

Executive Summary/Project Proposal

Pathways at Rosewood Courts is the redevelopment of the existing public housing development, Rosewood Courts (2001 Rosewood Avenue). It is located in District 1 and has not received any previous RHDA funding. The project is being developed jointly by Austin Affordable Housing Corporation (AAHC), a non-profit subsidiary of the Housing Authority of the City of Austin, and Carleton Development, Ltd. and will be owned by a newly formed single asset entity (Pathways at Rosewood Courts East, LP). AAHC will serve as the sole member of the GP of Pathways at Chalmers Courts East, LP.

Rosewood Courts was originally built in 1939. The development plan calls for the demolition of all but eight (8) of the existing buildings. The eight (8) buildings that will be retained will be rehabilitated and modernized containing 20 renovated units. The development plan also includes the new construction of 164 one-, two-, three- and four-bedroom units. The development is thus both new construction and rehabilitation. The development will also include dedicated park space, a visitor's center and other community spaces for education and benefit of Rosewood residents and visitors alike.

Project Summary Form

| | | |
|--|--|--|
| 1) Project Name Pathways at Rosewood Courts | 2) Project Type Mixed-Income | 3) New Construction or Rehabilitation Rehabilitation |
| 4) Address(s) or Location Description 2001 Rosewood Avenue | | 5) Mobility Bond Corridor |
| 6) Census Tract 8.04 | 7) Council District District 1 | 8) Elementary School BLACKSHEAR EL |
| 9) Affordability Period 40 years | | |
| 10) Type of Structure Multi-family | 11) Occupied? Yes | 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 | | 10 | 6 | 1 | 1 | 18 |
| Up to 40% MFI | | | | | | 0 |
| Up to 50% MFI | | 41 | 17 | 11 | 5 | 74 |
| Up to 60% MFI | | 43 | 41 | 5 | 3 | 92 |
| Up to 80% MFI | | | | | | 0 |
| Up to 120% MFI | | | | | | 0 |
| No Restrictions | | | | | | 0 |
| Total Units | 0 | 94 | 64 | 17 | 9 | 184 |

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 | 19 | Continuum of Care Units | 0 |
| Accessible Units for Sensory Impairments | 8 | | |

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? Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? Yes
- 18) Is the property within 3/4 mile of Transit Service? Yes
- 19) The property has Healthy Food Access? Yes

20) Estimated Sources and Uses of funds

| <u>Sources</u> | | <u>Uses</u> | |
|------------------------------|-------------------|-----------------|-------------------|
| Debt | 17,650,000 | Acquisition | 1,151,000 |
| Equity | 28,142,707 | Off-Site | 3,362,284 |
| Grant | | Site Work | 10,341,168 |
| Other | 15,407,751 | Sit Amenities | 970,253 |
| Deferred Developer Fee | 1,982,110 | Building Costs | 31,971,726 |
| Previous AHFC Funding | - | Contractor Fees | 2,489,219 |
| Current AHFC Request | 9,200,000 | Soft Costs | 6,129,372 |
| | | Financing | 9,367,546 |
| | | Developer Fees | 6,600,000 |
| Total \$ | 72,382,568 | Total \$ | 72,382,568 |

Development Schedule

Site Control

Acquisition

Zoning

Environmental Review

Pre-Development

Contract Execution

Closing of Other Financing

Development Services Review

Construction

Site Preparation

25% Complete

50% Complete

75% Complete

100% Complete

Marketing

Pre-Listing

Marketing Plan

Wait List Process

Disposition

Lease Up

Close Out

Start Date

End Date

Jan-21

Oct-21

Jan-21

NA

NA

May-21

Oct-21

Dec-21

Aug-22

Jan-22

Dec-21

Aug-22

Dec-21

Jul-22

Sep-22

Aug-24

Sep-22

Dec-22

Mar-23

Sep-23

Mar-24

Aug-24

Apr-24

Jul-24

Apr-24

May-24

May-24

Jun-24

Jun-24

Jul-24

Jun-24

Mar-25

Jun-24

Dec-24

Jan-25

Mar-25

Dec-14

May-16

Sep-17

Feb-19

Jun-20

Oct-21

Mar-23

Jul-24

Dec-25

Site Control

Acquisition

Zoning

Environmental Review

Pre-Development

Contract Execution

Closing of Other Financing

Development Services Review

Construction

Site Preparation

25% Complete

50% Complete

75% Complete

100% Complete

Marketing

Pre-Listing

Marketing Plan

Wait List Process

Disposition

Lease Up

Close Out

| Development Budget | | | |
|---|--------------------|----------------------|---|
| | Total Project Cost | Requested AHFC Funds | Description |
| Pre-Development | | | |
| Appraisal | 26,000 | | includes App & Market Study |
| Environmental Review | 114,200 | | includes Env & Soils Report |
| Engineering | 300,000 | | |
| Survey | 50,000 | | |
| Architectural | 2,100,000 | | |
| Subtotal Pre-Development Cost | \$2,590,200 | \$0 | |
| Acquisition | | | |
| Site and/or Land | 1,000 | | |
| Structures | 1,150,000 | | |
| Other (specify) | | | |
| Subtotal Acquisition Cost | \$1,151,000 | \$0 | |
| Construction | | | |
| Infrastructure | 7,231,559 | 7,231,559 | Culvert |
| Site Work | 6,471,893 | | Includes Watershed items |
| Demolition | 697,335 | | Interior & Exterior Demo & Abatement |
| Concrete | 2,567,227 | | |
| Masonry | 1,401,771 | | |
| Rough Carpentry | 11,332,723 | | Woods & Plastics |
| Finish Carpentry | 306,894 | | Equipment |
| Waterproofing and Insulation | 473,329 | | Thermal and Mositure Protection |
| Roofing and Sheet Metal | 891,070 | | |
| Plumbing/Hot Water | 369,092 | | Specialties |
| HVAC/Mechanical | 2,848,695 | | |
| Electrical | 2,251,067 | | |
| Doors/Windows/Glass | 1,283,846 | | |
| Lath and Plaster/Drywall and Acoustical | 769,986 | | Metals |
| Tile Work | 426,266 | | Special Construction |
| Soft and Hard Floor | 250,000 | | |
| Paint/Decorating/Blinds/Shades | 332,264 | | Furnishings |
| Specialties/Special Equipment | 970,253 | | Includes Site Amenities |
| Cabinetry/Appliances | 767,784 | | Finishes |
| Carpet | 338,096 | | Elevators |
| Preservation Unit Costs | 4,143,182 | 1,968,441 | |
| Construction Contingency | 3,010,317 | | |
| Subtotal Construction Cost | \$49,134,650 | \$9,200,000 | |
| Soft & Carrying Costs | | | |
| Legal | 422,500 | | |
| Audit/Accounting | 25,000 | | |
| Title/Recording | 175,000 | | |
| Architectural (Inspections) | 25,000 | | |
| Construction Interest | 2,194,506 | | |
| Construction Period Insurance | 280,000 | | |
| Construction Misc | 1,194,524 | | Feasibility, Permits, P&P and Other Consultants |
| Relocation | 822,848 | | |
| Marketing | 375,000 | | Marketing & FFE |
| Existing Loan payoff | 3,941,294 | | |
| Developer Fee | 6,600,000 | | |
| Other (specify) | 3,451,046 | | Additional Financing Costs & Reserves |
| Subtotal Soft & Carrying Costs | \$19,506,718 | \$0 | |
| TOTAL PROJECT BUDGET | \$72,382,568 | \$9,200,000 | |

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 | \$2,177,400 | \$2,190,054 | \$2,233,855 | \$2,278,532 | \$2,324,103 | \$2,565,998 | \$2,833,069 |
| Secondary Income | \$22,080 | \$22,522 | \$22,972 | \$23,431 | \$23,900 | \$26,388 | \$29,134 |
| POTENTIAL GROSS ANNUAL INCOME | \$2,199,480 | \$2,212,576 | \$2,256,827 | \$2,301,964 | \$2,348,003 | \$2,592,385 | \$2,862,203 |
| Provision for Vacancy & Collection Loss | -\$164,961 | -\$165,943 | -\$169,262 | -\$172,647 | -\$176,100 | -\$194,429 | -\$214,665 |
| Rental Concessions | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| EFFECTIVE GROSS ANNUAL INCOME | \$2,034,519 | \$2,046,633 | \$2,087,565 | \$2,129,317 | \$2,171,903 | \$2,397,956 | \$2,647,538 |
| EXPENSES | | | | | | | |
| General & Administrative Expenses | \$65,000 | \$66,950 | \$68,959 | \$71,027 | \$73,158 | \$84,410 | \$98,318 |
| Management Fee | \$81,381 | \$81,865 | \$83,503 | \$85,173 | \$86,846 | \$95,918 | \$105,901 |
| Payroll, Payroll Tax & Employee Benefits | \$250,000 | \$257,500 | \$265,225 | \$273,182 | \$281,377 | \$326,193 | \$378,147 |
| Repairs & Maintenance | \$85,000 | \$87,550 | \$90,177 | \$92,882 | \$95,668 | \$110,906 | \$128,570 |
| Electric & Gas Utilities | \$39,000 | \$40,170 | \$41,375 | \$42,616 | \$43,895 | \$50,886 | \$58,991 |
| Water, Sewer & Trash Utilities | \$130,000 | \$133,900 | \$137,917 | \$142,055 | \$146,316 | \$169,621 | \$196,637 |
| Annual Property Insurance Premiums | \$90,000 | \$92,700 | \$95,481 | \$98,345 | \$101,296 | \$117,430 | \$136,133 |
| Property Tax | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Reserve for Replacements | \$55,200 | \$56,856 | \$58,562 | \$60,319 | \$62,128 | \$72,023 | \$83,495 |
| Other Expenses | \$60,460 | \$56,712 | \$58,413 | \$60,166 | \$61,971 | \$71,841 | \$83,283 |
| TOTAL ANNUAL EXPENSES | \$856,041 | \$874,203 | \$899,610 | \$925,764 | \$952,655 | \$1,099,228 | \$1,269,475 |
| NET OPERATING INCOME | \$1,178,478 | \$1,172,430 | \$1,187,955 | \$1,203,553 | \$1,219,248 | \$1,298,728 | \$1,378,063 |
| DEBT SERVICE | | | | | | | |
| First Deed of Trust Annual Loan Payment | \$1,002,358 | \$1,002,358 | \$1,002,358 | \$1,002,358 | \$1,002,358 | \$1,002,358 | \$1,002,358 |
| 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 | \$176,120 | \$170,072 | \$185,597 | \$201,195 | \$216,890 | \$296,370 | \$375,705 |
| CUMULATIVE NET CASH FLOW | \$176,120 | \$346,192 | \$531,790 | \$732,985 | \$949,875 | \$2,233,026 | \$3,913,215 |
| Debt Coverage Ratio | 1.18 | 1.17 | 1.19 | 1.20 | 1.22 | 1.30 | 1.37 |

| | | |
|---|-------------------------|---|
| Project Name | Ways at Rosewood Courts | |
| Project Type | Mixed-Income | |
| Council District | District 1 | |
| Census Tract | 8.04 | |
| Prior AHFC Funding | \$0 | |
| Current AHFC Funding Request Amount | \$9,200,000 | |
| Estimated Total Project Cost | \$72,382,568 | |
| High Opportunity | No | |
| High Displacement Risk | YES | |
| High Frequency Transit | Yes | |
| Imagine Austin | Yes | |
| Mobility Bond Corridor | 0 | |
| SCORING ELEMENTS | | Description |
| UNITS | | |
| < 20% MFI | 0 | # of rental units at < 20% MFI |
| < 30% MFI | 18 | # 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 | 18% | % of City's affordable housing goal near high frequency transit |
| Imagine Austin | 18% | % 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 | 7 | % of annual goal * units * 50%, max of 75 |
| < 40% MFI | 0 | # of rental units at < 40% MFI |
| < 50% MFI | 74 | # 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 | 18% | % of City's affordable housing goal near high frequency transit |
| Imagine Austin | 18% | % 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 | 14 | % 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 | 18% | % of City's affordable housing goal near high frequency transit |
| Imagine Austin | 18% | % 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 | 18% | % of City's affordable housing goal near high frequency transit |
| Imagine Austin | 18% | % 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 | 21 | MAXIMUM SCORE = 300 |
| INITIATIVES AND PRIORITIES | | |
| Continuum of Care | 0 | Total # of units provided up to 100 per year |
| Continuum of Care Score | 0 | (total CoC Units/100 + HF Units/50)*20 |
| Access to Healthy Food | Yes | Within 1 Mile of Healthy Food (City GIS) |
| Continuum of Care Weighted Score | 0 | Mobility, Access to Jobs, Community Institutions, Social Cohesion |
| 2 Bedroom Units | 23 | Total Affordable 2 Bedroom units |
| 3 Bedroom Units | 12 | Total Affordable 3 Bedroom units |
| 4 Bedroom Units | 6 | Total Affordable 4+ Bedroom units |
| Multi-Generational Housing Score | 9 | Multi-bedroom Unit/Total Units * 20 |
| TEA Grade | 82 | Elementary School Rating from TEA |
| Multi-Generational Housing Weighted Score | 2 | Educational Attainment, Environment, Community Institutions, Social Cohesion, Economic Security |
| Accessible Units | 28 | mobility and sensory units |
| Non-PSH, Non-Voucher Under 20% MFI | 0 | Total units under 20% MFI |
| Accessibility Score | 6 | Accessible Unit/Total Units * 20 |
| Metro Access Service | Yes | Within 3/4 mile of fixed route transit |
| Accessibility Weighted Score | 2 | Housing Stability, Health, Mobility, Community Institutions |
| Initiatives and Priorities Score | 19 | MAXIMUM SCORE = 200 |
| UNDERWRITING | | |
| AHFC Leverage | 25% | % of total project cost funded through AHFC request |
| Leverage Score | 15 | 3 points per 5% reduction in leverage below 50% (max 30) |
| AHFC Per Unit Subsidy (including prior amounts) | \$100,000 | Amount of assistance per unit |
| Subsidy per unit score | 13 | (\$200,000 - per unit subsidy)*25/\$200,000 |
| AHFC Per Bedroom Subsidy | \$58,599 | Amount of assistance per bedroom |
| Subsidy per Bedroom Score | 18 | (\$200,000 - per bedroom subsidy)*25/\$200,000 |
| Debt Coverage Ratio (Year 5) | 1.22 | Measured at the 5 Year mark |
| Debt Coverage Ratio Score | 21.63800664 | Minimum = 1.0; Maximum = 1.5; 1.25 = best score |
| Underwriting Score | 67 | MAXIMUM SCORE = 100 |
| APPLICANT | | |
| FINAL QUANTITATIVE SCORE | 107 | THRESHOLD SCORE = 50 |
| Previous Developments | | |
| Compliance Score | | |
| Proposal | | |
| Supportive Services | | |
| Development Team | | |
| Management Team | | |
| Notes | | |

Carleton Companies

Detailed listing of Carleton Development's experience

NEW CONSTRUCTION & REHAB APARTMENT DEVELOPMENTS
CARLETON RESIDENTIAL PROPERTIES
Last 13 Years

| Year | Project Name | Location | Total Units | Construction | | Type of Financing | Current Status | Carleton's Function | | | | |
|------|------------------------|---------------|-------------|--------------|-----------------|-------------------|----------------|---------------------|------|------|------|-----|
| | | | | Type | Lender | | | Owner | Dev. | C.M. | G.C. | Sub |
| 2019 | Chalmers East* | Austin | 156 | Demo/New | Mason Joseph | 9% Tax Credits | Under Const | | X | X | | X |
| 2019 | Chalmers South* | Austin | 86 | Demo/New | Chase | 4% Tax Credits | Completed | | X | X | | X |
| 2019 | Sutherland | Grand Prairie | 272 | New | Mason Joseph | Market Rate | Completed | X | X | | X | |
| 2018 | The Julian | Mansfield | 225 | New | Frost | Market Rate | Completed | X | X | | X | |
| 2018 | Rocklyn | Fort Worth | 274 | New | Inwood | Market Rate | Completed | X | X | | X | |
| 2017 | Pioneer Place* | Mansfield | 135 | New | CBoT | 9% Tax Credits | Completed | | X | X | | X |
| 2017 | Merritt McGowan* | McKinney | 136 | Demo/New | Bank of America | 9% Tax Credits | Completed | | X | | X | |
| 2016 | Villas Central Park | Grand Prairie | 249 | New | 221(D) | Market Rate | Completed | X | X | | X | |
| 2015 | Newsome Homes* | McKinney | 180 | Demo/New | CBoT | 4% TC & Other | Completed | | X | | X | |
| 2015 | Frisco Summit | Frisco | 373 | New | Bank of America | Market Rate | Completed | X | X | | X | |
| 2015 | Martha's Vineyard* | Dallas | 100 | Demo/New | CBoT | 4% TC & Other | Completed | | X | | X | |
| 2015 | Tays South* | El Paso | 198 | Demo/New | PNC | 9% Tax Credits | Completed | | X | X | | |
| 2014 | 404 Border | Arlington | 135 | New | American Nat'l | OE, MRD & MRE | Sold | X | X | | X | |
| 2014 | Villaggio | Mansfield | 272 | New | Frost | Owner Equity | Completed | X | X | | X | |
| 2012 | Trails at Carmel Creek | Hutto | 61 | New | Chase | 9% Tax Credits | Completed | | | | X | |
| 2011 | Wildflower Terrace* | Austin | 201 | New | Chase | 9% Tax Credits | Completed | | | | X | |
| 2014 | Hunter Plaza* | Fort Worth | 164 | Rehab | CBoT | 9% TC & Other | Completed | | X | X | | X |
| 2014 | Serenity Place* | Dallas | 45 | Demo/New | BoA | 9% TC & Other | Stabilized | | X | X | | X |
| 2013 | Villas di Lucca | Mansfield | 176 | New | Frost | Owner Equity | Stabilized | X | X | | X | |
| 2012 | Fair Park | Ft. Worth | 48 | Recon | BoOK | RAD | Stabilized | | X | | | |
| 2012 | Fair Oaks | Ft. Worth | 78 | Recon | BoOK | RAD | Stabilized | | X | | | |

| Year | Project Name | Location | Total Units | Construction | | Type of Financing | Current Status | Carleton's Function | | | | |
|-------------------------|-------------------|----------------------------|-------------|--------------|-----------------|-------------------|----------------|---------------------|------|------|------|-----|
| | | | | Type | Lender | | | Owner | Dev. | C.M. | G.C. | Sub |
| 2011 | RoseHill Ridge* | Texarkana | 122 | Demo/New | CBoT | 9% TC & HOPE VI | Stabilized | | X | X | | X |
| 2010 | The Crossing* | Beaumont | 150 | Demo/New | Wells Fargo | 9% Tax Credits | Stabilized | | X | X | | X |
| 2010 | Pecan Ridge* | Texarkana | 124 | Demo/New | Wells Fargo | 9% TC & HOPE VI | Stabilized | | X | X | | X |
| 2009 | Carpenters Point* | Dallas | 150 | New | Comerica | 9% Tax Credits | Stabilized | | X | | X | |
| 2008 | HemisView* | San Antonio | 252 | New | Capital One | 4% Tax Credits | Stabilized | | X | X | | X |
| 2009 | Wind River* | Fort Worth | 168 | Rehab | Bank of America | 9% Tax Credits | Stabilized | | X | X | | X |
| 2007 | Pointe North* | Beaumont | 158 | New | CBDG/Misc | 9% Tax Credits | Stabilized | | X | X | | X |
| 2007 | Covington* | Texarkana | 126 | Demo/New | Wells Fargo | 9% Tax Credits | Stabilized | | X | X | | X |
| 2007 | Peachtree | Dallas | 150 | New | PNC | 9% Tax Credits | Stabilized | | | X | X | |
| 2007 | Regent I* | Beaumont | 160 | Demo/New | Wells Fargo | 4% Tax Credits | Stabilized | | X | X | | X |
| Transactions with PHA's | | Total Units | 5,280 | | | | | | | | | |
| | | Low Income | 3,304 | | | | | | | | | |
| | | Market Rate | 1,976 | | | | | | | | | |
| | | Total LI Dev Last 10 Years | 1,878 | | | | | | | | | |



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate Of Limited Partnership for CARLETON DEVELOPMENT, LTD. (file number 8869510), a Domestic Limited Partnership (LP), was filed in this office on May 03, 1996.

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 May 03, 2022.



A handwritten signature of John B. Scott, consisting of a stylized 'J' and 'S'.

John B. Scott
Secretary of State



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 Austin Affordable Housing Corporation (file number 800244892), a Domestic Nonprofit Corporation, was filed in this office on September 10, 2003.

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 May 03, 2022.



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

John B. Scott
Secretary of State

Austin Affordable Housing Corporation Resume

- September 2003: Inception of Austin Affordable Housing Corporation
- SHCC Building included in AAHC initial inventory
 - 9,547sf office space located at 1507 S. IH 35, Austin, TX 78704
- October 2003: Purchase of Eastland Plaza shopping center
- 88,774sf retail space located at 1144 Airport Blvd., Austin, TX 78702
- March 2004: Purchase of Sterling Village Apartments
- 207 units located at 10401 North Lamar Blvd, Austin, TX 78753
- July 2004: Purchase of SHCC House
- 2,198sf Office space located at 1503 S. IH 35, Austin, TX 78704
- August 2004: Purchase of Bent Tree Apartments
- 126 units located at 8405 Bent Tree Rd., Austin, TX 78759
- April 2005: Purchase of Housing Authority of the City of Austin Main Office
- 113,373sf Office Space located at 1124 S. IH 35, Austin, TX 78704
- September 2007: Purchase of Sweetwater Apartments
- 152 units located at 2323 Wells Branch Pkwy, Austin, TX 78728
- October 2008: Purchase of Park at Summers Grove Apartments 80% GP Interest
- 240 units located at 2900 Century Park Blvd, Austin, TX 78728
- July 2009: Purchase of Chapman Building
- 3,261sf Office Space located at 1100 S. IH 35, Austin, TX 78704
- February 2008-
January 2011: Purchase of Leisure Time Village 55+ Housing
- 22 Senior units located at 1920 Gaston Place Drive, Austin, TX 78723
- 2001-2012: Purchase of Single-Family Homes
- 17 Single Family Homes located across Austin, TX
- September 2013: Purchase of Lexington Hills Apartments
- 238 units located at 2430 Cromwell Circle, Austin, TX 78741
- September 2013: Disposition of Old Administration Building by HUD
- Received title to 5600sf and 17,860sf of office space located at 1640 A & B East 2nd Street, Austin, TX 78702
- August 2014: Closed on new development Pointe at Ben White Family Apartments using 4% Tax Credit/Bond financing
- 250 units located at 6934 E. Ben White Blvd., Austin, TX 78741
- August 2014: Closed on new development Villages of Ben White Senior Apartments using 4% Tax Credit/Bond financing
- 183 units located at 7000 E. Ben White Blvd., Austin, TX 78741
- July 2015: Closed on new development Reserve at Springdale using 4% Tax Credit/Bond financing
- 292 units located at 5605 Springdale Road, Austin, TX 78723

| | |
|-----------------|--|
| August 2015: | <p>Closed on new development Harris Branch Senior using 4% Tax Credit/Bond financing</p> <ul style="list-style-type: none"> • 216 units located at 12433 Dessau Road, Austin, TX 78754 |
| September 2015: | <p>Purchased Bridge at Tech Ridge Apartments</p> <ul style="list-style-type: none"> • 294 units located at 12800 Center Lake Drive, Austin, TX 78753 <p>Purchased Bridge at Center Ridge Apartments</p> <ul style="list-style-type: none"> • 348 units located at 701 Center Ridge Drive, Austin, TX 78753 |
| December 2015: | <p>Closed on new development Urban Oaks using 4% Tax Credit/Bond Financing</p> <ul style="list-style-type: none"> • 194 units located at 6725 Circle S Road, Austin, TX 78745 |
| May 2016: | <p>Purchased Bridge at South Point</p> <ul style="list-style-type: none"> • 176 units located at 6808 So. IH 35, Austin, TX 78745 |
| September 2016: | <p>Purchased Bridge at Volente</p> <ul style="list-style-type: none"> • 208 units located at 11908 Anderson Mill Road, Austin, TX 78726 |
| November 2016: | <p>Rental Assistance Demonstration (RAD) conversion acquisition/rehabs on five properties using 4% Tax Credit/Bond Financing.</p> <ul style="list-style-type: none"> • Pathways at Georgian Manor – 94 units located at 110 Bolles Circle, Austin, TX 78753 • Pathways at Manchaca Village – 33 units located at 3628 Manchaca Road, Austin, TX 78704 • Pathways at North Loop – 130 units located at 2300 W. Northloop, Austin, TX 78756 • Pathways at Northgate – 50 units located at 9120 Northgate, Austin, TX 78758 • Pathways at Shadowbend Ridge – 50 units located at 6328 Shadowbend, Austin, TX 78745 |
| November 2016: | <p>RAD straight conversion of three properties</p> <ul style="list-style-type: none"> • Pathways at Bouldin Oaks – 144 units located at 1203 Cumberland, Austin, TX 78704 • Pathways at Coronado Hills – 48 units located at 1438 Coronado Hills, Austin, TX 78752 • Pathways at Manchaca II – 33 units located at 6113 Buffalo Pass, Austin, TX 78745 |
| January 2017: | <p>Closed on new development Studios at thinkEAST using 4% Tax Credit/Bond Financing</p> <ul style="list-style-type: none"> • 182 units located at 1143 Shady Lane, Austin, TX 78721 |
| June 2017: | <p>Purchased Bridge at Sterling Springs</p> <ul style="list-style-type: none"> • 172 units located at 2809 W. William Cannon Drive, Austin, TX 78745 |
| July 2017: | <p>Rental Assistance Demonstration (RAD) conversion acquisition/rehab on Pathways at Gaston Place using 4% Tax Credit/Bond Financing.</p> <ul style="list-style-type: none"> • 100 units, 1941 Gaston Place Drive, Austin, TX 78723 |

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| October 2017: | RAD straight conversion of two properties <ul style="list-style-type: none"> • Pathways at Booker T. Washington – 216 units located at 905 Bedford, Austin, TX 78702 • Pathways at Meadowbrook Court - 160 units located at 1201 West Live Oak, Austin, TX 78704 |
| November 2017: | Closed on new construction development Harris Ridge Apartments using 4% Tax Credit/Bond Financing <ul style="list-style-type: none"> • 324 units, located at 1501 Howard Lane, Austin, TX 78754 |
| December 2017: | Closed on new construction development Bridge at Cameron using 4% Tax Credit/Bond Financing <ul style="list-style-type: none"> • 263 units located at 9201 Cameron Rd, Austin, TX 78754 |
| December 2017: | Closed on new construction development Commons at Goodnight using 4% Tax Credit/Bond Financing <ul style="list-style-type: none"> • 304 units located at 2022 E. Slaughter Lane, Austin, TX 78747 |
| July 2018: | Closed on new construction development The Rail at MLK using private equity <ul style="list-style-type: none"> • 235 units located at 2921 E. 17th St., Austin, TX |
| August 2018: | Closed on new construction development Pathways at Chalmers Courts South using 4% Tax Credit/Bond Financing <ul style="list-style-type: none"> • 86 units to be used for RAD relocation located at 1638 East 2nd St., Austin, TX 78702 |
| September 2018: | Closed on RAD 9% tax credit new construction conversion of Pathways at Goodrich <ul style="list-style-type: none"> • 120 units located at 2126 Goodrich Avenue, Austin, TX 78704 |
| September 2018: | Purchased the Preserve at Wells Branch <ul style="list-style-type: none"> • 308 units located at 1773 Wells Branch Parkway, Austin, TX 78728 |
| October 2018: | Closed on RAD straight conversion Pathways at Thurmond Heights <ul style="list-style-type: none"> • 144 units located at 8426 Goldfinch Court, Austin, TX 78758 |
| November 2018: | Closed on three RAD straight conversions: <ul style="list-style-type: none"> • Pathways at Rosewood Courts – 124 units located at 2001 Rosewood Avenue, Austin, TX 78702 • Pathways at Santa Rita Courts – 97 units located at 2341 Corta Street, Austin, Texas 78702 • Pathways at Salina – 32 units located at 1145 Salina Street, Austin, Texas 78702 |
| November 2018: | Purchased the Bridge at Terracina <ul style="list-style-type: none"> • 170 units located at 8100 N. Mopac Expressway, Austin, Texas 78759 |
| November 2018: | Purchased the Bridge at Northwest Hills <ul style="list-style-type: none"> • 314 units located at 3600 Greystone Drive, Austin, Texas 78731 |
| December 2018: | Closed on new construction development Elysium Grand using 4% Tax Credit/Bond Financing <ul style="list-style-type: none"> • 90 units located at 3300 Oak Creek Drive, Austin, TX 78727 |

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| June 2019: | Closed on new construction development The Oaks using AAHC/LDG equity <ul style="list-style-type: none"> • 96 units located at 6936 E Ben White Blvd, Austin, TX 78741 |
| June 2019: | Purchased Bridge at Asher Apartments <ul style="list-style-type: none"> • 452 units located at 10505 South Interstate 35, Austin, TX 78747 |
| June 2019: | Closed as General Partner on existing development Signature at Franklin Park <ul style="list-style-type: none"> • 163 units located at 4509 East Saint Elmo Road, Austin, TX 78744 |
| July 2019: | Closed on partial RAD conversion to redevelop and construct new units using 9% tax credits on Pathways at Chalmers Courts East <ul style="list-style-type: none"> • 156 units located at 1700 E. 3rd St., Austin, TX 78702 |
| August 2019: | Closed as General Partner on existing development Woodway Village <ul style="list-style-type: none"> • 160 units located at 4600 Nuckols Crossing Road, Austin, TX 78744 |
| October 2019: | Closed on RAD straight conversion of Pathways at Lakeside <ul style="list-style-type: none"> • 164 units located at 85 Trinity St, Austin, TX 78701 |
| October 2019: | Closed on new construction development SOCO II using PFC structure <ul style="list-style-type: none"> • 270 units located at 8104 South Congress, Austin, TX 78745 |
| November 2019: | Closed on new construction development Bridge at Granada using 4% bond/LIHTC <ul style="list-style-type: none"> • 258 units located at 414 E. Wonsley Drive, Austin, TX 78753 |
| December 2019: | Closed as General Partner and resyndicated using 4% bond/LIHTC on the existing development Oaks on North Plaza <ul style="list-style-type: none"> • 62 units located at 9125 North Plaza, Austin, TX 78753 |
| December 2019: | Closed on new construction development Bridge at Canyon View using 4% bond/LIHTC <ul style="list-style-type: none"> • 215 units located at 4506 E William Cannon, Austin, TX 78744 |
| December 2019: | Closed on new construction development Estates at Norwood using 4% bond/LIHTC <ul style="list-style-type: none"> • 228 units located at 916 & 918 Norwood Park Blvd, Austin, TX 78753 |
| January 2020: | Closed on new construction development Bridge at Loyola Lofts using 4% bond/LIHTC <ul style="list-style-type: none"> • 204 units located at 6420 Loyola Lane, Austin, TX 78724 |
| February 2020: | Closed on new construction development Ventura at Parmer Lane using 4% bond/LIHTC <ul style="list-style-type: none"> • 216 units located at 8407 E. Parmer Lane, Austin, TX 78653 |
| May 2020: | Closed on new construction development Moonlight Gardens using private equity. <ul style="list-style-type: none"> • 264 units located at 8901 Nuckols Crossing, Austin, TX 78747 |

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| July 2020: | Closed on new construction development Heritage Estates at Owen Tech using 4% bond/LIHTC <ul style="list-style-type: none"> • 174 senior units located at 14011 Owen Tech Blvd, Austin, Texas 78728 |
| July 2020: | Closed on new construction development Vega Multifamily using the PFC structure <ul style="list-style-type: none"> • 330 units located at 5313 Vega Avenue, Austin, Texas 78735 |
| September 2020: | Purchased Arbors at Tallwood <ul style="list-style-type: none"> • 120 units located at 8810 Tallwood Drive, Austin, Texas 78759 |
| October 2020: | Purchased Montecito Apartments <ul style="list-style-type: none"> • 268 units located at 3111 Parker Lane, Austin, Texas 78741 |
| November 2020: | Closed on final RAD conversion to redevelop and construct new units using 9% tax credits on Pathways at Chalmers Courts West <ul style="list-style-type: none"> • 156 units located at 1600 E. 3rd St., Austin, TX 78702 |
| December 2020: | Closed on new construction development Bridge at Turtle Creek <ul style="list-style-type: none"> • 307 units located at 6020 South 1st Street, Austin, TX 78745 |
| December 2020: | Purchased Broadstone 8 One Hundred <ul style="list-style-type: none"> • 376 units located at 8100 Anderson Mill, Austin, Texas 78729 |
| December 2020: | Closed on new construction development Urban East using private equity <ul style="list-style-type: none"> • 381 units located at 6400 Riverside Drive, Austin, Texas 78741 |
| December 2020: | Admitted as Managing Member in refinance transaction to Melrose Trail <ul style="list-style-type: none"> • 183 units located at 13005 Heinemann Drive, Austin, Texas 78727 |
| January 2021: | Closed on new construction development Highland Village using the PFC structure <ul style="list-style-type: none"> • 299 units located at 6505 W. Highland Mall Blvd, Austin, Texas 78752 |
| February 2021: | Purchased James on South First <ul style="list-style-type: none"> • 250 units located at 8800 South 1st Street, Austin, Texas 78748 |
| May 2021: | Purchased Bridge at Southpark Meadows <ul style="list-style-type: none"> • 570 units located at 715 W. Slaughter Lane, Austin, Texas 78748 |
| July 2021: | Closed on new construction development Belmont Apartments using 4% tax credit/bond structure <ul style="list-style-type: none"> • 146 units located at 9100 Brown Lane, Austin, Texas 78754 |
| August 2021: | Closed on new construction development The Henderson on Reinli using 4% tax credit/bond structure <ul style="list-style-type: none"> • 306 units located at 1101 Reinli Street, Austin, Texas 78723 |
| November 2021: | Purchased Bridge at Ribelin Ranch <ul style="list-style-type: none"> • 350 units located at 9900 McNeil Drive, Austin, Texas 78750 |
| December 2021: | Purchased Bridge at Goodnight Ranch <ul style="list-style-type: none"> • 151-unit single family rental development located at 9005 Alderman Drive, Austin, Texas 78747 |
| December 2021: | Purchased Agave at South Congress <ul style="list-style-type: none"> • 195 units located at 625 East Stassney Lane, Austin, Texas 78745 |
| December 2021: | Closed on new construction development El Prado at Estancia using 4% tax credit/bond structure <ul style="list-style-type: none"> • 318 units located at 1100 Avenida Mercado Street, Austin, Texas 78748 |

December 2021: Purchased The Lucent Apartments

- 368 units located at 12201 Dessau Road, Austin, Texas 78754

February 2022: Purchased The Haywood Apartments

- 372 units located at 600 FM 1626, Austin, Texas 78748

Board Members:

Edwina Carington, Chairperson

Charles Bailey, Vice-Chairperson

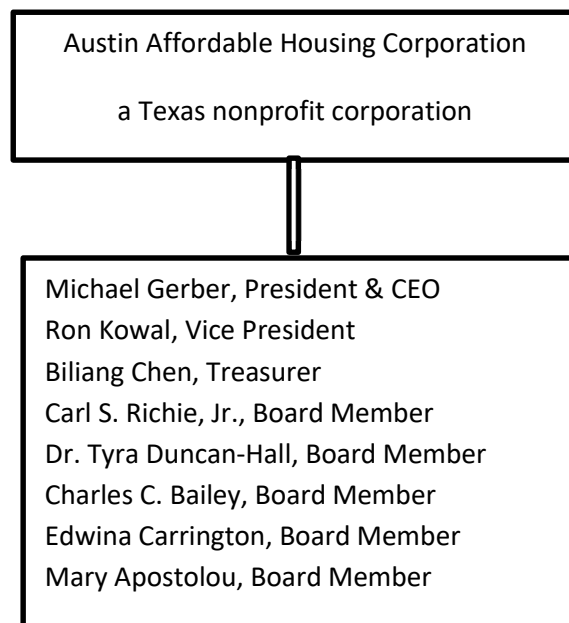
Mary Apostolou, 2nd Vice-Chairperson

Tyra Duncan-Hall, Director

Carl Ritchie Jr., Director

of AAHC Employees – 2 (Ron Kowal Vice-President, Asset Management/Housing Development and Suzanne Schwertner Director of Development)

AAHC Org Chart:



Carleton Companies

Carleton – Principal Biographies

Carleton was founded in 1991 by Printice Gary. The firm is managed by three partners, Printice Gary, Neal Hildebrandt, and Jeff Fulenchek who have been working together at Carleton for over 24 years. These partners have over 85 years of combined experience in apartment development, construction, and management. Carleton has a deep, cohesive, and stable team with the 10 most senior professionals averaging nearly 9 years with the firm. The partners of the firm have experience developing over 20,000 multifamily units in the Southwestern United States.



