

Mary Lee Campus Preservation

By Foundation Communities

2023 RHDA Application

Executive Summary

Foundation Communities (FC) is an Austin nonprofit, developing affordable housing in our community for over 30 years, serving 8,000 residents across 25 communities in Austin and three in North Texas, with five more in construction and predevelopment. We provide beautifully designed, energy efficient homes and free, on-site services for thousands of Austin families with kids, as well as veterans, seniors, and people with disabilities.

FC is collaborating with a 60-year-old nonprofit service and housing provider Mary Lee Foundation (MLF) to redevelop and expand its existing Austin campus, located along the South Lamar transit corridor, for people with significant disabilities. The multi-building Mary Lee Campus provides housing to over 250 residents, the majority of whom have very or extremely low incomes and special needs.

Due to very low rents, insufficient revenue for maintenance and capital repairs, and the age of the buildings (many are 50+ years old), many of these high-needs residents are now living in poor quality housing. MLF, as a small nonprofit, has had trouble maintaining the properties and providing the level of supportive services needed to the 250+ residents on-site. Therefore, MLF has made a strategic decision to focus their efforts on management of their Intermediate Care Facilities (ICF) and Day Rehab Center. As part of this strategic decision, Mary Lee reached out to FC, as a like-minded nonprofit, to purchase the remaining buildings on-site, manage them directly, and eventually redevelop the older properties.

Our most pressing need is acquisition funding, which would allow us to take the first steps to preserve the 216 existing homes and raise funds for rehabilitation and eventual redevelopment. With AHFC's acquisition funding, FC will purchase 10 occupied buildings on campus in February 2024 (Mary Lee will retain and continue to manage two small HUD buildings). FC will immediately address any outstanding emergency work orders and ensure all residents are living in safe, decent, and functional dwellings. Two buildings, Willows and Legacy, are newer and can be preserved long term with some additional re-investment. The remaining buildings are much older and will be redeveloped in the future. FC will provide property management and resident services to most of the residents while Mary Lee continues to serve the ICF and Day Rehab clients.

With this application, we are requesting \$7,500,000 in acquisition funding as well as a solution for 100% property tax exemption. We are open to different ideas, but would like to propose that AHFC acquire the buildings and lease them back to FC. Longer term, we know that this site has the capacity to serve double the number of its current residents. Our vision is to transform the current campus into a thriving community with a diverse resident population and housing types.

Application

Mary Lee Preservation

APPLICATION CHECKLIST/ INFORMATION FORM

DEVELOPER : Foundation Communities	OWNER/BORROWER NAME : Foundation Communities
DEVELOPMENT NAME : Mary Lee Square	FUNDING CYCLE DEADLINE : November 3, 2023
FEDERAL TAX ID NO: 74-2563260	DUNS NO: 55-635-2268
PROJECT ADDRESS: Lamar Square Dr, Austin, TX 78704	PROGRAM : RHDA
CONTACT NAME : Sabrina Butler	AMOUNT REQUESTED: \$7,500,000
CONTACT ADDRESS AND PHONE : 3000 South Interstate 35 FR, Suite 300, Austin, TX 78704 510-452-7602	

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

ATTACHMENT TABS				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	SB

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

PRINTED NAME

TITLE OF APPLICANT

DATE OF SUBMISSION

DATE AND TIME STAMP OF RECEIPT

FOR AHFC USE ONLY

Project Summary Form

1) Project Name Mary Lee Square	2) Project Type 100% Affordable	3) New Construction or Rehabilitation Rehabilitation
4) Address(s) or Location Description 1326, 1328, 1332, and 1342 Lamar Square Dr.		5) Mobility Bond Corridor North Lamar Blvd
6) Census Tract 13.03	7) Council District District 9	8) Elementary School ZILKER EL
9) Affordability Period 40 years		
10) Type of Structure Multi-family	11) Occupied? Yes	12) How will funds be used? Acquisition

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	67	5	1			73
Up to 40% MFI						0
Up to 50% MFI	49	11	4			64
Up to 60% MFI	14	45	20			79
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	130	61	25	0	0	216

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

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

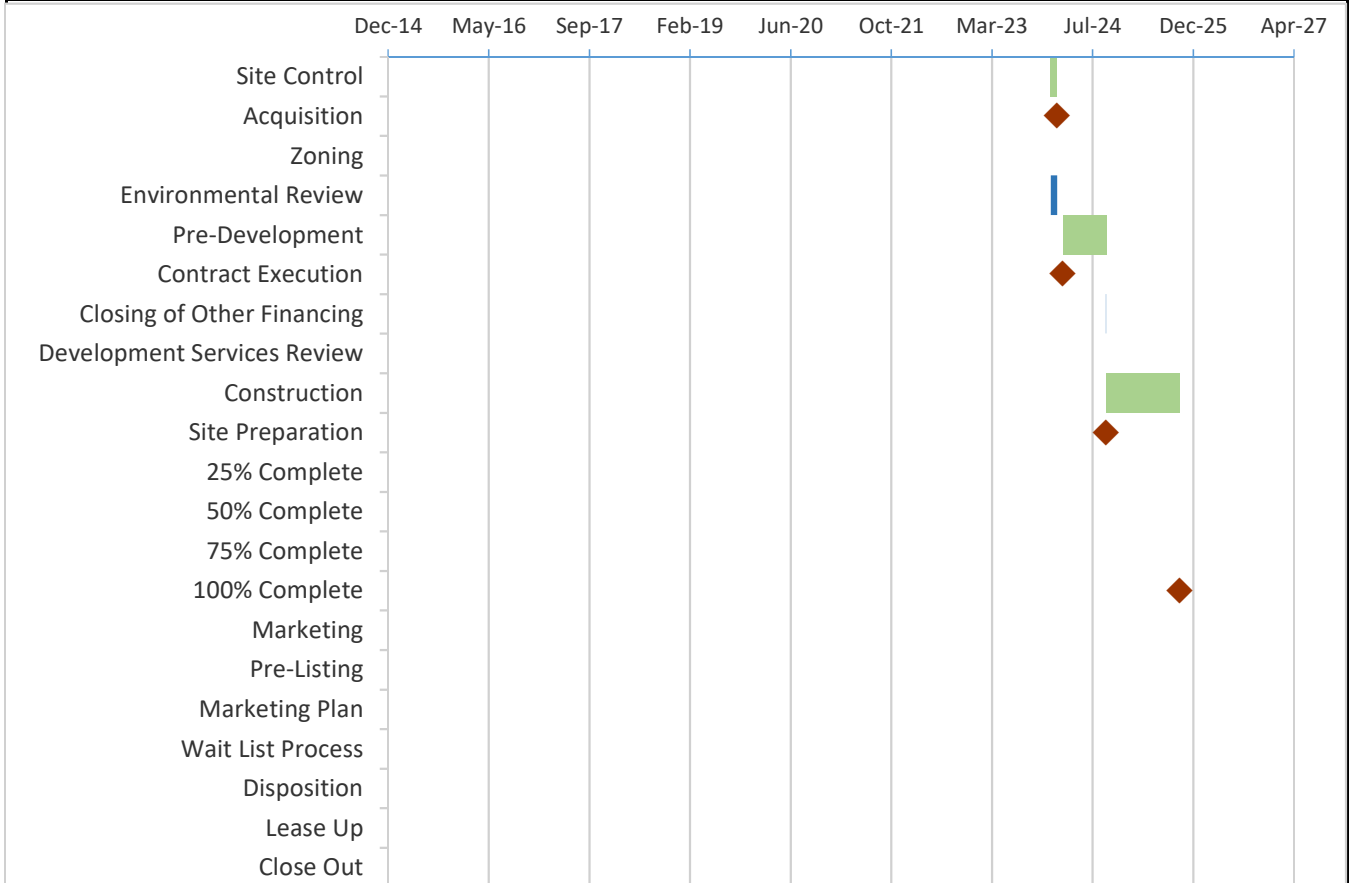
- 16) Is the property within 1/2 mile of an Imagine Austin Center or Corridor? Yes
- 17) Is the property within 1/4 mile of a High-Frequency Transit Stop? Yes
- 18) Is the property within 3/4 mile of Transit Service? Yes
- 19) The property has Healthy Food Access? No

20) Estimated Sources and Uses of funds

Sources		Uses	
Debt		Acquisition	7,550,000
Equity		Off-Site	-
Grant		Site Work	-
Other	3,821,000	Sit Amenities	-
Deferred Developer Fee (not applicable for OHDA)	125,000	Building Costs	2,970,000
Previous AHFC Funding	-	Contractor Fees	-
Current AHFC Request	7,500,000	Soft Costs	376,000
		Financing	50,000
		Developer Fees	500,000
Total \$	11,446,000	Total \$	11,446,000

Development Schedule

	Start Date	End Date
Site Control	Jan-24	Feb-24
Acquisition	Feb-24	
Zoning		
Environmental Review	Jan-24	Feb-24
Pre-Development	Mar-24	Oct-24
Contract Execution	Mar-24	
Closing of Other Financing	Oct-24	Oct-24
Development Services Review		
Construction	Oct-24	Oct-25
Site Preparation	Oct-24	
25% Complete		
50% Complete		
75% Complete		
100% Complete	Oct-25	
Marketing	Jan-00	Jan-00
Pre-Listing		
Marketing Plan		
Wait List Process		
Disposition	Jan-00	Jan-00
Lease Up		
Close Out		



Development Budget

	Total Project Cost	Requested AHFC Funds	Description
Pre-Development			
Appraisal	21,500		
Environmental Review	9,500		
Engineering			
Survey	10,000		
Architectural			
Subtotal Pre-Development Cost	\$41,000	\$0	
Acquisition			
Site and/or Land	7,500,000	7,500,000	
Structures			
Other (specify)	50,000		
Subtotal Acquisition Cost	\$7,550,000	\$7,500,000	
Construction			
Infrastructure			
Site Work			
Demolition			
Concrete			
Masonry			
Rough Carpentry			
Finish Carpentry			
Waterproofing and Insulation			
Roofing and Sheet Metal			
Plumbing/Hot Water			
HVAC/Mechanical			
Electrical			
Doors/Windows/Glass			
Lath and Plaster/Drywall and Acoustical			
Tiel Work			
Soft and Hard Floor			
Paint/Decorating/Blinds/Shades			
Specialties/Special Equipment			
Cabinetry/Appliances			
Carpet			
Other (specify)	2,700,000		
Construction Contingency	270,000		
Subtotal Construction Cost	\$2,970,000	\$0	
Soft & Carrying Costs			
Legal	55,000		
Audit/Accounting			
Title/Recordin	10,000		
Architectural (Inspections)			
Construction Interest			
Construction Period Insurance	200,000		
Construction Period Taxes			
Relocation	120,000		onsite relocation
Marketing			
Davis-Bacon Monitoring			
Developer Fee	500,000		
Other (specify)			
Subtotal Soft & Carrying Costs	\$885,000	\$0	
TOTAL PROJECT BUDGET	\$11,446,000	\$7,500,000	

