



Tannehill Ln.

Jackie Robinson St.



Foundation Communities



Guadalupe  
Neighborhood  
Development  
Corporation

# Norman Crossing

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# 1.0 Executive Summary



## Two Trusted Local Homegrown Nonprofits

Foundation Communities and Guadalupe Neighborhood Development Corporation, two local homegrown affordable housing nonprofits, are uniquely qualified to realize the community and AHFC development priorities for 3811 Tannehill Lane in Austin.

This proposal is presented as a true collaboration between Foundation Communities (FC) and Guadalupe Neighborhood Development Corporation (GNDC), but FC can be considered the Prime Firm, if necessary. FC is the largest private nonprofit provider of affordable rental housing in the City of Austin, and GNDC is the preeminent community land trust developer in town. Our organizations have a combined 70 years of experience in the industry and a proven record of accomplishments. FC now operates 22 affordable rental properties and 11 learning centers in Austin. GNDC has completed 190 homes from the ground up and made homeowners of over 70 families.

The site concept for Norman Crossing, our name for the Tannehill parcel, was brought to life by local design firm Spring Architects. With diverse building types and amenities, Norman Crossing will function like its own small community while also welcoming in the wider neighborhood to enjoy on-site services and public art. The plan features duplexes and row houses along the public roads, interior drives connecting to several four-story multifamily buildings at the interior of the site, and interconnected pedestrian walkways – including a ½ mile trail circling the site. Public art sits at prominent locations throughout, and a host of amenities including playgrounds, fitness stations, and a ball court provide opportunities for physical activity.

We are proud to present a proposal that addresses both of the neighborhood’s affordable housing priorities. FC’s rental homes will provide quality housing to very low-income households through its deep income targeting, with an extensive array of services to support families in maintaining housing stability. GNDC’s land trust model will allow low-income homeowners to build wealth while also ensuring that the new homes remain affordable for the long term. Our hope is to help some FC renters pursue ownership opportunities with GNDC over time .

Norman Crossing is also designed to align with a number of key goals in the East MLK Combined Neighborhood Plan. We share the plan’s vision for a neighborhood with pride of ownership and a strong sense of community. With two development partners that will maintain “forever” stewardship of the affordable homes, we are looking not just to the construction of new housing units but of a vibrant community that will support preservation of the social and economic diversity of the surrounding neighborhood.

- **Maximized Affordable Units & Multi-Bedroom Units for Families**

Norman Crossing will bring an entirely affordable community to the neighborhood. Our proposal achieves a high unit count while respecting the existing neighborhood character, providing lower-density homeownership units along Tannehill and Jackie Robinson with front yards and porches, and siting the taller rental housing buildings towards the back of the site – all design concepts inspired by the neighborhood plan. We believe this 172-unit concept is right-sized for the site and the neighborhood.

- **140 affordable rental homes** - 60% will be under 50% AMI, all under 60% AMI – including 14 units for homeless families with children (30% AMI or below).
- **32 affordable ownership homes** - of which 100% will be available to buyers at 80% AMI and below.

Rather than squeezing small units on site, we focused our proposal on large-bedroom units. A full 80% of the combined rental and ownership units are multi-bedroom units, including 27% three or more bedroom units. This is well over the AHFC goal of 35% multi-bedroom units at this location, helps keep families in the neighborhood, provides a feeder community for the adjacent and surrounding schools, and addresses an extremely high need for affordable multi-bedroom units in the City of Austin. The 172 units at Norman Crossing represent 358 total bedrooms.

- **Priority for Displaced Households**

Norman Crossing will incorporate the City's Right to Stay/Right to Return policy as a preference criteria for all units in the development. We are very concerned about the extreme rate of displacement happening across the city, including in the neighborhoods surrounding this site. GNDC already has an established preference policy for low-income residents with historical ties to east Austin and has over 900 families on their waiting list who are trying to exercise their right to remain/return to East Au FC is excited to roll out the City's new policy pilot at Norman Crossing and has an experienced in-house compliance team that is well-positioned to incorporate such a preference into existing processes.

- **Financial Benefit to the City of Austin**

FC and GNDC are pleased to present a development proposal that provides deep affordability and high-impact services, in addition to a strong financial package for the city. Norman Crossing will reimburse AHFC for its full \$1,960,000 acquisition cost, as well as deliver financial benefits through an AHFC partnership and ground lease on the rental housing component. By leveraging both traditional affordable housing financing with special funding programs available only to nonprofits, FC does not anticipate a need for RHDA gap financing to fund development of the rental homes. GNDC anticipates a maximum gap funding need of \$2.4 million for the homeownership units via development subsidy and/or homebuyer down payment assistance, but when this amount is spread across the entire 172 unit project, it represents a maximum city investment of only \$14 thousand per unit to achieve the community envisioned here.



## Housing Where Families Succeed

Our goal is to create housing where families succeed, delivering maximum community benefits through affordability and services for a diverse range of households. Our team envisions a community that goes beyond the simple provision of housing units, and designed a creative community hub that additionally includes:

- **An on-site Community Learning Center**, with a multitude of free services for both residents and neighbors alike – youth afterschool and summer programs to complement existing programs at Norman-Sims Elementary, a healthy food pantry, fitness classes and programs, and health fairs with wellness screening and vaccine opportunities.
- **A focus on creative placemaking**, with numerous opportunities to engage local artists to bring visual art installations to the community – such as activating the water detention pond at the low point on the property with an accessible sculpture garden including a boardwalk and art installations for the community’s enjoyment and benefit.
- **Beautiful, high-quality housing, sustainably built** to Austin Energy Green Building standards, with planned solar and other green features.

FC is a lifetime owner/manager, with the record and finances to deliver this vision, including funding experience and capacity to cover early predevelopment costs and attract competitive construction, permanent, and gap financing. While we are excited to bring in community partners to support and expand our efforts, our ability to execute on the housing and services described in this proposal is not dependent on others. Similarly GNDC, as one of the most effective and active neighborhood development corporations in Austin, has the expertise to readily execute on the homeownership plan for Norman Crossing. With a 40-year history focused on preservation of community character and neighborhood integrity in East Austin, GNDC is a perfect City partner to ensure that this site is developed in a manner that respects the community priorities and mitigates the pressures of displacement.

## 2.0 Development Concept

- **100% Affordability** - 140 rental homes will be affordable for 30% - 60% median income levels and 32 ownership homes will be affordable for 60% - 80% median income levels.
- **Long-term Nonprofit Stewardship** – FC and GNDC will remain lifetime stewards of this site. FC will be the lifetime nonprofit owner, property manager and service provider for the rental homes and Learning Center, and GNDC as the manager of the Community Land Trust for the ownership homes.
- **High-Impact Services** - The Learning Center will function as the hub of the community and provide FC’s high impact community services and youth programs designed to complement curriculum offered at Norman-Sims Elementary
- **Family Friendly** – all 32 ownership homes and 75% of rental homes will include 2 and 3+ bedrooms to accommodate larger families and encourage increased enrollment at Norman-Sims Elementary. In total, 90 homes will have two bedrooms, 45 with three bedrooms, and 2 with four bedrooms.
- **Creative Community Development** - We will create an exciting and special sense of place through architectural design, public art, murals, and creative placemaking.
- **Neighborhood Connectivity** - We will build the lower density duplexes and townhomes, with front yards, front porches and a wide tree-lined sidewalk along Tannehill and Jackie Robinson streets to foster a safe but lively streetscape.
- **Sustainability** - We will design and build the homes and Learning Center to meet Austin Energy Green Building standards, with a goal of 4- or 5-star rating and planned solar panels.

