



Norman Commons

by Foundation Communities

2023 RHDA Application

Executive Summary

Foundation Communities (FC) is an Austin nonprofit, developing affordable housing in our community for over 30 years, serving over 7,000 residents across 23 communities in Austin and three in North Texas, with seven more in construction and predevelopment. We provide beautifully designed, energy efficient homes and free on-site services for thousands of Austin families with kids, as well as veterans, seniors, and people with disabilities.

Norman Commons is a special opportunity for FC, in partnership with Austin Housing Finance Corporation (AHFC), to build a multi-family community in Northeast Austin next to Norman-Sims Elementary. The opportunity to develop this city-owned site was awarded by AHFC to FC and fellow nonprofit Guadalupe Neighborhood Development Organization (GNDC) through a competitive RFP process. Norman will include 156 multifamily rental homes and a learning center developed by FC, as well 32 affordable homeownership units by GNDC.

At the time of the RFP for the development site, FC did not anticipate needing RHDA funds to complete the multifamily component of this project. However, since the time of our proposal, many things have changed: an increased unit count requirement imposed by City Council, a jump in construction costs, rising interest rates, lack of availability of NHTF funds, and increasingly competitive FHLB Atlanta funds.

In an environment of increasing interest rates and construction costs, our request for RHDA funds is vital to Norman's development budget, which increased from \$37 million in our original projected costs to now \$55 million. Rising construction costs and interest rates are impacting all developers, many of whom are similarly scrambling to secure additional funding. Norman's development budget grew not only due to ballooning construction costs and interest rates, but also because we have increased Norman's unit count and size to fulfill City Council requests. FC had originally proposed 140 units – all one- to three-bedrooms – but have revised our concept to build 156 units and include four-bedroom floor plans per city requirement in awarding the site to FC.

With 156 affordable rental homes, a Learning Center, on-site case management, and a host of other amenities and services, this new community is envisioned to achieve the following goals:

- **Family Friendly with a preference for Homeless Families** - 76% of homes will offer two, three, and four bedrooms to accommodate larger families. 10% of units will prioritize homeless families making less than 30% of MFI and will receive supportive services through FC's Children's Home Initiative Program.
- **Long-Term Affordability and Non-profit ownership** - 100% of the units will be affordable to households at or below 60% AMI and will remain affordable even after the 40-year rent restriction expires. FC will remain the lifetime owner, manager, and service provider of the rental homes and Learning Center.

- **High Impact Community Services:** Residents will benefit from a multitude of free, on-site services to support their financial, emotional, and physical well-being. A state-of-the-art Learning Center will function as the community hub, which will house summer and after-school educational programs for youth, adult education classes, resident events, fitness classes, and more. Related high impact community services, including on-site case management and a healthy food pantry, will be available to meet the needs of our residents.
- **Green Building and Amenity-rich Green Space** - We will design and build the community to Austin Energy Green Building standards and are committed to the preservation of trees and green space and will design several kid- and pedestrian-friendly amenities for outdoor play.

Application

Norman Commons

APPLICATION CHECKLIST/ INFORMATION FORM				
DEVELOPER : Foundation Communities		OWNER/BORROWER NAME : Foundation Communities		
DEVELOPMENT NAME : Norman Commons		FUNDING CYCLE DEADLINE : February 8, 2023		
FEDERAL TAX ID NO: 74-2563260		DUNS NO: 55-635-2268		
PROJECT ADDRESS: 3811 1/2 Tannehill Ln, Austin, TX 787		PROGRAM : RHDA		
CONTACT NAME : Sabrina Butler		AMOUNT REQUESTED: \$5,244,975		
CONTACT ADDRESS AND PHONE : 3000 South Interstate 35 FR, Suite 300, Austin, TX 78704 510-452-7602				
APPLICATION TABS				INITIALS
A 1	EXECUTIVE SUMMARY/PROJECT PROPOSAL			SB
A 2	PROJECT SUMMARY FORM			SB
A 3	PROJECT TIMELINE			SB
A 4	DEVELOPMENT BUDGET			SB
A 5	OPERATING PRO FORMA			SB
A 6	SCORING SHEET			SB
ATTACHMENT TABS				
1	ENTITY INFORMATION	1.a.	Detailed listing of developer's experience	SB
		1.b.	Certificate of Status	SB
		1.c.	Statement of Confidence	N/A
2	PRINCIPALS INFORMATION	2.a.	Resumes of principals	SB
		2.b.	Resumes of development team	SB
		2.c.	Resumes of property management team	SB
3	FINANCIAL INFORMATION	3.a.	Federal IRS Certification	SB
		3.b.	Certified Financial Audit	SB
		3.c.	Board Resolution	SB
		3.d.	Financial Statements	SB
		3.e.	Funding commitment letters.	SB
4	PROJECT INFORMATION	4.a.	Market Study	SB
		4.b.	Good Neighbor Policy	SB
		4.c.	SMART Housing Letter	SB
		4.d.	MOU with ECHO	SB
		4.e.	Resident Services	SB
5	PROPERTY INFORMATION	5.a.	Appraisal	SB
		5.b.	Property Maps	SB
		5.c.	Zoning Verification Letter	SB
		5.d.	Proof of Site control	SB
		5.e.	Phase I ESA	SB
		5.f.	SHPQ	SB
<p>The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. <i>Unsigned/undated submissions will not be considered.</i></p>				
SIGNATURE OF APPLICANT		DATE AND TIME STAMP OF RECEIPT		
<div><i>Sabrina Butler</i></div> <div>PRINTED NAME</div> <div>Sabrina Butler</div> <div>TITLE OF APPLICANT</div> <div>Director of Real Estate Development</div> <div>DATE OF SUBMISSION</div> <div>2/8/2023</div>		<div></div> <div>FOR AHFC USE ONLY</div>		

Project Summary Form

1) Project Name Norman Commons	2) Project Type 100% Affordable	3) New Construction or Rehabilitation New Construction
4) Address(s) or Location Description 3811 Tannehill Ln, Austin TX 78721		5) Mobility Bond Corridor
6) Census Tract 21.1	7) Council District District 1	8) Elementary School NORMAN EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? No	12) How will funds be used? Construction

13) Summary of Rental Units by MFI Level

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI		4	8	3	1	16
Up to 40% MFI						0
Up to 50% MFI		18	39	19	2	78
Up to 60% MFI		15	31	15	1	62
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	37	78	37	4	156

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						0
Total Units	0	0	0	0	0	0

15) Initiatives and Priorities (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	16	Continuum of Care Units	16
Accessible Units for Sensory Impairments	3		

Use the City of Austin GIS Map to Answer the questions below

16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor?

No

17) Is the property within 1/4 mile of a High-Frequency Transit Stop?

No

18) Is the property within 3/4 mile of Transit Service?

Yes

19) The property has Healthy Food Access?

No

20) Estimated Sources and Uses of funds

Sources

Debt	16,054,261
Equity	25,881,537
Grant	
Other	3,250,000
Deferred Developer Fee (not applicable for OHDA)	3,500,000
Previous AHFC Funding	
Current AHFC Request	6,951,846

Total \$ 55,637,644

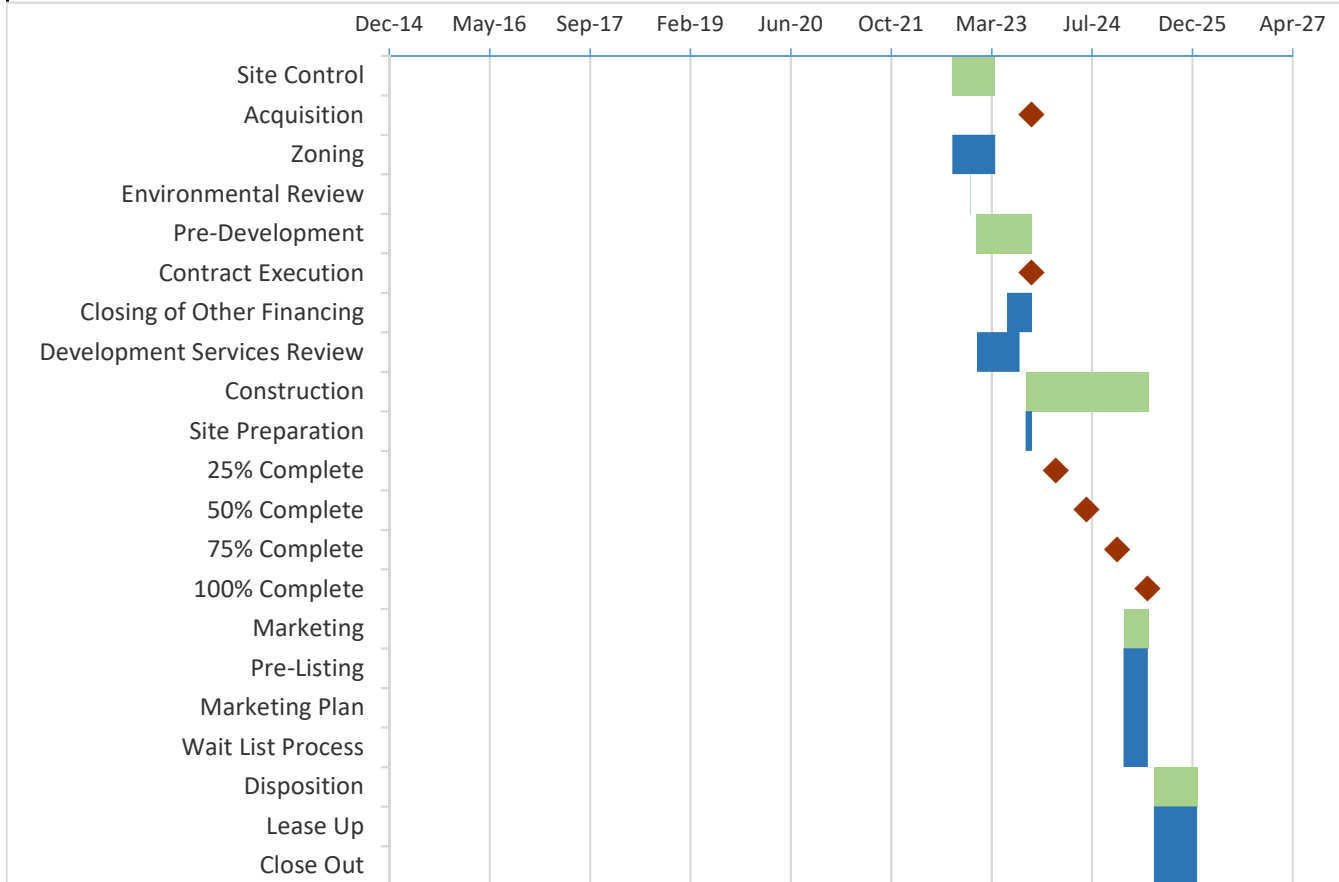
Uses

Acquisition	50,000
Off-Site	
Site Work	5,672,773
Sit Amenities	
Building Costs	35,386,316
Contractor Fees	1,514,490
Soft Costs	2,051,928
Financing	3,962,136
Developer Fees	7,000,000

Total \$ 55,637,644

Development Schedule

	Start Date	End Date
Site Control	Sep-22	Apr-23
Acquisition	Oct-23	
Zoning	Sep-22	Apr-23
Environmental Review	Dec-22	Dec-22
Pre-Development	Jan-23	Oct-23
Contract Execution	Oct-23	
Closing of Other Financing	Jun-23	Oct-23
Development Services Review	Jan-23	Aug-23
Construction	Sep-23	May-25
Site Preparation	Sep-23	Oct-23
25% Complete	Feb-24	
50% Complete	Jul-24	
75% Complete	Dec-24	
100% Complete	May-25	
Marketing	Jan-25	May-25
Pre-Listing	Jan-25	May-25
Marketing Plan	Jan-25	May-25
Wait List Process	Jan-25	May-25
Disposition	Jun-25	Jan-26
Lease Up	Jun-25	Jan-26
Close Out	Jun-25	Jan-26



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	16,000		
Environmental Review	7,050		
Engineering	28,598		
Survey	16,500		
Architectural	858,165	300,000	
Subtotal Pre-Development Cost	\$926,313	\$300,000	
Acquisition			
Site and/or Land	0		
Structures			
Other (specify)	50,000		
Subtotal Acquisition Cost	\$50,000	\$0	
Construction			
Infrastructure			
Site Work	5,672,773	6,651,846	
Demolition			
Concrete	872,591		
Masonry	1,902,682		masonry and steel
Rough Carpentry	7,892,584		
Finish Carpentry	1,427,888		
Waterproofing and Insulation	581,390		
Roofing and Sheet Metal	957,251		
Plumbing/Hot Water	2,901,786		
HVAC/Mechanical	2,462,918		
Electrical	3,188,692		
Doors/Windows/Glass	1,329,725		
Lath and Plaster/Drywall and Acoustical	2,160,636		
Tiel Work	659,000		
Soft and Hard Floor	176,257		
Paint/Decorating/Blinds/Shades	860,188		
Specialties/Special Equipment	1,781,382		elevator, fire safety, specialties
Cabinetry/Appliances	334,974		
Carpet			
Other (specify)	5,383,549		contractor fee, general requirements, overhead, owner work
Construction Contingency	2,027,313		
Subtotal Construction Cost	\$42,573,580	\$6,651,846	
Soft & Carrying Costs			
Legal	75,000		
Audit/Accounting	14,000		
Title/Recordin	2,082,636		title/recording/loan fees/bond fees
Architectural (Inspections)	17,500		
Construction Interest	1,862,000		
Construction Period Insurance	115,000		
Construction Period Taxes	0		
Relocation	0		
Marketing			
Davis-Bacon Monitoring			
Developer Fee	7,000,000		developer fee is 15% of eligible basis
Other (specify)	921,615		reserves/ consultants/ FFE/
Subtotal Soft & Carrying Costs	\$12,087,751	\$0	
TOTAL PROJECT BUDGET	\$55,637,644	\$6,951,846	

15 Year Rental Housing Operating Pro Forma (RHDA)

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

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$2,294,028	\$2,339,909	\$2,386,707	\$2,434,441	\$2,483,130	\$2,741,576	\$3,026,921
Secondary Income	\$24,000	\$24,480	\$24,970	\$25,469	\$25,978	\$28,682	\$31,667
POTENTIAL GROSS ANNUAL INCOME	\$2,318,028	\$2,364,389	\$2,411,676	\$2,459,910	\$2,509,108	\$2,770,258	\$3,058,589
Provision for Vacancy & Collection Loss	-\$173,852	-\$177,329	-\$180,876	-\$184,493	-\$188,183	-\$207,769	-\$229,394
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$2,144,176	\$2,187,060	\$2,230,801	\$2,275,417	\$2,320,925	\$2,562,489	\$2,829,195
EXPENSES							
General & Administrative Expenses	\$70,116	\$72,219	\$74,386	\$76,618	\$78,916	\$91,485	\$106,057
Management Fee	\$110,106	\$113,409	\$116,811	\$120,316	\$123,925	\$143,663	\$166,545
Payroll, Payroll Tax & Employee Benefits	\$324,960	\$334,709	\$344,750	\$355,093	\$365,745	\$423,999	\$491,531
Repairs & Maintenance	\$241,752	\$249,005	\$256,475	\$264,169	\$272,094	\$315,432	\$365,672
Electric & Gas Utilities	\$33,126	\$34,120	\$35,143	\$36,198	\$37,284	\$43,222	\$50,106
Water, Sewer & Trash Utilities	\$80,923	\$83,351	\$85,851	\$88,427	\$91,080	\$105,586	\$122,403
Annual Property Insurance Premiums	\$55,947	\$57,625	\$59,354	\$61,135	\$62,969	\$72,998	\$84,625
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$39,000	\$40,170	\$41,375	\$42,616	\$43,895	\$50,886	\$58,991
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ANNUAL EXPENSES	\$955,930	\$984,608	\$1,014,146	\$1,044,571	\$1,075,908	\$1,247,272	\$1,445,930
NET OPERATING INCOME	\$1,188,246	\$1,202,452	\$1,216,655	\$1,230,846	\$1,245,017	\$1,315,217	\$1,383,265
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$1,033,258	\$1,033,258	\$1,033,258	\$1,033,258	\$1,033,258	\$1,033,258	\$1,033,258
Second Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Third Deed of Trust Annual Loan Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL NET CASH FLOW	\$154,988	\$169,194	\$183,397	\$197,588	\$211,759	\$281,959	\$350,007
CUMULATIVE NET CASH FLOW	\$154,988	\$324,182	\$507,578	\$705,166	\$916,926	\$2,151,222	\$3,731,136
Debt Coverage Ratio	1.15	1.16	1.18	1.19	1.20	1.27	1.34