Printice L. Gary

Printice Gary is the founder and Managing Partner of Carleton Residential. Prior to founding Carleton Residential, Mr. Gary was a Partner with Trammell Crow Residential where he oversaw all aspects of the partnership's development, acquisition, financing, construction, and asset management for over 6,000 multifamily units. His other career experiences include eight years ending as a Division President with the Centex Corporation (Fox & Jacobs, Inc. Division), where operations under his direction sold and completed more than 17,000 single family homes; and six years with Piper Jaffray and Hopwood Inc., investment bankers, as a Vice President in the Corporate Finance Department specializing in debt and equity private placements. Mr. Gary is a graduate of Carleton College (and is a former Trustee) and completed his MBA at Harvard. Printice Gary has served on numerous boards and currently serves on the board of C.C. Young, Inc., the National Equity Fund, Inc. in Chicago, IL, and the Southwestern Medical Foundation. Mr. Gary was appointed by Governor Rick Perry to the University of Texas System Board of Regents in 2007, where he chairs the Facilities Planning & Construction Committee, and serves on the UTIMCO Board of Directors and the Board of Lease of University Lands. He served 10 years on the Board of National Equity Fund, Inc and was a member of the Investment Committee. He is currently on the board of Preservation of Affordable Housing, Inc. (POAH), a non-profit affordable housing entity headquartered in Boston serving as Chairman of the Investment Committee.

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Neal R. Hildebrandt

Neal Hildebrandt is a Carleton Residential Partner and the Chief Operating Officer of Treymore Construction. Prior to joining Carleton, Mr. Hildebrandt was with Trammell Crow Company where he had construction and asset management responsibility for a portfolio of 2.6 million square feet of commercial real estate. Mr. Hildebrandt's experience also includes several years with Trammell Crow Residential where he was responsible for the development and construction of multiple residential communities, and with Centex Corporation where he was a field Construction Project Manager with Direct responsibility for production. Mr. Hildebrandt is a graduate of Oklahoma State University where he earned a BS in Construction Engineering.



Jeffrey D. Fulenchek

Jeff Fulenchek is a Partner and the Director of Development for Carleton Residential Properties. Mr. Fulenchek began his career with Carleton in 1996 and directs the development activity for both Carleton's affordable and market rate multi-family divisions. Prior to joining Carleton, Mr. Fulenchek had a wide range of real estate experience, including overseeing Securities and Exchange Commission reporting for several national real estate limited partnerships for a large real estate investment firm. Mr. Fulenchek holds a BBA in Accounting from Texas A&M University.

Mr. Fulenchek is a Founder Council member of the Affordable Housing Developers Council ("AHDC"). AHDC is a CEO level organization uniquely positioned to draft and advance innovative federal policy that would result in more affordable housing subsidies including low income housing tax credits and equity in the marketplace that advance production of affordable housing. As a member of the Founder Council, Mr. Fulenchek has worked extensively with members of Congress, their staff and the administration to protect, preserve, and enhance affordable housing solutions include preservation and expansion of the low-income housing tax credit program in the Tax Cuts and Jobs Act of 2017.

Carleton Companies



Will Henderson

Will Henderson is the Vice President of Affordable Housing. Will joined the firm in 2007. He analyzes a project's financial feasibility among various funding structures and recommends the best course of action to ensure a project's success. He is also responsible for ongoing analysis through the cycle of a project to keep expenditures in line with budgets and expectations of the client. Mr. Henderson also led Carleton as the first developers in Texas to close the first of multiple RAD deals in the State of Texas. Will is experienced in real estate financial analysis through his work as a Special Project Analyst with Trammell Crow and Project Base Analyst at PAJ Inc.



Holland Gary

Holland Gary is the CFO of Carleton Residential Properties, and the President of Salt River Capital, a real estate finance subsidiary. He is an experienced private equity investment professional with a background investing and managing private equity assets for some of the largest public pension plans in the nation. He was a Principal and COO at Aldus Equity, a private equity firm with \$7 billion under management and formerly an affiliate of RREEF Alternative Investments, the global alternatives asset management business of Deutsche Bank's Asset Management division. He served on the investment committee which deployed over \$1 billion each year. Prior to Aldus Equity, Mr. Gary was an investment professional with Innovation Philadelphia, and worked with prominent Dallas area venture capital firms providing market research and due diligence. Mr. Gary began his career in a variety of operational management roles at venture-backed early stage companies, where he had responsibilities developing and managing enterprise software and web-based technologies for Fortune 500 companies including Whirlpool, Prudential, Bank of America, and Walmart. Mr. Gary is a graduate of the Greenhill School in the Dallas area where he currently serves on the Board of Trustees as Finance Committee Chair. He is also the current Chair of the Board of Directors for The da Vinci School. Mr. Gary earned an MBA in Finance and Entrepreneurial Management from the Wharton School of the University of Pennsylvania where he was a Joseph Wharton Fellow and Co-Chair of the

Carleton Companies

Wharton Ethics Committee. He earned a BSE in Electrical Engineering from Princeton University where he was an All-Ivy track and field athlete. Holland Gary lives in the Dallas, Texas area with his wife and two young children.



David Cohenour, CPA

David Cohenour joined the firm in 2002 and is the Vice President and Director of Asset Management for Carleton Residential Properties. Prior to joining Carleton, David held controllership positions at Lincoln Property Company, Pace Realty Corporation and at a national multi-family REIT. David is experienced in all aspects of multifamily asset management, accounting, and compliance, with emphasis on stabilization and disposition of new construction properties and refinancing of established properties. David is a graduate of The University of Iowa with a degree in accounting. He is a member of the American Institute of Certified Public Accountants and the Texas Apartment Association.



Jonathan W. Gary

Jonathan joined the firm in 2020 and is an Investment Associate with over 10 years' experience. Prior to joining Salt River Capital/Carleton Companies, he worked as in institutional investment management with PIMCO, Hedge Funds, and Multifamily Asset Management with JF1, Greystar. Jonathan is a graduate of Princeton University with an AB Economics degree, as well as an MBA from Harvard Business School.

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Larry Frazier, HCCP, CAPS, NCP, CSPHM

Larry Frazier is the President and CEO of Carleton Management Services, LLC. Larry has over 30 years of experience in the multi-family and commercial rental markets in both the public and private sectors. He has experience working in Public Housing Operations and Development with the Housing Authority of the City of Austin and the Fort Worth Housing Authority (FWHA). His experience includes direct involvement with development and operation of multifamily ventures, from due diligence through financing, acquisition, design, construction, lease up and management operations. He played a key role in the successful acquisition and development of 3,099 affordable units located on 14 sites across the City of Fort Worth for FWHA. He spearheaded the creation and served as President of a successful full-service property management company. He developed and oversaw a \$350M property portfolio consisting of primarily mixed affordable and public housing communities in several regions in Texas. Larry received an Undergraduate Degree in Business Administration from the University of Phoenix. He is a Certified Apartment Portfolio Manager (CAPS) through the National Apartment Association (NAA), Housing Credit Compliance Professional (HCCP) through the National Association of Home Builders (NAHB). He is a Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO) and a National Compliance Professional (NCP) through the Housing Credit College. Larry is a Texas State Licensed HVAC Contractor and Electrician. His experience includes over 35 years operating a successful mechanical contracting business in Texas. He recently served on the Board of Directors for the Apartment Association of Tarrant County.



Annette Hardin

Annette Hardin is the CFO of Carleton Management Services, LLC. Annette has over 30 years of professional accounting experience in corporate and affordable multifamily environments. She has experienced the following positions over the course of her career: Chief Financial Officer, Director of Accounting, Accounting Supervisor, Senior Accountant; as well as several other full charge management positions in large corporate environments. Her experience includes managing, directing and supervising staff, treasury management, development and management of budgets and financial reporting; oversight of IT services, purchasing, payroll services, development and

Carleton Companies

maintenance of internal control systems, corporate income tax processes and maintaining the G/L accounting system. In addition, monthly/annual financial closeout, financial reports development analysis and review, audit preparation and footnotes, financial report writing/queries, and many other accounting functions such as business filings and fixed assets. She earned her Bachelor of Business Administration in Accounting Degree from Savannah State University, Savannah, GA. Other credits include OneSite/RealPage Accounting, OneSite/RealPage Leasing and Rents, OneSite/RealPage Budgeting, JD Edwards software for IBM AS400, JD Edwards Enterprise One, Microsoft Products and many other PC software, treasury management and internet-based platforms. Other training includes, Housing Tax Credit Compliance, Fair Housing, and BDO Public Housing Authority Finance.



Laura Sullivan, CAPS, CAM, HCCP, CSPHM, COS, NCP, CPO

Laura Sullivan is the COO of Carleton Management Services, LLC. Laura has over 25 years of experience in real estate. She has considerable experience in the operation and management of single family, multifamily (Conventional & Mixed Affordable) and commercial assets. Her experience includes overseeing due diligence, operational management, development, construction, and substantial renovation. She holds real estate licenses in Texas with reciprocity in Oklahoma. Laura successfully supervised all aspects of operations of a diverse affordable portfolio consisting of over 4,100 mixed affordable and public housing units located in 29 developments operating regionally in Texas. She has managed more than 100 employees. Her expertise includes the successful management of LIHTC, Public Housing, RAD, High & Low Home, NSP, PBV and PBVA programs as well as management of conventional market rate multifamily assets. She has a demonstrated expertise in the repositioning of difficult assets. Laura is a Certified Apartment Portfolio Supervisor (CAPS) through the National Apartment Association (NAA), Housing Credit Compliance Professional (HCCP) through the National Association of Home Builders (NAHB), Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO). Laura holds certifications as a Senior Certified Occupancy Specialist (COS), Certified Apartment Manager, (CAM), National Compliance Professional (NCP) and Certified Professional Occupancy (CPO) as well.

Carleton Companies



Benjamin Smith, HCCP, TSCA, COSA, PHOS, MORS, CSPM

Ben has experience working with complex mixed affordable compliance programs. He brings a unique combination of both managerial and firsthand compliance expertise working with multiple HUD and LIHTC affordable programs. His experience includes Section 42 Tax Credit, HOME, Public Housing, Housing Choice Vouchers (HCV), Project Based Vouchers (PBV), Section 811 PRA, Project Based Rental Assistance (RAD), and Relocation oversight. Ben has 19 years' experience supervising and managing personnel and programs. Over the past 7 years Ben served as Director of Compliance and Trainer with a North Texas management company overseeing compliance for more than 3,000 highly complex and layered mixed affordable units. No unit or property in his portfolio experienced any uncorrectable findings from any auditing agency. Ben studied at the University of Oklahoma and Rose State College. Ben holds certifications as a Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO), Certified Occupancy Specialist-Advanced (COSA) through the National Center for Housing Management (NCHM), Public Housing Occupancy Specialist (PHOS) through NAHRO, Tax Credit Specialist-Advanced (TCSA) through NCHM, and Management and Occupancy Review Specialist (MORS) through NCHM. In addition, Ben is a Certified Housing Credit Compliance Professional (HCCP).



Ronnie McCarty, SHCM, HCCP, COS

Ron is a Regional Manager with the Property Management Division. He has over 35 years of experience in real estate. He has considerable experience in the operation and management of multifamily assets, both Market Rate and Mixed Affordable. He is proficient in pre-acquisition due diligence, operational management, and renovation/new construction lease-up. Ron supervised all aspects of management operations overseeing a large portfolio of both market rate and mixed affordable properties operating in 6 states. He managed more than 200 employees comprised of Corporate Accountants, AP, Compliance and property-based employees. He oversaw and managed large-scale renovations Renovation Crews. His expertise includes the successful management of LIHTC, Public Housing and Section 8 programs as well as management of conventional market rate multifamily assets. Ron attended Northeast Louisiana University in Monroe, LA. He is a Certified Occupancy Specialist (COS) and a Specialist in Housing Credit Management (SHCM) and Housing Credit Compliance Professional (HCCP).

Carleton Management Services

History of Organization

Carleton Residential Properties (CRP) is a fully integrated company. Since 1991 our firm has been engaged in development, construction, asset management and property management of 20,000 high quality multi-family residential communities throughout the SW United States. In Response to demand from clients to expand our property management services beyond our personal portfolio, Carleton recapitalized its existing management arm and introduced Carleton Management Services, (CMS) LLC.

Carleton has positioned seasoned executives with over 30 years of experience in leadership of this team. The CMS executive team has 8 years' prior experience working together successfully managing a portfolio consisting of over 4,000 mixed affordable units in Texas. The Carleton team has been managing multifamily properties successfully since 1991. Our exceptional experience in all things multifamily uniquely positions our management team to offer the best in service and expertise, adding value to every property managed with extraordinary

SERVICES PROVIDED:

- Full Service Property Management
- Pre-acquisition due diligence
- Property Repositioning
- Lease-up for Stabilization
- Program Compliance Monitoring
- Staffing & Training/Consulting

PROGRAMS MANAGED

- Conventional Market Rate
- Section 42 Bond and LIHTC
- Public Housing
- Project Based Vouchers (PBV)
- Project Based Rad Assistance (PBRA)
- Supportive Services Housing



Larry Frazier, HCCP, CAPS, NCP, CSPHM



Larry Frazier is the President and CEO of Carleton Management Services, LLC. Larry has over 30 years of experience in the multifamily and commercial rental markets in both the public and private sectors. He has extensive experience working in Public Housing Operations and Development with the Housing Authority of the City of Austin and the Fort Worth Housing Authority (FWHA). His experience includes direct involvement with development and operation of multifamily ventures, from due diligence through financing, acquisition, design, construction, lease up and management operations. He played a key role in the successful acquisition and development of 3,099 affordable units located on 14 sites across the City of Fort Worth for FWHA. He spearheaded the creation and served as President of a successful full-service property management company. He developed and oversaw a \$350M property portfolio consisting of primarily mixed affordable and public housing communities in several regions in Texas. Larry received an Undergraduate Degree in Business Administration from the University of Phoenix. He is a Certified Apartment Portfolio Manager (CAPS) through the National Apartment Association (NAA), Housing Credit Compliance Professional (HCCP) through the National Association of Home Builders (NAHB). He is a Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO) and a National Compliance Professional (NCP) through the Housing Credit College. Larry is a Texas State Licensed HVAC Contractor and Electrician. His experience includes over 35 years operating a successful mechanical contracting business in Texas. He recently served on the Board of Directors for the Apartment Association of Tarrant County.

Annette Hardin



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Laura Sullivan, CAPS, CAM, HCCP, CSPHM, COS, NCP, CPO



Laura Sullivan is the COO of Carleton Management Services, LLC. Laura has over 25 years of experience in real estate. She has considerable experience in the operation and management of single family, multifamily (Conventional & Mixed Affordable) and commercial assets. Her experience includes overseeing due diligence, operational management, development, construction, and substantial renovation. She holds real estate licenses in Texas with reciprocity in Oklahoma. Laura successfully supervised all aspects of operations of a diverse affordable portfolio consisting of over 4,100 mixed affordable and public housing units located in 29 developments operating regionally in Texas. She has managed more than 100 employees. Her expertise includes the successful management of LIHTC, Public Housing, RAD, High & Low Home, NSP, PBV and PBVA programs as well as management of conventional market rate multifamily assets. She has a demonstrated expertise in the repositioning of difficult assets. Laura is a Certified Apartment Portfolio Supervisor (CAPS) through the National Apartment Association (NAA), Housing Credit Compliance Professional (HCCP) through the National Association of Home Builders (NAHB), Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO). Laura holds certifications as a Senior Certified Occupancy Specialist (COS), Certified Apartment Manager, (CAM), National Compliance Professional (NCP) and Certified Professional Occupancy (CPO) as well.

Megan Stejskal, HCCP, CPO, COSA, PHOS, MORS



Megan Stejskal is the Compliance Director for Carleton Management Services, LLC. Megan has extensive experience working with complex mixed affordable compliance programs. She brings a unique combination of both managerial and hands-on compliance expertise working with multiple HUD and TDHCA affordable programs. Her experience includes Section 42 Tax Credit, HOME, Public Housing, Housing Choice Vouchers (HCV), Project Based Vouchers (PBV), Project Based Rental Assistance (RAD), and Relocation oversight. Megan has 15 years' experience supervising and managing personnel and programs. Over the past 5.5 years Megan served as Compliance Manager and Trainer with a North Texas management company overseeing compliance for more than 2,600 highly complex mixed affordable and public housing units. No unit or property in her portfolio experienced any uncorrectable findings from any auditing agency. She attended Grand Canyon University in Phoenix, AZ. and VanderCook College of Music in Chicago, IL. Megan holds certifications as a Certified Specialist in Public Housing Management (CSPHM) through the National Association of Housing and Redevelopment Officials (NAHRO), Certified Occupancy Specialist–Advanced (COSA) through the National Center for Housing Management (NCHM), Public Housing Occupancy Specialist (PHOS) through NAHRO, and Management and Occupancy Review Specialist (MORS) through NCHM. In addition, Megan is a Certified Housing Credit Compliance Professional (HCCP).

Item 3.a

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

AUG 17 2004

AUSTIN AFFORDABLE HOUSING CORP
PO BOX 6159
AUSTIN, TX 78762

Employer Identification Number:

41-2121187

DLN:

17053068013034

Contact Person:

GARY L BOTKINS

ID# 31463

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

March 31

Public Charity Status:

509(a)(3)

Form 990 Required:

No

Effective Date of Exemption:

September 10, 2003

Contribution Deductibility:

Yes

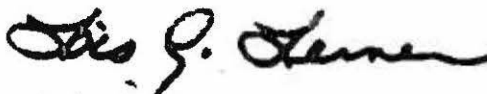
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Lois G. Lerner

Director, Exempt Organizations
Rulings and Agreements

Enclosures: Information for Organizations Exempt Under Section 501(c)(3)

Letter 947 (DO/CG)

**Austin Affordable
Housing Corporation and
Subsidiaries
(A Blended Component
Unit of the Housing
Authority of the
City of Austin)**

**Consolidated Financial
Statements**

March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Austin Affordable Housing Corporation
Austin, Texas

We have audited the accompanying consolidated statement of net position of the Austin Affordable Housing Corporation and Subsidiaries ("AAHC") (a nonprofit organization), a blended component unit of the Housing Authority of the City of Austin, as of March 31, 2021, and the related consolidated statement of revenues, expenses and changes in net position and statement of cash flows for the year then ended, which collectively comprise AAHC's consolidated financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the consolidated financial statements. Such missing information, although not a part of the consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the consolidated financial statements in an appropriate operational, economic, or historical context. Our opinion on the consolidated financial statements is not affected by this missing information.

February 18, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

CONSOLIDATED STATEMENT OF NET POSITION

March 31, 2021

ASSETS

CURRENT ASSETS

| | |
|----------------------------|-------------------|
| Cash - unrestricted | \$ 15,958,001 |
| Cash - restricted | 44,367,960 |
| Investments - unrestricted | 360,581 |
| Tenant receivables, net | 329,226 |
| Due from HUD | 105,551 |
| Other receivables | 252,278 |
| Prepaid expenses | 435,311 |
| Total current assets | <u>61,808,908</u> |

NONCURRENT ASSETS

| | |
|---------------------------------------|--------------------|
| Cash - restricted | 18,483 |
| Capital assets, net | 67,254,242 |
| Notes receivable from related parties | 15,906,382 |
| Investments in joint ventures | 32,974,763 |
| Total noncurrent assets | <u>116,153,870</u> |
| Total assets | <u>177,962,778</u> |

LIABILITIES

CURRENT LIABILITIES

| | |
|-----------------------------------|------------------|
| Current portion of long-term debt | 1,122,709 |
| Accounts payable | 345,961 |
| Due to the Authority | 1,026,320 |
| Accrued salaries and benefits | 77,047 |
| Accrued interest payable | 452,240 |
| Unearned revenue | 301,545 |
| Tenant security deposits | 562,169 |
| Family self-sufficiency escrow | 77,650 |
| Other current liabilities | 55,270 |
| Total current liabilities | <u>4,020,911</u> |

NONCURRENT LIABILITIES

| | |
|--------------------------------|--------------------|
| Long-term debt | 97,624,221 |
| Family self-sufficiency escrow | 18,483 |
| Accrued compensated absences | 136,395 |
| Total noncurrent liabilities | <u>97,779,099</u> |
| Total liabilities | <u>101,800,010</u> |

NET POSITION

| | |
|----------------------------------|----------------------|
| Net investment in capital assets | (26,592,688) |
| Restricted | 43,702,993 |
| Unrestricted | 59,052,463 |
| Total net position | <u>\$ 76,162,768</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

**CONSOLIDATED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

For the year ended March 31, 2021

OPERATING REVENUES

| | |
|-----------------------------|-------------------|
| HUD operating revenue | \$ 7,692,048 |
| Tenant revenue, net | 11,781,866 |
| Non-dwelling rental revenue | 1,230,833 |
| Management fees | 252,150 |
| Developer fees | 5,698,277 |
| Other operating revenue | 6,487,964 |
| Total operating revenues | <u>33,143,138</u> |

OPERATING EXPENSES

| | |
|--------------------------|-------------------|
| Administrative | 7,668,470 |
| Tenant services | 5,051 |
| Utilities | 2,367,560 |
| Maintenance | 4,483,236 |
| Protective services | 374,540 |
| General | 2,273,408 |
| Depreciation | 5,781,023 |
| Total operating expenses | <u>22,953,288</u> |

OPERATING INCOME

10,189,850

NONOPERATING REVENUES (EXPENSES)

| | |
|--|--------------------|
| Transfers to the Authority | (1,155,813) |
| Gain on RAD conversion of properties | 279,568 |
| Interest expense | (3,495,068) |
| Investment income - unrestricted | 84,476 |
| Investment income - restricted | 56,848 |
| Total nonoperating revenues (expenses) | <u>(4,229,989)</u> |
| Change in net position | 5,959,861 |

NET POSITION AT BEGINNING OF YEAR

70,202,907

NET POSITION AT END OF YEAR

\$ 76,162,768

The accompanying notes are an integral part of these consolidated financial statements.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|---------------------|
| Collections from tenants | \$ 7,614,511 |
| HUD operating grants received | 11,684,742 |
| Collections from other sources | 13,531,829 |
| Payments to employees | (3,866,210) |
| Payments to suppliers | <u>(15,292,755)</u> |
| Net cash provided by operating activities | <u>13,672,117</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------|--------------------|
| Interest received | 138,679 |
| Issuance of notes receivable | <u>(6,911,910)</u> |
| Net cash used in investing activities | <u>(6,773,231)</u> |

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

| | |
|---|--------------------|
| Proceeds from long-term debt | 15,882,725 |
| Payments on long-term debt | (4,452,535) |
| Transfers from the Authority | 6,741,931 |
| Transfers to the Authority | (7,618,176) |
| Purchase of property and equipment | (3,770,157) |
| Contributions in investment in joint ventures | (5,152,738) |
| Distributions from investment in joint ventures | 2,116,306 |
| Interest paid | <u>(3,380,584)</u> |
| Net cash provided by capital and related financing activities | <u>366,772</u> |

NET INCREASE IN CASH

7,265,658

CASH AT BEGINNING OF YEAR

53,078,786

CASH AT END OF YEAR

\$ 60,344,444

RECONCILIATION TO STATEMENT OF NET POSITION

| | |
|--------------------------------|-----------------------------|
| Cash - unrestricted | \$ 15,958,001 |
| Cash - restricted | 44,367,960 |
| Cash - restricted - noncurrent | <u>18,483</u> |
| | <u><u>\$ 60,344,444</u></u> |

The accompanying notes are an integral part of these consolidated financial statements.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended March 31, 2021

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

| | |
|--|----------------------|
| Operating income | \$ 10,189,850 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Depreciation | 5,781,023 |
| Provision for bad debt, net of recoveries | 257,242 |
| (Increase) decrease in assets: | |
| Tenant receivables, net | (370,698) |
| Due from HUD | (77,537) |
| Other receivables | (155,023) |
| Prepaid expenses | (70,380) |
| Investments in joint ventures | (967,383) |
| Increase (decrease) in liabilities: | |
| Accounts payable | 134,317 |
| Accrued salaries and benefits | 23,491 |
| Unearned revenue | 83,636 |
| Tenant security deposits | 16,332 |
| Due to Authority | (1,190,210) |
| Family self-sufficiency escrow | (77,520) |
| Other current liabilities | 94,977 |
| Net cash provided by operating activities | <u>\$ 13,672,117</u> |

**SUPPLEMENTAL DISCLOSURE OF NON-CASH
TRANSACTIONS:**

| | |
|-----------------------------|---------------------|
| Refinance of long-term debt | <u>\$ 8,036,324</u> |
|-----------------------------|---------------------|

The accompanying notes are an integral part of these consolidated financial statements.

**Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of the organization

The Austin Affordable Housing Corporation and Subsidiaries ("AAHC") is a nonprofit Texas corporation organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code. AAHC was created as an instrumentality of the Housing Authority of the City of Austin (the "Authority") for the purpose of providing low-income families and individuals with housing and home-ownership opportunities in the City of Austin. As such, AAHC is a blended component unit of the Authority as defined in Governmental Accounting Standards Board's ("GASB") Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, *Defining the Financial Reporting Entity*. AAHC's Board of Directors consists of the Board of Commissioners of the Authority. Therefore, AAHC, as a blended component unit of the Authority, meets the definition of a government for financial reporting purposes.

In total, when the new units under construction are placed in service, AAHC will have access to a portfolio of 89 properties and 12,025 affordable residential units either through direct ownership or co-ownership. AAHC financials reflect that AAHC wholly owns and operates 18 single family homes and 16 multifamily properties, consisting of 2,083 units which are offered for rent at below-market or subsidized rents or prices to low-income families and individuals. In addition to owning and operating these properties, AAHC owns a shopping center, three office buildings and one warehouse. As a partial owner in partnerships, and therefore not fully in AAHC's financials, AAHC has access to an additional 30 properties with 5,852 affordable residential units and is developing 8 properties with 1,608 residential units.

AAHC has significant development and management responsibilities through its subsidiaries which were created as subsidiaries of AAHC for the purpose of providing and developing affordable housing opportunities. The following subsidiaries are controlled by AAHC and are therefore included within the activity of AAHC:

| | | |
|----------------------------|---------------------------------|--|
| 2015 Urban Oaks GP, LLC | AAHC Bridge at Asher MM, LLC | AAHC Woodway Village GP, LLC |
| AAHC Rail GP, LLC | AAHC Franklin Park GP, LLC | Ben White Development GP, LLC |
| AAHC-CDT Parmer, LLC | AAHC Lexington Hills, LLC | Commons at Goodnight GP, LLC |
| Bridge at Terracina, LLC | AAHC-CDT Center Ridge, LLC | LDG Bridges at Cameron GP, LLC |
| Bridge at Volente, LLC | AAHC-CDT Tech Ridge, LLC | LDG Bridges at Canyon View GP, LLC |
| Bridge at South Point, LLC | AAHC Bridge at Bent Tree, LLC | Harris Ridge Apartments GP, LLC |
| Bridge at Sweetwater, LLC | AAHC Arbors at Tallwood, LLC | LDG Estates at Norwood GP, LLC |
| Elysium Grand GP, LLC | Bridge at Granada MM, LLC | Pathways at Booker T. Washington Terraces, LLC |
| HACA P.A.S.G., LLC | Bridge at Loyola Lofts GP, LLC | Pathways at Chalmers Courts East GP, LLC |
| HACA Pathways I GP, LLC | Bridge at Northwest Hills, LLC | Pathways at Chalmers Courts South GP, LLC |
| Harris AAHC LDG GP, LLC | Bridge at Sterling Springs, LLC | Pathways at Chalmers Courts West GP, LLC |
| LDG Oaks GP, LLC | Bridge at Sterling Village, LLC | Pathways at Goodrich Place GP, LLC |
| Pathways at Salina, LLC | Oaks on North Plaza GP, LLC | Pathways at Meadowbrook Court, LLC |
| Thinkeast GP, LLC | Pathways at Bouldin Oaks, LLC | Pathways at Gaston Place GP, LLC |
| TX Owen Tech GP, LLC | Pathways at Coronado Hills, LLC | Pathways at Rosewood Courts, LLC |
| AAHC Broadstone LLC | Pathways at Manchaca II, LLC | Pathways at Santa Rita Courts, LLC |
| AAHC Melrose Trail, LLC | Pathways at Lakeside, LLC | Pathways at Thurmond Heights, LLC |
| AAHC Montecito, LLC | Villages of Ben White GP, LLC | Preserve at Wells Branch, LLC |
| AAHC St. James LLC | Bridge at Turtle Creek GP, LLC | Springdale Community Development GP, LLC |
| AAHC Urban East LLC | Moonlight Garden GP, LLC | Ventura at Parmer Lane GP, LLC |

**Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Nature of the organization (continued)

AAHC also provides social and human support services, such as educational programs, training programs, and family counseling in order to promote the health and welfare of its residents and a Down Payment Assistance Program to assist first-time homebuyers who are residents of Public Housing or the Housing Choice Voucher Program.

2. Measurement focus and basis of accounting

AAHC follows proprietary fund accounting guidance as established by the GASB. The proprietary fund utilizes an economic resources measurement focus. Measurement focus is a term used to describe which transactions are recorded within the various financial statements. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Operating activities generally arise from providing services in connection with a proprietary fund's principal activity. The operating revenues of AAHC consist primarily of rental charges to tenants, management fees, development fees, and operating grants from the U.S. Department of Housing and Urban Development ("HUD"). Operating expenses for AAHC include the cost of administrative, tenant services, utilities, maintenance, protective services, general and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for capital contributions, which are presented separately.

Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. The basis of accounting used is similar to businesses in the private sector, thus, these funds are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

3. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Cash and cash equivalents

For financial statement purposes, AAHC considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Investments

Investments are reported at fair value and are either insured or collateralized with securities held by AAHC or in AAHC's name. It is AAHC's policy that all funds on deposit are collateralized in accordance with requirements of the State of Texas, and also follow the Authority's investment policy.

6. Tenant receivables

Tenant receivables consist of revenues earned during the fiscal year and not yet received. Management individually reviews all accounts receivable periodically and assesses the portions, if any, of the balance that will not be collected. Tenant accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. The allowance for uncollectible amounts as of March 31, 2021 was \$257,242.

7. Transfers to and from Authority

As of March 31, 2021, the AAHC has noncapital transfers to and from the Authority related to the Rental Assistance Demonstration ("RAD") conversion. In addition, the Authority's cash management policy includes payment of common costs (see Note C).

8. Due from HUD

These receivables consist of amounts due from the U.S. Department of Housing and Urban Development ("HUD") for Housing Assistance Payments subsidy under the Project Based Rental Assistance program. As of March 31, 2021, all amounts are considered to be fully collectible and there is no allowance recorded.

9. Other receivables

These receivables consist of amounts due from related party partnerships for amounts relating to the investment in joint ventures (see Note A-11), non-dwelling rent and other miscellaneous amounts. An allowance for doubtful accounts is based on management's prior experience with similar types of receivables and periodic aging of outstanding balances. As of March 31, 2021, all amounts are considered to be fully collectible and there is no allowance recorded.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Capital assets

AAHC's policy is to capitalize assets with a value that generally exceeds \$2,500 and has a useful life in excess of two years. AAHC capitalizes the costs of site acquisition and improvement, structures, infrastructure, equipment and direct development costs meeting the capitalization policy. Assets are valued at historical cost, or estimated historical cost if actual historical cost is not available, and contributed assets are valued at fair value on the date contributed.

Depreciation has been provided using the straight-line method over the estimated useful lives, which range as follows:

| | |
|----------------------------|------------|
| Buildings and improvements | 5-40 years |
| Equipment | 3-5 years |

11. Investments in joint ventures

In accordance with the equity method of accounting, AAHC's investments in joint ventures are recorded at cost and then increased or decreased by their share of income or losses and decreased by distributions.

12. Impairment of long-lived assets

AAHC evaluates its long-lived assets for possible impairment as events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. AAHC compares the carrying amount to estimated future net undiscounted cash flows expected to be generated by such assets. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. Management has determined that long-lived assets were not impaired at March 31, 2021.

13. Accrued compensated absences

Permanent employees are granted paid time off at varying rates depending on tenure and can accrue a maximum of 240 hours of vacation time. Employees are entitled to 100% of any remaining accrued vacation upon termination. Employees with vacation time in excess of 240 hours must take time off to stay under the maximum. Sick leave is accrued and is eligible to be paid out on a vesting basis after a minimum of five years employment. The amount of compensated absences earned in the current period is expensed with the cumulative amount owed per the policy reflected as a liability in the basic financial statements.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Unearned revenues

Unearned revenues include amounts collected before revenue recognition criteria are met. The unearned revenues consist of \$301,545 of prepaid tenant rents.

15. Income tax

AAHC qualifies as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. There are no provisions for Federal or State income tax required.

AAHC accounts for income taxes in accordance with *Financial Accounting Standards Board Accounting Standards Codification* ("FASB ASC") *740 Income Taxes*. FASB ASC 740 requires a two-step approach to evaluate tax positions and determine if they should be recognized in the financial statements. The two-step approach involves recognizing any tax positions that are more likely than not to occur and then measuring those positions to determine if they are recognizable in the financial statements. Management regularly reviews and analyzes all tax positions and has determined that no uncertain tax positions have been taken.

For the fiscal year ended March 31, 2021, no provision or liability for federal income taxes has been included in the financial statements. The income tax filings of AAHC and its subsidiaries are subject to audit by various taxing authorities. AAHC and its subsidiaries are no longer subject to income tax examinations by tax authorities for years before 2017.

16. Revenue recognition

Revenues, including management fees and developer fees, are recognized when earned. Lease payments from tenants are due by the first business day of each month for the current month.

17. Principles of consolidation

The consolidated financial statements include the accounts of AHCC and its subsidiaries described in Note A-1. All intercompany balances and transactions have been eliminated upon consolidation.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE B - DEPOSITS AND INVESTMENTS

As of March 31, 2021, AAHC's cash balance consists of cash in banks in the amount of \$60,344,444. AAHC's investment balance consists of certificates of deposit in the amount of \$360,581.

In accordance with GASB Codification Sections C20, *Cash Deposits with Financial Institutions*, and I50, *Investments*, AAHC's exposure to risk is disclosed as follows:

Custodial Credit Risk - is the risk that in the event of a bank failure, AAHC's balance may not be returned. AAHC's deposit policy for custodial credit risk requires collateral to be held in AAHC's name by its agent or by the bank's trust department. AAHC's deposits are also insured by the Federal Depository Insurance Corporation up to \$250,000 per financial institution, per depositor. As of March 31, 2021, none of AAHC's total bank balance was exposed to custodial credit risk, as it was either fully insured or collateralized.

Interest Rate Risk - is the risk that the relative value of a security will decline due to a change in interest rates. AAHC's policy to limit its exposure to declines in fair values of its investment portfolio is to only invest in HUD allowed investments and to monitor investments. As of March 31, 2021, AAHC's investment balance solely consisted of certificates of deposit, and therefore was not exposed to interest rate risk.

Credit Risk - is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. It is AAHC's policy to follow the HUD regulations by only having direct investments and investments through mutual funds to direct obligations, guaranteed obligations, or obligations of the agencies in the United States of America. As of March 31, 2021, AAHC mitigated their exposure to credit risk by following HUD regulations.

Cash was restricted for the following purposes at March 31, 2021:

| | |
|--------------------------------|-----------------------------|
| Current: | |
| Modernization and development | \$ 43,315,113 |
| Reserve accounts | 24,913 |
| Tenant security deposits | 562,169 |
| Family self-sufficiency escrow | 77,650 |
| Insurance escrow | 388,115 |
| Subtotal current | <u>44,367,960</u> |
| Noncurrent: | |
| Family self-sufficiency escrow | <u>18,483</u> |
| Total restricted cash | <u><u>\$ 44,386,443</u></u> |

The modernization and development balance above primarily consists of reserve and replacement accounts associated with RAD properties.

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE C - TRANSFERS WITH THE AUTHORITY

During 2021, as part of the closing of the Rental Assistance Demonstration ("RAD") conversions, the Authority's Asset Management Projects transferred \$6,741,931 to AAHC, including a \$279,568 related to the RAD conversion. Also during 2021, AAHC transferred \$7,618,176 to the Authority's Central Office Cost Center.

NOTE D - FIXED ASSETS

A summary of changes in capital assets is as follows:

| | Balance at April 1, 2020 | Transfers in/ Additions | Transfers out/ Deletions | Balance at March 31, 2021 |
|-------------------------------|-----------------------------|----------------------------|-----------------------------|---------------------------------|
| Non-depreciable: | | | | |
| Land | \$ 11,618,494 | \$ 35,000 | \$ - | \$ 11,653,494 |
| Construction in progress | 872,992 | 257,149 | (846,854) | 283,287 |
| Total non-depreciable | <u>12,491,486</u> | <u>292,149</u> | <u>(846,854)</u> | <u>11,936,781</u> |
| Depreciable: | | | | |
| Buildings and improvements | 158,904,523 | 4,195,792 | - | 163,100,315 |
| Equipment - administrative | 857,442 | 7,896 | - | 865,338 |
| Equipment - dwelling | 990,527 | 121,171 | - | 1,111,698 |
| Total depreciable | <u>160,752,492</u> | <u>4,324,859</u> | <u>-</u> | <u>165,077,351</u> |
| Total capital assets | <u>173,243,978</u> | <u>4,617,008</u> | <u>(846,854)</u> | <u>177,014,132</u> |
| Less accumulated depreciation | <u>(103,978,867)</u> | <u>(5,781,023)</u> | <u>-</u> | <u>(109,759,890)</u> |
| Capital assets, net | <u>\$ 69,265,111</u> | <u>\$ (1,164,015)</u> | <u>\$ (846,854)</u> | <u>\$ 67,254,242</u> |

The additions above mainly consist of ongoing improvements made to properties acquired and owned by AAHC through the Rental Assistance Demonstration conversions from the Authority.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE E - NOTES RECEIVABLE FROM RELATED PARTIES

In accordance with the terms and funding arrangements for certain developments, AAHC made loans to assist with the associated purchase or constructions costs. A summary of changes in notes receivable for the year ended March 31, 2021 is as follows:

| | Balance at April 1, 2020 | Additions | Reductions | Balance at March 31, 2021 | Due within one year |
|------------------------------------|-----------------------------|---------------------|-------------|------------------------------|------------------------|
| HACA Pathways I, LP | \$ 820,000 | \$ - | \$ - | \$ 820,000 | \$ - |
| Pathways at Gaston Place, LLC | 5,674,472 | - | - | 5,674,472 | - |
| Pathways at Chalmers South, LLC | 2,500,000 | - | - | 2,500,000 | - |
| Pathways at Chalmers West, LP | - | 6,991,910 | - | 6,991,910 | - |
| Total notes receivable | <u>\$ 8,994,472</u> | <u>\$ 6,991,910</u> | <u>\$ -</u> | <u>\$ 15,986,382</u> | <u>\$ -</u> |

During fiscal year 2017, AAHC entered into a loan agreement with HACA Pathways I, LP in the amount of \$820,000. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of November 1, 2066.

During fiscal year 2018, AAHC entered into a loan agreement with Pathways at Gaston Place, LLC in the amount of \$5,674,472. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of July 1, 2067.

During fiscal year 2019, AAHC entered into a loan agreement with Pathways at Chalmers Courts South, LP in the amount of \$2,500,000. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of August 1, 2048.

During fiscal year 2021, AAHC entered into a loan agreement with Pathways at Chalmers Courts West, LP in the amount of \$6,911,910. The note does not bear interest. The note is payable from surplus cash and is due and payable in full on its maturity date of August 1, 2048.

The notes are secured by the real property.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE F - INVESTMENTS IN JOINT VENTURES

As of March 31, 2021, AAHC's investments in joint ventures ownership percentage and equity balances are as follows:

| Related Party Partnership | Ownership interest | Balance at March 31, 2021 |
|---|-----------------------|------------------------------|
| Century Park Apartments (PASG, LLC) | 0.10% | \$ (595,296) |
| HACA Pathways I, GP, LLC | 0.10% | 4,899,259 |
| AAHC-CDT Center Ridge, LLC | 20.00% | 2,729,778 |
| AAHC-CDT Tech Ridge, LLC | 20.00% | 1,805,140 |
| Bridge at Sterling Springs, LLC | 34.48% | 2,318,274 |
| Bridge at Volente, LLC | 47.20% | 2,305,059 |
| Preserve at Wells Branch, LLC | 9.00% | 1,144,023 |
| Bridge at Northwest Hills, LLC | 10.00% | 1,073,393 |
| Bridge at Terracina, LLC | 10.01% | 626,195 |
| Pathways at Chalmers Courts South GP, LLC | 0.01% | 4,652,878 |
| Pathways at Chalmers Courts East GP, LLC | 0.01% | 582,050 |
| AAHC Bridge at Asher MM, LLC | 15.00% | 5,791,176 |
| LDG Oaks, GP, LLC | 50.00% | 491,000 |
| Moonlight Gardens | 50.00% | 5,152,788 |
| The Rail at MLK | 1.00% | 100 |
| Other .01% ownership interest entities | 0.01% | (1,054) |
| | | <u>\$ 32,974,763</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE G - LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

| | Balance at April 1, 2020 | Additions | Reductions | Balance at March 31, 2021 | Due within one year |
|---------------------------------|-----------------------------|----------------------|------------------------|------------------------------|------------------------|
| Sweetwater Apartments | \$ 3,997,000 | \$ - | \$ - | \$ 3,997,000 | \$ 41,851 |
| Bent Tree Apartments | | | | | |
| Refinance | 4,000,000 | - | - | 4,000,000 | - |
| Sterling Village Apartment | 4,600,000 | - | - | 4,600,000 | 62,291 |
| Lexington Hills | 8,036,324 | - | (8,036,324) | - | - |
| Lexington Hills Refinance | - | 14,985,000 | - | 14,985,000 | - |
| Bridge at South Point (OSLO) | 13,200,000 | - | (170,714) | 13,029,286 | 234,247 |
| Bouldin Oaks | 6,037,752 | - | (90,601) | 5,947,151 | 126,451 |
| Coronado Hills | 1,037,253 | - | (15,565) | 1,021,688 | 21,724 |
| Manchaca II | 933,527 | - | (14,008) | 919,519 | 19,551 |
| AAHC BTW | 11,240,543 | - | (208,807) | 11,031,736 | 218,073 |
| Meadowbrook | 7,339,272 | - | (136,337) | 7,202,935 | 142,386 |
| Rosewood | 3,862,162 | - | (55,112) | 3,807,050 | 58,668 |
| Eastland Plaza | 4,867,913 | - | (3,702,003) | 1,165,910 | 33,019 |
| Santa Rita | 3,508,994 | - | (50,073) | 3,458,921 | 53,304 |
| Lakeside | 5,756,000 | - | (9,315) | 5,746,685 | 111,144 |
| Authority note | 4,900,000 | - | - | 4,900,000 | - |
| Bridge at Asher | 4,000,000 | - | - | 4,000,000 | - |
| Moonlight Gardens | - | 2,634,049 | - | 2,634,049 | - |
| Thurmond Heights | - | 6,300,000 | - | 6,300,000 | - |
| Total long-term debt | <u>\$ 87,316,740</u> | <u>\$ 23,919,049</u> | <u>\$ (12,488,859)</u> | <u>\$ 98,746,930</u> | <u>\$ 1,122,709</u> |

Sweetwater Apartments loan

On September 28, 2007, AAHC entered into a debt agreement payable to JPMorgan Chase Bank in the original amount of \$3,992,000 for the financing of Sweetwater Apartments. The debt was issued at a rate of 6.11% per annum with monthly payments of \$24,217. On July 19, 2017, AAHC refinanced the loan with Bellwether Enterprise in the amount of \$3,997,000 with an interest rate of 4.41% per annum with monthly payments of \$20,039 and a maturity date of July 1, 2027.

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For the year ended March 31, 2021

NOTE G - LONG-TERM DEBT (continued)

Sweetwater Apartments loan (continued)

The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 41,851 | \$ 178,197 |
| 2023 | 64,913 | 175,555 |
| 2024 | 67,407 | 173,057 |
| 2025 | 70,952 | 169,516 |
| 2026 | 74,190 | 166,278 |
| 2027-2028 | 3,677,687 | 216,550 |
| | <u>\$ 3,997,000</u> | <u>\$ 1,079,153</u> |

Bent Tree Apartments loan

On November 14, 2013, AAHC entered into a mortgage agreement in the amount of \$1,650,000 for the financing of Bent Tree Apartments. On December 30, 2019, AAHC refinanced the debt into a mortgage agreement payable to Bellwether Enterprise in the amount of \$4,000,000. The annual interest rate on the mortgage is 3.74% per annum with monthly payments of principal and interest of \$18,502 starting in the fiscal year ending March 31, 2026. The loan matures January 1, 2030 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ - | \$ 151,678 |
| 2023 | - | 151,678 |
| 2024 | - | 152,093 |
| 2025 | 12,502 | 151,661 |
| 2026 | 72,039 | 149,984 |
| 2027-2030 | 3,915,459 | 549,338 |
| | <u>\$ 4,000,000</u> | <u>\$ 1,306,432</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE G - LONG-TERM DEBT (continued)

Sterling Village Apartments loan

On November 14, 2013, AAHC entered into a mortgage agreement in the amount of \$3,500,000 for the financing of Sterling Village Apartments. On October 1, 2014, AAHC entered into a debt agreement in the amount of \$900,000 for building improvements. On August 7, 2017, AAHC refinanced the loans with Bellwether Enterprise in the amount of \$4,600,000 with an interest rate of 4.24% per annum with monthly payments of \$22,602 starting in 2022 with a maturity date of May 1, 2027. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 62,291 | \$ 196,781 |
| 2023 | 77,642 | 193,586 |
| 2024 | 80,529 | 190,698 |
| 2025 | 84,577 | 186,651 |
| 2026 | 88,285 | 182,942 |
| 2027-2028 | 4,206,676 | 208,605 |
| | <u>\$ 4,600,000</u> | <u>\$ 1,159,263</u> |

Lexington Hills and Lexington Hills refinance

On September 20, 2013, the Authority entered into a mortgage agreement in the amount of \$8,900,000 for the financing of Lexington Hills. On February 1, 2021, the AAHC-Lexington refinanced the debt into a mortgage agreement payable to Bellwether Enterprise Real Estate Capital, LLC, in the amount of \$14,985,000. The annual interest rate on the mortgage is 2.92% per annum. The loan matures on January 1, 2031 with all principal and accrued and unpaid interest due upon maturity. The loan is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|----------------------|---------------------|
| 2022 | \$ - | \$ 443,639 |
| 2023 | - | 443,639 |
| 2024 | - | 444,855 |
| 2025 | - | 443,639 |
| 2026 | - | 443,639 |
| 2027-2031 | 14,985,000 | 2,147,700 |
| | <u>\$ 14,985,000</u> | <u>\$ 4,367,111</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE G - LONG-TERM DEBT (continued)

Bridge at South Point loan

On May 12, 2016, AAHC entered into a debt agreement with Bellwether Enterprise Real Estate Capital, LLC in the amount of \$13,200,000 for building improvements. The debt was issued at a rate of 3.95% per annum. The loan matures on June 1, 2026 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|------|----------------------|---------------------|
| 2022 | \$ 234,247 | \$ 516,965 |
| 2023 | 243,790 | 507,422 |
| 2024 | 252,371 | 498,841 |
| 2025 | 264,003 | 487,209 |
| 2026 | 274,758 | 476,454 |
| 2027 | 11,760,117 | 118,329 |
| | <u>\$ 13,029,286</u> | <u>\$ 2,605,220</u> |

Bouldin Oaks loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$6,403,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$30,939. The loan matures on December 1, 2034 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 126,451 | \$ 243,519 |
| 2023 | 133,164 | 238,106 |
| 2024 | 138,177 | 233,093 |
| 2025 | 144,661 | 226,609 |
| 2026 | 150,790 | 220,480 |
| 2027-2031 | 854,744 | 1,001,607 |
| 2032-2035 | 4,399,164 | 624,767 |
| | <u>\$ 5,947,151</u> | <u>\$ 2,788,181</u> |

Austin Affordable Housing Corporation and Subsidiaries
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE G - LONG-TERM DEBT (continued)

Coronado Hills loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$1,100,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$5,315. The loan matures on December 1, 2034 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|--------------|------------|
| 2022 | \$ 21,724 | \$ 41,835 |
| 2023 | 22,877 | 40,905 |
| 2024 | 23,738 | 40,044 |
| 2025 | 24,852 | 38,930 |
| 2026 | 25,905 | 37,877 |
| 2027-2031 | 146,840 | 172,071 |
| 2032-2035 | 755,752 | 107,332 |
| | \$ 1,021,688 | \$ 478,994 |

Manchaca II loan

On November 7, 2016, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$990,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.10% per annum with monthly payments of \$4,784. The loan matures on December 1, 2034 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|------------|------------|
| 2022 | \$ 19,551 | \$ 37,652 |
| 2023 | 20,589 | 36,815 |
| 2024 | 21,364 | 36,040 |
| 2025 | 22,367 | 35,037 |
| 2026 | 23,314 | 34,090 |
| 2027-2031 | 132,156 | 154,864 |
| 2032-2035 | 680,178 | 96,599 |
| | \$ 919,519 | \$ 431,097 |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE G - LONG-TERM DEBT (continued)

Pathways at Booker T. Washington Terraces loan

On October 6, 2017, AAHC entered in a debt agreement with Greystone Servicing Corp. in the amount of \$11,695,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.29% per annum with monthly payments of \$57,807. The loan matures on November 1, 2035 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|----------------------|---------------------|
| 2022 | \$ 218,073 | \$ 475,606 |
| 2023 | 227,749 | 465,929 |
| 2024 | 236,620 | 457,059 |
| 2025 | 248,355 | 445,324 |
| 2026 | 259,375 | 434,303 |
| 2027-2031 | 1,478,814 | 1,989,580 |
| 2032-2036 | 8,362,750 | 1,536,363 |
| | <u>\$ 11,031,736</u> | <u>\$ 5,804,164</u> |

Pathways at Meadowbrook Court loan

On October 6, 2017, AAHC entered in a debt agreement with Greystone Servicing Corp. in the amount of \$7,636,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 4.29% per annum with monthly payments of \$37,744. The loan matures on November 1, 2035 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 142,386 | \$ 310,537 |
| 2023 | 148,704 | 304,219 |
| 2024 | 154,496 | 298,427 |
| 2025 | 162,158 | 290,765 |
| 2026 | 169,344 | 283,569 |
| 2027-2031 | 965,560 | 1,299,054 |
| 2032-2036 | 5,460,287 | 1,003,136 |
| | <u>\$ 7,202,935</u> | <u>\$ 3,789,707</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE G - LONG-TERM DEBT (continued)

Rosewood loan

On November 30, 2018, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$3,915,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.2% per annum with monthly payments of \$21,498. The loan matures on December 1, 2036 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 58,668 | \$ 199,304 |
| 2023 | 61,837 | 196,135 |
| 2024 | 65,178 | 192,795 |
| 2025 | 68,155 | 189,817 |
| 2026 | 72,380 | 185,593 |
| 2027-2031 | 424,387 | 865,474 |
| 2032-2036 | 552,108 | 737,754 |
| 2037 | 2,504,337 | 129,311 |
| | <u>\$ 3,807,050</u> | <u>\$ 2,696,183</u> |

Eastland Plaza loan

On October 5, 2018, AAHC entered into a debt agreement with Plains Capital Bank. in the amount of \$5,000,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.65% per annum with monthly payments of \$31,390. During 2021, the loan was restructured with a rate of 3.95% per annum with monthly payments of \$6,540. The loan matures on October 5, 2028 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|-------------------|
| 2022 | \$ 33,019 | \$ 45,460 |
| 2023 | 34,347 | 44,132 |
| 2024 | 35,729 | 42,750 |
| 2025 | 37,166 | 41,316 |
| 2026 | 38,661 | 39,818 |
| 2027-2029 | 986,988 | 95,513 |
| | <u>\$ 1,165,910</u> | <u>\$ 308,989</u> |

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NOTE G - LONG-TERM DEBT (continued)

Santa Rita loan

On November 30, 2018, AAHC entered into a debt agreement with Greystone Servicing Corp. in the amount of \$3,557,000 for critical maintenance and renovations for the property. The debt was issued at a rate of 5.2% per annum with monthly payments of \$19,532. The loan matures on December 1, 2036 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 53,304 | \$ 181,079 |
| 2023 | 56,183 | 178,200 |
| 2024 | 59,217 | 175,165 |
| 2025 | 61,923 | 172,459 |
| 2026 | 65,761 | 168,622 |
| 2027-2031 | 385,579 | 786,333 |
| 2032-2036 | 501,621 | 670,291 |
| 2037 | 2,275,333 | 117,487 |
| | <u>\$ 3,458,921</u> | <u>\$ 2,449,636</u> |

Lakeside loan

On October 24, 2019, Pathways at Lakeside, LLC, entered in a debt agreement with Bellwether Enterprise Mortgage Investments, LLC, in the amount of \$5,756,000 for Pathways at Lakeside Apartments. The debt was issued at a fixed rate of 3.34% per annum with monthly payments of \$25,336. The loan matures on November 1, 2029 and is secured by the real property. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ 111,144 | \$ 191,954 |
| 2023 | 115,929 | 188,099 |
| 2024 | 119,417 | 184,611 |
| 2025 | 124,023 | 180,005 |
| 2026 | 128,289 | 175,739 |
| 2027-2030 | 5,147,883 | 606,639 |
| | <u>\$ 5,746,685</u> | <u>\$ 1,527,047</u> |

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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NOTE G - LONG-TERM DEBT (continued)

Authority note

During fiscal year 2017, AAHC borrowed \$4,900,000 from the Authority to fund the investment in HACA Pathways I, LP and Pathways at Goodrich, LP (see Note F). The loan is unsecured, considered to be noncurrent and is noninterest bearing. No payments have been made on the loan as of March 31, 2021.

Bridge at Asher loan

On June 27, 2019, AAHC-Bridge at Asher, LLC entered into a debt agreement with NHTE Opportunity Housing, LLC in the amount of \$4,000,000 for Bridge at Asher Apartments. The debt was issued at an escalating rate of 4% to 6% per annum with interest payments due quarterly. The loan is secured by the real property and matures on June 30, 2029 with a full balloon payment of \$4,000,000 due on that date. The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ - | \$ 160,000 |
| 2023 | - | 190,000 |
| 2024 | - | 200,000 |
| 2025 | - | 230,000 |
| 2026 | - | 240,000 |
| 2027-2030 | 4,000,000 | 1,020,000 |
| | <u>\$ 4,000,000</u> | <u>\$ 2,040,000</u> |

Moonlight Gardens loan

On May 1, 2020, AAHC entered into a debt agreement with Moonlight Garden SLP, LLC in the amount of \$2,634,049 for Moonlight Gardens. The loan is unsecured and bears an interest rate of 7% per annum. The loan matures on May 1, 2022 with all principal and accrued and unpaid interest due upon maturity.

Thurmond Heights loan

On May 4, 2020, Pathways at Thurmond Heights, LLC entered into a debt agreement with Bellwether Enterprise Mortgage Investments, LLC in the amount of \$6,300,000. The annual interest rate on the mortgage is 3.52%. Interest only payments are due until July 1, 2026, when with the monthly payments of principal and interest of \$28,360 begin. The loan matures June 1, 2037 and is secured by the real property.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE G - LONG-TERM DEBT (continued)

Thurmond Heights loan (continued)

The future principal and interest maturities are as follows for the years ending March 31:

| | Principal | Interest |
|-----------|---------------------|---------------------|
| 2022 | \$ - | \$ 224,840 |
| 2023 | - | 224,840 |
| 2024 | - | 224,840 |
| 2025 | - | 224,840 |
| 2026 | - | 224,840 |
| 2027-2031 | 596,514 | 1,076,689 |
| 2032-2036 | 746,154 | 955,458 |
| 2037-2038 | 4,957,332 | 217,231 |
| | <u>\$ 6,300,000</u> | <u>\$ 3,373,578</u> |

NOTE H - CONTINGENCIES

In the normal course of operations, AAHC could be party to various pending or threatened legal actions. Although the outcome of these actions, if any, is not presently determinable, it is AAHC's opinion that any ultimate liability is not expected to have a material adverse effect on AAHC's financial position.

NOTE I - SUBSEQUENT EVENTS

AAHC has evaluated subsequent events through February 18, 2022, the date that the financial statements were available to be issued, and has determined that no additional material events have occurred that would require disclosure, except as follows:

Subsequent to year end, AAHC has closed on five additional joint venture relationships which have similar agreements to the entities listed in Note A-1.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE J - CONSOLIDATING SCHEDULES OF MAJOR SUBSIDIARIES

AAHC considers its major subsidiaries to be those entities with assets or revenues in excess of 5% of the total assets or total revenues of AAHC. Consolidating information for AAHC's major subsidiaries as listed in Note A-1 is presented below:

Consolidating Statement of Net Position

| | Pathways at Booker T. Washington Terraces, LLC | | Pathways at Meadowbrook Court, LLC | | Pathways at Lakeside, LLC | | Bridge at Sterling Village, LLC | | AAHC Lexington Hills, LLC | | Bridge at Southpoint, LLC | | Non-Major Subsidiaries | | Total AAHC | |
|----------------------------------|---|-------------|--|-------------|------------------------------|-------------|---------------------------------------|-----------|---------------------------------|-------------|---------------------------------|-------------|---------------------------|--------------|------------|--------------|
| ASSETS | | | | | | | | | | | | | | | | |
| Current assets | \$ | 8,694,294 | \$ | 5,536,796 | \$ | 5,615,822 | \$ | 82,482 | \$ | 3,219,622 | \$ | 842,134 | \$ | 37,817,758 | \$ | 61,808,908 |
| Capital assets, net | | 5,013,960 | | 3,662,515 | | 1,910,908 | | 4,048,742 | | 12,015,430 | | 14,841,353 | | 25,761,334 | | 67,254,242 |
| Other noncurrent assets | | - | | - | | - | | - | | - | | - | | 48,899,628 | | 48,899,628 |
| Total assets | | 13,708,254 | | 9,199,311 | | 7,526,730 | | 4,131,224 | | 15,235,052 | | 15,683,487 | | 112,478,720 | | 177,962,778 |
| LIABILITIES | | | | | | | | | | | | | | | | |
| Current liabilities | | 368,239 | | 319,887 | | 285,996 | | 108,008 | | 160,451 | | 4,978,673 | | (2,200,343) | | 4,020,911 |
| Noncurrent liabilities | | 10,849,996 | | 7,084,693 | | 5,648,317 | | 4,600,000 | | 14,985,000 | | 12,795,036 | | 41,816,057 | | 97,779,099 |
| Total liabilities | | 11,218,235 | | 7,404,580 | | 5,934,313 | | 4,708,008 | | 15,145,451 | | 17,773,709 | | 39,615,714 | | 101,800,010 |
| NET POSITION | | | | | | | | | | | | | | | | |
| Net investment in capital assets | | (6,017,776) | | (3,540,420) | | (3,835,778) | | (551,258) | | (2,969,570) | | 1,812,070 | | (11,489,956) | | (26,592,688) |
| Restricted | | 8,477,322 | | 4,882,773 | | 5,282,237 | | 357,225 | | 5,929,274 | | 447,952 | | 18,326,210 | | 43,702,993 |
| Unrestricted | | 30,473 | | 452,378 | | 145,958 | | (382,751) | | (2,870,103) | | (4,350,244) | | 66,026,752 | | 59,052,463 |
| Total net position | \$ | 2,490,019 | \$ | 1,794,731 | \$ | 1,592,417 | \$ | (576,784) | \$ | 89,601 | \$ | (2,090,222) | \$ | 72,863,006 | \$ | 76,162,768 |

Austin Affordable Housing Corporation and Subsidiaries
(A Blended Component Unit of the Housing Authority of the City of Austin)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2021

NOTE J - CONSOLIDATING SCHEDULES OF MAJOR SUBSIDIARIES (continued)

Consolidating Statement of Revenues, Expenses and Changes in Net Position

| | Pathways at Booker T. Washington Terraces, LLC | Pathways at Meadowbrook Court, LLC | Pathways at Lakeside, LLC | Bridge at Sterling Village, LLC | AAHC Lexington Hills, LLC | Bridge at Southpoint, LLC | Non-Major Subsidiaries | Total AAHC |
|---|---|--|------------------------------|---------------------------------------|---------------------------------|------------------------------|---------------------------|---------------|
| OPERATING REVENUES | | | | | | | | |
| HUD operating revenues | \$ 1,687,535 | \$ 1,169,357 | \$ 1,167,327 | \$ - | \$ - | \$ - | \$ 3,667,829 | \$ 7,692,048 |
| Tenant revenue, net | 708,956 | 504,682 | 519,537 | 1,795,800 | 2,294,546 | 1,582,647 | 4,375,698 | 11,781,866 |
| Other operating revenue | 16,710 | 15,483 | 69,880 | 222,196 | 207,045 | 203,574 | 12,934,336 | 13,669,224 |
| Total operating revenues | 2,413,201 | 1,689,522 | 1,756,744 | 2,017,996 | 2,501,591 | 1,786,221 | 20,977,863 | 33,143,138 |
| OPERATING EXPENSES | | | | | | | | |
| Other operating expenses | 1,395,922 | 1,016,145 | 1,116,386 | 1,512,587 | 2,879,963 | 933,894 | 8,317,368 | 17,172,265 |
| Depreciation | 282,611 | 490,031 | 290,116 | 473,660 | 613,260 | 787,760 | 2,843,585 | 5,781,023 |
| Total operating expenses | 1,678,533 | 1,506,176 | 1,406,502 | 1,986,247 | 3,493,223 | 1,721,654 | 11,160,953 | 22,953,288 |
| OPERATING INCOME (LOSS) | 734,668 | 183,346 | 350,242 | 31,749 | (991,632) | 64,567 | 9,816,910 | 10,189,850 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Transfer to the Authority | - | - | - | (216,992) | (61,430) | (129,638) | (747,753) | (1,155,813) |
| Gain on RAD conversion | - | - | - | - | - | - | 279,568 | 279,568 |
| Interest income - unrestricted | 184 | 582 | 335 | - | - | - | 83,375 | 84,476 |
| Interest income - restricted | 13,794 | 7,414 | 9,115 | - | - | - | 26,525 | 56,848 |
| Interest expense | (484,100) | (316,083) | (195,481) | (197,749) | (352,824) | (525,189) | (1,423,642) | (3,495,068) |
| Total nonoperating revenues (expenses) | (470,122) | (308,087) | (186,031) | (414,741) | (414,254) | (654,827) | (1,781,927) | (4,229,989) |
| Change in net position | 264,546 | (124,741) | 164,211 | (382,992) | (1,405,886) | (590,260) | 8,034,983 | 5,959,861 |
| Total net position - beginning | 2,225,473 | 1,919,472 | 1,428,206 | (193,792) | 1,495,487 | (1,499,962) | 64,828,023 | 70,202,907 |
| Total net position - ending | \$ 2,490,019 | \$ 1,794,731 | \$ 1,592,417 | \$ (576,784) | \$ 89,601 | \$ (2,090,222) | \$ 72,863,006 | \$ 76,162,768 |

RESOLUTION NO. 00182

A Resolution by the Board of Directors of Austin Affordable Housing Corporation (“AAHC”) authorizing AAHC to execute any and all documents, or take any other action, that is necessary or desirable to participate in the housing tax credit application for Pathways at Rosewood Courts East

WHEREAS, AAHC is the sole member of Pathways at Rosewood Courts East GP, LLC, a Texas limited liability company (the “**General Partner**”);

WHEREAS, the General Partner shall be the sole general partner of Pathways at Rosewood Courts East, LP, a Texas limited partnership (the “**Partnership**”);

WHEREAS, the Partnership was formed for the purpose of owning, developing, managing, and otherwise dealing with Pathways at Rosewood Courts East, a 184-unit multifamily affordable apartment complex (the “**Project**”) to be developed on a parcel of land located at approximately 2001 Rosewood Avenue in Austin, Travis County, Texas (the “**Land**”), and intended for rental to persons of low and moderate income;

WHEREAS, in connection with the development of the Project, the Partnership plans to submit or has submitted a 4% housing tax credit application to the Texas Department of Housing and Community Affairs (the “**Application**”);

WHEREAS, in connection with the Partnership’s preparation and submission of the Application, AAHC desires to participate as nonprofit sponsor, developer, and as sole member of the General Partner;

NOW, BE IT RESOLVED, that all of the documents, instruments, or other writing executed by AAHC (both individually and in a representative capacity as identified in these resolutions), in consummation of the transactions herein described (both individually and in a representative capacity as identified in these resolutions), including, but not limited to, (i) the Application and (ii) any and all such additional documents executed to consummate the transactions contemplated herein (collectively, the “**Application Documents**”) shall be in form and substance approved by the Executing Officer (as such term is hereinafter defined), both individually and in a representative capacity as identified in these resolutions, his/her approval of each such instrument to be conclusively evidenced by his execution thereof; and it is further,

RESOLVED that the authorization of AAHC, Partnership and/or General Partner to enter into the Application Documents and that execution and delivery in the name and on behalf of AAHC and/or General Partner and/or the Partnership, by any of the officers of AAHC of the Application Documents, in the form as so executed and delivered is hereby approved, ratified

and confirmed; and it is further


RESOLVED, that Ron Kowal, Vice President of AAHC, and any other officer of AAHC (each an "**Executing Officer**"), acting alone without the joinder of any other officer, is hereby authorized and directed for and on behalf, and as the act and deed of AAHC and/or General Partner and/or the Partnership, to execute and deliver all other documents and other writings of every nature whatsoever in connection with the development of the Project, including but not limited to, the Application Documents, as the Executing Officer deems necessary in order to carry into effect the intent and purposes of these resolutions, and any other instruments approved by the Executing Officer (acting in a representative capacity as identified in these resolutions, acting individually and on behalf of the General Partner), executing same, his/her approval of each such instrument to be conclusively evidenced by his/her execution thereof, and to take such other action in the consummation of the transactions herein contemplated as the Executing Officer acting shall deem to be necessary or advisable, without the necessity of attestation by the secretary or other officer or director, and any and all acts heretofore taken by the Executing Officer to such end are hereby expressly ratified and confirmed as the acts and deeds of AAHC and/or General Partner and/or Partnership, effective as of the date such action was taken; and it is further

RESOLVED, that the Board of Directors finds the actions authorized by these resolutions may reasonably be expected to directly or indirectly benefit AAHC; and it is further

RESOLVED, that the Partnership be promptly notified in writing by the Secretary or any other officer of AAHC or any change in these resolutions, and until it has actually received such notice in writing, the Partnership is authorized to act in pursuance of these resolutions.