# 2.1 Development Details

	Rental	Ownership
Building Type	140 Rental Homes designed as 4-story apartment buildings connected by breezeways, with the Learning Center, food pantry, and offices on the ground floor.	32 Ownership homes designed with front porches, front yards, and garages. 18 are two story row-style townhomes. 12 are two story side-by-side duplexes and 2 are single story side-by-side duplexes.
Gross SF	195,000 Gross SF 140,000 Net Rentable SF	59,140 Gross SF 47,300 Conditioned SF
Building Height	Apartment Bldgs - 45 FT	Duplexes - 25 ft Townhomes - 35 ft
Parking	252 parking spaces	2 parking spaces per unit

Impervious Cover 58%

Open Space 3.3 acres



# 2.1 Building Types



## Ownership - Townhomes

18 two-story row-style townhomes with garages and driveways inside the site and front yards and front porches facing Tannehill as well as sidewalk landscaping to encourage a lively streetscape.

## Rental - Apartment Buildings

140 rental homes in four-story apartment buildings, with Learning Center and Leasing Center on ground floor. Playgrounds in the center and parking wrapped around the apartment buildings to encourage kid friendly play.

## Ownership - Duplexes

12 two-story and 2 one-story side-by-side duplexes, with garages and driveways along the Jackie Robinson extension and front yards and porches facing inside the site.

Pathway from School to Learning Center and 1/2 mile walking trail

Playground, benches, bbq grills, and picnic tables

Playground, and community deck

Sport Court

Outdoor Fitness



Crosswalk, benches and mural, at the corner, and new sidewalks along Tannehill

Boardwalk, community deck and sculpture garden within detention pond

Extension of Jackie Robinson, either as an internal drive, or extended ROW to Ed Bluestein

## 2.1 Affordability + Unit Mix

	# of units	Affordability	Rents/ Price
140 Rental	14 units	30% MFI	\$450 - \$625
	70 units	50% MFI	\$805 - \$1,120
	56 units	60% MFI	\$1,985 - \$1,365
32 Ownership	8 units	60% MFI	\$175,000 - \$215,000
	24 units	80% MFI	\$190,000 - \$275,000

	# of units	Br/ Ba	Size
140 Rental	35 units	1 /1	700 SF
	70 units	2/2	1,030 SF
	35 units	3/2	1,240 SF
32 Ownership	20 units	2/2	1,200 SF
	10 units	3/2	1,600 SF
	2 units	4/2	1,750 SF

## 2.2 Market Demand

Our market analyst calculated a demand for 11,310 affordable units at the proposed bedroom and affordability mix within the Primary Market Area. Affordable housing stands as Austin's most pressing challenge. The city's population is rapidly increasing, with unprecedented demand for affordable homes to rent and buy. Below are some additional market information justifying the need for affordable housing in this location.

- The Austin Board of Realtors recently reported that in the last 10 years, household incomes have grown 38%, but home prices have grown 138%.
- "Uprooted," a UT study regarding residential displacement in Austin, categorizes this census tract as Dynamic, stage 4 out of 5 stages of gentrification, due to the level of demographic change and accelerating market conditions.
- The 2020 Austin Comprehensive Market Analysis reported that 58% of renters and 31% of homeowners in this zipcode are cost burdened, i.e. paying more than 30% of their income on housing.
- Austin's Strategic Housing Blueprint calls for 20,000 units affordable to 30% MFI and below and 25,000 affordable to 31% - 60% MFI and 7,086 affordable units specifically in District 1.
- GNDC has over 900 families on their waiting list who are trying to exercise their right to remain/return to East Austin.

## 2.3 Conceptual Plan

- **172 Energy Efficient Homes**

Homes will include a mix of 1, 2, and 3 bedrooms, designed and constructed with high quality and durable materials, large energy-efficient windows providing ample daylight, ceiling fans, 100% LED lighting, ENERGY STAR appliances, durable flooring, and ultra low-flow toilets and faucets. Solar panels will be included on all Ownership homes to offset homeowner bills and the rental buildings to offset common area energy use. 10% of the homes will be fully accessible for folks with mobility impairments, 2% will be accessible for visual impairments, and all homes will be visitable.

- **Green Space, Amenities, and Art**

Outdoor amenities will include two community decks, a boardwalk and seating area near the corner of Tannehill and Jackie Robinson, two playgrounds, two outdoor fitness areas, a sport court, tree-lined trails with shaded benches, community garden, furnished laundry lobby, and several barbecue grills and picnic tables. Amenities will be enjoyed by residents from both the rental and ownership homes and maintained by Foundation Communities. The site will be decorated with native landscaping and rain gardens.

- **Learning Center and On-site Staffing**

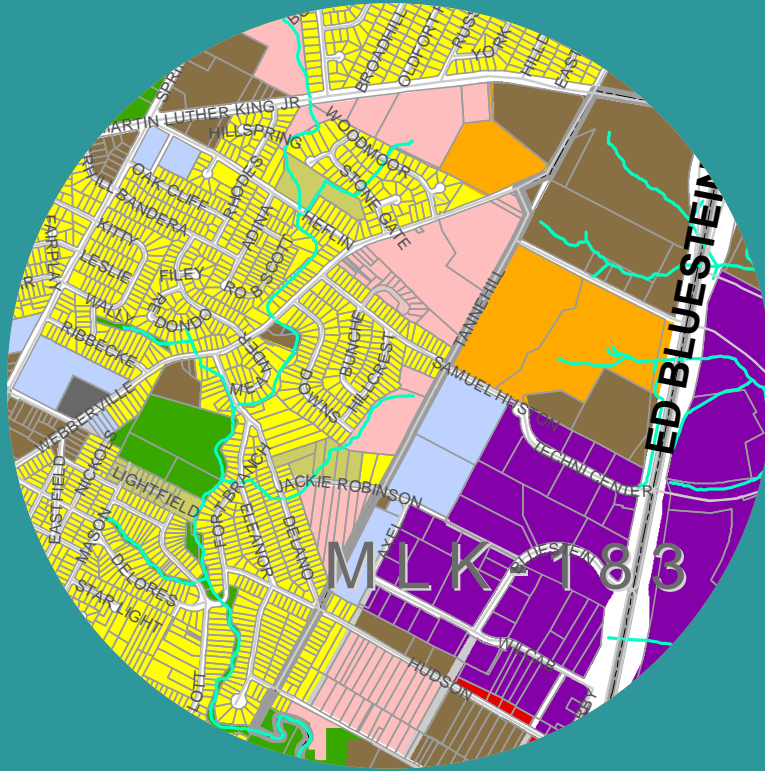
Our typical Learning Center includes multiple classrooms, a community kitchen, a food prep space, a food pantry, reading nooks, and a large flexible gathering room for kids activities, exercise classes, and community meetings and events. A Full-time Property Manager, Assistant Property Manager, two Maintenance Technicians, a Learning Center Coordinator, and Case Manager will have offices on-site. Other support staff will include part-time and seasonal youth program assistants and volunteers.