Project Name	Norman Commons	
Project Type	100% Affordable	
Council District	District 1	
Census Tract	21.1	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$5,244,975	
Estimated Total Project Cost	\$55,661,967	
High Opportunity	No	
High Displacement Risk	YES	
High Frequency Transit	No	
Imagine Austin	No	
Mobility Bond Corridor	0	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	16	# of rental units at < 30% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	28%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	0%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	3	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	78	# of rental units at < 50% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	28%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	0%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	8	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	28%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	0%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	12%	% of City's affordable housing goal
High Opportunity	FALSE	% of City's affordable housing goal for high opportunity areas
Displacement Risk	28%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	0%	% of City's affordable housing goal near high frequency transit
Imagine Austin	0%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	0%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	11	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	16	Total # of units provided up to 100 per year
Continuum of Care Score	2	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	No	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	1	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	47	Total Affordable 2 Bedroom units
3 Bedroom Units	22	Total Affordable 3 Bedroom units
4 Bedroom Units	3	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	15	Multi-bedroom Unit/Total Units * 20
TEA Grade	86	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	4	Educational Attainment, Environment, Community Institutions, Social Cohesion, E
Accessible Units	19	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	4	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	1	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	28	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	16%	% 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)	\$55,798	Amount of assistance per unit
Subsidy per unit score	18	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$27,036	Amount of assistance per bedroom
Subsidy per Bedroom Score	22	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	1.21	Measured at the 5 Year mark
Debt Coverage Ratio Score	20.94176413	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	82	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	120	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

Attachments

Norman Commons

1a. Applicant Entity Introduction

Foundation Communities (FC) is the applicant and is a nationally recognized nonprofit founded in 1990 with a mission to provide quality affordable housing and supportive services to low-income families and individuals. FC has 30 years of experience creating housing where individuals and families succeed. Our vision for strong families and communities involves more than just providing a roof over peoples' heads. By combining affordable housing and free on-site services, we empower low-income residents with the tools they need to achieve long-term stability and self-sufficiency. FC focuses on four main areas:

Opening Doors to Homes: We own and manage over 3,700 apartments across 23 properties in Austin and 3 in North Texas. Over 7,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.

Healthy Communities: All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have over 850 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 157 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

Learning in a Community: On-site Learning Centers give over 1,000 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.

Financial Stability: Financial Centers provide free tax preparation to more than 32,000 low-income individuals each year with the help of 600+ IRS-certified volunteers. Annual refunds amount to more than \$35 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business.

1b. Applicant Entity 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, Articles Of Incorporation for FOUNDATION COMMUNITIES, INC. (file number 114499001), a Domestic Nonprofit Corporation, was filed in this office on March 05, 1990.

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 January 28, 2022.



A handwritten signature in black ink, appearing to read "John B. Scott".

John B. Scott
Secretary of State

1c. Applicant Capacity

Foundation Communities Staff Experience

- **Walter Moreau, Executive Director:** During his 30+ year career, Walter has secured subsidy financing of more than \$500 million to create more than 3,700 units of service-enriched, nonprofit-owned affordable housing, and 15 onsite Learning Centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.
- **Sabrina Butler, Director of Real Estate Development,** oversees FC's overall real estate development portfolio, from site selection through construction completion and stabilization. With a background in finance, Sabrina brings a particular strength in securing both public and conventional financing for FC's multi-family housing pipeline, and provides refinancing support to the existing portfolio as well. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing portfolio management and community development finance. Sabrina has a Masters in Regional Planning.
- **Megan Matthews, Director of Design,** and licensed Architect in the State of Texas, oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of four of our recent communities. Megan coordinates the RFQ and bid processes for the architect, engineers, and general contractor and is the direct link between the third party design and construction professionals and FC's Development team. Megan has a Bachelor of Architecture degree from The University of Texas at Austin.
- **Anna Lake-Smith, Development Project Manager,** works with the Development team to take projects through feasibility, design, and construction, including coordinating with the Sustainability, Property, and Asset Management teams. Anna brings a wide range of design experience, from residential interiors to city planning. Anna holds a dual MS in Urban Design and MS in Community/Regional Planning from The University of Texas at Austin, and a Bachelor of Arts in Architecture from Wellesley College.
- **Tillie Croxdale, Housing Finance Manager,** underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Real Estate Development with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelor in Architecture, a Master in Real Estate Finance and 10 years' experience in the affordable housing field.

1c. Applicant Capacity

Foundation Communities Development experience

- **Development management:** FC has been managing affordable housing communities in house for over 30 years. Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third-party design and construction professionals and FC's Development team. She oversaw the successful completion of The Jordan at Mueller, Waterloo, and Laurel Creek and is currently overseeing two communities under construction.
- **Market Analysis:** FC engages a third-party firm to conduct market studies for each of our proposed projects. The market study is ordered in the contract feasibility period. Sabrina Butler receives bids and engages each project's market analyst.
- **Site selection and Control:** Walter Moreau has 30 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third-party land broker to find sites and negotiate with sellers.
- **Planning and Construction:** FC contracts with third-party general contractors and has been privileged to work with a number of quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). FC has an excellent working relationship with several general contractors.
- **Design, Architecture and Engineering:** Megan Matthews oversees the hiring of the design and engineering team. Typically, Megan issues an RFQ to an invited list of bidders (open to all interested parties.) The list is narrowed down based on responses; then, the FC development team, including Walter, Sabrina, and Megan, meet the finalists and make a selection based on presentations. FC has an excellent working relationship with several architectural firms and civil engineers.
- **Legal and Accounting:** All accounting is performed in-house by an accounting team led by Ann Clift, CFO. Tax returns, audits and cost certifications for tax credit properties are contracted out to Novogradac and Company, LLC. FC has engaged a third-party attorney.
- **Federal Funding Rules:** FC has extensive experience working with programs funded by HUD and their associated federal regulations including: Federal Labor Standards, Davis Bacon Reporting, Section 3, Affirmative Marketing, Environmental Clearances, Public Notices and Procurement Standards.
- **Other Funding Source Rules:** FC has a great track record for using multiple funding sources on each project. Funding stacks often include tax credits, state funds, FLHB, grants, and private fundraising. More details are in the Financial Capacity section.

1d. Statement of Confidence

This is not applicable as the majority of Foundation Communities portfolio is located within the City of Austin and monitored by HPD.

1e. Applicant Financial Capacity

Foundation Communities has 30 years of experience utilizing multiple funding tools in the development of affordable multifamily housing. We have an excellent track record of securing funding in competitive allocations of 9% tax credits, Federal Home Loan Bank AHP funds, and City of Austin RHDA funds as well as strong working relationships with multiple lenders and tax credit investors.

- **Tax Credits:** Over the past 20 years, Foundation Communities has applied for and been awarded 9% tax credits for 16 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.
- **City of Austin:** The City of Austin has been a major contributor on 24 Foundation Communities' projects. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin HPD/AHFC staff.
- **FHLB:** Foundation Communities has applied for and received 22 awards through the FHLB Affordable Housing Program.
- **Lenders:** Foundation Communities has excellent relationships with several lenders that allow for competitive rates and pricing. We currently have private mortgages with Compass BBVA, Bank of America, Wells Fargo, Capital One Bank, University Federal Credit Union, and Greater Texas Federal Credit Union.
- **Private Fundraising:** FC has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$16 million in private funds to help fund construction of 8 new communities.
- **Other:** FC has also utilized TDHCA's Multifamily Direct Loan Program (TCAP and National Housing Trust Fund loans), and the federal Capital Magnet Fund program.

1f. Non-profit Developer

Foundation Communities is a Non-profit Developer

Foundation Communities, Inc. changed its name from Central Texas Mutual Housing Association (CTMHA) in 2000. CTMHA was originally formed March 5, 1990. In May 1990 the IRS issued a determination letter that recognized Central Texas Housing Mutual Corporation as a 501(c)(3). In June 2001, we received a letter from IRS reaffirming our 501(c)(3) status for Foundation Communities, Inc. and recognizing the group exemption for all the subordinate nonprofit affiliates. In 2019 Foundation Communities moved offices from 3036 S 1st St, Austin, TX 78704 to 3000 S IH 35, Suite 300, Austin, TX 78704 and submitted a change of address to form to IRS.

1f(i). IRS Letter

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
1100 COMMERCE STREET
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION
C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:
74-2563260

Case Number:
755122043

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
May 23, 1990

Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Bobby E. Scott
District Director

Internal Revenue Service

Department of the Treasury

**P.O. Box 2508
Cincinnati, OH 45201**

Date: June 6, 2001

Foundation Communities
3036 S 1st St 200
Austin, TX 78704-6382

Person to Contact:

Marion F Robinson- Baugh
Customer Service Representative

Toll Free Telephone Number:

8:00 A.M. to 9:30 P.M. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

74-2563260

Dear Sir or Madam:

This is in response to your request for affirmation of your organization's exempt status.

In May 1990, we issued a determination letter that recognized your organization as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on the information supplied, we recognized the subordinates named on the list your organization submitted as exempt from federal income tax under section 501(c)(3) of the Code. Additionally, we have classified the subordinates your organization operates, supervises, or controls, and which are covered by written notification to us, as organizations that are not private foundations because they are organizations of the type described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Code.

Donors may deduct contributions to your organization's subordinates as provided in section 170 of the Code. Bequests, legacies, devises, transfers or gifts to the subordinates or for their use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Your organization and its subordinates are required to file Form 990, Return of Organization Exempt from Income Tax, only if the gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

Your organization and its subordinates are not required to file federal income tax returns unless subject to the tax on unrelated business income under section 511 of the Code. If subject to this tax, the organization must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization or its subordinates' present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Foundation Communities
74-2563260

Unless specifically excepted, your organization and its subordinates are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each of its employees during a calendar year. Your organization and its subordinates are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Each year, at least 90 days before the end of your organization's annual accounting period, please send the following items to the Internal Revenue Service Center at the address shown below:

1. A statement describing any changes during the year in the purposes, character, or method of operation of your organization's subordinates;
2. A list showing the names, mailing addresses (including Postal ZIP Codes), actual addresses if different, and employer identification numbers of subordinates that:
 - a. Changed names or addresses;
 - b. Were deleted from the roster; or
 - c. Were added to the roster.
3. For subordinates to be added, attach:
 - a. A statement that the information on which your organization's present group exemption letter is based applies to the new subordinates;
 - b. A statement that each has given your organization written authorization to add its name to the roster;
 - c. A list of those to which the Service previously issued exemption rulings or determination letters;
 - d. A statement that none of the subordinates is a private foundation as defined in section 509(a) of the Code if the group exemption letter covers organizations described in section 501(c)(3);
 - e. The street address of subordinates where the mailing address is a P.O. Box; and

Foundation Communities
74-2563260

- f. The information required by Revenue Procedure 75-50, 1975-2 C.B. 587 for each subordinate that is a school claiming exemption under section 501(c)(3). Also include any other information necessary to establish that the school is complying with the requirements of Revenue Ruling 71-447, 1971-2 C.B. 230. This is the same information required by Schedule A, Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.
4. If applicable, a statement that your organization's group exemption roster did not change since the previous report.

The above information should be sent to the following address:

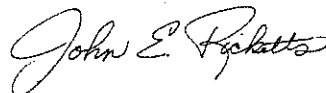
Internal Revenue Service Center
Attn: Entity Control Unit
Ogden, UT 84409

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. You are also required to make available for public inspection a copy of your organization's exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Your organization's Group Exemption Number is .

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



John E. Ricketts, Director, TE/GE
Customer Account Services

Change of Address or Responsible Party — Business

▶ Please type or print.

▶ See instructions on back. ▶ Do not attach this form to your return.
▶ Go to www.irs.gov/Form8822B for the latest information.

OMB No. 1545-1163

Before you begin: If you are also changing your home address, use Form 8822 to report that change.

If you are a tax-exempt organization (see instructions), check here ☒

Check **all** boxes this change affects:

- 1 ☒ Employment, excise, income, and other business returns (Forms 720, 940, 941, 990, 1041, 1065, 1120, etc.)
- 2 ☒ Employee plan returns (Forms 5500, 5500-EZ, etc.)
- 3 ☒ Business location

4a Business name Foundation Communities, Inc	4b Employer identification number 74-2563260
--	--

5 Old mailing address (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.
3036 S 1st Street, Suite 200, Austin, TX 78704

Foreign country name	Foreign province/county	Foreign postal code
----------------------	-------------------------	---------------------

6 New mailing address (no., street, room or suite no., city or town, state, and ZIP code). If a P.O. box, see instructions. If foreign address, also complete spaces below, see instructions.
3000 S IH-35, Suite 300, Austin, TX 78704

Foreign country name	Foreign province/county	Foreign postal code
----------------------	-------------------------	---------------------

7 New business location (no., street, room or suite no., city or town, state, and ZIP code). If a foreign address, also complete spaces below, see instructions.
3000 S IH-35, Suite 300, Austin, TX 78704

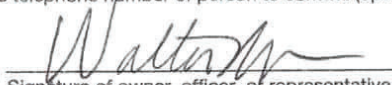
Foreign country name	Foreign province/county	Foreign postal code
----------------------	-------------------------	---------------------

8 New responsible party's name

9 New responsible party's SSN, ITIN, or EIN

10 Signature
Daytime telephone number of person to contact (optional) ▶

Sign Here


Signature of owner, officer, or representative
Executive Director
Title

1-2-2020
Date

Where To File

Send this form to the address shown here that applies to you.

IF your old business address was in ...	THEN use this address ...
Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, Wisconsin	Internal Revenue Service Cincinnati, OH 45999-0023
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, any place outside the United States	Internal Revenue Service Ogden, UT 84201-0023

1f(ii). Audit

Foundation Communities, Inc.

**Consolidated Financial Statements with Report of Independent Auditors
December 31, 2021 and 2020**

TABLE OF CONTENTS

	<u>PAGE</u>
REPORT OF INDEPENDENT AUDITORS	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities	5
Consolidated Statements of Functional Expenses	7
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10
SUPPLEMENTARY INFORMATION:	
Schedule of Financial Position by Entity - Unaudited	46
Schedule of Activity by Entity - Unaudited	48
Community Housing Development Organization	
Property Tax Reinvestment Public Expenditure Test	50
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
Report of Independent Auditors on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Texas Uniform Grant Management Standards	53
Schedule of Expenditures of Federal and State Awards	56
Notes to the Schedule of Expenditures of Federal and State Awards	57
Schedule of Findings and Questioned Costs	58



Report of Independent Auditors

To the Board of Directors of
Foundation Communities, Inc.:

Opinion

We have audited the accompanying consolidated financial statements of Foundation Communities, Inc., a Texas nonprofit corporation, and its affiliates, (collectively "Foundation Communities"), which comprise the consolidated statement of financial position as of December 31, 2021, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Foundation Communities as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foundation Communities and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of Foundation Communities as of and for the year ended December 31, 2020, were audited by other auditors whose report dated May 20, 2021, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation Communities' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Foundation Communities' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation Communities' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of financial position by entity and activity by entity, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Community Housing Development Organization property tax reinvestment public expenditure test is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2022, on our consideration of Foundation Communities' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Foundation Communities' internal control over financial reporting and compliance.

