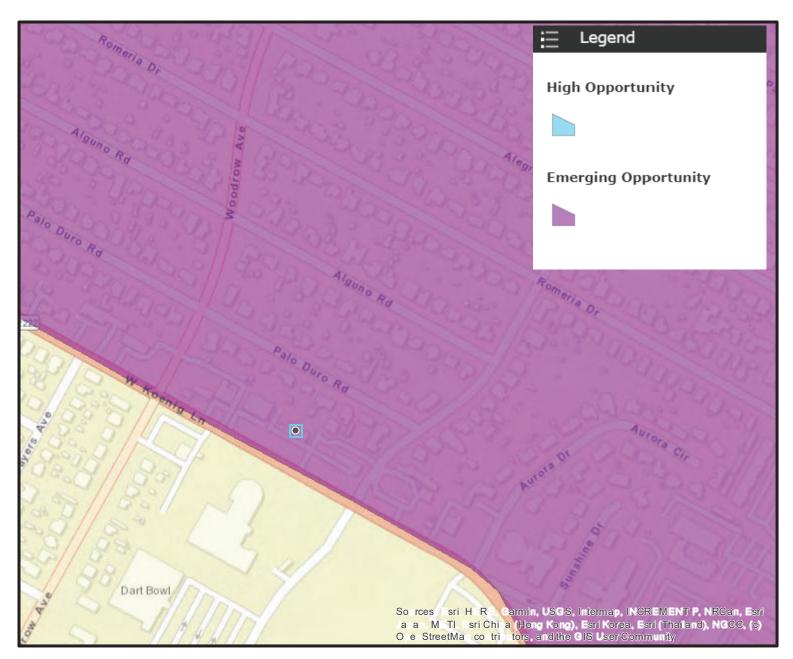
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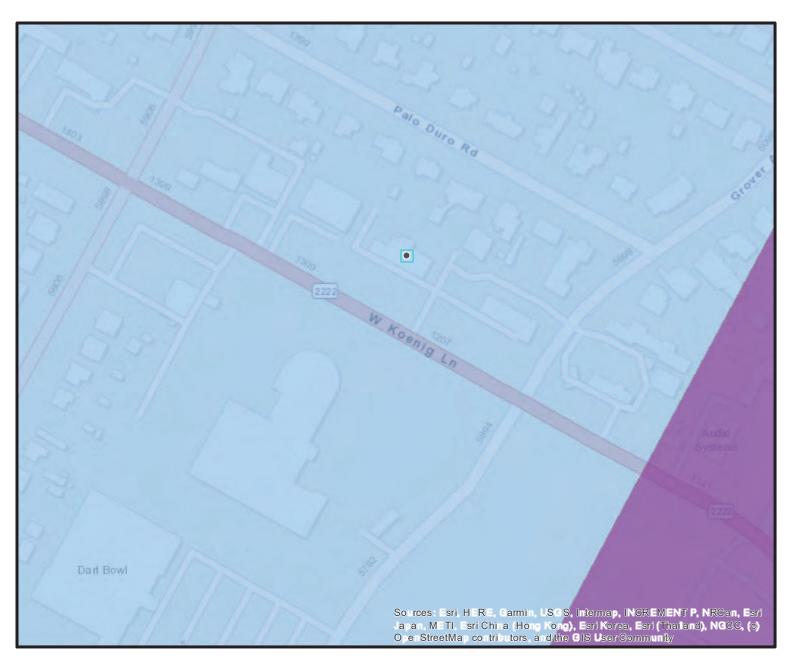
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ArcGIS Web AppBuilder 3/8/2021





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ArcGIS Web AppBuilder 3/8/2021





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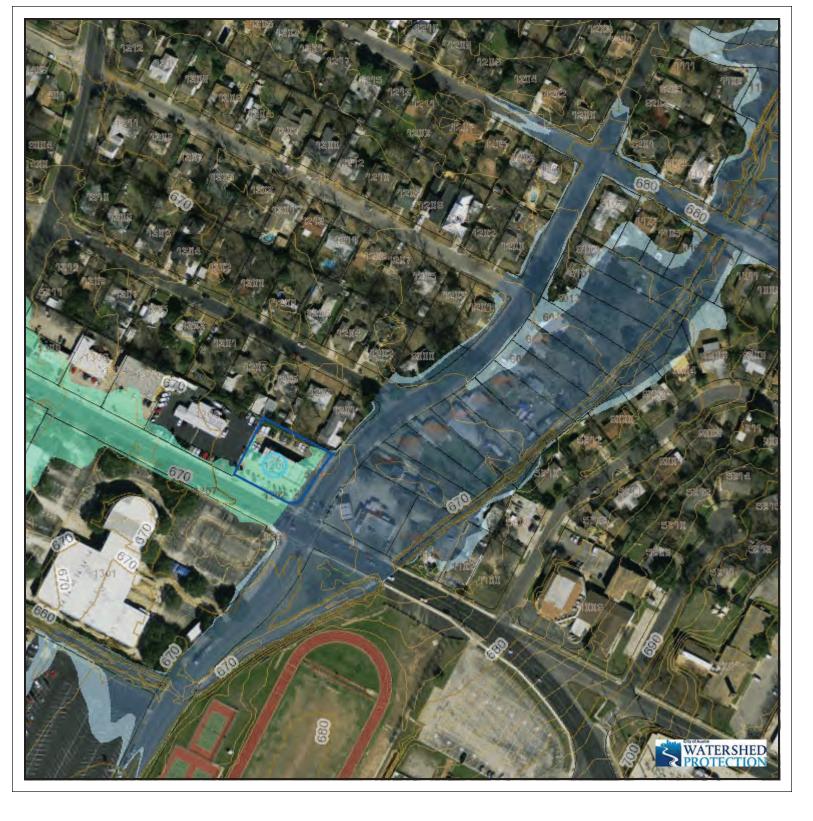
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FEMA Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 200 400 Feet

