

Parker Apartments

By Foundation Communities

2021 RHDA Application

Executive Summary

Parker Apartments

Executive Summary

Foundation Communities (FC) is an Austin nonprofit, developing affordable housing in our community for 30 years and the largest nonprofit provider of affordable housing in Austin, serving over 7,000 residents across 22 communities, and 3 more under construction. We are the lifetime owner, property manager, and service provider for our Austin communities. We provide beautifully designed, energy efficient homes and free on-site services for thousands of Austin families with kids, as well as veterans, seniors, and people with disabilities. Our innovative, proven model empowers our residents and neighbors to achieve educational success, financial stability, and healthier lifestyles.

Parker Apartments is a unique opportunity for FC to develop a new community on a large tree filled site within Austin's urban core. After more than 30 years of service, the Parker United Methodist Church is excited to enter into a 99-year ground lease with FC to re-develop the site located at 2105 Parker Ln. with 135 affordable homes, a Learning Center, and church offices. This new community is envisioned to achieve the following goals:

- **Long-Term Affordability** - 100% of the units will be affordable to households at or below 60% AMI and will remain affordable even after the 45 year rent restriction expires.
- **Family Friendly** - 80% of homes will offer 2 and 3 bedrooms to accommodate larger families.
- **Amenity-Rich Green Space** - We are committed to preservation of trees and green space and will design several kid friendly amenities for outdoor play.
- **High Impact Services On-Site** - We will design the Learning Center and related high impact community services to meet the needs of our future residents and neighborhood.
- **Community Partnerships** - The Church will office on site and will complement FC services with a variety of free programs offered by the Church and other long-standing partners.
- **Non-Profit Ownership**- FC will remain the lifetime owner, manager, and service provider of the homes and Learning Center.
- **Green Building Design**- We will design and build the homes and Learning Center to the highest Austin Energy Green Building standards, with planned solar and other green features.

Application Tabs

Parker Apartments

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : Foundation Communities	OWNER : FC Parker Housing, LP
PROJECT : Parker Apartments	FUNDING CYCLE DEADLINE : May 7, 2021
FEDERAL TAX ID NO: 74-2563260	DUNS NO: 55-635-2268
PROJECT ADDRESS: 2105 Parker Ln, Austin TX, 78741	PROGRAM : RHDA
CONTACT NAME : Sabrina Butler	AMOUNT REQUESTED: \$4,100,000
CONTACT ADDRESS AND PHONE : 3000 S IH 35, suite 300, Austin, TX 78704	

APPLICATION TABS		INITIALS
A 1	EXECUTIVE SUMMARY/PROJECT PROPOSAL	SB
A 2	PROJECT SUMMARY FORM	SB
A 3	PROJECT TIMELINE	SB
A 4	DEVELOPMENT BUDGET	SB
A 5	OPERATING PRO FORMA	SB
A 6	SCORING SHEET	SB

ATTACHMENT TABS				INITIALS
1	ENTITY INFORMATION	1.a.	Detailed listing of developer's experience	SB
		1.b.	Certificate of Status	SB
		1.c.	Statement of Confidence	N/A
2	PRINCIPALS INFORMATION	2.a.	Resumes of principals	SB
		2.b.	Resumes of development team	SB
		2.c.	Resumes of property management team	SB
3	FINANCIAL INFORMATION	3.a.	Federal IRS Certification	SB
		3.b.	Certified Financial Audit	SB
		3.c.	Board Resolution	SB
		3.d.	Financial Statements	SB
		3.e.	Funding commitment letters	SB
4	PROJECT INFORMATION	4.a.	Market Study	SB
		4.b.	Good Neighbor Policy	SB
		4.c.	SMART Housing Letter	SB
		4.d.	MOU with ECHO	N/A
		4.e.	Resident Services	SB
5	PROPERTY INFORMATION	5.a.	Appraisal	SB
		5.b.	Property Maps	SB
		5.c.	Zoning Verification Letter	SB
		5.d.	Proof of Site control	SB
		5.e.	Phase I ESA	SB
		5.f.	SHPO	N/A

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. *Unsigned/undated submissions will not be considered.*

SIGNATURE OF APPLICANT

Sabrina Butler

PRINTED NAME

Sabrina Butler

TITLE OF APPLICANT

Director of Real Estate

DATE OF SUBMISSION

May 6, 2021

DATE AND TIME STAMP OF RECEIPT

FOR AHFC USE ONLY

Project Summary Form

1) Project Name Parker Apartments	2) Project Type 100% Affordable	3) New Construction or Rehabilitation? New Construction
4) Location Description (Acreage, side of street, distance from intersection) 2105 Parker Ln, Austin, TX 78741		5) Mobility Bond Corridor
6) Census Tract 23.15	7) Council District District 3	8) Elementary School LINDER EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? No	12) How will funds be used? Acquisition and 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	4		14
Up to 40% MFI						0
Up to 50% MFI		13	34	21		68
Up to 60% MFI		12	24	17		53
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	25	68	42	0	135

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	14	Continuum of Care Units	0
Accessible Units for Sensory Impairments	3		

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

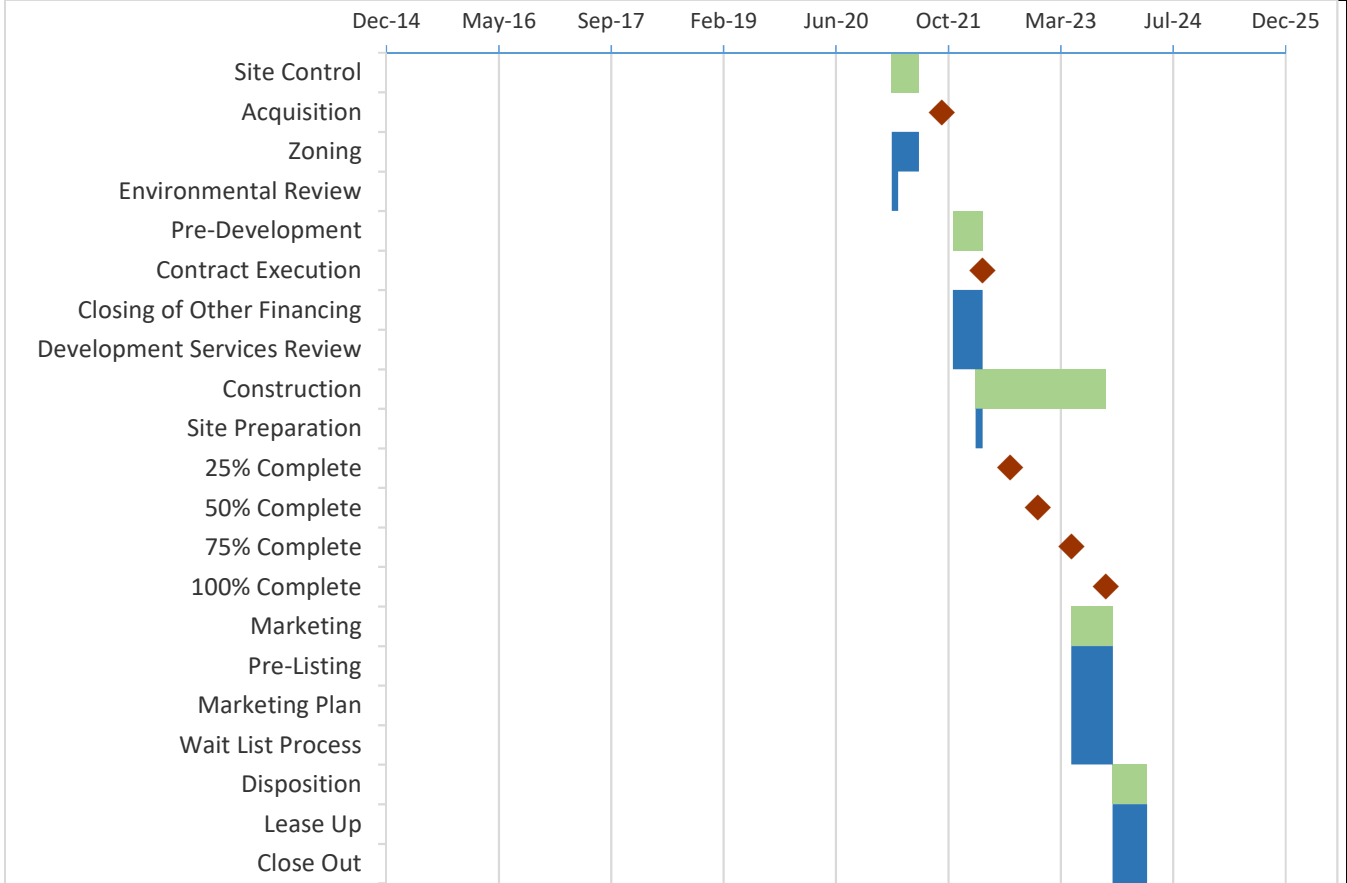
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor? Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? Yes
- 18) Is the property within 3/4 mile of Transit Service? Yes
- 19) The property has Healthy Food Access? Yes

20) **Estimated Sources and Uses of funds**

<u>Sources</u>		<u>Uses</u>	
Debt	12,338,361	Acquisition	3,453,450
Third Party Equity	14,698,530	Off-Site	150,000
Grant		Site Work	3,800,000
Deferred Developer Fee	1,799,640	Sit Amenities	767,906
Other	4,560,497	Building Costs	19,912,221
Previous AHFC Funding		Contractor Fees	1,366,313
Current AHFC Request	4,100,000	Soft Costs	2,685,918
		Financing	1,761,220
		Developer Fees	3,600,000
Total \$	37,497,028	Total \$	37,497,028

Development Schedule

	Start Date	End Date
Site Control	Feb-21	Jun-21
Acquisition	Sep-21	
Zoning	Feb-21	Jun-21
Environmental Review	Feb-21	Mar-21
Pre-Development	Nov-21	Apr-22
Contract Execution	Apr-22	
Closing of Other Financing	Nov-21	Apr-22
Development Services Review	Nov-21	Apr-22
Construction	Mar-22	Oct-23
Site Preparation	Mar-22	Apr-22
25% Complete	Aug-22	
50% Complete	Dec-22	
75% Complete	May-23	
100% Complete	Oct-23	
Marketing	May-23	Nov-23
Pre-Listing	May-23	Nov-23
Marketing Plan	May-23	Nov-23
Wait List Process	May-23	Nov-23
Disposition	Nov-23	Apr-24
Lease Up	Nov-23	Apr-24
Close Out	Nov-23	Apr-24



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	20,450		includes market study
Environmental Review	45,000		
Engineering	5,900		
Survey	16,485		
Architectural	900,000		
Subtotal Pre-Development Cost	\$987,835	\$0	
Acquisition			
Site and/or Land	3,450,000	3,450,000	
Structures			
Other (specify)	3,450		
Subtotal Acquisition Cost	\$3,453,450	\$3,450,000	
Construction			
Infrastructure	150,000		
Site Work	4,458,713	650,000	includes Site Amenities
Demolition	109,193		
Concrete	1,706,436		
Masonry	1,067,811		includes metals
Rough Carpentry	4,483,481		woods and plastics
Finish Carpentry			
Waterproofing and Insulation	282,463		
Roofing and Sheet Metal	340,850		
Plumbing/Hot Water			
HVAC/Mechanical	2,980,516		includes plumbing
Electrical	1,521,453		
Doors/Windows/Glass	656,002		
Lath and Plaster/Drywall and Acoustical Tiel Work			
Soft and Hard Floor			
Paint/Decorating/Blinds/Shades	1,769,435		finishes
Specialties/Special Equipment	1,522,620		specialities, equipment, furnishings, special, elevators
Cabinetry/Appliances			
Carpet			
Other (community center + commerical)	674,976		
Other (general, overhead, fee)	3,186,543		
Construction Contingency	1,085,947		
Subtotal Construction Cost	\$25,996,439	\$650,000	
Soft & Carrying Costs			
Legal	170,000		applicant and lender legal
Audit/Accounting	14,000		
Title/Recordin	545,076		includes origination fees
Architectural (Inspections)	17,500		
Construction Interest	960,000		
Construction Period Insurance	30,539		
Construction Period Taxes	245,172		
Relocation			
Marketing			
Davis-Bacon Monitoring			
Developer Fee	3,600,000		
Other (Bld Permit fees)	584,551		
Other (owner work)	54,520		materials testing and submetering
Other (Soft Cost Contingency)	55,694		
Other (Consultants)	124,550		
Other (FF&E)	136,621		
Other (Tax Credit fees)	63,645		
Other (LOC fees)	55,000		
Other (Reserves)	402,436		
Subtotal Soft & Carrying Costs	\$7,059,304	\$0	
TOTAL PROJECT BUDGET	\$37,497,028	\$4,100,000	

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	\$1,746,300	\$1,781,226	\$1,816,851	\$1,853,188	\$1,890,251	\$1,928,056	\$1,966,617
Secondary Income	\$33,724	\$34,398	\$35,086	\$35,788	\$36,504	\$37,234	\$37,979
POTENTIAL GROSS ANNUAL INCOME	\$1,780,024	\$1,815,624	\$1,851,937	\$1,888,976	\$1,926,755	\$1,965,290	\$2,004,596
Provision for Vacancy & Collection Loss	-\$133,502	-\$136,172	-\$138,895	-\$141,673	-\$144,507	-\$147,397	-\$150,345
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,646,522	\$1,679,452	\$1,713,041	\$1,747,302	\$1,782,248	\$1,817,893	\$1,854,251
EXPENSES							
General & Administrative Expenses	\$61,757	\$62,992	\$64,252	\$65,537	\$66,848	\$68,185	\$69,548
Management Fee	\$82,236	\$83,881	\$85,558	\$87,270	\$89,015	\$90,795	\$92,611
Payroll, Payroll Tax & Employee Benefits	\$224,760	\$229,255	\$233,840	\$238,517	\$243,287	\$248,153	\$253,116
Repairs & Maintenance	\$136,256	\$138,981	\$141,761	\$144,596	\$147,488	\$150,438	\$153,446
Electric & Gas Utilities	\$29,262	\$29,847	\$30,444	\$31,053	\$31,674	\$32,308	\$32,954
Water, Sewer & Trash Utilities	\$99,922	\$101,920	\$103,959	\$106,038	\$108,159	\$110,322	\$112,528
Annual Property Insurance Premiums	\$31,160	\$31,783	\$32,419	\$33,067	\$33,729	\$34,403	\$35,091
Property Tax	\$105,074	\$107,175	\$109,319	\$111,505	\$113,735	\$116,010	\$118,330
Reserve for Replacements	\$33,750	\$34,425	\$35,114	\$35,816	\$36,532	\$37,263	\$38,008
Other Expenses	\$63,639	\$64,912	\$66,210	\$67,534	\$68,885	\$70,263	\$71,668
TOTAL ANNUAL EXPENSES	\$867,816	\$885,172	\$902,876	\$920,933	\$939,352	\$958,139	\$977,302
NET OPERATING INCOME	\$778,706	\$794,280	\$810,166	\$826,369	\$842,896	\$859,754	\$876,949
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$677,057	\$677,057	\$677,057	\$677,057	\$677,057	\$677,057	\$677,057
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	\$101,649	\$117,223	\$133,109	\$149,312	\$165,839	\$182,697	\$199,892
CUMULATIVE NET CASH FLOW	\$101,649	\$218,872	\$351,981	\$501,293	\$667,132	\$1,538,474	\$2,494,949
Debt Coverage Ratio	1.15	1.17	1.20	1.22	1.24	1.27	1.30

Project Name	Parker Apartments	
Project Type	100% Affordable	
Council District	District 3	
Census Tract	23.15	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$4,100,000	
Estimated Total Project Cost	\$37,497,028	
High Opportunity	No	
High Displacement Risk	NO	
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	14	# of rental units at < 30% MFI
<i>District Goal</i>	10%	% of City's affordable housing goal
<i>High Opportunity</i>	FALSE	% of City's affordable housing goal for high opportunity areas
<i>Displacement Risk</i>	0%	% of City's affordable housing goal to reduce displacement
<i>High Frequency Transit</i>	9%	% of City's affordable housing goal near high frequency transit
<i>Imagine Austin</i>	9%	% of City's affordable housing goal in imagine austin corridors
<i>Geographic Dispersion</i>	0%	% of City's affordable housing goal to increase geographic dispersion
<i>Mobility Bond Corridor</i>	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	2	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	68	# of rental units at < 50% MFI
<i>District Goal</i>	10%	% of City's affordable housing goal
<i>High Opportunity</i>	FALSE	% of City's affordable housing goal for high opportunity areas
<i>Displacement Risk</i>	0%	% of City's affordable housing goal to reduce displacement
<i>High Frequency Transit</i>	9%	% of City's affordable housing goal near high frequency transit
<i>Imagine Austin</i>	9%	% of City's affordable housing goal in imagine austin corridors
<i>Geographic Dispersion</i>	0%	% of City's affordable housing goal to increase geographic dispersion
<i>Mobility Bond Corridor</i>	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	5	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
<i>District Goal</i>	10%	% of City's affordable housing goal
<i>High Opportunity</i>	FALSE	% of City's affordable housing goal for high opportunity areas
<i>Displacement Risk</i>	0%	% of City's affordable housing goal to reduce displacement
<i>High Frequency Transit</i>	9%	% of City's affordable housing goal near high frequency transit
<i>Imagine Austin</i>	9%	% of City's affordable housing goal in imagine austin corridors
<i>Geographic Dispersion</i>	0%	% of City's affordable housing goal to increase geographic dispersion
<i>Mobility Bond Corridor</i>	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
<i>District Goal</i>	10%	% of City's affordable housing goal
<i>High Opportunity</i>	FALSE	% of City's affordable housing goal for high opportunity areas
<i>Displacement Risk</i>	0%	% of City's affordable housing goal to reduce displacement
<i>High Frequency Transit</i>	9%	% of City's affordable housing goal near high frequency transit
<i>Imagine Austin</i>	9%	% of City's affordable housing goal in imagine austin corridors
<i>Geographic Dispersion</i>	0%	% of City's affordable housing goal to increase geographic dispersion
<i>Mobility Bond Corridor</i>	0%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	7	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
<i>Continuum of Care</i>	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
<i>2 Bedroom Units</i>	44	Total Affordable 2 Bedroom units

<i>3 Bedroom Units</i>	25	Total Affordable 3 Bedroom units
<i>4 Bedroom Units</i>	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	17	Multi-bedroom Unit/Total Units * 20
TEA Grade	79	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	4	Educational Attainment, Environment, Community Institutions, Social Cohesion, E
<i>Accessible Units</i>	17	mobiltiy and sensory units
<i>Non-PSH, Non-Voucher Under 20% MFI</i>	0	Total units under 20% MFI
Accessibility Score	4	Accessible Unit/Total Units * 20
Metro Access Service	Yes	Within 3/4 mile of fixed route transit
Accessibility Weighted Score	1	Housing Stability, Health, Mobility, Community Institutions
Initiatives and Priorities Score	26	MAXIMUM SCORE = 200
UNDERWRITING		
<i>AHFC Leverage</i>	18%	% of total project cost funded through AHFC request
Leverage Score	21	3 points per 5% reduction in leverage below 50% (max 30)
<i>AHFC Per Unit Subsidy (including prior amounts)</i>	\$50,000	Amount of assistance per unit
Subsidy per unit score	19	(\$200,000 - per unit subsidy)*25/\$200,000
<i>AHFC Per Bedroom Subsidy</i>	\$23,295	Amount of assistance per bedroom
Subsidy per Bedroom Score	22	(\$200,000 - per bedroom subsidy)*25/\$200,000
<i>Debt Coverage Ratio (Year 5)</i>	1.24	Measured at the 5 Year mark
Debt Coverage Ratio Score	24.49415892	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	86	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	119	THRESHOLD SCORE = 50
<i>Previous Developments</i>		
<i>Compliance Score</i>		
<i>Proposal</i>		
<i>Supportive Services</i>		
<i>Development Team</i>		
<i>Management Team</i>		
Notes		

Attachment Tabs

1. Applicant Entity

1. Applicant Entity

a. Introduction

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

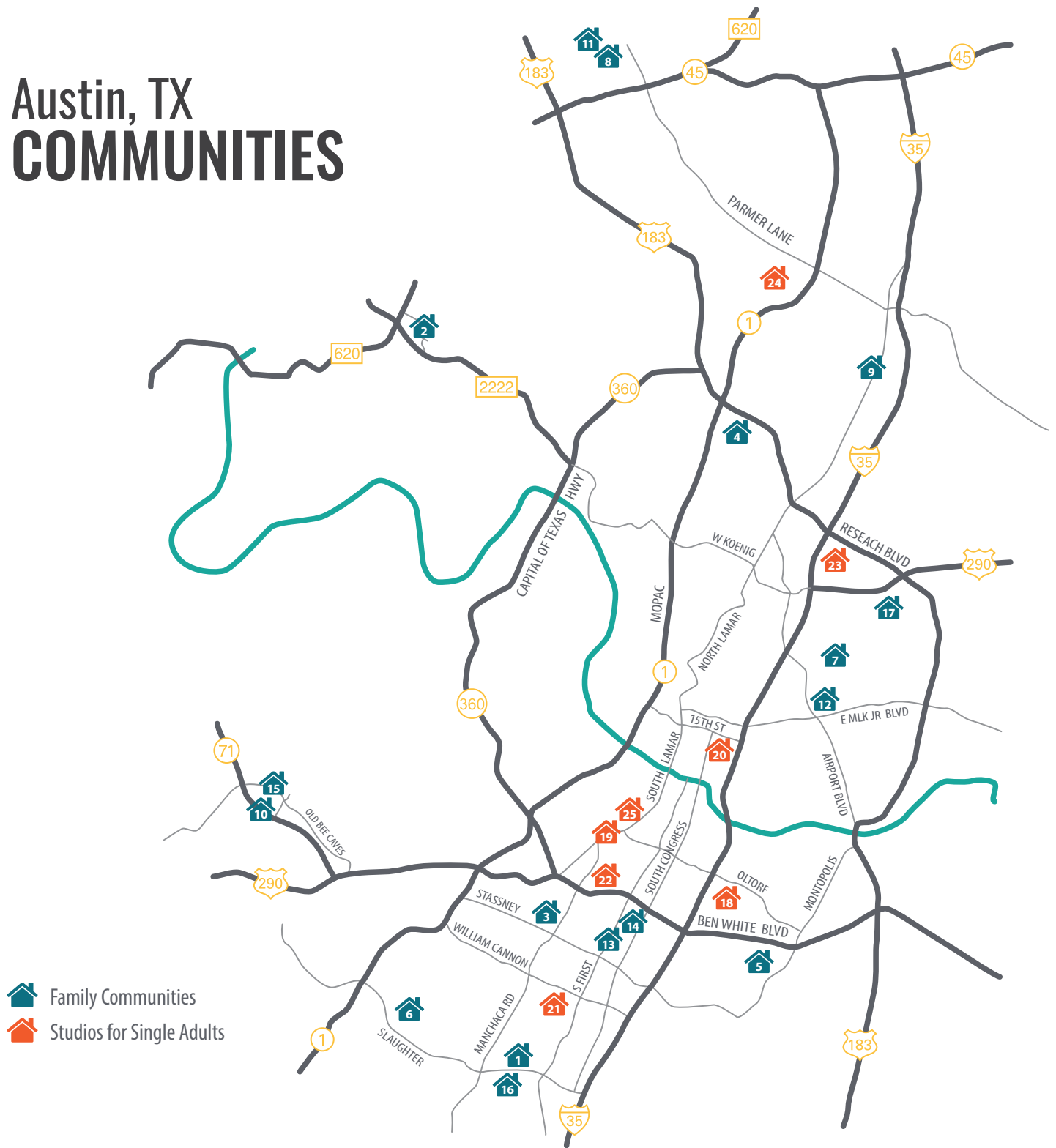
Opening Doors to Homes: We own and manage over 3,500 apartments across 22 properties in Austin and 3 in the North Texas. Over 7,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.