Novogradec & Company LLP

Austin, Texas
June 14, 2022

1f(iii). Board Resolution

RESOLUTION
BOARD OF DIRECTORS OF
Foundation Communities, Inc.
Norman Commons

WHEREAS, **Foundation Communities, Inc.**, a non-profit Community Housing Development Organization (the “**Corporation**”), has determined that the actions set out in the following resolutions reasonably may be expected to benefit, directly or indirectly, the Corporation;

RESOLVED, that the Corporation apply for a loan for acquisition, predevelopment, and/or construction costs, from the Austin Housing Finance Corporation in Rental Housing Development Assistance Funding (the “**Loan**”) for a proposed affordable housing, rental community to be constructed at **3811 Tannehill Ln, Austin, TX 78721** (the “**Property**”)

RESOLVED, that the Corporation apply for permitting and entitlements (collectively “**Entitlements**”) with the City of Austin related to the proposed affordable housing to be constructed on the Property;

RESOLVED, that either WALTER MOREAU, as Executive Director of the Corporation (the “**ED**”) or Vicki McDonald, as Chief real Estate Officer (the “**CREO**”) may in his/her sole discretion execute all documents to effectuate the Loan and Entitlements;

RESOLVED, that the Corporation secure up to **\$10,000,000** of loan funds from the Austin Housing Finance Corporation (the “**Lender**”) and, whether by and through itself or by and through an entity under common control with Corporation, pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED or CREO of the Corporation may in his/her sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent loan documents required by Lender in connection therewith, confirming and ratifying its liability under said loan, all on such terms and conditions as the ED or CREO of the Corporation may, in his/her sole discretion, deem necessary or desirable;

RESOLVED, that the grant by the Corporation of liens on the Property described above may also secure any and all other indebtedness now or hereafter owing to Lender;

RESOLVED, that the Corporation act in the future to take any and all actions necessary to renew, extend or otherwise modify the terms of the above referenced loan and any other loan from Lender, all on such terms and conditions and for such consideration as the ED or CREO of the Corporation may in his/her sole discretion, deem necessary or advisable;

RESOLVED, that the ED or the CREO of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such loan applications, assumption agreements, affidavits, assignments, bills of sale, promissory notes, deeds of trust, financing statements, security agreements, guaranties, pledges, loan documents, licenses, easements, entitlement applications, affordability unlocked agreements, and other instruments, containing such terms and conditions as the ED or the CREO may in his/her sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

of the Corporation determines, in his/her sole discretion, that such a transfer is necessary or desirable;

RESOLVED, that the ED or the CREO of the Corporation be, and he/she is hereby, authorized, empowered, and directed to execute, acknowledge, and deliver, for and on behalf and in the name of the Corporation, such deeds, bills of sale and other instruments, containing such terms and conditions as the ED or the CREO may in his/her sole discretion, deem necessary or desirable, and that the attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not be necessary;

RESOLVED, that any instruments executed in connection with the above described transactions may contain such effective dates, whether prior to or after the date of adoption of these resolutions as set forth below, as the ED or the CREO of the Corporation may in his/her sole discretion, deem necessary or advisable; and

RESOLVED, that any and all transactions by any of the officers or representatives of the Corporation with Lender and Seller prior to the adoption of these resolutions be, and they are hereby, ratified and approved for all purposes.

Adopted and approved by the Board of Directors on the 25th day of January, 2023.

FOUNDATION COMMUNITIES, INC.

A handwritten signature in cursive script that reads "David Hart".

David Hart, Secretary
Board of Directors of Foundation Communities

2. Development Team

Role	Info	Contact	MBE	WBE	NP
Owner	AHFC-FC Norman Housing, LP 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	Spring Architects 3005 S. Lamar Blvd, Ste D109-194 Austin, TX 78704	Jon Salinas, Principal + Founder (512) 872-6655 jsalinas@springarchitects.com		X	
Engineer	Kimley-Horn 10814 Jollyville Road, Bldg 4, Ste 200 Austin, Texas 78759	Kevin Burk (512) 418-4528 kevin.burk@kimley-horn.com			
Attorney	Rigby Slack Lawrence & Comerford, 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Novogradac & Company LLP 11044 Research Blvd. Austin, TX 78759	Susan Wilson, CPA, Partner (512) 349-3232 susan.wilson@novoco.com			
General Contractor	BEC Austin 8320 Bee Caves Road, Suite 200 Austin, Texas 78746	Scott Wilson, President (512) 569-9569 swilson@becaustin.com			
Property Manager	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

2. Development Team Experience

Developer - Foundation Communities has nearly 30 years of experience contracting for and overseeing the construction and rehabilitation of affordable housing. Twelve of our existing communities were new construction projects financed with tax credits with two communities under construction and three in permitting. The remaining fourteen communities in our portfolio were purchased as existing properties and greatly improved with renovations, green spaces and playscapes, learning centers, landscaping, signage, lighting and green building features (solar panels and rainwater harvesting). We have experience with the design and construction of structures that are zero lot VMU, 4-story elevator, 3-story walk up, and renovations of apartment complexes, hotels, nursing homes, and duplexes. We have a great track record of gaining neighborhood support, zoning changes, completing construction within tax credit deadlines, and achieving green certifications with AEGB, LEED, and Enterprise Green Communities.

Architect - Spring Architects has been engaged as the architect for Norman Commons and has already started schematic design. Spring is a WBE and HUB certified architectural firm based in Austin, TX, specializing in the planning and design of commercial, multi-family residential/ high-density vertical mixed use, adaptive reuse and custom residential buildings. Spring has specialized experience with affordable housing, HUD, and TDHCA funding applications. Spring is currently performing design work for a Live/Work project in the City of Austin that will comply with the Austin Energy Green Building (AEGB) program. Two of Spring's tax credit communities were designed and constructed in compliance with the National Green Building Standard (NGBS.)

General Contractor – BEC Austin has 50 years of experience building in Central Texas. BEC has built eight FC communities and completed all before the PIS deadline. They understand that affordable housing projects have stringent budget demands, which means closely tracking the variables of scope and cost as the design develops. With a deep dedication to sustainable building practices, BEC helped FC achieve LEED Gold and Platinum and Austin Energy Green Building 4- and 5-star ratings on our communities.

3a. Property Management Experience

Foundation Communities will be the Property Manager for Norman Commons

We perform all leasing, maintenance, accounting, compliance and other property management functions for our 26 properties and earn property management and asset management fees that help support the overall nonprofit mission. Our team monitors portfolio health, tracks each project monthly, and aggregates detailed performance metrics at the portfolio level for review by the CFO. FC also has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. The success of our property management is demonstrated through its high occupancy (98% in 2021), low turnover, and healthy investment in capital repairs and upgrades to existing portfolio (\$1,479/unit in 2021).

Norman Commons will be crewed and managed by Foundation Communities hires: an on-site Community Manager, Assistant Community Manager, Leasing Consultant and Maintenance staff, who will collaboratively work to ensure the site's smooth operation and deliver optimal services to residents. Property management staff will coordinate resources to effectively manage Norman Commons, provide excellent customer service while maintaining the highest standard for resident service, manage and perform leasing and maintenance activities that comply with policies, market the community, and accomplish other duties and objectives associated with running an affordable rental housing community. Property management staff must have practical experience with at least two years in the industry. All on-site staff will undergo OneSite and Fair Housing training.

Leadership Experience

- **Vicki McDonald, Chief Real Estate Officer**, oversees our entire real estate portfolio, monitoring annual operating budgets, major capital improvements, and management of a team of ten staff who are directly involved in the daily oversight of property operations, capital improvements, sustainability initiatives, supportive housing, safety and risk management and new construction. She links real estate operations and development through input and participation on the acquisition, design, and construction transition to operations. She is a CCIM Designee, a licensed Texas Real Estate Broker and has owned a real estate management and brokerage firm for 25 years before joining Foundation Communities.
- **Desiree Golden, Director of Family Property Management**, oversees 18 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day-to-day operations along with evaluating the ongoing financial performance of each property. Desiree has 32 years of experience in Property Management (12 years with FC) and has her CAM and CAPS designations from NAA.
- **Valicia Nichols, Director of Compliance**, oversees compliance for the entire portfolio and is well-versed in guidelines and regulations for FC's compliance programs, such as

Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She has been with FC since 2011 and maintains FC's good standing with compliance agencies, e.g. TDHCA (state); City of Austin; FHLB as well as investors.

3b. Compliance Reports from Austin



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
2906 E Martin Luther King Boulevard
Austin, TX 78702

Re: FY19-20 Monitoring Review of M Station

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 4, 2020. The purpose of the review was to ensure program compliance with federal regulatory requirements set forth in the agreement between NHCD and Foundation Communities.

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
3226 W Slaughter Lane
Austin, TX 78748

Re: FY19-20 Monitoring Review of Homestead Oaks

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

(512) 974-3100 ♦ Fax (512) 974-3112 ♦ www.cityofaustin.org/housing

November 30, 2020

Kristina Thompson
Foundation Communities
4320 S. Congress Ave.
Austin, TX 78745

Re: FY19-20 Monitoring Review of Sierra Vista

Dear Kristina Thompson:

The City of Austin, Neighborhood Housing and Community Development (NHCD) contracted UPCS Inspectors, LLC to perform an on-site monitoring review of the aforementioned property on September 03, 2020. The purpose of the review was to ensure program compliance with federal and local regulatory requirements set forth in the Rental Housing Development Assistance Program Loan Agreement (the "Loan Agreement") with the Austin Housing Finance Corporation (AHFC).

I am pleased to inform you that the property file reviews were completed and the property is in compliance with the terms of the agreement. Due to COVID-19 precautions, property inspections were suspended for the current year, but NHCD reserves the right to complete the property inspections at a future date.

Should you have any questions or require additional information, please contact Jenilee.Ramirez@austintexas.gov or at 512-974-9379.

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD

3c. Compliance Reports from outside Austin

Valicia Nichols

From: Jeanette Rodriguez, COS <compliance@monitoringdataservices.org>
Sent: Thursday, August 26, 2021 3:01 PM
To: Walter Moreau; Valicia Nichols; Desiree Golden; ShadowBrook Manager; Kristina Thompson
Subject: MDSI: Shadow Brook Apartments - Confirmation of Compliance

CAUTION: This email originated from outside of the organization.

Monitoring Data Services, Inc. (MDSI) is the monitoring agency for the Affordable Housing Program (AHP). MDSI has completed a limited review of the program documents and the on-line **annual** compliance report for **Shadow Brook Apartments** reflecting the occupancy as of **July 6, 2021**.

The review did not assess compliance with all requirements of the AHP program. Rather, the review was intended to:

- Test for compliance with the program's rent restrictions
- Test for compliance with the program's income restrictions
- Test for timeliness of certifications and recertifications
- Test for compliance with the required set aside

Please note that the scope of the review was very limited and it did not test for many requirements that your property might have. It is the owner's responsibility to maintain compliance property wide.

Based on the limited scope of the review, **no** findings of noncompliance were identified.

Please note the following concerns identified during the desk review:

- Units **28, 47, 56, 102, 386** - Update the Unit Status Report (USR) to reflect the recertification information for each unit.
- Units **115, 237**- Based on the households' incomes indicated on the USR, the households qualify as Very Low-Income (VLI). Update the USR to reflect the correct qualifying unit designation.
- Units **328, 351**- Based on the households' incomes indicated on the USR, the households qualify as Low-Income (LI). Update the USR to reflect the correct qualifying unit designation.

The Land Use Restriction Agreement (LURA) requires a total of **84** Qualifying Units (QUs), of which **48** must be leased to Very Low-Income (VLI) households. The qualifying unit requirements have been met.

The Annual Compliance Fee is up-to-date.

Shadow Brook Apartments is required to report **annually**. The next **annual** report is due on **July 10, 2022** and should reflect occupancy as of **June 30, 2022**.

- The qualifying unit requirements of the LURA must be maintained at all times throughout the year.
- Recertification of annual income must be performed within one (1) year of the last certification. Notices should be sent to the residents requesting an updated application and income verification documents and the process completed prior to the due date.
- Income and asset verifications must be within 120 days of the Tenant Income Certification (TIC) effective date.
- While you are not required to submit monthly compliance reports to AHG, it is recommended that the on-line Unit Status Report (USR) be updated monthly in order to continue tracking the status of the AHP to ensure ongoing compliance. Additionally, MDSI may request a current report and/or copies of qualifying documents at any time.

If you have any questions or need assistance completing the report, please call us toll-free at (888) 637-4333.

Jeanette Rodriguez, COS
Senior Compliance Monitor

Monitoring Data Services, Inc.
P.O. Box 601769
Dallas, Texas 75360-1769

Valicia Nichols

From: Jeanette Rodriguez, COS <compliance@monitoringdataservices.org>
Sent: Wednesday, July 28, 2021 6:24 PM
To: Walter Moreau; Valicia Nichols; Desiree Golden; SleepyHollow Manager; Paul Mariani
Subject: MDSI: Sleepy Hollow Apartments - Confirmation of Compliance

CAUTION: This email originated from outside of the organization.

Monitoring Data Services, Inc. (MDSI) is the monitoring agency for the Affordable Housing Program (AHP). MDSI has completed a review of the sample program documents and the on-line **annual** compliance report for **Sleepy Hollow Apartments** reflecting the occupancy as of **May 31, 2021**. A sampling of the program documents received confirmed compliance.

The review did not assess compliance with all requirements of the AHP program. Rather, the review was intended to:

- Test for compliance with the program's rent restrictions
- Test for compliance with the program's income restrictions
- Test for timeliness of certifications and recertifications
- Test for compliance with the required set aside

Please note that the scope of the review was very limited and it did not test for many requirements that your property might have. It is the owner's responsibility to maintain compliance property wide.

Based on the limited scope of the review, **no** findings of noncompliance were identified. Please note that although there were no findings, only a sample of information provided was reviewed for the purposes of this report.

Please note the following concern identified during the desk review:

- Units **122, 133, 140, 211, 217** - The households' incomes were above the income limit at initial certification. Update the Unit Status Report (USR) to reflect the units as market. Remove the households' incomes and Tenant Income Certification (TIC) Effective Date.

The Annual Compliance Fee is currently up-to-date.

The Land Use Restriction Agreement (LURA) requires a total of **46** Qualifying Units (QU), of which **26** must be leased to Very Low-Income (VLI) households. The qualifying unit requirements have been met.

Sleepy Hollow Apartments is required to report **annually**. The next **annual** report is due on **June 10, 2022** and should reflect occupancy as of **May 31, 2022**.

Remember these guidelines while in annual compliance status:

- The qualifying unit requirements of the LURA must be maintained at all times throughout the year.
- Recertification of annual income must be performed within one (1) year of the last certification. Notices should be sent to the residents requesting an updated application and income verification documents and the process completed prior to the due date.
- Income and asset verifications must be within 120 days of the Tenant Income Certification (TIC) effective date.
- While you are not required to submit monthly compliance reports to MDSI, it is recommended that the on-line Unit Status Report (USR) be updated monthly in order to continue tracking the status of the AHP to ensure ongoing compliance. Additionally, MDSI may request a current report and/or copies of qualifying documents at any time.

If you have any questions, please call us toll-free at (888) 637-4333.

Deidra Young
Director of Compliance Monitoring

Monitoring Data Services, Inc.
P.O. Box 601769

Valicia Nichols

From: Vernita Frost, COS, CMH <compliance@monitoringdataservices.org>
Sent: Tuesday, October 26, 2021 3:49 PM
To: Walter Moreau; Valicia Nichols; Desiree Golden; PetersColony Manager; Kimberly Coldren
Subject: MDSI: Peters Colony Apartments - Confirmation of Compliance

CAUTION: This email originated from outside of the organization.

Monitoring Data Services, Inc. (MDSI) is the monitoring agency for the Affordable Housing Program (AHP). MDSI has completed a review of the program documents and the **annual** compliance report for **Peters Colony Apartments** reflecting the occupancy as of **September 30, 2021**. The required program documents were sufficient to confirm compliance.

The review did not assess compliance with all requirements of the AHP program. Rather, the review was intended to:

- Test for compliance with the program's rent restrictions
- Test for compliance with the program's income restrictions
- Test for timeliness of certifications and recertifications
- Test for compliance with the required set aside

Please note that the scope of the review was very limited and it did not test for many requirements that your property might have. It is the owner's responsibility to maintain compliance property wide.

Based on the scope of the review, **no** findings of non-compliance were identified.

The Land Use Restriction Agreement (LURA) requires a total of **56** Qualifying Units (QUs), of which **32** must be leased to Very Low-Income (VLI) households. The qualifying unit requirements have been met.