- **Neighborhood Connectivity**

We will build the lower density duplexes and rowhouses, with front yards, front porches and a wide tree-lined sidewalk along Tannehill and Jackie Robinson to foster a safe and lively streetscape. We also hope to work with the city and neighborhood to add sidewalks to the west side of Tannehill, add signage and a crosswalk to the corner of Tannehill and Jackie Robinson, extend the Jackie Robinson street, either as an internal drive or as an extension to Ed Bluestein.

## 2.4 Timeline

NOV 2021	Board RFP Award Selection Issue RFP for Architect, Civil Engineer, and Construction Manager Submit Applications for Tax Exempt Bond
JAN 2022	Begin Design
FEB 2022	Development Agreement Executed Submit Applications for Affordability Unlocked, Rezoning, NPA, and Subdivision
MAY 2022	Submit Site Plan to City for permitting
AUG 2022	Submit Applications to AHFC for Bonds and RHDA funding
OCT 2022	Issue RFP for Tax Credit Investors and Lenders Inducement Resolution
NOV 2022	Submit Building Plans to City for permitting Investor and Lender Selection, Negotiation, and Due Diligence Execute Ground Lease
DEC 2022	TDHCA 4% Tax Credit Application
JAN 2023	Bond Reservation 6 months to bond deadline to close
FEB 2023	Final Construction Pricing Permits Received
MAR 2023	Investor and Lender Closings Construction Start
DEC 2023	50% Construction Complete
APR 2024	Marketing begins
OCT 2024	Construction Complete Lease-up and Selling begins
MAY 2025	100% Occupancy of Rental Community
JUN 2025	Stabilization Achieved Learning Center Opens
AUG 2025	FC remains long-term owner of rental homes GNDC remains long-term steward of the Community Land Trust



## 2.5 Zoning

- **MF-2 + Affordability Unlocked**

MF-2 in combination with Affordability Unlocked (AU) will provide the most appropriate entitlements required to develop this proposal. AU will provide the necessary height bonus to achieve 4 stories for the apartment buildings. The proposed design otherwise conforms to MF-2 base zoning with regards to impervious cover limits, building coverage, setbacks, units per acre, and compatibility. FC and GNDC have an excellent reputation and a great track record for achieving zoning changes.

## 2.6 Neighborhood Plan

FC and GNDC have over 30 years of experience engaging with the neighborhoods in which we build and manage our communities. Our team understands and respects the critical importance of neighborhood context and compatibility. The site was specifically designed to align with the goals and visual guidelines identified in the East MLK Combined Neighborhood Plan. Although a Neighborhood Plan amendment will be required to change the FLUM from Civic to Multifamily, we are confident that we can work with the neighborhood, planning commission, and council to achieve this. The following are specific responses to Goals in the Plan.

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



## 2.7 Support Services

FC and GNDC's communities and services are designed to welcome a diversity of ages, races, backgrounds, and abilities. Our residents include families, single moms, veterans, seniors, long-time Austinites, displaced Austinites, and refugees. At Norman Crossing, like most of our communities, we will welcome a diverse range of households and specifically target the following special market populations. FC and GNDC have a long history of affirmatively marketing to and housing these groups.

- **Preference for households meeting the City's Right to Stay criteria**
- **20% of rental homes for households with special needs, such as, seniors, persons with physical and/or mental disabilities.**
- **10% of rental homes for families experiencing homelessness.**
- **5% of all homes have a preference for AISD employees.**

The Learning Center will be the heart and service hub of Norman Crossing. FC has been creating, programming, and managing on-site learning centers for over 25 years, in support of our residents' and neighbors'—from toddlers through seniors—physical, mental and financial well-being. All FC programs and services are offered on-site and free of charge—in order to remove barriers to participation like cost and transportation—encouraging entire communities to flourish.

A full-time Learning Center Coordinator will lead staff and volunteers and collaborate with community partners to coordinate our robust afterschool and summer programs, on-site Food Pantry, adult education classes, health-related events, and other services and programs available to residents and neighbors. The majority of offerings will be provided and programmed by FC staff and funded through a combination of cash flow, grants, and fundraising. We also partner with more than fifty nonprofits and community groups to provide additional services. The following pages describe the breadth of community benefits that FC brings to a typical Learning Center and new housing community.



## 2.7 Wraparound Services

**Supportive Services** - Services are an integral part of every Foundation Communities property. 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. Services are available to all residents, but participation is never required. On-site wraparound services include case management, education, counseling, emergency financial assistance, and referrals to partner service providers.

**Special Program for Homeless Families** - Perhaps closest to the heart of Foundation Communities' mission is the Children's Home Initiative (CHI), which has been serving homeless families in Austin since 2003. CHI provides intensive case management services and lower rent for very low income (30% MFI) families transitioning out of homelessness. CHI staff work one-on-one with families to develop and implement plans to guide them toward housing stability, economic independence, and accessing education—everything from budgeting and applying for benefits, to connecting with workforce and childcare options, to liaising with schools and other supportive service providers.



## 2.7 Youth Programs

Our Learning Centers are home to our tried-and-true afterschool and summer youth programs, which provide a safe space for kids to learn, play, and grow. Our youth programs typically serve over 600 students at 11 Learning Centers throughout the City of Austin (primarily AISD). We work closely with neighborhood schools to develop programs that help narrow the achievement gap between our scholars, who are traditionally underserved, and their more affluent peers.

- **Academics:** We focus on improving academic performance, especially in reading, including online support through iReady during the program and at home.
- **Nutrition:** 80% of participants qualify for free/reduced lunches; meals and healthy snacks are provided daily. Students receive support from Learning Center staff with schoolwork and enjoy a hot meal together before the program day ends.
- **Technology:** We prepare students for a brighter and technologically literate future with daily access to technology to work on projects and academic exploration. We have furnished many families with devices to help them continue learning during COVID.
- **Social-Emotional Learning (SEL):** In addition to SEL curricula and mindfulness activities, staff are trained to identify students who need extra support and make referrals to our Clinical Support Services team for mental/emotional counselling at no cost to parents.
- **Physical Activity:** Daily moderate to vigorous physical activity is part of our curriculum.
- **Enrichment:** Depending on the site, enrichment curriculum can be anything from guided activities in entrepreneurship to STEM-based arts and crafts; we collaborate with partners like VentureLab.