Healthy Communities: All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have 859 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 156 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

Learning in a Community: On-site Learning Centers give over 600 children of working parents academic and enrichment support, including the Green and Healthy Kids program. 85% of students maintain or improve their grades in our free out-of-school time programs. Adult education is also a priority and includes job and computer skills, English as a Second Language, and digital and financial literacy. College Hub deepens FC's decade-long commitment to serving non-traditional students, providing intensive support and academic opportunities for low income and first generation college students.

Financial Stability: Financial Centers provide free tax preparation to 20,000+ low-income individuals each year with the help of 600 volunteers. Annual refunds amount to more than \$35 million, and can equal 25% of a family's annual income. Each year, more than 600 families become smart consumers through financial coaching; at least 50% reduce their debt. Matched savings plans assist families to purchase a home, attend college, or start a business.

Austin, TX COMMUNITIES



 Family Communities
 Studios for Single Adults

- | | | | | |
|--|--|--|---|--|
| 1 Buckingham Place
166 UNITS | 7 Jordan at Mueller
132 UNITS | 12 M Station
150 UNITS | 18 Arbor Terrace
120 UNITS | 23 Spring Terrace
142 UNITS |
| 2 Cardinal Point
120 UNITS | 8 Lakeline Station
128 UNITS | 13 Sierra Ridge
149 UNITS | 19 Bluebonnet Studios
107 UNITS | 24 Waterloo Terrace
132 UNITS
<i>under construction</i> |
| 3 Cherry Creek
122 UNITS | 9 Laurel Creek
<i>under construction</i>
88 UNITS | 14 Sierra Vista
238 UNITS | 20 Capital Studios
135 UNITS | 25 Zilker Studios
110 UNITS
<i>design phase</i> |
| 4 Crossroads
92 UNITS | 10 Live Oak Trails
58 UNITS | 15 Southwest Trails
160 UNITS | 21 Garden Terrace
103 UNITS | |
| 5 Daffodil
40 UNITS | 11 The Loretta
<i>design phase</i>
137 UNITS | 16 Trails At The Park
200 UNITS | 22 Skyline Terrace
100 UNITS | |
| 6 Homestead Oaks
140 UNITS | | 17 Trails At Vintage Creek
200 UNITS | | |

CREATING HOUSING WHERE FAMILIES SUCCEED

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



HOUSING + SERVICES

Attractive, affordable homes for over 7,000 individuals

- 2,500 low-income families
- 300 formerly homeless children
- 700 single adults including veterans, seniors, and individuals with disabilities

On-site counseling, case management and food pantry



EDUCATION

After-school and summer learning for 1,000 children and teens

Early childhood education for children ages 3 to 4

English as a Second Language classes to increase literacy and life skills

College humanities course for low-income adults in partnership with UT and ACC



HEALTH

Assistance with health insurance enrollment

Access to integrated primary and mental health care, including substance abuse treatment

Fitness and nutrition classes



FINANCIAL STABILITY

Free income tax preparation for 20,000 families, generating \$35 million in local tax refunds

1-on-1 financial coaching and money management classes

Assistance with college financial aid

Matched savings accounts



Foundation Communities
512-447-2026
www.foundcom.org

1. Applicant Entity
 - b. Certificate of Status



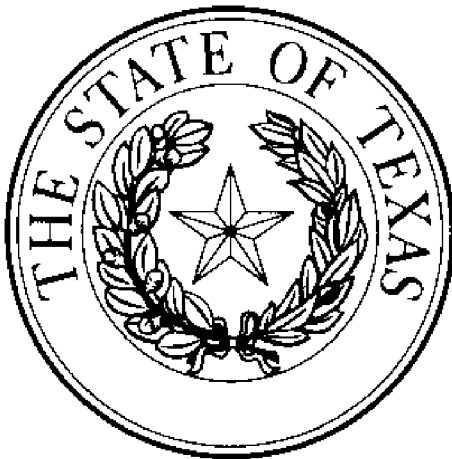
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Incorporation for FOUNDATION COMMUNITIES, INC. (file number 114499001), a Domestic Nonprofit Corporation, was filed in this office on March 05, 1990.

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on April 21, 2021.



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs
Secretary of State

1. Applicant Entity

c. Applicant Capacity

Walter Moreau, Executive Director. During his 30+ year career, Walter has secured subsidy financing of more than \$500 million to create more than 4,000 units of service-enriched, nonprofit-owned affordable housing, and 14 onsite Learning Centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

Sabrina Butler, Director of Real Estate Development, oversees FC's overall real estate development portfolio, from site selection through construction completion and stabilization. With a background in finance, Sabrina brings a particular strength in securing both public and conventional financing for FC's multi-family housing pipeline, and provides refinancing support to the existing portfolio as well. Sabrina joined Foundation Communities in 2017 with nearly 15 years of experience in nonprofit affordable housing portfolio management and community development finance. Sabrina has a Masters in Regional Planning.

Megan Matthews, Director of Design, and licensed Architect in the State of Texas, oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of four of our recent communities. Megan coordinates the RFQ and bid processes for the architect, engineers, and general contractor and is the direct link between the third party design and construction professionals and FC's Development team. Megan has a Bachelor of Architecture degree from The University of Texas at Austin.

Tillie Croxdale, Real Estate Project Manager, underwrites all new development proposals and manages initial site analysis and due diligence. Tillie also assists the Director of Real Estate Development with all phases of each capital funding stack including preparation of funding applications (including LIHTC applications), solicitation of mortgage and equity financing and coordination of financing closings. Tillie has a Bachelor in Architecture, a Master in Real Estate Finance and 10 years' experience in the affordable housing field.

Anna Lake-Smith, Development Project Manager, works with the Development team to take projects through feasibility, design, and construction, including coordinating with the Sustainability, Property, and Asset Management teams. Anna brings a wide range of design experience, from residential interiors to city planning. Anna holds a dual MS in Urban Design and MS in Community/Regional Planning from The University of Texas at Austin, and a Bachelor of Arts in Architecture from Wellesley College.

1. Applicant Entity

c. Applicant Capacity

Project management: FC has been managing affordable housing communities in house for 30 years. Megan Matthews oversees the design and construction of our communities, and coordinates the RFQ and bid process for the architect, engineers, and general contractor. She also acts as the direct link between the third party design and construction professionals and FC's Development team. She oversaw the successful completion of The Jordan at Mueller and Waterloo and is currently overseeing 3 communities under construction.

Market Analysis: FC engages a third party firm to conduct market studies for each of our proposed projects. The market study is ordered in the contract feasibility period. Sabrina Butler receives bids and engages each project's market analyst.

Site selection and Control: Walter Moreau has 30 years of site selection experience. Sites are selected based on a variety of factors including current funding priorities, cost of land, preservation of affordable housing opportunities, and availability of sites in close proximity to existing FC properties. FC contracts with a private, third party land broker to find sites and negotiate with sellers.

Planning and Construction: FC contracts with third-party general contractors and has been privileged to work with a number of quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). FC has an excellent working relationship and with several general contractors.

Design, Architecture and Engineering: Megan Matthews oversees the hiring of the design and engineering team. Typically, Megan issues an RFQ to an invited list of bidders (open to all interested parties.) The list is narrowed down based on responses and then the FC development team including Walter, Sabrina and Megan meet the finalists and make a selection based on presentations. FC has an excellent working relationship with several architectural firms and civil engineers.

Legal and Accounting: All accounting is performed in-house by an accounting team led by Ann Clift, CFO. Tax returns, audits and cost certifications for tax credit properties are contracted out to Novogradac and Company, LLC. FC has engaged a third party attorney.

Federal Funding Rules: FC has extensive experience working with programs funded by HUD and their associated federal regulations including: Federal Labor Standards, Davis Bacon Reporting, Section 3, Affirmative Marketing, Environmental Clearances, Public Notices and Procurement Standards.

Other Funding Source Rules: FC has a great track record for using multiple funding sources on each projects. Funding stacks often include state funds, FLHB, grants, and private fundraising.

1. Applicant Entity

d. Statement of Confidence

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

1. Applicant Entity

e. Financial Capacity

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

Tax Credits: Over the past 18 years, Foundation Communities has applied for and been awarded 9% tax credits for 15 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.

City of Austin: The City of Austin has been a major contributor on every project completed by Foundation Communities in the past 18 years. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin HPD/AHFC staff.

FHLB: Foundation Communities has applied for and received 17 awards through the FHLB Affordable Housing Program.

Lenders: Foundation Communities has excellent relationships with several lenders that allow for competitive rates and pricing. We currently have private mortgages with Compass BBVA, Bank of America, Wells Fargo, Capital One Bank, University Federal Credit Union, and Greater Texas Federal Credit Union.

Private Fundraising: FC has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$10 million in private funds to help fund construction of 6 new communities.

Other: FC has also utilized TDHCA's Multifamily Direct Loan Program (TCAP and National Housing Trust Fund loans), and the federal Capital Magnet Fund program.

1. Applicant Entity

e. Financial Capacity

Project Name	PIS	Type	Units	Funding Tools
The Loretta – <i>construction</i>	2022	New	137	9% LIHTC City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Zilker – <i>construction</i>	2022	New	110	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds FHLB Dallas Capital Magnet Fund
Laurel Creek – <i>under construction</i>	2021	New	88	9% LIHTC TDHCA - NHTF City of Austin – GO Bonds Capital Magnet Fund
Waterloo Terrace	2020	New	132	9% LIHTC TDHCA - NHTF City of Austin - GO Bonds FHLB San Francisco
Jordan At Mueller	2019	New	132	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Cardinal Point	2017	New	120	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase III	2017	New	20	TDHCA - TCAP City of Austin - GO Bonds FHLB San Francisco
Bluebonnet Studios	2016	New	107	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME FHLB San Francisco
Lakeline Stations	2016	New	128	9% LIHTC City of Austin RHDA Program Department of Justice Funds Capital Magnet Fund
Live Oak Trails	2016	New	58	9% LIHTC TDHCA - TCAP City of Austin - GO Bonds & HOME Department of Justice Funds Capital Magnet Fund

1. Applicant Entity

e. Financial Capacity

Project Name	PIS	Type	Units	Funding Tools
Homestead Oaks	2015	New	140	9% LIHTC City of Austin - GO Bonds FHLB San Francisco HUD 221(d)(4) - Mortgage
Capital Studios	2014	New	135	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Arbor Terrace	2013	Rehab	120	TDHCA - NSP City of Austin - GO Bonds & CDBG FHLB Atlanta
Sierra Vista	2012	Rehab	238	9% LIHTC City of Austin RHDA Program FHLB San Francisco
M Station	2011	New	150	9% LIHTC City of Austin - GO Bonds FHLB San Francisco
Garden Terrace Phase II	2008	Rehab	15	City of Austin - HTF FHLB San Francisco
Skyline Terrace	2006	Rehab	100	9% LIHTC TDHCA HOME City of Austin HOME & HTF FHLB San Francisco
Spring Terrace	2005	Rehab	142	TDHCA HOME & HTF City of Austin - HOME & CDBG FHLB Dallas
Garden Terrace Phase I	2003	Rehab	88	TDHCA - HOME City of Austin - HOME & CDBG FHLB Atlanta HACA
Southwest Trails	2001	New	160	4% LIHTC TDHCA - Housing Trust Fund City of Austin - HOME & HTF FHLB Dallas
Trails at The Park	2000	New	200	9% LIHTC
Trails at Vintage Creek	2000	Rehab	200	City of Austin - Housing Revenue Bond
Daffodil	1996	Rehab	40	TDHCA - RTC AHDP
Peters Colony	1995	Rehab	160	TDHCA - RTC AHDP
Shadow Brook	1995	Rehab	403	TDHCA - RTC AHDP
Sleepy Hollow	1995	Rehab	128	TDHCA - RTC AHDP
Buckingham Duplexes	1991	Rehab	166	TDHCA - RTC AHDP
Sierra Ridge	1991	Rehab	149	
Crossroads	1990	Rehab	92	City of Austin - GO Bonds

1. Applicant Entity

f. Non-profit Developer

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

1. Applicant Entity

f.(i) IRS Letter

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

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1995

CENTRAL TEXAS MUTUAL HOUSING
ASSOCIATION

C/O CINDY CHRISTIANSEN
2512 S IH 35 STE 350
AUSTIN, TX 78704-5751

Employer Identification Number:

74-2563260

Case Number:

755122043

Contact Person:

ANNETTE SMITH

Contact Telephone Number:

(214) 767-6023

Our Letter Dated:

May 23, 1990

Addendum Applies:

No

Dear Applicant:

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

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

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

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

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

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

Sincerely yours,



Bobby E. Scott
District Director

Internal Revenue Service

Department of the Treasury

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

Date: June 6, 2001

Person to Contact:

Marion F Robinson- Baugh
Customer Service Representative

Toll Free Telephone Number:

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

Fax Number:

513-263-3756

Federal Identification Number:

74-2563260

Foundation Communities

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

Dear Sir or Madam:

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

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

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

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

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

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

Foundation Communities
74-2563260

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

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

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

Foundation Communities
74-2563260

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

The above information should be sent to the following address:

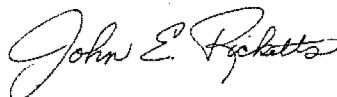
Internal Revenue Service Center
Attn: Entity Control Unit
Ogden, UT 84409

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

Your organization's Group Exemption Number is .

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

Sincerely,



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

1. Applicant Entity

f.(ii) Audit

1. Applicant Entity

f. (iii) Board Resolution

SECRETARY'S CERTIFICATE OF ADOPTION
OF RESOLUTION BY BOARD OF DIRECTORS
OF FOUNDATION COMMUNITIES

I, David Hart, certify that I am the duly qualified and acting Secretary of the Board of **FOUNDATION COMMUNITIES, INC.**, a duly organized and existing Texas non-profit corporation (the "*Corporation*").

I do hereby certify that said Corporation is duly organized and existing under the laws of the State of Texas; that all franchise and other taxes required to maintain its corporate existence have been paid when due and no such taxes are delinquent; that no proceedings are pending for the forfeiture of its Certificate of Formation or for its dissolution; that it is duly qualified to do business in the State of Texas and is in good standing in such state; and that there is no provision of the Certificate of Formation or Bylaws of said Corporation limiting the power of the Board of Directors to pass the resolutions set out below and that the same are in conformity with the provisions of said Certificate of Formation and Bylaws.

Attached as Exhibit "A" is a true and correct copy of the resolutions adopted by unanimous consent of the Board of Directors of the Corporation at our legally held meeting on February 9, 2021.

ADOPTED this 9th day of February, 2021.



DAVID HART, Secretary Foundation Communities
Board of Directors

EXHIBIT A

RESOLUTION OF THE BOARD OF DIRECTORS OF FOUNDATION COMMUNITIES, INC.

[to be attached]

RESOLUTION
BOARD OF DIRECTORS OF
Foundation Communities, Inc.
Parker Apartments

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

RESOLVED, that the Corporation apply for a loan for predevelopment costs, and/or construction costs, from the Austin Housing Finance Corporation in Rental Housing Development Assistance Funding (the “**Loan**”) for a proposed affordable housing, rental community to be constructed at **2105 Parker Ln, Austin, TX 78741** (the “**Property**”)

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

RESOLVED, that either WALTER MOREAU, as Executive Director of the Corporation (the “**ED**”) or Julian Huerta, as Deputy Executive Director (the “**DED**”) may in his/her sole discretion execute all documents to effectuate the Loan and Entitlements;

RESOLVED, that the Corporation secure up to **\$6,000,000** of loan funds from the Austin Housing Finance Corporation (the “**Lender**”) and, whether by and through itself or by and through an entity under common control with Corporation, pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED or DED of the Corporation may in his/her sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent loan documents required by Lender in connection therewith, confirming and ratifying its liability under said loan, all on such terms and conditions as the ED or DED of the Corporation may, in his/her sole discretion, deem necessary or desirable;

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

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

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

RESOLVED, that the Corporation whether by and through itself or by and through a specific purpose entity created for such and under common control with Corporation may transfer the Property to a limited partnership affiliated with the Corporation in the event that the ED or the DED

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

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

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

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

Adopted and approved by the Board of Directors on the 9th day of February, 2021.

FOUNDATION COMMUNITIES, INC.



Adriana Cuellar Rojas, Chair
Board of Directors of Foundation Communities, In

Attachment Tabs

2. Development Team

Parker Apartments

2. Development Team

a. + b. Team members

Role	Info	Contact	MBE	WBE	NP
Owner	FC Parker Housing, LP 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			
Developer	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Architect	Forge Craft Architecture + Design 608 W Monroe Street Austin, TX 78704	Scott Ginder, Principal + Founder (512) 872-6655 scott@forgecraftarchitecture.com			
Engineer	Civiltude 5110 Lancaster Court Austin, TX 78723	Fayez Kazi, President (512) 761-6161 fayez@civiltude.com	X		
Attorney	Rigby Slack Lawrence & Comerford, 6836 Austin Center Blvd., Suite 100 Austin, Texas 78731	Cathleen Slack, Partner (512) 782-2060 cslack@rigbyslack.com			
Accountant	Novogradac & Company LLP 11044 Research Blvd. Austin, TX 78759	Susan Wilson, CPA, Partner (512) 349-3232 susan.wilson@novoco.com			
General Contractor	BEC Austin General Contractors 8320 Bee Caves Rd, suite 200 Austin, TX 78746	Scott Wilson, president (512) 610-7141 swilson@becaustin.com			
Construction Lender	TBD				
Lenders	TBD				
Tax Credit Consultant	Betco Housing Lab 812 San Antonio, Suite L-14 Austin, Texas 78701	Lora Myrick, Principal (512) 785-3710 lora@betcohousinglab.com	X	X	
Property Manager	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
Supportive Services	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X

2. Development Team

c. Experience

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

Forge Craft Architecture + Design has been engaged as the architect for Parker Apartments. Forgecraft is an architecture firm that specializes in multi-family housing and creative mixed-use development with an emphasis on micro-unit design, affordable housing, tricky urban infill sites, and sustainable design. They have deep experience as a leader in SRO design, and recently published a white paper Field Guide on the subject. Foundation Communities has worked with members of the Forge Craft team on designs of Capital Studios, Bluebonnet Studios, Waterloo Terrace, and Zilker Studios

BEC Austin has been engaged as the CM at risk for Parker Apartments and will likely be selected as the Prime Subcontractor. BEC has 40 years of experience in the Central Texas area and has built 7 of Foundation Communities' recent communities and completed all before the PIS deadline. They understand that affordable housing projects have stringent budget demands and that means closely tracking the variables of scope and cost as the design develops.