Please note the following concerns identified during the review:

- Please note the TAA application alone is not sufficient to properly screen for all sources of household income. TAA has a supplemental application that can be used for qualifying households, which has been used previously by the property. The TAA application and the supplemental application must be submitted together for newly qualified households. Or the application available on MDSI's website at www.monitoringdataservices.org can be used.

4. Development Description

Norman Commons will be a newly constructed affordable family community located at 3811 ½ Tannehill Ln, next door to Norman-Sims Elementary. This site is currently owned by the City's Austin Housing Finance Corporation and was awarded to Foundation Communities (FC) and Guadalupe Neighborhood Development Organization (GNDC) through a competitive public RFP process. This 8-acre site will be split into two parcels, one of which FC will develop into 156 rental units and a Learning Center while GNDC will develop 32 affordable homeowner units on the second parcel. Norman Commons will be developed in partnership with the Austin Housing Finance Corporation (AHFC), who will serve as general partner and ground lessor – qualifying the project for a 100% property tax exemption.

Norman Commons is still in the early phase of design, but is envisioned as three 4-story apartment buildings with several centrally located, tree-filled green spaces and common amenities. Residents will have quick access to a combination of an open-air community terrace and covered porch, community deck, two playgrounds, dog park, barbeque grills, picnic tables, community garden, walking trail, and outdoor fitness area. Parking is provided along the perimeter of the multifamily buildings with several pathways to pedestrian- and kid-friendly spaces. Package lockers, a mail kiosk, and offices for property management and service staff will be located on the first floor of the northwest corner of Residential Building 1. Multiple laundry rooms will be available on-site.

Residents will also have access to a state-of-the-art Learning Center, which will include several classrooms, a community kitchen, staff offices, and a large gathering space. The Learning Center will house FC's free afterschool and summer programs for children; a healthy food pantry for residents and the community; and educational, financial, and health-oriented classes for adults.

The target population for this community is low to very low-income households, and families with children. Ten percent of units will place preference for homeless families via Foundation Communities' Children's HOME Initiative (CHI) Program, an established FC program model that has been serving homeless families across Austin since 2003. These families will have access to a full-time, on-site case manager, as well as a wide and deep range of additional support services to support families on their path to financial self-sufficiency.

4a(i). Resident Population

- **Target Population** - Norman Commons will target low-income households. 76% of the units are 2- 3- and 4-bedroom floor plans to allow for larger families. 10% is reserved for households with incomes at or below 30% MFI, 40% for households at or below 50% MFI, and the remaining 40% for households at or below 60% MFI.
- **Preference for extremely low-income homeless families** - 10% of units will prefer homeless families making less than 30% of MFI and will receive supportive services through the Children's HOME Initiative (CHI) Program, an established FC program model that has been serving extremely low-income homeless families across Austin since 2003.
- **Continuum of Care** – With this application we are committing 10% of units to be referred by ECHO from coordinated entry.
- **Rental Assistance Vouchers** – At this time there are no dedicated project-based subsidies. We will of course accept tenant vouchers.
- **Accessibility** - 10% of the total units will be made accessible for persons with mobility and 2% of total units will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.

4a(ii). Compatibility City Planning

Norman Commons is located within a City of Austin Neighborhood Plan – East MLK Combined Neighborhood Plan – and specifically designed to align with the goals and visual guidelines identified in the Plan (more details in 5e. Neighborhood Plan). While Norman Commons is not located in an Imagine Austin Activity Center or Corridor, it is aligned with city planning goals for the following reasons:

- Located within 3/4 mile of local bus routes.
- Located within an Emerging Opportunity census tract
- Located within a Dynamic Gentrification census tract
- 76% of homes are 2-, 3-, or 4-bedroom units with amenities and services specifically designed to cater to families with children.
- Located next door to Norman-Sims Elementary School

4a(iii). Financial Summary

Perm Sources	Amount	Terms	Status
LIHTC Equity	\$25,881,537	\$0.91 price	Terms in negotiation
Perm Loan	\$16,054,261	5.8% 40-year amortizing loan	Terms in negotiation
City of Austin	\$6,951,846	2% cash flow loan	Application
FHLB Dallas	\$750,000	3% pass through cash flow loan	Application to be submitted in 2023
CMF	\$1,500,000	Repayable via cash flow	awarded
Sponsor Loan	\$1,000,000		committed
Deferred Fee	\$3,500,000	0% cash flow loan	repayable before Yr 15
TOTAL SOURCES	\$55,637,644		

Tax Credit Equity – In May 2023, FC will apply for 4% tax credits prior to our anticipated Bond Reservation. We are currently reviewing and negotiating with a potential investor that is quoting \$0.91 tax credit pricing.

Private Activity Bonds – Norman received an inducement resolution for TSAHC’s 2023 volume cap and we expect to receive a Bond Resolution in May 2023.

Mortgage – FC is currently negotiating terms with perm lenders. Our current assumptions are 5.78% interest rate and 40-year term.

Austin Housing Finance Corporation – With this application we are requesting \$6.9 million in the form of a 2% cash flow loan with a 40-year term.

FHLB Dallas – FC will apply to FHLB Dallas for \$750K in 2023 and we expect to be competitive. If awarded, the funds will be loaned from the member bank, Wells Fargo, to Foundation Communities via a 15-year deferred forgivable loan and then passed through to the Owner via a 40-year cash flow loan with 3% interest. The FHLB funds are passed through in this way because grants and deferred forgivable loans run the risk of being treated as taxable income on tax credit projects and adding significant costs to the partnership. Additionally, the interest rates of subordinate loans on tax credit projects can impact investor gains and is typically a point of negotiation.

FHLB Atlanta - FC will apply to FHLB Atlanta for \$750K in 2024, but we do not expect to be competitive due to recent changes in scoring. We are not currently assuming these funds in our sources. If awarded these additional funds will follow the proposed application of additional sources stated in the next section.

Capital Magnet Funds – FC was awarded Capital Magnet Funds in 2021 for several projects in FC’s pipeline. FC is committing \$1.5 million to Norman Commons. The funds will be loaned to

the partnership as a 40-year cash flow loan with 3% interest for the same reasons as stated above.

Sponsor Loan - FC is committing \$1 million to Norman Commons. These funds may be organization funds, additional Capital Magnet Funds, or other funds raised from third party donor or grantors. If FC can raise more than \$1 million, these additional funds will follow the proposal application of additional sources stated in the next section.

Deferred Developer Fee – FC is committing to defer between 25% and 50% of the developer fee, which will be payable through cash flow. However, if FC is successful in securing additional sources of funds, we will first reduce the deferred developer fee down to 25%.

Proposed Lien Order

1. Construction and Perm loan
2. AHFC
3. Sponsor Loan
4. FHLB Dallas Loan
5. CMF Loan

Proposed Application of Additional Sources of Funds

1. Development Cost increases
2. Reducing Deferred Developer Fee to 25% of Developer Fee
- 3.
4. Reducing AHFC Loan
5. Reducing Sponsor Loan

Proposed Application of Cash flow as negotiated in the Executed MOU

4b. Financial Commitments

MINUTES AND CERTIFICATION

THE STATE OF TEXAS

§

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

§

§

§

The Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") convened on December 6, 2022, at the designated meeting place in Austin, Texas, and roll was called of the duly constituted members of said Board of Directors, to-wit:

<u>Name</u>	<u>Office</u>
William H. Dietz	Chairperson
Valerie Vargas Cardenas	Vice Chairperson
Courtney Johnson-Rose	Director
Lemuel Williams	Director
Andy Williams	Director

and all of said persons were present during the meeting except Courtney Johnson-Rose, thus constituting a quorum. Whereupon, among other business, the following was transacted, to-wit: a written resolution (the "Resolution") bearing the following caption was introduced for the consideration of said Board:

"RESOLUTION NO. 22-20

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Norman Commons"

Upon motion duly made and seconded, the Resolution was finally passed and adopted by the following vote:

4 AYES

0 NOES

0 ABSTENTIONS

MINUTES APPROVED AND CERTIFIED TO BE TRUE AND CORRECT and to reflect accurately the duly constituted officers and members of the Board of Directors of the Corporation, and the attached and following copy of such Resolution is hereby certified to be a true and correct copy of an official copy thereof on file among the official records of the Corporation.

SIGNED this December 6, 2022.

A handwritten signature in blue ink, appearing to be 'JDN', is positioned above a horizontal line.

Secretary, Texas State Affordable Housing
Corporation

RESOLUTION NO. 22-20

RESOLUTION Regarding the Submission of one or more Applications for Allocation of Private Activity Bonds, Notices of Intention to Issue Bonds and State Bond Applications to the Texas Bond Review Board and Declaration of Expectation to Reimburse Expenditures with Proceeds of Future Debt for the Norman Commons

WHEREAS, the Board of Directors of the Texas State Affordable Housing Corporation (the "Corporation") desires to submit one or more calendar year 2023 Applications for Allocation of Private Activity Bonds, a calendar year 2023 Application for Carryforward for Private Activity Bonds, one or more calendar year 2024 Applications for Allocation of Private Activity Bonds and/or a calendar year 2024 Application for Carryforward for Private Activity Bonds (collectively, the "Application") to the Texas Bond Review Board in connection with tax-exempt obligations in a principal amount not to exceed \$38,000,000 (the "Bonds") relating to a qualified residential rental housing project to be located at or about 3811 Tannehill Lane, Austin, Texas 78721, Travis County (the "Project");

WHEREAS, the Corporation intends to issue the Bonds and loan the proceeds to AHFC-FC Norman Housing, LP (the "Borrower"), which will be the initial legal owner and will use the proceeds for acquiring, constructing and equipping the Project subject to a ground lease between Austin Housing Finance Corporation and the Borrower;

WHEREAS, it is anticipated that the Borrower will make certain capital expenditures with respect to the Project and currently desires and expects to reimburse the capital expenditures with proceeds of such debt;

WHEREAS, under Treas. Reg. § 1.150-2 (the "Regulation"), to fund such reimbursement with proceeds of tax-exempt obligations, the Corporation must declare its expectation to make such reimbursement;

WHEREAS, the Corporation desires to preserve the ability of the Borrower to reimburse the capital expenditures with proceeds of tax-exempt obligations; and

WHEREAS, the Board desires to make all other appropriate filings and requests to the Texas Bond Review Board to enable the Corporation to issue the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS STATE AFFORDABLE HOUSING CORPORATION:

1. That the President of the Corporation or any officer of the Corporation is hereby authorized and directed to execute and deliver the Application to the Texas Bond Review Board in connection with requesting allocation in the maximum amount of \$38,000,000 for the Bonds, together with any documents, certificates or instruments related thereto.

2. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to file with the Texas Bond Review Board one or more notices of intent to issue bonds and/or one or more state debt bond applications in connection with the Bonds and such officers are further authorized and directed to request that the application(s) be approved by the Texas Bond Review Board in accordance with Chapter 181 of the Texas Administrative Code, as amended.

3. That the President of the Corporation or any other officer of the Corporation is hereby authorized and directed to take any and all other actions necessary or incidental to securing the private activity bond allocation(s), the approval of the Bonds from the Texas Bond Review Board and requesting non-traditional carryforward of private activity bond allocation if needed.

4. That the Corporation reasonably expects that the Borrower will reimburse capital expenditures with respect to the Project with proceeds of debt hereafter to be incurred by the Corporation, and that this resolution shall constitute a declaration of official intent under the Regulation. The maximum principal amount of obligations expected to be issued for the Project by the Corporation is \$38,000,000.

PASSED, APPROVED AND EFFECTIVE this December 6, 2022.

TEXAS STATE AFFORDABLE
HOUSING CORPORATION

4d. Continuum of Care

Pursuant to the Motion Sheet approved by City Council at the time of our award of the development rights for this site, 10% of the 156 multifamily units will be made available for placement by the Continuum of Care, with an emphasis on multi-bedroom units.

4e. Resident Services

i. A description of the services to be provided to residents

Foundation Communities will provide free, supportive service programs that will educate, support, and improve health and financial standing for residents. As part of the tax credit application, Foundation Communities will commit to providing a combination of services from the QAP. Actual services to be provided are expected to be much more extensive than what will be committed for tax credits. Supportive Service programs to be offered on site and next door include:

- **Free Afterschool and Summer Program** – All children living on-site will have access to Foundation Communities’ free afterschool and summer programs, which offer academic assistance, enrichment activities, fitness activities, nutrition lessons, and support services. We provide a structured, supervised environment with rewarding, hands-on educational, cultural, artistic, and recreational activities for youth ages 5-14 designed to develop important social skills and improve educational performance. FC maintains a strong relationship with nearby schools and partners with teachers to help each child succeed. We also provide free, nutritious snacks and lunches during the summer.
- **Children’s Home Initiative** – 10% of units will have preference for extremely low-income families experiencing homelessness, who will receive services through FC’s Children’s HOME Initiative (CHI) Program. A dedicated case manager will work one-on-one with families to develop and implement plans to guide them toward housing stability, economic independence, and accessing education—everything from budgeting and applying for benefits, to connecting with workforce and childcare options, to liaising with schools and other supportive service providers.
- **Adult Classes** – Foundation Communities believes it is important to offer “at your door” education opportunities to adults, especially families that may have limited access to child care outside of work hours that would allow for attendance at off-site programs. Actual offerings will depend on resident needs but may include classes in English as a Second Language, computer skills, and financial literacy.
- **Health Initiatives** – A variety of programming focused on health and wellness will be offered and tailored to the specific needs of the target population and residents. This will include access to healthy food through a food pantry, healthy cooking classes, Zumba and other exercise classes, and periodic health fairs that bring a variety of providers on-site for health screenings, immunizations, and similar services.

4e. Resident Services

Foundation Communities also offers the following free off-site services to residents and the community at our Prosper Centers located in North Austin at 5900 Airport Blvd and South Austin at 2900 South Interstate 35.

- **Financial Coaching** - Residents will have the opportunity to meet individually with a trained volunteer on a variety of personal finance issues which may include a credit report review, creating a credit repair plan or a debt reduction plan, establishing a household budget, establishing a Safety Net Savings Account, exploring ways to reduce expenses, or setting financial goals. Financial Coaching sessions may be a single one-hour session up to eight hours of individual sessions, depending on the situation.
- **Microenterprise** - Community Tax Centers provide services to self-employed and small business owners with five employees or fewer (including the owner), helping them to file their taxes and educating them about tax and liability implications and best practices.
- **College Savings** - Trained staff are available at the Prosper Center and financial aid events to help students complete the Free Application for Federal Student Aid (FAFSA) to obtain grants and loans for college. We also conduct scholarship workshops and have one-to-one scholarship mentoring.
- **Tax preparation** – Residents will be able to get their taxes prepared for free at our Prosper Centers. Our IRS-trained and certified volunteers prepare over 20,000 tax returns annually and ensure that clients who are eligible for credits such as the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) receive those benefits.

ii. The number and types of residents/clients expected to be served

Norman Commons will house 156 households at any given time. 76% of the units are 2-, 3-, and 4-bedroom floor plans to allow for larger families.

iii. Developer's experience and qualifications in providing the services

Foundation Communities, as the primary supportive service provider at Norman Commons, has over 25 years of experience in the provision of supportive services to its residents. Supportive services are an integral part of all Foundation Communities properties and are included in the planning process for every new community from inception. FC is considered a national leader in the provision of service-enriched housing.

4e. Resident Services

All Foundation Communities service programs are developed to meet the particular needs of residents. Each program utilizes a Theory of Change approach to identify the resident outcomes that are desired, the resources that will be required and how progress towards outcomes achievement will be measured and evaluated. Foundation Communities utilizes and contributes to best practices in the fields of education, health, trauma-informed case management, and financial stability. Because our programs have a long and consistent record of achieving positive resident outcomes, numerous foundations and public agencies provide funding to establish and grow our programs.

iv. Description of the organization(s) providing the services

The majority of supportive services will be provided by Foundation Communities staff and volunteers. We do, however, partner with more than fifty nonprofits and community groups to provide additional services. Some significant partnerships include: Creative Action, Safe Place, Sustainable Food Center, Goodwill, Austin Public Health, CommUnity Care, and Life Works.

v. Resumes of key personnel actively involved in the delivery of services

- **CHI Case Manager:** We plan to hire two full-time CHI Case Managers for Norman Commons. This case manager will be located on-site and dedicated to residents of the CHI program. The CHI Case Manager is available to work one-on-one with residents on a weekly basis to develop a self-sufficiency plan; connect residents with workforce services; provide information, guidance, and support in making critical healthcare decisions; assist in applying for public benefits such as Medicaid, act as an advocate with the resident in managing any problems that arise in these systems; and coordinate other supportive service providers and property management to maintain housing stability. The Case Manager may additionally provide referrals as needed for deeper career guidance, parenting support, and financial education. Case Managers must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.
- **Learning Center Coordinator:** A full-time Learning Center Coordinator will lead staff and volunteers and collaborate with community partners to coordinate our robust afterschool and summer programs, on-site food pantry, adult education classes, health-related events, and other services and programs available to residents and neighbors.