## 2.7 Health Programs

Foundation Communities' Health Initiatives are fundamental to family success and bring healthy living education, activities, and resources to our residents and the community. We recognize that physical and mental health are interconnected and that healthy individuals and families ultimately create healthy, thriving communities. Programs and services include:

- **Healthy Food Pantry:** An on-site Healthy Food Pantry will be open to both residents and community members. Our 22 on-site pantries throughout Austin follow the free choice model and include nudges to encourage healthy options. We offer fresh produce, dairy, eggs, meat, and shelf-stable foods.
- **Health Referrals:** Our Learning Center staff will provide warm connections to FC services and local health resources.
- **Health Fairs & Events:** These include Health Fairs for students, residents, and community members, featuring opportunities for health screenings, immunizations, and access to resources like PPE. On-site Signature Events offer an opportunity to build community while being active. The Old School Dance Party is one popular example, featuring a live DJ, decorations, healthy food, and the opportunity to dance for hours.
- **Nutrition and Fitness Classes:** Free cooking, nutrition, and fitness classes, such as yoga, walking groups, aerobics, and the ever-popular Zumba classes, will be offered to residents and the community.



## 2.7 Financial Programs

Foundation Communities offers a range of educational and financial supports and services – both online and through our one-stop Prosper Centers – providing residents and community members with tools and support along their path to reaching educational and financial goals. Aligned with our holistic approach to empowering the community, these resources are as varied and unique as those we serve:

- **English as a Second Language:** Helps non-native speakers gain valuable communication skills for everyday life. Includes open enrollment with both morning and evening class times, online classes and free childcare.
- **Digital Literacy:** Supports all levels with introduction to technology devices, software, and skill-building. Offered at different days and times, with childcare options.
- **Financial Wellness:** We offer group classes on budgeting, saving, credit building, and debt reduction, plus one-on-one financial coaching. Coaches work with clients on specific goals, from building credit and debt management to opening bank accounts, budgeting, and saving. This includes crisis coaching, as those who have lost employment during COVID connect with resources and apply for benefits.
- **Post –Secondary Education:** For adults interested in pursuing post-secondary education and upskilling, our Prosper Centers have resources from accredited classes (Free Minds), to FAFSA/TASFA assistance and scholarships, to more intensive supports designed to encourage non-traditional and older students.
- **Tax Help:** Free tax preparation by IRS-certified volunteers serves 20,000 people each year, returning \$35M+ in refunds to the Austin economy and much-needed resources to individual families by maximizing refunds and avoiding preparation fees.



## 2.7 Creative Placemaking

Foundation Communities' creative community development initiative embraces arts and culture practices to build community and implement innovative projects with residents, clients, staff, volunteers, and partners. Projects typically include physical artwork, activities, and programming. We use creative placemaking, arts and culture to build relationships, encourage pride/ownership of place, support economic opportunities for artists, and cultivate joy. Some examples include:

- **Hiring resident artists** for community art opportunities
- **Partnering with organizations like Creative Action** and Capital Metro's MetroArts for programming that encourages resident participation in the arts, displays resident artwork in a variety of locations, and allows for virtual options (including theatre, dance, performance arts) during social distancing.
- **Engaging & Commissioning local artists** to facilitate workshops for our residents and create artwork for our properties.
- **Full-time Arts & Culture Coordinator**—native Austin artist and Crestview resident, Olivia Jimenez—lets us leverage pre-existing artist networks and grow new, mutually supportive partnerships.



## 2.7 Service Partners

### Learning Centers:

BookSpring  
AISD  
Partners In Parenting  
Sustainable Food Center/Farm Share  
Phoenix House  
Manos de Cristo  
El Buen Samaritano  
National Center for Missing and Exploited Children  
Center for Child Protection  
Austin Public Health: Safe Kids  
Austin Public Library  
Workforce Solutions  
United Way  
Austin Community College  
Community Tech Network

### Supportice Services:

Assistance League of Austin  
Capital Area Counseling  
Goodwill Industries of Central Texas  
Travis County Child Protective Services  
Housing Authority of the City of Austin  
The University of Texas School of Social Work  
Ending Community Homeless Coalition  
City of Austin Health and Human Services Department  
St. David's Foundation  
Religious Coalition to Assist Homelessness  
Austin Clubhouse  
Family Eldercare  
Veterans Affairs Supportive Housing Program

### Financial Programs:

LifeWorks  
Round Rock Public Library  
Workforce Commission  
Housing Authority of Austin  
United Way  
Financial Literacy Coalition of Central Texas  
IRS  
UT McCombs School of Business

### Health Initiatives:

Keep Austin Fed  
Sustainable Food Center  
Planned Parenthood  
University of Texas School of Public Health  
Texas A&M Agrilife Extension  
Central Texas Food Bank  
Phoenix House  
Lifeworks  
National Alliance on Mental Illness  
UT School of Pharmacy  
Steve Hicks School of Social Work at UT  
COA – Austin Public Health  
Eastside Pharmacy  
CommUnityCare  
It Time Texas  
Sustainable Food Center

### Creative Programs:

Creative Action  
Art is Cool  
Austin Bat Cave  
City of Austin Cultural Arts Division  
Civic Arts  
Enterprise Community Partners  
LetterPress Play  
Awesome Art!  
Cracked Earth Studio  
EdgeCraft

## 2.8 Long-Term Stewardship

Foundation Communities will be the life-time owner , property manager and service provider for the rental community under a 99-year ground lease with the City. FC will also maintain the internal drive, common area landscaping, and curb appeal.

FC performs all leasing, maintenance, accounting, compliance and other property management functions for its 22 Austin properties. As a recipient of significant public funding from the City, TDHCA, and other funders, FC is required to maintain impeccable compliance and property performance standards and pass frequent physical inspections in order to earn the ability to reapply for funds.

FC 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 rate (97% in 2020), low turnover, and significant investment in capital repairs and upgrades to existing portfolio (\$680/unit in 2020).

GNDC's Community Land Trust program also offers long-term stewardship of affordable housing. GNDC will maintain ownership of the land while leasing it to homeowners for 99-years. GNDC maintains a right of first refusal to ensure the property is re-sold to another family with low-to-moderate income, keeping the home affordable permanently. In addition to the ground lease fee, GNDC also collects a small monthly stewardship fee for a Stewardship Fund; essentially a maintenance escrow that ensures the homes are well-maintained and brought up to high standards when a resale occurs.



## 2.9 Right to Stay/Return

Foundation Communities and GNDC are in full support of implementing a Right to Stay/Return Policy, especially for this site located within a rapidly gentrifying area of Austin. Foundation Communities has reviewed and discussed the requirements in the City's pilot program with our compliance and property management teams and we are confident that our staff can implement this additional layer of compliance within our lease-up procedures. Our staff is already well-versed in the complexities of leasing and marketing with overlapping compliance requirements, target populations, preferences, and fair housing rules.