Civiltude is an engineering firm that was engaged for initial site feasibility and site work estimates for Parker Apartments. Over the last nine years, Civiltude has provided design surveying, civil engineering, and/or construction services at 16 Foundation Communities properties. Their experience with TDHCA tax credit and City GO Bond funded projects, integrated design approach and success with permitting site plans through the City of Austin uniquely position Civiltude to continue to serve the vulnerable population in the Austin community.

Betco Housing Lab is a full service housing development consulting firm, established in 2011. The firm specializes in the securing of funds for the development of affordable housing via programs such as Housing Tax Credits (9% and 4%), HOME, Federal Home Loan Bank and other public funds. They have applied for and received awards throughout the state of Texas and in all metropolitan cities, such as Dallas, Houston, Ft.Worth, and San Antonio. BETCO has eight properties in its portfolio where it is the managing member or HUB partner in the General Partner.

Attachment Tabs

3. Property Management Team

3. Property Management Team

a. Experience

Foundation Communities performs all leasing, maintenance, accounting, compliance and other property management functions for its 25 Austin properties and earns property management and asset management fees that help support the overall nonprofit mission. Our team monitors portfolio health, tracks each project monthly, and aggregates detailed performance metrics at the portfolio level for review by the CFO. FC also has a well-funded Central Reserve and robust Asset Management program to keep properties in good condition and eliminate unforeseen capital/repair expenses that would undermine FC's organizational and financial strength. The success of our property management is demonstrated through its high occupancy (97% in 2020), low turnover, and healthy investment in capital repairs and upgrades to existing portfolio (\$680/unit in 2020).

Vicki McDonald, Chief Real Estate Officer. Primary responsibilities include the oversight of our entire real estate portfolio, monitoring annual operating budgets, major capital improvements, and management of a team of ten staff who are directly involved in the daily oversight of property operations, capital improvements, sustainability initiatives, supportive housing, safety and risk management and new construction. She links real estate operations and development through input and participation on the acquisition, design, and construction transition to operations. She is a CCIM Designee, a licensed Texas Real Estate Broker and has owned a real estate management and brokerage firm for 25 years before joining Foundation Communities.

Desiree Golden, Director of Family Property Management, oversees 18 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day to day operations along with evaluating the ongoing financial performance of each property. Desiree has 32 years of experience in Property Management (12 years with FC) and has her CAM and CAPS designations from NAA.

Valicia Nichols, Director of Compliance, oversees compliance for the entire portfolio and is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She has been with FC since 2011 and maintains FC's good standing with compliance agencies, e.g., TDHCA (state); City of Austin; FHLB as well as investors.

3. Property Management Team

b. Compliance Reports from Austin



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of Homestead Oaks

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of M Station

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of Sierra Vista

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD

3. Property Management Team

c. Compliance Reports from outside Austin

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services
Name of Monitoring Agency
PO Box 701769
Address
Dallas TX 75060

 Initial Certification
 Annual Update for Period
06/01/2019 to 5/31/2020
Date Date

From: Sleepy Hollow Mutual Housing Corp
Owner Name
Sleepy Hollow Apartments
Property Name
3903 Ichabod Circle Arlington TX 76013
Address

Property Identification Number 200992880

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner
Walter Moore

Date
6/11/20

Warning: Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

OWNER CERTIFICATION OF PROGRAM COMPLIANCE

Monitoring Data Services
Name of Monitoring Agency
PO Box 701769
Address
Dallas TX 75060

 Initial Certification
 Annual Update for Period
07/01/2019 to 6/30/2020
Date Date

From: Shadow Brook Mutual Housing Corp
Owner Name
Shadow Brook Apartments
Property Name
2020 South Cooper St Arlington TX 76013
Address

Property Identification Number 17144264

As the owner(s) of the above-referenced property, I/we hereby certify that I/we have met all terms and conditions of the Land Use Restriction Agreement (LURA) for this property dated 06/06/1995.

I/We certify that:

1. The property meets the Total Set-Aside and the Very Low-Income Set Aside requirements of the LURA.
2. The income of tenants in all Qualifying Units has been reviewed and verified, and falls within the applicable AHDP income limits.
3. Units have been leased in accordance with all occupancy and lease requirements of the LURA.
4. All Qualifying Units have contract rents that are equal to or less than the applicable AHDP maximum rents.
5. The lease provisions required by the LURA have been incorporated in all leases for Qualifying Units.
6. The reports submitted to the monitoring agency are accurate and correct to the best of our knowledge.

I/We understand that any willful false statement or misrepresentations on this certification requires the monitoring agency to promptly notify the RTC or its successors, which may result in legal action.

Owner
Walter Green

Date
6/22/20

Warning:

Section 1001 of Title 18 of the U.S. Code makes it a criminal offense to make willful false statements or misrepresentations to any Department or Agency of the United States as to any matter within its jurisdiction.

Attachment Tabs

4. Development Proposal

Parker Apartments

4. Development Proposal

a. Development Description

Parker Apartments is a unique opportunity for Foundation Communities (FC) to develop a new community on a large tree filled site within Austin's urban core. After more than 30 years of service, Ward Memorial Methodist Church has closed its doors and is excited to enter into a 99-year ground lease with FC to develop 135 affordable homes that are sustainably and beautifully designed and enriched with FC's high-impact services. We are thrilled to bring our housing-plus-services model to this transit-connected area of Austin.

Parker Apartments is designed as a four-story elevator-served residential building wrapped around a central green space with several centrally located common amenities including two playgrounds and a state of the art Learning Center. Residents will also have quick access to an open-air pavilion, sport court, barbeque grills, picnic tables, and a tree grove in the back of the site. Parking is provided along the exterior of the residential building to create a pedestrian and kid friendly space in the center. A food pantry, laundry room, package lockers, mail kiosk, and offices for property management, maintenance, and service staff offices will be located on the first floor of the southern-most portion of the Residential Building. The one-story Learning Center will include several classrooms, a community kitchen and large gathering space designed to house FC's free afterschool and summer programs for kids; healthy food pantry for residents and the community; educational, financial, and health-oriented classes for adults; as well as flex space for community use.

Ward Memorial Methodist Church has requested space for church use within the newly constructed development as part of a lease-back included in the ground lease. This space will include the exclusive use of several small offices and meeting rooms, and shared use of the large community gathering space in the Learning Center, at specific designated times of the week.

4. Development Proposal

a. Development Description

- i. Describe the proposed resident population, income levels, and services, if any, to be provided to or made available to residents. Indicate the number of units designed to meet accessibility requirements for persons with mobility or sensory impairments; the number of units dedicated to the Continuum of Care; and the number of rental assistance vouchers dedicated to the development.
 - **Target Population** - Parker Apartments will target low income households. 80% of the units are 2 and 3 bedroom to allow for larger families. 10% is reserved for households with incomes at or below 30% MFI, 50% for households at or below 50% MFI, and the remaining 40% for households at or below 60% MFI.
 - **Extremely low income homeless families** - – 10% of units will be set-aside for families making less than 30% of MFI and will receive services through the Children’s HOME Initiative (CHI) Program, an established FC program model that has been serving homeless families across Austin since 2003.
 - **Special Needs** – as part of a FHLB application, Parker Apartments has committed to set aside 30% of total units for persons with Special Housing Needs. Parker Apartments also committed to a 5% Special Needs set-aside in the tax credit application.
 - **Continuum of Care** – as part of the tax credit application Parker Apartments has committed to set aside 2% of total units for Persons experiencing homelessness and referred from the Continuum of Care or other local homeless service providers.
 - **Rental Assistance Vouchers** – At this time there are not dedicated project based subsidies. We will of course accept tenant vouchers.
 - **Accessibility** - 10% of the total units will be made accessible for persons with mobility and 2% of total units will be made accessible for persons with hearing and visual impairments. In addition, all ground floor units will be made adaptable to persons with mobility disabilities.

- ii. Identify the appropriate Neighborhood Plan and describe the Development’s compatibility with it. In the absence of a Neighborhood Plan, describe the Development’s compatibility with the Imagine Austin Comprehensive Plan.

The site is located within the East Riverside/Oltorf Neighborhood Planning Area and has submitted an application to amend the FLUM from Civic to Multifamily. Although this site requires an amendment to the Neighborhood Plan, the proposal is well aligned with Imagine

4. Development Proposal

a. Development Description

iii. Summarize the key financials of the development, clearly indicating the total development cost; the amount and intended use of AHFC/HPD funds being requested; the amount and use of any prior funding that the development may have received from AHFC; and the amount(s) and provider(s) of other funding and the status of those funding commitments.

- **Total Development Cost - \$37,497,028**
- **City of Austin - \$4,100,000** – In this application, FC is applying for funds to be used for acquisition and construction. We request these funds from the City to be in the form of a deferred forgivable loan with a 40 year term.
- **9% Tax Credit Equity - \$14,698,530** – In March 2021, FC submitted an application for \$1,500,000 in 9% tax credits. Awards are announced by TDHCA at the end of July 2020. Bank of America, N.A. quoted \$0.98 per dollar of tax credits, 20% of which will be available during the construction period. Closing is expected in the first quarter of 2022.
- **Construction Loan –\$24,000,000** - Bank of America, N.A. quoted a construction loan that will carry an interest rate 4% and will require interest-only payments during the construction period. Closing is expected in the first quarter of 2022.
- **Mortgage - \$12,338,361** – Bank of America, N.A. quotes a perm loan that will carry an anticipated interest rate of 4.24% for a 16-year term and be amortized over a 35-year period. The permanent loan will close after project completion and stabilization.
- **Waived Fees - \$529,398** - The City of Austin has committed to waive permit fees as part of their SMART Housing program. TDHCA requires that waived fees be included as a source and use, so this is mirrored in the RHDA application
- **Deferred Developer Fee - \$1,799,640** - FC has committed to deferring up to 50% of the developer fee, repayable through cash flow
- **Owner Equity - \$4,031,099** - FC has committed its own funding as a placeholder for private fundraising that will be pursued as the project is developed. The equity will be loaned to the partnership at 3% interest 40 year cash flow contingent loan.

iv. Indicate whether the project meets the requirements of the City’s Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD) or any other City of Austin density bonus program.

We have applied for Affordability Unlocked. This site is not located within a PUD or TOD or zoned VMU.

4. Development Proposal

b. Financial Commitments



Valerie A. Williams
Senior Vice President
Bank of America, N.A.
901 Main Street, 66th Floor
Dallas, Texas 75202
P: 214-209-3219
C: 469-691-0541

TERM SHEET

February 24, 2021

VIA EMAIL

Parker Apartments
c/o Ms. Sabrina Butler
Foundation Communities
3000 S IH 35
Suite 300
Austin, Texas 78704

Re: Construction to Permanent Loan for Parker Apartments, located in, Austin, Travis County, TX (the “Project”)

Dear Sabrina:

This letter will serve as a preliminary outline of the terms under which Bank of America, N.A. (the “Bank”) would consider a loan request on the above referenced Project. **This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank’s internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request. The proposed terms and conditions are as follows:**

Project: To be constructed 135-unit family apartment complex located on 8 +/- acres at 2105 Parker Lane, Austin, TX 78741, on the above referenced property (the “Property”).

Borrower: FC Parker Housing, LP, an SPE entity - form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements: Borrower and Guarantors’ financial statements, covenant compliance certificates, property operating statements, leasing summaries and any other reports required by Bank shall be provided in detail and frequency as determined by the Bank in its sole discretion.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

CONSTRUCTION LOAN

Construction Loan Amount: Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the least of:

- 1) \$24,000,000;
- 2) 75% LTC based on final Bank approved construction budget; or
- 3) 80% LTV based on the sum of the “as completed and stabilized” appraised value, including rent restrictions, plus the value of the Low Income Housing Tax Credits (the “LIHTC”) at the lesser of the value determined within Bank analysis of market pricing for the proposed market, or the gross amount being paid for the LIHTC’s by the syndicator/investor.

Construction Interest Rate:

Interest will be calculated on the basis of a 360-day year and actual days elapsed, which results in more interest than if a 365-day year were used. The Loan will bear interest at a fluctuating rate of interest equal to the LIBOR Daily Floating Rate plus 2.50% per annum (the “Note Rate”) with an aggregate Floor of 4.00%. “LIBOR Daily Floating Rate” means, for any day, a fluctuating rate of interest per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate) for U.S. Dollars for a period of one (1) month (“LIBOR”) as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Bank from time to time), at approximately 11:00 a.m., London time, two (2) London Banking Days prior to such day, for U.S. Dollar deposits with a term of one (1) month commencing that day; provided that if the LIBOR Daily Floating Rate shall be less than one percent (1.00%), such rate shall be deemed to equal one percent (1.00%). If the LIBOR Daily Floating Rate becomes unavailable, indeterminable or illegal, or fails to reflect Bank’s costs, the interest rate will be the Base Rate plus 150 bps per annum. “Base Rate” means, on any day, a fluctuating rate per annum equal to the Base Rate Margin plus the highest of: (i) the Federal Funds Rate for that day plus ½ of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by Bank as its “Prime Rate,” or (iii) one percent (1.00%). The LIBOR Daily Floating Rate and construction loan Note Rate will be further defined in the Loan Documents. The construction loan Note Rate if determined today would be 4.00%. THIS RATE IS INDICATIVE ONLY AND THE ACTUAL CONSTRUCTION LOAN NOTE RATE MAY DIFFER.

If Bank determines, or Borrower notifies Bank that: (a) adequate and reasonable means do not exist for ascertaining LIBOR and such circumstances are unlikely to be temporary, or (b) the administrator of LIBOR or a governmental authority having jurisdiction over Bank has made a public statement identifying a specific date after which LIBOR shall no longer be made available, or used for determining the interest rate of loans, provided that, at the time of such statement, there is no successor administrator that is satisfactory to Bank, that will continue to provide LIBOR after such specific date, (c) the administrator of LIBOR or a governmental authority having jurisdiction over such administrator has made a public statement announcing that LIBOR is no longer representative, or (d) bilateral portfolio commercial real property loans are being executed or amended to incorporate or adopt a new benchmark interest rate to replace LIBOR, then LIBOR will be replaced with a SOFR-Based Rate, including the Related Adjustment (any such rate, a “LIBOR Successor Rate”). In no event shall the LIBOR Successor Rate be less than one percent (1.00%).

“Related Adjustment” means, in determining any LIBOR Successor Rate, the first relevant available alternative set forth in the order below that can be determined by Bank applicable to such LIBOR Successor Rate:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the relevant pre-adjustment successor rate (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto) and which adjustment or method (x) is published on an information service as selected by Bank from time to time in its reasonable discretion or (y) solely with respect to Term SOFR, if not currently published, which was previously so recommended for Term SOFR and published on an information service acceptable to Bank; or

(B) the spread adjustment that would apply (or has previously been applied) to the fallback rate for a derivative transaction referencing the ISDA Definitions (taking into account the interest period, interest payment date or payment period for interest calculated and/or tenor thereto).

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York.

“SOFR” with respect to any business day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source) at approximately 8:00 a.m. (New York City time) on the immediately succeeding business day and, in each case, that has been selected or recommended by the Relevant Governmental Body.

“SOFR-Based Rate” means SOFR or Term SOFR.

“Term SOFR” means the forward-looking term rate for any period that is approximately one (1) month in duration (as determined by Bank) and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by Bank from time to time in its reasonable discretion.

An interest rate protection product from a financial provider acceptable to the Bank may be required prior to funding of a loan. Borrower and any person or entity that at any time provides a guaranty of Borrower’s obligations in respect of such interest rate protection (including but not limited to any general partner of any thereof) will be required to be an “eligible contract participant” as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

Construction Loan Term: 30 months from the loan closing.

Construction Loan Amortization: Interest only for 30 months; as applicable: 35 year amortization paid monthly thereafter.

Construction Loan Fee: 50 BPS of the total Loan Commitment, payable at closing.

Construction Renewal Options:

An extension of the Construction Loan for six (6) months may be provided at the discretion of the Bank. An extension fee of 0.50% of the committed Loan amount will be associated with the extension. There may be other charges associated with the extension, such as Bank's legal fees.

Payment and Performance Guaranty: 100 % guarantee of completion, performance and repayment to be provided by *Foundation Communities, Inc.* (collectively, the "Guarantor"). For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the Project and repayment of the financing, including interest and costs. Guarantors to have financial covenants including but not limited to minimum net worth and liquidity – TO BE DETERMINED.

Collateral: Collateral will include, without limitation, a first priority (a) mortgage/deed of trust lien on Borrower's fee **leasehold** interest in the Property; (b) assignment of all leases, rents, income, licenses, permits and contracts relating to each Property; (c) security interest in all personal property used in conjunction with the construction, operation and maintenance of the Project; (d) assignment of all construction, architect, and engineering contracts; (e) assignment of all permits, licenses and agreements; (f) lien on all operating reserve and other deposit accounts related to the Property; (g) assignment of all interest rate hedge agreements (if any); and (h) assignment of partnership interest, including capital contributions.

Ground Lease: Ground leased from the Ward Memorial Methodist Church under a 99 year lease. Terms of ground lease must be financeable and meet Bank requirements.

Environmental: Environmental indemnity to be obtained in form and substance approved by the Bank.

General Contractor: To be named. Entity subject to Bank's full due diligence and approval. Guaranteed maximum price contract required. Contract must require 10% retainage. Payment and performance bond or acceptable Letter of Credit required in an amount and issuer acceptable to the Bank.

Loan Advances: Construction loan advances will be made no more frequently than monthly and will be based on the percentage of completion method for actual work in place less retainage as confirmed and approved by the Bank and its third party construction consultant. All funds will be advanced into a construction account at and pledged to Bank.

Project Budget: Project budget must be approved by the Bank and include:

- 1) Minimum 5% construction contingency (if new construction), or 10% contingency (if rehabilitation of existing improvements);
- 2) Minimum 3% soft cost contingency;
- 3) Sufficient interest reserve to support the Project until it achieves the breakeven. Excess cash flow shall be used first to apply to accrued interest or interest then due with the remainder advanced from interest reserve; and
- 4) Bank may also require other reserves to be established with the Project budget.

PERMANENT LOAN:

Permanent Loan Amount: The least of:

- 1) \$12,338,361;

2) 80% LTV based on an appraisal in form and substance acceptable to the Bank, or
3) the principal amount based on debt service payments sufficient to achieve a 1.15X DSCR.
LTV and DCR requirements are subject to change upon final underwriting. In the event the Project demonstrates a declining Net Operating Income in the Proforma, the Permanent Loan amount shall be sized in accordance with the Project achieving a minimum annual DCR of 1.05x in year 15 year and 1.00x in year 18 based on Bank approved trending of income and expenses. The Permanent Loan Amount is further restricted to the calculations and limitations as set forth in the “Secondary Financing” section below.

Permanent Loan Interest Rate: The Bank estimates that, were the Note rate fixed as of the date of this letter, the rate would be approximately 4.50%. THIS RATE IS INDICATIVE ONLY AND THE ACTUAL NOTE RATE MAY DIFFER. For underwriting purposes the Bank assumed a rate of 4.24%. The interest rate will be forward locked for a period of 30 months. Forward rate lock extension for one six-month period will be available, subject to a fee of .25% if the Loan does not convert within the first ninety (90) days of the extension. Fee to be paid the earliest of the conversion or expiration of the extension.

Permanent Loan Maturity: 16 years from the permanent loan conversion.

Amortization: 35 years.

Permanent Loan Fees: The greater of:

- 1) \$7,500.00 or
- 2) 0.75% of the total Loan Commitment, payable at construction loan closing.

There will also be a Conversion Fee equal to \$10,000 payable at conversion.

Conversion Terms:

- 1) Lien free completion.
- 2) Property has stabilized over the prior three consecutive months as evidenced by 90% or greater physical and economic occupancy for each of the three months and achievement of 1:1.15X DSCR for that period.
- 3) Pay-off of the construction loan.

Guaranty: Non-recourse exclusions from key principals relating to fraudulent acts, in form and substance acceptable to Bank. Financial condition of key principals will be subject to Bank review and approval.

Reserves: The Bank will require a replacement reserve of at least \$250 per unit. Other reserves may be required.

Property Manager: Entity to be named. Entity is subject to Bank’s full due diligence and approval.

GENERAL PROVISIONS:

Syndicator/Investor: Syndicator and investor are subject to Bank approval. Investor(s) must be admitted into the partnership (or as member of a limited liability corporation) no later than closing of the Construction Loan.

LIHTC Equity:

- 1) Borrower must provide evidence satisfactory to Bank that it is entitled to an allocation of state and/or federal LIHTC’s and agree to perform all actions necessary to maintain the allocation of those tax credits.