4e. Resident Services

- **Daniell Rider, Director of Learning Center Programs**, oversees summer and after-school programs for 15 FC communities. Daniell brings more than 20 years of experience in Out-of-School-Time (OST) programming, including teaching, curriculum/program design, implementation, training, and evaluation. Her work includes several years contracting with Ft. Hood - SKIES Unlimited, mentoring for Killeen Independent School District and Bell County Juvenile Justice Center, serving as an AmeriCorps Lead Instructional Specialist, and serving as the Program Director for an accredited Before and After-School program. Most of her career has been in the non-profit sector, collaborating with various organizations throughout Central Texas as a mentor, motivational speaker, youth advocate, project manager, volunteer coordinator, and educational consultant. Additionally, she has over seven years of grant writing and fundraising event planning experience. She holds a Master of Education in K-12 Curriculum and Instruction from Concordia University and a Bachelor of Science in Psychology from the University of Phoenix.
- **Danette Lopez Garza, Director of Family Supportive Housing**, graduated from the University of Texas at Austin with a degree in Government. She has 17 years' experience working with Central Texas nonprofits serving the highest needs populations at The Capital Area Food Bank in Agency Relations, The Caring Place as Program Coordinator, and Foundation Communities for the last 12 years in the Children's HOME Initiative. She serves on the board of the Social Service Case Management Network and RBI Austin Mentoring board.
- **Kori Hattemer, Director of Financial Programs**, oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.
- **Marisela Montoya, Chief Program Officer**, graduated from the University of Texas with a degree in Psychology. For 17 years, she has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist (Community Education; At Risk Youth Programs; afterschool, teen, and adult education programs). She has been with Foundation Communities for over 10 years, first as Lead Learning Center Coordinator, then as Director of Education. Since 2022, Marisela serves FC as the Chief Programs Officer and currently leads all resident and community services – developing and directing education, financial stability, and supportive housing programs that serve more than 30,000 working class households. She holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.

4e. Resident Services

vi. Financial capacity of the Services provider:

Foundation Communities has a strong track record of fundraising to cover these programs. Funding for the supportive services at Norman Commons will come from a combination of service fee, cash flow, grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. FC has raised approximately \$45 million over the past 5 years to fund services at our existing 23 properties in Austin. We have deep relationships with the donor community, a well-funded Central Reserve, and maintain a healthy portfolio contributing strong ongoing revenue to the organization, with all projects producing their targeted cash flow and reserves established by the Board. Below is the services budget.

Sources	Year 1	Year 1	Year 1
Grants, Foundations, Corporations and Individuals Donors	\$242,975	\$299,564	\$308,926
Service Fee TBD	\$60,000	\$12,500	\$12,500
Total	\$302,975	\$312,064	\$321,426

Uses	Year 1	Year 2	Year 3
Learning Center Coordinator	\$59,740	\$61,532	\$63,378
CHI Case Manager	\$47,380	\$48,801	\$50,265
Youth Program Assistants	\$108,150	\$111,395	\$114,736
Employee Taxes and Benefits	\$43,054	\$44,346	\$45,676
Contracted Services	\$13,287	\$13,686	\$14,096
Supplies/Printing	\$22,135	\$22,799	\$23,483
Training/Travel/Mileage	\$7,169	\$7,384	\$7,605
Direct Aid to Clients	\$2,060	\$2,122	\$2,185
Total	\$302,975	\$312,064	\$321,426

4f. Affordability Unlocked

AU application has been submitted.

4g. SMART Housing



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

8/8/2022

S.M.A.R.T. Housing Certification Foundation Communities Norman Crossing (ID 870)

TO WHOM IT MAY CONCERN:

Foundation Communities (development contact Walter Moreau; ph: (512) 610-4016; email: walter.moreau@foundcom.org) is planning to develop Norman Crossing, a 156-unit **rental** development at 3811 1/2 Tannehill Lane.

One hundred fifty-six (156) of the units will be leased 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 10% (16) of the units will serve households at 30% MFI, 50% (78) of the units will serve households at 50% MFI and 40% (62) of the units will serve households at 60% 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. **This development is fully in accordance with the requirements under the Texas Local Government Code, Chapter 395.16(g) and 42 U.S.C. Section 12745 (A)(1) as it relates to how housing qualifies as affordable housing and therefore all of the units will be eligible to receive Austin Water Utility Capital Recovery Fee (CRF) waivers.** 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@austinenenergy.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 me by phone 512.974.3462 or by email at nathan.jones@austintexas.gov if you need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nathan Jones', written over a horizontal line.

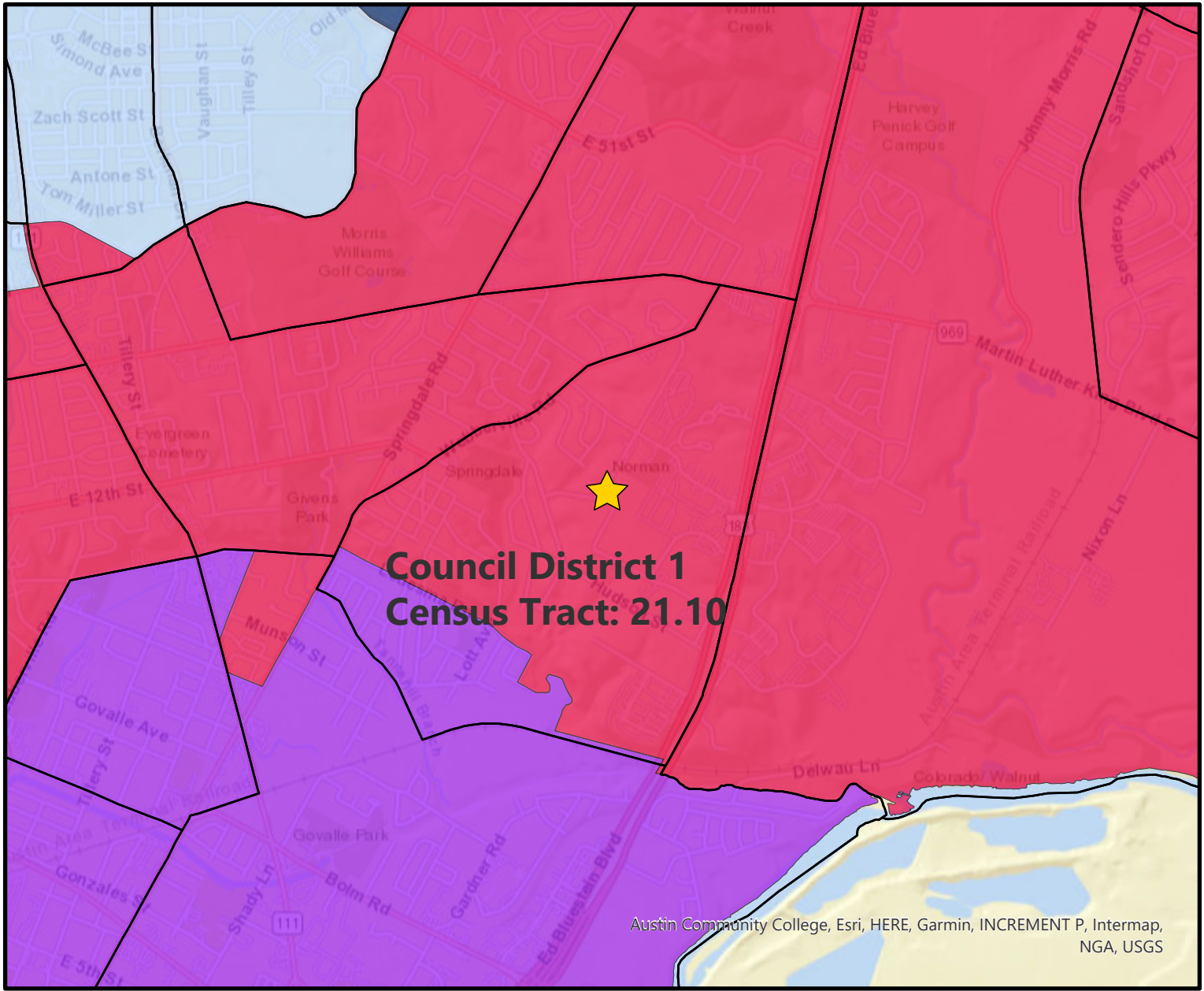
Nathan Jones, Project Coordinator
Housing and Planning Department

Cc: Kristin Martinez, AE

Jonathan Orenstein, AWU

Mashell Smith, ORS

5a. Maps



Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

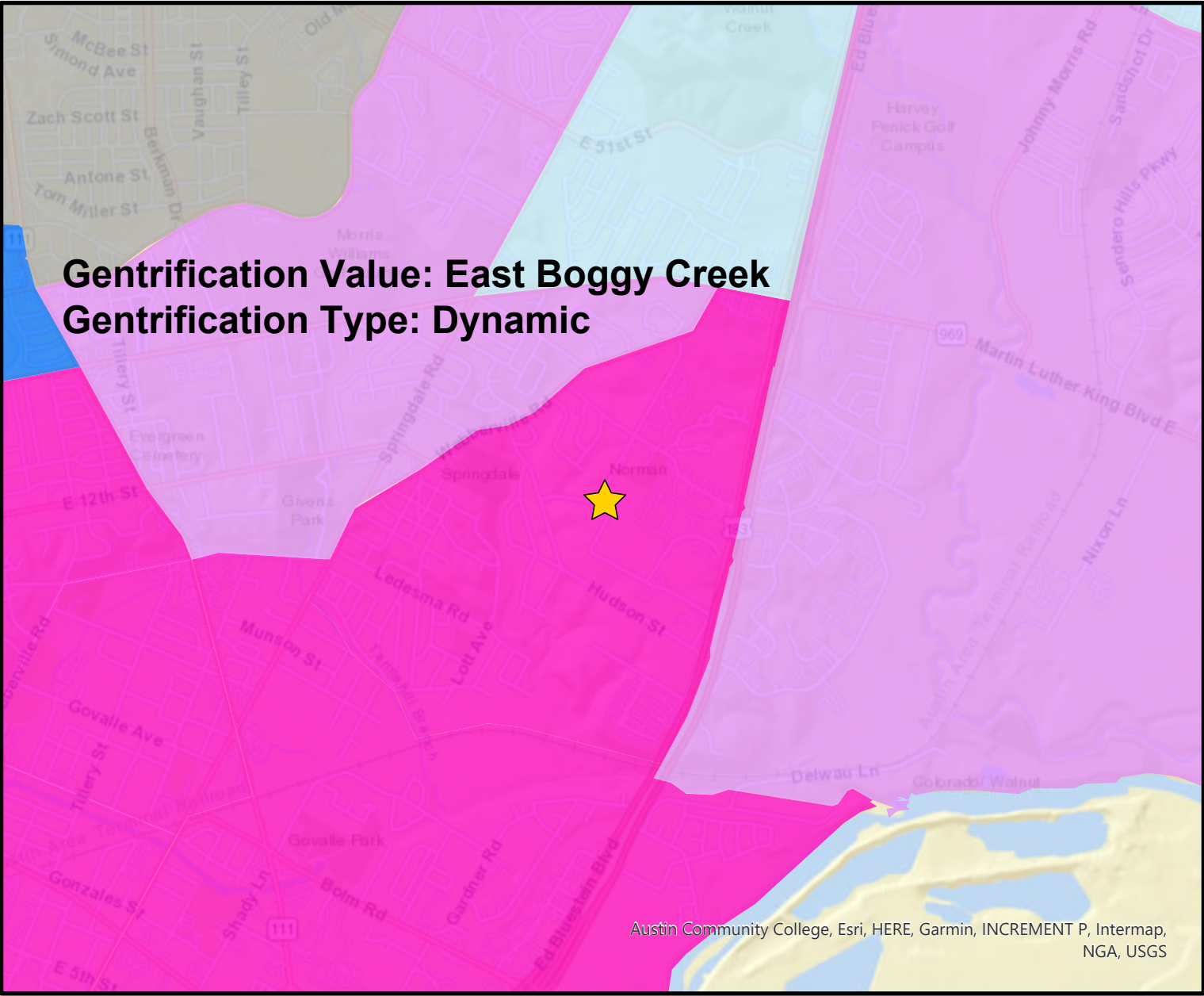
Approximate Acreage: Acreage Label

Appraisal District: Appraisal Label

Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label





Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

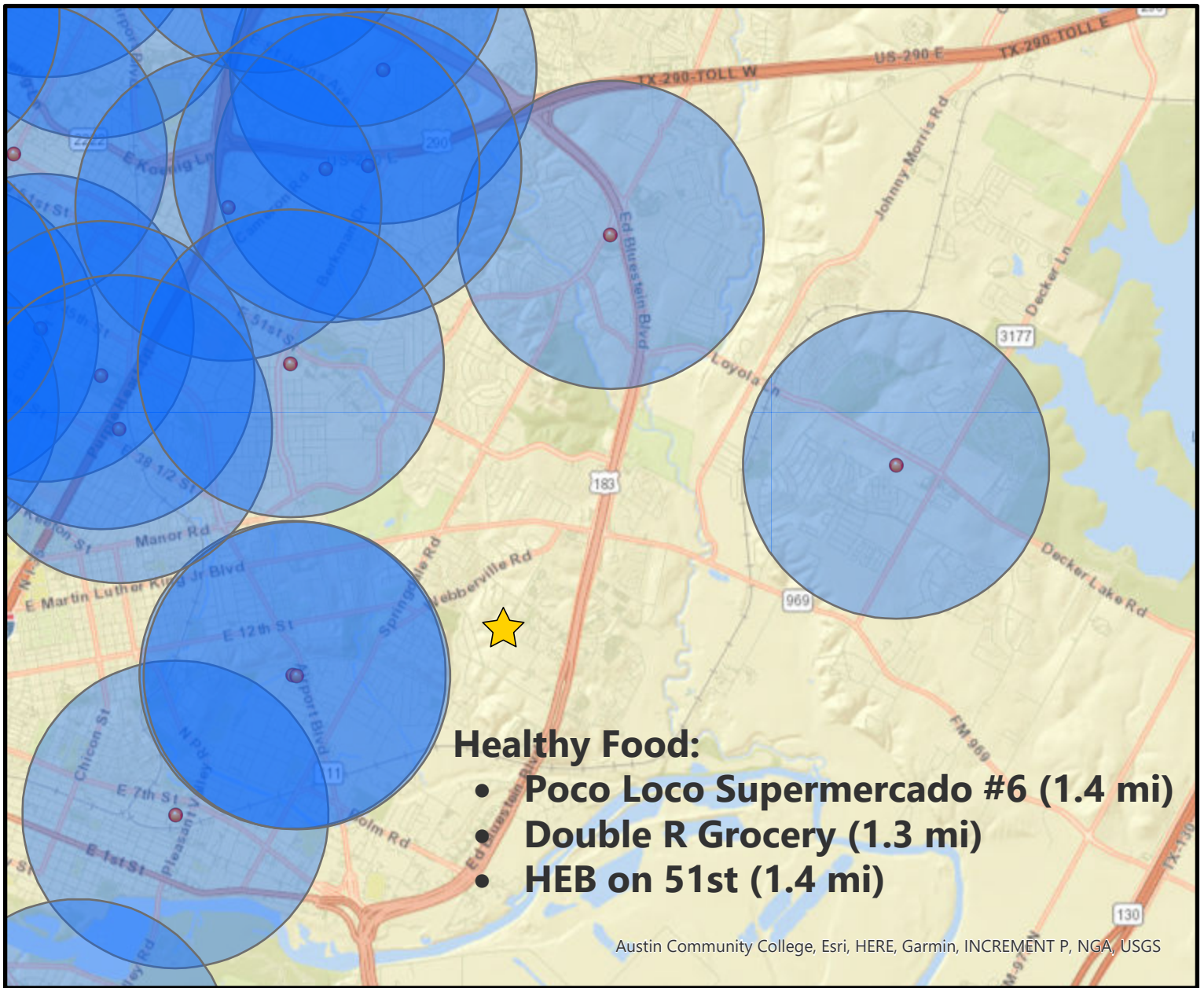
Approximate Acreage: Acreage Label

Appraisal District: Appraisal Label

Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label





Healthy Food:

- Poco Loco Supermercado #6 (1.4 mi)
- Double R Grocery (1.3 mi)
- HEB on 51st (1.4 mi)

Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGI, USGS

Property Label

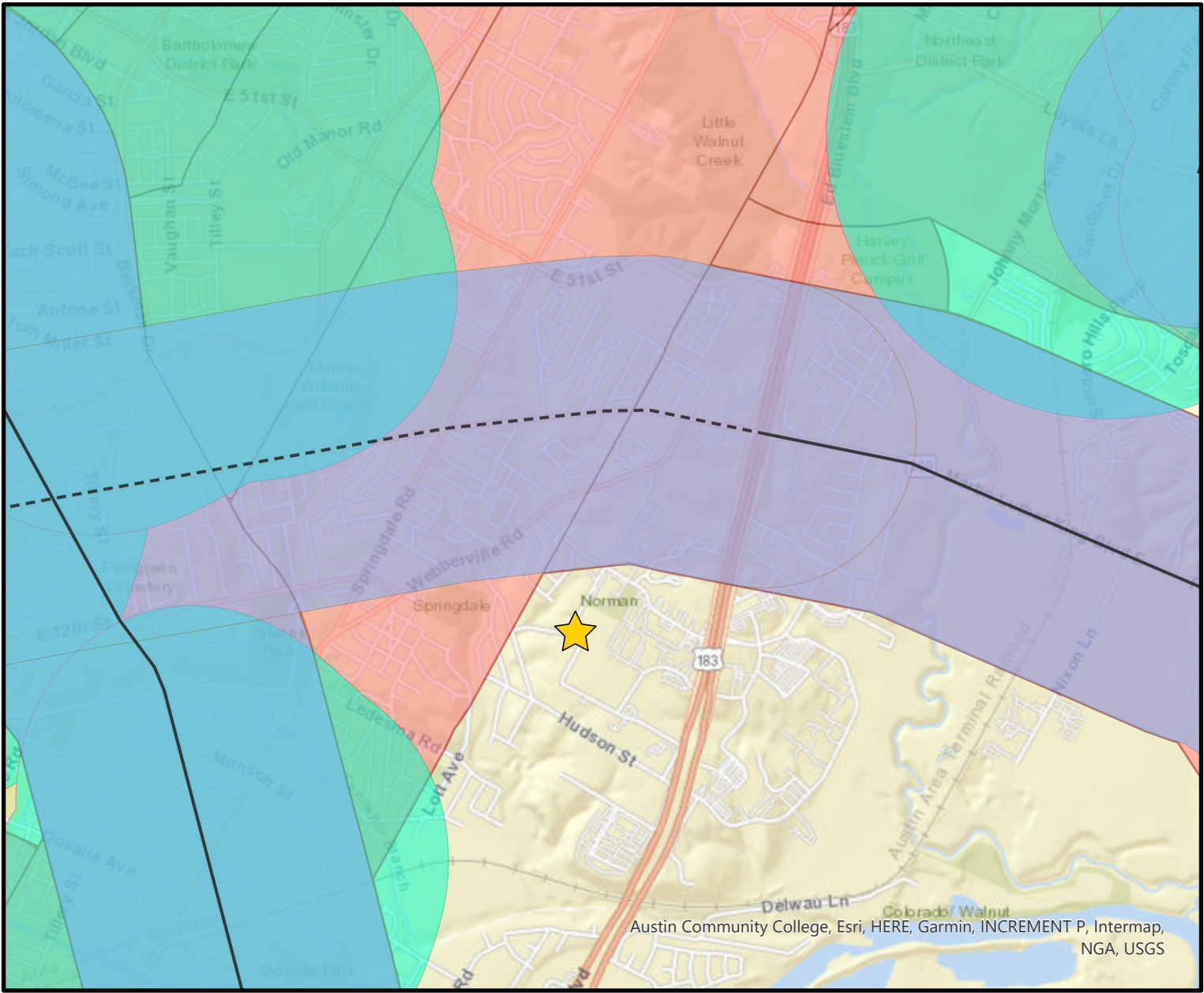
Steward Agency: Steward Label
Managing Agency: Managing Label
Address: Address Label
Land Attributes: Land Label
ORES Management ID: ORES ID Label
ORES File Number: ORES File Label
Restrictions: Restrictions Label
Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label
Land Category: Land Category Label
Approximate Acreage: Acreage Label
Appraisal District: Appraisal Label
Appraisal District Property ID: Property ID Label
Maximo Asset Tracking Number: Maximo Label



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.





Property Label

- Steward Agency: Steward Label
- Managing Agency: Managing Label
- Address: Address Label
- Land Attributes: Land Label
- ORES Management ID: ORES ID Label
- ORES File Number: ORES File Label
- Restrictions: Restrictions Label
- Restrictions & Protection Comments: Comments Label

- Land Classification: Classification Label
- Land Category: Land Category Label
- Approximate Acreage: Acreage Label
- Appraisal District: Appraisal Label
- Appraisal District Property ID: Property ID Label
- Maximo Asset Tracking Number: Maximo Label



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.





Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

Approximate Acreage: Acreage Label

Appraisal District: Appraisal Label

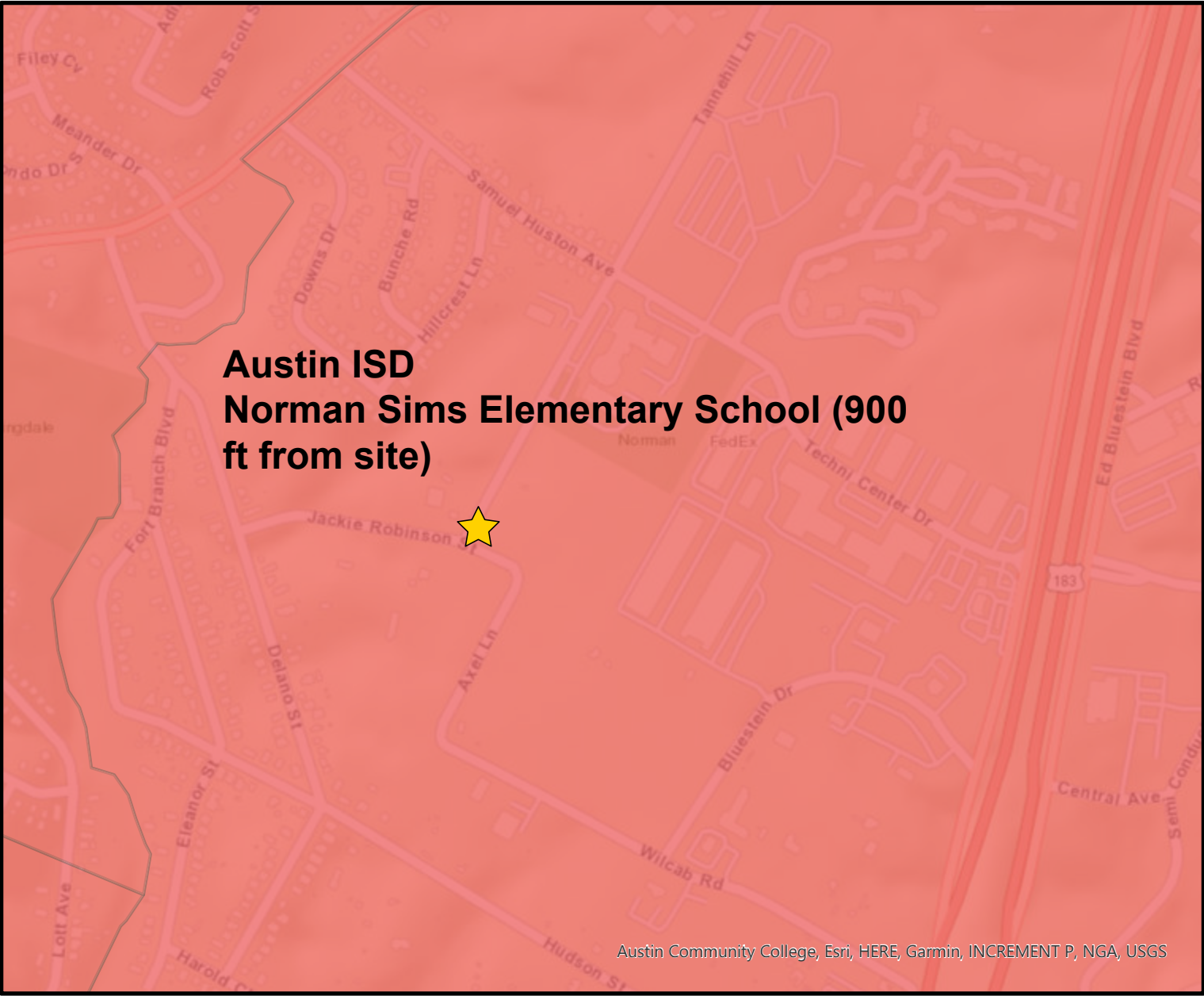
Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.





Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

Approximate Acreage: Acreage Label

Appraisal District: Appraisal Label

Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label





Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

Approximate Acreage: Acreage Label

Appraisal District: Appraisal Label

Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the City of Austin for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.





City of Austin Regulatory 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.

0 500 1000
ft

Prepared: Saturday, July 9, 2022

Legend

FloodPro

Parcel



Fully Developed Floodplain

- COA Fully Developed 25-Year
- COA Fully Developed 100-Year
- COA Master Plan 25-Year
- COA Master Plan 100-Year
- 100-Year (Detailed-AE)

5b. Appraisal

We have not engaged an appraisal for this property. An appraisal will be conducted by our future lender leading up to the Partnership Closing.

GENERAL INFO

ACCOUNT		OWNER	
Property ID:	199328	Name:	AUSTIN HOUSING FINANCE
Geographic ID:	0209230468	Secondary Name:	
Type:	R	Mailing Address:	3000 S IH 35 STE 300 AUSTIN TX 78704-6536
Zoning:	SF3	Owner ID:	180087
Agent:		% Ownership:	100.00
Legal Description:	ABS 22 SUR 29 TANNEHILL J C ACR 8.922	Exemptions:	EX-XV - Other Exemptions (including
Property Use:			

LOCATION

Address: TANNEHILL LN TX 78723

Market Area:
Market Area CD: _EEXMP
Map ID: 021021

PROTEST

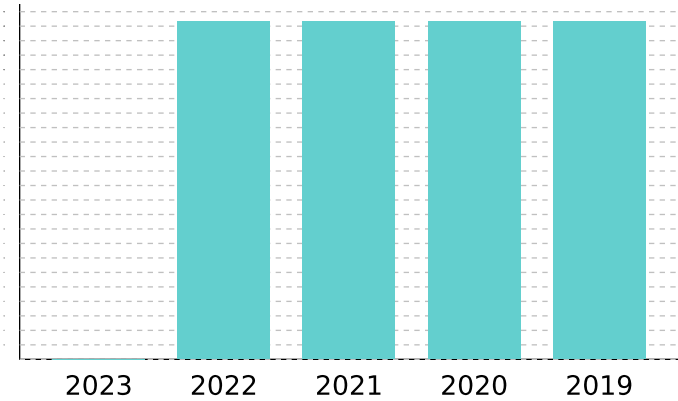
Protest Status:
Informal Date:
Formal Date:

VALUES

CURRENT VALUES

Land Homesite:	\$0
Land Non-Homesite:	\$1,165,927
Special Use Land Market:	\$0
Total Land:	\$1,165,927
Improvement Homesite:	\$0
Improvement Non-Homesite:	\$0
Total Improvement:	\$0
Market:	\$1,165,927
Special Use Exclusion (-):	\$0
Appraised:	\$1,165,927
Value Limitation Adjustment (-):	\$0
Net Appraised:	\$1,165,927

VALUE HISTORY



Values for the current year are preliminary and are subject to change.

VALUE HISTORY

Year	Land Market	Improvement	Special Use Exclusion	Appraised	Value Limitation Adj (-)	Net Appraised
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$1,165,927	\$0	\$0	\$1,165,927	\$0	\$1,165,927
2021	\$1,165,927	\$0	\$0	\$1,165,927	\$0	\$1,165,927
2020	\$1,165,927	\$0	\$0	\$1,165,927	\$0	\$1,165,927
2019	\$1,165,927	\$0	\$0	\$1,165,927	\$0	\$1,165,927

TAXING UNITS

Unit	Description	Tax Rate	Net Appraised	Taxable Value
01	AUSTIN ISD	0.996600	\$1,165,927	\$0
02	CITY OF AUSTIN	0.462700	\$1,165,927	\$0
03	TRAVIS COUNTY	0.318239	\$1,165,927	\$0
0A	TRAVIS CENTRAL APP DIST	0.000000	\$1,165,927	\$0
2J	TRAVIS COUNTY HEALTHCARE DISTR	0.098684	\$1,165,927	\$0
68	AUSTIN COMM COLL DIST	0.098700	\$1,165,927	\$0

DO NOT PAY FROM THIS ESTIMATE. This is only an estimate provided for informational purposes and may not include any special assessments that may also be collected. Please contact the tax office for actual amounts.

IMPROVEMENT

LAND

Land	Description	Acres	SQFT	Cost per SQFT	Market Value	Special Use Value
LAND	Land	8.9220	388,642.3	\$3.00	\$1,165,927	\$0

DEED HISTORY

Deed Date	Type	Description	Grantor/Seller	Grantee/Buyer	Book ID	Volume	Page	Instrument
5/1/18	SW	SPECIAL WARRANTY	CITY OF AUSTIN	AUSTIN HOUSING FINANCE				2018066161
4/13/18	SW	SPECIAL WARRANTY	AUSTIN INDEPENDENT	CITY OF AUSTIN				2018056186

5c. Site Control

Austin Housing Finance Corporation (AHFC) currently owns this site and purchased the site in 2018. Foundation Communities was awarded an RFP to develop this site as affordable housing and will ground lease the property from AHFC. See attached Option to Ground Lease with AHFC

GROUND LEASE OPTION AGREEMENT

THIS GROUND LEASE PURCHASE OPTION AGREEMENT (this “Agreement”) is entered into as of this 27th day of September, 2022 (the “Effective Date”) by and between AUSTIN HOUSING FINANCE CORPORATION (“Grantor”) and AHFC-FC NORMAN HOUSING, LP (“Grantee”).

WITNESSETH:

WHEREAS, Grantor is the fee owner of real property totaling approximately 7.65 acres, located at or about 3811 Tannehill Austin, Texas 78721 and more particularly described on Exhibit A attached hereto and made a part hereof (collectively, the “Land”);

WHEREAS, Grantor has agreed to lease a portion of the Land to Grantee of approximately 5.80 acres or its permitted assignee (the “Leased Premises”); and

WHEREAS, Grantee intends to construct an approximately 156-unit multifamily rental housing development (the “Development”) on the Leased Premises; and

WHEREAS, Grantee desires to obtain, and Grantor desires to grant to Grantee an exclusive option to lease the Leased Premises, subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the sum of the Option Price (as defined below) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Grant of Option. Grantor hereby grants to Grantee an exclusive option (the “Option”) for Grantee to lease the Leased Premises from Grantor on the terms set forth herein. This Option shall be exercised only in accordance with the terms and conditions set forth herein. Grantor agrees to not enter into any agreements, conveyances, leases, purchase agreements, options, or other contractual or real estate interests in the Leased Premises whatsoever during the Option Term (as herein defined).