GNDC already has an established preference policy for Low-income residents with historical ties to east Austin. Well over 90% of its prospective tenants and home buyers have strong ties to the East Austin community. GNDC and FC will be ideal partners to pilot this new City policy.

## 2.10 Tools

- 4% Tax Credits
- Tax Exempt Bonds
- Property Tax Exemption
- SMART Housing Certification
- Affordability Unlocked
- Community Land Trust
- Capital Magnet Funds
- Federal Home Loan Bank
- National Housing Trust Fund
- Fundraising

## 2.11 Purchase Price

## 2.12 City Partner

## 2.13 City Financing

Due to the deep income targeting and breadth of services to be provided at Norman Crossing, the bulk of the financial benefit to AHFC comes from the initial acquisition payment of \$1.96 million. No city gap funding is needed for the rental housing component, and minimal funding for the homeownership component.

Foundation Communities proposes to enter into a public partnership, in which an AHFC affiliate owns the rental portion of the site, acts as the General Partner and co-developer. FC will enter a 99-year ground lease with AHFC and pay a lump sum \$1.96 million at closing. Similar to past partnership discussions with AHFC, we propose that AHFC receive a minimum of 20% of the developer fee, \$15,000 annual GP fee, and 30% of remaining cash flow after services costs, any deferred developer fee, repayment on any sponsor loan and/or RHDA loan, and any required cash flow split to the tax credit investor. AHFC and FC will have a joint Right of First Refusal for the purposes of purchasing the property at the end of the tax credit compliance period and maintaining affordability beyond the standard 40 year affordability period. FC is a forever owner and our goal would be to remain AHFC's partner in the development for the full 99 year ground lease period.

GNDC proposes to own the homeownership portion of the site through a Community Land Trust and lease each individual lot for 99 years to the homebuyers for \$300 per year. GNDC will have a right of first refusal in order to purchase any homes that get sold and sell them to another income-eligible homebuyer. For the 32 homeownership units, GNDC is assuming that a maximum gap of \$77k gap on each unit can be funded with the City's OHDA and/or Down Payment Assistance programs. However, we are looking for additional gap funding sources that may be able to reduce this request.

# 3.0 Development Team



Foundation Communities



Guadalupe Neighborhood  
Development Corporation

# 3.1 Organizational Chart



Rental



Ownership

Developer

Foundation Communities (FC)

Guadalupe Neighborhood  
Development Corporation (GNDC)

Owner

Limited Partnership

GNDC  
Manages the CLT

Limited  
Partner

General  
Partner

Investor  
Limited  
Partner

Community Land Trust (CLT)  
Owns Land

FC

AHFC

Homeowners  
Owns Improvements

Operations

Foundation Communities  
Property Manager + Service Provider



## 3.2 Why Our Team

- **70 years of combined experience developing affordable housing**

Our nonprofit team has a combined 70 years of experience developing, owning, and managing affordable housing in Austin. Each new community requires extensive due diligence, negotiations, and compliance with long-term agreements. As experienced recipients of significant public funding from the City, State and Federal level and a long history of public/private partnerships, FC and GNDC have the staff capacity, experience and knowledge to maintain timelines, performance standards, and compliance with complex public funding requirements.

- **Long history of managing complex funding stacks**

After executing the Development Agreement in 2022, FC and GNDC will kickstart their respective financing due diligence in preparation for closings in early 2023. FC and GNDC have strong working relationships with multiple lenders and investors, expertise in negotiating complex investor and lender agreements, a great track record for securing funding in competitive allocations, and a long history of managing complex funding stacks. FC has applied for and received 16 tax credit awards, 15 FHLB awards, 20 awards for various local and federal funds distributed by the City of Austin, and 15 awards for various state and federal funds distributed by TDHCA.

- **Austin experience with permitting, design, and construction**

FC and GNDC will collaboratively lead a team of designers, engineers, contractors, and consultants, meeting weekly from conception to completion, to design, secure entitlements and permits, and construct this community. Our team has experience working with a range of local consultants and will issue RFPs to ensure we hire a team with the right capacity and experience. FC and GNDC have an extensive track record with neighborhood engagement, zoning changes, city permitting and development processes, completing construction within tax credit and lender deadlines, and achieving green certifications. All of FC's 10 recently completed communities received 4- or 5-star AEGB ratings and seven of those received LEED Gold or Platinum Certifications.



## 3.2 Why Our Team

- **Name recognition in the community attracts eligible households**

Both FC and GNDC are well-known in the Austin affordable housing community and easily attract eligible households through marketing, word of mouth, and referrals from partner service organizations. FC typically has more than 800 applicants on our “interested list” by the time leasing begins and leases 20 units per month when a new community opens. All FC leasing staff receive annual training in fair housing and tax credit compliance and are supported by upper management with extensive experience with lease-ups. GNDC will process applications for interested buyers, verify household income, credit score, and debt to income ratios, support the buyer through the closing process, and coordinate homebuyer’s education. FC and GNDC will prioritize those applicants who meet the City’s Right to Stay/Return criteria, as well as overlapping preferences for special target populations.

- **Experienced lifetime owner, property manager, and service provider**

FC will remain the lifetime owner, property manager, and service provider for the rental homes. We have 30 years of experience managing our properties. Our staff have the experience, training and upper management support to excel in their jobs, as well as competitive salaries and benefits. FC invests heavily in our staff as well as preventive maintenance as this saves time and money in the long-term, instills a sense of pride in the residents, and generally provides a positive example of affordable housing. FC has been providing service to its residents and the community for 25 years. We currently operate 11 learning centers in Austin, with a 12th coming online in 2021. Learning centers are staffed and opened as soon as possible after residents move into new properties. The Learning Center manager, a degreed professional with a background in education, hires talented teachers and youth program assistants who work directly with our residents on a variety of programs.

- **Experienced manager of Community Land Trusts**

GNDC will operate the Community Land Trust (CLT) for the ownership homes. Since its formation, GNDC has made homeowners of over 70 families, including 28 homeowners in Texas’ first CLT program. GNDC is one of few local housing providers helping low and moderate income families navigate the home buying process and successfully purchase homes in Austin. CLT homeownership brings long-term, stable housing to homeowners. Because the land is owned by GNDC and the home has a restricted resale value, the homeowner is largely exempt from rapidly rising property taxes. GNDC oversees and helps manage the property tax process and ensures long-term care of the home through a Stewardship Fund that escrows a small monthly payment used for eventual repairs and maintenance. To date, none of GNDC’s CLT homeowners has defaulted on their mortgage.



## 3.2 Foundation Communities

Foundation Communities 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. 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.

We own and manage over 3,500 apartments across 22 properties in Austin and 3 in North Texas, and 5 coming online in 2021, 2022, and 2023. Over 7,000 residents call our communities home. We are the lifetime owner, developer, property manager, and services provider to our Austin portfolio. We invest upfront in high quality design, materials, and green building strategies for our new properties, and we invest heavily in capital repairs, maintenance, and green upgrades at our older properties.