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	\$1,475,556	\$1,505,067	\$1,535,168	\$1,565,872	\$1,597,189	\$1,763,426	\$1,946,965
Secondary Income	\$37,162	\$37,905	\$38,663	\$39,437	\$40,225	\$44,412	\$49,034
POTENTIAL GROSS ANNUAL INCOME	\$1,512,718	\$1,542,972	\$1,573,832	\$1,605,308	\$1,637,415	\$1,807,838	\$1,995,999
Provision for Vacancy & Collection Loss	-\$110,667	-\$112,880	-\$115,138	-\$117,441	-\$119,790	-\$132,257	-\$146,023
Rental Concessions	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EFFECTIVE GROSS ANNUAL INCOME	\$1,402,051	\$1,430,092	\$1,458,694	\$1,487,868	\$1,517,625	\$1,675,581	\$1,849,977
EXPENSES							
General & Administrative Expenses	\$79,500	\$81,885	\$84,341	\$86,872	\$89,478	\$103,729	\$120,251
Management Fee	\$84,123	\$86,647	\$89,246	\$91,924	\$94,681	\$109,762	\$127,244
Payroll, Payroll Tax & Employee Benefits	\$429,540	\$442,426	\$455,699	\$469,370	\$483,451	\$560,452	\$649,718
Repairs & Maintenance	\$396,909	\$408,816	\$421,081	\$433,713	\$446,725	\$517,876	\$600,360
Electric & Gas Utilities	\$17,976	\$18,515	\$19,071	\$19,643	\$20,232	\$23,455	\$27,190
Water, Sewer & Trash Utilities	\$134,640	\$138,679	\$142,840	\$147,125	\$151,539	\$175,675	\$203,655
Annual Property Insurance Premiums	\$94,964	\$97,813	\$100,747	\$103,770	\$106,883	\$123,906	\$143,642
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$31,400	\$32,342	\$33,312	\$34,312	\$35,341	\$40,970	\$47,495
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ANNUAL EXPENSES	\$1,269,052	\$1,307,124	\$1,346,337	\$1,386,727	\$1,428,329	\$1,655,825	\$1,919,555
NET OPERATING INCOME	\$132,999	\$122,968	\$112,357	\$101,140	\$89,296	\$19,756	-\$69,578
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$130,308	\$130,308	\$130,308	\$130,308	\$130,308	\$130,308	\$130,308
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	\$2,691	(\$7,340)	(\$17,951)	(\$29,168)	(\$41,012)	(\$110,552)	(\$199,886)
CUMULATIVE NET CASH FLOW	\$2,691	(\$4,649)	(\$22,600)	(\$51,768)	(\$92,780)	(\$471,691)	(\$1,247,788)
Debt Coverage Ratio	1.02	0.94	0.86	0.78	0.69	0.15	-0.53

Project Name	Mary Lee Square	
Project Type	100% Affordable	
Council District	District 9	
Census Tract	13.03	
Prior AHFC Funding	\$0	
Current AHFC Funding Request Amount	\$7,500,000	
Estimated Total Project Cost	\$11,446,000	
High Opportunity	Yes	
High Displacement Risk	NO	
High Frequency Transit	Yes	
Imagine Austin	Yes	
Mobility Bond Corridor	North Lamar Blvd	
SCORING ELEMENTS		Description
UNITS		
< 20% MFI	0	# of rental units at < 20% MFI
< 30% MFI	73	# of rental units at < 30% MFI
District Goal	6%	% of City's affordable housing goal
High Opportunity	5%	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	7%	% of City's affordable housing goal near high frequency transit
Imagine Austin	7%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	8%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	15	% of annual goal * units * 50%, max of 75
< 40% MFI	0	# of rental units at < 40% MFI
< 50% MFI	64	# of rental units at < 50% MFI
District Goal	6%	% of City's affordable housing goal
High Opportunity	5%	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	7%	% of City's affordable housing goal near high frequency transit
Imagine Austin	7%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	8%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	6	% of annual goal * units * 25%, max of 75
< 60% MFI	0	# of units for purchase at < 60% MFI
District Goal	6%	% of City's affordable housing goal
High Opportunity	5%	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	7%	% of City's affordable housing goal near high frequency transit
Imagine Austin	7%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	8%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 50%, max of 75
< 80% MFI	0	# of units for purchase at < 80% MFI
District Goal	6%	% of City's affordable housing goal
High Opportunity	5%	% of City's affordable housing goal for high opportunity areas
Displacement Risk	0%	% of City's affordable housing goal to reduce displacement
High Frequency Transit	7%	% of City's affordable housing goal near high frequency transit
Imagine Austin	7%	% of City's affordable housing goal in imagine austin corridors
Geographic Dispersion	8%	% of City's affordable housing goal to increase geographic dispersion
Mobility Bond Corridor	8%	% of City's affordable housing goal within mobility bond corridors
SCORE	0	% of annual goal * units * 25%, max of 75
Unit Score	21	MAXIMUM SCORE = 300
INITIATIVES AND PRIORITIES		
Continuum of Care	0	Total # of units provided up to 100 per year
Continuum of Care Score	0	(total CoC Units/100 + HF Units/50)*20
Access to Healthy Food	No	Within 1 Mile of Healthy Food (City GIS)
Continuum of Care Weighted Score	0	Mobility, Access to Jobs, Community Institutions, Social Cohesion
2 Bedroom Units	5	Total Affordable 2 Bedroom units
3 Bedroom Units	0	Total Affordable 3 Bedroom units
4 Bedroom Units	0	Total Affordable 4+ Bedroom units
Multi-Generational Housing Score	1	Multi-bedroom Unit/Total Units * 20
TEA Grade	86	Elementary School Rating from TEA
Multi-Generational Housing Weighted Score	1	Educational Attainment, Environment, Community Institutions, Social Cohesion,
Accessible Units	14	mobility and sensory units
Non-PSH, Non-Voucher Under 20% MFI	0	Total units under 20% MFI
Accessibility Score	2	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	5	MAXIMUM SCORE = 200
UNDERWRITING		
AHFC Leverage	103%	% of total project cost funded through AHFC request
Leverage Score	0	3 points per 5% reduction in leverage below 50% (max 30)
AHFC Per Unit Subsidy (Including prior amounts)	\$54,745	Amount of assistance per unit
Subsidy per unit score	18	(\$200,000 - per unit subsidy)*25/\$200,000
AHFC Per Bedroom Subsidy	\$52,817	Amount of assistance per bedroom
Subsidy per Bedroom Score	18	(\$200,000 - per bedroom subsidy)*25/\$200,000
Debt Coverage Ratio (Year 5)	0.69	Measured at the 5 Year mark
Debt Coverage Ratio Score	0	Minimum = 1.0; Maximum = 1.5; 1.25 = best score
Underwriting Score	37	MAXIMUM SCORE = 100
APPLICANT		
FINAL QUANTITATIVE SCORE	62	THRESHOLD SCORE = 50
Previous Developments		
Compliance Score		
Proposal		
Supportive Services		
Development Team		
Management Team		
Notes		

Attachments

Mary Lee Preservation

1a. Applicant Entity Introduction

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

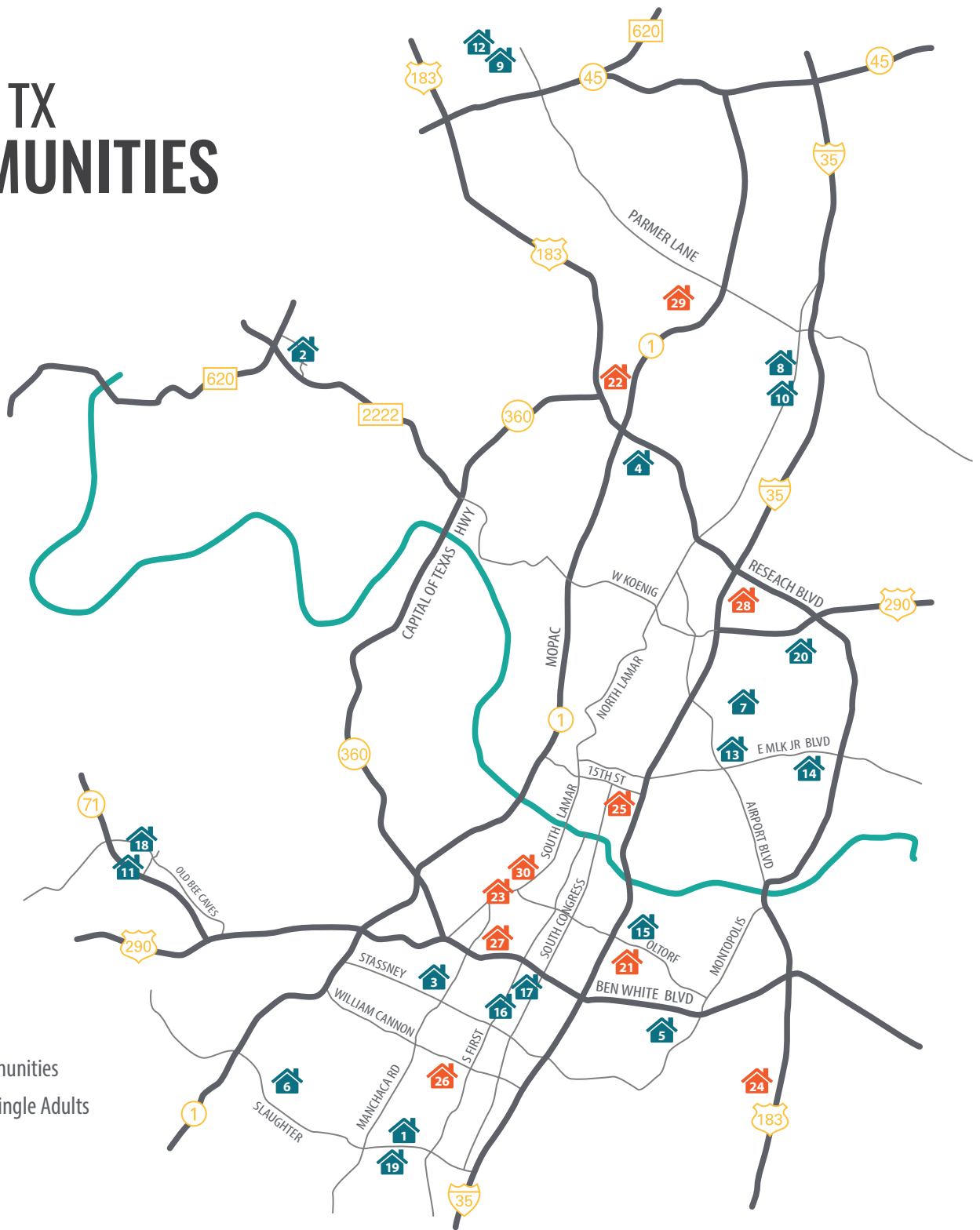
Opening Doors to Homes: We own and manage over 3,700 apartments across 24 properties in Austin and three in North Texas. Over 7,000 residents call our communities home. We are the life-time owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, green building strategies for our new properties and invest heavily in capital repairs, maintenance, and green upgrades at our older properties.

Healthy Communities: All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. We have over 950 permanent supportive housing apartments where single adults who have chronic health problems and disabilities, have been homeless, or survive on fixed incomes receive intensive case management. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 157 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

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

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

Austin, TX COMMUNITIES



 Family Communities
 Studios for Single Adults

- | | | | | |
|--|---|---|--|---|
| 1 Buckingham Place
166 UNITS | 7 Jordan at Mueller
132 UNITS | 13 M Station
150 UNITS | 19 Trails At The Park
200 UNITS | 25 Capital Studios
135 UNITS |
| 2 Cardinal Point
120 UNITS | 8 Juniper Creek
110 UNITS | 14 Norman Commons
156 UNITS | 20 Trails At Vintage Creek
200 UNITS | 26 Garden Terrace
103 UNITS |
| 3 Cherry Creek
122 UNITS | 9 Lakeline Station
128 UNITS | 15 Parker Lane
135 UNITS | 21 Arbor Terrace
120 UNITS | 27 Skyline Terrace
100 UNITS |
| 4 Crossroads
92 UNITS | 10 Laurel Creek
88 UNITS | 16 Sierra Ridge
149 UNITS | 22 Balcones Terrace
123 UNITS | 28 Spring Terrace
142 UNITS |
| 5 Daffodil
40 UNITS | 11 Live Oak Trails
58 UNITS | 17 Sierra Vista
238 UNITS | 23 Bluebonnet Studios
107 UNITS | 29 Waterloo Terrace
132 UNITS |
| 6 Homestead Oaks
140 UNITS | 12 The Loretta
137 UNITS | 18 Southwest Trails
160 UNITS | 24 Burleson Studios
100 UNITS | 30 Zilker Studios
110 UNITS |

BUILDING/PROPERTIES:

Foundation Communities builds and manages award-winning affordable housing. FC now has 26 properties and has developed 12 new affordable housing communities in the past 10 years. Our newest community, Laurel Creek opened in 2021, and we have three more opening in 2023, and one more in 2024



CARDINAL POINT:

120 units of family housing and new learning center in Northwest Austin. Opened in 2017.