- 2) Bank must review and approve the commitment letter, partnership agreement, and any other documentation evidencing purchase of the LIHTC's.
- 3) Proceeds from the sale or syndication of the LIHTC's must be in an acceptable amount and according to a pay-in schedule and funding conditions acceptable to the Bank.
- 4) Upfront investor limited partner equity shall be at least 10% of the total investor limited partner equity.
- 5) Bank of America, acting as Syndicator/Investor for the Project, may elect a different equity pay-in schedule.
- 6) Assignment of tax credits required.
- 7) Initial capital contributions in excess of closing draw or subsequent capital contributions in excess of a concurrent draw request shall be deposited into an account at and pledged to Bank from which pending and subsequent draws shall be funded completely prior to advancing funds from the Construction Loan. In the event Bank and Borrower enter into a Construction Loan Disbursement Escrow Agreement, Bank will allow initial capital contribution in excess of closing draw may remain in escrow from which pending and subsequent draws are funded.

Secondary Financing: Secondary Financing is permitted, subject to Bank approval. Secondary Financing shall be subordinated to the Bank's lien and secondary creditors who have not funded all proceeds prior to Bank proceeds shall execute an intercreditor agreement satisfactory in substance and form to the Bank, which limits and restricts the secondary creditor's rights and remedies without the prior written consent of the Bank. Secondary Financing subordination terms and conditions shall be consistent with provisions contained in Bank's form of subordination agreement and allow the potential refinance of the facilities contemplated herein. All Secondary Financing loan documents, including the subordination agreement, shall be acceptable to the Bank. The loan documents shall provide for traditional restrictions on Borrower encumbrances of the Property. It is the Bank's assumption that all Secondary Financing for the Project will be funded prior to or simultaneous with Construction Loan Closing. Sources of Secondary Financing not paid in their entirety at closing and to be provided by governmental agencies (Federal, State, or Local) shall be evidenced by a commitment at closing which shall indicate that the allocation has been approved and funds allocated have been raised, reserved and available, and are not subject to clawback for other governmental priorities and, further, that the commitment does not obligate funds in excess of funds reserved. Any required "must-pay" subordinate debt service shall be underwritten and included in the LTV calculations, as well as factored into the minimum DSCR, with a combined minimum of 1.20:1 DSCR and 80% LTV on all hard debt.

Upfront Funding Sources: Total upfront funding, which may include LIHTC equity, developer equity, and/or subordinate debt shall equal a minimum of 15% of total development costs and will be advanced prior to the Bank's Construction Loan.

Developer Fee Payout Schedule: Developer fee payout schedule is subject to Bank review and approval. Bank approved pay-in schedule will not necessarily defer to the partnership agreement but shall follow terms finalized for the loan agreement.

Market Analysis: Terms herein are subject to Bank's satisfactory review and acceptance of overall market condition, demand/capture rate, absorption estimates, and subject Property's rent differential to market.

Indemnification and Expenses: Borrower will pay all costs incurred in connection with the proposed facility, including but not limited to reasonable legal fees of Bank's counsel, title/insurance fees, mortgage recording fees, and Bank's reasonable appraisal, engineering, insurance review fees, environmental, front end costs and document review/inspections, and physical needs assessment (for existing projects only). In the event that the proposed facility does not close, the undersigned will pay all such costs. Borrower and the undersigned acknowledge that Bank may receive a benefit, including, without limitation, a discount,

credit or other accommodation, from such counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid in connection with the facility. Payment by [Borrower][the undersigned] of these expenses will not be contingent upon closing of the facility.

Borrower, or, in the event that the proposed facility does not close, the undersigned, will indemnify and hold harmless Bank and its affiliates and their respective partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages, liabilities and expenses arising out of or relating to the facility, any other aspect of the contemplated transactions, Borrower's use of facility proceeds or the commitments, including, but not limited to, reasonable attorneys' fees (including the allocated cost of internal counsel) and settlement costs and any claim for loan brokerage fees or similar payments.

Restrictions: Subject to review and underwriting of any rent or other restrictions that may survive a foreclosure. Confirmation that unit rents post a foreclosure can adequately support the Property based on current market conditions at that time, to be determined at Bank's discretion.

Deposits: The Bank may require that the replacement reserve, any operating deficit reserve, operating account, and any other reserves required by other funding parties to the Project be maintained at the Bank.

Regulatory Requirements: Subject to the review and approval of all regulatory agreements and/or land use restrictions as required for ad valorem tax abatement, Section 8 (HAP), subordinate debt, ground lease, or other sources of funding, as applicable. Evidence that ad valorem tax abatement coincides with the real estate collateral required. Attorney opinion of real estate tax abatement applicability may be required.

Other Requirements: Conditions to closing will include (all of the items to be delivered to be in form and substance satisfactory to Bank), but shall not be limited to:

- receipt of all due diligence materials necessary and relevant to identifying Borrower's identity and background information, as deemed necessary by Bank;
- completion of all due diligence, including reputational due diligence, with respect to Borrower, Guarantors and their respective subsidiaries and each Property in scope and determination satisfactory to Bank, including but not limited to, documentation and other information requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act and the Beneficial Owner Regulation;
- any Borrower that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation shall deliver a Beneficial Ownership Certification in relation to such Borrower to Bank;
- receipt of an appraisal for the Property;
- receipt of a Phase I Environmental Site Assessment for the Property;
- receipt of standard flood hazard determination forms for the Property;
- receipt of physical needs assessment for the Property;
- review and acceptance by Bank (and any third party consultant, if any, selected by Bank) of all insurance policies for Borrower and the Property, including, but not limited to, such evidence of flood insurance coverage (including contents coverage, as applicable) as Bank shall require;
- if applicable, receipt of a plan and cost review report is a FOR RENOVATION OF EXISTING BUILDINGS—and a property condition report for the Property; (includes adequate contingency, interest carry/operating deficit reserve, condition of markets/submarkets, revenue/expenses pro-formas, etc.);
- receipt of proposed standard form of lease;

- receipt of evidence that the [current and] anticipated use of the Property and that all [existing and] proposed improvements thereto comply with applicable zoning ordinances, regulations and restrictive covenants;
- review and acceptance of plans and specifications for construction of the Property;
- receipt of a Project budget;
- [receipt of the Permanent Loan Commitment and Tri-Party Agreement with the Permanent Lender (as such terms are to be defined in the Facility documentation)];
- receipt of a title insurance policy insuring Bank's first mortgage position on each Property, together with such co-insurance and/or reinsurance as Bank may require, together with UCC, litigation and other searches against Borrower, Guarantor and such other parties as Bank shall require, and such lien waivers from existing contractors as Bank or the title company shall require;
- receipt of acceptable surveys for each Property;
- financial review of Borrower, Guarantor, and general contractor;
- receipt of management agreement and subordination;
- receipt of proof of tax credit award, equity investor and pay-in schedule, information regarding real estate taxes (including proof of any tax-exempt status if applicable);
- receipt of satisfactory legal opinions, financial statements, certificates, documents and other instruments as are customary or otherwise appropriate for transactions of this type; and
- receipt of such other documents, instruments, agreements or information as reasonably requested by Bank.

CashPro Credit: If the facility is eligible, Borrower agrees to utilize CashPro Credit, a complimentary service provided by Bank. CashPro Credit provides quick and flexible access to credit balances and invoices. Services include:

- View real-time credit line/loan information;
- Ability to search for an invoice and review details;
- Download up to 180 days of transaction history for obligations;
- Initiate payment, advance and non-financial transactions for eligible loans; and
- Upload financial statements and covenant compliance reporting.

Credit Verification: Each legal entity and individual signing this term sheet hereby authorizes Bank to order credit reports, court searches, verification of deposits, and verification of mortgages on Borrower and Borrower's owners or principals, including any to-be-formed entity or entities. Each individual signing below further authorizes Bank to check any credit references, verify his/her employment and obtain credit reports from credit reporting agencies of Bank's choice in connection with the facility.

Material Adverse Change: Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the Property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the Property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

Assumptions made: The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Financial Feasibility: The attached 15-year *pro forma* was prepared by **Foundation Communities** and reviewed by **Bank of America, N. A.** for **Parker Apartments**, located in **Austin, Texas**. The *pro forma* is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on **Bank of America's** current underwriting parameters and consistent with the loan terms indicated in the term sheet and is preliminarily considered feasible, pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio.

Additionally, we have performed a preliminary review of the credit worthiness of **Foundation Communities, Inc., FC Parker Housing, LP**, and its Principals. At this time, **Bank of America, N. A.** has no reservations with the Development Owner or any of the Principals. We anticipate no additional guarantors or financial strength will be needed to facilitate a loan to this borrower, other than those requirements disclosed herein.

All interest rates and other pricing terms are quoted based on the assumption that the facility will not be classified as HVCRE (High Volatility Commercial Real Estate Exposure) pursuant to Basel III Regulations. The quoted interest rates and other pricing terms are potentially subject to change if the facility is anticipated to be classified as HVCRE pursuant to Basel III Regulations.

Any facility, as contemplated by this Term Sheet, will be subject to applicable flood insurance regulations at all times during the life of such facility. Compliance with flood insurance regulations will be tested prior to making, increasing, renewing or extending any such facility.

Bank of America and BofA Securities, Inc. ("BofA Securities") hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act") and recent regulations implemented by the US Treasury's Financial Crimes Enforcement Network ("FinCEN") under 31 C.F.R. § 1010.230 (the "Beneficial Ownership Regulation"), each of them is required to obtain, verify and record information that identifies you, which information includes, but is not limited to, your name and address, a Beneficial Ownership Certification, and other information that will allow Bank of America and BofA Securities to identify you in accordance with the PATRIOT Act and the Beneficial Ownership Regulation prior to closing the loan. You shall, promptly following a request by Bank of America or BofA Securities, provide all documentation and other information that such party requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act and the Beneficial Ownership Regulation. "Beneficial Ownership Certification" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the "bank exemption"

provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

If these items are consistent with your financing requirements, please acknowledge below and return this letter to the signer below within ten (10) business days along with a check in the amount of \$15,000 to be used toward Bank of America's legal fees and other related out-of-pocket costs incurred in connection with our formal underwriting and approval process. Borrower understands that possible additional funds will be necessary to pay for costs. Conversely, any excess funds will be refunded to Borrower. Bank of America will then be able to proceed with a full review and analysis of your financing request and attempt to obtain internal approval on the basis of the foregoing terms and conditions as quickly as possible. Of course, the foregoing should not be construed in any way as a commitment for financing, as any such commitment or undertaking can only be in writing after internal loan approval has been obtained.

Any loan commitment must be written and state that it is a commitment and any other oral or written communications will not constitute a loan commitment. Any loan commitment will not be binding upon Bank of America or Borrower unless executed by both parties.

Expiration: The subject terms are presented for the purpose of making application for a tax credit award from the Texas Department of Housing and Community Affairs with decisions on awards expected by July 31, 2021 (decision date). This term sheet will expire at 5:00 p.m. CT, within five (5) business days from decision date unless you execute this term sheet and return it to us prior to that time, along with a good-faith deposit of \$15,000. Upon receipt of the signed letter and the good-faith deposit, the Bank will proceed with the necessary due diligence to prepare and submit your loan request. Your deposit is refundable, less the Bank's out of pocket expenses incurred, should the Bank decline the financing opportunity discussed herein.

Sincerely,
BANK OF AMERICA, N.A.



Valerie A. Williams
Senior Vice President

Acknowledged and Agreed:

By: Walter Moreau
Its: Executive Director
Date: 2/24/21

Walter Moreau
Name: _____
Date: _____



Community Development Banking
 520 Newport Center Drive, Suite 1100
 Newport Beach, CA 92660
 CA6-814-11-03

Casey Carpenter
 Senior Vice President
 P 949-287-0479
 casey.carpenter@baml.com

February 24th, 2021

Ms. Sabrina Butler
 Foundation Communities
 3000 S IH 35, Suite 300
 Austin, Texas 78704

Re: Equity Letter of Interest
 (Parker Apartments)

Dear Ms. Butler:

Thank you for providing Bank of America with the opportunity to review the Parker Apartments project. This letter of interest is submitted in support of your application for 9% Federal Low Income Housing Tax Credits. Bank of America, N.A. is interested in a potential investment for the acquisition of these tax credits.

Your proposal contemplates the new construction of a 135-unit LIHTC development called Parker Apartments. The project will be located at 2105 Parker Lane, Austin, TX, on an approximate 8-acre site to be ground leased from the Ward Memorial Methodist Church for a term of 99-years. The property will include an on-site learning center providing the usual breadth of Foundation Communities' services, as well as some space that will be sub-leased back to the church for their use (office space and meeting space).

We estimate that we will be able to provide \$0.98 in equity for every dollar of Federal Low Income Housing Tax Credit. We intend to receive 99.99% of the credits generated by the Project. Based on our current projections, this will yield total equity of \$14,698,530 with an estimated pay-in schedule as follows:

INVESTOR CAPITAL CONTRIBUTIONS			
	Payment Dates	Equity %	Tax Credit Equity
Closing/Admission	4/1/2022	10.00%	1,469,853
90% Completion	8/1/2023	10.00%	1,469,853
Conversion	8/1/2024	77.50%	11,391,361
8609	11/1/2024	2.50%	367,463
		100.00%	14,698,530

Please note that with an estimated closing date of 4/1/22, our pricing will reflect our yield and shareholder requirements as well as our anticipated ability to use the credits as we move closer to that point in time. Once the project receives an allocation of Federal 9% LIHTC credits, we will update our initial underwriting and provide a full Equity Letter of Intent with terms/pricing we will hold through Closing on 4/1/22. In addition, please understand that this equity investment will be subject to acceptance of a Bank of America proposal for construction debt, verification of development information, and completion of our underwriting, due diligence and documentation. Specific terms of both the equity and debt will be provided upon completion of our normal due diligence process.

Subject to underwriting, due diligence, and credit approval, the terms of the equity investment will include the following:

- Project rents for each unit type (including any market rate units, if applicable) will be underwritten at a level no greater than 85% of market rents or 100% of LIHTC rents.
- Must Pay Debt Service Coverage Ratio of 1.15:1.00 or greater with a max amortization of 40-yrs.
- Replacement Reserves of at least \$250 per unit per year.
- Operating reserve of not less than 3 months of annual debt service, expenses and reserves.
- A Lien Free Completion and Development Deficit Guaranty from a Guarantor acceptable to Bank.
- An Operating Deficit Guaranty with a cap representing a minimum of 6 months of operating expense plus must pay debt service and reserves, for a term of 3 years following 12 consecutive months of breakeven operations, from Guarantor acceptable to Bank
- A Tax Credit and Recapture Guaranty from Guarantor acceptable to Bank.
- Adjuster clauses for the delayed delivery or the reduction in credits.

Assumptions made in our analysis include:

- 18 months to complete construction/6 months to reach stabilization/3 months to Conversion
- Bank of America Construction Loan estimated at \$24,000,000
- 30 year depreciation
- 2% income escalation/3% expense escalation/5% vacancy

Bank of America welcomes the opportunity to continue working with Foundation Communities. We believe the project will provide critically needed affordable housing for high need populations in Central SE Austin and the development will benefit from your expertise in residential development.

Please note that this is neither a commitment nor a letter of intent to invest, but simply an indication of our interest in pursuing this opportunity. An acknowledgement signature block is provided below to represent your understanding of the terms and conditions outlined herein.

We look forward to working with you on this exciting project. Best of luck with your application and please let us know how we can be of further assistance.

Bank of America, N.A.



By:

Casey Carpenter, Sr. Vice President

ACKNOWLEDGMENT:

By: Walter Moreau

cc: Valerie Williams, Bank of America



3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



May 4, 2021

James May
City of Austin Housing and Planning Department
PO Box 1088
Austin, Texas 78767

Re: Parker Apartments
Owner Equity

Dear James,

Foundation Communities, a mission driven charitable nonprofit, is committed and fully prepared to provide \$4,128,285 in owner bridge funding during the construction period, and \$4,031,100 as a permanent owner's contribution to the project. Foundation Communities certifies that these funds are and will remain readily available at Commitment and until the required investment is completed. It is very customary for mission-based, service-enriched housing developed by non-profits to have their own funding paired with private fundraising as a substantial piece of their permanent funding stack.

Foundation Communities has committed and provided the necessary gap financing required for many of its past projects, including the following owner's contributions as evidenced at Cost Certification:

- Lakeline Station #14070 - \$1,725,000
- Bluebonnet Studios #14068 - \$4,043,004
- Live Oak Trails #14069 - \$1,420,000
- Homestead Oaks #13109 - \$1,205,857
- Capital Studios #12300 - \$1,113,539
- M Station #09130 - \$2,000,000
- Sierra Vista #10152 - \$1,550,000



a Partner Agency of



Foundation Communities is able to make these owner's contributions due to its strong history of fundraising and fiscal responsibility. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, JPMorgan Chase, Orsinger, and the Michael & Susan Dell Foundations. In the last five years, FC has been successful raising over \$10 million in private funds to help fund construction of 6 communities.

Foundations Communities also took advantage of the historically low interest rates in 2013 and refinanced two of the properties in its portfolio to create a Growth Fund to support future development projects. This opportunity paired with \$5 million from a private investor has provided Foundation Communities with \$14 million to create an internal revolving line of credit, which can be used in tandem with housing tax credits to further its mission of providing first class affordable homes and supportive services. Foundation Communities also maintains an internal Central Reserve to support capital projects within the existing portfolio, and as an additional source of funding support for development pipeline projects as needed.

Sincerely,

Walter Moreau

Walter Moreau
Executive Director,
Foundation Communities, Inc.



a Partner Agency of



United Way for Greater Austin





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



May 4, 2021

James May
Housing and Planning Department
PO Box 1088
Austin, Texas 78767

Re: Parker Apartments
Deferred Developer Fee

Dear James,

As the Director of Foundation Communities, Inc., the developer of Parker Apartments, I hereby certify that the developer will defer up to \$1,799,640 for the project to be used as a construction period and permanent source and repayable through cash flow within the first 15 years. The amount deferred is subject to change based on future gap funding.

Sincerely,

Walter Moreau

Walter Moreau
Executive Director,
Foundation Communities, Inc.



a Partner Agency of



United Way for Greater Austin





City of Austin

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

Housing and Planning Department

March 1, 2021

Marni Holloway
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: TDHCA Application **#21063 Parker Apartments**

Dear Ms. Holloway:

I am writing to confirm the de minimis contribution of development funding by the City of Austin (the "City") for Parker Apartments.

This project is eligible to have certain development fees waived through the City's S.M.A.R.T. Housing Ordinance. The ordinance allows full or partial fee waivers in developments in which a portion of the units are affordable for households who earn no more than 80% of the median family income.

Contingent upon the development's compliance with the City's S.M.A.R.T. Housing Ordinance, the fee waivers the City will provide are for a direct benefit of the project by reducing development costs approximately **\$529,398**.

Please contact Alex Radtke by phone 512-974-2108 or by email at alex.radtke@austintexas.gov if you need additional information.

Sincerely,

Regina M Copic

Regina M. Copic, Real Estate Manager
Housing and Planning Department

4. Development Proposal

c. Market Assessment

4. Development Proposal

d. Continuum of Care

As part of the tax credit application Parker Apartments has committed to set aside 2% of total units for Persons experiencing homelessness and referred from the Continuum of Care or other local homeless service providers.

4. Development Proposal

e. Resident Services

- i. A description of the services to be provided to residents and/or clients, and the estimated annual cost of providing those services. If the development will also be applying for LIHTC, please reference the specific services as allowed for by TDHCA's Qualified Allocation Plan (QAP).

Foundation Communities will provide free, supportive service programs that will educate, support and improve health and financial standing for residents. As part the tax credit application, Parker Apartments has committed to providing a combination of services from the QAP for 45 years. Actual services to be provided are expected to be much more extensive than what will be committed for tax credits. Supportive Service programs to be offered on site include:

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

4. Development Proposal

e. Resident Services

- iv. Description of the organization(s) providing the services and a memorandum of understanding or some other type of signed agreement that indicates the relationship between the developer and service provider, if the services are provided by an external organization.

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

- v. Resumes of key personnel who will be actively involved in the delivery of services including information on certifications, licenses, years of experience, and education.

Learning Center Coordinator - A full-time Learning Center Coordinator will coordinate services offered to residents of Parker Apartments. This person will lead resident services staff and volunteers, collaborate with community partners, work with FC's Health Initiatives team to coordinate the on-site Food Pantry, work closely with property management to help residents maintain their housing, and coordinate service delivery that promotes the empowerment and self-sufficiency of all residents. Services include, but are not limited to, helping residents increase their income by improving their job skills to expand employment opportunities, encouraging residents to participate in the on-site Adult Education classes and health programs, helping residents access public entitlements (e.g. SSI, Unemployment), and connecting interested residents to the Mental Health programs. The Services Coordinator must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.