2. Option Consideration. Grantor and Grantee acknowledge and agree that the payment of One Hundred Dollars (\$100.00) (the “Option Price”) by Grantee to Grantor, together with the mutual promises and covenants made herein, provide valuable consideration for the Option granted herein. The Option Price shall not be refundable.

3. Term of Agreement and Option; Termination Provisions. The term of the Option (and this Agreement) (the “Option Term”) shall commence on the Effective Date and shall terminate at 11:59 p.m. CST on December 1, 2024.

4. Manner of Exercising Option. Grantee may exercise this Option by delivering to Grantor, at any time during the Option Term, a written notice (the “Option Notice”) advising Grantor of Grantee’s election to exercise the Option. The Option Notice shall state that the Option is thereby exercised by Grantee. The leasing of the Leased Premises and by Grantee shall occur on a date designated by Grantee in the Option Notice that is no more than ninety (90) days from the date of the exercise of the Option (the “Initial Lease Date”).

5. Ground Lease Provisions. The term of the Ground Lease shall be for a minimum of 55 years from the Initial Lease Date, with an option for a 20-year extension so long as Grantee is in compliance with all terms of the Ground Lease. The rent payable by Grantee as tenant under the Ground Lease shall be as set forth in the Ground Lease. The Ground Lease shall be in the standard form of ground lease generally used by Grantor with such modifications as required by Grantor in its sole discretion.

6. Sale of Portion of Land. Grantee acknowledges and agrees that Grantor intends to subdivide the Land and lease only the Leased Premises to Grantee. Grantee agrees to lease only the Leased Premises. It is anticipated that the subdivision of the Land will occur prior to execution of the Ground Lease.

7. Ground Lease-Related Costs. All costs related to this Ground Lease Option and the leasing of the Leased Premises under the Ground Lease shall be paid by the Grantee.

8. Assignment of Option. Neither party may assign its rights under this Agreement except with the prior written consent of the other party, which consent may be given or withheld in such party's sole and absolute discretion; provided that Grantor may assign this Agreement to an affiliate of Grantor without the consent of the Grantee. Any assignment or attempted assignment in violation of this Section 8 shall be null and void and shall constitute a default by the assigning party.

9. Notices. Any notice pursuant hereto shall be given in writing by (a) personal delivery, (b) expedited delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, (d) facsimile transmission (provided that such facsimile transmission is confirmed by expedited delivery service or by mail in the manner previously described), or (e) email transmission (provided that such email transmission is confirmed by expedited delivery service or by mail in the manner previously described) sent to the intended addressee at the address set forth below, or to such other address in the continental United States or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of email or facsimile transmission, upon receipt. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant hereto shall be as follows:

If to Grantor:

Austin Housing Finance Corporation
1000 East 11th Street
Austin, Texas 78702
Attn: Patrick Russell
Phone: (512) 974-3141
Email: patrick.russell@austintexas.gov

With a copy to:

Austin Housing Finance Corporation
General Counsel
P.O. Box 1088
Austin, Texas 78767-8839
Attn: Shannon Kackley

Phone: (512) 974-2317
Email: shay.kackley@austintexas.gov

If to Grantee:

AHFC-FC Norman Housing, LP, LP
c/o Foundation Communities, Inc.
3000 S IH 35, Ste 300
Austin, TX 78704
Attn: Walter Moreau
Phone (512) 447-2026
Email: walter.moreau@Foundcom.org

With a copy to:

Rigby Slack Lawrence Berger + Comerford, PLLC
3500 Jefferson St., Suite 330
Austin, Texas 78731
Attn: Cathleen Slack, Esq.

10. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas (without regard to principles of conflicts of laws).

11. Severability. Should any provision of this Agreement be or become invalid, void, illegal or unenforceable, it shall be considered separate and severable from this Agreement, and the remaining provisions shall remain in full force and effect and be binding upon the parties hereto as though such provisions had not been included.

12. Time of the Essence. Time is of the essence with respect to all obligations to be performed hereunder.

13. Entire Agreement. No oral statements or prior written material not specifically incorporated herein shall be of any force or effect. Each party agrees that in entering into and taking this Agreement, it relies solely upon the representations and agreements contained in this Agreement and no others. This Agreement, including the Exhibits, attached hereto and made a part hereof, constitutes the whole agreement of the parties and shall in no way be constituted, modified or supplemented, except by a written agreement executed by both Grantor and Grantee.

14. Further Assurances. The parties hereto covenant and agree that they will execute, deliver, and acknowledge from time to time at the request of the other, and without further consideration, all such further instruments of assignment and/or assumption as may be required in order to give effect to the transactions described herein.

15. Successors and Assigns. This Agreement is executed by, and shall be binding upon and inure to the benefit of, the parties hereto and each of their respective successors and assigns. None of the provisions of this Agreement shall be for the benefit of or enforceable by any other person.

16. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and together shall be deemed one in the same document.

17. Specific Performance. If Grantor fails to consummate the transaction contemplated under this Agreement for any reason, except Grantee's default, Grantee shall be entitled to enforce specific performance of this Agreement, without the necessity of tendering performance under this Agreement or proving that Grantee was ready, willing and able to consummate the transaction contemplated by this Agreement on the scheduled Initial Lease Date.

18. Inspections. Notwithstanding anything contained in this Agreement to the contrary, Grantee shall have the right at any time during the Option Term to make a physical inspection and assessment of the Leased Premises, including, without limitation taking of soil samples, ground water samples and other intrusive testing, upon not less than twenty-four (24) hours' prior written notice to Grantor, which may be given by email. Notwithstanding anything to the contrary contained in the foregoing, Grantee shall not make drillings or borings on the Leased Premises without first obtaining the prior written consent of Grantor, which consent shall not be unreasonably withheld. All such testing shall be at Grantee's sole expense and shall not interfere with the reasonable operations of the Leased Premises. Further, Grantee shall be solely responsible for returning the Leased Premises to the same pre-testing condition in a reasonable timeline after any performed tests. Grantee agrees to: (a) repair any damage to the Leased Premises caused by such inspections, tests, studies, examinations and investigations; (b) pay for and keep in full force and effect comprehensive or general liability insurance with coverage limits of not less than One Million Dollars (\$1,000,000) for bodily injury, personal injury, death and property damage; and (c) indemnify, defend and hold Grantor harmless for, from and against any and all claims and expenses arising or resulting from such inspections, tests, studies, examinations and investigations, excluding, however, any of the foregoing caused by the willful misconduct of Grantor, its invitees or Grantor's employees, agents, representatives or any third party engaged by Grantor. Grantee's obligations under this Section 18 shall survive the termination of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

GRANTOR:

AUSTIN HOUSING FINANCE CORPORATION

By: 
Name: Rosie Truelove
Title: Treasurer

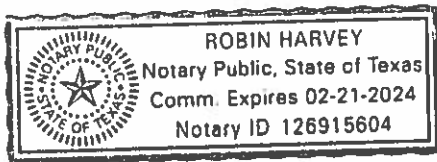
STATE OF TEXAS

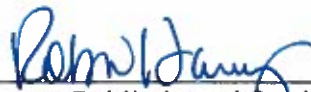
§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 23 day of September, 2022 by Rosie Truelove, Treasurer of Austin Housing Finance Corporation.

(SEAL)




Notary Public in and for the State of Texas
Robin Harvey
(Printed Name of Notary)

My commission expires: 2.21.2024

GRANTEE:

AHFC-FC NORMAN HOUSING, LP

By: AHFC Norman Non-Profit Corporation, its
general partner

By: 
Name: Rosie Truelove
Title: Vice President

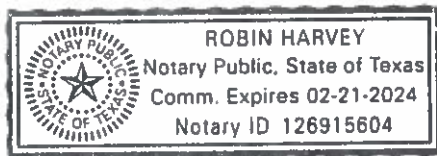
STATE OF TEXAS


COUNTY OF Travis

§
§
§

This instrument was acknowledged before me on the 23 day of September, 2022 by Rosie Truelove, Vice President of AHFC Norman Non-Profit Corporation, General Partner of AHFC-FC Norman Housing, LP, a Texas limited partnership.

(SEAL)




Notary Public in and for the State of Texas
Robin Harvey
(Printed Name of Notary)

My commission expires: 2.21.2024

Exhibit A

Legal Description of Land



MACIAS & ASSOCIATES, L.P.
LAND SURVEYORS
FIRM #101141-00

“EXHIBIT A”

AUSTIN INDEPENDENT SCHOOL DISTRICT
7.96 ACRES
TANNEHILL TRACT
JOB NO: 276-23-16

LEGAL DESCRIPTION

BEING 7.96 ACRES (346,642 SQUARE FEET) TRACT OF LAND OUT OF THE J.C. TANNEHILL SURVEY, ABSTRACT 22, SURVEY 29 IN TRAVIS COUNTY, TEXAS. SAID 7.96 ACRE TRACT, ALSO OUT OF A 9.72 ACRE TRACT OF LAND HAVING BEEN CONVEYED TO AUSTIN INDEPENDENT SCHOOL DISTRICT BY INSTRUMENT OF RECORD IN VOLUME 1864, PAGE 178 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS. SAID 7.96 ACRE TRACT BEING SHOWN ON THE ACCOMPANYING SKETCH AND MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING at a ½” iron rod found at a chain link fence on the east right of way line of Tannehill Lane. Said iron rod being at the northwest corner of the herein described tract, the southwest corner of a 10.00 acre tract conveyed to the Austin Independent School District by instrument of record in Volume 1854, Page 76 of the deed records of Travis County, TX. Said iron rod being approximately 22.6 feet south of a ½” iron pipe found at the northwest corner of the 9.72 acre tract.

THENCE S61°44’00”E, 644.78 feet along the fenced north line of the herein described tract and the south line of said 10.00 acre tract to a ½” iron pipe found for the northeast corner of this 7.96 acre AISD tract and the southeast corner of said 10.00 acre AISD tract. Said ½” iron pipe also being on the west line of Lot 3, Bluestein Park, Phase 2 Subdivision recorded in Volume, 86, Page 5A, Plat Records of Travis County, TX. This line is approximately 22.6 feet south of and parallel from the north line of said 9.72 acre tract.

THENCE S28°19’40”W, along the east line of said 7.96 acre Austin Independent School District tract and the west line of said Lot 3, at 304.65 feet and offset 0.14 feet to the left pass a found ½” iron rod at the southwest corner of said Lot 3 and the northwest corner of Lot 4 of said Bluestein Subdivision, in all a distance of 510.05 feet to a ½” iron rod set with a plastic cap stamped “MACIAS LP RPLS 4333” on the west line of said Lot 4. Said point also being at the southeast corner of the herein described tract and the northeast corner of a 0.6383 acre tract having been conveyed to the City of Austin for right of way purposes by instrument of record in Volume 7851, Page 981 in the deed records of Travis County, TX.

THENCE N61°40’20”W, 36.56 feet along the south line of the herein described tract and the north line of said 0.6383 acre City of Austin tract to a ½” iron rod set with a plastic cap stamped “MACIAS LP RPLS 4333” to the point of curvature of a curve to the left.

THENCE the following three courses with the south line of the herein described tract and the north line of said City of Austin tract:

1. With said curve to the left having a radius of 1516.58 feet, a central angle of $12^{\circ}41'08''$, and arc length of 335.78 feet and a chord bearing of $N67^{\circ}42'51''W$, 335.09 feet to a $\frac{1}{2}$ " iron rod found at the point of reverse curve to the right.
2. Along said curve to the right having a radius of 965.00 feet, a central angle of $10^{\circ}51'58''$, and arc length of 183.01 feet and a chord bearing of $N68^{\circ}37'13''W$, 182.74 feet to a $\frac{1}{2}$ " iron rod found at a point of curvature of a curve to the left.
3. Thence along said curve to the left having a radius of 835.21 feet, a central angle of $03^{\circ}41'19''$, an arc length of 53.77 feet, and a chord bearing of $N65^{\circ}02'14''W$, 53.76 feet to a $\frac{1}{2}$ " iron rod set with a plastic cap stamped "MACIAS LP RPLS 4333" for point of curvature of a curve to the right at the northeast curve return of the east right of way line of Tannehill Lane, and the north right of way line of Jackie Robinson Street

THENCE along said curve to the right having a radius of 47.03 feet, a central angle of $82^{\circ}47'33''$, and arc length of 67.96 feet, a chord bearing of $N12^{\circ}08'23''W$, 62.20 feet to a $\frac{1}{2}$ " iron rod set with a plastic cap marked "MACIAS LP RPLS 4333", to the point of non-tangency of said curve and on the east right of way line of Tannehill Lane, and the west line of the herein described tract of land.

THENCE $N28^{\circ}22'36''E$, 522.58 feet with the east right of way line of Tannehill Lane and the west line of the herein described tract of land to the POINT OF BEGINNING and containing 7.96 acres of land.

BEARING BASIS NOTE

The coordinates and bearings shown hereon are based on the Texas Coordinate System (Central Zone-4203 NAD83).

THE STATE OF TEXAS §

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF TRAVIS §

§

That I, Carmelo L. Macias, a Registered Professional Land Surveyor, do hereby state that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas, this 21th day of June, 2016, A.D.



Macias & Associates, L.P.
5410 South 1st Street
Austin, Texas 78745
512-442-7875

Carmelo L. Macias

Carmelo L. Macias
Registered Professional Land Surveyor
No. 4333 – State of Texas
Revision 1 - January 25, 2018

REFERENCES

TCAD PARCEL ID NO. 02-0923-0468
MACIAS & ASSOCIATES, L.P., PROJECT NO. 276-23-16

FIELD NOTES REVIEWED
BY *[Signature]* DATE: 02.06.2018
CITY OF AUSTIN
PUBLIC WORKS DEPARTMENT

5d. Zoning

Foundation Communities submitted an application to change the Development site zoning from Public (P) Use to Multifamily (MF-4) Use, which allows multifamily development. We expect the new zoning will take effect by late March 2023.

5e. Neighborhood Plan

The site is located within the East MLK Combined Neighborhood Plan. FC and GNDC have over 30 years of experience engaging with the neighborhoods in which we build and manage our communities. Our team understands and respects the critical importance of neighborhood context and compatibility. The site was specifically designed to align with the goals and visual guidelines identified in the East MLK Combined Neighborhood Plan, which is linked below. The following are specific responses to Goals in the Plan.

- Goal One - By proposing lower density duplexes and townhomes along Tannehill and Jackie Robinson with front yards and front porches, we are responding to the existing style of the neighborhood with a goal of fostering a kid-friendly and lively streetscape.
- Goal Two - By siting the taller apartment buildings in the middle and back portions of the site, we are creating a compatible transition of residential density from duplex and townhomes to medium density multifamily. This also provides an appealing visual complement to the beautiful new Norman-Sims campus and hides the warehouses just east of the site.
- Goal Five - By creating affordable rental and homeownership opportunities, combined with a preference for displaced households, long-term affordability, and services, we are supporting social and economic diversity within a rapidly gentrifying neighborhood.

Attached is the Good Neighbor Checklist, Communication Plan, Communication log, and sample outreach letter.

https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Adopted%20Neighborhood%20Planning%20Areas/10_EastMLKCombined/emlk-np.pdf

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) Application requirements

- ☒ Provide communications plan
- ☒ 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.

<i>Sabrina Butler</i>	Sabrina Butler	February 1, 2022
Signed	printed name	date

Good Neighbor Communication Plan

Project

Norman Commons
3811 ½ Tannehill Ln
Austin, TX 78721

Contact

Sabrina Butler
sabrina.butler@foundcom.org
(512) 610-4016

Foundation Communities (FC) has a long history of engaging with neighborhood groups during pre-development, construction, and ongoing operations of our communities. We believe the key to a project's true success is the support and engagement of the surrounding neighborhood and stakeholders. The following steps have been and will be implemented to communicate with the neighborhood surrounding the proposed development.