[End of Resolution]

PASSED, APPROVED and ADOPTED this 15th day of April, 2021.


Edwina Carrington, Chairperson

ATTEST:


Secretary

Carleton Development Ltd
BALANCE SHEET
For the Period Ended December 31, 2021

ASSETS

Current Assets

| | | | |
|----------------------|----|---------------|-----------|
| Cash | \$ | 1,455,403 | |
| Accounts Receivable | | 2,581,135 | |
| Intercompany | | <u>80,310</u> | |
| Total Current Assets | \$ | | 4,116,848 |

Other Assets

| | | | |
|------------------------------|----|-----------------|-------------------|
| N/R: Frisco Multifamily Land | \$ | 113,237 | |
| Tenant Improvements | | 55,732 | |
| Amortized Costs | | <u>(55,732)</u> | |
| Total Other Assets | | | <u>\$ 113,237</u> |

| | | | |
|--------------|----|--|-------------------------|
| Total Assets | \$ | | <u><u>4,230,085</u></u> |
|--------------|----|--|-------------------------|

LIABILITIES AND PARTNER'S CAPITAL

Current Liabilities

Long-Term Liabilities

| | | | |
|-------------------|----|--|----------|
| Total Liabilities | \$ | | <u>0</u> |
|-------------------|----|--|----------|

Partners' Capital

| | | | |
|---|----|------------------|----------------------------|
| Partner's Capital | \$ | 2,069,566 | |
| Net Income (Loss) | | <u>2,160,519</u> | |
| Total Partners' Capital | | | <u>\$ 4,230,085</u> |
| Total Liabilities and Partners' Capital | | | <u><u>\$ 4,230,085</u></u> |

(Preliminary - Unaudited)

Carleton Development Ltd
INCOME STATEMENT
For the Period Ended December 31, 2021

Current Month Year-To-Date

REVENUE

| | | |
|-----------------------|-----------------|-----------------|
| Development Fees | \$ 0 | \$ 3,615,629 |
| Management Fees | 1,397 | 15,385 |
| Asset Management Fees | <u>206,239</u> | <u>641,525</u> |
| Gross Profit | \$ 207,636 | \$ 4,272,540 |

GENERAL & ADMINISTRATIVE

| | | |
|----------------------------|--------------------------|------------------------|
| Advertising and Marketing | \$ 403 | \$ 8,020 |
| Payroll and Related | 111,917 | 1,766,127 |
| General and Administrative | 5,757 | 246,040 |
| Travel | 114 | 3,340 |
| Legal and Professional | 116 | 24,187 |
| Insurance | 100 | 47,383 |
| Abandoned Pursuit Costs | <u>96,165</u> | <u>96,165</u> |
| Total Expenses | \$ 214,571 | \$ 2,191,263 |
| Operating Income (Loss) | <u>\$ (6,934)</u> | <u>\$ 2,081,277</u> |

OTHER INCOME & EXPENSE

| | | |
|------------------------------|----------------------------------|-------------------------------|
| Interest Income | \$ 0 | \$ 13,465 |
| Miscellaneous Income | (24,402) | 182,094 |
| Interest Expense | 0 | (95,733) |
| State Taxes | 0 | (19,940) |
| Property Taxes | <u>0</u> | <u>(643)</u> |
| Total Other Income & Expense | \$ (24,402) | \$ 79,243 |
| Net Income (Loss) | <u><u>\$ (31,337)</u></u> | <u><u>\$ 2,160,519</u></u> |

(Preliminary - Unaudited)



Austin Affordable Housing Corporation

A Subsidiary of the Housing Authority of the City of Austin

April 28, 2022

Pathways at Rosewood Courts East, LP
Attn: Ron Kowal
Vice President of Sole Member of General Partner
1124 South IH 35
Austin, TX 78704

Re: Commitment of Gap Financing – Pathways at Rosewood Courts, TDHCA #22409

Dear Mr. Kowal,

The Austin Affordable Housing Corporation (AAHC) commits to provide loan financing to the following development in the amount listed below.

The loan will be in the form of a subordinate cash flow note. The interest rate will be the long-term Applicable Federal Rate (annual compounding), which for April 2022 is 2.25%. The loan term will be 50 years. Funds are and will remain readily available at commitment and until the required investment is completed.

Funding of the loan shall be conditioned upon the borrower having executed all documents and provided all data, information, certifications, opinions of counsel and other requirements reasonably necessary and/or required by lender to meet the conditions of and to close under the loan, and receipt of any required HUD approval.

Development

Pathways at Rosewood Courts

Loan Amount

Up to \$10,000,000

Sincerely,

Michael Gerber
President & CEO



April 26, 2022

Pathways at Rosewood Courts East, LP
c/o Will Henderson
4201 Spring Valley Road, Suite 800
Dallas, Texas 75244

**Re: Pathways at Rosewood Courts East
Austin, Texas**

Dear Will,

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

| | |
|-------------|--|
| Facilities: | JPMorgan Chase will purchase tax exempt bonds in the amount of \$30,000,000 to be issued by Austin Affordable Housing Corporation ("Issuer") and provide a taxable construction bridge loan in the amount of \$5,065,000, the proceeds of which will fund construction and permanent loans to the Borrower. Upon meeting the conditions required for the permanent period, the Construction Loan will convert to a Permanent Loan in an amount not to exceed \$17,650,000. |
| Borrower: | Pathways at Rosewood Courts East, LP A to-be-formed single-asset entity affiliated with the Developer. |
| Developer: | Carleton Development, LTD |
| Project: | Pathways at Rosewood Courts will consist of a 184-unit property to be located at 2001 Rosewood Avenue, Austin, Texas 78202. |

Construction and Bridge Loan

| | |
|--------------------|--|
| Amount: | <p>Tax-exempt bonds of \$30,000,000; subject to final budget, sources and uses of funds and LIHTC equity pay-in schedule.</p> <p>Taxable bridge loan estimated at \$5,065,000; subject to final budget, sources and uses of funds and LIHTC equity pay-in schedule.</p> |
| Initial Term: | 30 months. |
| Interest Rate: | <p>Tax-exempt rate: One-month Adjusted Term SOFR plus 140 bps. “One-month Adjusted Term SOFR” means an interest rate per annum equal to (a) the one-month Term SOFR, plus (b) 10 bps. Any one-month Term SOFR less than .25% shall be deemed to be .25%. (2.19% as of April 26, 2022). The construction interest reserve will be calculated with a cushion determined by Lender.</p> <p>Taxable rate: One-month Adjusted Term SOFR plus 240 bps. “One-month Adjusted Term SOFR” means an interest rate per annum equal to (a) the one-month Term SOFR, plus (b) 10 bps. Any one-month Term SOFR less than .25% shall be deemed to be .25%. (3.19% as of April 26, 2022). The construction interest reserve will be calculated with a cushion determined by Lender.</p> |
| Commitment Fee: | .50% of the loan amount. |
| Extension Option: | One, conditional, six-month maturity extension(s). |
| Extension Fee: | 0.25% of the sum of the loan balance and the amount remaining of the original commitment. |
| Collateral: | First mortgage; other typical pledges and assignments. |
| Guarantee: | Full payment and completion guarantees and environmental indemnity by Treymore Construction and Carleton Development, LTD. |
| Developer Fee: | Assigned to Lender. Notwithstanding provisions of the LP or LLC Agreement, any payments of developer fee prior to permanent debt conversion are subject to Lender's prior approval. |
| Tax Credit Equity: | Approximately \$28,142,707, of which at least 15% must be paid in at closing. The identity of the equity investor and pay-in schedule for this transaction must be disclosed and acceptable to the Lender in its sole discretion. |
| Subordinate Liens: | Subordinate financing will be permitted subject to approval of terms by JPMorgan Chase. |

| | |
|----------------------------|---|
| Repayment: | Construction Loan will be repaid from equity funded up to and including conversion to the Permanent Loan and from the Permanent Loan. |
| Loan to Value: | Up to 80% including the value of the real estate and low income housing tax credits. |
| Contract Bonding: | 100% Payment and Performance Bonds from “A” rated surety |
| Physical Needs Assessment: | Lender will require a Physical Needs Assessment (“PNA”) of the Project prepared by a qualified third-party professional. |

Permanent Loan

| | |
|---|---|
| Amount: | \$17,650,000 subject to final underwriting. |
| Commitment Fee: | .50% of the Permanent Loan amount payable at Construction Loan closing. |
| Interest Rate: | The interest rate for the Permanent Loan shall be locked at Construction Loan closing. The applicable interest rate shall be the 10-Year SOFR Swap Rate plus 190 bps. The 10-Year SOFR Swap Rate will be subject to a floor of 1.00%. Current indicative rate is 4.41%. The underwriting rate equals the indicative rate plus 25 bps. |
| Outside Conversion Date: | The Borrower must convert to the Permanent Loan on or before 36 months from Construction Loan closing. This “Outside Conversion Date” is the Construction Loan closing date advanced by the sum of (i) the number of months of the initial Construction Loan term and (ii) the maximum number of months available under the Extension Option. |
| Failure to Convert to the Permanent Loan: | In the event the Permanent Period does not commence for any reason or does not commence on or before the Outside Conversion Date, the Borrower shall pay Lender a break funding premium equal to the greater of 1.0% of the Permanent Loan commitment amount or yield maintenance. |
| Permanent Loan Term: | Measured from Construction Loan closing and equal to the sum of (i) the number of months to the Outside Conversion Date and (ii) 216 months (18 years). |
| Amortization: | 35 years. 35 year amortization is subject to the PNA report and the proposed scope of work being satisfactory to Lender. |
| Collateral: | First mortgage; other typical pledges and assignments. |

| | |
|--------------------------|---|
| Guarantee: | After conversion, the Permanent Loan shall be non-recourse to the Borrower, except as to standard carve-outs for the Borrower, General Partner, and Key Principals. Key Principal is expected to be Austin Affordable Housing Corporation. |
| Loan to Value: | Up to 80% of the stabilized rent-restricted value. |
| Conversion Requirements: | <p>At least three consecutive calendar months of not less than:</p> <ul style="list-style-type: none"> • 1.15x debt service coverage ratio (DSCR); 1.15x all-in DSCR including all loans requiring debt service payment, and • 90% economic and physical occupancy. <p>And the pro-forma forecast shows DSCR (based on annual revenue growth of 2% and annual expense growth of 3%) of not less than 1.00x in the Permanent Period.</p> <p>As applicable, commercial income and commercial tenants will be excluded from the DSCR and occupancy requirements.</p> |
| Rent Subsidies: | It is understood that 124 units will be under an existing Section 8 contract which will mature in December 2038. Lender will need evidence of an additional extension(s) of 10 years. Additionally, it is understood that HACA will provide an additional 50 project-based vouchers with an initial term of 20 years. |
| Prepayment Terms: | The Permanent Loan can be repaid at any time within the first six years without any fees or yield maintenance subject to the Right of First Refusal below. The six-year period starts at construction loan closing. Prepayment prior to three years before the Permanent Loan maturity date will be subject to a prepayment premium equal to the greater of 1% of the loan balance or yield maintenance. Thereafter, prepayment will be without premium. |
| Right of First Refusal: | If at any time prior to or at maturity of the Loan, Borrower intends to seek loan financing for the Project, then Borrower will give JPMorgan Chase the first right to provide such new loan through its available loan products; provided, however, that this right shall not constitute a commitment or obligation by JPMorgan to provide such loan or any other type of financing. Borrower will provide JPMorgan Chase with a standard financing package including standard financial information and such other information reasonably requested by JPMorgan Chase to fully underwrite the new loan. If (a) JPMorgan Chase elects not to provide such loan, or (b) Borrower believes that JPMorgan Chase's proposed pricing, terms, fees, processing and anticipated costs are not equal to, or better than, those then being offered by other lenders, then Borrower shall be free to accept a new loan from such other lender. |

Escrows/Reserves: Bank controlled escrows required for property taxes, insurance, and replacement reserves. Replacement reserve of \$300/unit/year (or such higher amount as required by any other party to the transaction) funded at conversion with 3-month initial deposit. An operating reserve equal to six months of operating expenses and debt service payments is required to stay in place for at least five years.

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

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

This letter, which expires August 1, 2022, serves as an outline of the principal terms of the proposed facility, and is subject to receipt and satisfactory review of all due diligence materials by Lender and to change as described above. JPMorgan Chase Bank N.A. cannot extend any legally binding lending commitment until formal credit approval has been obtained and a commitment letter has been issued.

Sincerely,



JPMORGAN CHASE BANK, N.A.
Ken L. Overshiner
Authorized Officer



Housing Authority of the City of Austin

Established in 1937

Board of Commissioners
Carl S. Richie Jr., Chairman
Charles Bailey
Tyra Duncan-Hall
Edwina Carrington
Mary Apostolou

President & CEO
Michael Gerber

December 13, 2021

Pathways at Rosewood Courts East, LP
Attn: Ron Kowal
Vice President of Sole Member of General Partner
1124 South IH 35
Austin, TX 78704

Re: Commitment of Seller Loan Financing – Pathways at Rosewood Courts,
TDHCA #22409

Dear Mr. Kowal,

The Housing Authority of the City of Austin (HACA) commits to provide seller loan financing to the following development in the amount listed below.

The loan will be in the form of a subordinate cash flow note. The interest rate will be the long-term Applicable Federal Rate (annual compounding), which for December 2021 is 1.9%. The loan term will be 50 years.

Funding of the loan shall be conditioned upon the borrower having executed all documents and provided all data, information, certifications, opinions of counsel and other requirements reasonably necessary and/or required by lender to meet the conditions of and to close under the loan, and receipt of any required HUD approval.

Development

Loan Amount

Pathways at Rosewood Courts

Approximately \$1,150,000

Sincerely,

Michael Gerber
President & CEO

Bringing Opportunity Home

1124 S. IH 35, Austin, TX. 78704 • P.O. Box 6159 Austin, TX 78762-6159 • (512) 477-4488 • Fax (512) 477-0953

April 28, 2022

Pathways at Rosewood Courts East, LP
C/O Mr. Ron Kowal
1124 South IH 35
Austin, TX 78704

Re: – Pathways at Rosewood Courts - Letter of Intent

Dear Mr. Kowal:

This letter is a preliminary equity investment commitment from the National Equity Fund, Inc. (NEF) for Pathways at Rosewood Courts (“Project”), a proposed LIHTC, multifamily community located in Austin, TX.

NEF, an affiliate of the Local Initiatives Support Corporation (LISC), was incorporated in 1987 with the mission to identify and develop new sources of financing to help provide affordable housing for low-income families and to assist non-profit organizations in creating this housing. NEF has worked with 700 local development partners in forming partnerships which acquire, develop, rehabilitate, and manage low-income rental housing. Since the enactment of the Federal Low Income Housing Tax Credit in 1986, NEF has raised more than \$11 billion in equity and invested it in more than 2,200 affordable housing projects in 46 states, including Washington, D.C. and Puerto Rico.

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

- The Project consists of a proposed LIHTC, multifamily community which will consist of 184 total housing units targeted to families with incomes at or below 30%, 50%, or 60% AMI located in Austin, TX.
- The Project will be owned by Pathways at Rosewood Courts East, LP. The General Partner will be Pathways at Rosewood Courts East GP, LLC and will be owned by Austin Affordable Housing Corporation. The Class B Special Limited Partner will be Carleton GP II, Inc. and owned by Carleton principals. The Limited Partner will be NEF Assignment Corporation. NEF has reviewed the entities and principals involved and has no reservations at this time.
- NEF proposes to be the Federal Low Income Housing tax credit investor with an equity investment of \$28,142,707 based on annual LIHTC allocation of \$3,127,593 ($\$31,275,930 \times 99.98\% \times \0.90) which represents a price of \$0.90. NEF’s proposed equity pay-in schedule is depicted on the following page:

- o 35% at Closing;
- o 35% at Construction Completion;
- o 30% at Stabilization & 8609

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

- Reserves - The Limited Partner will require the following reserves:
 - Operating Reserve equal to six months of operating expenses plus debt service
 - Capitalized Replacement Reserve of \$55,200
 - Replacement Reserve of \$300 per unit per year to be funded monthly.
- Guaranties and Adjusters – NEF will require Carleton Development, Ltd. to provide guaranties of development completion and the repurchase of NEF's interest if the project fails to meet basic tax credit benchmarks. Austin Affordable Housing Corporation will provide on-going and operating guaranties. The Project's partnership agreement will include adjusters to the Limited Partner's capital contributions if there is a change in the agreed upon amounts of total projected tax credits or projected first year credits.
- Sources – NEF's terms are based on the Sources and Uses on the attached.

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

Sincerely,



Jason Aldridge
Vice President
National Equity Fund

Item 4.b – Good Neighbor Policy

In the spirit of the “Good Neighbor Policy” which called for a broad community dialogue that includes stakeholders from neighborhoods to establish successful approaches for integrating low-income housing throughout the city and for utilization of best practices in engaging communities and building support for housing projects, the members of the development team have done extensive outreach to the current residents, surrounding neighborhood residents, local neighborhood groups, local non-profit and service organizations as well a local and state governmental entities and representatives. This process served to gather input as well as disseminate information about the proposed project.

Select examples of this outreach are below:

Meetings with neighborhood organizations:

- OCEAN - Organization of Central East Austin Neighborhoods 10/28/20
- Blackshear Prospect Hill Neighborhood Association 11/19/20 & 1/28/21

Texas Department of Housing and Community Affairs Notifications of the tax credit application to the following groups in January 2021:

- Blackshear Prospect Hill Neighborhood Association
- Rosewood-Salina Resident Council
- OCEAN - Organization of Central East Austin Neighborhoods
- East Austin Conservancy
- Mayor of the City of Austin
- Austin City Council
- Travis County Judge
- Travis County Commissioners
- AISD Superintendent
- AISD Board President

Community & Resident Workshops have been held virtually:

- 4/13/21
- 5/1/21
- 6/10/21
- 6/17/21
- 6/29/21

Rosewood Courts Section 106 Consulting Parties Meeting Overview and Zoom Chat

- 11/12/21



City of Austin

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

Housing and Planning Department S.M.A.R.T. Housing Program

March 3, 2021

S.M.A.R.T. Housing Certification
Housing Authority of the City of Austin
1124 S IH35, Austin, TX 78704 (ID 784)

TO WHOM IT MAY CONCERN:

The Housing Authority of the City of Austin (development contact John McQuage; ph: 512-767-7750; email johnm@hacanet.org) is planning to preserve and rehabilitate 8 of the existing buildings and demolish the remaining buildings to be replaced with 3 new construction buildings resulting in a 184-unit, multi-family development at Pathways at Rosewood Courts East, 2001 Rosewood Avenue, Austin TX 78702. 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 94.6% (174) units will serve households at or below 60% MFI and 5.4% (10) units will be market rate, 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 not 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 the 10 market rate units will not 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 Alex Radtke by phone 512.974.2108 or by email at alex.radtke@austintexas.gov if you need additional information.

Sincerely,

Sandra Harkins

Sandra Harkins, Project Coordinator
Housing and Planning Department

Cc: Kristin Martinez, AE

Jonathan Orenstein, AWU

Mashell Smith, ORS

Item 4.e – Resident Services

The residents of Rosewood Courts East will have a number of services available to them. These services will be contracted through Austin Pathways who has extensive experience providing services such as these. These services would be provided to all residents at no charge to residents. Austin Pathways will be paid a monthly fee, but also work to get much of the

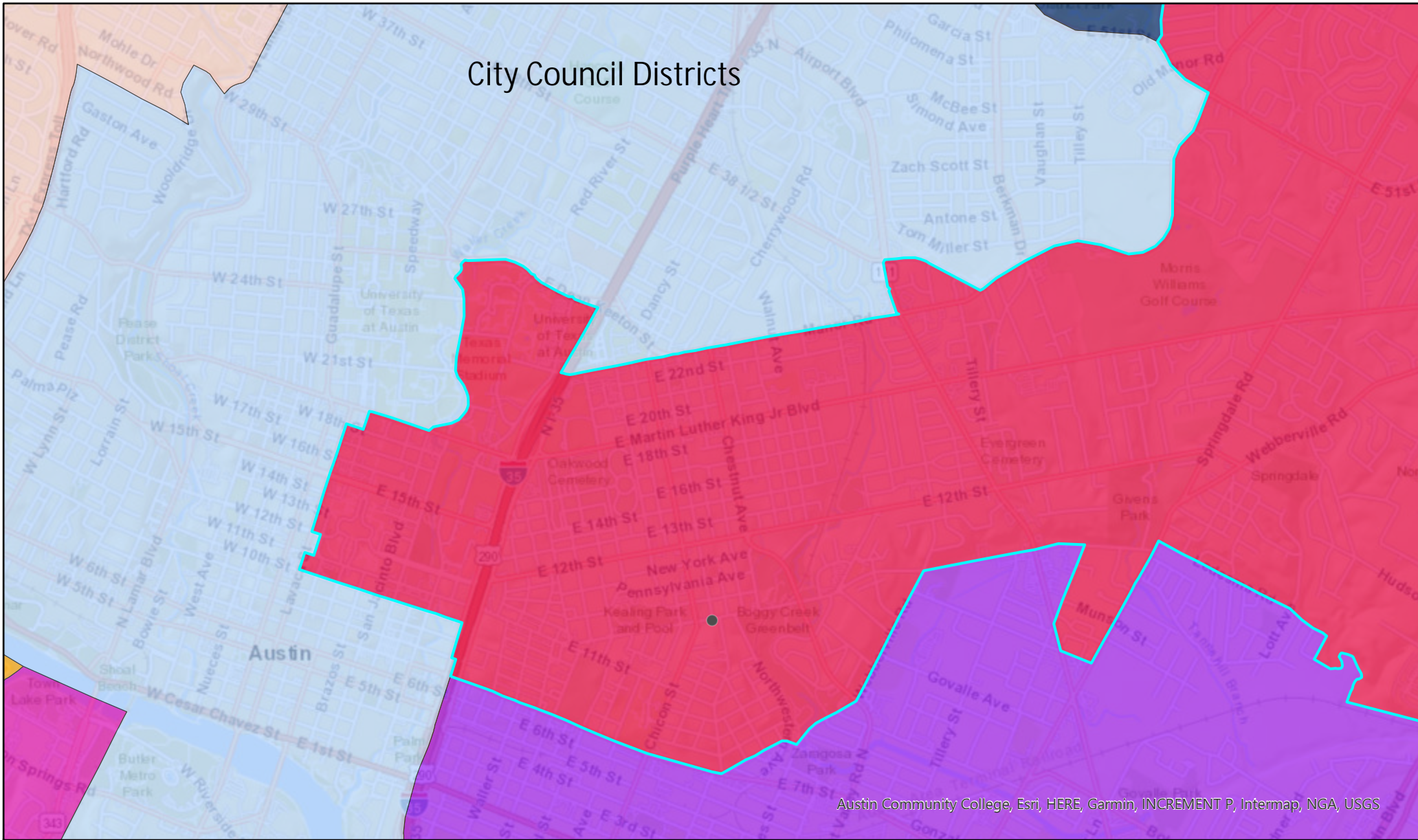
Austin Pathways experience has shown that the success of Resident Services Programs relies on cooperation and teamwork directed toward a common objective. The provider, management, owner, partners and residents must work in unison to achieve mutually agreed upon objectives. Austin Pathways will use its existing networks, organizations, and agencies to provide services and programs to address the needs of the community and work with other non-profit organizations, government agencies, neighborhood associations, religious institutions, health and social services, local businesses, educational institutions and schools, to develop community-based approaches to enrich the lives of the residents and enhance the community while simultaneously meeting LURA compliance requirements.

While the specific services provided will be selected based on the wants and needs of the future residents, an example of potential services and budget is below. Please keep in mind that below is a list of likely services and partners, it is subject to change based on the final assessment after construction is completed.

Potential Services and Budget

| | TDHCA Points | TDHCA Item Letter | Annual Cost | Annual Value |
|--|-------------------------|----------------------------------|--------------------|---------------------|
| Weekday Academic Tutoring - Boys and Girls Club | 3.5 | B ii | Owner funded | \$ 31,463.41 |
| Workforce Development Services- Austin Area Urban League | 2 | C iii | grant match | \$ 12,000.00 |
| Specific Case Mgmt. for senior/disabled - Family Eldercare floating Service Coordinator | 3 | E v | grant funded | \$ 10,000.00 |
| Quarterly Financial Planning classes- FLCCT | | | grant funded | \$ 4,000.00 |
| Senior Food distribution (monthly)- Central Texas Food Bank | 2 | D i | 0 | 0 |
| 2x Per month Social Events - Managed by shared Service Coordinator w/office (16 hours/week, \$24,840/year + supplies) | 1 | E iv | \$30,000 | \$30,000 |
| TOTAL | | | \$30,000 | \$ 87,463.41 |

City Council Districts



Austin Community College, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



06 December 2021

ArcGIS Web Map

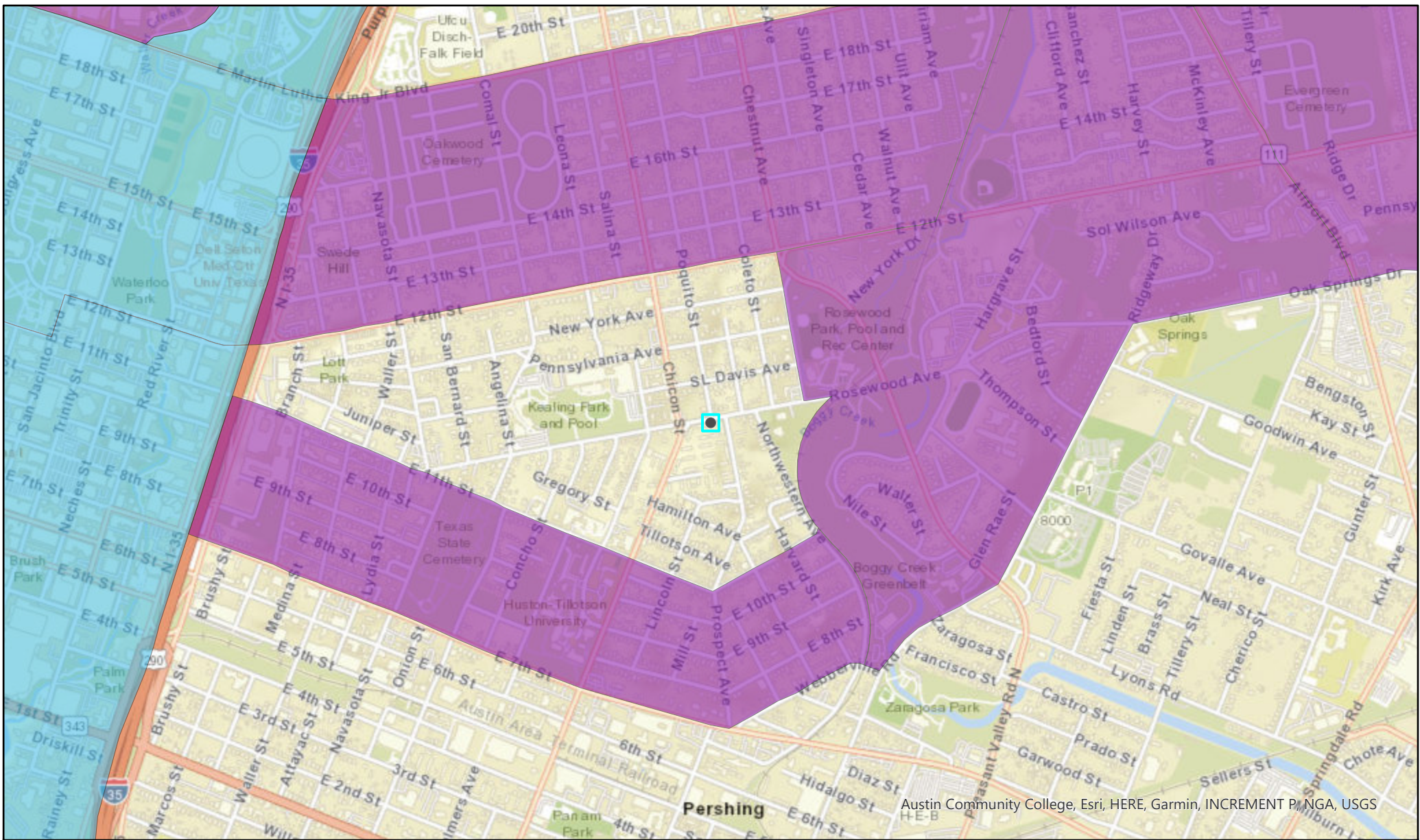


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mi

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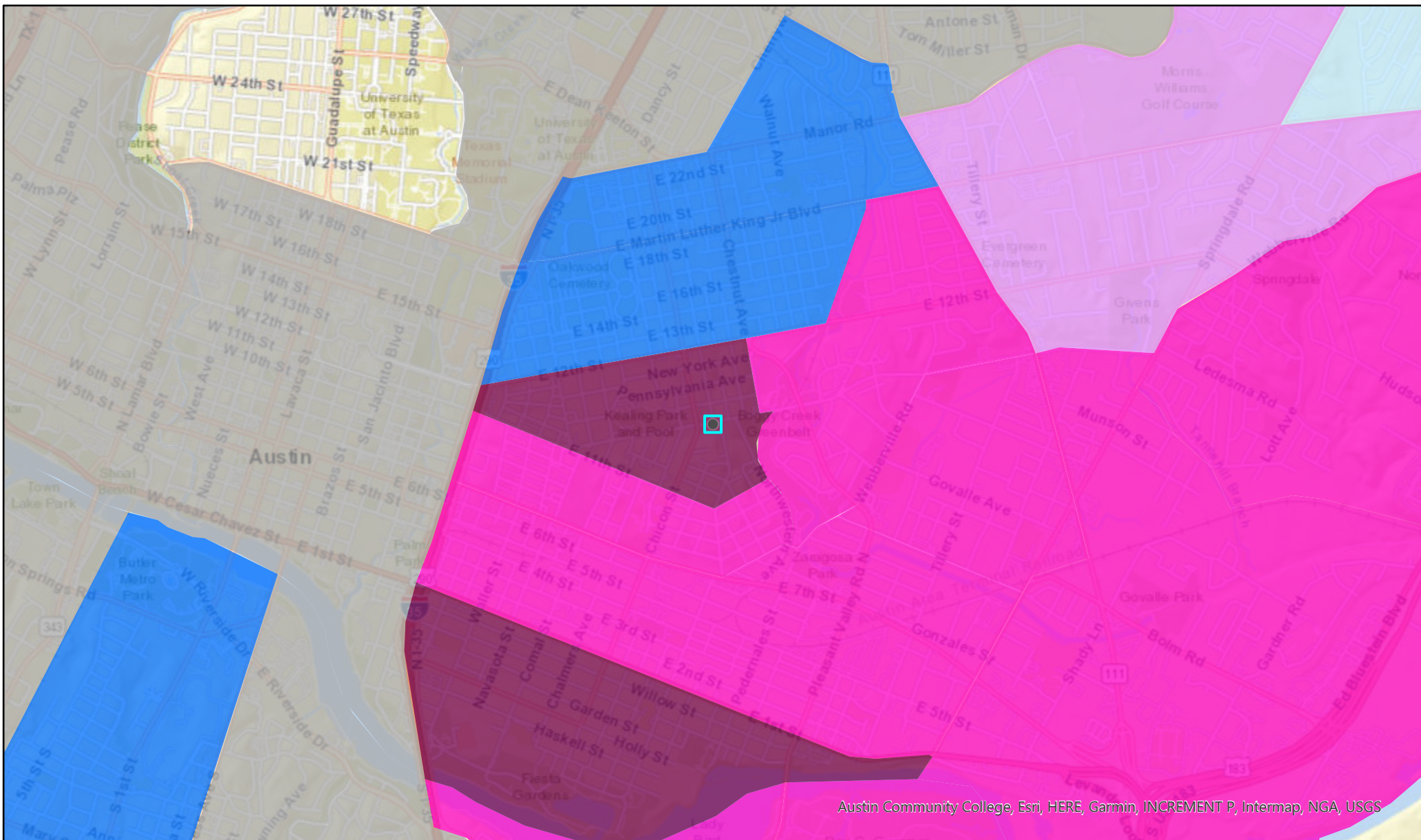
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ArcGIS Web Map