Intensive Case Manager - The full-time Intensive Case Manager will be located on-site and dedicated to residents participating in the CHI program. The Intensive Case Manager is available to work one-on-one with residents on a weekly basis to develop a self-sufficiency plan; connect residents with workforce services; provide information, guidance, and support in making critical healthcare decisions; assist in applying for public benefits such as Medicaid, act as an advocate with the resident in managing any problems that arise in these systems; and coordinate other supportive service providers and property management to maintain housing stability. The Intensive Case Manager must have a Bachelor's degree in social work or related field and a minimum of 3 years of relevant experience.

4. Development Proposal

e. Resident Services

Key leadership roles involved in service delivery.

- **Julian Huerta – Deputy Executive Director.** Julian provides leadership for all Foundation Communities' resident and community services. He develops and directs education, financial stability and supportive housing programs that serve more than 30,000 working poor families and homeless adults annually. Julian brings over 25 years' experience in program development, nonprofit administration and fundraising.
- **Marisela Montoya – Director of Education.** Marisela graduated from the University of Texas with a degree in Psychology. For 17 years, she has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist (Community Education; At Risk Youth Programs; afterschool, teen, and adult education programs). She has been with Foundation Communities for 10 years, first as Lead Learning Center Coordinator, and now as Director of Education. She holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.
- **Danette Lopez Garza– Director of Family Supportive Housing** Danette graduated from the University of Texas at Austin with a degree in Government. She has 16 years' experience working with Central Texas non-profits serving the most needy at The Capital Area Food Bank in Agency Relations, The Caring Place as Program Coordinator and Foundation Communities for the last 11 years in the Children's HOME Initiative. She serves on the board of the Social Service Case Management Network and RBI Austin Mentoring board.
- **Kori Hattemer – Director of Financial Programs.** In this capacity, she oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.
- **Aaron DeLao—Director of Health Initiatives.** Aaron joined Foundation Communities in 2018. He brings more than a decade of experience as a nonprofit leader. Previously, Aaron worked at CommUnity Care Health Centers and Volunteer Healthcare Clinic. He has led community needs assessments, opened new clinics within Travis County, and built collaborations across community organizations to create much-needed programming in the Public Health arena. Aaron holds a B.A. in Government from the University of Texas at Austin, a Master's in Public Administration from the University of Texas Pan American (now Rio Grande Valley) in Edinburg, and is a certified Health Promotor/Community Health Worker in the State of Texas.

4. Development Proposal

e. Resident Services

vi. Financial capacity of the Services provider:

Foundation Communities has a strong track record of fundraising to cover these programs. Funding for the supportive services at Parker Apartments will come from a combination of cash flow, grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. FC has raised approximately \$45 million over the past 5 years to fund services at our existing 22 properties in Austin. We have deep relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio contributing strong ongoing revenue to the organization, with all projects producing their targeted cash flow and reserves established by the Board. Below is the services budget.

Sources	Year 1	Year 2	Year 3
Foundations, Corporations and Individuals	\$264,150	\$271,175	\$278,410
Est. Cash Flow after waterfall	\$30,000	\$31,800	\$33,654
TOTAL SOURCES	\$294,150	\$302,975	\$312,064

Uses	Year 1	Year 2	Year 3
Payroll	\$209,000	\$215,270	\$221,728
Taxes and Benefits	\$41,800	\$43,054	\$44,346
Supplies/ Admin	\$28,450	\$29,304	\$30,183
Direct Aid to Clients	\$14,900	\$15,347	\$15,807
TOTAL	\$294,150	\$302,975	\$312,064

4. Development Proposal

f. Affordability Unlocked


From: NHCDReview@austintexas.gov
To: [Anna Lake-Smith](#)
Subject: Affordability Unlocked Application
Date: Thursday, January 7, 2021 1:52:21 PM

CAUTION: External Email



Formstack Submission For: [Affordability Unlocked Application](#)

Submitted at 01/07/21 1:51 PM

Provide the address(es) of the proposed development or a general description of the location if no address is available.:	2105 Parker Lane Austin, TX 78741
Central Appraisal District Property ID(s):	287603
:	 Direct Link to Image
:	View File
Full Name:	Anna Lake-Smith
Mailing Address:	3000 S IH-35 Suite 300 Austin, TX 78704
Email :	anna.lake-smith@foundcom.org
Phone 1:	(512) 610-0811
Phone 2:	(651) 208-8039

Select your form of organization:	Nonprofit Corporation
Please identify officers and indicate their titles.:	
Please identify the general partner(s) and contact information for all principals.:	
Please list type of Nonprofit : eg. 501(c) 3:	501(c)3
Full Name:	Anna Lake-Smith
Mailing Address:	3000 S IH-35 Suite 300 Austin, TX 78704
Email:	anna.lake-smith@foundcom.org
Phone 1:	(512) 610-0811
Phone 2:	(651) 208-8039
Name:	Valicia Nichols
Mailing Address:	3000 S IH-35 Suite 300 Austin, TX 78704
Email:	valicia.nichols@foundcom.org
Phone 1:	(512) 610-7394
Phone 2:	
Project Name:	Parker Apartments
Project Site Plan No. (if applicable):	
Subdivision Case No. (if applicable):	

<p>Is this development participating in or receiving subsidy from any of the following sources? (Select all that apply):</p>	<p>Low Income Housing Tax Credits from the Texas Department of Housing & Urban Development City of Austin Rental Housing Development Assistance or Ownership Housing Development Assistance City of Austin S.M.A.R.T. Housing</p>
<p>S.M.A.R.T Housing project ID Number:</p>	<p>697</p>
<p>Is this development participating in any of the following density bonus programs? (select all that apply).:</p>	<p>None</p>
<p>Current zoning of the site:</p>	<p>SF3-NP, rezoning to MF4-NP</p>
<p>Level of Affordability Unlocked bonus being requested.:</p>	<p>Type 2 Bonus</p>
<p>Development regulation waivers or modifications being requested (select all that apply).:</p>	<p>Waiver of compatibility height and setback requirements in Article 10 (Compatibility Standards) Waiver of floor-to-area ratio (FAR) limits Modification of height limit Modification of dwelling unit per lot limit Modification of minimum parking requirement</p>
<p>Is this site located within a quarter-mile of an Imagine Austin Corridor that is served by transit?:</p>	<p>No</p>
<p>Proposed projects located within a quarter-mile WALKING DISTANCE of an Imagine Austin Activity Corridor served by transit are eligible for Type 2 bonuses. Input the Imagine Austin corridors and transit routes below.:</p>	
<p>Does this development contain any</p>	

commercial or office uses?:	Yes
Is the amount of commercial/office space no more than 25% of the gross floor area? Developments with commercial/office uses comprising over 25% of the development's gross floor area are not eligible for Affordability Unlocked.:	Yes
Is this an ownership development or a rental development?:	Rental
Unit Type:	
How many efficiency units?:	
How many one-bedroom units?:	
How many two-bedroom units?:	
How many three bedroom units?:	
How many four bedroom units? :	
Unit Type:	One-Bedroom Two-Bedroom Three-Bedroom
How many efficiency units?:	
How many one-bedroom units?:	42
How many two-bedroom units?:	70
How many three bedroom units?:	28
How many four bedroom units? :	
Unit Type:	
Number and affordability level of efficiency units (as % of MFI) :	

Number and affordability level of one-bedroom units (as % of MFI):

Number and affordability level of two-bedroom units (as % of MFI):

Number and affordability level of three-bedroom units (as % of MFI):

Number and affordability level of four-bedroom units (as % of MFI):

Unit Type:	One-Bedroom Two-Bedroom Three-Bedroom
-------------------	---

Number and affordability level of efficiency units (as % of MFI) :

Number and affordability level of one-bedroom units (as % of MFI):	4 at 30%, 21 at 50%, 17 at 60%
---	--------------------------------

Number and affordability level of two-bedroom units (as % of MFI):	7 at 30%, 35 at 50%, 28 at 60%
---	--------------------------------

Number and affordability level of three-bedroom units (as % of MFI):	3 at 30%, 14 at 50%, 11 at 60%
---	--------------------------------

Number and affordability level of four-bedroom units (as % of MFI):

Describe how the Affordability Unlocked bonuses you are seeking will help your project. For example, how many additional units will be included in the project as a result of the Affordability Unlocked bonuses?:

With Affordability Unlocked, we will be able to add units without increasing our parking count. In doing so, we estimate that an additional story could account for approximately 35 units. We will also be able to use the full extent of the site if we can build on the flat area near the property line at the south (currently limited by compatibility), allowing more space for amenities.

<p>Will any of the proposed affordable units serve Older Persons or function as Supportive Housing?:</p>	<p>No</p>
<p>Number of Affordable Units proposed to serve Older Persons or function as Supportive Housing.:</p>	
<p>Does the affordability period for the affordable units meet the following minimum thresholds?:</p>	<p>Rental: at least 40 years = Yes</p>
<p>Is this project new construction or redevelopment of a site with existing multifamily units?:</p>	<p>New construction</p>
<p>Attachment 2: Rehab Valuation. The Affordability Unlocked Program is only available for redevelopment of existing multifamily units if the existing units require extensive repairs and rehab costs will exceed 50% of the development's market value. Attach an appraised value of the property and a contractor's job evaluation, which the Building Official will review against the most recent ICC building valuations to determine whether the existing multifamily units meet the criteria for being in extensive need of repair [LDC 25-1-722(D)].:</p>	
<p>:</p>	
<p>By submitting this application, the applicant certifies that they will</p>	<p>A contractual agreement with the City of Austin committing the development to preserving the minimum affordability requirements, tenant protections, and redevelopment requirements (if applicable) imposed by the Affordability Unlocked Program [LDC 25-1-724]. This contract must be executed before the</p>

enter into: :

Neighborhood Housing & Community Development Department certifies that the proposed project meets the Affordability Unlocked requirements.

A restrictive covenant with the City of Austin to preserve minimum affordability requirements imposed by the Affordability Unlocked Program.

Applicant Signature: By checking this box, you are providing an electronic signature.:

As the applicant, I submit this completed Affordability Unlocked application with the required attachments to the City of Austin for consideration.

Name:

Anna Lake-Smith

Date:

Jan 07, 2021

4. Development Proposal

g. SMART Housing



City of Austin

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

Housing and Planning Department

January 5, 2021 (Revision to letter dated February 10, 2020)

S.M.A.R.T. Housing Certification- Foundation Communities, Inc. –Parker Apartments – Project ID 697

TO WHOM IT MAY CONCERN:

Foundation Communities, Inc. (development contact: Walter Moreau: 512-610-4016 (o); walter.moreau@foundcom.org) is planning to develop Parker Apartments, a **154-unit, multi-family** development at 2105 Parker Lane, Austin TX 78741. The project is subject to a minimum 5-year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer.

This revision updates the total unit count from 140 to 154 units and the following MFI unit distribution. It also updates the zoning change from MF-4-GR to MF-4-NP.

This development is seeking a zoning change from SF-3-NP to MF-4-NP. The applicant has submitted evidence of contacting the East Riverside/Oltorf Neighborhood Plan Contact Team advising them of their project. The applicant has indicated they will address any legitimate concerns of the neighborhood residents.

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 **100%** of the units will serve households at or below **60% MFI**, the development will be eligible for 100% waiver of fees listed in Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. The unit mix is as follows: **10% of the units (15 units) will serve households at or below 30% Median Family Income (MFI); 50% of the units (75 units) will serve households at or below 50% MFI; and 40% of the units (60 units) will serve households at or below 60% MFI.** The expected fee waivers include, but are not limited to, the following fees:

AWU Capital Recovery Fees	Site Plan Review	Land Status Determination
Building Permit	Misc. Site Plan Fee	Building Plan Review
Concrete Permit	Construction Inspection	Parkland Dedication (<i>by separate ordinance</i>)
Electrical Permit	Subdivision Plan Review	
Mechanical Permit	Misc. Subdivision Fee	
Plumbing Permit	Zoning Verification	

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

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

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

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

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

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

Sincerely,



Alex Radtke, Senior Planner
Housing and Planning Department

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

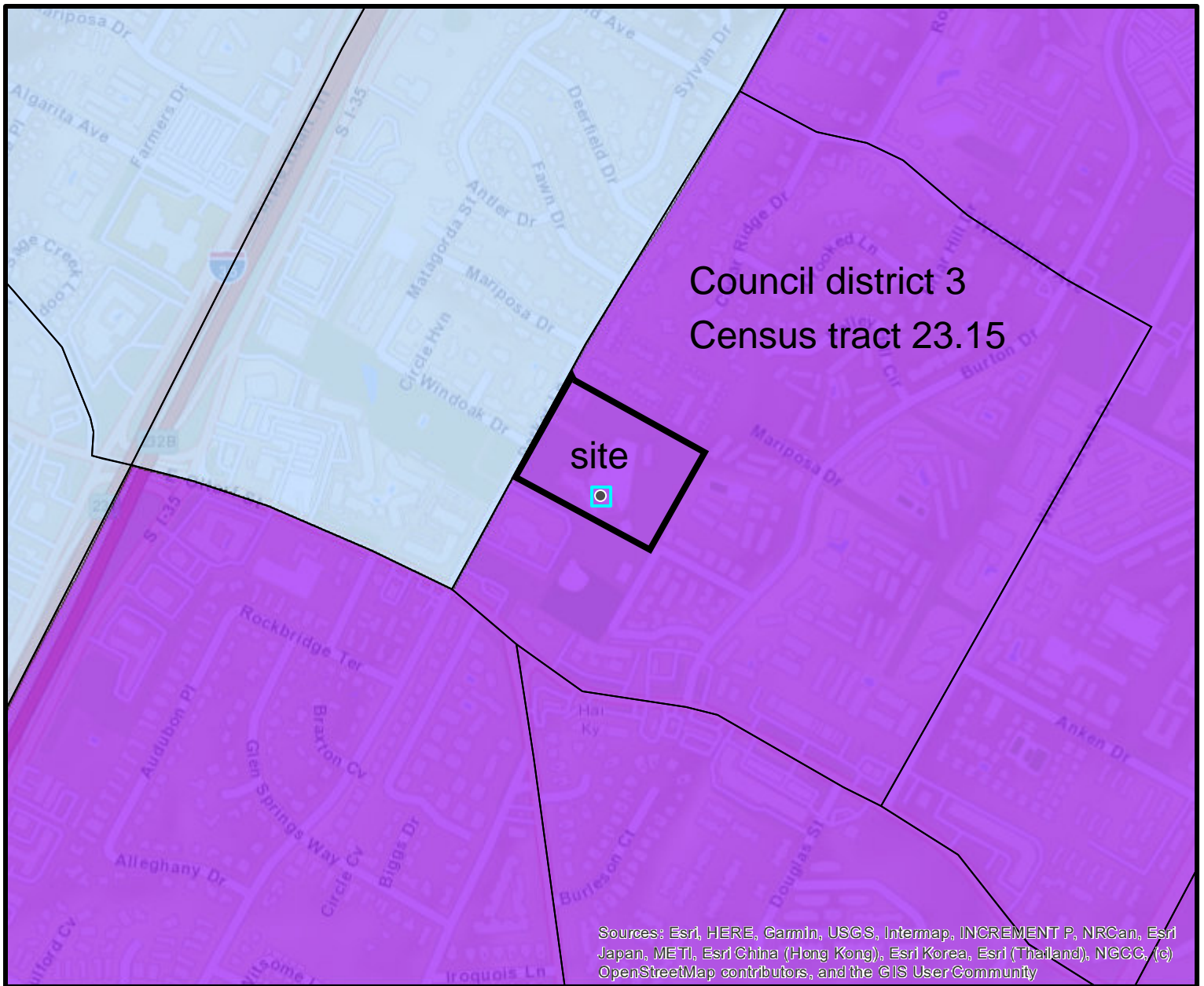
Attachment Tabs

5. Property

Parker Apartments

5. Property

a. Maps



Property Label

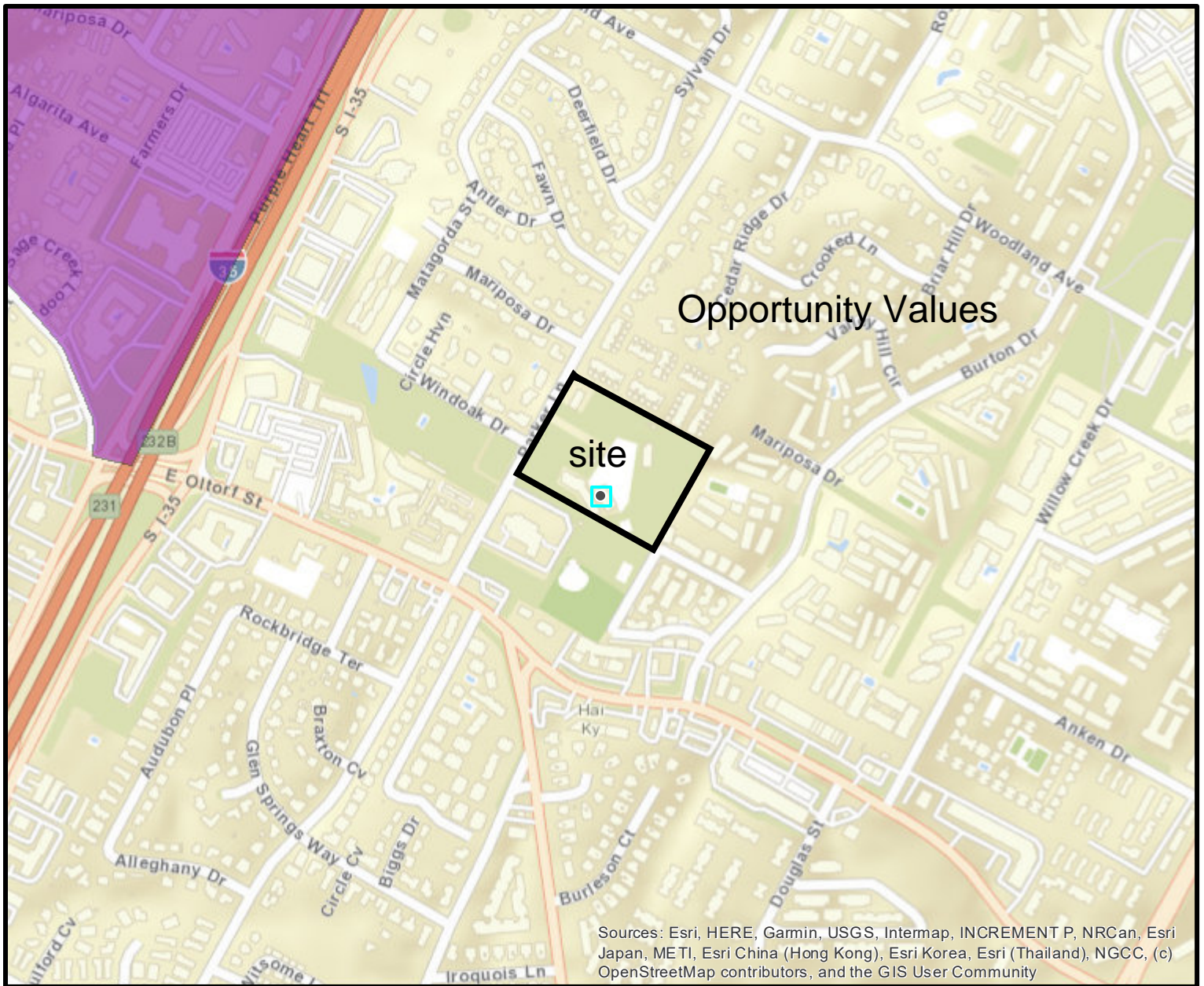
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- Managing Agency: Managing Label
- Address: Address Label
- Land Attributes: Land Label
- ORES Management ID: ORES ID Label
- ORES File Number: ORES File Label
- Restrictions: Restrictions Label
- Restrictions & Protection Comments: Comments Label

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



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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