THE JORDAN AT MUELLER:

132 units of family housing and new learning center in Mueller. LEED GOLD and AEGB 4-star



LAKELINE STATION:

128 units of family housing at 13635 Rutledge Spur; state of the art learning center, opened in 2016. Received the 2017 Austin Green Award – ‘Project of the Year.’



LIVE OAK TRAILS:

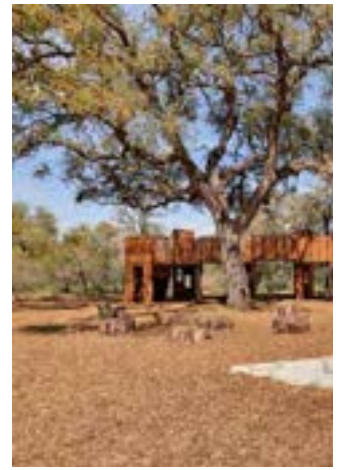
58 units of family housing at 8500 Highway 71; children will use the learning center at Southwest Trails, FC’s property right next door, opening December 2016.





HOMESTEAD OAKS:

140 units of family housing in South Austin, new learning center. Opened 2015.



BLUEBONNET STUDIOS:

107 units of service-enriched permanent supportive housing on S Lamar. Opened 2016. Received a 2017 Austin Green Award.



M STATION:

150 units of family housing; opened 2011. New construction. LEED Platinum certification, Enterprise Green Communities certification, and Austin Energy Green Building 5-Star rated community. Numerous awards, including Austin Green Award; Reader's Choice Award/Affordable Housing Finance Magazine; Affordable Property of the Year/Austin Apartment Association; Social Impact Award/ABJ Commercial Real Estate Awards.



CAPITAL STUDIOS:

135 units of permanent supportive housing. The first affordable housing to be built in downtown Austin in more than 40 years. new construction, opened 2014. Austin Business Journal – 2015 Best Multifamily Project.





EDUCATION:

Foundation Communities has 13 on-site Learning Centers, with one more under construction, that serve 900 children each year with educational programming. Offerings range from pre-literacy for 3-and 4-year-olds to teen programs. 800 elementary school kids who live in our housing and the surrounding communities attend our year-round afterschool and summer program, where we work with local elementary schools to identify students' needs. This academically-focused program (3 hours each school day, 5-6 hours in the summer) includes reading, homework help, physical activity, and enrichment.

We also serve adults and entire families in our education programs. Free Minds is a year-long cooperative program with UT and ACC, designed for adults who have never attended college or are returning after a long absence; they receive six college humanities credits upon completion. Other adult classes include computer skills, English as a Second Language, exercise classes, and healthy cooking.



FINANCIAL STABILITY

Foundation Communities' Financial Stability programs help more than 30,000 people each year across our community.

- The Community Tax Centers prepare more than 20,000 tax returns each year in Central Texas, totaling more than \$35 million in refunds.
- Incentivized savings allow families to save for emergencies, higher education, or home purchase.
- Financial education and financial coaching give individuals and families the resources they need for economic stability and success, including credit repair and budgeting.
- College Hub helps students with FAFSA forms and figuring out how to apply for college and for scholarships. We work with the Mexican Consulate to administer scholarships to immigrant families.



HEALTH INITIATIVES:

Health Initiatives are fundamental to family success and bring healthy living education, activities, and resources to our residents and the community.

- We connect residents to local health resources, in addition to on-site programming: free health fairs, exercise classes (Zumba to yoga), healthy food pantries, gardens, support groups for substance abuse and recovery, and bilingual nutrition and cooking classes.
- Insure Central Texas has enrolled more than 34,000 people in marketplace insurance enrollment under the Affordable Care Act, MAP, CHIP, and Medicaid; Community Health Workers and Navigators help patients with complicated medical conditions (cancer, AIDS) find plans that work with their medical providers.
- The Sustainability Team is engaged from construction through instruction; whole families benefit from healthier products and cost savings. As lifetime owners of our properties, we create the greenest homes possible, using solar panels and other features to save money in the long run.



ORGANIZATIONAL STRENGTH:

We have an active board made up of residents and community leaders. Staff members are drawn from a wide variety of cultures and skills. The common thread: commitment to Foundation Communities' mission and to serving the community.

Community volunteers tutor students, serve as scholarship mentors, prepare taxes, work as financial coaches, and prepare "Welcome Home" baskets and supper club meals for Foundation Communities' residents.

Financing is fully diversified and, as much as possible, sustainable. 75% of our \$44 million budget comes from apartment rentals. The rest is grants and individual donations. We receive grants from governmental sources (federal, state, county, city), foundations, and corporations. Individual donors include "Homebuilders," who make multi-year pledges.

1b. Applicant Entity Certificate of Status



Office of the Secretary of State

Certificate of Fact

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

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

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on January 28, 2022.



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

John B. Scott
Secretary of State

1c. Applicant Capacity

Walter Moreau, Executive Director: During his 30+ year career, Walter has secured subsidy financing of more than \$500 million to create more than 3,700 units of service-enriched, nonprofit-owned affordable housing, and 15 onsite Learning Centers. Moreau was recognized as a 2007 James A. Johnson Community Fellow by the Fannie Mae Foundation. He was also awarded the 2005 Social Entrepreneur of the Year Award and the 2004 Texas Houser Award. He holds a Master's degree from UT's LBJ School of Public Affairs. He has been with Foundation Communities for more than 20 years.

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

Luis Contreras, Senior Construction Manager, supports the Development Team with site selection, due diligence, selecting external partners, funding coordination, and most importantly overseeing the project is being built on time and to our specifications. Luis has over ten years of design and construction experience, having worked in various markets throughout the country as a general contractor. Luis has a B.S. in Architecture from the University of Texas at San Antonio and predominantly focuses on the various construction processes as they relate to FC projects.

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

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

1c. Applicant Capacity

Foundation Communities Development experience

Development Management: FC has been managing affordable housing communities in house for over 30 years. FC's development team oversees the design and construction of our communities; secures funding for all pipeline projects; coordinates the RFQ and bid process for the architect, engineers, and general contractor; and acts as the direct link between third-party consultants and FC.

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 near 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 several quality ones. FC invites those firms to bid on all projects developed by Foundation Communities (in addition to other firms who might be interested). FC has an excellent working relationship with several general contractors.

Design, Architecture and Engineering: FC's development staff oversees the hiring of the design and engineering team. Typically, we issue an RFQ to an invited list of bidders (open to all interested parties). The list is narrowed down based on responses; then, the FC development team, including Walter, Sabrina, and Anna, meet the finalists and select based on presentations. FC has an excellent working relationship with several architectural firms and civil engineers.

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

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

Other Funding Source Rules: FC has a great track record for using multiple funding sources on each project. Funding stacks often include tax credits, state funds, FLHB, grants, and private fundraising. More details are in the Financial Capacity section.



We create housing where families succeed

Visit www.foundcom.org for more information

Projects in Development



Zilker Studios
1508 S. Lamar Blvd.
110 units
May 2023



Burleson Studios
7905 Burleson Rd.
100 units
2026



The Loretta
13649 Rutledge Spur
127 units
August 2023



Mary Lee Phase I/II
1339 Lamar Square Dr.
Est. 250 preserved &
350 new units
2026-2029



Balcones Terrace
10024 N. Capital of TX
Hwy
123 units
August 2023



El Mercado Studios
1302 South First St.
100 units
2027



Parker Lane
2105 Parker Lane
135 units
Winter 2024



Highland Studios
5900 Airport Blvd.
100 units
2028



Juniper Creek
11630 N. Lamar Blvd.
110 units
Spring 2025



Brodie Oaks
4040 S. Lamar Blvd
100 units
2029



Norman Commons
3811 1/2 Tannehill Ln.
156 units
Fall 2025



FAMILY COMMUNITIES



STUDIOS FOR SINGLE ADULTS

1d. Statement of Confidence

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

1e. Applicant Financial Capacity

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

Tax Credits: Over the past 20 years, Foundation Communities has applied for and been awarded 9% tax credits for 16 developments and 4% tax credits on 1 development, which utilized bonds from AHFC. The FC development team is well-versed in the LIHTC program and application process and closely follows the annual drafting of the Qualified Allocation Plan. FC has relationships with multiple tax credit investors and syndicators including Enterprise Community Investment, Bank of America, Wells Fargo, Raymond James, NEF, and BBVA Compass.

City of Austin: The City of Austin has been a major contributor on 24 Foundation Communities' projects and has also approved funding for two upcoming FC projects. The FC Development team follows the release of the City's application rules and NOFA and has a solid working relationship with City of Austin HPD/AHFC staff.

FHLB: Foundation Communities has applied for and received 22 awards through the FHLB Affordable Housing Program.

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

Private Fundraising: FC has a very strong track record of private fundraising and individual donations. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$16 million in private funds to help fund construction of 8 new communities.

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

Project Name	Address	City	PIS	Population	Type	Total Units	Aff Units
Parker Lane - construction	2105 Parker Ln	Austin, TX	2024	Family	New	135	135
Balcones Terrace - construction	10024 N Capital of TX Hwy	Austin, TX	2024	SRO	Rehab	123	123
Loretta	13649 Rutledge Spur	Austin, TX	2023	Family	New	137	137
Zilker	1508 S Lamar Blvd	Austin, TX	2023	SRO	New	110	110
Laurel Creek	11704 N Lamar Blvd	Austin, TX	2021	Family	New	88	88
Waterloo Terrace	12190 N Mopac Expwy	Austin, TX	2020	SRO	New	132	132
Jordan At Mueller	2724 Philomena Street	Austin, TX	2019	Family	New	132	132
Cardinal Point	11015 & 11017 Four Points Dr	Austin, TX	2017	Family	New	120	120
Garden Terrace Phase III	1015 West William Cannon	Austin, TX	2017	SRO	New	20	20
Bluebonnet Studios	2301 South Lamar Blvd	Austin, TX	2016	SRO	New	107	107
Lakeline Stations	13635 Rutledge Spur	Austin, TX	2016	Family	New	128	128
Live Oak Trails	8500 West HW 71	Austin, TX	2016	Family	New	58	58
Homestead Oaks	3226 West Slaughter Ln	Austin, TX	2015	Family	New	140	126
Capital Studios	309 East 11th	Austin, TX	2014	SRO	New	135	135
Arbor Terrace	2501 South I-35	Austin, TX	2013	SRO	Rehab	120	120
Sierra Vista	4320 S. Congress Ave	Austin, TX	2012	Family	Rehab	238	238
M Station	2906 E. Martin Luther King Jr. Blvd	Austin, TX	2011	Family	New	150	137
Garden Terrace Phase II	1015 West William Cannon	Austin, TX	2008	SRO	Rehab	15	15
Skyline Terrace	1212 West Ben White	Austin, TX	2006	SRO	Rehab	100	100
Spring Terrace	7101 North I-35	Austin, TX	2005	SRO	Rehab	142	142
Garden Terrace Phase I	1015 West William Cannon	Austin, TX	2003	SRO	Rehab	88	88
Southwest Trails	8405 Old Bee Caves Rd	Austin, TX	2001	Family	New	160	160
Trails at The Park	815 West Slaughter Ln	Austin, TX	2000	Family	New	200	200
Trails at Vintage Creek	7224 Northeast Dr	Austin, TX	2000	Family	Rehab	200	180
Daffodil	6009 Daffodil Dr	Austin, TX	1996	Family	Rehab	40	22
Peters Colony	1801 E Peters Colony	Carrollton, TX	1995	Family	Rehab	160	32
Shadow Brook	2020 S Cooper	Arlington, TX	1995	Family	Rehab	403	81
Sleepy Hollow	3903 Ichabod Circle	Arlington, TX	1995	Family	Rehab	128	26
Buckingham Duplexes	743-B Yarsa	Austin, TX	1991	Family	Rehab	166	48
Sierra Ridge	201 West St Elmo	Austin, TX	1991	Family	Rehab	149	149
Crossroads	88011 McCann	Austin, TX	1990	Family	Rehab	92	14
Cherry Creek Duplexes	5510 B Fernview	Austin, TX	1990	Family	Rehab	122	40