Opportunity Values



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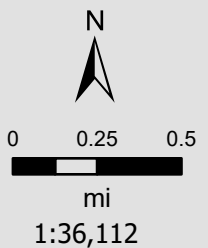
Austin Community College, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



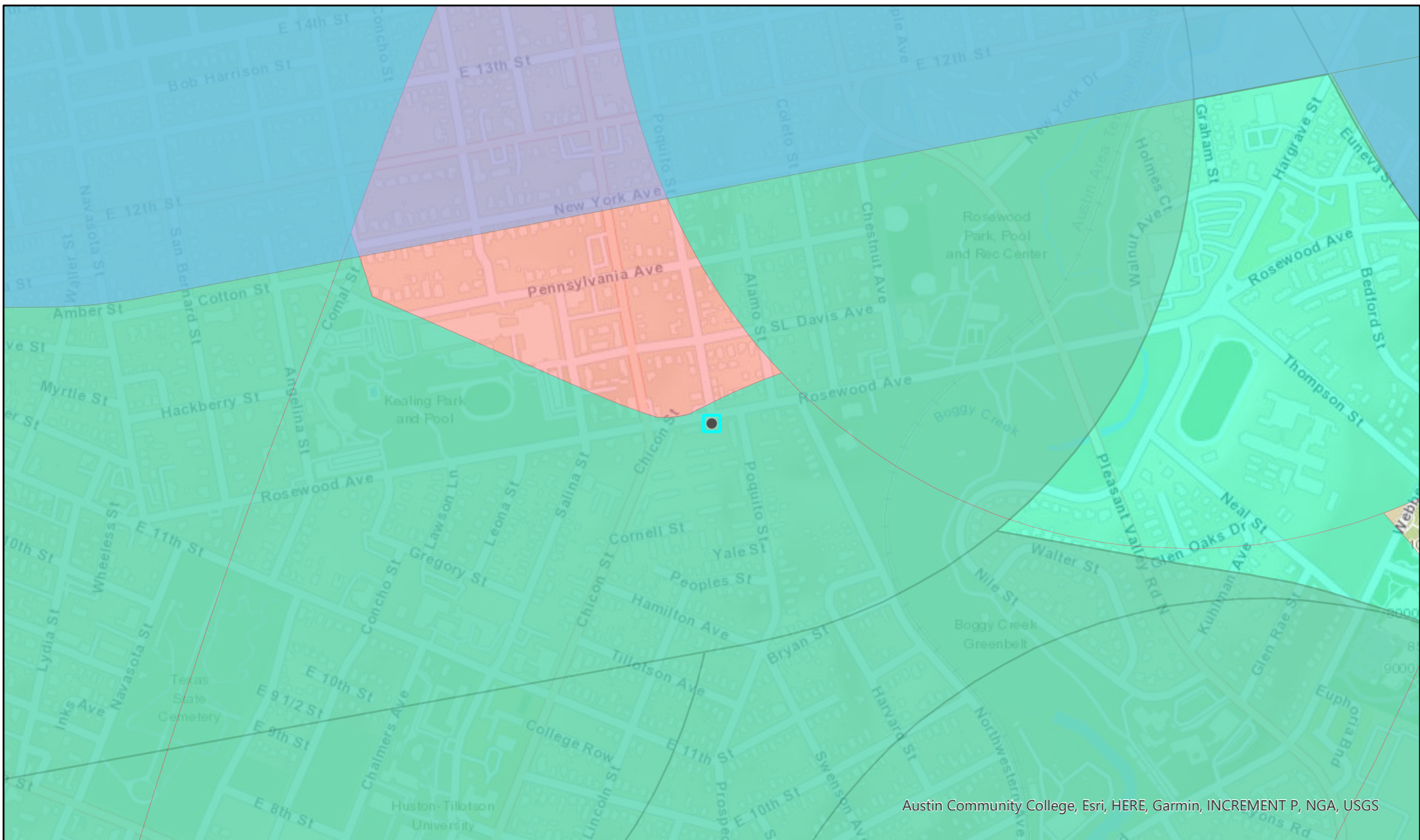
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Gentrification Values



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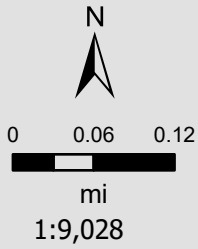
Austin Community College, Esri, HERE, Garmin, INCREMENT P, NGA, USGS



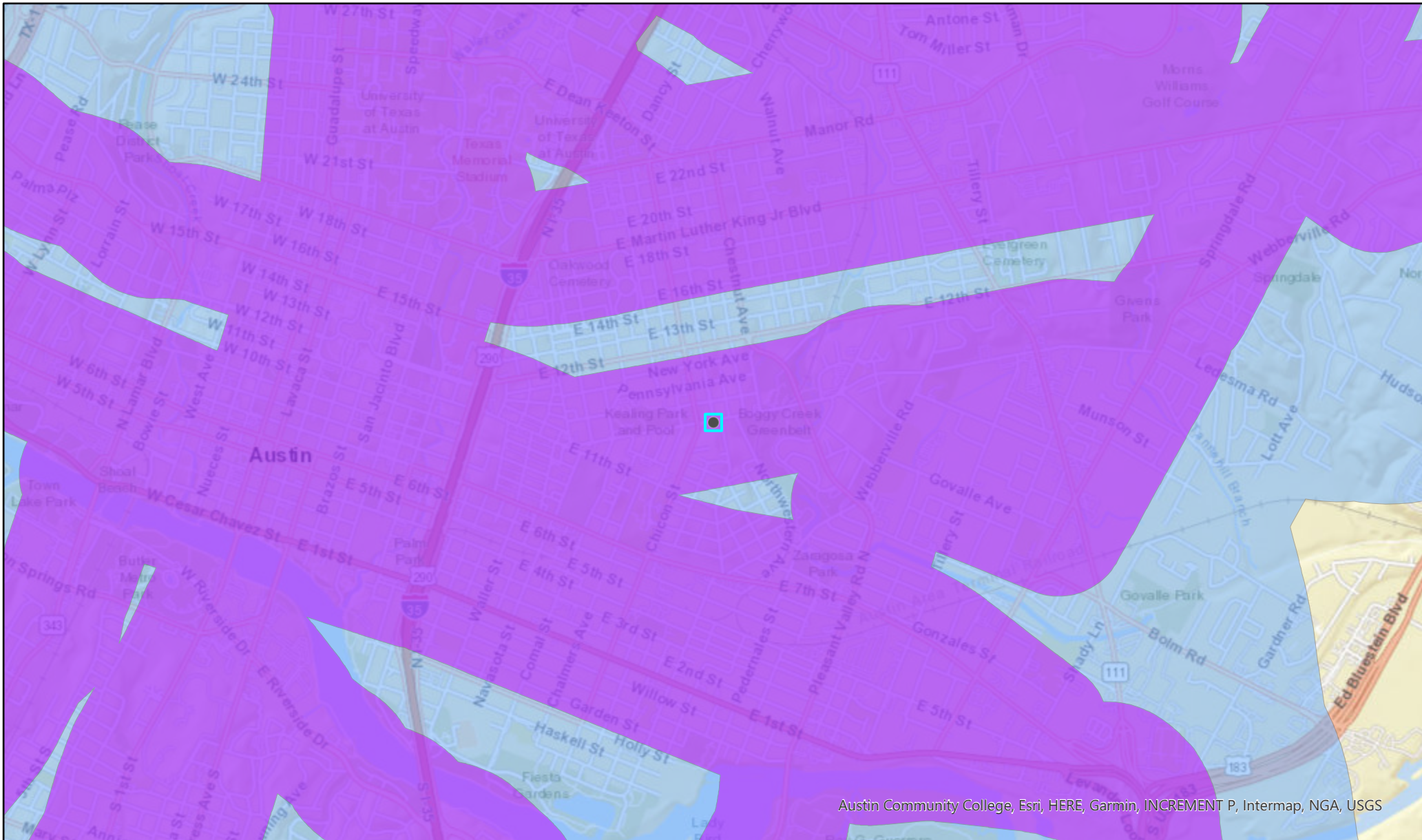
06 December 2021

ArcGIS Web Map

Imagine Austin Corridors



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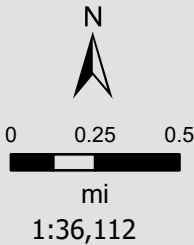
Austin Community College, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



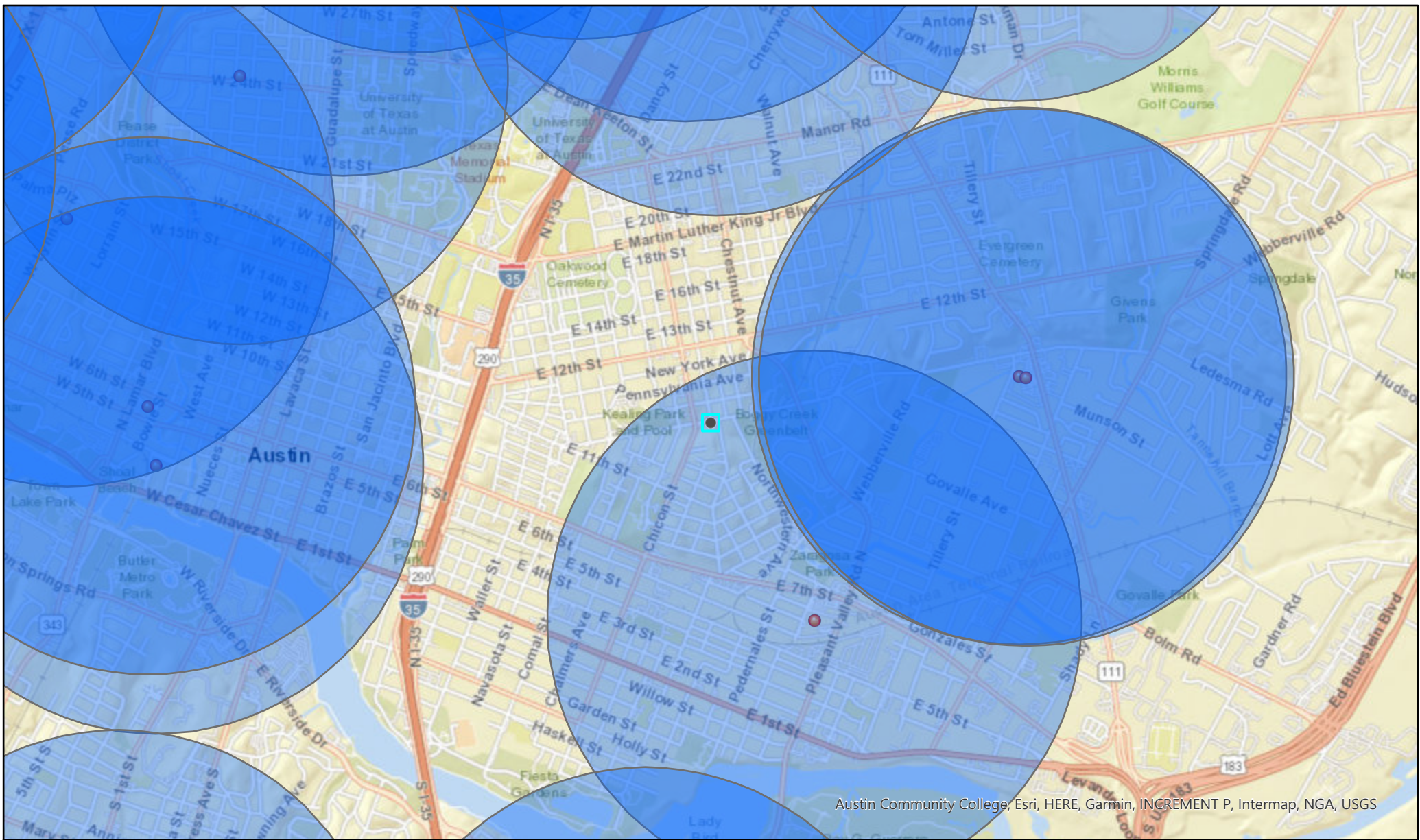
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Transit



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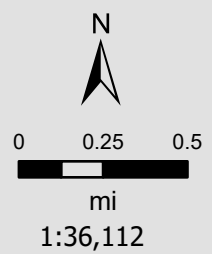
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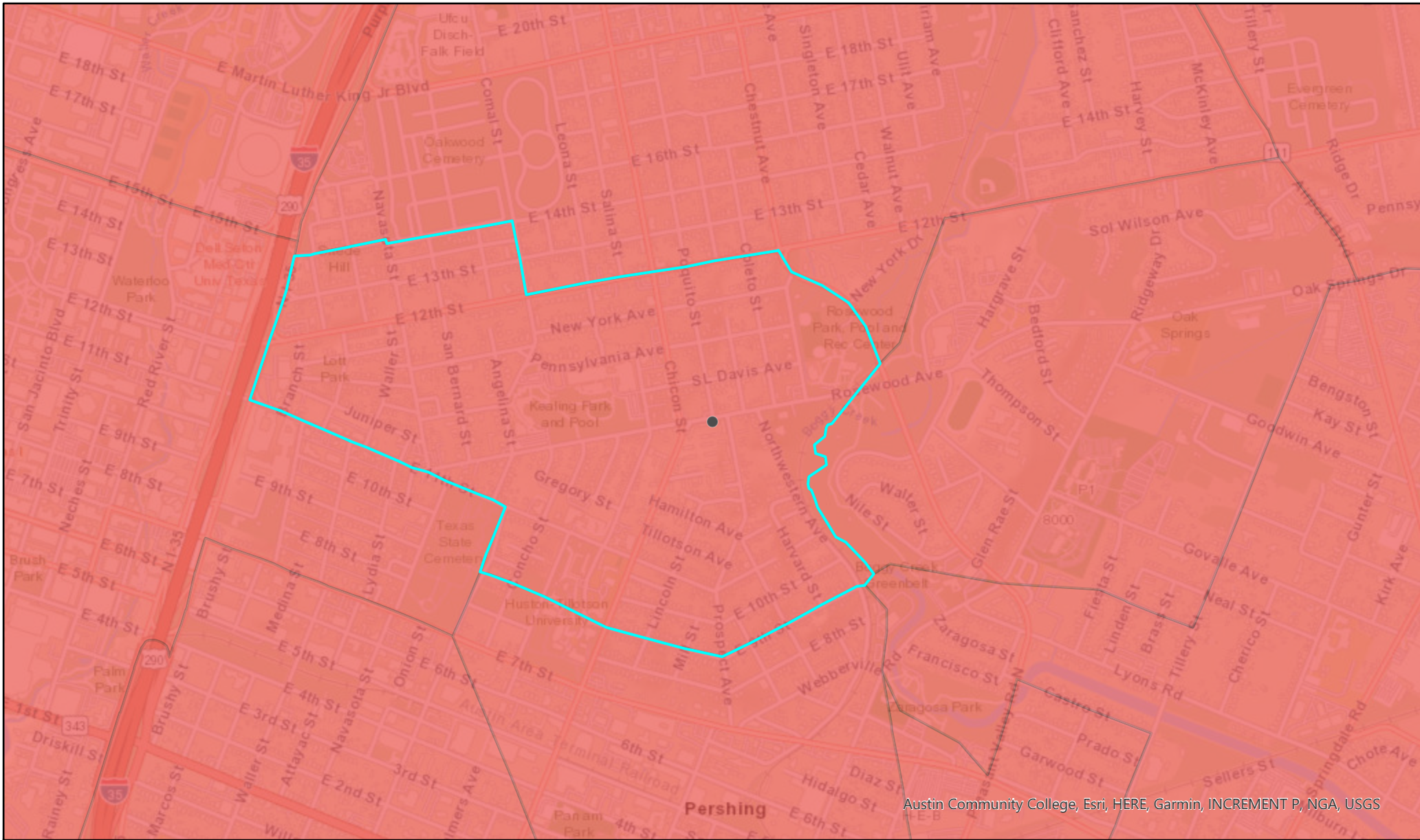
06 December 2021

ArcGIS Web Map

Healthy Foods



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



06 December 2021

ArcGIS Web Map

Elementary Schools



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FEMA Floodplains

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

0 200 400 Feet



Prepared: 12/6/2021

Address

Contour

Index

Intermediate

Parcel

FEMA Floodplain

100 Year (Detailed-AE)

100 year (Shallow-AO)

100 Year (Approx-A)

X Protected by Levee

500 Year

Outside Austin City Limits



CITY OF AUSTIN - ZONING VERIFICATION LETTER

For questions concerning zoning compliance or any development criteria contact the Development Assistance Center of the City of Austin at (512) 974-6370.

This letter is to verify that the parcel listed is covered by the listed zoning classification on the date the letter was created.

Party Requesting Verification

Name: Vanessa Mendez
Mailing Address:
5707 Southwest Parkway, Bldg.2, Suite 250
Austin, TX 78735

Tax Parcel Identification Number

Agency: TCAD
Parcel ID: 0206100101

Zoning Classification(s)

Find definitions at <http://www.austintexas.gov/page/zoning-districts>

MF-4-H-NP, MF-4-NP

Zoning Case Number(s)

Look up case info at https://www.austintexas.gov/devreview/a_queryfolder_permits.jsp

C14-01-0148, C14H-2015-0008

Zoning Ordinance Number(s)

Look up ordinances at <http://austintexas.gov/edims/search.cfm>

011213-42, 20180322-089

For Address Verification visit:

<http://austintexas.gov/addressverification>

To access zoning ordinance documentation visit:

<http://austintexas.gov/edims/search.cfm>

To access zoning overlay documentation (Land Development Code Chapter 25-2 Division 6) visit:

<http://austintexas.gov/department/austin-city-code-land-development-code>

<http://austintexas.gov/department/zoning>

This letter was produced by the City of Austin Communication Technology Management Department on behalf of the Planning and Development Review Department.

I, Stacy Meeks, of the Communications and Technology Management Department for the City of Austin, do hereby certify that the above information reflects the data and records on file in this office.

A handwritten signature in black ink, appearing to read "Stacy Meeks".

2/1/2021

0206100101



CITY OF AUSTIN - ZONING VERIFICATION LETTER

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MF-4-H-NP, MF-4-NP

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2/1/2021

0206100302

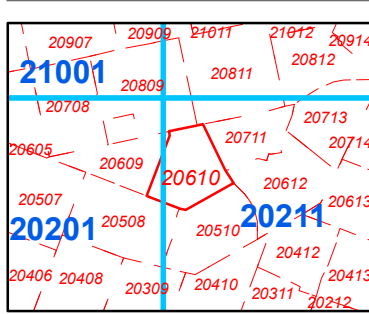


Travis Central Appraisal District
8314 Cross Park Drive
Austin, Texas 78714
Internet Address: www.traviscad.org
Main Telephone Number (512) 834-9317
Appraisal Information (512) 834-9318
TDD (512) 836-3328

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NAD_1983_StatePlane_Texas_Central_FIPS_4203_Feet
Projection: Lambert_Conformal_Conic

Italic = 100 scale map
Thin = 100 scale map
Bold = 400 scale map



0 120 Feet

Revision Date:
6/30/2017

20610

**FIRST AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF SALE
(PATHWAYS AT ROSEWOOD COURTS EAST)**

THIS FIRST AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF SALE (this “**Amendment**”) is made to be effective as of March 1, 2021 (the “**Contract Date**”), and is by and between the HOUSING AUTHORITY OF THE CITY OF AUSTIN, a Texas body corporate and politic organized under the laws of the State of Texas (the “**Housing Authority**”), and PATHWAYS AT ROSEWOOD COURTS EAST, LP, a to be formed Texas limited partnership (the “**Partnership**”).

WITNESSETH:

WHEREAS, on January 1, 2021 the Housing Authority and the Partnership entered into a Contract for Ground Lease and Bill of Sale (the “**Agreement**”) for the purposes of the Housing Authority to enter into a long-term ground lease with the Partnership, and the Partnership to purchase the improvements located on the property which consist of an existing multifamily rental project to be known as the Pathways at Rosewood Courts East (the “**Project**”); and

WHEREAS, the parties hereto agree to modify and amend the Agreement pursuant to the terms of this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE 1

1. The definition of “Property” set forth in Article 1 of the Agreement is hereby amended by deleting Exhibit A attached to the Agreement which was also defined as the “Land”, and substituting therefor the legal description attached hereto as **Schedule A**. In all other respects the definition of “Property” is hereby ratified by the parties.

2. All other terms and conditions of the Agreement are hereby ratified by the parties and shall remain in full force and effect.

[Signatures appear on next page.]

IN WITNESS WHEREOF, each party hereto has caused this Amendment to be duly executed to be effective as of the Contract Date.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AUSTIN,
a Texas municipal housing authority

By: 

Name: Michael Gerber

Title: President and CEO

PARTNERSHIP:

PATHWAYS AT ROSEWOOD COURTS EAST, LP,
a to be formed Texas limited partnership

By: Pathways at Rosewood Courts East GP, LLC,
a to be formed Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: 

Name: Ron Kowal

Title: Vice President

SCHEDULE "A"

PROPERTY DESCRIPTION

DESCRIBING A TRACT OF LAND CONTAINING 7.25 ACRES IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF OUTLOT 62, DIVISION "B", OF THE TOPOGRAPHICAL MAP OF THE GOVERNMENT TRACT ADJOINING THE CITY OF AUSTIN, DATED 1840, OF RECORD IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, SAID 7.25 ACRE TRACT BEING FURTHER DESCRIBED AS BEING ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO THE HOUSING AUTHORITY OF THE CITY OF AUSTIN BY DEEDS RECORDED IN VOLUME 593, PAGE 467; VOLUME 594, PAGE 21; VOLUME 594, PAGE 22; VOLUME 594, PAGE 25 AND VOLUME 594, PAGE 272, ALL OF THE DEED RECORDS OF SAID COUNTY AND STATE, ALSO BEING ALL OF LOTS 1 AND 2 OF THE W.D. HART SUBDIVISION, A SUBDIVISION RECORDED IN BOOK 2, PAGE 147 OF THE PLAT RECORDS OF SAID COUNTY AND STATE AND BEING A PORTION OF LOTS 3, 4, 5 AND 7 OF SAID W.D. HART SUBDIVISION AND A PORTION OF THE STREETS AND ALLEYS VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN MINUTE BOOK 17, PAGE 206.

**CONTRACT FOR GROUND LEASE AND BILL OF SALE
PATHWAYS AT ROSEWOOD COURTS EAST**

This Contract for Ground Lease and Bill of Sale (this “**Agreement**”) is made and entered into effective as of the 1st day of January, 2021 (the “**Effective Date**”) by and between the HOUSING AUTHORITY OF THE CITY OF AUSTIN, a Texas public body corporate and politic organized under the laws of the State of Texas (“**Housing Authority**”), and PATHWAYS AT ROSEWOOD COURTS EAST, LP, a to be formed Texas limited partnership (the “**Partnership**”).

RECITALS:

A. The Housing Authority, the owner of the property that is the subject of this Agreement, desires to enter into a long-term ground lease with the Partnership in order to allow the Partnership to lease that certain property located in Austin, Texas, which is more fully described on Exhibit “A” attached hereto, and to purchase the improvements located on the property which consist of an existing multifamily rental project to be known as the Pathways at Rosewood Courts East (the “**Project**”).

B. An affiliate of the Housing Authority will be the sole member of the general partner of the Partnership. The Partnership will syndicate the low income housing tax credits sought for the Project.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Property. Upon and subject to the following terms and conditions, the Housing Authority agrees to lease to the Partnership and the Partnership agrees to lease from the Housing Authority, the following real property (collectively, the “**Property**”): (a) the parcel of land situated in the City of Austin, Travis County, Texas, as more particularly described on Exhibit “A-1” and depicted on Exhibit “A-2” attached hereto and made a part hereof for all purposes (the “**Land**”); and (b) all rights, titles and interest of the Housing Authority in and to any easements, privileges, licenses, permits, rights-of-way, subterranean pedestrian tunnel or passageway, or rights of ingress or egress appurtenant to the Land (the “**Rights**”). Housing Authority also agrees to sell to the Partnership by Bill of Sale any and all existing buildings, structures and improvements located on the Land. Ownership of the existing buildings, structures and improvements, and any future buildings, structures and improvements hereinafter placed, constructed or installed on the Land (collectively, the “**Improvements**”), will pass to the Housing Authority upon termination or expiration of the lease.

2. Closing. The consummation of the lease of the Property contemplated under this Agreement (the “**Closing**”) shall occur on or before January 1, 2022 (the “**Closing Date**”). The Closing shall take place at the offices of the Coats Rose, P.C. in Austin, Texas, unless otherwise agreed to by the Partnership and the Housing Authority. NOTWITHSTANDING THE FOREGOING, THIS CONTRACT FOR LEASE SHALL BE VALID FOR THE ENTIRE

PERIOD THE PROJECT IS UNDER CONSIDERATION FOR LOW INCOME HOUSING TAX CREDITS.

3. Earnest Money. On the date of its execution of this Agreement, the Partnership shall deposit or cause to be deposited with the Housing Authority the sum of \$100 (the "**Earnest Money**") in cash by wire transfer of immediately available funds, or by check, to be held by the Housing Authority and delivered in accordance with the provisions of this Agreement. The Earnest Money becomes nonrefundable at 4:00 p.m. on July 1, 2021, unless this Agreement is terminated by the Partnership as provided in Paragraph 8 of this Agreement.

4. Lease. Subject to the terms and provisions set forth in this Agreement, the Property shall be leased to the Partnership pursuant to a Ground Lease containing, among other provisions, the following terms and conditions:

| | |
|------------------------|--|
| Term | Seventy-five (75) years |
| Rental | An annual payment of \$1,000 per year |
| Price for Improvements | A payment in the amount of \$1,000. |
| Use | Low income residential rental units, together with supportive and community services for the tenant population |

5. Title Commitment. The Partnership will obtain a title commitment (the "**Title Commitment**") covering the Property, together with copies of all title exception items shown on Schedules B and C thereof within sixty (60) days of the date hereof.

6. Physical Inspection. The Partnership shall have the right, at the Partnership's sole cost and expense, to examine and inspect the Property and the Improvements at any reasonable time. The Partnership shall and does hereby indemnify and hold the Housing Authority harmless from and against any and all liability, loss, cost, expense and damage caused to or incurred by the Housing Authority or the Property or the Improvements by any acts or omissions of the Partnership (or its agents or representatives) in connection with such inspection, and this indemnification shall survive the termination of this Agreement. Any information relating to the Property or the Improvements provided by the Housing Authority to the Partnership or obtained by the Partnership in the course of its inspection shall be treated as confidential information by the Partnership, to be made available only to such persons as may be reasonably necessary to properly evaluate the Property and/or as may be needed by the Partnership to secure financing, tax credits or investments for the Project.

7. Review and Inspection. The Partnership shall have a period of time commencing on the Effective Date (as hereinafter defined) and ending at 4:00 p.m. on July 1, 2021 within which to inspect and review all aspects of the Property and the Improvements. The Partnership shall have the opportunity to inspect the Property and the Improvements and conduct such environmental, engineering, marketing and economic feasibility studies as the Partnership deems appropriate, review the Title Commitment and the Survey, to review the books and records of the Property

and Improvements, to examine and review all contracts which relate to the Property and Improvements, examine and review the terms of the proposed Lease, inspect and test the physical condition of the Land and the Improvements, and to examine, study and otherwise become adequately familiar with the physical and financial condition of the Property. The Housing Authority shall have no obligation to cure or remove any objections to the Property or the Improvements.

8. Right to Terminate. On or before 4:00 p.m. on July 1, 2021, the Partnership may terminate this Agreement for any reason, whereupon the Earnest Money (less \$50.00 payable to the Housing Authority as independent consideration for the right to inspect the Property) shall be refunded to the Partnership and neither party shall have further rights or obligations pursuant to this Agreement. If the Partnership fails to give Notice to the Housing Authority on or before 4:00 p.m. on July 1, 2021 of its termination of this Agreement, the Earnest Money shall be nonrefundable and the Partnership shall be deemed to have waived any and all objections to the Property and elected to proceed with the Closing on the terms and conditions provided herein, subject only to the Housing Authority's satisfaction or removal of all matters listed in Schedule C of the Title Commitment.

9. Disclaimer.

9.1 No Reliance. The Partnership acknowledges and agrees that upon the Closing, the Partnership shall have had ample opportunity to review documents concerning the Property and the Improvements, to conduct physical inspections of the Property, including, without limitation, inspections regarding the structural and environmental condition of the Property and Improvements, and to conduct such marketing and economic feasibility studies as the Partnership deems appropriate. The Partnership hereby represents, warrants and agrees that as of the Closing, (a) the Partnership shall have examined the Property and Improvements and will be familiar with the physical condition thereof; (b) the Partnership shall have conducted such investigations of the Property and Improvements (including, without limitation, the structural and environmental condition thereof) as the Partnership has deemed necessary to satisfy itself as to the condition of the Property and Improvements and the existence or nonexistence, or curative action to be taken with respect to, any hazardous or toxic substances on or discharge from the Property; (c) neither the Housing Authority nor any affiliate, agent, officer, attorney, employee or representative of any of the foregoing have made any written or oral representations, warranties, promises or guarantees whatsoever to the Partnership, express or implied, and in particular, that no such representations, warranties, guarantees or promises have been or will be made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Property or the Improvements or the offering or lease of the Property; and (d) the Partnership has not relied and will not rely upon any representations, warranties, guarantees or promises or upon any statements made or any information provided concerning the Property and Improvements provided or made by the Housing Authority or their respective affiliates, agents, officers, attorneys, employees or representatives. The Partnership shall elect to lease the Property only after having made and relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Property and the Improvements and the facts and circumstances related thereto. Without limiting the generality of the foregoing, the Partnership acknowledges and agrees that the Housing Authority has no

obligation to disclose to the Partnership, and shall have no liability for its failure to disclose to the Partnership, any information known to it relating to the Property or the Improvements.