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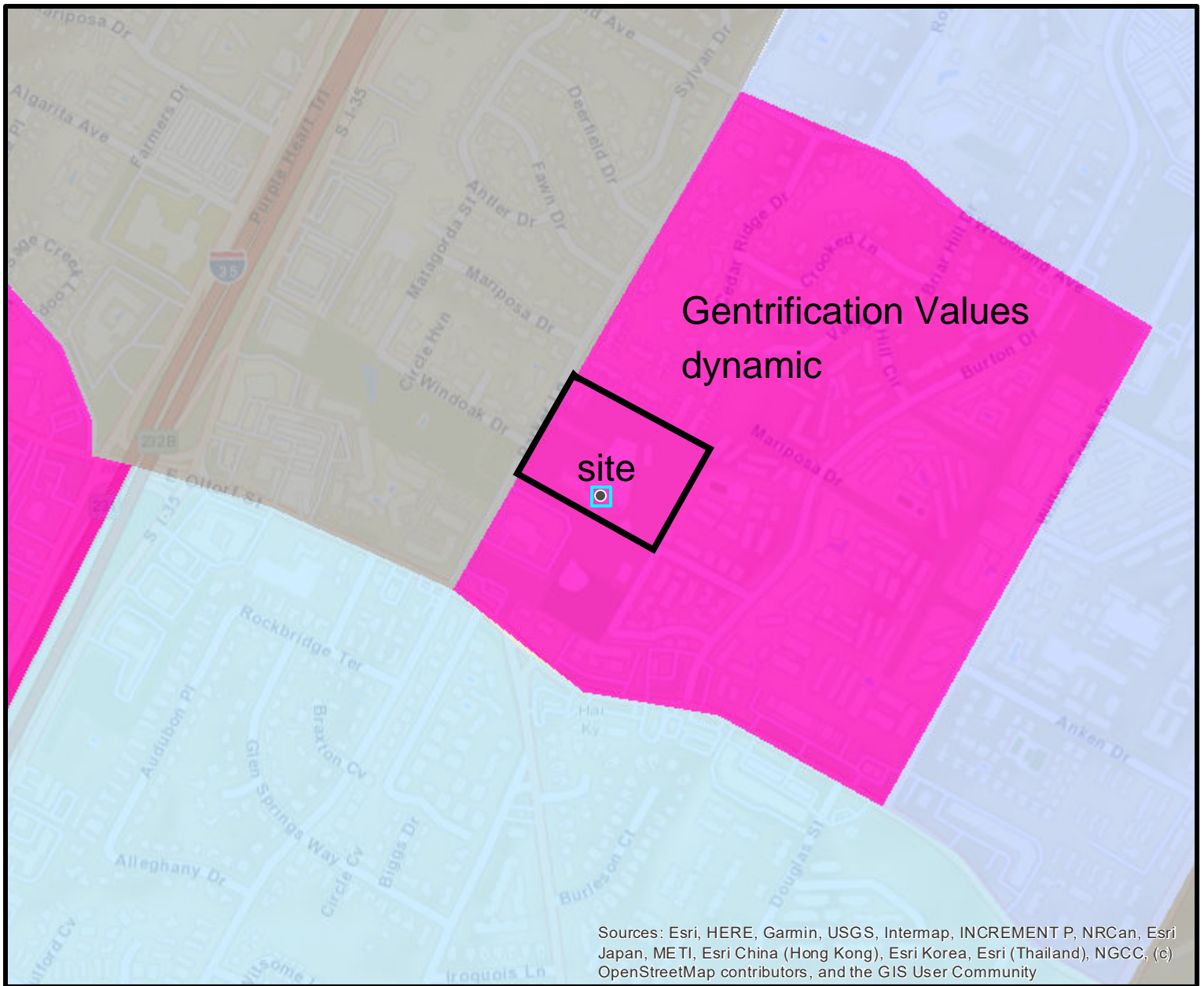
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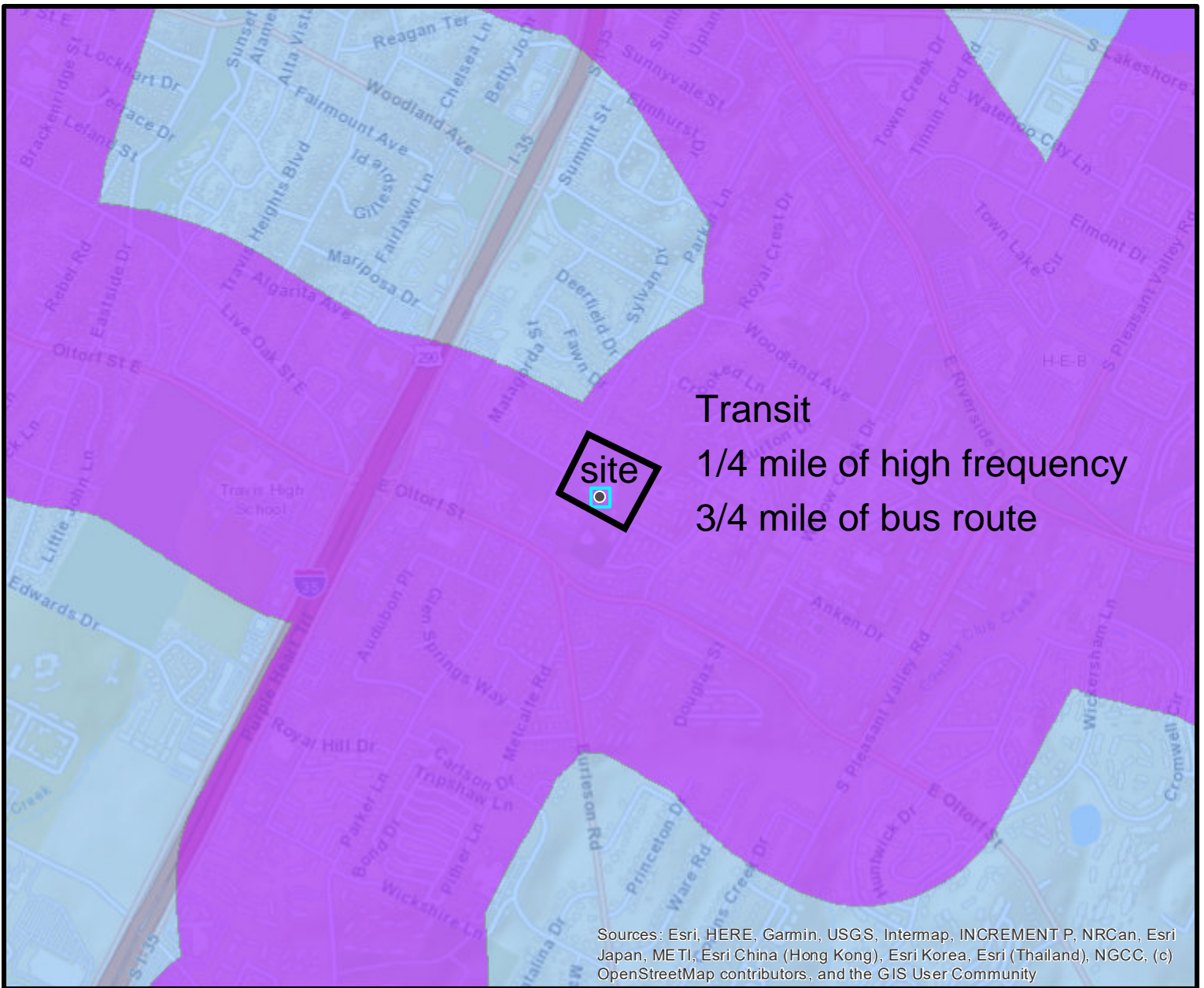
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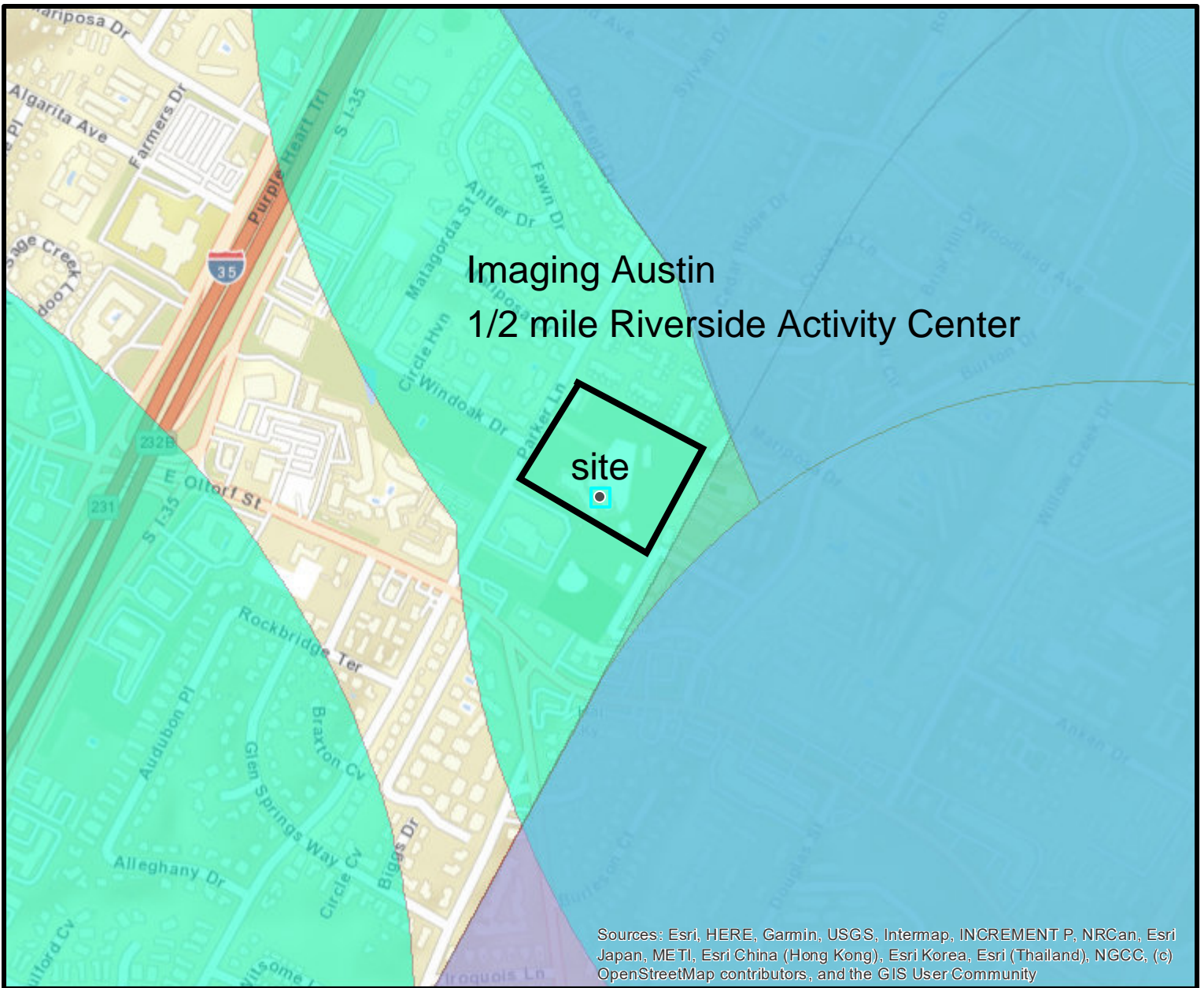
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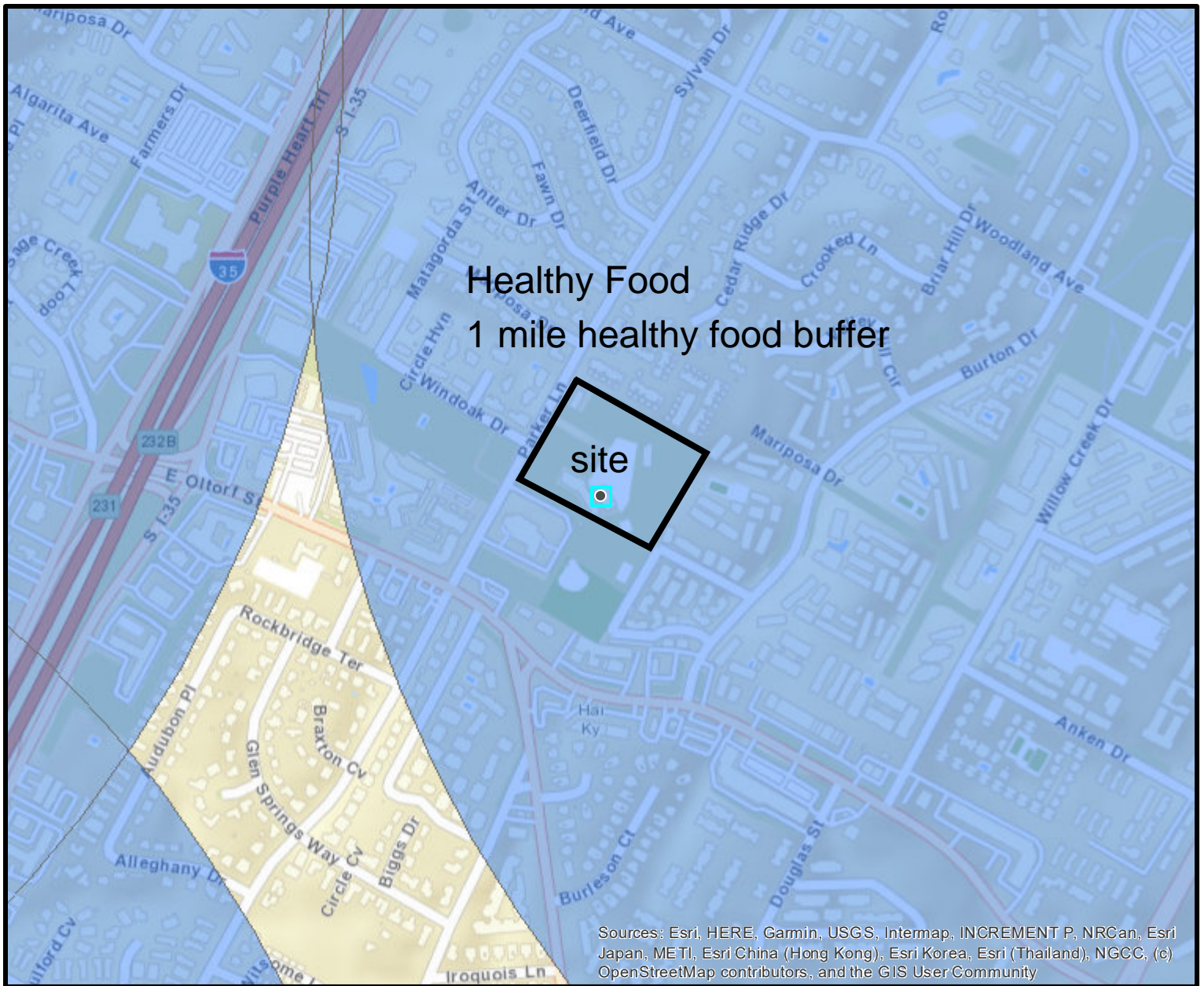
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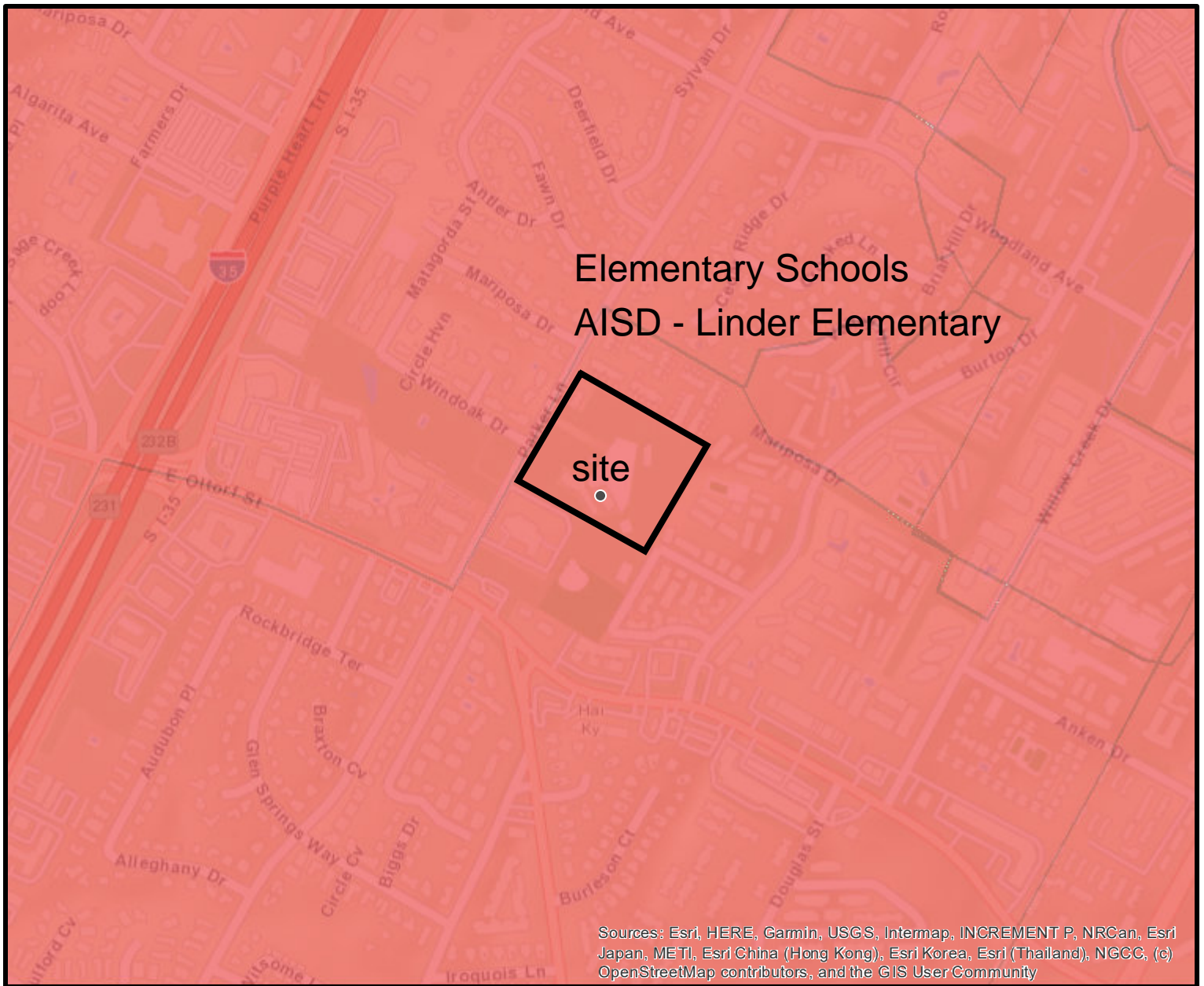
Healthy Food

ArcGIS Web AppBuilder

5/7/2021

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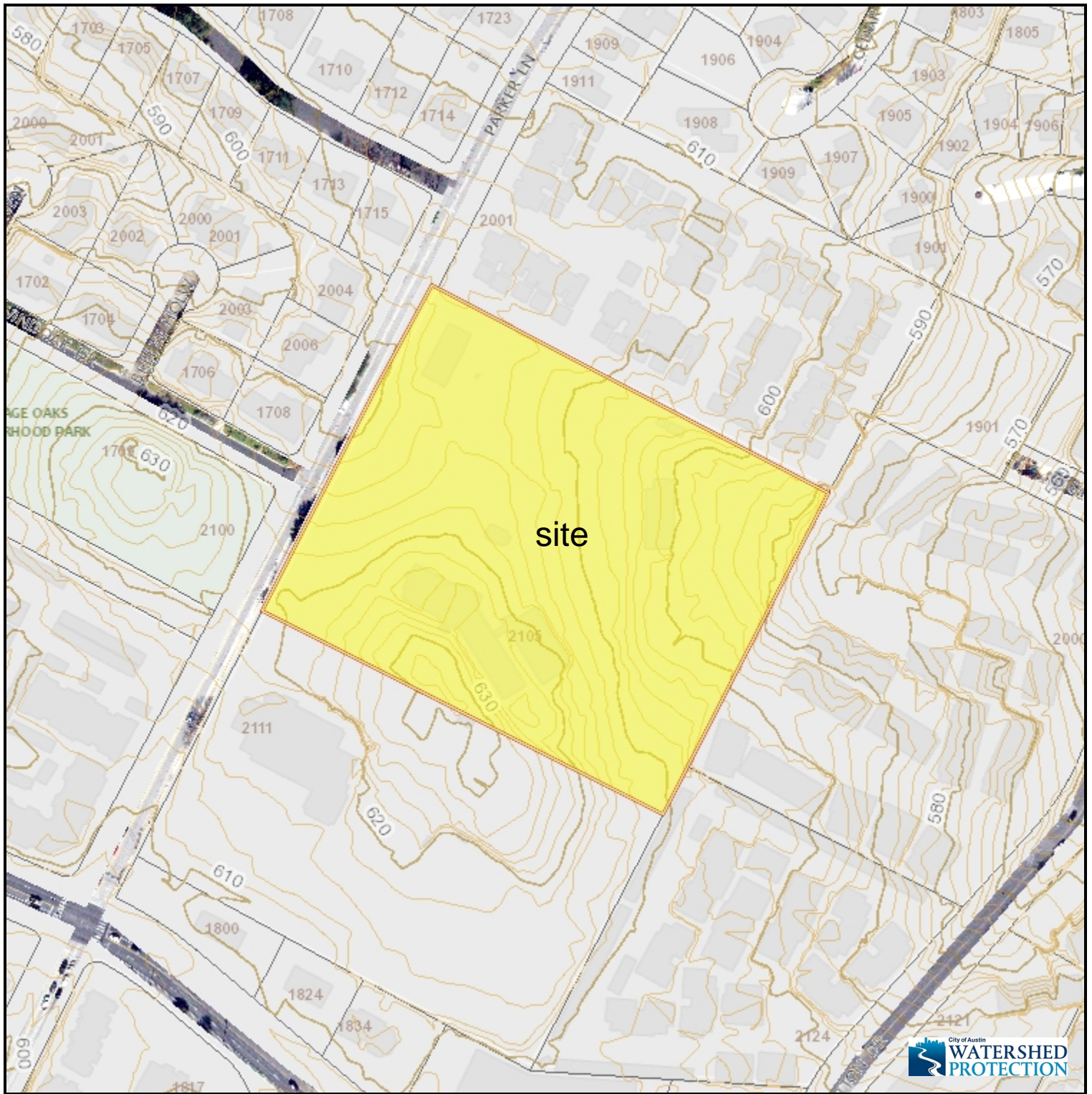
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City of Austin Regulatory Floodplains

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

0 200 400 Feet



Prepared: 5/6/2021

	Address
	Contour
	Index
	Intermediate
	Parcel
Fully Developed Floodplain	
	COA Fully Developed 25-Year
	COA Fully Developed 100-Year
	COA Master Plan 25-Year
	COA Master Plan 100-Year
	100-Year (Detailed-AE)
	100-Year (Shallow-AO,AH)

5. Property

b. Broker's Opinion of Value

5. Property

c. Site Control

In January 2020, Foundation Communities executed an Option to Ground Lease with Ward Memorial Methodist Church for the property located at 2105 Parker Ln, Austin, TX 78741. The Option specifies a 99 year term and one lump payment of \$3,450,000. In June 2020, the parties negotiated an Extended Closing Date of September 30, 2021 in the First Amendment to the Option. Thus far, Foundation Communities has paid the \$100 option price, and delivered to title the \$25,000 initial earnest money and \$35,000 additional earnest money. Foundation Communities will assign the Option to the future Owner (FC Parker Housing, LP) prior to closing.