- 1) Preliminary Research:** As part of preliminary due diligence, FC development staff uses the City of Austin Community Registry to identify neighborhood organizations that contain the proposed site and review any Neighborhood Plan and FLUM in place.
- 2) Pre-Application Notification:** FC sends a notification letter to all neighborhood organizations identified in the Austin Community Registry. The City sends notifications to all neighborhood organizations and property owners within 500 ft as part of a zoning and neighborhood amendment process.
- 3) Pre-Application Engagement:** After notification, FC engages with all neighbors and organizations based on received responses, interest and questions.
 - FC will offer to present at a neighborhood meeting and provide an information packet. At meetings, Foundation Communities presents information about our organization, plans for design of the building, target population, and services.
 - FC will invite neighborhood members to visit our existing portfolio of properties and attend Open House lunches held bi-weekly at one of our properties to learn more about Foundation Communities.
 - FC will offer to provide updates in the form and timing that the neighborhood requests.
- 4) Implementation/Ongoing Relations** - FC will implement the following processes to encourage ongoing relations with neighborhood members:
 - FC will invite the neighborhood group to view the property once completed.

- FC will invite neighborhood members to participate in services programs being offered at our community.
- FC will invite and educate neighborhood members on the many ways to volunteer with Foundation Communities.
- FC will establish an open-door policy so that neighborhood members will feel comfortable communicating any concerns with either the on-site property management or the single point of contact.

Good Neighbor Communication Log

Norman Commons

Neighborhood Organizations within boundaries

East MLK Combined Neighborhood Plan Contact Team
--

Notifications

Notification of Zoning Change Application	notification mailed in October 2022 by FC/GNDC to nearby property owners and registered neighborhood organizations
Notification of Zoning Change Application	notification mailed in October 2022 by the City to nearby property owners and registered neighborhood organizations

Engagement

MLK Contact Team	Presented at MLK Contact Team on 10.26.2022



3000 S IH 35, Ste 300
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

foundcom.org



Dear Neighbor,

You may have received a notice from the City of Austin regarding some upcoming changes to 3811 1/2 Tannehill Lane. As the nonprofit developers of this site's future community, we would like to reach out and introduce ourselves and our plan for this property.

In partnership with the City of Austin's Housing Finance Corporation (AHFC), Foundation Communities (FC) and Guadalupe Neighborhood Development Corporation (GNDC) are excited to bring forth Norman Commons, an upcoming affordable, services-enriched, multi-family housing community. This community will create 156 affordable rental homes and 32 affordable ownership homes. With 188 affordable homes, a state-of-the-art Learning Center, and a host of on-site amenities and services, we will accomplish the following goals:

- 100% Affordability
- Long-term Nonprofit Stewardship
- High Impact Services for Residents and Neighbors
- Family Friendly Homes
- Creative Community Development
- Neighborhood Connectivity
- Green, Healthy Buildings

We are committed to engaging with our future neighbors and will be happy to discuss our plans with you at any time. Please review the back of this letter for an overview of Norman Commons, Foundation Communities, and Guadalupe Neighborhood Development Corporation.

Should you have any questions, please contact Megan Matthews at megan.matthews@foundcom.org or Anna Lake-Smith at anna.lake-smith@foundcom.org with FC, or Mark Rodgers at mark@guadalupependc.org with GNDC.



A partner agency of

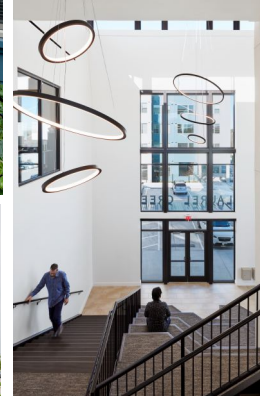
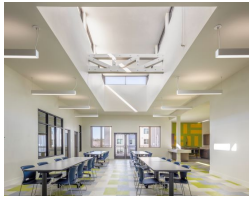




CREATING HOUSING WHERE FAMILIES SUCCEED

Since 1990, Foundation Communities has been providing attractive, affordable homes and support services for thousands of low-income families and individuals, empowering them with the tools they need to succeed.

Foundation Communities | www.FoundCom.org | 512-447-2026



16 Family communities throughout Austin

Over **2,800** existing apartments, including 1, 2, and 3 bedrooms

Rents well below market rate

Education, Financial Stability, & Health programs

On-site learning centers

Green features keeps utilities low



GNDC

Guadalupe Neighborhood Development Corporation

Guadalupe Neighborhood Development Corporation celebrates over 35 years of service to its community as an affordable housing developer to East Austin families. GNDC works for the improvement, revitalization, and preservation of the residential neighborhood.

512-479-6275 | guadalupendc.org



Norman Commons Conceptual Render

- **32 Ownership Townhomes** - 18 two-story rowhomes, 12 two-story duplexes, and two single-story duplexes with garages, front yards, and front porches facing Tannehill and Jackie Robinson, with sidewalk landscaping to encourage a lively streetscape.
- **156 Rental Homes + Learning Center** - Rental homes in four-story apartment buildings with Leasing Office and Learning Center on ground floor. Playgrounds in the center and parking wrapped around apartment buildings to encourage kid-friendly play.

5f. Tenant Relocation Plan

The site is not occupied.

5g. Phase I ESA

See attached for the Phase I ESA completed in 2022 which states that there is no recognized environmental condition or further investigation require.

June 14, 2022

Texas Department of Housing and Community Affairs,
a public and official department of the State of Texas
221 East 11th Street
Austin, Texas 78701

Re: Phase Engineering, LLC Phase I Environmental Site Assessment (ESA) Report No. 202205142
3811 1/2 Tannehill Lane, Austin, Travis County, Texas 78723

To Whom It May Concern,

This letter is to certify that the Phase I Environmental Site Assessment (the "Report") relating to the above referenced property completed by Phase Engineering, LLC (the "Consultant") may be conveyed to and relied upon by Texas Department of Housing and Community Affairs as if the Report had originally been prepared for them.

The report fee is Phase Engineering, LLC's sole benefit and findings are not contingent on compensation from the client or its affiliates. Any person signing this report acknowledges that the Department may publish the full report on the Department's website, release the report in response to a request for public information and make other use of the report as authorized by law. Phase Engineering, LLC has read and understands the department rules regarding this report as found in 2022 Qualified Allocation Plan as codified in 10 Texas Administrative Code, Chapter 11, Subchapter D, Section 11.305: Environmental Site Assessment Rules and Guidelines.

Thank you for using the professional environmental services of Phase Engineering, LLC. If you should have any questions, please contact me at 713-854-8670.

Sincerely,



Tracy A. Watson
Vice President of Special Projects
Phase Engineering, LLC

1.0 Executive Summary

1.1 Site Summary

SITE SUMMARY	
Site Element	Comments
Subject Property Address	3811 1/2 Tannehill Lane, Austin, Travis County, Texas 78723
Current Use of Subject Property	Obstacle course, storage barn and undeveloped land
Legal Description	Abstract 22 out of the J.C. Tannehill Survey 29 (per client provided title commitment)
Current Owner	Austin Housing Finance
Current Uses of Adjoining Properties:	Northeast: Norman-Sims Elementary School and Park Southeast: Technicenter 6 & 7 Office Park Southwest: Seretta Construction Texas, LLC office building and Travis County International Cemetery Northwest: Undeveloped land and vacant lot
Site Reconnaissance Date	June 7, 2022
Physical Setting	
Topography	Elevation: Approximately 540-570 feet above mean sea level (msl) General Area Topographic Downgradient: Southeast
Groundwater Flow Direction	Assumed to be consistent with topographic gradient (See Section 5.3 for more information)
Depth to Groundwater	Greater than 35 feet below ground surface (bgs)
Sub-Surface Geology	Terrace Deposits (Qt)
Underlying Aquifer(s)	Trinity Aquifer
Near Surface Soils	TuD - Travis soils and urban land, 1 to 8 percent slopes and HsD - Houston Black soils and Urban land, 0 to 8 percent slopes

Historical Use Subject Property							
Year Range	Property Use(s)	Aerial Photos	Topo Maps	Fire Insurance Maps	Street Directories	Interviews	Regulatory Files / Prior Reports
1940s to mid-1990s	Pasture land and undeveloped land	✓	✓				✓
Mid-1990s to early-2020s	Obstacle course, storage buildings and undeveloped land	✓				✓	✓

Historical Use Adjoining Properties	
Direction	Historical Use Description
Northeast Adjoining Property	School property, pasture land and undeveloped land
Southeast Adjoining Property	Multi-tenant office / warehouse building (environmentally sensitive businesses include an equipment manufacturing facility), pasture land and undeveloped land

Historical Use Adjoining Properties	
Direction	Historical Use Description
Southwest Adjoining Property	Construction contractor facility, cemetery, rural residential property, pasture land and undeveloped land
Northwest Adjoining Property	Single-family residential property and undeveloped land

1.2 Project Summary

ASTM Standard Considerations						
Report Section	No Further Action	REC	CREC	HREC	Other Environmental Considerations	Suggested Action
1.0 Current Use of Subject Property	✓					
1.0 Current Use of Adjoining Properties	✓					
4.0 User Provided Information	✓					
5.1 Standard Environmental Record Sources	✓					
5.4.1 Historical Information on Subject Property	✓					
5.4.3 Historical Information on Adjoining Properties	✓					
6.0 Site Reconnaissance	✓					
7.0 Interviews	✓					

Non-ASTM Scope Considerations			
Report Section	No Further Action Necessary	Further Action Necessary	Suggested Action
14.1 Asbestos-Containing Building Materials	✓		
14.2 Cultural and Historical Resources	✓		
14.3 Endangered Species	✓		
14.4 Lead-Based Paint	✓		
14.5 Lead in Drinking Water	✓		
14.6 Radon	✓		
14.7 FEMA Flood Map	✓		
14.8 Wetlands	✓		

Non-ASTM Scope Considerations			
Report Section	No Further Action Necessary	Further Action Necessary	Suggested Action
14.9 Vapor Encroachment Screening	✓		
14.10 Noise Study	✓		
14.11 Explosive Hazards	✓		

1.2.1 Data Gap Summary

A data gap is a lack of or inability to obtain information required by ASTM Practice E1527-13 despite good faith efforts by the environmental professional to gather such information. Data gaps may result from incompleteness in any of the activities required by this practice, including, but not limited to site reconnaissance (for example, an inability to conduct the site visit), and interviews (for example, an inability to interview the key site manager, regulatory officials, etc.).

The following table summarizes general areas of the report that may encounter data gaps during the assessment process.

Report Element	Report Section	Data Gap	Description of Data Gap	Significant
Regulatory Agency Records				
Standard Federal, State, Tribal and Local Records Review	5.1	No		
Additional Federal, State, Tribal and Local Records Review	5.2	No		
Historical Sources				
Aerial Photographs	5.4.1.1	No		
Fire Insurance Rate Maps	5.4.1.2	N/A		
Property Tax Records	5.4.1.3	No		
Land Title Records	5.4.1.4	No		
Topographic Maps	5.4.1.5	No		
Street Directories	5.4.1.6	No		
Other Historical Records	5.4.1.7	No		
Historical Use of Subject Property	5.4.2	No		
Historical Use of Adjoining Properties	5.4.3	No		
Site Reconnaissance				
Observations of Subject Property	6.0	Yes	Interior access to the onsite storage shed was unavailable at the time of the site reconnaissance.	No
Observation of Surrounding Properties	6.0	No		
Interviews				
Current Owner	7.1	No		
Key Property Manager	7.1	No		
Occupant(s)	7.1	N/A		
Past Owners / Managers / Occupants	7.1	N/A		

Report Element	Report Section	Data Gap	Description of Data Gap	Significant
Adjoining Property Owners / Occupants	7.1	N/A		
State / Local Health/ Environmental Department	7.2	No		
Local Fire Department	7.2	No		
Local Building Permit / Inspection Department	7.2	No		
Local Water Utility Company	7.2	N/A		

1.3 Findings and Opinions

Known or suspect environmental conditions associated with the subject property and the environmental professional's opinion(s) of the impact on the property of known or suspect environmental conditions identified are as follows:

<u>FINDING</u>
A manufacturing facility operated at the southeast adjoining property.
Standard Environmental Record Sources, Federal, State & Tribal
No regulatory agency listings were found in connection with this finding.
Records Review
Historical street directories indicate that the southeast adjoining property, addressed as 3714 Bluestein Drive, operated as an equipment manufacturing facility during the early-2000s under the name Harvard Custom Manufacturing. Equipment manufacturing facilities are known to store, use and dispose of hazardous substances and petroleum products possibly including degreaser solvents, paints, paint thinners, blasting media, metal flux, cutting fluid, coolants, oil, hydraulic oil, lubricants, gasoline and diesel. No reported releases were found in connection with this facility during records review conducted for this assessment. See Section 5.4 for more information regarding historical sources reviewed during this assessment.
Site Reconnaissance
No features were observed to be associated with this finding during the site reconnaissance.
Interviews and/or Inquiries
No details were identified in connection with this finding during interviews and/or inquiries conducted for this assessment.
<u>OPINION</u>
There are no indications that the subject property has been impacted as a result of this facility based on lack of reported releases and the limited duration of operations. This does not represent a recognized environmental condition.

<u>FINDING</u>
A cemetery operates at the southwest adjoining property.

Standard Environmental Record Sources, Federal, State & Tribal
No regulatory agency listings were found in connection with this finding.
Records Review
Historical aerial photographs indicate that a cemetery operated at the southwest adjoining property across Jackie Robinson Street since the early-2010s. Historically, mortuaries of the Civil War era used arsenic in the burial process. This cemetery appears to have been developed within the twentieth century. See Section 5.4 for more information regarding historical sources reviewed during this assessment.
Site Reconnaissance
The southwest adjoining property across Jackie Robinson Street, addressed as 3604 Axel Lane, operated as a cemetery under the name Travis County International Cemetery at the time of the site visit. No indications of a release were observed in association with this facility. See Section 6.0 for more information regarding observations noted during the site reconnaissance.
Interviews and/or Inquiries
No details were identified in connection with this finding during interviews and/or inquiries conducted for this assessment. See Section 7.0 for more information regarding interviews and inquiries conducted during this assessment.
<u>OPINION</u>
There are no indications that the subject property has been impacted as a result of this facility based on the time at which the adjoining cemetery initiated operations and current site conditions. This does not represent a recognized environmental condition.

<u>FINDING</u>
Containers of used lubricant were previously removed from the subject property.
Standard Environmental Record Sources, Federal, State & Tribal
No regulatory agency listings were found in connection with this finding.
Records Review
None of the records reviewed during this assessment were found to be in connection with this finding.
Site Reconnaissance
No features were observed to be associated with this finding during the site reconnaissance.
Interviews and/or Inquiries
Records received from the City of Austin indicate that an investigation was conducted at the subject property on January 21, 2014 during which eleven (11) five-gallon buckets of used auto lubricant were found onsite and removed. See Section 7.0 for more information regarding interviews and inquiries conducted during this assessment.
<u>OPINION</u>

There are no indications that the subject property has been impacted as a result of auto lubricants removed from the subject property based on lack of indication of auto service activities onsite, lack of reported releases and current site conditions.
This does not represent a recognized environmental condition.

1.4 Conclusions

Phase Engineering, LLC has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of subject property and more fully described within the report. Any exception to, or deletions from, this practice are described in Section 2.0 of the report.

Recognized environmental condition is defined in ASTM Standard E 1527-13 as “the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.” Phase Engineering, LLC has considered all migration pathways including soil, groundwater and vapor during evaluation of all identified environmental conditions. This assessment has revealed no evidence of recognized environmental conditions in connection with the property.

A controlled recognized environmental condition (CREC) is defined in ASTM Standard E 1527-13 as “a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.” Controlled recognized environmental conditions are recognized environmental conditions. This assessment has revealed no evidence of controlled recognized environmental conditions in connection with the property.

A historical recognized environmental condition (HREC) is defined in ASTM Standard E 1527-13 as “a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.” A historical recognized environmental condition is not a recognized environmental condition. This assessment has revealed no evidence of historical recognized environmental conditions in connection with the property.

De minimis conditions are defined in ASTM Standard E 1527-13 as conditions “that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.” *De minimis* conditions are not recognized environmental conditions. This assessment has revealed no evidence of *de minimis* conditions in connection with the property.

1.5 Recommendations

Recommendations

The following recommendation is made with respect to the environmental aspects of the subject property:

- No further investigation is required to identify a recognized environmental condition.

5h. SHPO

SHPO is not applicable. There are no structures on site.