Project Name	Tax Credits	TDHCA	City of Austin	FHLB	Capital Magnet Funds	Misc Funding
Parker Lane - <i>permits</i>	9% LIHTC	NHTF	GO Bonds	FHLB Dallas		
Balcones Terrace - <i>permits</i>		NHTF	CDBG + GO Bonds			
Loretta - <i>construction</i>	9% LIHTC		GO Bonds	FHLB Dallas		
Zilker - <i>construction</i>	9% LIHTC	NHTF	GO Bonds	FHLB Dallas		HACA PBV
Laurel Creek	9% LIHTC	NHTF	GO Bonds	FHLB Dallas + Atlanta		
Waterloo Terrace	9% LIHTC	NHTF	GO Bonds	FHLB San Francisco	CMF	
Jordan At Mueller	9% LIHTC		GO Bonds	FHLB San Francisco	CMF	
Cardinal Point	9% LIHTC		GO Bonds	FHLB San Francisco	CMF	
Garden Terrace Phase III		TCAP	GO Bonds	FHLB San Francisco	CMF	Department of Justice Funds
Bluebonnet Studios	9% LIHTC	TCAP	GO Bonds & HOME	FHLB San Francisco	CMF	Department of Justice Funds
Lakeline Stations	9% LIHTC		GO Bonds		CMF	
Live Oak Trails	9% LIHTC	TCAP	GO Bonds & HOME		CMF	HACA PBV
Homestead Oaks	9% LIHTC		GO Bonds	FHLB San Francisco		
Capital Studios	9% LIHTC		GO Bonds & CDBG	FHLB San Francisco		
Arbor Terrace		NSP	GO Bonds & CDBG	FHLB Atlanta		
Sierra Vista	9% LIHTC		GO Bonds	FHLB San Francisco		
M Station	9% LIHTC		GO Bonds	FHLB San Francisco		
Garden Terrace Phase II			HTF	FHLB San Francisco		
Skyline Terrace	9% LIHTC	HOME	HOME & HTF	FHLB San Francisco		HACA
Spring Terrace		HOME & HTF	HOME & CDBG	FHLB Dallas		
Garden Terrace Phase I		HOME	HOME & CDBG	FHLB Atlanta		
Southwest Trails	4% LIHTC	HTF	HOME & HTF	FHLB Dallas	CMF	
Trails at The Park	9% LIHTC					
Trails at Vintage Creek			CDBG			
Daffodil		RTC AHDP				
Peters Colony		RTC AHDP				
Shadow Brook		RTC AHDP				
Sleepy Hollow		RTC AHDP				
Buckingham Duplexes		RTC AHDP				
Sierra Ridge						
Crossroads			GO Bonds			
Cherry Creek Duplexes						

1f. Non-profit Developer

Foundation Communities is a Non-profit Developer

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

1f(i). IRS Letter

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

DEPARTMENT OF THE TREASURY

Date:

JUN 06 1996

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

Employer Identification Number:
74-2563260

Case Number:
755122043

Contact Person:
ANNETTE SMITH

Contact Telephone Number:
(214) 767-6023

Our Letter Dated:
May 23, 1990

Addendum Applies:
No

Dear Applicant:

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

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

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

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

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

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

Sincerely yours,



Bobby E. Scott
District Director

Internal Revenue Service

Department of the Treasury

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

Date: June 6, 2001

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

Person to Contact:

Marion F Robinson- Baugh
Customer Service Representative

Toll Free Telephone Number:

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

Fax Number:

513-263-3756

Federal Identification Number:

74-2563260

Dear Sir or Madam:

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

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

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

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

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

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

Foundation Communities
74-2563260

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

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

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

Foundation Communities
74-2563260

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

The above information should be sent to the following address:

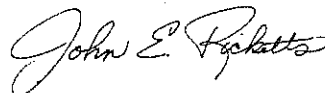
Internal Revenue Service Center
Attn: Entity Control Unit
Ogden, UT 84409

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

Your organization's Group Exemption Number is .

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

Sincerely,



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

Change of Address or Responsible Party — Business

▶ Please type or print.

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

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

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

Check all boxes this change affects:

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

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

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

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

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

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

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

8 New responsible party's name

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

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

Sign Here


 Signature of owner, officer, or representative
 Executive Director
 Title

1-2-2020
 Date

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

1f(iii). Board Resolution

Attached is a resolution that allows a request to AHFC of up to \$15 million for Mary Lee Square.

**RESOLUTION BOARD OF DIRECTORS OF
Foundation Communities, Inc.
Mary Lee Phase 1**

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

RESOLVED, that the Corporation apply for a loan for acquisition, predevelopment, rehabilitation 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 rehabilitated and constructed on various parcels on Lamar Square Drive, likely including but not limited to 1326, 1328, 1332, and 1342 Lamar Square Drive (the "**Property**")

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

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

RESOLVED, that the Corporation secure up to **\$15,000,000** of loan funds from the Austin Housing Finance Corporation (the "**Lender**") and, whether by and through itself or by and through an entity under common control with Corporation, pledge the Property and other related assets as collateral therefore, all on such terms and conditions as the ED or CREO of the Corporation may in his/her sole discretion, deem necessary or desirable, and that the Corporation execute any and all pertinent loan documents required by Lender in connection therewith, confirming and ratifying its liability under said loan, all on such terms and conditions as the ED or CREO of the Corporation may, in his/her sole discretion, deem necessary or desirable;

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

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

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

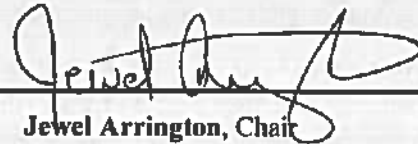
RESOLVED, that any instruments executed in connection with the above described transactions may contain such effective dates, whether prior to or after the date of adoption of these resolutions as set forth below, as the ED or the CREO of the Corporation may in his/her sole discretion, deem necessary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

advisable; and

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

Adopted and approved by the Board of Directors on the **8th day of August, 2023**.

FOUNDATION COMMUNITIES, INC.

A handwritten signature in black ink, appearing to read "Jewel Arrington", is written over a solid horizontal line.

Jewel Arrington, Chair
Board of Directors of Foundation Communities, Inc

2. Development Team

Role	Info	Contact	MBE	WBE	NP
Owner	Foundation Communities, Inc. 3000 S IH-35, Suite 300 Austin, TX 78704	Walter Moreau, Executive Director (512) 610-4016 walter.moreau@foundcom.org			X
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	N/A				
Engineer	N/A				
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	TBD				
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
	Mary Lee Foundation 1339 Lamar Square Austin, TX 78704	Russ Walker, Executive Director (512) 443.5777 rwalker@maryleefoundation.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
	Mary Lee Foundation 1339 Lamar Square Austin, TX 78704	Russ Walker, Executive Director (512) 443.5777 rwalker@maryleefoundation.org			X

2. Development Team Experience

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

3a. Property Management Experience

Mary Lee will continue to manage the 41-unit Intermediate Care Facility and Day Rehab Facility, while Foundation Communities takes over management of the remaining 175 units. FC's management team will include an on-site Community Manager, two assistant managers, and initially three to four maintenance staff plus extra support from FC's central office - ensuring enough capacity to catch up on deferred maintenance and open work orders. This team will receive significant support from FC's departments for asset management, compliance, and property management and all will work collaboratively to ensure the site's smooth operation and deliver optimal services to residents.

FC performs all leasing, maintenance, accounting, compliance and other property management functions for our 28 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 (98% in 2021), low turnover, and healthy investment in capital repairs and upgrades to existing portfolio (\$1,479/unit in 2021).

Foundation Communities Leadership

- **Vicki McDonald, Chief Real Estate Officer**, oversees our entire real estate portfolio, monitoring annual operating budgets, major capital improvements, and management of a team of ten staff who are directly involved in the daily oversight of property operations, capital improvements, sustainability initiatives, supportive housing, safety and risk management and new construction. She links real estate operations and development through input and participation on the acquisition, design, and construction transition to operations. She is a CCIM Designee, a licensed Texas Real Estate Broker and has owned a real estate management and brokerage firm for 25 years before joining Foundation Communities.
- **Desiree Golden, Director of Family Property Management**, oversees 18 family properties within the FC portfolio as well as the Compliance Department. She works closely with District Managers on day-to-day operations along with evaluating the ongoing financial performance of each property. Desiree has 32 years of experience in Property Management (12 years with FC) and has her CAM and CAPS designations from NAA.
- **Valicia Nichols, Director of Compliance**, oversees compliance for the entire portfolio and is well-versed in guidelines and regulations for FC's compliance programs, such as Low Income Housing Tax Credits (LIHTC), HOME, HUD Section 8 Voucher, Housing Trust Fund, Neighborhood Stabilization Program (NSP), Section 811 and older programs, e.g., Affordable Housing Program (AHP). She has been with FC since 2011 and maintains FC's good standing with compliance agencies, e.g TDHCA (state); City of Austin; FHLB as well as investors.

Mary Lee Foundation Leadership

- **William Whitley, Maintenance Supervisor**, joined Mary Lee Foundation in 2019. Prior to joining MLF, William was the Property Manager for the Round Rock Housing Authority; before that he was the Property Manager for the Housing Authority of the City of Austin. William moved to Austin as the Senior Pastor for the Pilgrim Rest Primitive Bible Church in 2008. He is a graduate of the Dale Carnegie School for Public Speaking.
- **Carla Bell, Director of Housing**, joined Mary Lee Foundation in 2023 with years of experience working with the DCYF system, CPS, and Probation and Parole as well as experience working with low-income households and people with disabilities. As Director of Housing, Carla directly supervises housing staff and maintains responsibility for project reporting.

3b. Compliance Reports from Austin



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of M Station

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of Homestead Oaks

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD



City of Austin

Neighborhood Housing and Community Development

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

November 30, 2020

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

Re: FY19-20 Monitoring Review of Sierra Vista

Dear Kristina Thompson:

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

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

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

Sincerely,

Chase Clements, Financial Manager
City of Austin, NHCD

3c. Compliance Reports from outside Austin

Valicia Nichols

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

CAUTION: This email originated from outside of the organization.

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

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

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

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

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

Please note the following concerns identified during the desk review:

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

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

The Annual Compliance Fee is up-to-date.

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

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

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

Jeanette Rodriguez, COS
Senior Compliance Monitor

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

Valicia Nichols

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

CAUTION: This email originated from outside of the organization.

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

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

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

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

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

Please note the following concern identified during the desk review:

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

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

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

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

Remember these guidelines while in annual compliance status:

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

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

Deidra Young
Director of Compliance Monitoring

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

Valicia Nichols

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

CAUTION: This email originated from outside of the organization.

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

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

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

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

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

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

Please note the following concerns identified during the review:

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

4. Development Description

There are currently 14 buildings and a private park that compose the Mary Lee campus on Lamar Square Drive:

10 buildings are part of this \$7.5M acquisition funding request, which house:

- 105 units in the Willows and the Legacy that are newer and will be preserved. They will receive modest rehabilitation to address outstanding deferred maintenance and necessary capital replacements;
- 70 units scattered among several buildings that are a combination of restricted and naturally occurring affordable housing. FC will address urgent repair needs only, as these buildings have reached the end of their life and are planned for reconstruction in coming years;
- 41 Intermediate Care Facility (ICF) units that provide licensed care to qualified individuals with intellectual and developmental disabilities (IDD); and
- Mary Lee's Day Rehabilitation program spaces and other office and program space.