The Phase I ESA states that the approximate age of the church is 55 years old. The appraisal district does not have information on the age of the improvements.

Attached is the Option to Ground Lease, the First Amendment to the Option to Ground Lease, and proof of consideration.

OPTION TO GROUND LEASE

THIS OPTION TO GROUND LEASE (this "Agreement") is made and entered into as of this Coth day of January, 2020 (the "Effective Date"), by and between United Methodist Rio Texas Conference Board of Trustees for Ward Memorial Methodist Church ("Lessor") and Foundation Communities, Inc., a Texas non-profit corporation, and its affiliates or assigns (collectively, "Lessee").

WITNESSETH:

WHEREAS, Lessor is currently the fee title owner of that certain tract or parcel of land lying in Travis County, Texas, as further described in Exhibit A, attached hereto and made a part hereof (the "Property").

WHEREAS, Lessor desires to grant an option to Lessee to ground lease a portion of the Property, being approximately 7.82 acres of currently undeveloped land, located at 2105 Parker Lane, Austin, Texas 78741.

NOW THEREFORE, in consideration of the mutual covenants by Lessor and Lessee and for the sum of One Hundred and No/100 Dollars (\$100.00) (the "Option Price"), the delivery and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **Purchase of Option.** This Agreement is entered into to enable the Lessee or its affiliate to have the right to ground lease the Site and to develop and operate the same through low income housing tax credit financing and other appropriate financing (the "*Proposed Development*").

2. **Option.**

(a) Lessor hereby grants and conveys to Lessee the exclusive and irrevocable right to ground lease the Site (the "*Option*"). Such Ground Lease (as hereinafter defined) shall be subject to the terms and conditions contained below or such other terms and conditions as Lessor and Lessee shall agree to in writing. Lessee shall provide written notice to Lessor of Lessee's election to (a) exercise the Option, or (b) decline to exercise the Option granted herein (at Lessee's sole and absolute discretion) at any time prior to the Closing Date (as hereinafter defined), unless the right to exercise the Option is otherwise (i) extended as hereinafter described (in which case the Lessee shall provide written notice of its election to Lessor on or before the Extended Closing Date (as hereinafter defined)) or (ii) terminated pursuant to Section 2(b) hereof. The term "*Closing Date*", as used in this Agreement, shall mean the date on or before September 1, 2020 on which Closing (as hereinafter defined) occurs. If Lessee fails to provide written notice to Lessor of its election on or before the Closing Date or Extended Closing Date (as applicable), Lessee shall be deemed to have declined to exercise the Option and the Option Price shall be retained by Lessor along with all of the non-refundable Easement Money Deposit (as hereinafter defined). Notwithstanding the foregoing, in the event Lessee fails to provide notice to Lessor of its election to exercise or decline to exercise the Option prior to the expiration of the Inspection Period (as hereinafter defined), the provisions of Section 3 hereof pertaining to the incremental non-refundability of the Initial Earnest Money Deposit shall apply.

(b) Exercise of the Option shall be at Lessee's sole and absolute discretion, and shall be subject to Lessee securing an acceptable appraisal, acceptable market study, and acceptable financing

for the Proposed Development, including but not limited to, approval by the Texas Department of Housing and Community Affairs ("*TDHCA*") of Lessee's housing tax credit application, each as deemed necessary or convenient by Lessee. Notwithstanding the foregoing, Lessee may elect to decline the Option (in its sole and absolute discretion) by notice to Lessor prior to the Closing Date or Extended Closing Date (as applicable), and the Option Price will be retained by Lessor.

3. **Earnest Money.** Within two (2) business days following the Effective Date, Lessee shall deposit with Stewart Title Company (the "*Title Company*"), attention: Michelle Perales (the "*Escrow Officer*") an earnest money deposit equal to Twenty-Five Thousand and No/100 Dollars (\$25,000.00) (the "*Initial Earnest Money Deposit*"), to be held by the Title Company in escrow to be applied or disposed of by the Title Company as is provided in this Agreement. If Closing occurs on the Closing Date or the Extended Closing Date, then the Earnest Money Deposit shall be released at Closing credited against the Lease Price (as hereinafter defined). Notwithstanding the foregoing, following the expiration of the Inspection Period and provided that Lessor is not currently in default of this Agreement, the Initial Earnest Money Deposit shall be non-refundable to Lessee in increments of Five Thousand and No/100 Dollars (\$5,000.00) per month, commencing on the first (1st) day of the month following the expiration of the Inspection Period and continuing each month thereafter until the earlier of (a) Closing or (b) the last of the Initial Earnest Money Deposit becomes non-refundable. In the event Closing does not occur on the Closing Date or the Extended Closing Date (if applicable) for any reason other than (i) a Lessor default under this Agreement, or (ii) Lessor's failure to perform its Closing obligations as set forth in Section 5 hereof, the portion of the Earnest Money Deposit that is non-refundable shall be released by the Title Company to Lessor, with the remaining amount to be released to Lessee.

4. **Inspection Period.**

(a) Lessee shall have a period of time commencing on the Effective Date and expiring on the later of (a) March 15, 2020, or (b) one hundred twenty (120) days following Lessee's receipt from Lessor of all Due Diligence Items (as hereinafter defined) (the "*Inspection Period*").

(b) On the Effective Date, Lessor or its representatives shall open a data room and provide Lessee with a link to the following due diligence items relating to the Site to the extent such documentation is in Lessor's possession which Lessee shall utilize to examine the Site and to conduct its feasibility study thereof: any and all leases, surveys, title commitments and exception documents, and any inspections reports (collectively, the "*Due Diligence Items*").

(c) During the Inspection Period, Lessee shall be permitted to perform and/or conduct various investigations of the Site, including (without limitation) property condition inspections, review of title, zoning, utility availability, existing regulatory approvals, hazardous materials, environmental conditions, market surveys, status of ingress and egress, verification of information provided by Lessor and/or Lessor's representatives and any other investigations that Lessee deems reasonably appropriate. Lessor shall be obligated to cooperate with all of Lessee's investigations (at no additional cost to Lessor). Further, during the Inspection Period, Lessor shall permit Lessee to access the Site for due diligence purposes, and the Lessee shall make reasonable efforts to give the Lessor two (2) days' notice prior to entering the Site.

(d) Lessor shall provide to Lessee any and all existing surveys in Lessor's possession (collectively, the "*Survey*") within three (3) days of the Effective Date. Notwithstanding the foregoing,

Lessee shall be permitted to order a boundary survey of the Site; provided, however, that Lessee shall deliver an electronic copy of such survey to Lessor promptly upon receipt.

(e) (i) Within three (3) days of the Effective Date, Lessor shall cause the Title Company to deliver to Lessee a current Commitment for Title Insurance for the Site (the "*Title Commitment*") and legible copies of all instruments that create or evidence title exceptions affecting the Site referenced in the Title Commitment ("*Exception Documents*"). The Title Commitment shall show Lessor as the record title owner of the Site, show Lessee as the holder of a leasehold interest in the Site, name Lessee as the proposed insured, and be countersigned by the Title Company as agent for a nationally recognized title underwriter agreeing to issue to or for Lessee (at Lessor's sole cost and expense) a standard Texas form of leasehold policy of title insurance at Closing, insuring Lessee's leasehold interest to the Site to be good and indefeasible subject to the standard terms of such policy (the "*Title Policy*"). Lessee shall have the right, at its sole expense, to request and obtain endorsements to the Title Policy, provided that such additional coverage shall not be a condition precedent to, or otherwise excuse or delay any of, Lessee's obligations under this Agreement.

(ii) Lessee shall have a period of thirty (30) days (the "*Title Review Period*") from the receipt of the last of the Title Commitment, Exception Documents and the Survey to deliver to Lessor in writing any objection Lessee has to any exception or matter contained in the Title Commitment, Exception Documents or Survey (the "*Title and Survey Objections*"). If Lessee fails to deliver any Title and Survey Objections prior to the expiration of the Title Review Period, Lessee shall be deemed to have approved all exceptions to title shown on Schedule B of the Title Commitment and Survey. However, if Lessee has timely provided Title and Survey Objections within the Title Review Period, Lessor shall have five (5) days following receipt of the Title and Survey Objections ("*Lessor's Cure Period*") to give written notice to Lessee of its intent to satisfy or not satisfy the Title and Survey Objections prior to Closing ("*Lessor's Title Cure Notice*"). If Lessor fails to provide Lessor's Title Cure Notice or notifies Lessee that it does not intend to cure one or more Title and Survey Objections, Lessee shall have the option, prior to the expiration of ten (10) days after the termination of Lessor's Cure Period to either (i) waive the unsatisfied Title and Survey Objections, or (ii) terminate this Agreement and receive a full refund of the Earnest Money Deposit. If Lessee does not timely elect to terminate this Agreement, then Lessee shall be deemed to have waived any unsatisfied Title and Survey Objection.

(iii) Lessee shall have five (5) days from receipt of any new or updated Title Commitment or Survey to notify Lessor of any objections to any matters not previously included. In the event Buyer makes such additional objections, they shall be addressed as timely Title and Survey Objections pursuant to Section 4(e)(ii) hereof.

(f) If, during the Inspection Period, Lessee determines that either (a) a change in the zoning or entitlements for the Site is required, or (b) any permits are required in connection with the Proposed Development, Lessor shall cooperate with any such efforts to accomplish the foregoing (at no additional cost to Lessor), including (without limitation) signing any and all applications required by the applicable governing authority. Notwithstanding the foregoing, Lessee shall have the right (but in no event shall be obligated) to seek a site development plan prior to Closing.

5. Closing.

(a) Closing shall occur in Austin, Texas at the offices of the Escrow Officer on the Closing Date. Notwithstanding the foregoing, Lessee may elect to extend the Closing Date by one hundred eighty (180) days from the Closing Date (the "*Extended Closing Date*") upon (a) delivery of written notice to Lessor and the Escrow Officer of such election prior to the Closing Date, and (b) an additional, non-refundable earnest money deposit with the Title Company of Twenty-Five Thousand and No/100 Dollars (\$35,000.00) (the "*Additional Earnest Money Deposit*"), which Additional Earnest Money will not be credited to the Lease Price. The term "*Earnest Money Deposit*", as used in this Agreement, shall mean the Initial Earnest Money Deposit, together with the Additional Earnest Money Deposit, if applicable. The term "*Closing*", as used in this Agreement, shall mean the occurrence of the following on the Closing Date or the Extended Closing Date (if applicable): (i) the full execution of the Ground Lease, (ii) the transfer and assignment by Lessor to Lessee of any and all of Lessor's rights, titles and interests to utility services at the Site (as more particularly described in Section 5(b) hereof, and (iii) the delivery to Lessee of the final Title Policy, including all requested endorsements by Lessee. Notwithstanding anything to the contrary in this Agreement, in the event that Lessor fails to perform its obligations under (i), (ii) and (iii) of the preceding sentence on or by the Closing Date or Extended Closing Date (if applicable), the Title Company shall fully refund the Earnest Money Deposit to Lessee.

(b) As a condition to Closing, Lessor shall assign, transfer and set-over to Lessee any and all of its rights, titles and interests with respect to any and all utility services and capacity(ies) (including, without limitation, all of Lessor's accounts and service contracts with utility companies) that provide services to the Site.

(c) Commencing on the Effective Date and continuing until the Closing Date or Extended Closing Date (if applicable), Lessor shall not (unless otherwise agreed to by Lessee): (i) enter into any new tenant leases at the Site, or (ii) extend any existing tenant leases at the Site, except on a month-to-month basis.

6. **Brokerage Commissions.** Lessor and Lessee each represent to the other that each has had no dealings with any broker, finder or other party concerning the ground lease of the Site.

7. **Terms and Conditions of Ground Lease.** Promptly after Lessee delivers notice to Lessor of its intent to exercise the Option, Lessee shall provide Lessor with a draft ground lease for the Site ("*Ground Lease*"). Lessor and Lessee shall negotiate in good faith to finalize the terms and conditions of the Ground Lease and make best efforts to finalize the form of such agreement.

Certain other material terms of the Ground Lease shall be as follows:

- a. The term of the Ground Lease shall be ninety-nine (99) years ("*Term*").
- b. Rent shall be Thirty Four Thousand Eight Hundred and Forty Eight and 48/100 Dollars (\$34,848.89) per year of the Term, payable in one lump sum of Three Million Four Hundred and Fifty Thousand and No/100 Dollars (\$3,450,000) subject to reduction due to Lessee's payment of the Earnest Money Deposit (the "*Lease Price*") at the commencement of the Term.
- c. Lessee will include a provision that Lessor will lease back the use of space in the Proposed Development for \$1 per year. The specific terms will be further described in the Ground Lease, subject to the good faith negotiation of Lessee and Lessor, but will generally include:
 1. the exclusive use of five small individual offices;
 2. the exclusive use of a small conference/meeting room;
 3. the exclusive use of a reception area;

4. the exclusive use of a coffee bar (a small sink area), which may be part of reception area or small conference/meeting room;
5. shared used of a community space of roughly 2,500 square feet, for which Lessor shall have priority access each Sunday and two weekday evenings per week TBD outside of Lessee's after school program hours (Lessee shall be responsible for scheduling usage of this space outside of these times); and
6. access to shared kitchen.

In the event such use is prohibited by a project funding source, Lessee shall work with Lessor to negotiate an alternative arrangement, which may include carving out a portion of the Site to remain in Lessor's possession and control for such activities.

- d. Any current or future mortgage of Lessor during the Term shall subordinate its lien to Lessee's rights under the Ground Lease, and Lessee shall have notice and cure rights in the event that Lessor defaults under its mortgage.
- e. The Site shall be free and clear of all liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements or other matters unduly burdening the Proposed Development on the Site, other than those matters approved by Lessee in writing, and to the extent that Lessee fails to approve such liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements or other matters, then Lessee may terminate this Option, it being expressly agreed that Lessor has no duty to cure or remove any liens, charges, encumbrances, encroachments, easements, restrictions, leases, tenancies, occupancies or agreements or other matters.
- f. Lessee does not have the right to transfer or assign its rights under the Ground Lease, except with the consent of the Lessor, except that the Lessee may assign its rights under the Ground Lease to an affiliate of the Lessee (which may include a partnership or limited liability company with an affiliate of Lessor as general partner/managing member and an affiliate of Lessee as Class B limited partner/member).

8. **Texas Department of Housing and Community Affairs.** Notwithstanding any other provision of this Agreement, Lessee shall have no obligation to enter into a ground lease for the Site, and no transfer of leasehold title to the Lessee may occur, unless and until the Texas Department of Housing and Community Affairs has provided Lessee and/or Lessor with a written notification that: (A) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies in this Agreement, (i) the Closing may proceed, or (ii) the Closing may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after Closing; or (B) it has determined that the ground lease is exempt from federal environmental review and a request for release of funds is not required.

9. **Time of the Essence.** TIME IS OF THE ESSENCE WITH RESPECT TO THIS OPTION.

10. **Notices.** Any and all notices, elections, demands or communications permitted or required to be made under this Option shall be in writing, signed by the party giving such notice, and shall be delivered in person, sent by Federal Express or other national overnight delivery service, or sent by registered or certified mail to the other party hereto. The date of delivery or the date of such mailing, as the case may be, shall be the date that such notice or election shall be deemed to have been given. The notice addresses for the respective parties for the purpose of this Option are as follows:

If to Lessor: United Methodist Rio Texas Conference Board of Trustees
Attn: Treasurer
16400 Huebner Rd

San Antonio, TX 78248

With a copy to: Capital District UMC
1221 W. Ben White Blvd.
Ste. 201-A
Austin, Texas 78704
Attn: District Superintendent

If to Lessee: Foundation Communities, Inc.
3000 S IH 35
Austin, Texas 78704
Attention: Walter Moreau

With a copy to: Rigby Slack Lawrence Berger Comerford, PLLC
6836 Austin Center Blvd., Suite 100
Northpointe Center, Building One
Austin, Texas 78731
Attention: Cathleen C. Slack

11. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

12. **Memorandum.** Upon the Effective Date, Lessee may, at Lessee's sole and absolute option, record a memorandum of the Option in the public records of Travis County, Texas.

13. **Successors and Assigns.** The covenants and conditions herein contained, subject to the provisions as to assignment contained in this Agreement, inure to and bind the heirs, successors, executors, administrators and assigns of the parties hereto. This Agreement and the Option granted therein may be assigned to an affiliate of Lessee directly or indirectly controlled by Lessee without the prior written consent of the Lessor.

14. **Counterparts; Amendments.** This Agreement may be executed in multiple original counterparts, each of which shall constitute an original document binding upon the party or parties signing the same. It shall not be necessary that all parties sign all counterparts and this Agreement shall be binding if each party shall have executed at least one (1) counterpart. This Agreement may only be amended by a written instrument executed by both parties.

15. **Lessor Representation.** Lessor hereby represents and warrants to Lessee that Lessor has the right, power and authority to enter into this Option, and that Lessor has granted no option to any other person to purchase the Site.

(Signature pages carried to the following page.)

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

LESSOR:

UNITED METHODIST RIO TEXAS
CONFERENCE BOARD OF TRUSTEES,
a Texas non-profit corporation, for Ward Memorial
Methodist Church

By [Signature]
Name: Kevin A. Reed
Its: Vice President

State of Texas
County of Travis) ss

On 1/6/2020 before me, Linda Lloyd Berggren a Notary Public,
personally appeared Kevin A. Reed, personally known to me, or who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf
of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Texas that the
foregoing paragraph is true and correct.

Linda Lloyd Berggren
Notary Public

My Commission expires: 1/6/2022

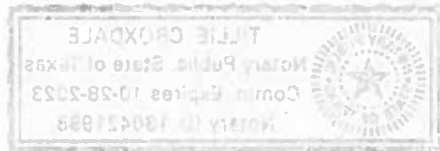
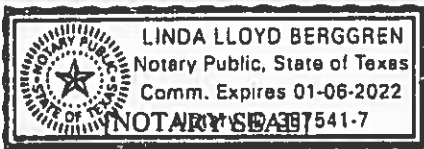


EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

ABS 24 DELVALLE S ACR 7.82

FIRST AMENDMENT TO OPTION TO GROUND LEASE

THIS FIRST AMENDMENT TO OPTION TO GROUND LEASE (the “*Amendment*”) is made and entered into this 30th day of June, 2020 by and between **FOUNDATION COMMUNITIES, INC.**, a Texas non-profit corporation, having its principal place of business 3036 South First Street, Austin, Texas 78704 (“*Lessee*”), and **United Methodist Rio Texas Conference Board of Trustees**, a Texas non-profit corporation for Ward Memorial Methodist Church (“*Lessor*”).

RECITALS

WHEREAS, this First Amendment relates to that certain Option to Ground Lease dated January 6, 2020 (the “*Option Agreement*”), relating to approximately 7.82 acres of currently undeveloped land located at 2105 Parker Lane, Austin, Texas 78741 as more precisely defined in the Option Agreement (the “*Premises*”); and

WHEREAS, Lessor and Lessee wish to amend the Option Agreement to extend the Inspection Period and Closing Date as set forth in this Amendment:

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties hereto, each intending to be legally bound, do hereby mutually agree as follows:

1. **Extension of Inspection Period.** The last day of the Inspection Period is extended to September 1, 2020.
2. **Closing Date.** The “Closing Date” is extended to be “the date on or before March 1, 2021 on which Closing (as hereinafter defined) occurs.”
3. **Earnest Money.** Section 3 of the Option Agreement is amended so that all of the Initial Earnest Money shall be nonrefundable after the end of Inspection Period as follows :

“Within two (2) business days following the Effective Date, Lessee shall deposit with Stewart Title Company (the “*Title Company*”), attention: Michelle Perales (the “*Escrow Officer*”) an earnest money deposit equal to Twenty-Five Thousand and No/100 Dollars (\$25,000) (the “*Initial Earnest Money Deposit*”) to be held by the Title Company in escrow to be applied or disposed of or by the Title Company in escrow to be applied or disposed of by the Title Company as is provided in this Agreement. If Closing occurs on the Closing Date or the Extended Closing Date, then the Earnest Money Deposit shall be released at Closing credited against the Lease Price (as hereinafter defined). Notwithstanding the foregoing, following the expiration of the Inspection Period and provided that Lessor is not in currently in default of this Agreement, the Initial Earnest Money Deposit shall be non-refundable to Lessee. In the event Closing does not occur on the Closing Date or the Extended Closing Date (if applicable) for any reason other than (i) a Lessor default under this agreement or (ii) Lessor’s failure to perform its Closing obligations as set forth in Section 5 hereof, the portion of the Earnest Money Deposit that is non-refundable shall be released by the Title Company to Lessor, with the remaining amount to be released to Lessee.