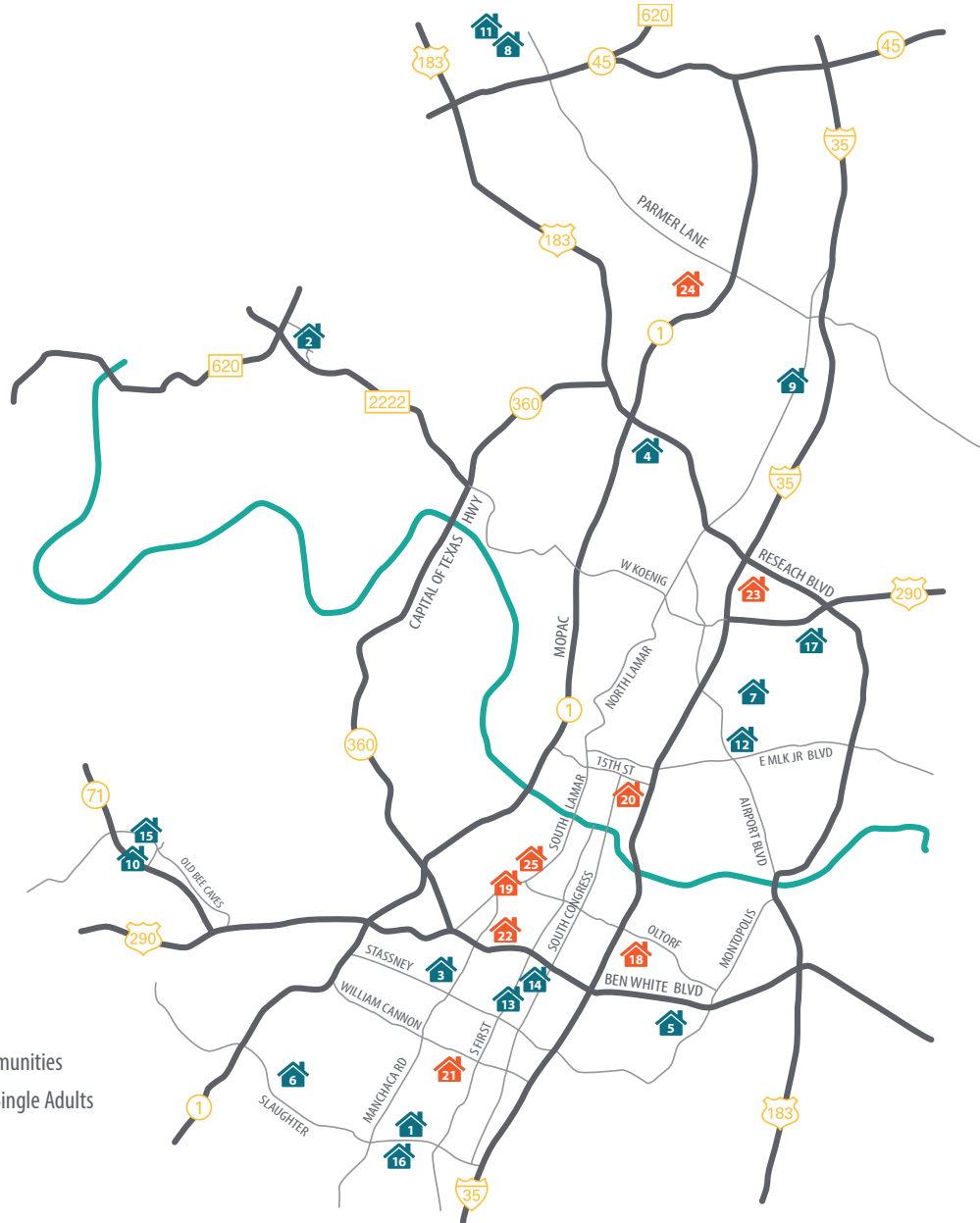
All FC residents have access to health amenities and resources including fitness, cooking and nutrition, food pantries, gardens, and disease management/prevention services. To support families coming out of homelessness, we created the Children's HOME Initiative (CHI). These 156 units, integrated throughout our family properties, provide reduced rents and case management to help families move from crisis to long-term stability.

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





# 3.2 FC Austin Portfolio



- Family Communities
- Studios for Single Adults

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

### **Walter Moreau**

#### **Executive Director**

#### **30 +years in affordable housing**

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

### **Sabrina Butler**

#### **Director of Real Estate**

#### **15 years in affordable housing**

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

### **Megan Matthews**

#### **Director of Design**

#### **10 years in architecture**

Oversees the programming, design, and construction management of all development projects. She focuses on green building and sustainability issues while seeking out the best design solutions for the end users. Before joining the Foundation Communities team, Megan worked for the architectural firm responsible for the design of M Station, Homestead Oaks, Lakeline Station, Cardinal Point, and The Jordan at Mueller and was on the design team for four of those communities. Megan has a Bachelor of Architecture degree from The University of Texas at Austin, and is a licensed Architect in the State of Texas.



## 3.2 Foundation Communities

**Tillie Croxdale**  
**Project Manager**  
**10 years in affordable housing**

Tillie underwrites all new development proposals, manages initial site analysis and due diligence, and assists the Director of Real Estate with all phases of each capital funding stack including preparation of funding applications, budget, solicitation of mortgage and equity financing, coordination of financing closings, and development period lender compliance. Tillie has been with Foundation Communities since 2015, has a Bachelor in Architecture, a Masters in Real Estate Finance and ten years' experience in the affordable housing field.

**Vicki McDonald**  
**Chief Real Estate Officer**  
**30+ years in real estate**

Primary responsibilities include the oversight of an extensive 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**  
**32 years in 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 over 32 years of experience in Property Management (12 years with FC) and has her CAM and CAPS designations from NAHB.



## 3.2 Foundation Communities

### **Julie Candoli**

#### **Director of Institutional Giving**

#### **15+ years in fundraising and grantwriting**

As Director of Institutional Giving for Foundation Communities, Julie Ann Candoli works with a portfolio of 100+ funders and has raised more than \$70 million. Julie's team focuses on building sustainable relationships with grantors and cultivates a variety of tools, both written and verbal. She holds a law degree and a bachelor of arts in philosophy. Julie is also a writer and an artist, has done four artist residencies, and was the recipient of a City of Austin Cultural Arts individual artist grant.

### **Marisela Montoya**

#### **Director of Education**

#### **27 years in educational programming**

For 27 years, Marisela 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 19 years. Marisela graduated from the University of Texas with a degree in Psychology and 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**

#### **16 years in supportive services**

Danette graduated from the University of Texas at Austin with a degree in Government. She has 16 years' experience working with Central Texas non-profits serving the most needy at The Capital Area Food Bank in Agency Relations, The Caring Place as Program Coordinator and Foundation Communities for the last 11 years in the Children's HOME Initiative. She serves on the board of the Social Service Case Management Network and RBI Austin Mentoring board.