Prepared: 12/1/2020











Rental Housing Development Assistance Application

June West



5c. Zoning Verification Letter

City of Austin



P.O. Box 1088, Austin, TX 78767 www.cityofaustin.org/housing

Housing and Planning Department

March 1, 2021

Megan Lasch 5001A Balcones Drive, #302 Austin, TX 78731

Re: Zoning Verification for the Property located at 1200-1206 W Koenig Lane, 78756 Austin, Travis County, Texas more particularly described as Lot A, of J. Broaddus Subdivision, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in/under Volume 89, Page 2 of the Map/Plat Records of Travis County, Texas. and Lot 13-W, Amended Plat of Lots 11, 12, 13, 14, 15 and the West 35 feet of Lot 16, in Block W, of Violet Crown heights, Section Two, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in/under Volume 99, Page 161 of the Map/Plat Records of Travis County, Texas.

Dear Ms. Lasch:

This letter is to confirm that the property located at 1200-1206 W Koenig Lane, 78756 Austin, Texas is zoned GR-MU-CO-NP.

Under the GR-MU-CO-NP classification applicable to this property, the density of the proposed multi-family residential development is not permitted; however, this site is the subject of an application for the City's Affordability Unlocked Program (AU Program), which is a residential affordable housing development bonus program. See Division 4 (Affordability Unlocked Bonus Program) in Article 15 of City Code Chapter 25-1. The AU Program makes a qualifying development a permitted use in a commercial base zoning district and increases density entitlements.

Based upon the current Affordability Unlocked application, the proposed development is eligible to be certified as a qualifying development. If certified under the AU Program, the site can be developed as multifamily housing.

The City of Austin has received a release agreeing to hold the political subdivision and all other parties harmless in the event the application for the Affordability Unlocked Program for the proposed June West development is denied.

Sincerely,

Sandra Harkins, Project Coordinator

Sandra Harkins

Housing and Planning Department







Rental Housing Development Assistance Application

June West



5d. Proof of Site Control

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

EFFECTIVE

DATE:

GRANTOR:

Time Warp LLC, a Texas limited liability company as exchange accommodation titleholder in a qualified exchange accommodation arrangement for Hardeman Family Joint Venture

Ltd.

GRANTEE:

June West, LLC, a Texas limited liability company

GRANTEE'S MAILING ADDRESS: 5501-A Balcones Dr. #302 Austin, TX 78731

CONSIDERATION: Ten Dollars and other valuable consideration paid to Grantor.

PROPERTY:

Tract 1: Lot A, of J. Broaddus Subdivision, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in/under Volume 89, Page 2 of the Map/Plat Records of Travis County, Texas; and

Tract 2: Lot 13-W, Amended Plat of Lots 11, 12, 13, 14, 15 and the West 35 feet of Lot 16, in Block W, of Violet Crown Heights, Section Two, a subdivision in Travis County, Texas, according to the map or plat thereof recorded in/under Volume 99, Page 161 of the Map/Plat Records of Travis County, Texas.

RESERVATIONS AND EXCEPTIONS TO CONVEYANCE AND WARRANTY:

This conveyance is subject to the reservations from Conveyance and Exceptions to conveyance and warranty, to the extent that such matters are presently in force and effect and affect the Property, as recorded in the Official Public Record of Travis County, Texas.

GRANT OF PROPERTY:

Grantor, for the Consideration and subject to the Reservations From Conveyance and the Exceptions to Conveyance and Warranty, GRANTS, SELLS, and CONVEYS to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold unto Grantee, Grantee's heirs, executors, administrators, successors, and assigns, as applicable, forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors, as applicable, to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors and assigns, as applicable, against every person whomsoever lawfully claiming or to claim the same or any part thereof, when claiming by, though or under Grantor, but not otherwise, except as to the Reservations From Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

Time Warp LLC as the exchange accommodation titleholder in a qualified exchange accommodation arrangement for Hardeman Family Joint Venture Ltd. By: Craig A. Dunagan, its manager
THE STATE OF TEXAS §
COUNTY OF TRAVIS §
This instrument was acknowledged before me on this day of December, 2021, by Craig A. Dunagan, as Manager of Time Warp LLC as the exchange accommodation titleholder in a qualified exchange accommodation arrangement for Hardeman Family Joint Venture Ltd. in the above referenced capacities. MANDY DEAN-KNOTTS
After Recording Return to:

Ms. Mandy Dean Knotts Stewart Title of Austin, LLC 901 South Mopac, Building III, Suite 100 Austin, Texas 78746







Rental Housing Development Assistance Application

June West



5e. Phase 1 ESA

Condensed Version Attached - for full report please contact Abby Penner (abby@saigebrook.com)







Rental Housing Development Assistance Application

June West



5f. SHPO – Not Applicable



June West

1200-1206 W Koenig Lane, Austin TX 78756



Thank you for your consideration of this application.

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