4. **Extended Closing Date.** Section 5(a) of the Option Agreement is amended in its entirety and replaced as follows:

“Closing shall occur in Austin, Texas at the offices of the Escrow Officer on the Closing Date. Notwithstanding the foregoing, Lessee shall deposit an additional earnest money deposit of Thirty-Five Thousand and No/100 Dollars (\$35,000.00) with the Title Company (the “***Additional Earnest Money Deposit***”) on or before January 1, 2021 which shall be credited towards the Lease Price and refundable until March 1, 2021. Provided that Lessee has timely made the Additional Earnest Money Deposit, Lessee may elect to extend the Closing Date to September 30, 2021 (the “***Extended Closing Date***”) upon delivery of written notice to Lessor and the Escrow Officer of such election prior to the Closing Date. In the event the Lessee fails to provide notice to Lessor of its election to decline to exercise the Option by March 1, 2021, the Additional Earnest Money Deposit shall become non-refundable and shall no longer be credited to the Purchase Price at Closing. The term “***Earnest Money Deposit***”, as used in this Agreement, shall mean the Initial Earnest Money Deposit, together with the Additional Earnest Money Deposit, if applicable. The term “***Closing***”, as used in this Agreement shall mean the occurrence of the following on the Closing Date or the Extended Closing Date (if applicable): (i) the full execution of the Ground Lease, (ii) the transfer and assignment by Lessor to Lessee of any and all of Lessor’s rights, titles, and interests to utility services at the Site (as more particularly described in Section 5(b) hereof), and (iii) the delivery to Lessee of the final Title Policy, including all requested endorsements by Lessee. Notwithstanding anything to the contract in this Agreement, in the event that Lessor fails to perform its obligations under (i), (ii) and (iii) of the preceding sentence on or by the Closing Date or Extended Closing Date (if applicable), the Title Company shall fully refund the Earnest Money Deposit to Lessee.

5. **Late Closing Fee.** In the event the Lessee fails to provide notice to Lessor to decline to exercise the Option by September 30, 2021 and Closing does not occur on or before September 30, 2021, then Lessee shall pay to Lessor a fee of Twenty-Thousand and 00/100 Dollars (\$20,000.00) (the “***Late Closing Fee***”) which will be non-refundable and which will **not** be credited to the Purchase Price.

6. Except as expressly modified by this Amendment, the terms and conditions of the Option Agreement shall remain in full force and effect. All covenants, terms, obligations and conditions of the Option Agreement not modified and amended by this Amendment are hereby ratified and affirmed.

7. The capitalized terms used in this Amendment shall have the same meaning as in the Option Agreement. The provisions of this Amendment are deemed incorporated into the Option Agreement as if stated in full therein and in the event of any conflict between the terms of this Amendment and the Option Agreement, the terms and conditions of Amendment shall control.

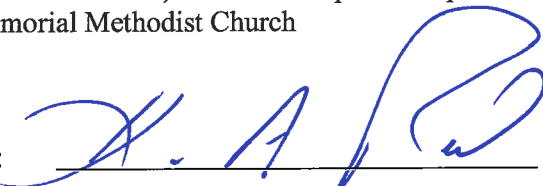
8. This Amendment may be executed in any number of original, electronic or facsimile counterparts and together, such counterparts shall constitute one fully executed Amendment, valid and binding on the parties.

{SIGNATURE PAGE TO FOLLOW}

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first set forth above.

LESSOR:

**UNITED METHODIST RIO TEXAS CONFERENCE BOARD
OF TRUSTEES**, a Texas non-profit corporation for Ward
Memorial Methodist Church

By: 

Name: Kevin A. Reed

Title: President

[Signature Pages Continue]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first set forth above.

LESSEE:

FOUNDATION COMMUNITIES, INC.,
a Texas nonprofit corporation

By: 
Walter Moreau, Executive Director

[End of Signature Pages]

Tillie Croxdale

From: Tina Whitaker <twhitaker@riotexas.org>
Sent: Tuesday, January 7, 2020 11:16 AM
To: Sabrina Butler
Cc: Kevin Reed (kreed@rcmhlaw.com)
Subject: RE: Parker Lane

CAUTION: External Email

Hello Sabina,

I received the \$100 option check. Thank you so much

Tina Whitaker

Property and Liability Administrator
Rio Texas Conference
210-408-4529
210-408-4484 – Fax

From: Sabrina Butler <sabrina.butler@Foundcom.org>
Sent: Monday, January 6, 2020 10:36 AM
To: Kevin Reed <kreed@rcmhlaw.com>
Cc: 'Brooks' <brooks@civtrial.com>; Teresa Welborn (twelborn@umcad.org) <twelborn@umcad.org>; Tina Whitaker <twhitaker@riotexas.org>; Kendall Waller <kwaller@riotexas.org>; Walter Moreau <Walter.Moreau@Foundcom.org>
Subject: RE: Parker Lane

Perfect, thank you.

Attached please find the fully-executed Option.

Sabrina Butler
Foundation Communities
(512) 610-4025

From: Kevin Reed <kreed@rcmhlaw.com>
Sent: Monday, January 06, 2020 10:29 AM
To: Sabrina Butler <sabrina.butler@Foundcom.org>
Cc: 'Brooks' <brooks@civtrial.com>; Teresa Welborn (twelborn@umcad.org) <twelborn@umcad.org>; Tina Whitaker <twhitaker@riotexas.org>; Kendall Waller <kwaller@riotexas.org>; Walter Moreau <Walter.Moreau@Foundcom.org>
Subject: RE: Parker Lane

CAUTION: External Email

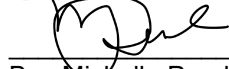
Sabrina, your contact for that purpose will be Tina, who is on this email. Kevin

Tina Whitaker
Property and Liability Administrator

ESCROW RECEIPT

The undersigned, Stewart Title of Austin, LLC ("Escrow Agent"), hereby acknowledges receipt of the Earnest Money Contract between United Methodist Rio Texas Conference Board of Trustees for Ward Memorial Methodist Church (Seller) and Foundation Communities, Inc., a Texas non-profit corporation (Buyer) for the property at 2105 Parker Lane, Austin, Texas on January 6, 2020.

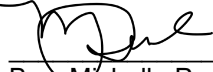
ESCROW AGENT:



By: _____
Its: Escrow Officer

The undersigned, Stewart Title of Austin, LLC ("Escrow Agent"), in connection with the above referenced transaction, hereby acknowledges receipt of earnest money in the amount of 25,000.00 (Deposit) on January 6, 2020.

ESCROW AGENT:



By: _____
Its: Escrow Officer

EARNEST MONEY RECEIPT

The undersigned, Stewart Title of Austin, LLC ("Escrow Agent"), hereby acknowledges receipt of additional Earnest Money i/a/o \$35,000.00 between United Methodist Rio Texas Conference Board of Trustees for Ward Memorial Methodist Church (Seller) and Foundation Communities, Inc., a Texas non-profit corporation (Buyer) for the property at 2105 Parker Lane, Austin, Texas on December 30, 2020.

ESCROW AGENT:

A handwritten signature in black ink that reads "Shawna Fletcher". The signature is written in a cursive style with a horizontal line underneath the name.

By: Shawna Fletcher
Its: Escrow Officer

5. Property

d. Zoning

Foundation Communities submitted an application to change the Development site zoning from SF-3 to MF- 4. Attached is a letter from the City of Austin confirming receipt of the zoning application. On May 6, City Council voted to approve zoning change from SF-3 to MF-3 with affordability unlocked. This zoning will allow FC to develop Parker Apartments as proposed.



City of Austin

Founded by Congress, Republic of Texas, 1839
Housing and Planning Department
P.O. Box 1088
Austin, Texas 78767-1088

February 4, 2021

Tillie Croxdale
Real Estate Project Manager
Foundation Communities, Inc.
3000 South IH 35, Suite 300
Austin, TX 78704

RE: *Acknowledgement of Rezoning Application for the proposed multifamily development known as Parker Apartments, located at 2105 Parker Lane, Austin, Texas 78741*

Dear Ms. Croxdale:

The above-referenced application filed by Ward Memorial Methodist Church is in process for a zoning change, for property located at 2105 Parker Lane, in Austin, Travis County, Texas (City File No. C14-2021-0008.SH). The rezoning application requests a change from the current zoning, family residence – neighborhood plan (SF-3-NP) combining district zoning to multifamily residence – moderate-high density – neighborhood plan (MF-4-NP) combining district zoning.

The purpose of this letter is to advise you that the City of Austin has received a release signed by the Applicant agreeing to hold the political subdivision and all other parties harmless in the event that the appropriate zoning is denied by the Planning Commission or the City Council.

Sincerely,

Wendy Rhoades, Principal Planner
Housing and Planning Department

5. Property

e. Neighborhood Plan

The site is located within the East Riverside/Oltorf Neighborhood Planning Area and has submitted an application to amend the FLUM from Civic to Multifamily. Although this site requires an amendment to the Neighborhood Plan, the proposal is well aligned with Imagine Austin, the Austin Strategic Housing Blueprint, the Austin Strategic Mobility Plan, and the Austin Community Climate Plan for the following reasons:

- Located within 1/2 mile of Riverside Activity Center
- Located within ¼ mile of multiple high-frequency and local bus routes on East Oltorf Street and Burton Drive, including Route 7, 300, and 310.
- 80% of homes are 2 and 3 bedroom with amenities and services specifically designed to cater to families with children.

Below is a link to the East Riverside/Oltorf Neighborhood Plan
http://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Adopted%20Neighborhood%20Planning%20Areas/11_EastRiverside-OltorfCombined/eroc-np.pdf

Attached is the Good Neighbor Checklist, Communication Plan, and Communication log

City of Austin Good Neighbor Checklist

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

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

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

(1) Preliminary Research

- Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

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

(3) Pre-Application Engagement

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

(4) Application requirements

- Provide communications plan
- Provide documentation showing the content of the notice, and proof of delivery
- Provide signed copy of this checklist.

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

<i>Sabrina Butler</i>	Sabrina Butler	May 4, 2021
Signed	printed name	date

Good Neighbor Communication Plan

Project

Parker Apartments
2105 Parker Ln
Austin, TX 78704

Contact

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

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

- 1) Preliminary Research:** As part of preliminary due diligence, FC development staff uses the City of Austin Community Registry to identify neighborhood organizations that contain the proposed site and review any Neighborhood Plan and FLUM in place.

- 2) Pre-Application Notification:** FC sends a notification letter to all neighborhood organizations identified in the Austin Community Registry. The City sends notifications to all neighborhood organizations and property owners within 500 ft as part of a zoning and neighborhood amendment process.

- 3) Pre-Application Engagement:** After notification, FC engages with all neighbors and organizations based on received responses, interest and questions.
 - FC will offer to present at a neighborhood meeting and provide an information packet. At meetings, Foundation Communities presents information about our organization, plans for design of the building, target population, and services.
 - FC will invite neighborhood members to visit our existing portfolio of properties and attend Open House lunches held bi-weekly at one of our properties to learn more about Foundation Communities.
 - FC will offer to provide updates in the form and timing that the neighborhood requests.

- 4) Implementation/Ongoing Relations** - FC will implement the following processes to encourage ongoing relations with neighborhood members:
 - FC will invite the neighborhood group to view the property once completed.

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

Good Neighbor Communication Log

Parker Apartments

Neighborhood Organizations within boundaries

Friends of Riverside ATX
Crossing Gardenhome Owners Association
Del Valle Community Coalition
East Riverside/Oltorf Neighborhood Plan Contact Team
Pleasant Valley Neighborhood Association
Southeast Austin Neighborhood Alliance
Homeless Neighborhood Association

Notifications

Notification of Tax Credit application	notification emailed and mailed in January 2021 by FC staff to all registered neighborhood organizations within boundaries
Notification of Neighborhood Plan Amendment	notification mailed in January by the City to nearby property owners and registered neighborhood organizations
Notification of Zoning Change Application	notification mailed in January by the City to nearby property owners and registered neighborhood organizations

Engagement

Friends of Riverside ATX	emailed and talked to the Chair several times. The group supported our tax credit application and spoke in favor of the zoning case at Planning Commission and City Council
East Riverside/Oltorf Neighborhood Plan Contact Team	emailed and talked on the Chair several times. Presented at a virtual meeting in January 2021. Provided an informational flyer with detailed information on the services that would be made available to the community.
Community Meeting for Neighborhood Plan Amendment	as required by city ordinance, the city coordinated a community meeting that included city staff, FC staff, and neighbors. FC presented and responded to several questions.
South River City Citizens	emailed and talked to the Chair several times. Presented at a virtual executive meeting in January. The Development site is not located within the boundaries of this neighborhood group, but is in close proximity.
Nearby Property Owners	emailed and talked to several property owners within close proximity to the site and provided detailed responses to several questions.
Pleasant Valley Neighborhood Association	responded to notification and advised that we reach out to EROC
Southeast Austin Neighborhood Alliance	no response
Crossing Gardenhome Owners Association	no response
Del Valle Community Coalition	no response
Homeless Neighborhood Association	no response



3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Larry Sunderland
Friends of Riverside ATX
1507 Summit St
Austin, TX, Texas 78741

Larry Sunderland,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

An interested party or Neighborhood Organization can provide comments on any and all applications at each hearing, or can provide written comments to the Department by email at HTCPC@tdhca.state.tx.us, or by mail at:

Texas Department of Housing and Community Affairs
Public Comment - Multifamily Finance Division
P.O. Box 13941
Austin, Texas 78711-3941

Note that in order for input on Competitive Housing Tax Credit applications to be included in the materials relating to presentation for awards to be provided to the Governing Board of the Texas Department of Housing and Community Affairs; **such input must be received by the Department by 5:00 p.m., Austin local time, on June 18, 2021.**

Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



United Way for Greater Austin



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:09 PM
To: info@riversidefriends.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Friends of Riverside.pdf

CAUTION: External Email

Good evening.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Malcolm Yeatts
East Riverside/Oltorf Neighborhood Plan Contact Team
4811 Allison Cove
Austin, TX, Texas 78741

Malcolm Yeatts,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

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Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



United Way for Greater Austin



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:17 PM
To: myeatts@austinrr.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 East Riverside.pdf

CAUTION: External Email

Good evening Mr. Yeatts.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Denise Johnston
Crossing Gardenhome Owners Association
8303 North Mopac Expressway Suite B120
Austin, TX, Texas 78759

Denise Johnston,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

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Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



United Way for Greater Austin



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:11 PM
To: denisejohnston@spectrumam.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Crossing Gardenhome.pdf

CAUTION: External Email

Good evening Ms. Johnston.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Barb Fox
Pleasant Valley Neighborhood Association
1615 Whitney Way
Austin, TX, Texas 78741

Barb Fox,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

An interested party or Neighborhood Organization can provide comments on any and all applications at each hearing, or can provide written comments to the Department by email at HTCPC@tdhca.state.tx.us, or by mail at:

Texas Department of Housing and Community Affairs
Public Comment - Multifamily Finance Division
P.O. Box 13941
Austin, Texas 78711-3941

Note that in order for input on Competitive Housing Tax Credit applications to be included in the materials relating to presentation for awards to be provided to the Governing Board of the Texas Department of Housing and Community Affairs; **such input must be received by the Department by 5:00 p.m., Austin local time, on June 18, 2021.**

Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:19 PM
To: tbfox@swbell.net
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Pleasant Valley.pdf

CAUTION: External Email

Good evening Ms. Fox.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

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3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Jan Long
Southeast Austin Neighborhood Alliance
2411 Riverside Farms Rd
Austin, TX, Texas 78741

Jan Long,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

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P.O. Box 13941
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Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:21 PM
To: jlong91@austinrr.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Southeast.pdf

CAUTION: External Email

Good evening Ms. Long.
Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Susanna Ledesma Woody
Del Valle Community Coalition
7433 Montezuma Street
Austin, TX, Texas 78744

Susanna Ledesma Woody,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

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Texas Department of Housing and Community Affairs
Public Comment - Multifamily Finance Division
P.O. Box 13941
Austin, Texas 78711-3941

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Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



United Way for Greater Austin



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:14 PM
To: ccihdv@gmail.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Del Valle.pdf

CAUTION: External Email

Good evening Ms. Woody.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com





3000 S IH 35, Ste 300
Austin, TX 78704

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

foundcom.org



January 5, 2021
Kirk Becker
Homeless Neighborhood Association
1015 W. William Cannon Dr, Apt 208
Austin, TX, Texas 78745

Kirk Becker,

FC Parker Housing, LP is making an application for **Competitive Housing Tax Credits and Direct Loan** with the Texas Department of Housing and Community Affairs for **Parker Apartments, 2105 Parker Ln, Austin, in Travis County**. This **New Construction** is an **apartment** community, and composed of approximately **150** units of which **150** will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately **19 units per acre**.

In the spring, the Department will hold public hearings in various locations around the state or virtually to gather input on Competitive Housing Tax Credit applications. The hearing schedule along with contact information for written public comment will be posted on TDHCA's [Public Comment Center](#) website later this year.

An interested party or Neighborhood Organization can provide comments on any and all applications at each hearing, or can provide written comments to the Department by email at HTCPC@tdhca.state.tx.us, or by mail at:

Texas Department of Housing and Community Affairs
Public Comment - Multifamily Finance Division
P.O. Box 13941
Austin, Texas 78711-3941

Note that in order for input on Competitive Housing Tax Credit applications to be included in the materials relating to presentation for awards to be provided to the Governing Board of the Texas Department of Housing and Community Affairs; **such input must be received by the Department by 5:00 p.m., Austin local time, on June 18, 2021.**

Sincerely,

Walter Moreau

Representative of **FC Parker Housing, LP**
Walter Moreau
Executive Director
Foundation Communities
3000 S IH 35, suite 300
Austin, TX 78704
(512) 610-4016
walter.moreau@foundcom.org



a Partner Agency of



Tillie Croxdale

From: Lora Myrick <lora@betcohousinglab.com>
Sent: Thursday, January 7, 2021 9:23 PM
To: batmans_byte@hotmail.com; batmans_byte@rocketmail.com
Cc: Sabrina Butler; Tillie Croxdale
Subject: Proposed Multifamily Development - Parker Apartments in Austin, TX
Attachments: Parker Letters_January 5 Homeless.pdf

CAUTION: External Email

Good evening Mr. Becker.

Attached is a notice for a proposed development Parker Apartments to be located in Austin, Texas. Foundation Communities is proposing the development.

We have also mailed a notice to your offices. Please feel free to reach out should you have any questions about the proposed development.

Kindest regards,

--

Lora Myrick

President

812 San Antonio, Suite L-14

Austin, Texas 78701

(512) 785-3710

www.betcohousinglab.com



5. Property

f. Tenant Relocation Plan

The current owner formerly operated a church, gymnasium, thrift shop, and allowed use of office space by nonprofits such as Justice for our Neighbors. The pastor also used to live on site. However, all occupancy ceased in 2019. Thus, a tenant relocation plan is not applicable.

5. Property

g. Phase I ESA

See attached for the Phase I ESA completed in 2020 and below for a summary of key environmental findings and recommendations identified in the report and how we, as the applicant will address these findings.

- **Asbestos** – Asbestos sampling of the onsite structures is recommended prior to any renovation activities. The Applicant will demolish and remove all structures on the site; however, asbestos sampling and testing will be conducted to ensure there is no exposure of asbestos fibers in the air and it is removed with no impact to the environment through necessary and qualified service providers.
- **Lead-Based Paint** – Survey of lead-based paint is recommended if the on-site structures will be renovated. The Applicant will demolish and remove all structures on the site. However, a lead –based survey will be conducted and the Applicant will ensure that recommended lead-safe practices are followed.
- **Lead in Drinking Water** – Testing for lead in the drinking water is recommended if any of the plumbing systems are planned for use in the future development. The Applicant will demolish and remove all structures, including existing plumbing systems, on the site. Since all plumbing systems will be replaced, no further action is needed or required.
- **Noise** – Noise mitigation will be required to establish a noise environment below 65 dB in proposed noise sensitive locations of the new development. The Applicant will ensure that the architect designs the buildings and materials to reach the acceptable noise level below 65db.

5. Property

h. State Historical Preservation Officer

We have no plans to apply for federal funds for this development. Thus, SHPO is not required.