## 3.2 GNDC

GNDC is a 501(c)(3) Texas non-profit corporation with nearly 40 years of service as an affordable housing provider to families from East Austin. GNDC is committed to respect the people it serves, is dedicated to improve the quality of life in the neighborhoods where it works, and gives the highest priority to families with generational ties to the target neighborhoods. Since its formation in 1981, GNDC has developed more than 190 affordable units and has made homeowners of over 70 families, including 28 homeowners in its Community Land Trust program. GNDC developed the first Community Land Trust home in the state of Texas, creating a model for sustained affordable home ownership.

GNDC is widely regarded as the most effective and active neighborhood development corporations in Austin and has moved to a leading position among the builders of “green” housing in Austin and has received many awards in recognition of its community benefits. GNDC works to ensure projects are as energy efficient as possible and has worked with Austin Energy to receive rebates on solar panels and other green components for a significant portion of its new construction and rehab projects. Over the past 40 years, GNDC has honed its skills in project management, market analysis, site selection and control, entitlement, permitting, and oversight of design and construction.

GNDC’s achievements are best exemplified by the successful preservation of community character and neighborhood integrity in light of dramatic changes that include commercial encroachment, steady gentrification and rising property taxes that are displacing the historically Hispanic and African American families that have lived in Central East Austin. GNDC’s skills in building quality housing and engaging the community in housing opportunities has allowed the blighted neighborhood of East Austin to grow and improve without displacing long-term residents. GNDC also consistently serves special needs populations such as the elderly, disabled, single parent households, and homeless, near homeless, and persons with incarceration records.



## 3.2 GNDC

**Mark Rogers**  
**Executive Director**  
**27+ years in affordable housing**

Mark has been the ED at GNDC since 1994. He oversees all development projects, supervises development staff regarding grant and financing applications, manages the design and programming of new properties, and oversees compliance requirements/funding requirements for various projects. Mark has a doctorate in Art History from UT Austin and serves on the Board of HousingWorks, Austin Housing Coalition, and Guadalupe Association for an Improved Neighborhood.

**Rachel Stone**  
**Assistant Executive Director**  
**10 years in housing and environmental policy**

As Assistant ED, Rachel oversees community outreach and engagement, strategic partnerships, and fundraising relationships, and development of new projects. Rachel has a demonstrated history of working in housing, environmental and energy related non-profits and has worked as an Attorney-Adviser for HUD. She has a BA in Urban Studies from Brown University and attended the University of Texas School of Law.

**Yolanda Aleman-Limon**  
**Property Manager**  
**18 years in affordable housing**

As Property Manager, Yolanda oversees operations, accounting, administration, leasing, and compliance for GNDC's rental portfolio and works with homebuyers to verify income and eligibility. She is bilingual and experienced with Federal, State and City guidelines and requirements associated with Low-Income Housing Tax Credit; HOME and RHDA programs.



## 3.3 Foundation Communities



Completed 2019

Site: 3.4 acres

Units: 132

GSF: 145,266 SF

Cost: \$27.2 million

LEED Gold

AEGB 5-star

### THE JORDAN AT MUELLER

The Jordan is our newest affordable community, located in the Mueller Master Planned Community. It was unanimously supported by the Mueller Neighborhood Association and passed rigorous design and construction requirements from the Mueller New Construction Council. The community includes a family friendly mix of 1, 2, and 3 bedroom units, learning center, play berms, and shaded bbq grills and picnic tables.



## 3.3 Foundation Communities



Completed 2017

Site: 8.5 acres

Units: 120

GSF: 124,661 SF

Cost: \$24.5 million

LEED Platinum

AEGB 4-Star

### CARDINAL POINT

This is the first affordable community of its kind in Northwest Austin. Five three-story buildings housing 120 family-oriented units, an onsite learning center, and leasing office, are nestled in the naturally hilly and wooded site. The informal site layout is a response to the site's natural topography and rocky features. Meandering paths lead residents to the many amenities; including shaded bicycle parking, a sport court, playground, laundry center, rain garden, and learning center. The project gained LEED platinum certification and AEGB 4-star rating.





## 3.3 Foundation Communities



Completed: 2015

Site: 29 acres

Units: 140

GSF: 131,016 SF

Cost: \$25.6 million

LEED Gold

AEGB 4-Star

### HOMESTEAD OAKS

Homestead Oaks offers 140 units of family-focused, mixed-income housing located on a 29-acre former homestead in urban Austin near employment, high-performing schools, parks and retail. The building is just three acres due to its location in an aquifer recharge zone. This minimal footprint preserves over 500 oak trees creating a shaded oasis amidst its urban surroundings. Amenities include an onsite learning center, leasing office, play field, sport court, and playground. This was the first multi-family rental apartments in the City of Austin to pursue 134.16kW solar tied directly to residential units



## 3.3 Foundation Communities



Completed: 2013

Site: 8.5 acres

Units: 150

GSF: 177,986

Cost: \$25 million

LEED Platinum

AEGB 5-Star

2012 ABJ Social Impact Award

### M STATION

M Station brings permanent affordability to the rapidly gentrifying East MLK neighborhood. M Station received the support of all five surrounding neighborhood associations because of our commitment to neighborhood involvement and empowerment. M Station is a family-focused, transit-oriented affordable community that was built responsibly by uniting both green building and affordable housing to create one groundbreaking project. Park-like setting along a greenbelt that features open green space, trails (hiking, running, biking), native wildlife habitat and a state-of-the-art child care center that is open to the neighborhood and offers reduced rates for residents.



## 3.3 GNDC



Partially Complete

Site: 11 acres

Units: 125

GSF: 151,250 SF

Cost: \$31,805,000

Enterprise Green Community

### Guadalupe Saldana Net Zero Subdivision

125 units of “super-green homes” are planned. GNDC’s subdivision merges sustainable design and supportive social services with affordable rental and homeownership homes. The Enterprise Green Community certified development is transforming a former “brownfield” into one of the “greenest” developments in Austin. Since 2012, the site includes 72 affordable housing units completed or under-construction, significant open space, walking trails, and a biofiltration pond and vacant land with an approved site development permit for an additional 51 affordable homes.



## 3.3 GNDC



Completed 2017

Site: 7.7 acres

Units: 35

GSF: 49,865 SF

Cost: \$8,700,000

### Moody Campus

GNDC opened thirty-five units of supportive and transitional housing for single parents with preschool age children at 1200 Paul Teresa Saldana Street in the Guadalupe-Saldana Net-Zero Subdivision in 2017.

In partnership with Jeremiah Program Austin, the Jeremiah Program Moody Campus provides highly affordable apartments, a fully licensed child development center, life-skills training and educational support in order to move families out of poverty two generations at a time.

## 3.4 References



### Foundation Communities

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Valerie Williams  
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### GNDC

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\* consultant on several projects

## 3.5 Litigation

FC and GNDC have not been party to any litigation in the past 5 years.