The other four buildings consist of

- Two vacant buildings acquired by FC in August 2023. They will be demolished to accommodate the first new construction that is part of our future multi-phase redevelopment of the square; and
- Two HUD-regulated buildings that will continue to be owned and managed by Mary Lee indefinitely.

AHFC's \$7.5M will ensure preservation of 216 deeply affordable units on the South Lamar corridor, just two miles from downtown. Upon FC's acquisition in February 2024, we will bring our decades of affordable housing property management and services delivery to these properties, providing long-deferred maintenance needs, robust services staffing, and other programs including our healthy food pantry. After FC's acquisition and management take-over, Mary Lee will narrow its focus to what it does best: serving clients in the ICF, Day Rehab, and other off-campus group homes for individuals with IDD.

Beyond the cost of acquisition, FC is budgeting approximately \$2.7M for rehabilitation. Rehabilitation scope and budget is still preliminary, but based on FC's unit inspection and initial engineer reports, we are budgeting approximately \$600k for urgent repairs in the older buildings and \$20,000 per unit for Willows and Legacy. While many buildings on campus are planned for demolition and reconstruction as part of our future campus redevelopment, this redevelopment is not anticipated to start construction until 2025. Our focus is to keep the older buildings safe and habitable until we can provide brand new units to replace those that are at the end of their useful lives.

Because Willows and Legacy are newer and still have good bones, these two income-restricted properties will continue to operate as-is, but with an expansive rehab focus to ensure they operate well for the long term. Although rehab isn't typically needed for properties of this vintage, we are budgeting approximately \$20k/unit in repairs and replacements for the 105 units at Willows and Legacy due to prior limited investments in preventative maintenance and routine capital replacements combined with some systems reaching the end of their lives after more than a decade. Scope is anticipated to include electrical and elevator repairs; as-needed replacements of appliances, countertops, flooring, HVAC, etc.; accessibility and security modifications and improvements; parking lot resurfacing; and exterior painting.

Because of Mary Lee's limited financial capacity, the need for FC to take ownership of these buildings is urgent - conditions on campus will only become more expensive to address as time passes. Additionally, acquisition of these properties will allow us to unlock the redevelopment potential of Lamar Square Drive - paving way for a revitalized and expanded disability-forward campus with a diverse mix of residents and unit types. This campus redevelopment will bring forth 200-300 brand new affordable units, including larger, family-oriented floor plans and possible musician-focused housing.

The acquisition and redevelopment plan also offers a new future to Mary Lee Foundation. Cash from the sale to FC will provide financial stability for this long-time Austin nonprofit, providing funds to supplement the very low state reimbursement rates for Mary Lee's licensed facilities. Additionally, all future FC buildings will provide a 10% preference for Mary Lee clients, allowing the agency opportunity to expand its IDD program offerings and independent living opportunities for a dramatically under-served population in Austin and Texas.



216 units to be acquired by FC

64	WILLOWS	AHFC, TSACH, FHLB
41	LEGACY	AHFC, FHLB
30	CORNERSTONE	AHFC, TDHCA, FHLB
22	VILLA ELAINA	TDHCA
11	EASTWARD	No affordability restriction
7	OFFICE	No affordability restriction
15	ICF	Mary Lee program
13	ICF	Mary Lee program
13	ICF	Mary Lee program
	DAYBREAK	Mary Lee program

38 units maintained by Mary Lee

16	CHARLES PLACE	HUD
22	FLAGSHIP	HUD

Vacant Bldgs previously acquired by FC

	LA VITA	Vacant
	OAKRIDGE	Vacant

4a(i). Resident Population

This acquisition and rehab project will serve existing residents living at the Mary Lee campus. Of the 216 current households, 57% are at or below 30% AMI and 33% at or below 50% AMI. Most current residents are living with disabilities, principally intellectual or developmental disabilities.

4a(ii). Compatibility City Planning

Mary Lee Square is not located within a City of Austin Neighborhood Plan. Rather, Mary Lee Square is located within two overlapping priority development areas specified in the City of Austin's Strategic Housing Blueprint: the South Lamar Mobility Bond Corridor and the Lamar Boulevard Activity Corridor. This proposal is well aligned with the Imagine Austin plan, 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 South Lamar Mobility Bond Corridor
- Located within 1/2 mile of Lamar Boulevard Imagine Austin Activity Corridor
- Located within 1/4 mile of multiple high-frequency bus routes and within 3/4 mile of local bus routes
- Located within a High Opportunity Census Tract
- Located one-mile from downtown

4a(iii). Financial Summary

- **Total Development Costs - \$11,446,000** - Costs include acquisition costs of \$7,500,000 and rehab & soft costs \$3,896,000
- **AHFC Acquisition Funding - \$7,500,000** – FC is submitting this application to the AHFC for acquisition funding. Based on recent awards and closings, we anticipate a 40-year cash flow loan, at 0 - 3% interest.
- **Sponsor Funding** - FC is committing to raise funds to cover the cost of urgent repair needs necessary to ensure safe habitable housing for the older residential buildings until the time that they are redeveloped, and catch-up on deferred capital replacements and repairs at the newer Willows and Legacy. We expect the rehab funding to come from one or more of the below sources, but FC's internal "Growth Fund" will provide a temporary source of cash as needed for repairs that cannot wait until these 3rd party funds are raised.
- **Federal Home Loan Bank** – FC will submit applications to multiple Federal Home Loan Bank branches in 2024. We expect to be competitive in multiple regions. Exact amount is TBD but we are planning to apply for \$1M to \$2M for Willows and Legacy.
- **Capital Magnet Funds** – FC is exploring the possibility of recycling flexible CMF funds previously committed to and utilized on other projects at Mary Lee, dependent on our ability to replace CMF funding elsewhere with new sources and continue to meet our CMF award commitments. Exact amount is TBD but we are currently expecting \$1M to \$2M.
- **Deferred Developer Fee** - FC will defer at least 25% of the developer fee per RHDA guidelines, and potentially more if needed.
- **Existing Loans** - There are two traditional amortizing mortgages that FC will assume upon acquisition of Willows and Legacy. Because of the very low rents and high services needs of residents in these buildings, our goal is to pay off these mortgages so that these properties can be debt-free and cash flow will be available to help offset the cost of services. However, currently, FC intends to assume the mortgages and is budgeting for the cost of any resulting cash flow deficits in the next couple years while we fundraise for rehab and debt payoff.

4b. Financial Commitments

As our applications are pending, we have no financial commitments currently.

4d. Continuum of Care

At this time, we are not committing Continuum of Care units.

4e. Resident Services

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

We plan to bring on three, full-time supportive services coordinators, who will provide on-site case management support for families and individuals. FC expects that at least half of residents will have need for regular services support with varying intensity of engagement. The same level of service can be provided indefinitely or can change over time in response to the household's needs. A variety of programming focused on health and wellness will be offered and tailored to the specific needs of the target population and residents. This will include access to healthy food through a food pantry, periodic health fairs that bring a variety of providers on-site for health screenings, immunizations, and similar services.

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

The Mary Lee Preservation project will save 216 existing affordable apartments, home to over 250 under-served and high-needs residents, many of whom are living on extremely limited incomes and with significant disabilities, including IDD. Of these 216 homes, 41 are ICF that house Mary Lee's special needs clients receiving 24/7 care.

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

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

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

4e. Resident Services

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

Most services will be offered by FC 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.

Mary Lee Foundation (MLF) has been serving the city of Austin since 1963 and provides a full range of progressive neurological, orthopedic, and special needs services along with affordable housing on Lamar Square Drive. Mary Lee Foundation will continue to offer a full range of progressive outpatient neurological, orthopedic, and special needs services to people of all kinds of disabilities. These services are designed to help residents and clients retain, retrieve, or improve skills and functioning for daily living that have been lost or impaired due to sickness, accident, or disability. Outpatient health care services include physical and occupational therapy and speech-language pathology. Mary Lee Foundation staff work with clients' and residents' physicians to develop a personal rehabilitation plan for everyone.

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

Foundation Communities

- **Marisela Montoya, Chief Program Officer**, graduated from the University of Texas with a degree in Psychology. For 17 years, she has worked overseeing and implementing programs for youth and adults, including 8 years with Austin ISD as a program director and program specialist (Community Education; At Risk Youth Programs; afterschool, teen, and adult education programs). She has been with Foundation Communities for over 10 years, first as Lead Learning Center Coordinator, then as Director of Education. Since 2022, Marisela serves FC as the Chief Programs Officer and currently leads all resident and community services – developing and directing education, financial stability, and supportive housing programs that serve more than 30,000 working class households. She holds a certificate in Nonprofit Leadership and Management from Austin Community College and Texas Association of Nonprofit Organizations.
- **Danette Lopez Garza, Director of Family Supportive Housing**, graduated from the University of Texas at Austin with a degree in Government. She has 17 years' experience working with Central Texas nonprofits serving the highest needs populations at The Capital Area Food Bank in Agency Relations, The Caring Place as Program Coordinator, and Foundation Communities for the last 12 years in the Children's HOME Initiative. She serves on the board of the Social Service Case Management Network and RBI Austin Mentoring board.
- **Rita Ortega, Director of Health Initiatives**, Rita joined Foundation Communities in 2019. Prior to taking over as Interim Director, she served as the Program Manager for Health and Nutrition, overseeing FC's food pantry and health education programs. She has over 15 years of public health education experience with the American Cancer Society, Austin Public Health, and the Texas Department of State Health Services. She earned her bachelor's degree in Kinesiology from the University of Texas at Austin and her master's degree in Health Education from Texas State University. Rita is a Master Certified Health Education Specialist.
- **Kori Hattemer, Director of Financial Programs**, oversees Foundation Communities' free tax preparation, college support services, one-on-one financial coaching, and money management classes. Prior to joining Foundation Communities, Kori was the Associate Director of Savings & Financial Capability at CFED. Kori received her Master of Public Affairs degree at the University of Texas, where she also completed her undergraduate degree.

Mary Lee Foundation

- **Russ Walker, Executive Director**, took over the helm as the Executive Director for the Mary Lee Foundation in January 2022. Russ holds a B.S. degree in International Business Management, a Master's degree in Counseling, and brings over 30 years of experience in finance, business, non-profit and leadership development.
- **Masako Jige, Director of Home and Community Based Services**, graduated from Arizona State University with a bachelor's degree in Social Work. She worked for eight years in Integral Care's HCS program, first as an HCS service coordinator and then as an HCS Service Coordinator Supervisor. Afterwards, she was a Program Director at a local HCS/TxHmL Nonprofit Organization. In 2016, she worked at Mary Lee Foundation as a Home Community-Based, and Texas Home Living programs' case manager and rejoined Mary Lee Foundation as a Director of Home and Community-Based Services (HCS) in January 2022.
- **Tisha Gilmore, Director of Intermediate Care Facilities**, received her Bachelor's Degree from Argosy University, and will be receiving her Master's Degree in June of 2023. Prior to joining the Mary Lee Foundation in 2022, Tisha worked as a Life Skills Teacher for Third Future Charter School. She also previously worked as a QIDP for Mary Lee Foundation in 2017.

vi. Financial capacity of the Services provider:

FC has a strong track record of fundraising to cover these programs. Funding for the supportive services at Mary Lee Square will come from a combination of service fee, cash flow, grants and fundraising from private foundations, corporations and individuals. This is the same method used to fund the supportive service programs at all our existing properties. FC has raised approximately \$45 million over the past 5 years to fund services at our existing 24 properties in Austin. We have deep relationships with the donor community, a well-funded Central Reserve, and maintain a healthy portfolio contributing strong ongoing revenue to the organization. Below is the services budget.