9.2 Disclaimers. THE PARTNERSHIP ACKNOWLEDGES AND AGREES THAT THE PROPERTY SHALL BE LEASED TO THE PARTNERSHIP, AND THE PARTNERSHIP SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". THE HOUSING AUTHORITY HEREBY EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY AND THE IMPROVEMENTS. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE OR ANY OTHER DISCLAIMER SET FORTH HEREIN, THE HOUSING AUTHORITY AND THE PARTNERSHIP HEREBY AGREE THAT THE HOUSING AUTHORITY HAS NOT MADE AND IS NOT MAKING ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AS TO (A) THE NATURE OR CONDITION, PHYSICAL OR OTHERWISE, OF THE PROPERTY OR THE IMPROVEMENTS OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF HABITABILITY, SUITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE, (B) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF THE IMPROVEMENTS, OR THE STATE OF REPAIR OR LACK OF REPAIR OF ANY OF SUCH IMPROVEMENTS, (C) THE SOIL CONDITIONS, DRAINAGE CONDITIONS, TOPOGRAPHICAL FEATURES, ACCESS TO PUBLIC RIGHTS-OF-WAY, AVAILABILITY OF UTILITIES OR OTHER CONDITIONS OR CIRCUMSTANCES WHICH AFFECT OR MAY AFFECT THE PROPERTY OR ANY USE TO WHICH THE PARTNERSHIP MAY PUT THE PROPERTY, (D) ANY CONDITIONS AT OR WHICH AFFECT OR MAY AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENT POTENTIAL OR OTHERWISE, (E) THE AREA, SIZE, SHAPE, CONFIGURATION, LOCATION, CAPACITY, QUANTITY, QUALITY, CASH FLOW, EXPENSES, VALUE, COMPOSITION, AUTHENTICITY OR AMOUNT OF THE PROPERTY, OR ANY PART THEREOF, (F) ANY ENVIRONMENTAL, GEOLOGICAL, METEOROLOGICAL, STRUCTURAL, OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW OR HEREAFTER AFFECTING IN ANY MANNER THE PROPERTY OR THE IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO, THE ABSENCE OF ASBESTOS OR ANY ENVIRONMENTALLY HAZARDOUS SUBSTANCE ON, IN, UNDER OR ADJACENT TO THE PROPERTY AND THE IMPROVEMENTS, (G) THE COMPLIANCE OF THE PROPERTY OR THE OPERATION OR USE OF THE PROPERTY WITH ANY APPLICABLE RESTRICTIVE COVENANTS, OR WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL BODY (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY ZONING LAWS OR REGULATIONS, ANY BUILDING CODES, ANY ENVIRONMENTAL LAWS, AND THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. 12101 ET SEQ.). THE PARTNERSHIP RECOGNIZES AND AGREES THAT UPON CLOSING, THE PARTNERSHIP SHALL BEAR THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, VIOLATIONS OF ANY APPLICABLE LAWS, CONSTRUCTION DEFECTS, COST OVERRUNS, AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY THE PARTNERSHIP'S

INVESTIGATIONS, AND THE PARTNERSHIP, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED THE HOUSING AUTHORITY AND ITS AFFILIATES, AGENTS, OFFICERS, ATTORNEYS, EMPLOYEES OR REPRESENTATIVES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEY'S FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH THE PARTNERSHIP MIGHT HAVE ASSERTED OR ALLEGED AGAINST THE HOUSING AUTHORITY AT ANY TIME BY REASON OF OR ARISING OUT OF ANY VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING ANY ENVIRONMENTAL LAWS), CONSTRUCTION DEFECTS, COST OVERRUNS, PHYSICAL CONDITIONS, AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY OR THE IMPROVEMENTS.

9.3 Survival of Disclaimers. The Housing Authority and the Partnership agree that the provisions of this Section 9 shall survive Closing.

10. Authorization.

(a) The Partnership will deliver to the Housing Authority and the Title Company at or before the Closing any and all certificates, affidavits, powers of attorney, partnership agreements, joint venture agreements, and trust agreements, deemed necessary or required by the Housing Authority or the Title Company, and the Partnership will cause all persons or entities required by the Housing Authority or the Title Company to execute the Closing documents or give written consent to the lease of the Property in accordance with this Agreement (collectively, the “**Partnership Authorization Documents**”). The representations and warranties of the Partnership set forth in this Section 10(a) shall survive the Closing.

(b) The Housing Authority will deliver to the Partnership and the Title Company at or before the Closing any and all certificates, affidavits, powers of attorney, partnership agreements, joint venture agreements, and trust agreements, deemed necessary or required by the Partnership or the Title Company, and the Housing Authority will cause all persons or entities required by the Partnership or the Title Company to execute the Closing documents or give written consent to the lease of the Property in accordance with this Agreement (collectively, the “**Housing Authority Authorization Documents**”). The representations and warranties of the Housing Authority set forth in this Section 10(b) shall survive the Closing.

11. Deliveries at Closing.

(a) At the Closing, the Housing Authority shall execute and deliver to the Partnership the following:

- (i) the Ground Lease;

- (ii) the Memorandum of Ground Lease;
- (iii) the Bill of Sale for the Improvements;
- (iv) the Housing Authority Authorization Documents; and
- (v) such other documents as the Housing Authority and the Partnership may have agreed to deliver at the Closing.

(b) At the Closing, the Partnership shall execute and deliver to the Housing Authority the following:

- (i) the Ground Lease;
- (ii) the Memorandum of Ground Lease;
- (iii) the Bill of Sale for the Improvements;
- (iv) the Partnership Authorization Documents; and
- (v) such other documents as the Housing Authority and the Partnership may have agreed to deliver at the Closing.

12. Default by the Partnership. If the Partnership defaults hereunder, then provided the Housing Authority is not likewise in default hereunder, the Housing Authority may terminate this Agreement by giving Notice thereof to the Partnership, whereupon the Earnest Money, together with all interest accrued thereon, shall be paid to the Housing Authority as liquidated damages as the Housing Authority's sole and exclusive remedy hereunder, and neither party shall have any further rights or obligations pursuant to this Agreement, it being understood and agreed by the Partnership and the Housing Authority that actual damages in such event are uncertain in amount, difficult and inconvenient to ascertain and that the amount of the Earnest Money as liquidated damages was reasonably determined.

13. Default by the Housing Authority. If the Housing Authority defaults hereunder, then provided the Partnership is not likewise in default hereunder, the Partnership, as the Partnership's sole and exclusive remedy, may terminate this Agreement, whereupon the Earnest Money, together with all interest accrued thereon, shall be refunded to the Partnership, and neither party shall have any further rights or obligations pursuant to this Agreement.

14. Brokerage. The Partnership and the Housing Authority each represent and warrant to the other that they have dealt with no brokers, finders or intermediaries of any kind in connection with this transaction. Each party hereto does hereby indemnify and agree to hold the other harmless from and against any and all causes, claims, demands, losses, liabilities, fees, commissions, settlements, judgments, damages, expenses and fees (including, but not limited to,

reasonable attorneys' fees and court costs) in connection with any claim for commissions, fees, compensation or other charges relating in any way to this transaction, or the consummation thereof, which may be made by any person, firm or entity as the result of any of its acts or the acts of its agents or representatives or as a result of its breach of its representations contained in this Section. The provisions of this Section 16 shall survive the Closing or any earlier termination of this Agreement.

15. Notices. All notices, requests and communications ("**Notice**") under this Agreement shall be given in writing and shall be (i) delivered in person, (ii) mailed by first class certified mail, postage prepaid, return receipt requested, or (iii) or sent by facsimile transmission followed by first class certified mail, postage prepaid, return receipt requested, to the individuals and addresses indicated below:

(a) If to the Housing Authority:

Housing Authority of the City of Austin
1124 South IH 35
Austin, Texas 78704
Attention: Ron Kowal
Phone No: (512) 477-4488 x2113

(b) If to the Partnership:

Pathways at Rosewood Courts East, LP
c/o Austin Affordable Housing Corporation
1124 South IH 35
Austin, Texas 78704
Attention: Ron Kowal
Phone No: (512) 477-4488 x2113

Any Notice provided for herein shall become effective only upon and at the time of receipt by the party to whom it is given, unless such Notice is mailed by certified mail, return receipt requested, in which case it shall be deemed to be received the date that it is mailed. Any party may, by proper Notice hereunder to the other party, change the individual address to which such Notice shall thereafter be sent or delivered.

16. Miscellaneous. The Housing Authority and the Partnership further agree as follows:

a) This Agreement may not be assigned by the Partnership without the prior written consent of the Housing Authority; any assignment hereunder, whether or not consented to by the Housing Authority, shall not act to release the Partnership from its obligations hereunder.

(b) Except as otherwise set forth herein, the representations, warranties, covenants and agreements of the parties set forth herein shall not survive the Closing and shall be merged therein.

(c) Should any action be brought which arises out of this Agreement, including, without limitation, any action for declaratory or injunctive relief, the prevailing party shall be entitled to reasonable attorneys' fees and costs and expenses of investigation, all as actually incurred.

(d) THIS AGREEMENT HAS BEEN EXECUTED IN THE STATE OF TEXAS AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF TEXAS. VENUE FOR ANY LEGAL ACTION BROUGHT BY EITHER PARTY HERETO SHALL LIE EXCLUSIVELY IN TRAVIS COUNTY, TEXAS.

(e) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

(f) In case any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect for any reason, then such invalidity, illegality or unenforceability shall not affect any other provision hereof.

(g) The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions hereof.

(h) This Agreement constitutes the entire, sole and only agreement of the parties hereto and supersedes any prior understanding or written or oral agreements between the parties respecting the subject matter of this Agreement.

(i) Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular shall be held to include the plural and vice versa unless the context requires otherwise.

(j) Time is of the essence in this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

(k) This Agreement shall have no binding effect on either party until executed by both parties hereto.

(l) No modification, amendment or waiver of any portion of this Agreement shall be effective unless it is in writing and signed by the Housing Authority and the Partnership.

(m) This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one of the counterparts be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[Remainder of page intentionally left blank for signature]

This Agreement is executed to be effective as of the Effective Date.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AUSTIN

By: 

Name: Michael Gerber

Title: President & CEO

PARTNERSHIP:

PATHWAYS AT ROSEWOOD COURTS EAST, LP, a to be formed Texas limited partnership

By: Pathways at Rosewood Courts East GP, LLC, a to be formed Texas limited liability company

By: Austin Affordable Housing Corporation, a Texas nonprofit corporation, its sole member

By: 

Name: Ron Kowal

Title: Vice President

Acknowledgement of Housing Authority's receipt of \$100.00 Check for Earnest Money:

Date: January 5, 2021

HOUSING AUTHORITY OF THE CITY OF AUSTIN

By: 

Name: Michael Gerber

Title: President & CEO

**THIRD AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF SALE
(PATHWAYS AT ROSEWOOD COURTS EAST)**

THIS THIRD AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF SALE (this “**Amendment**”) is made to be effective as of February 1, 2022 (the “**Contract Date**”), and is by and between the HOUSING AUTHORITY OF THE CITY OF AUSTIN, a Texas body corporate and politic organized under the laws of the State of Texas (the “**Housing Authority**”), and PATHWAYS AT ROSEWOOD COURTS EAST, LP, a Texas limited partnership (the “**Partnership**”).

WITNESSETH:

WHEREAS, on January 1, 2021 the Housing Authority and the Partnership entered into a Contract for Ground Lease and Bill of Sale (the “**Original Agreement**”) for the purposes of the Housing Authority to enter into a long-term ground lease with the Partnership, and the Partnership to purchase the improvements located on the property which consist of an existing multifamily rental project to be known as the Pathways at Rosewood Courts East (the “**Project**”);

WHEREAS, on March 1, 2021 the Housing Authority and the Partnership entered into a First Amendment to Contract for Ground Lease and Bill of Sale (the “**First Amendment**”);

WHEREAS, on September 1, 2021, the Housing Authority and the Partnership entered into a Second Amendment to Contract for Ground Lease and Bill of Sale (the “**Second Amendment**”, and together with the Original Agreement and the First Amendment, the “**Agreement**”); and

WHEREAS, the parties hereto agree to modify and amend the Agreement pursuant to the terms of this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE 1

1. The definition of “Property” set forth in Section 1 of the Agreement is hereby amended by deleting Exhibit A attached to the Agreement which was also defined as the “Land”, and substituting therefor the legal description attached hereto as **Schedule A**. In all other respects the definition of “Property” is hereby ratified by the parties.

2. Section 4 of the Agreement is hereby amended and restated in its entirety to read as follows:

“4. **Lease**. Subject to the terms and provisions set forth in this Agreement, the Property shall be leased to the Partnership pursuant to a Ground Lease containing, among other provisions, the following terms and conditions:

| | |
|------|-------------------------|
| Term | Seventy-five (75) years |
|------|-------------------------|

| | |
|------------------------|--|
| Rental | An annual payment of \$1,000 per year |
| Price for Improvements | A payment in the amount of \$1,150,000. |
| Use | Low income residential rental units, together with supportive and community services for the tenant population |

”

3. All other terms and conditions of the Agreement are hereby ratified by the parties and shall remain in full force and effect.

[Signatures appear on next page.]

IN WITNESS WHEREOF, each party hereto has caused this Amendment to be duly executed to be effective as of the Contract Date.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AUSTIN,
a Texas municipal housing authority

By: 
Name: Michael Gerber
Title: President and CEO

PARTNERSHIP:

PATHWAYS AT ROSEWOOD COURTS EAST, LP,
a to be formed Texas limited partnership

By: Pathways at Rosewood Courts East GP, LLC,
a to be formed Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: _____
Name: Ron Kowal
Title: Vice President

IN WITNESS WHEREOF, each party hereto has caused this Amendment to be duly executed to be effective as of the Contract Date.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AUSTIN,
a Texas municipal housing authority

By: _____
Name: Michael Gerber
Title: President and CEO

PARTNERSHIP:

PATHWAYS AT ROSEWOOD COURTS EAST, LP,
a to be formed Texas limited partnership

By: Pathways at Rosewood Courts East GP, LLC,
a to be formed Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By:  _____
Name: Ron Kowal
Title: Vice President

SCHEDULE "A"

PROPERTY DESCRIPTION

DESCRIBING A TRACT OF LAND CONTAINING 7.01 ACRES IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF OUTLOT 62, DIVISION "B", OF THE TOPOGRAPHICAL MAP OF THE GOVERNMENT TRACT ADJOINING THE CITY OF AUSTIN, DATED 1840, OF RECORD IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, SAID 7.01 ACRE TRACT BEING FURTHER DESCRIBED AS BEING COMPRISED OF THE FOLLOWING TRACTS OF LAND:

- 1) ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO THE HOUSING AUTHORITY OF THE CITY OF AUSTIN AND RECORDED IN VOLUME 594, PAGE 21; VOLUME 594, PAGE 22; THE 1ST TRACT OF VOLUME 594, PAGE 272 AND THE 2ND TRACT OF VOLUME 593, PAGE 467, ALL OF THE DEED RECORDS OF SAID COUNTY AND STATE,
- 2) A PORTION OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO THE HOUSING AUTHORITY OF THE CITY OF AUSTIN AND RECORDED IN VOLUME 594, PAGE 25 AND THE 1ST TRACT OF VOLUME 593, PAGE 467, BOTH OF THE DEED RECORDS OF SAID COUNTY AND STATE,
- 3) A PORTION OF LOTS 1, 2, 3, 4, 5 AND 7 OF THE W.D. HART SUBDIVISION, A SUBDIVISION RECORDED IN BOOK 2, PAGE 147 OF THE PLAT RECORDS OF SAID COUNTY AND STATE,
- 4) ALL OF THE ALLEY ADJOINING LOTS 1, 2, 3 AND 4 OF SAID W.D. HART SUBDIVISION VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN MINUTE BOOK 17, PAGE 206 AND IN VOLUME 602, PAGE 106, DEED RECORDS OF SAID COUNTY AND STATE,
- 5) AND A PORTION OF THE ALLEY ADJOINING LOTS 5, 6, 7 AND 8 AND A PORTION OF THE STREET OF SAID W.D. HART SUBDIVISION VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN MINUTE BOOK 17, PAGE 206 AND IN VOLUME 602, PAGE 106, DEED RECORDS OF SAID COUNTY AND STATE,

SAID 7.01 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING, at a 5/8" iron rod with cap (Dunaway Assoc. LP) set in the northwest line of said tract described in Volume 594, Page 25, same being the southeast line of Chicon Street (60' R.O.W.) from which a 1/2" iron rod found at the northwest corner of said tract described in Volume 594, Page 25, same being in the southeast right-of-way line of said

Chicon Street and in the south right-of-way line of Rosewood Avenue (60' R.O.W.) bears N20°26'54"E, 8.27 feet;

THENCE, through the interior of said tracts recorded in Volume 594, Page 25 and Volume 593, Page 467 (1st Tract) and said Lots 1 and 2, N78°18'05"E, 349.14 feet to a 5/8" iron rod with cap (Dunaway Assoc. LP) set in the east line of said Lot 1, same being the west line of Poquito Street (50' R.O.W.) and at the northeast corner of the herein described tract of land, from which an "X" in concrete set at the northeast corner of said Lot 1, same being in the west right-of-way line of said Poquito Street, in the south right-of-way line of said Rosewood Avenue bears N11°45'06"W, 7.00 feet;

THENCE, with the west right-of-way line of said Poquito Street, same being the east line of said W.D. Hart Subdivision, S11°45'06"E, 250.69 feet to a calculated point;

THENCE, through the interior of said W.D. Hart Subdivision, the following two courses:

- 1) S78°14'54"W, 105.00 feet to a calculated point;
- 2) S11°45'06"E, 382.00 feet to a calculated point at the southeast corner of the herein described tract of land, same being in the south line of said Lot 7 and in the north right-of-way line of Yale Street (40' R.O.W.);

THENCE, with the south line of said Lot 7, same being the north line of said Yale Street, S78°14'54"W, at 47.00 feet passing a calculated point at the southwest corner of said Lot 7, same being the southeast corner of the 2nd Tract as described in said Volume 593, Page 467, continuing with the north line of said Yale Street, same being a south line of said 2nd Tract, for a total distance of 53.26 feet to a calculated point in the east line of Lot 7, Block B2 of College Heights Annex Austin, Texas, a subdivision recorded in Book 3, Page 51, Plat Records of said County and State, same being the most eastern southwest corner of said 2nd Tract and the most eastern southwest corner of the herein described tract of land;

THENCE, with a west line of said 2nd Tract, same being the east line of said Lot 7, Block B2, N12°45'06"W, 2.10 feet to a calculated point at the northeast corner of said Lot 7, Block B2, same being an interior corner of said 2nd Tract and an interior corner of the herein described tract of land;

THENCE, with the north line of said College Heights Annex Austin, Texas, same being the south line of said 2nd Tract, S78°21'54"W, 587.40 feet to a 1/2" iron rod with plastic cap (Dunaway Assoc. LP) set in the southeast right-of-way line of said Chicon Street, same being the northwest corner of Lot 1, Block A of said College Heights Annex Austin, Texas, the southwest corner of said 2nd Tract and the southwest corner of the herein described tract of land;

THENCE, with the southeast right-of-way line of said Chicon Street, same being the northwest line of said 2nd Tract and the northwest lines of said tracts recorded in Volume 594, Page 22, Volume 594, Page 21 and Volume 594, Page 25, N20°26'54"E, 744.17 feet to the POINT OF BEGINNING and containing 7.01 acres of land.

**SECOND AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF
SALE
(PATHWAYS AT ROSEWOOD COURTS EAST)**

THIS SECOND AMENDMENT TO CONTRACT FOR GROUND LEASE AND BILL OF SALE (this "**Amendment**") is made to be effective as of September 1, 2021 (the "**Contract Date**"), and is by and between the HOUSING AUTHORITY OF THE CITY OF AUSTIN, a Texas body corporate and politic organized under the laws of the State of Texas (the "**Housing Authority**"), and PATHWAYS AT ROSEWOOD COURTS EAST, LP, a to be formed Texas limited partnership (the "**Partnership**").

WITNESSETH:

WHEREAS, on January 1, 2021 the Housing Authority and the Partnership entered into a Contract for Ground Lease and Bill of Sale (the "**Original Agreement**") for the purposes of the Housing Authority to enter into a long-term ground lease with the Partnership, and the Partnership to purchase the improvements located on the property which consist of an existing multifamily rental project to be known as the Pathways at Rosewood Courts East (the "**Project**");

WHEREAS, on March 1, 2021 the Housing Authority and the Partnership entered into a First Amendment to Contract for Ground Lease and Bill of Sale (the "**First Amendment**", and together with the Original Agreement, the "**Agreement**"); and

WHEREAS, the parties hereto agree to modify and amend the Agreement pursuant to the terms of this Amendment;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE 1

1. The definition of "Property" set forth in Section 1 of the Agreement is hereby amended by deleting Exhibit A attached to the Agreement which was also defined as the "Land", and substituting therefor the legal description attached hereto as **Schedule A**. In all other respects the definition of "Property" is hereby ratified by the parties.

2. The *first sentence* of Section 2 of the Agreement is hereby amended and restated to read as follows:

"The consummation of the lease of the Property contemplated under this Agreement (the "**Closing**") shall occur on or before January 1, 2023 (the "**Closing Date**")."

3. All other terms and conditions of the Agreement are hereby ratified by the parties and shall remain in full force and effect.

[Signatures appear on next page.]

IN WITNESS WHEREOF, each party hereto has caused this Amendment to be duly executed to be effective as of the Contract Date.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AUSTIN,
a Texas municipal housing authority

By: _____

Name: Michael Gerber

Title: President and CEO

PARTNERSHIP:

PATHWAYS AT ROSEWOOD COURTS EAST, LP,
a to be formed Texas limited partnership

By: Pathways at Rosewood Courts East GP, LLC,
a to be formed Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: _____

Name: Ron Kowal

Title: Vice President

SCHEDULE "A"

PROPERTY DESCRIPTION

DESCRIBING A TRACT OF LAND CONTAINING 7.07 ACRES IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF OUTLOT 62, DIVISION "B", OF THE TOPOGRAPHICAL MAP OF THE GOVERNMENT TRACT ADJOINING THE CITY OF AUSTIN, DATED 1840, OF RECORD IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS, SAID 7.07 ACRE TRACT BEING FURTHER DESCRIBED AS BEING COMPRISED OF THE FOLLOWING TRACTS OF LAND:

- 1) ALL OF THOSE TRACTS OF LAND DESCRIBED IN DEEDS TO THE HOUSING AUTHORITY OF THE CITY OF AUSTIN AND RECORDED IN VOLUME 594, PAGE 21; VOLUME 594, PAGE 25; VOLUME 594, PAGE 22; THE 1ST TRACT OF VOLUME 594, PAGE 272 AND VOLUME 593, PAGE 467, ALL OF THE DEED RECORDS OF SAID COUNTY AND STATE,
- 2) ALL OF LOTS 1 AND 2 OF THE W.D. HART SUBDIVISION, A SUBDIVISION RECORDED IN BOOK 2, PAGE 147 OF THE PLAT RECORDS OF SAID COUNTY AND STATE,
- 3) A PORTION OF LOTS 3, 4, 5 AND 7 OF SAID W.D. HART SUBDIVISION,
- 4) ALL OF THE ALLEY ADJOINING LOTS 1, 2, 3 AND 4 OF SAID W.D. HART SUBDIVISION VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN MINUTE BOOK 17, PAGE 206 AND IN VOLUME 602, PAGE 106, DEED RECORDS OF SAID COUNTY AND STATE,
- 5) AND A PORTION OF THE ALLEY ADJOINING LOTS 5, 6, 7 AND 8 AND A PORTION OF THE STREET OF SAID W.D. HART SUBDIVISION VACATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS AS RECORDED IN MINUTE BOOK 17, PAGE 206 AND IN VOLUME 602, PAGE 106, DEED RECORDS OF SAID COUNTY AND STATE,

SAID 7.07 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOW:

BEGINNING, at a ½" iron rod found at the northwest corner of said tract described in Volume 594, Page 25, same being in the southeast right-of-way line of Chicon Street (60' R.O.W.) and in the south right-of-way line of Rosewood Avenue (60' R.O.W.) and at the northwest corner of the herein described tract of land;

THENCE, with the south right-of-way line of said Rosewood Avenue, same being the north line of said tract described in Volume 594, Page 25, the north line of the 1st Tract as described in said Volume 593, Page 467 and the north line of said Lot 1 and said Lot 2, N78°18'05"E, 344.74 feet to an "X" in concrete set at the northeast corner of said Lot 1, same being in the west right-of-way line of Poquito Street (50' R.O.W.) and at the northeast corner of the herein described tract of land;

THENCE, with the west right-of-way line of said Poquito Street, same being the east line of said W.D. Hart Subdivision, S11°45'06"E, 257.69 feet to a calculated point;

THENCE, through the interior of said W.D. Hart Subdivision, the following two courses:

- 1) S78°14'54"W, 105.00 feet to a calculated point;
- 2) S11°45'06"E, 382.00 feet to a calculated point in the south line of said Lot 7, same being the north line of Yale Street (40' R.O.W.);

THENCE, with the south line of said Lot 7, same being the north right-of-line of said Yale Street, S78°14'54"W, at 47.00 feet passing a calculated point at the southwest corner of said Lot 7, same being the southeast corner of the 2nd Tract as described in said Volume 593, Page 467, continuing with the north line of said Yale Street, same being a south line of said 2nd Tract, for a total distance of 53.26 feet to a calculated point in the east line of Lot 7, Block B2 of College Heights Annex Austin, Texas, a subdivision recorded in Book 3, Page 51, Plat Records of said County and State, same being the most eastern southwest corner of said 2nd Tract and the most eastern southwest corner of the herein described tract of land;

THENCE, with a west line of said 2nd Tract, same being the east line of said Lot 7, Block B2, N12°45'06"W, 2.10 feet to a calculated point at the northeast corner of said Lot 7, Block B2, same being an interior corner of said 2nd Tract and an interior corner of the herein described tract of land;

THENCE, with the north line of said College Heights Annex Austin, Texas, same being the south line of said 2nd Tract, S78°21'54"W, 587.40 feet to a ½" iron rod with plastic cap (Dunaway Assoc. LP) set in the southeast right-of-way line of said Chicon Street, same being the northwest corner of Lot 1, Block A of said College Heights Annex Austin, Texas, the southwest corner of said 2nd Tract and the southwest corner of the herein described tract of land;

THENCE, with the southeast right-of-way line of said Chicon Street, same being the northwest line of said 2nd Tract and the northwest lines of said tracts recorded in Volume 594, Page 22, Volume 594, Page 21 and Volume 594, Page 25, N20°26'54"E, 752.44 feet to the POINT OF BEGINNING and containing 7.07 acres of land.

budget

Relocation Plan for Pathways at Rosewood Courts East



Prepared for Pathways at Rosewood Courts East

By CVR Associates Inc.

February 1, 2021

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Introduction

At Pathways at Rosewood Courts East, an affiliate of the Housing Authority of the City of Austin (HACA), resident opportunity and well-being through improved housing is paramount. HACA is a public entity that was formed in 1937 to provide federally subsidized housing and housing assistance to low-income families within the Austin, Texas area. HACA owns and manages a variety of affordable housing units and administers Section 8 Housing Assistance Vouchers, along with a myriad of supportive service programs for its residents.

HACA dedicates itself to creating and sustaining affordable housing communities and partnerships that inspire self-reliance, growth and optimism. HACA is a public agency whose business is to:

- Revitalize its affordable housing assets, seek additional rental assistance vouchers, and advance innovative affordable housing solutions;
- Promote individual responsibility and high expectations, and foster results-based community partnerships and programs focused on workforce development, wellness, safety and education;
- Ensure a resident, partner and customer focused environment where all are treated with dignity and respect;
- Invest in its staff, ensure accountability and effective communication, and promote an innovative, healthy and safe work environment, with training and leadership development opportunities; and
- Pursue new funding sources and entrepreneurial opportunities, ensure responsible stewardship, maximize efficiency and promote environmentally friendly initiatives.

The following relocation plan has been prepared for Pathways at Rosewood Courts East to be redeveloped through a submission to the Texas Department of Housing and Community Affairs (TDHCA) and their 9% tax credit program and other funding agencies, as necessary. The Plan is prepared in conformance with the applicable provisions of the Uniform Relocation Act (46 U.S.C. § 4600 et seq.), its implementing regulations (49 C.F.R. Part 24), the TDHCA Relocation Handbook and HUD Handbook 1378 (Guidelines). The subject of the Plan is the 124-unit Pathways at Rosewood Courts East (Project) being undertaken by HACA in partnership with Carleton Development, LTD. Seventeen of the property's 25 buildings will be demolished. The area will be rebuilt with the new construction of 164 units. The remaining 8 original buildings will undergo exterior restoration and full-scale interior renovation, yielding 20 units. This brings the total number of multifamily units to 184, an increase of 60 units overall.

Rosewood Courts was built in 1939 with 124 units. The complex consists of single-story, wheelchair ramp equipped units, as necessary, and two-story units. Available amenities include washer hookups, outdoor clothing lines, garden space for residents' personal use, extremely limited off-street resident parking, children's playground, daycare close to property, and adult job training/placement services. The units range from 0 to 4 bedrooms and are designated for low-income individuals and families where rents do not exceed 30% of household monthly adjusted income, and incomes do not exceed 80% of the Austin MSA Median Family Income limits.

The existing affordable multi-family residential development is constructed of cinder block with stucco facade. Heating is provided by individual split systems consisting of electric central heating. Air conditioning is provided by offering each household one window AC unit. Each apartment unit has individually metered electric service paid by the resident. The water, sewer, trash and natural gas are also paid by HACA.

The statutory basis for this Plan arises from the anticipated need to displace the households from their Project units for the duration of redevelopment which may exceed 12 months, but not 18 months, as well as to identify relocation requirements, special needs and preferences for these households and the relocation assistance program HACA will follow. The Plan is presented in four sections:

Section I: General demographic data and Project description

Section II: Profile of tenants who may be affected

Section III: Description of available housing resources

Section IV: Description of the relocation assistance program

The existing Relocation Plan was revised by CVR Associates, Inc. (CVR) in order to meet the needs of the Rosewood Courts relocation efforts. CVR has multiple offices including Tampa, FL, Atlanta, GA, White Plains, NY, Gary, IN, Newark, NJ and Buffalo, NY and staff who reside across the country including Austin TX.

I. Project Location and Description

A. Location

The Project is located on Rosewood Avenue central east of downtown in the City of Austin, County of Travis, generally between Rosewood Avenue to the north, Poquito Street to the east, Chicon Street to the west, and just beyond Cornell Street and Yale Street on the south. The apartments associated with the Project are located approximately 1.6 miles East of the 35 Interstate Freeway, and approximately 8 miles north of the Austin Bergstrom International Airport. (see Figure 1 for Regional Location Setting, Figure 2 for Specific Site Location and Figure 3 for Aerial Project View).

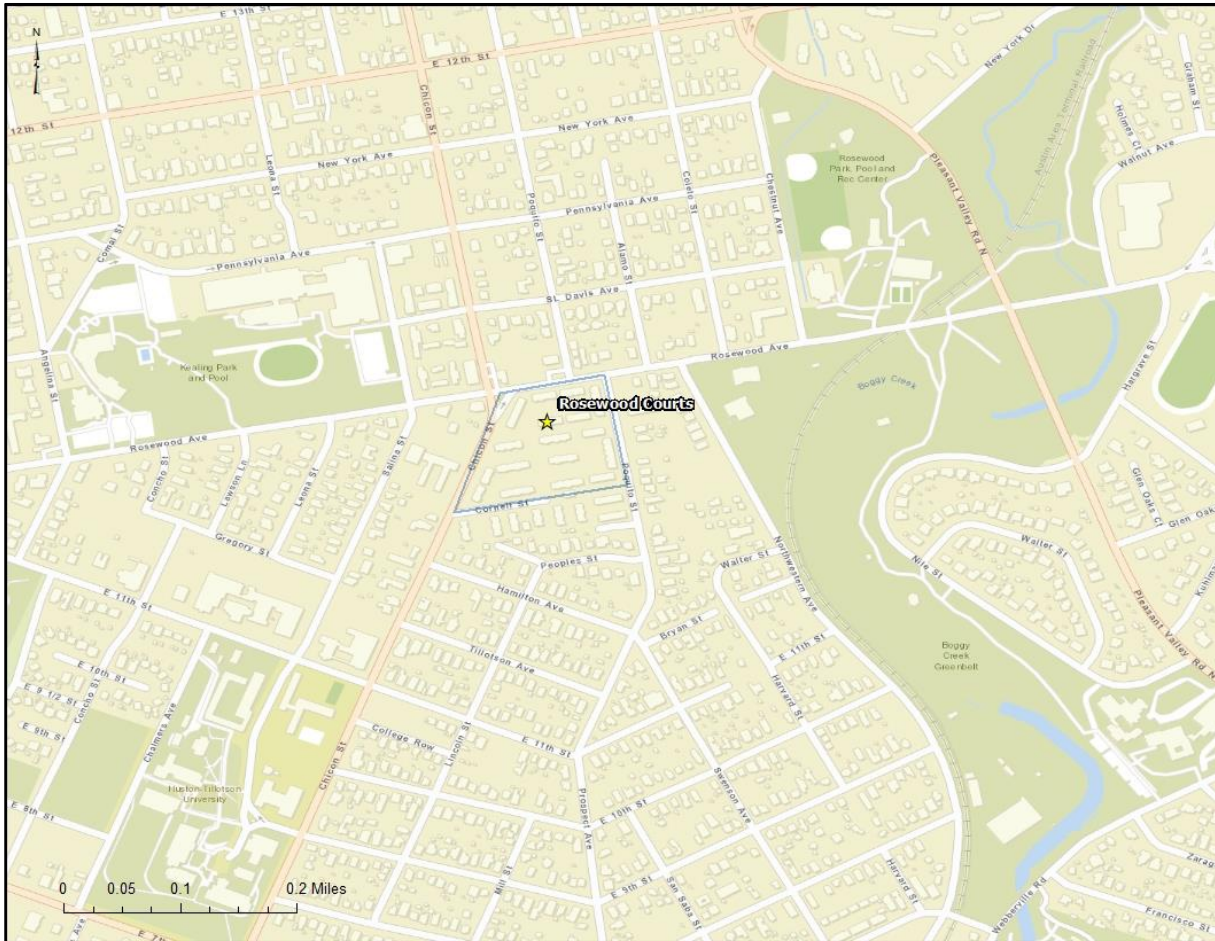


Figure 1: Regional Project Site Setting

Specific location of Rosewood Courts is on Chicon Street in Austin, Texas. The property is situated in a predominantly residential neighborhood, with the Kealing Park and Kealing Jr. High School immediately adjacent to the West, as well as Blackshear Elementary School and Huston-Tillotson University within walking distance. The property is served by Bus Lines 17, 21, and 2.