Sources	Year 1	Year 2	Year 3
Grants, Foundations	\$74,173	\$76,398	\$78,690
Services fee	\$60,000	\$61,800	\$63,654
TOTAL SOURCES	\$134,173	\$138,198	\$142,344

Uses	Year 1	Year 2	Year 3
Three case managers	\$180,000	\$185,400	\$190,962
Taxes and Benefits	\$14,976	\$15,425	\$15,888
Supplies/ Admin	\$10,300	\$10,609	\$10,927
Training/Travel/Mileage	\$2,575	\$2,652	\$2,732
Direct Aid to Clients	\$1,442	\$1,485	\$1,530
TOTAL	\$209,293	\$215,571	\$222,039

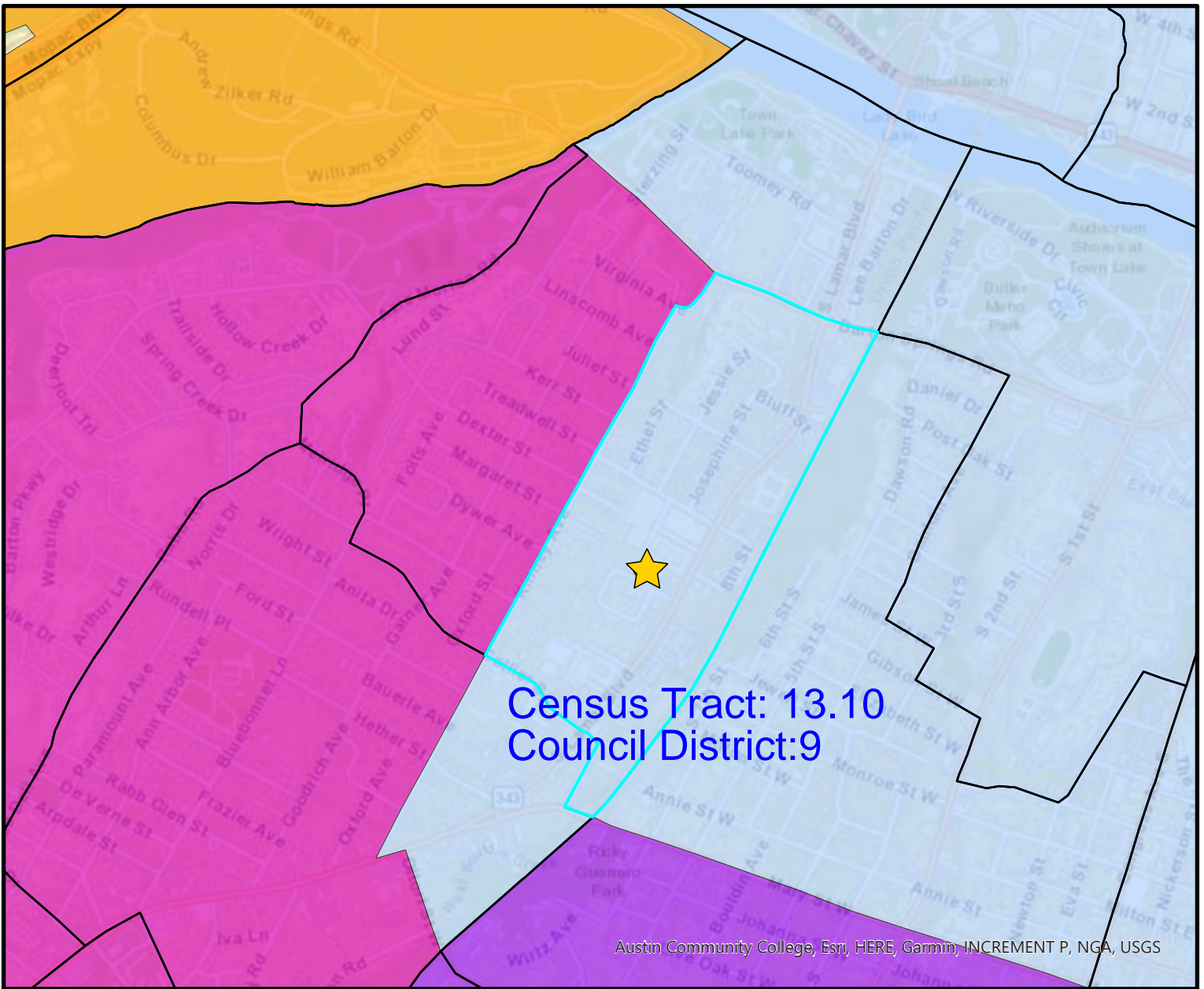
4f. Affordability Unlocked

Not applicable.

4g. SMART Housing

Not applicable

5a. Maps



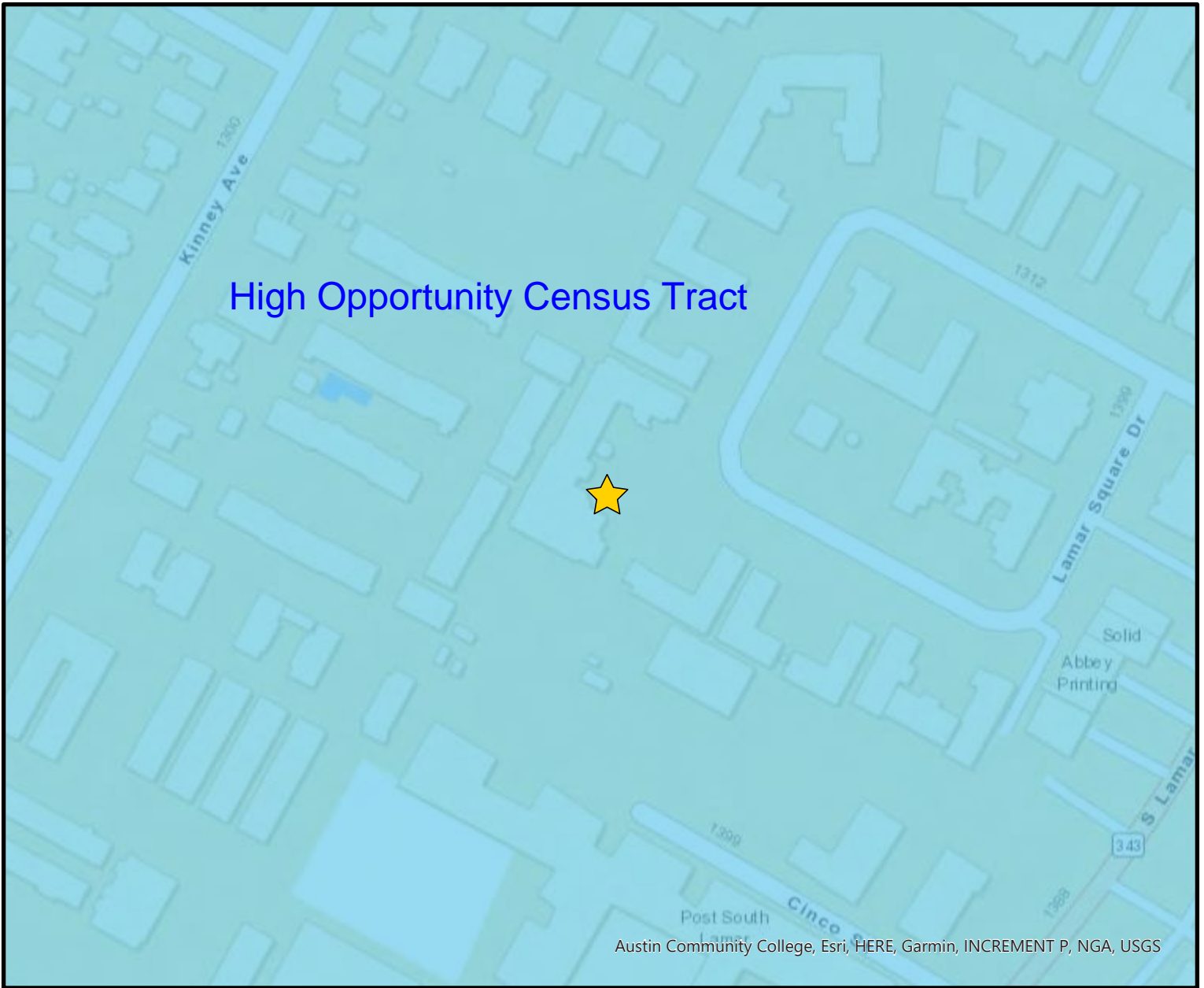
Property Label

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

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



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



Property Label

Steward Agency: Steward Label

Managing Agency: Managing Label

Address: Address Label

Land Attributes: Land Label

ORES Management ID: ORES ID Label

ORES File Number: ORES File Label

Restrictions: Restrictions Label

Restrictions & Protection Comments: Comments Label

Land Classification: Classification Label

Land Category: Land Category Label

Approximate Acreage: Acreage Label

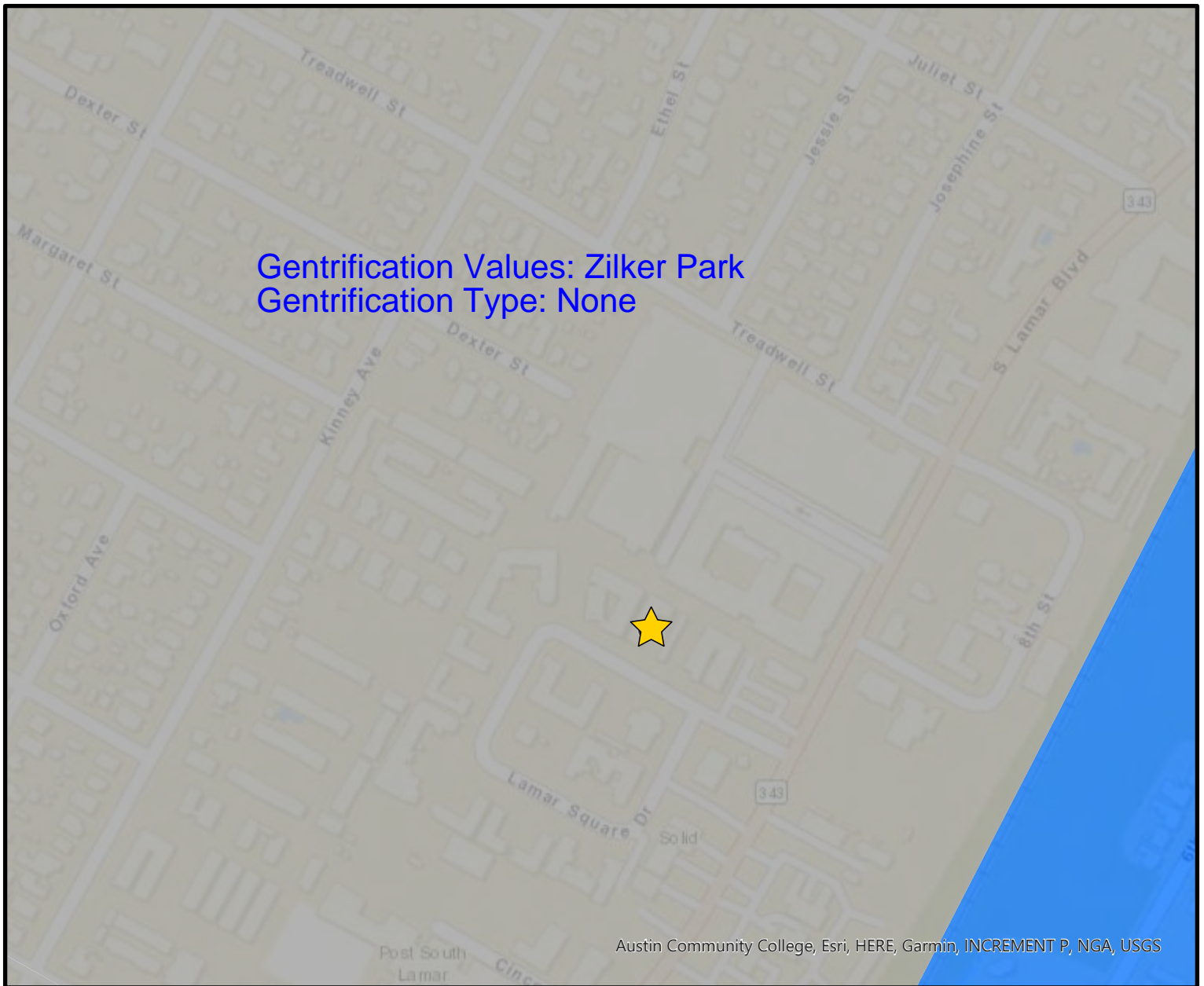
Appraisal District: Appraisal Label

Appraisal District Property ID: Property ID Label

Maximo Asset Tracking Number: Maximo Label



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Property Label

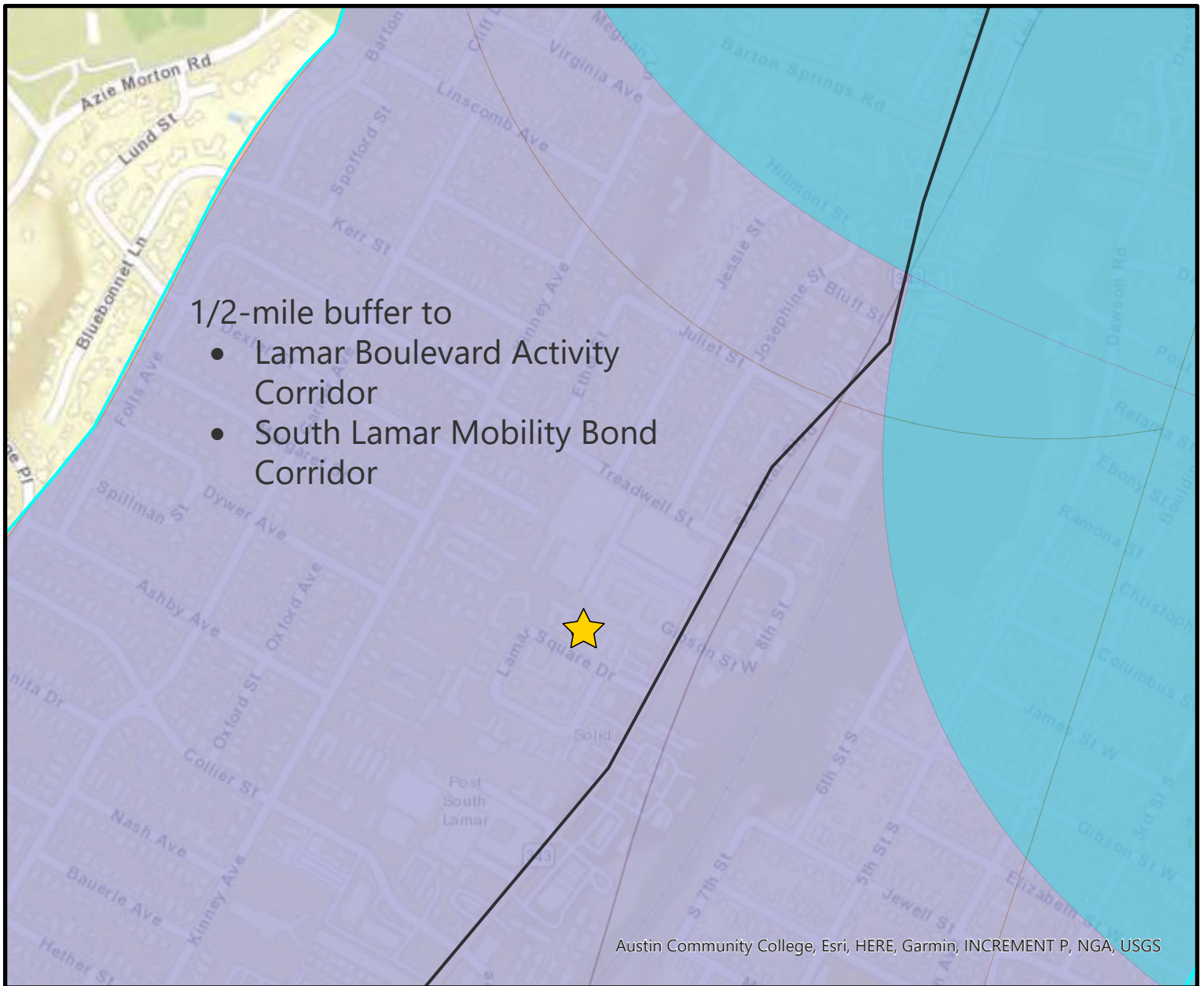
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- Managing Agency: Managing Label
- Address: Address Label
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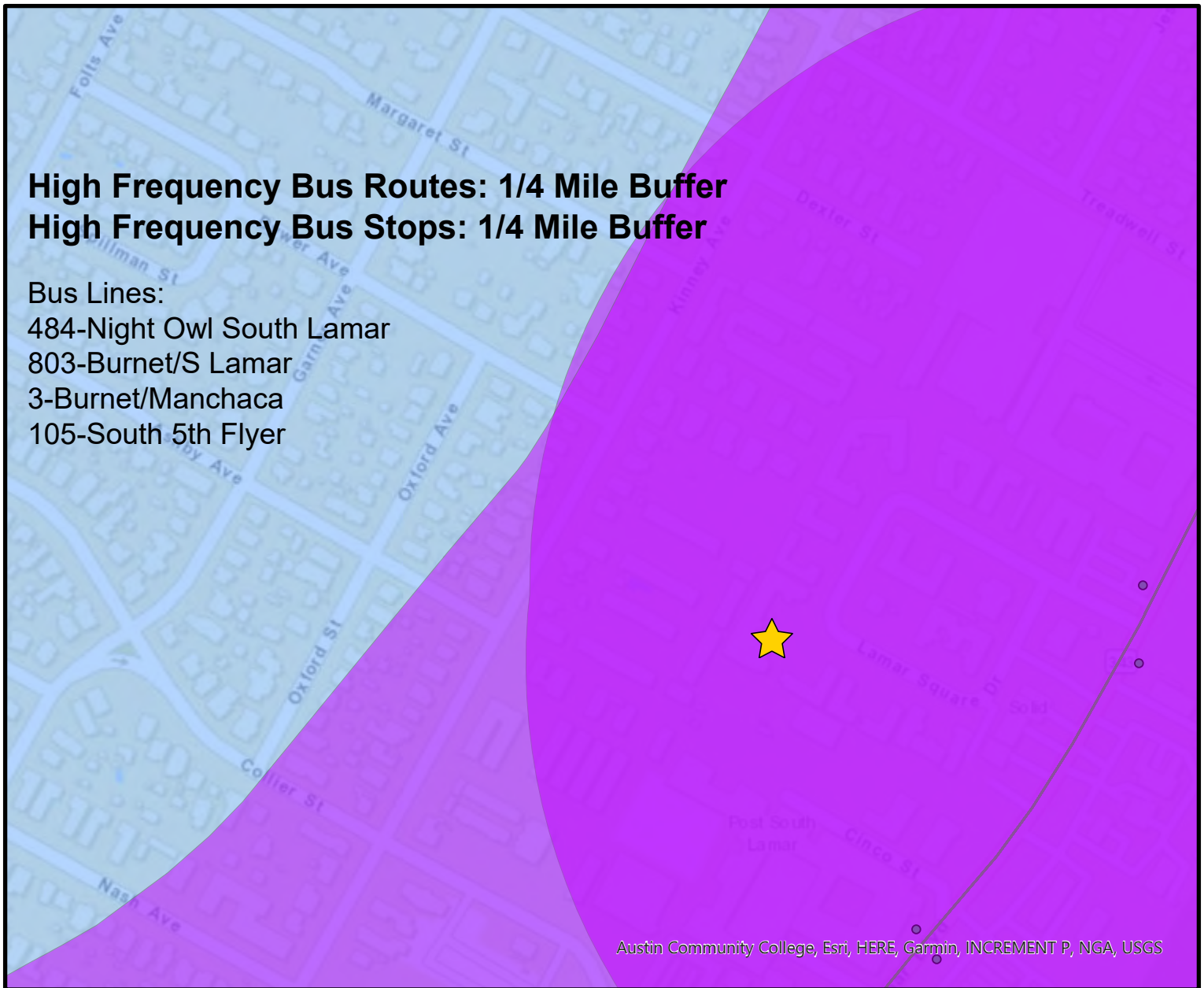
Property Label

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Property Label

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Managing Agency: Managing Label

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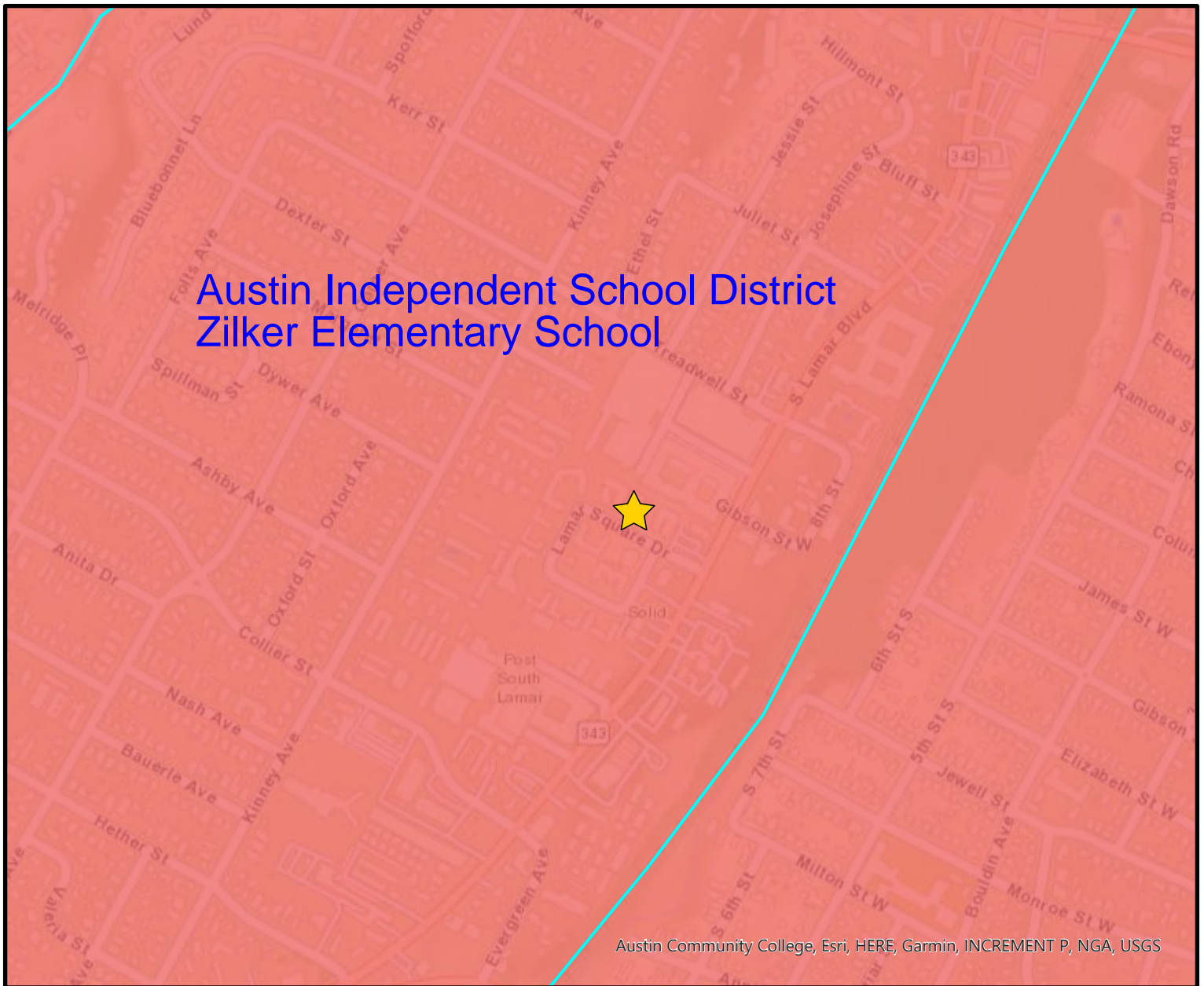
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Austin Independent School District Zilker Elementary School