Figure 2: Rosewood Courts Site

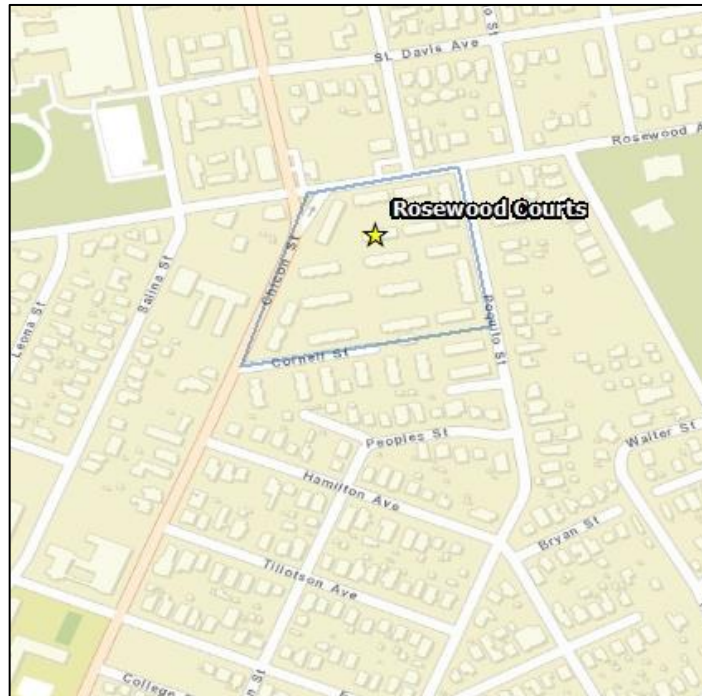
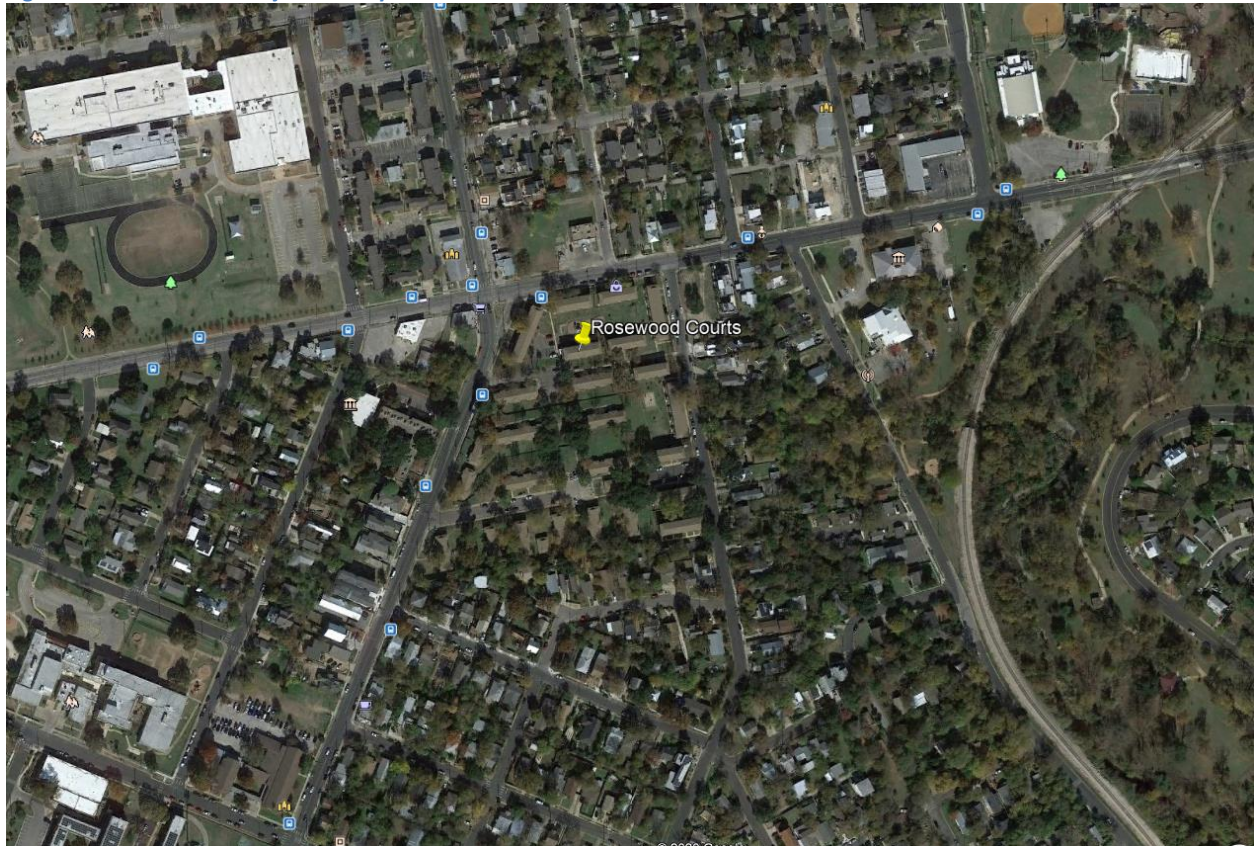


Figure 3: Aerial View of Project Vicinity



B. Project Description

As a Public Housing Authority, HACA has an Annual Contributions Contract (ACC) with HUD to administer both the Conventional Public Housing program and the Housing Choice Voucher program. After conversion through RAD to the Project Based Rental Assistance program, HACA has signed a Housing Assistance Payment (HAP) contract with HUD for the Pathways at Rosewood Courts East and is receiving subsidy from HUD via the voucher system.

The intent of the redevelopment of this property is to improve both the living conditions and the quality of life for the residents who reside at the property, as well as better utilize the property by increasing density and adding 60 more units. To successfully complete the redevelopment, residents will be required to relocate off-site. Since the new construction and renovations will not be completed within 12 months, HACA will provide temporary relocation benefits and offer permanent relocation benefits to residents if the construction exceeds 12 months. The residents will have the option to be temporarily relocated into the newly constructed Chalmers West and Chalmers East which are two recently developed properties that are located 1 mile away as well as being offered the opportunity to be relocated through the Housing Choice Voucher Program or to other Affordable Housing Properties owned by HACA. Relocated tenants will be given the first right to return to the Project upon the completion of construction. HACA cares about the impact this relocation and construction work will have on the lives of residents while the Project is underway. To that end, HACA created this relocation plan in conformity with Fair Housing laws and guidance to address the residents' needs during relocation in a manner to minimize disruption of residents' daily lives.

The Project is categorized as Full Redevelopment, due to the need to tear down the existing buildings (with the exception of 8 buildings that will remain at the site for historical purposes) and construct new apartments with added density. HACA guarantees that all residents will have the right to return to the property.

C. General Area Demographic and Housing Characteristics

According to the 2019 American Community Survey (ACS), the population of the City of Austin was 950,807 and the population of the impacted Census Tract 8.04 was 2,658 (see Table 1). Corresponding Census data concerning the housing mix are shown in Table 2.

Table 1: 2019 ACS Population- City of Austin and Impacted Tract

| Population | Tract 8.04 | % | City | % |
|----------------------------------|------------|-------|---------|-------|
| Total Population | 2,658 | 100.0 | 950,807 | 100.0 |
| White | 1,497 | 56.3 | 690,572 | 72.6 |
| Black or African American | 777 | 29.2 | 74,441 | 7.8 |

| | | | | |
|---|-------|------|---------|------|
| American Indian and Alaskan Native | 44 | 1.7 | 6,289 | 0.7 |
| Asian | 62 | 2.3 | 72,133 | 7.6 |
| Native Hawaiian and Other Pacific Islander | 0 | 0.0 | 524 | 0.1 |
| Some other Race | 130 | 4.9 | 73,876 | 7.8 |
| Two or More Races | 148 | 5.6 | 32,972 | 3.5 |
| Hispanic or Latino (of Any Race) | 1,036 | 39.0 | 322,458 | 33.9 |

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2019

Table 2: 2010 Census Housing Units - City of Austin and Impacted Tract

| Housing | Tract 9.02 | % | City | % |
|---|-------------------|----------|-------------|----------|
| Total Units | 1,141 | 100.0 | 442,388 | 100.0 |
| Occupied Housing Units | 1,025 | 89.8 | 409,903 | 92.7 |
| Vacant Housing Units | 116 | 10.2 | 32,485 | 7.3 |
| Homeowner Vacancy Rate | 3.5 | - | 0.8 | - |
| Rental Vacancy Rate | 2.3 | - | 5.2 | - |
| Owner-Occupied | 440 | 42.9 | 182,068 | 44.4 |
| Renter-Occupied | 585 | 57.1 | 227,835 | 55.6 |
| Median Rooms per Housing Unit | 4.4 | - | 4.5 | - |
| Average Household Size of Renter-Occupied Unit | 2.18 | - | 2.18 | - |

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2019

II. Relocation Needs Assessment

This Plan provides the results of a needs assessment survey, their incorporation into the planning process, and details of HACA's proposed relocation program. This Plan sets forth policies and procedures necessary to conform to federal and state statutes and regulations for temporary and permanent residential displacements.

To obtain information necessary for the implementation stage of this Plan, interviews will be conducted with the current residents on the Project site prior to any relocation activities. Inquiries to be made of the occupants will include household size and composition, ages of occupants, rental and income information, length and type of occupancy, ethnicity, primary language in the home, disabilities, health problems, identification of other special needs and preferences related to replacement housing and location. Information for this Plan was provided by HACA and has been verified as of January 29, 2021 by examining current rent roll, property information and tenant data. There are currently 122 occupied and 2 vacant units within the Project. Any tenant data that is incomplete or missing and is not available as of the preparation of this Plan, will be obtained prior to commencement of any relocation activities.

A. Housing Mix

The property consists of 124 apartment units as follows: 8 zero-bedroom, 48 one-bedroom units, 150 two-bedroom units, 12 three-bedroom units and 6 four-bedroom units.

Table 3: Housing Units and Bedroom Sizes (124 Units)

| No. of Bedrooms | Zero | One | Two | Three | Four |
|-----------------|------|-----|-----|-------|------|
| No. of Units | 8 | 48 | 50 | 12 | 6 |

B. Project Rents

The Project Contract unit rents are \$547 for a zero-bedroom, \$666 for a one-bedroom, \$833 for a two-bedroom, \$1,125 for a three-bedroom unit and \$1,363 for a four-bedroom unit. There are currently no market-rate units located at this Project.

C. Occupancy and Overcrowding

The Project site consists of 248 individuals among 122 households. The average household size is 2 persons per unit.

HACA's occupancy standards will be utilized. Generally, the standards are as follows:

- Generally, there is a maximum of 2 people per bedroom. The owner/agent does not determine who shares a bedroom.

- The family is given the choice of which bedroom size is appropriate for their family, as long as the number of family members is within the range listed in the Tenant Selection Plan.
- Once the family has selected an eligible bedroom size, they will be placed on the waiting list for that bedroom size. Changes to the bedroom size cannot be made unless a qualifying event occurs. Qualifying events include:
 - Changes in the family composition (removing or adding household members) which result in the family no longer being eligible for the chosen bedroom size.
 - Changes in the ages of the children, resulting in 2 children of the opposite sex, with one at least 7 years of age. These children will not be required to share a bedroom.
 - Changes in family composition adding persons of different generations (grandparent, grandchild, parent, etc.). These family members will not be required to share a bedroom.
 - Need for a different bedroom size as a reasonable accommodation for a disability.
- Authorized live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.
- Anticipated children will be included. Anticipated children include:
 - Children expected to be born to a pregnant woman;
 - Children in process of being adopted by an adult family member;
 - Children whose custody is being obtained by an adult family member;
 - Foster children who will reside in the unit;
 - Children who are temporarily in a foster home who will return to the family; and
 - Children in joint custody arrangements who are present in the household 50% or more of the time.
- A household that contains a family member (not the head of household or spouse) who is enrolled as a full-time student at an institution of higher learning and who is on the lease will be counted for the purposes of establishing occupancy standards for unit size if:
 - the family member is enrolled and actively attending a two-year or four-year college or university; and
 - the family member resides in the public housing unit during school breaks and holidays.

Any household placed in a unit size different from that defined in these Occupancy Standards shall agree to transfer to an appropriate size unit at the same property when one becomes available. Once an appropriate size unit is offered to the family, they have 30 days to complete the transfer or lose their subsidy.

D. Tenant Income Information

Income information was available for all 122 of the Project households. According to the income levels for the Travis County, Texas, adjusted for family size as published by City of Austin, Neighborhood Housing and Community Development Office (NHCD) based on the formula used by HUD, on July 1, 2020 (see **Appendix A**), 115 households qualify as extremely low income (30% or less of area median), six households qualify as very low income (31%-50% of area median), and one household qualifies as low income (51%-80% of area median).

Table 4: Tenant Income Levels (122 Households)

| Income Level | Extremely Low | Very Low | Low | Moderate |
|-------------------|---------------|----------|-----|----------|
| No. of Households | 115 | 6 | 1 | 0 |

E. Replacement Housing Needs

Replacement housing needs, as expressed in this Plan, are defined by the total number of required replacement units and the distribution of those units by bedroom size. The projected number of required units by bedroom size is determined by comparing household size with HACA's replacement housing occupancy standards and general rental market standards at the time of displacement. These standards, generally, allow for up to two persons in a one-bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit and eight persons in a four-bedroom unit.

Relocation activities will consider individual household needs to be close to public transportation, employment, schools, public/social services and agencies, recreational services, parks, community centers, or shopping. The HACA staff will, through its relocation representatives, assure that sufficient replacement housing units exist in compliance with the decent, safe, and sanitary requirements, prior to displacing any residential households. Permanently displaced households will require replacement units that are similar in size to the Project units.

Chalmers South, Chalmers East and Chalmers West properties , has been designated as best replacement property for the Project tenants during the relocation time. The unit mix is sufficient, and all residents except for one, are under 60% of the AMI.

F. Resident Race and Ethnicity

The race and ethnic distribution among the Project residents are listed in the table below.

Table 5: Race and Ethnicity Information (249 Individuals)

| Race | White | Black / African American | Other | Native American |
|--------------------|----------|--------------------------|--------------|-----------------|
| No. of Individuals | 70 | 120 | 57 | 1 |
| Ethnicity | Hispanic | | Non-Hispanic | |
| No. of Individuals | 119 | | 129 | |

Relocation assistance information and counseling will be provided in the primary language of the Project occupants, in order to assure that all occupants obtain a complete understanding of the relocation program and eligible benefits.

G. Household Disabilities and Senior Households

Senior household is defined as a household with a head of household or spouse who is 62 years of age or older. There are 28 senior households in the Project among 122 households, and 80 individuals within the property have reported some type of disability. The nature and severity of the disabilities are unknown and will be determined at the time of personal interviews with all residents. The presence of disabilities will be considered at the time of displacement to the extent it may affect the physical move and necessary accommodations. HACA pledges to provide appropriate special care for households requiring additional assistance due to disabilities.

III. Housing Resources

In planning the Project, HACA carefully phased the redevelopment of their affordable housing portfolio to ensure the best possible replacement housing units are available for the Project tenants. HACA's recently constructed Chalmers East and South properties have completed construction and Chalmers West property will complete construction prior to the relocation activities at Pathways at Rosewood Courts East, in which either property will provide the ideal mix of units for Project residents.

HACA will provide residents with three options for the replacement housing: relocation assistance to the Pathways at Chalmers Courts Properties (East/South/West), available units within HACA's Affordable Housing Properties, or through the use of a Housing Choice Voucher. Housing availability is not expected to be a factor in the relocation process.

A. Concurrent Displacement

HACA does not anticipate any other project to be undergoing rehabilitation at the same time as Pathways at Rosewood Courts East that would compete for available replacement units at the Pathways at Chalmers Court Properties.

IV. Relocation Program

The relocation program and assistance offered by HACA will conform to provisions of the federal and state law and guidelines, as appropriate.

A. Program Objectives, Standards and Assurances

It is HACA's objective to fully inform eligible Project occupants of the nature of the relocation activities, timing, and procedures for obtaining relocation assistance and benefits. In the scope of the relocation, HACA staff or its hired relocation consultant will:

- Determine the needs of each residential household eligible for assistance.
- Provide adequate information and assistance to move to another Affordable Housing unit provided by HACA; or to utilize a Housing Choice Voucher, or to utilize the maximum relocation assistance payment for down payment on a purchase of a home.
- Provide assistance that does not result in different, or separate treatment due to race, color, religion, national origin, sex, disability, creed, familial status, student status, marital status, sexual orientation, gender identity, age or other arbitrary circumstances.
- Supply information concerning federal and state governmental programs providing assistance to low income or disabled persons.
- Assist each eligible person to complete applications for benefits.
- Make relocation benefit payments in accordance with applicable guidelines.
- Inform all persons of HACA's property management policies including criteria for pursuing tenant evictions.

B. Relocation Advisory Assistance

As a function of the overall relocation assistance program, advisory assistance will be provided to all residents by HACA and contracted relocation representatives. The following services and tasks will be undertaken:

- Each household will be personally interviewed to gather information appropriate to determine needs and preferences with regard to the move. Inquiries made of residential occupants by relocation personnel will cover the following areas: family size, ethnic background, immigration status, age and health considerations, current employment status, family income, transportation needs, and preferences relative to replacement housing.
- Required notices will be provided to the residents including: The General Information Notice, Notice of Eligibility, Notice of Non-Displacement, 90-Day Notice and the Notice to Return will be provided to the residents.
- As soon as feasible, the relocation representative shall explain the relocation payments and other assistance for which households and individuals may be eligible, including related eligibility requirements and the procedures for obtaining such assistance.
- Assistance will be provided to complete appropriate forms and coordinate moving arrangements. All residents will be kept informed of Project timing and receive appropriate notice to prepare for required moves. Claims for compensable expenses associated with the relocation process will be processed expeditiously.
- Translation assistance will be provided, as needed.
- COVID-19 protocols will be in place to minimize the potential spread of the virus:
 - The number of staff in the office will be limited and relocation services will be provided remotely as need to minimize face to face interaction;
 - Staff shall be required to wear masks when interacting with residents and will disinfectant all areas utilized by staff daily;

- Staff will disinfect all areas that are touched by residents, including chairs, desks and common areas upon the completion of meeting with each resident;
- Residents who are interacting with staff will wear PPE when interacting with staff. If residents do not have PPE available, they will be provided to the resident to ensure the safety of both the residents and the staff.

Staff will practice social distancing when interacting with others and will work with residents utilizing various forms of communication, including but not limited to phone, text, video conferencing and email.

C. Relocation Financial Assistance

Currently, there is one resident who is over 60% of the AMI, while all other residents are under 60% of the AMI. Any resident who is over 60% of the AMI may not be eligible to return to the property. Additionally, if the relocation of the resident exceeds 12 months, HACA will provide full permanent relocation benefits to the displacees. In the course of personal interviews and follow-up visits, each displacee will be counseled as to available options and the consequences of any choice with respect to financial assistance.

Relocation benefits will be paid to eligible displacees upon submission of required claim forms and documentation in accordance with HACA's administrative procedures. HACA does not anticipate a need for advance payment requests which mitigate hardships for residential tenants who do not have access to sufficient funds to pay move-in costs, however, should the individual circumstances dictate a need for advanced payments, HACA will review and approve such requests expeditiously.

1. Residential Moving Expense Payments

All residential occupants to be relocated will be eligible to receive a payment for moving expenses. Moving expense payments will be made based upon the actual cost of a professional mover contracted by HACA or a fixed payment based on a room-count schedule.

Actual Cost - Professional Move

HACA will retain the services of a licensed professional mover, in which case HACA will pay for the actual cost of the moving services, based on the lowest of two acceptable bids. (HACA may, at its discretion, solicit competitive bids to determine the lowest, reasonable move cost.) After the move is complete, HACA will pay the mover directly.

In addition to the cost of the actual move, one-time expenses associated with utility re-connections (e.g., gas, water, electricity) will be eligible for reimbursement. Transportation costs will be limited to a distance of 50 miles, unless otherwise authorized by HACA. Utilities reconnection costs are not anticipated due to HACA made arrangement with the utility companies to waive any such costs for relocated tenants.

Fixed Payment - Based on Room Count Schedule

The displacee may, while taking full responsibility for the move, elect to receive a fixed payment for moving expenses based on a room count in the displacement dwelling. The fixed payment is a one-time, all-inclusive allowance that does not require back-up documentation. The current schedule for fixed moving payments is set forth in **Appendix B**.

HACA will also provide the same moving payments for return moves to Pathways at Rosewood Courts East upon completion.

2. Rental Assistance to Tenants Who Choose to Rent

A tenant displaced from a Project dwelling may be entitled to a Replacement Housing Payment in the form of rental assistance not-to-exceed \$7,200 for tenants (prior to consideration of eligibility for Last Resort Housing benefits - see Last Resort Housing), if the displacee:

- Generally, has actually and lawfully (i.e., have a lease and have been paying rent) occupied the displacement dwelling for at least 90 days immediately prior to the initiation of negotiations; and
- Has rented or purchased (as a result of the relocation process), and occupied a decent, safe, and sanitary replacement dwelling within one year (unless HACA extends this period for good cause) after the date he or she moves from the displacement dwelling.

Rental/Down payment assistance payment amounts are equal to 42 times the difference between the base monthly rental and the lesser of:

- The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
- The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person; or
- The total of the amount designated for shelter and utilities if receiving government subsidized assistance from a program that designated the amounts for shelter and utilities.

The base monthly rental for the displacement dwelling is the lesser of:

- The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by HACA. For households which paid little or no rent, fair market rent will be used as a substitute for actual rent; or
- Thirty percent (30%) of the displacee's monthly gross household income. If a displacee refuses to provide appropriate evidence of income or is a dependent, the base monthly rental shall be determined to be the average monthly cost for rent and utilities at the displacement dwelling.

Table 6: Sample Computation of Rental Assistance Payments

| | | |
|-------------|-------|-----------------------------------|
| 1. Old Rent | \$750 | Old Rent (plus Utility Allowance) |
| - or - | | |

| | | |
|---------------------------------------|---------|---|
| 2. Ability to Pay | \$700 | 30% of Monthly Gross Household Income |
| 3. Lesser of lines 1 and 2 | \$700 | |
| Subtracted from the lesser of: | | |
| 4. Actual New Rent | \$800 | Actual New Rent (plus Utility Allowance) |
| - or - | | |
| 5. Comparable Rent | \$825 | Set by HACA (plus Utility Allowance) |
| 6. Lesser of lines 4 and 5 | \$800 | |
| 7. Monthly Need Amount | \$100 | Subtract line 3 from line 6 |
| Rental Assistance | \$4,200 | Multiply line 7 (Monthly Need) by 42 months |

3. Down payment Assistance to Tenants Who Choose to Purchase

Residential displacees eligible to receive a rental assistance payment, may choose to utilize up to the full amount of their rental assistance eligibility (including any Last Resort benefits) to purchase a replacement dwelling, provided that the entire eligibility amount is used toward the down payment and eligible incidental closing costs. In the case of Down Payment Assistance claims, HACA will arrange for the deposit of the total rental assistance eligibility amount in an open escrow account. Provisions will be included in the escrow instructions to assure the prompt return of all HACA-provided funds in the event escrow is cancelled by either party or should fail to close within a reasonable period of time.

4. Last Resort Housing

HACA anticipates that it might be necessary to make rental assistance payments in excess of the statutory cap of \$7,200, to bridge the difference between tenants' ability to pay for current rent and the Pathways at Rosewood Court property. Rental assistance payments to low-income non-90-day tenants and rental assistance and replacement housing payment amounts in excess of the statutory caps are considered to be Last Resort Housing (LRH) payments.

HACA, at its discretion, may opt to pay LRH rental assistance payments on a periodic basis. Recipients of LRH rental assistance who intend to purchase rather than re-rent replacement housing have the right to request a lump sum payment of all benefits for the purpose of making a down payment and paying standard, non-recurring closing costs. Households receiving periodic payments may elect, at any time, to request a lump sum payment of all remaining benefits to assist with the purchase of a decent, safe and sanitary dwelling.

D. The Relocation Process

The general steps that will be required of HACA and the relocation team in implementation of the Relocation Plan:

- The relocation program will be carried out by the relocation consultants and overseen by HACA to ensure consistency in the application of the local policies and state and federal requirements.
- Pursuant to HUD requirements the General Information Notice (GIN) will be issued as soon as feasible by HACA.
- Several resident meetings have taken place with the resident at Rosewood over the past several years. HACA has conducted a total of 11 resident meetings to discuss the redevelopment of Rosewood, beginning in November 2016 through December 2019. As the process moves forward additional meetings will be scheduled to present and review the draft Relocation Plan and general Project timing.
- HACA prepared a preliminary relocation assumptions and budgets based on current Project occupancy and anticipated relocation costs.
- Relocation consultants will conduct assessments of each resident to develop an individual relocation plan, identify special needs and determine the level of assistance needed for each resident.
- A minimum of 90 days prior to the relocation of each tenant, the relocation consultants shall issue a 90 Day Notice to Vacate; the Notice of Non-Displacement and or the Notice of Eligibility of URA Relocation, as applicable, which shall include the offer of the HACA replacement unit.
- Relocation staff shall be responsible for tracking tenants during the relocation period and coordinating support services as needed; as well as communicating the Project completion schedule and counseling displacees of their choice of either returning to the Project or remaining in the replacement unit.

E. Return to Project

Residents who are staying out of their units for the duration of Project construction but decide to return to the Project instead of permanent relocation, will be provided notice of return to the covered project, of either 15% of the time the resident was located off site, or up to a maximum of 90 days.

Failure to complete the move when advised to do so shall result in termination of the right to return and termination of any further relocation assistance.

F. Over-Housed Tenants

Families that were over-housed prior to relocation and choose to return to the Project will be moved back to the Project to an appropriately sized unit if such units are available in the newly redeveloped project. If appropriately sized units are not available, an over-housed family will be housed in the smallest unit available in the Project that meets the family size. A family may continue to be over housed until they or another tenant leave the Project.

Over-housed families shall be right sized in the following order:

- Residents who may voluntarily request a smaller unit.
- Households with the greatest number of excess bedrooms shall be right sized to the smallest appropriate size unit available at the property.
- Households with the same number of excess bedrooms shall be right-sized based on length of tenancy beginning with the most recent lease dates of the initial move in at the property.

G. Post-Occupancy in Overcrowded Units

If a household will be overcrowded upon their return, they shall be housed in the largest unit available for their household size at the property.

Relocation consultants shall make every effort to complete the return moves for all tenants to an appropriate unit within the Project as described in this Plan.

H. Termination of Lease During Relocation

A material breach of the lease agreement or temporary housing lease agreement and failure to correct such breach, within the stated notice requirements under the lease, state law or federal regulation may result in eviction action during the temporary relocation period, which would disqualify the resident from returning to Pathways at Rosewood Courts East upon completion of the construction.

I. Record Keeping

HACA and their relocation consultant shall be responsible for all records related to the resident relocation process, including General Information Notice. Records and documentation shall be kept in sufficient detail to demonstrate compliance with all TDHCA and URA requirements. Such records shall include all notices and claim forms including evidence of payment of claims and shall be retained for at least three years after the latest date of (1) the issuance of all payments to affected tenants;(2) the date of project completion; or (3) resolution of all issues resulting from litigation, negotiation, audit, or other action.

J. Relocation Tax Consequences

In general, relocation payments are not considered income for the purpose of the Internal Revenue Code of 1968, or the Personal Income Tax Law, Part 10 of the Revenue and Taxation Code. Displaced persons are encouraged, however, to consult with personal tax advisors concerning the tax consequences or social service providers to obtain information concerning the tax consequences associated with relocation payments.

K. Grievance Procedures

HACA's Grievance Policy follows the standards described in section 24.10 of the Uniform Act. All displaced persons have the right to ask for administrative review concerning determinations of eligibility; relocation payment amount; the failure by HACA to provide comparable temporary housing referrals; or HACA property management practices.

L. Eviction Policy

HACA recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction. Eviction will only take place in cases of nonpayment of rent, serious violation of the rental agreement, a dangerous or illegal act in the unit, or if the household refuses all reasonable offers to move. Eviction will not affect the eligibility of a person legally entitled to relocation benefits. However, legal action to evict shall be undertaken for tenant refusal to cooperate with the relocation program and refusal of all offered replacement housing without good cause.

M. Immigration Status

Federal legislation (PL105-117) prohibits the payment of relocation assistance benefits under the Uniform Act to any non-citizen not lawfully present in the United States unless such ineligibility would result in an exceptional and extremely unusual hardship to the alien's spouse, parent, or child any of whom is a citizen, or an alien admitted for permanent residence. Exceptional and extremely unusual hardship is defined as significant and demonstrable adverse impact on the health or safety, continued existence of the family unit, and any other impact determined by the overseeing government authority to negatively affect the alien's spouse, parent or child.

In order to track and account for relocation assistance and benefit payments, relocation staff will be required to seek immigration status information from each displacee 18 years and older by having them self-certify as to their legal status.

N. Citizen Rights and Participation

HACA will fully meet its obligations under the Relocation Guidelines with respect to the following activities:

- **Right to Return.** Any residents who are relocated to facilitate redevelopment or construction and are both income eligible and remain in good standing, will have a right to return to an assisted unit at the Project once construction is completed. Where the transfer of assistance to a new site is warranted and approved, residents of the Project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a property may voluntarily accept HACA's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the Project after rehabilitation or construction is completed.

O. Non-Discriminatory Statement

Residents who are relocated as a result of the Project redevelopment shall be relocated to other decent, safe, sanitary and affordable housing on a non-discriminatory basis without regard to race, color, religion, creed, national origin, handicap, age, familial status, sex, sexual preference, sexual orientation or gender identity and in compliance with federal, state and local laws.

P. Project Timing

It is anticipated that HACA will submit the tax credit application in the first quarter of 2021. Once funding is secured, the construction is not scheduled to begin until the 1st quarter of 2022 or not until after the completion of Chalmers Court West property is ready for occupancy.

Q. Estimated Relocation Costs

The Project will be funded through 9% Low Income Housing Tax Credits. The estimate of relocation benefits is based on available tenant data and current market rents for adequately sized replacement units.

Estimated relocation costs for the Project, including 10% contingency, are \$571,308.

Appendices

Appendix A

HUD 2020 Income Limits - County of Travis, Austin-Round Rock, TX

The following figures are approved by the U. S. Department of Housing and Urban Development (HUD) for use in the County of Travis to define and determine housing eligibility by income level.

| Area Median - \$97,600 | | | |
|------------------------|---------------|----------|-----------|
| Household Size | Extremely Low | Very Low | Low |
| One Person | \$20,550 | \$34,200 | \$54,700 |
| Two People | \$23,450 | \$39,050 | \$62,500 |
| Three People | \$26,400 | \$43,950 | \$70,300 |
| Four People | \$29,300 | \$48,800 | \$78,100 |
| Five People | \$31,650 | \$52,750 | \$84,350 |
| Six People | \$35,160 | \$56,650 | \$90,600 |
| Seven People | \$39,640 | \$60,550 | \$96,850 |
| Eight People | \$44,120 | \$64,450 | \$103,100 |

Figures are per the huduser.gov, based on the formula used by HUD, April 1, 2020.