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

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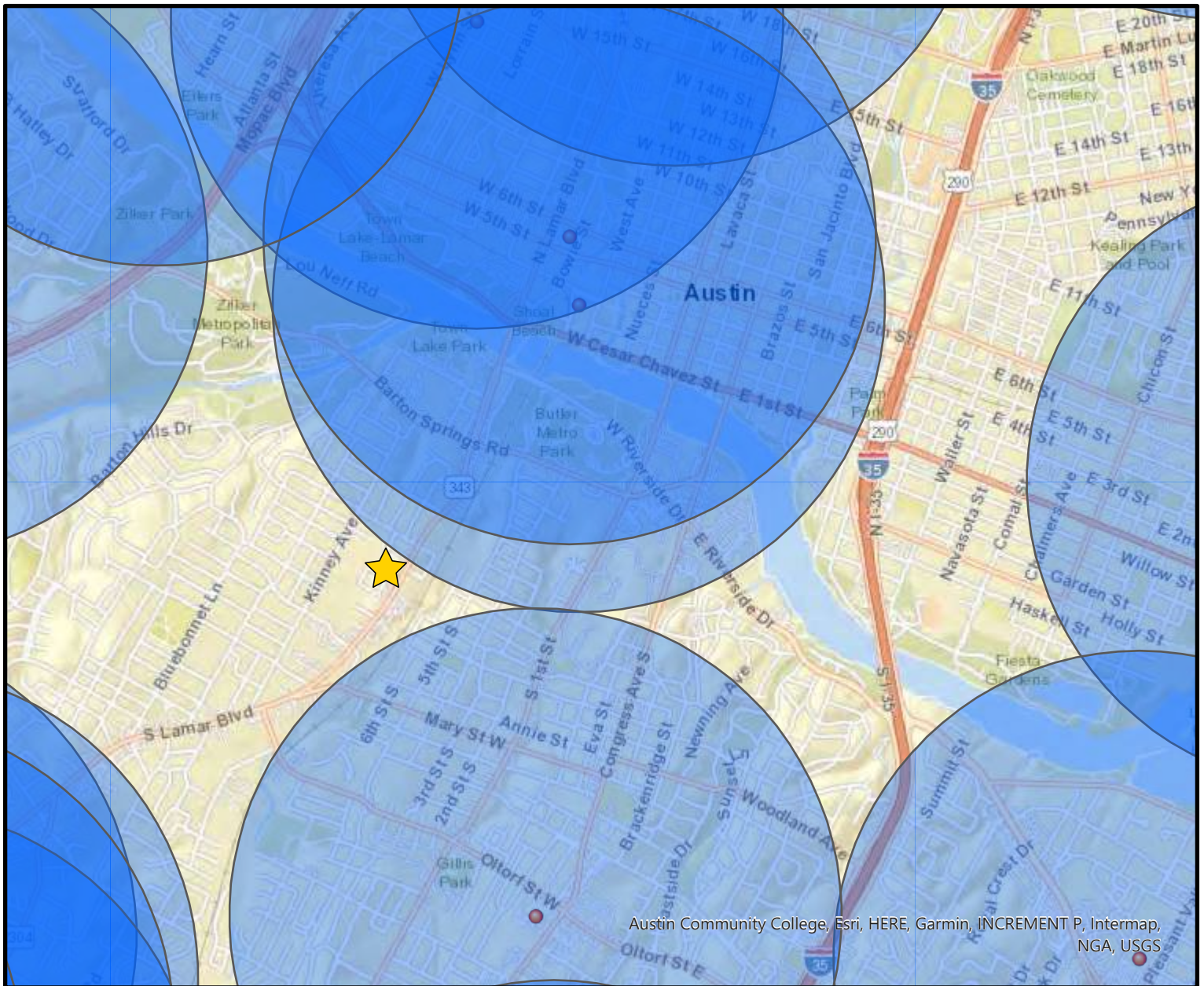
ArcGIS Web Map

ArcGIS Web App Builder
ArcGIS Web App Builder

7/19/2023

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Healthy Food Map

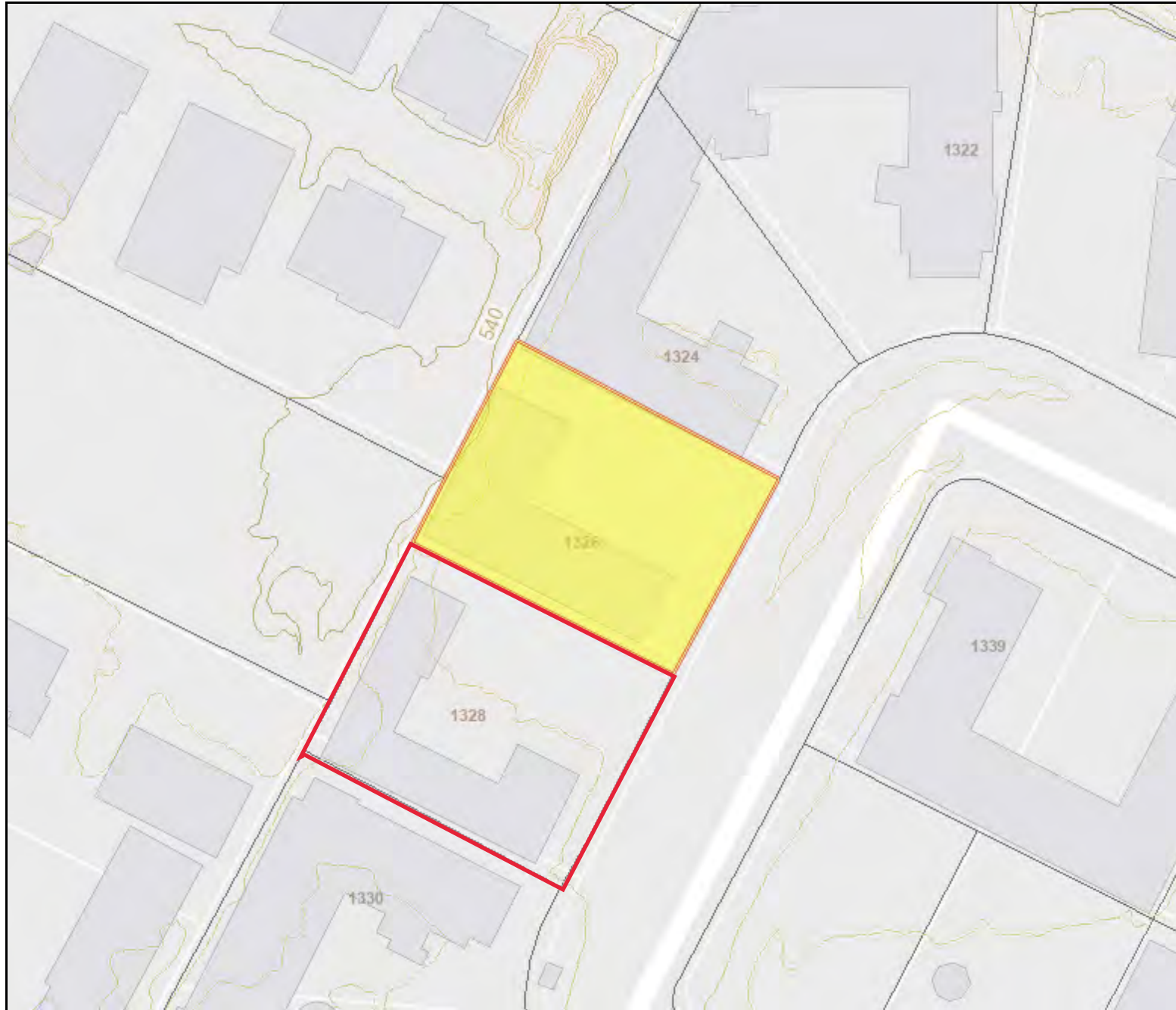
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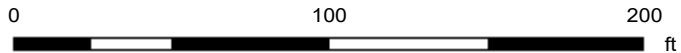


City of Austin Regulatory Floodplains

Legend



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.



Friday, August 4, 2023



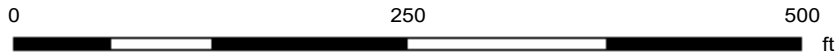


City of Austin Regulatory Floodplains

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Friday, August 4, 2023



5b. Appraisal

See attached for the appraisal reports for all 10 buildings as well as a summary.

5c. Site Control

Attached are the executed purchase contracts for all 10 properties to be purchased. The total purchase price for all buildings is \$7,500,000.

5d. Zoning

Rezoning is not required for acquisition and rehab of existing properties. The future redevelopment phase of the project will require rezoning.

5e. Neighborhood Plan

The site is not located within a City of Austin Neighborhood Plan. The site is, however, located within two overlapping priority development areas specified in the City of Austin's Strategic Housing Blueprint: The South Lamar Mobility Bond Corridor and the Lamar Boulevard Activity Corridor. This makes the MLF site well aligned with the Imagine Austin plan, the Austin Strategic Housing Blueprint, The Austin Strategic Mobility Plan, and The Austin Community Climate Plan.

Attached is the Good Neighbor Checklist and Communication Plan.

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.

Sabrina Butler
Signed

Sabrina Butler
printed name

August 4, 2023
date

Good Neighbor Communication Plan

Project

Mary Lee Campus Redevelopment Phase I
1326, 1328, 1332, & 1342 Lamar Square Dr
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.

5f. Tenant Relocation Plan

Our goal is to avoid displacing any current tenants off-campus if possible, although ultimately our ability to keep all tenants in place will depend on the results of ongoing evaluation of the physical condition of each unit and the cost of addressing any life safety issues that arise during such investigation and the availability of vacant units on campus to house anyone displaced in such a manner. In the event of any limited temporary or permanent relocation prior to the future campus expansion, we will follow all City and other funder relocation requirements. For any on-campus relocations from one building to another, we will cover all costs related to the intra-campus move.

Our longer-term vision is to replace all the older buildings on campus with brand new housing, appropriately designed for current residents and their needs. The first phase of our expansion will focus on 1:1 replacement of units on campus that have reached the end of their useful life, prioritizing current residents before focusing on the addition of new units and households.

Upon completion, these current residents will, if they so choose, relocate on-site to their newly constructed units. FC will assist these residents with coordinating their move and cover relocation expenses. We will also engage a relocation consultant to ensure our relocation plans comply with all funder requirements and address residents' move-related needs.

5g. Phase I ESA

See attached for the Phase I ESA completed in June 2023 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-containing building materials - We will conduct asbestos abatement or an O&M Plan ed prior to renovation or demolition activities

Lead-based paint - We will implement an O&M Plan for painted surfaces containing lead

Lead in drinking water - Testing for lead in drinking water if the existing plumbing systems will remain

Noise Study - We will conduct a noise assessment and use construction materials to mitigate noise issues as part of future new construction/expansion.

5h. SHPO

In August 2023, we engaged a historic consultant and an environment consultant to analyze the campus's structures and features for historical and/or archaeological significance. They concluded that the campus does that consist of any structures or features that bear historical or archaeological significance. We will commission a full, detailed report later.