Appendix B

Moving Allowance Schedule

| Unfurnished Dwelling (Tenant Owns Furniture) | |
|--|---------|
| Room Count | Amount |
| One | \$600 |
| Two | \$800 |
| Three | \$1,000 |
| Four | \$1,200 |
| Five | \$1,400 |
| Six | \$1,600 |
| Seven | \$1,750 |
| Eight | \$1,900 |
| Each additional | \$150 |
| Furnished Dwelling (Tenant Does Not Own Furniture) | |
| Room Count | Amount |
| One | \$400 |
| Two | \$450 |
| Each additional | \$50 |

Effective: August 24, 2015

Appendix C

GENERAL INFORMATION NOTICE

Date

Dear Resident,

The Housing Authority of the City of Austin (HACA) is excited to inform you that we are starting the planning process for improving Pathways at Rosewood Courts East, where you currently live. As a resident at a HACA property, we want you to know that you are our highest priority. HACA is considering renovation or redevelopment of Pathways at Rosewood Courts East because we believe that it will improve the quality of life for you and all residents. Therefore, HACA seeks your continued feedback on what physical improvements would make Rosewood Courts a better home for your family.

This discussion is happening as part of HACA's redevelopment efforts of their Affordable Housing Portfolio. The redevelopment of these properties provides tools and resources to make improvements to the property that will also directly improve the quality of life of our residents. As you heard at the resident meeting, redevelopment of affordable properties is really about PIC – Protections, Improvements and Choice:

P - Protections

Your assistance is protected. You will not lose housing assistance because of the redevelopment. HACA will maintain resident service programs focused on education, employment, health and wellness

I - Improvements

New kitchens, bathrooms, appliances, flooring, washer / dryer access, playground covers or more as needed – this will vary from property to property
Better living spaces will improve your quality of life

C - Choice

You will have choices in the changes that are made at your property
You will have new choices about where you live through site-based waiting lists

Due to the significant improvements that are needed at Rosewood Courts, families will need to be temporarily relocated during the construction work. As part of any potential relocation, HACA wants to assure residents of additional protections available to you. HACA will have a Tenant Protection Team that will assist you through the entire process to help you successfully relocate and return to Rosewood Courts. The team will find the relocation housing and HACA will pay for relocation costs.

The earliest any construction / renovation may start is Spring 2022. There will be several more resident meetings before anything starts. You will also receive several notices prior to commencement of construction.

While we still do not know the extent of the improvements, HACA is required to inform you of the following:

This notice serves to inform you of your *potential* rights under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).

Based on the preliminary plans for renovation, residents may be relocated for more than 12 months. If you are relocated for more than 12 months, you may become eligible for relocation assistance and payments under the URA, including:

- Relocation advisory services that include referrals to replacement properties, help in filing payment claims and other necessary assistance to help you successfully relocate;
- At least 90 days' advance written notice of the date you will be required to move;
- Payment for moving expenses; and
- Payments to enable you to rent similar replacement housing.

NOTE: Persons not lawfully present in the United States are not eligible for URA relocation assistance, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child as defined at 49 CFR 24.208(h). While such persons are not eligible for relocation assistance, they are still eligible to return to the property after renovations are complete. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an immigrant lawfully present in the United States.

All eligible residents who are currently occupying the property have the right to return to the property after the work is complete. You will be able to occupy a newly renovated or reconstructed unit at Pathways at Rosewood Courts East when the work is complete.

HACA is not planning any permanent relocation for residents of Rosewood Courts. However, if this changes and you are permanently displaced, you will not be required to move until you are given at least 90-day advance written notice of any required move and at least one comparable replacement dwelling has been made available to you.

If you are temporarily relocated and your temporary relocation lasts more than one year, you will be contacted and offered permanent relocation assistance as a displaced person under the URA. This assistance would be in addition to any assistance you may receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance you have already received.

If you are required to relocate from the property, HACA will provide the following:

Advanced written notice;

- Information about assistance and payments you are eligible to receive and how you will receive them;
- Reasonable assistance necessary to complete and file any required claims for relocation payments;
- The right to appeal a determination on your eligibility for relocation assistance.

This is not a notice of eligibility for relocation assistance.

You should continue to pay your rent and meet any other requirements specified in your lease. If you fail to do so, HACA may have cause for your eviction. If you choose to move, or if you are evicted, prior to receiving a formal notice of relocation eligibility, you may become ineligible to receive relocation assistance. It is very important for you to contact us before making any plans to move.

You will be contacted soon so that we can provide you with more information about the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions about our plans, please contact HACA at:

Address: 1124 S IH 35

Austin, TX 78704

Email: rosewood@nomail.com

Phone: 1-800-HACA-TBD (1-800-422-2TBD)

Website: www.hacarosewood.org

This letter is important to you; please keep a copy for your records.

Sincerely,

Name

Title

NOTICE OF ELIGIBILITY FOR URA RELOCATION ASSISTANCE

Date

Name

Address

Austin, TX 78702

Dear Residents:

On GIN Date, the Housing Authority of the City of Austin (HACA) , notified you of proposed plans to rehabilitate and redevelop the property you currently occupy at Rosewood Court for a project which could receive funding assistance from Texas Department of Housing and Community Affairs (TDHCA) under the Low-Income Housing Tax Credit program. On (date), the project was approved and will receive federal funding.

It has been determined that the redevelopment of Rosewood Courts will exceed 12 months and while you will have an opportunity to return to the project upon completion, you will be offered full permanent displacement option. Since you are being displaced in connection with this federally funded project, you will be eligible for relocation assistance and payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).

This is your Notice of Eligibility for relocation assistance

The effective date of your eligibility is _____. (date of Initiation of Negotiations)

Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

To carry out the project, it will be necessary for you to move. However, you do not need to move now. You will be provided written notice of the date by which you will be required to move. This date will be no less than 90 days from the date comparable replacement housing has been made available to you.

Enclosed is a brochure entitled, "Relocation Assistance to Tenants Displaced from Their Homes." Please read the brochure carefully. It explains your rights and provides additional information on eligibility for relocation payments and what you must do in order to receive these payments.

The relocation assistance to which you are entitled includes:

Relocation Advisory Services. Including counseling and other assistance to help you find another home and prepare to move.

Payment for Moving Expenses. You may choose: (1) a payment for your actual reasonable moving and related expenses, or (2) a fixed moving payment in the amount of \$_____based on the URA Fixed Residential Moving Cost Schedule, or (3) a combination of both.

Replacement Housing Payment. You may be eligible for a replacement housing payment to rent or buy a replacement home. The payment is based on several factors including: (1) the monthly rent and cost of utility services for a comparable replacement dwelling, (2) the monthly rent and cost of utility services for your present home, and (3) for low-income persons, 30 percent of your average monthly gross household income. This payment is calculated on the difference in the old and new housing costs for a one-month period and multiplied by 42.

Listed below are three comparable replacement dwellings that you may wish to consider for your replacement home. If you would like, we can arrange for you to inspect these and other replacement dwelling.

| Address | Rent & Utility Costs | Contact Info |
|------------------|----------------------|--------------|
| 1. Rosewood #111 | \$858 | HACA |
| 2. Rosewood #222 | \$858 | HACA |
| 3. Rosewood #333 | \$858 | HACA |

We believe that the dwelling located at No (1,2,3) ___ above is the most representative of your present home. The monthly rent and the estimated average monthly cost of utilities for this dwelling is \$_____and it will be used to calculate your maximum replacement housing payment. Please contact us immediately if you believe this dwelling is not comparable to your current home. We can explain our basis for selecting this dwelling as most representative of your current home and discuss your concerns.

Based on the information you have provided about your income and the rent and utilities you now pay, you may be eligible for a maximum replacement housing payment of approximately \$ (42 x \$____), if you rent the dwelling identified above as the most comparable to your current home or rent another dwelling of equal cost.

Replacement housing payments are not adjusted to reflect future rent increases or changes in income. This is the maximum amount that you would be eligible to receive. If you rent a decent, safe and sanitary home where the monthly rent and average estimated utility costs are less than the comparable dwelling, your replacement housing payment will be based on the actual cost of the dwelling. We will not base your payment on any dwelling that is not a comparable replacement home. All replacement housing payments must be paid in installments. Your payment will be paid in #____ installments.

Should you choose to purchase (rather than rent) a decent, safe and sanitary replacement home, you would be eligible for a down payment assistance payment, which is equal to your maximum replacement housing payment, \$ _____. Let us know if you are interested in purchasing a replacement home and we will help you locate such housing.

Please note that all replacement housing must be inspected in order to ensure it is decent, safe and sanitary before any replacement housing payments are made.

If you have any questions about this letter and your eligibility for relocation assistance and payments, please contact (name), (title) at (phone), (address) before you make any moving plans. He/she will assist you with your move to a new home and help ensure that you preserve your eligibility for all relocation payments to which you may be entitled.

Remember, do not move or commit to the purchase or lease of a replacement home before we have a chance to further discuss your eligibility for relocation assistance.

This letter is important to you and should be retained.

Sincerely,

Name

Title

NOTICE OF NON-DISPLACEMENT TO RESIDENTIAL TENANT

Date

Name

Address

Austin, TX 78702

Dear Residents:

On GIN Date, the Housing Authority of the City of Austin (HACA) notified you of proposed plans to rehabilitate and redevelop the property you currently occupy at Pathways at Rosewood Courts East for a project which could receive Federal, State or Local Funding. On (date), the project was approved and will receive funding. Redevelopment will begin soon.

This is a notice of non-displacement. You will not be required to move permanently as result of the rehabilitation.

This notice guarantees you the following:

1. Upon completion of the redevelopment, you will be able to lease and occupy a suitable, decent, safe and sanitary apartment in the new building/complex under reasonable terms and conditions.
2. If you must move temporarily so that the rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from temporary housing and any increased interim housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because federal funding is involved in this project, you are protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Of course, you must continue to comply with the terms and conditions of your lease.

If you have any questions, please contact (name), at (phone), (address). This letter is important to you and should be retained.

Sincerely,

Name

Title

90-DAY NOTICE TO VACATE

Date

Name

Address

Austin, TX 78702

Dear Residents:

Notice is hereby given that the Housing Authority of the City of Austin (HACA) has elected to terminate your tenancy of the premises located at (Address)_____. HACA has provided you with a Notice of Eligibility for relocation benefits.

Notice is hereby given that HACA elects to terminate your tenancy in ninety (90) days beginning Insert Date and ending Insert Date. You are hereby noticed to quit and deliver up possession of the property that you occupy on or before Insert Date. If you do not vacate the unit by that date, HACA will initiate legal proceedings to recover possession of the premises, along with any rents and damages.

During this period, (relocation consultant) will continue to offer relocation assistance, referrals to replacement units, moving coordination, relocation claim forms and other tasks to help facilitate your relocation. Your Relocation Consultant, (name), may be contacted at (phone) for ongoing relocation advisory services.

Upon vacating your unit, you are responsible for removing all personal property, delivering the premises in satisfactory condition and turning in your keys to your relocation consultant on the day you schedule the final abandonment walk-through of your unit with your consultant.

Sincerely,

Name

Title

Item 5f – SHPO

The Section 106 review has been completed by the U.S. Department of Housing and Urban Development. Information packets were sent by HUD to interested and consulting parties in April 2021. A series of meetings were held with interested and consulting parties in 2021. These meetings were also open to the general public. City of Austin's Historic Preservation Officer Steve Sadowsky participated in the consulting parties meeting held in November 2021 and expressed excitement for this project.

On April 12, 2022 a draft Memorandum of Agreement has been submitted to SHPO for its review. SHPO has noted that it supports the planned redevelopment and rehabilitation project.

Consulting Parties will be invited by HUD to review and sign the MOA as well. A copy of the draft MOA is included for your reference.

**ROSEWOOD COURTS
INTERESTED PARTIES**

- 1. Rosewood/Salina Resident Council***
1143 Salina
Austin, TX 78702
alexish@hacanet.org
- 2. City Wide Advisory Board**
1124 South IH 35
Austin, TX 78704
leilanil@hacanet.org
- 3. Blackshear Prospect Hill Neighborhood Association**
Attn: Alex Finnell, President
alexfinnell@gmail.com
- 4. Preservation Austin***
P.O. Box 2113
Austin, TX 78768
Attn: Lindsey Derrington
director@preservationaustin.org; lindsey@preservationaustin.org
- 5. Preserve Rosewood***
2316 Thrasher Lane
Austin, TX 78741-6622
info@preserverosewood.org
- 6. Save Our Springs Alliance**
905 West Oltorf, Suite A
Austin, Texas 78704
sosinfo@sosalliance.org
- 7. Community not Commodity**
309 East 11th Street, Suite 2
Austin TX 78701
lindabailey123@gmail.com
- 8. PODER**
P.O. Box 6237
Austin, TX 78762-6237
poder.austin@gmail.com
- 9. Austin Justice Coalition**
314 E. Highland Mall Blvd. #108
Austin, TX 78752
info@austinjustice.org; chasmoore@austinjustice.org
- 10. Six Square**
Attn: Pam Benson Owens, Executive Director
director@sixsquare.org; info@sixsquare.org
- 11. Mid-Tex Mod**
Attn: Lindsey Derrington, President
programs@preservationaustin.org; info@midtexmod.org

*Consulting Parties



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

April 28, 2021

City Wide Advisory Board
1124 South IH 35
Austin, TX 78704
leilanil@hacanet.org

Re: Application for Section 106 Review
Pathways at Rosewood Courts, Austin, Texas

Good Afternoon,

In accordance with Section 106 of the National Historic Preservation Act and its implementing regulations, 36 CFR Part 800, we are providing information for your review and concurrence regarding **Pathways at Rosewood Courts**. This property is being considered for HUD assistance and is subject to review under 24 CFR Part 50. Attached to this e-mail is our formal request letter along with the site map, description/scope of work, survey plan, and site photographs.

If you have any questions, please contact me at tamieka.m.green@hud.gov.

Thanks,

Tameika Green
Transaction Manager
US Department of Housing & Urban Development
451 7th Street, SW Room #6130
Washington, DC 20410



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

April 29, 2021

City Wide Advisory Board
1124 South IH 35
Austin, TX 78704
leilanil@hacanet.org

**Re: Application for Section 106 Review
Pathways at Rosewood Courts, Austin, Texas**

To Whom It May Concern:

In accordance with Section 106 of the National Historic Preservation Act and its implementing regulations, 36 CFR Part 800, we are providing information for your review and concurrence regarding the above-referenced project. This property is being considered for HUD assistance and is subject to review under 24 CFR Part 50. The application package includes (i) site map, (ii) description/scope of work, (iii) relocation plans, (iv) site photographs and (v) sources and uses.

HUD Program: Rental Assistance Demonstration ("RAD")

Location: 2001 Rosewood Avenue, Austin, Texas 78702

APE: Poquito Street, Yale Street and Chicon Street.

Project Size: 124 units on 8 acres of land. There are 24 residential buildings and one non-residential building

.

Present Condition of Sites: Dilapidated Buildings

Ground Disturbance Activities: This is an existing Rental Assistance Demonstration (RAD) transaction that converted to PBRA in [insert date]. The request includes ground disturbance, specifically the demolition of 17 existing buildings.

The Housing Authority of the City of Austin (HACA) is proposing a full redevelopment of Rosewood Courts (the "Project"). The Project, built in 1939, is a 124-unit family property consisting of 8-efficiency, 48 one-bedroom, 50 two-bedrooms, 12 three-bedrooms and 6 four-bedrooms. There are 24 residential buildings and one non-residential building that currently serves

as office space for HACA's partner, Goodwill. The Project is situated on 8 acres in the Central East Austin neighborhood in Central Austin. The proposed scope of work at the Project includes the demolition of 17 existing buildings and the preservation of the remaining 8 existing buildings within the Pathways at Rosewood Courts Historic District.

The redevelopment of the Project contemplates the restoration of the existing exteriors to their historic 1940 design, including new roofing, windows, and doors, removing exterior stucco, and repairing the existing brick. Site improvements include providing new site utilities, adding a larger parking lot, adding new street trees and landscape features, repairing/ replacing existing site walls and providing ADA accessible sidewalks. Also, there will be new construction of 3 new multifamily buildings and a new public park at the corner of Rosewood and Chicon Streets.

HUD is requesting the review and approval of the project under HUD regulation 24 CFR Part 50 and Section 106 of the National Historic Preservation Act and its implementing regulations 36 CFR Part 800 for possible impacts on historic properties.

Your response and input within 30 days of receipt of this application is greatly appreciated. Please feel free to contact me with any questions or concerns at 202- 402-4126 (e-mail: Alan.M.Kaufmann@hud.gov) or the RAD Transaction Manager, Tameika Green, at 202-402-5222(e-mail: tamieka.m.green@hud.gov).

Sincerely,

Alan Kaufmann
Branch Chief
US Department of Housing & Urban Development
451 7th Street, SW Room #6130
Washington, DC 20410

Enclosures:

- *Site map*
- *Description/scope of work*
- *Site photograph*
- *Sources and Uses*

**MEMORANDUM OF
AGREEMENT BETWEEN THE
UNITED STATES
DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
THE TEXAS STATE HISTORIC PRESERVATION OFFICER
AND THE HOUSING AUTHORITY OF THE CITY OF AUSTIN
REGARDING
PATHWAYS AT ROSEWOOD COURTS
IN AUSTIN, TEXAS**

RECITALS

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) plans to approve the redevelopment and renovation of the Pathways at Rosewood Courts (undertaking) pursuant to 24 CFR § 58.5(a) and Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. § 306108, “NHPA”); and

WHEREAS, the undertaking consists of the renovation of 8 historic buildings, demolition of 17 historic buildings, and construction of 3 new multifamily and 6 single family duplex buildings and a commemorative park for the redevelopment of 124 units of multifamily housing which are assisted pursuant to Housing Assistance Payments Contract with HUD under §1437f(b) of the United States Housing Act of 1937, Pub. L. 93-383, 88 Stat. 653 (September 1, 1937). The redevelopment will include the creation of 60 additional affordable multifamily units and approximately 12 home ownership units. The development known as Pathways at Rosewood Courts (“Pathways at Rosewood Courts”) shall be undertaken by Pathways at Rosewood Courts East, LP, by and through its general partner, Austin Affordable Housing Corporation, an instrumentality of the Housing Authority of the City of Austin (“HACA”), and its limited partner Carleton Companies; and

WHEREAS, Rosewood Courts was built by HACA in two phases from 1938 to 1940 under the U.S. Housing Act of 1937 (“USHA”). Built during times of segregation, it was the first public housing property designated for African American families under the USHA. A portion of the property was built on one of the city's original parks used for Emancipation celebrations. The park land was owned by former African American slaves and was the site of Juneteenth celebrations, reunions and other gatherings by Austin’s African American community before being seized through eminent domain by the City of Austin. Rosewood Courts consists of 25 1- and 2-story brick residential buildings with modified flat roofs and replacement windows and doors, set in a terraced landscape with stone and concrete retaining walls and mature trees. The 124-unit property was listed on the National Register of Historic Places on October 4, 2016; and

WHEREAS, HUD has defined the undertaking’s area of potential effects (APE) as the project site and buildings on adjacent streets that face or back up to the property as shown on Attachment 1-APE; and

WHEREAS, HUD has determined that the undertaking will have an adverse effect on Rosewood Courts, and has consulted with the Texas State Historic Preservation Officer (“SHPO”) pursuant to 36 CFR Part 800, the regulations implementing Section 106 of the NHPA (54 U.S.C. § 306108); and

WHEREAS, HUD has consulted with the HACA regarding the effects of the undertaking on historic properties and has invited them to sign this Memorandum of Agreement (“MOA”) as an Invited Signatory; and

WHEREAS, HUD has consulted with the Rosewood Courts Resident Council, Preservation Austin, and Preserve Rosewood as consulting parties regarding the effects of the undertaking on historic properties, has considered all comments received, and has invited them to sign the MOA as concurring parties ; and

WHEREAS, HUD has invited the Alabama-Coushatta Tribe of Texas, the Apache Tribe of Oklahoma, the Tonkawa tribe of Indians of Oklahoma, the Comanche Nation of Oklahoma, Coushatta Tribe of Louisiana, and the Wichita and Affiliated Tribes to consult regarding the effects of the undertaking on historic properties, and HUD received no comments; and

WHEREAS, HUD and HACA conducted multiple meetings with the general public to discuss the effects of the undertaking on historic properties and solicited comments and feedback on those effects in accordance with § 106 of the NHPA; and

WHEREAS, in accordance with 36 CFR § 800.6(a)(1), HUD has notified the Advisory Council on Historic Preservation (“ACHP”) of its adverse effect determination with specified documentation, and the ACHP has chosen not to participate in the consultation pursuant to 36 CFR § 800.6(a)(1)(iii).

NOW, THEREFORE, HUD, the SHPO and HACA agree that the provisions of this MOA shall be implemented in accordance with the following provisions in order to take into account the effect of the undertaking on historic properties.

STIPULATIONS

HUD, in cooperation with HACA shall ensure that the following measures are carried out:

I. SITE PLAN DESIGN

- A. Development of Pathways at Rosewood Courts, including the Poquito homeowners’ community, will be developed as set forth on the Architectural site plan. The plan was developed to put the largest building on an arterial roadway, such that neighborhood commercial development will be encouraged as demonstrated in the local neighborhood plan. (Attachment 2– Architectural Site Plan)
- B. The other buildings shall be sited similarly to the original site plan, including site slopes, terracing and selected specimen trees in order to, among other things, increase site accessibility and mobility. (Attachment 3 – Site Design Factors)

II. PRESERVATION OF HISTORIC BUILDINGS AND LANDSCAPE FEATURES

HACA, by and through itself, any of its instrumentality or instrumentalities, shall:

- A. Maintain the City of Austin’s Historic Landmark status for the eight (8) preservation buildings. (Attachment 4 - COA Ordinance)
- B. Restore the exterior of the eight (8) locally designated preservation buildings to their original 1939-40 appearance using the Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Rehabilitating Historic Buildings, and as indicated in the 50% Drawings and Specifications. (Attachment 5 –

- Historic Preservation Unit Design Scope.
- C. Rehabilitate the exterior and landscape features including terrace / retaining walls and heritage trees indicated on the Landscape Plan (Attachment 6 - Landscape Plan)

III. MITIGATION MEASURES

HACA, by and through itself, any of its instrumentality or instrumentalities, shall:

- A. Dedicate approximately .75 acre to Emancipation Park commemorative/memorial green space. (Attachment 7 - Commemorative Park Plan)
- B. Create a physical marker depicting the original Emancipation Park's boundaries on site. (Attachment 8 - Original Survey of Emancipation Park)
- C. Create an adequate number, as HACA and SHPO agree, of site-wide historical interpretation markers contingent on external funding (Attachment 9 – Interpretation Options)
- D. Create a “Welcome Interpretive Center,” or such similar center, consisting of approximately 1400 square feet of space to be used as a cultural node to connect the site with other African- American East Austin resources. The space is envisioned as a collaboration with existing organizations both public and private that will allow for flexible space uses such as performance, gallery, crafts, and temporary retail, as examples. (Attachment 10 - Welcome Center)

IV. DURATION

This MOA will expire five (5) years from the date of its execution by the Signatory and Invited Signatory parties. Prior to such time, HUD may consult with the parties hereto and other stakeholders to reconsider the terms of the MOA and propose amendments in accordance with Section VIII below.

V. POST-REVIEW DISCOVERIES

If other unanticipated effects on the current improvements at Rosewood Courts historic properties occur, HUD shall implement the discovery plan included as Attachment 1111 of this MOA.

VI. MONITORING AND REPORTING

HUD shall provide all parties to this MOA a summary report detailing work undertaken pursuant to its terms annually on or by January 1 of each year commencing on January 1, 2023 through January 1 following the date that the last building receives its certificate of occupancy from the City of Austin. Such report shall include any scheduling changes proposed, any problems encountered, and any disputes and objections received in HUD's efforts to carry out the terms of this MOA.

VII. DISPUTE RESOLUTION

Should any Signatory or Invited Signatory to this MOA object at any time to any actions

proposed or the manner in which the terms of this MOA are implemented, HUD shall consult with such party to resolve the objection. If HUD determines that such objection cannot be resolved, HUD will:

- A. Forward all documentation relevant to the dispute, including HUD's proposed resolution, to the ACHP. The ACHP shall provide HUD with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation. Prior to reaching a final decision on the dispute, HUD shall prepare a written response that takes into account any timely advice or comments regarding the dispute from the ACHP, the parties to this MOA, and other stakeholder parties, and provide them with a copy of this written response. HUD will then render its final administrative decision.
- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30) day time period, HUD may make a final administrative decision with respect to any dispute subject to this Section VII. Prior to reaching such a final decision, HUD shall prepare a written response that incorporates any timely comments in connection with the dispute from the parties to this MOA, and provide them and the ACHP with a true and correct copy of each written response.
- C. HUD's responsibility to carry out all other actions subject to the terms of this MOA that are not the subject of the dispute remain unchanged.

VIII. AMENDMENTS

This MOA may be amended only in writing executed by all parties to this MOA. The amendment will be effective on the date the last signatory executes the amendment.

IX. TERMINATION

If any Signatory or Invited Signatory to this MOA determines that it cannot perform the MOA's terms, that party shall immediately consult with the other parties to attempt to develop an amendment per Section VIII, above. All parties will use best efforts and in good faith in order to undertake viable alternative terms to this MOA that will replace the provision incapable of performance and each party will execute an amendment to this MOA evidencing the alternative provision. If within thirty (30) days (or another time period agreed to by all parties to this MOA) an amendment cannot be reached, any party may terminate the MOA upon written notification to the other parties.

If this MOA is terminated prior to the expiration set forth in Section IV and prior to work concluding as contemplated in this MOA, HUD must either (a) execute an MOA pursuant to 36 CFR § 800.6 or (b) request, take into account, and respond to the comments of the ACHP under 36 CFR § 800.7. HUD shall notify the parties hereto as to the course of action it will pursue.

X. ADOPTION OF MOA BY ANOTHER PARTY

In the event that another federal agency or other office at HUD not initially a party to or subject to this MOA receives an application for funding/license/permit for the Undertaking as described in this MOA, that agency may fulfill its Section 106 responsibilities by stating in writing it concurs with the terms of this MOA and notifying the HUD Office of Housing, SHPO,

[and the ACHP if participating] that it intends to do so. Such agreement shall be evidenced in written notice filed with the ACHP, and implementation of the terms of this MOA by the new party.

Execution of this MOA by HUD and SHPO and the implementation of its terms evidence that HUD has taken into account the effects of this undertaking on historic properties and afforded the ACHP an opportunity to comment.

SIGNATORY PARTIES:

U.S. Department of Housing and Urban Development

[insert agency official name and title] Date

Texas State Historic Preservation Officer

[insert name and title] Date

Housing Authority of the City of Austin

Michael Gerber, President and CEO Date

CONCURRING PARTIES:

Rosewood Courts Resident Council

Steve Whichard, Vice President Date

Preservation Austin

Lindsey Derrington, Executive Director Date

Preserve Rosewood

Fred L. McGhee, Ph.D., Director Date

Pathways at Rosewood Courts, LP

Ron Kowal, Vice President

Date

DRAFT

6.0 Scope and Cost Review Evaluation

6.1 Developer's Identified Rehabilitation Scope

Summary of Work

The following scope of work includes the construction of (3) new multifamily buildings and the renovation of (8) existing buildings at the Rosewood Courts housing site located at 2001 Rosewood Avenue in Austin, Texas. Also included in the scope is the construction of a new public park at the corner of Rosewood and Chicon Streets. Rosewood Courts was originally constructed in 1939 and consists of (130) apartment units located within (25) one and two-story buildings. Work will include the following:

- **Demolition of (17) existing buildings**
- **Preservation of remaining existing buildings and Historic District**
 - Restoration of the exteriors of the remaining (8) buildings to their historic 1940 design, including new roofing, windows, and doors, removing exterior stucco, and repairing the existing brick.
 - Provision of (20) new code-compliant units within the existing brick and concrete building shells:
 - (14) One-Bedroom units
 - (6) Two-Bedroom units
 - Exterior improvements and site improvements including providing new site utilities, adding a larger parking lot, adding new street trees and landscape features, repairing/ replacing existing site walls, and providing ADA accessible sidewalks.
- **New Construction**
 - Construction of (3) new 3 and 4-story Type V residential apartment buildings, including resident amenities, a future community space, and a total of (164) new units:
 - (80) One-Bedroom units
 - (58) Two-Bedroom units
 - (17) Three-Bedroom units
 - (9) Four-Bedroom units
- **Accessible Unit Breakdown:**
 - ◦ (20) units or 10% of each unit type are required to meet current accessibility codes as per the Architectural Drawings, per federal and state accessibility guidelines, in addition to the City of Austin's SMART Housing program.

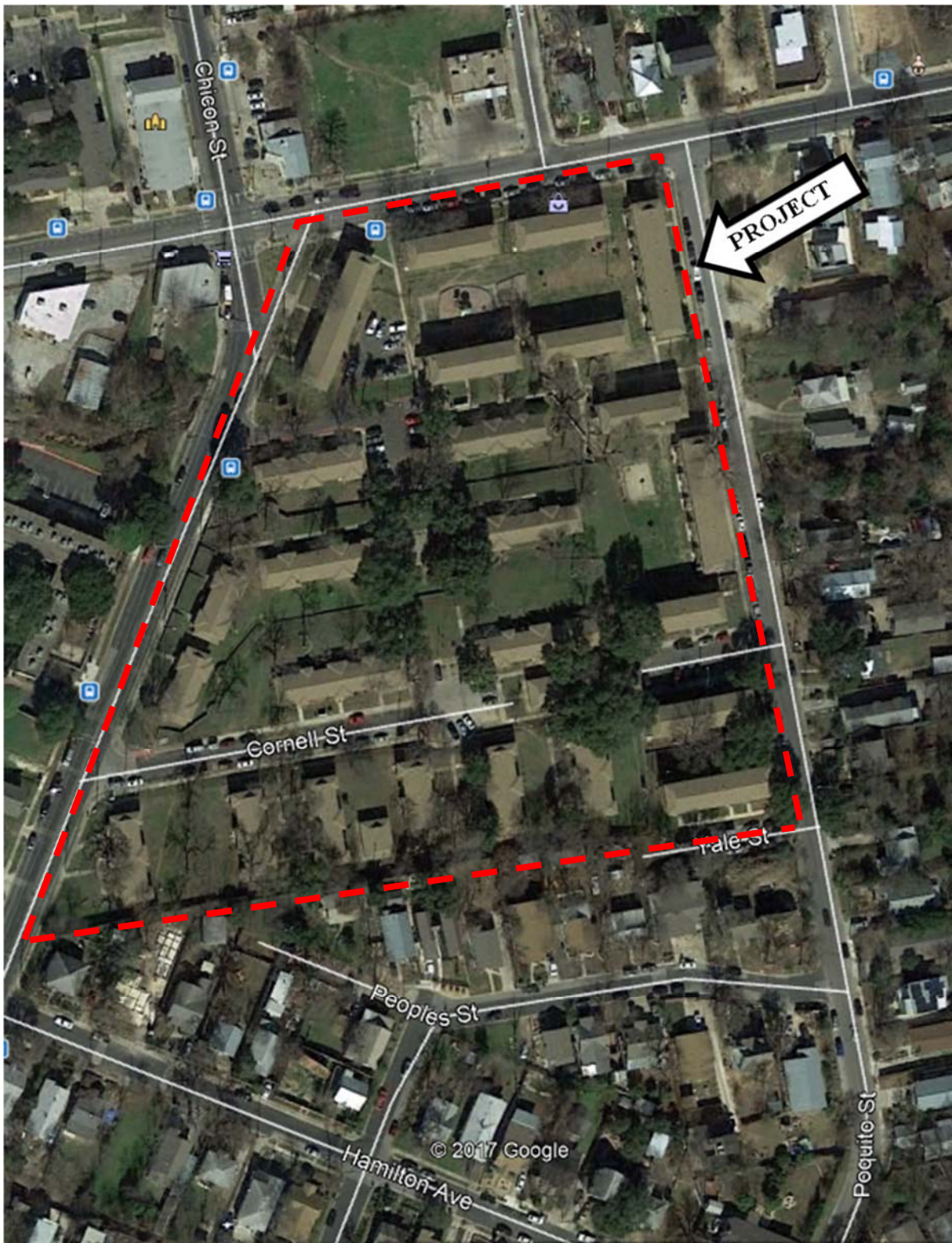
Drawings and Specifications

The scope of work narrative, specification manual and drawing documents shall serve as the documents for the project. The drawings and specifications are intended to supplement each other. Any materials, labor, or scope described in one but not the other, will be construed to be included in both the drawings and specifications. Likewise, labor, materials, or scope not described in either the drawings or specifications, but obviously required for proper installation and function, will be provided by the subcontractor at no additional cost.

6.2 Provider Opinion of Scope and Cost

Phase Engineering, Inc. has the opinion that the scope and cost associated with the rehabilitation activities for this project as provided by the developer are sufficient to meet the project objectives.

Site Plan



Project Name:
Rosewood Courts

Source:
Google Earth

Project Number:
121069.16R000-002.364

On-Site Date:
July 14, 2016



PHOTO #1: *TYPICAL TWO-STORY ELEVATION*



PHOTO #2: *TYPICAL ONE-STORY ELEVATION*



PHOTO #3: *TYPICAL SITE WITH PICNIC TABLES*



PHOTO #4: *SITE SIDEWALK AND STAIRS*



PHOTO #5: *COMMUNITY DUMPSTERS*



PHOTO #6: *COMMUNITY MAILBOXES*