# 3.6 Pipeline



## Foundation Communities

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Complete	2016	Bluebonnet Studios	107	rental studios
Complete	2016	Lakeline Station	128	rental 1/2/3 bedrooms
Complete	2016	Live Oak	56	rental 1/2/3 bedrooms
Complete	2017	Cardinal Point	120	rental 1/2/3 bedrooms
Complete	2019	Jordan at Mueller	132	rental 1/2/3 bedrooms
Complete	2020	Waterloo Terrace	132	rental studios
Construction	2021	Laurel Creek	88	rental 1/2/3 bedrooms
Construction	2022	Loretta	137	rental 1/2/3 bedrooms
Construction	2022	Zilker Studios	110	rental studios
Design	2022	Balcones Terrace	120	rental studios
Design	2023	Parker	135	rental 1/2/3 bedrooms



## GNDC

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Complete	2017	Moody Campus	35	rental 2 bedrooms
Complete	2018	Father Joe Znotas St	8	CLT/ ownership
Complete	2019	Father Joe Znotas St	4	CLT/ownership
Complete	2021	Father Joe Znotas St	10	CLT/ ownership
Construction	2022	Scattered Site	9	ownership + rental
Design	2023	La Vista de Lopez	27	senior rental
Design	2023	Gardner	26	ownership
Design	2024	Guadalupe-Saldana	24	ownership



## 3.6 Operational Capacity

Foundation Communities (FC) has a dedicated five-person real estate team, as well as oversight from Executive Director Walter Moreau and support from internal accounting, asset management, property management, compliance, and services staff. FC currently has three projects under construction, one more in active design, and a handful of sites in early feasibility stage. FC's strategic plan goal is to complete one to two housing projects in the Austin area each year.

FC's current development staffing is sufficient to meet our current active pipeline, in addition to Norman Crossing. If awarded, FC will assign one or a pair of project managers to immediately begin funding applications, and engage the next phase of design to prepare for permitting submittals. FC has three highly capable and experienced in-house project managers with a diverse background in finance, construction, land use, and property management. FC's Director of Design, Megan Matthews will, provide stewardship of the design vision, quality checks to ensure consistency with FC standards, and oversight through the duration of construction. Sabrina Butler, Director of Real Estate Development, will assist in securing competitive private financing, gap funding, and provision of necessary resources throughout the development cycle to ensure project success.

FC's internal Growth Fund is available to bridge predevelopment costs and even, as needed, limited interim construction funding while FC's development and grants teams work to raise gap funds contemplated in this proposal – helping ensure that work on Norman Crossing can begin promptly and proceed on schedule if awarded the development opportunity.



## 3.6 Operational Capacity

Guadalupe Neighborhood Development Corporation (GNDC) has been led by its Executive Director Mark Rogers since 1994 (27 years) and Property Manager Yolanda Aleman-Limon since 2003 (18 years). Through their leadership and management, GNDC has developed deep experience and the organizational capacity to oversee the design, development, financing and construction of affordable housing, as well as qualifying tenants, lease up, and the management process of the long-term stewardship of its units.

In recent years, GNDC has grown, hiring an additional Property Manager and an Assistant Director to the Executive Team to provide assistance with project development, structuring financing, and managing strategic partnerships. GNDC recently won a capacity building award from NHCD and hired an Administrative Coordinator to manage homeownership qualification and application processes and is getting trained as a HUD-certified Housing Counselor. This new hire is also helping with administrative and operational processes to allow the Executive team to focus their resources and time on this and other development projects.

GNDC's 2-year project pipeline includes the development of a 27-unit senior rental community, completion of Guadalupe-Saldana Net Zero Subdivision, and 26 ownership homes within the AHFC Gardner RFP award. These projects are currently in the design and site plan permitting phase and are on track for completion in 2022, 2023, and 2024. GNDC is accustomed to working on multiple projects in various stages of development, and will work closely with Foundation Communities to contract with a strong team of architects and engineers to guide the project through the site plan process in 2022, to begin construction at the end of 2023.



## 4.0 Financial Feasibility

The Foundation Communities and GNDC teams are excited to combine their respective and specialized experience to develop and finance this special community. Although designed and constructed as one community, the rental home and ownership homes must be separately owned, financed, and managed for logistical and legal reasons. FC will finance the development of the rental homes, Learning Center, and the majority of site work and infrastructure with tax credits, low interest debt, critical gap funding, and no city subsidy. As a nonprofit with an excellent track record, FC has a unique ability to access critical gap funds from National Housing Trust Fund, Federal Home Loan Bank, Capital Magnet Fund, and large foundations and donors. GNDC will finance the ownership homes with a low interest construction loan, and apply for gap funding to minimize request for city subsidy. FC and GNDC will collaborate to find opportunities for additional nonprofit funding to reduce the contemplated City gap funding need, where possible.

# 4.1 Development Budget

	Rental	Ownership	Total
Acquisition	\$1,960,000	\$0	\$1,960,000
Predevelopment	\$1,000,000	\$55,000	\$1,055,000
Site Work	\$2,000,000	\$100,000	\$2,100,000
Infrastructure	\$250,000	\$0	\$250,000
Hard Costs	\$26,100,000	\$8,887,000	\$34,987,000
Soft Costs	\$2,741,238	\$234,000	\$2,975,238
Developer Fee	\$3,000,000	\$533,200	\$3,533,200
<b>Total Development Budget</b>	<b>\$37,051,238</b>	<b>\$9,809,200</b>	<b>\$46,860,438</b>

# Sources

	Rental		Ownership
Tax Credit Equity	\$16,020,247	Mortgages	\$7,000,000
Mortgage	\$15,289,895	City OHDA/Down Payment Assistance	\$2,467,000
National Housing Trust Fund	\$2,730,000	Owner Equity + Fundraising	\$193,000
Federal Home Loan Bank	\$1,250,000	Deferred Developer Fee	\$149,200
Capital Magnet Funds	\$850,000		
City Subsidy	\$0	<b>Total Development Budget</b>	<b>\$9,809,200</b>
Owner Equity + Fundraising	\$511,096		
Deferred Developer Fee	\$400,000		
<b>Total Development Budget</b>	<b>\$37,051,238</b>		

# 4.1 Rental Proforma

Revenue	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
Gross Annual Income	\$1,594,508	\$1,626,398	\$1,658,926	\$1,692,105	\$1,725,947	\$1,905,585	\$2,103,919
<b>Revenue Subtotal</b>	<b>\$1,594,508</b>	<b>\$1,626,398</b>	<b>\$1,658,926</b>	<b>\$1,692,105</b>	<b>\$1,725,947</b>	<b>\$1,905,585</b>	<b>\$2,103,919</b>
<b>Operating Expenses &amp; Reserves</b>							
General & Administrative Expenses	\$69,644	\$71,733	\$73,885	\$76,102	\$78,385	\$90,870	\$105,343
Management Fee	\$79,725	\$82,117	\$84,580	\$87,118	\$89,731	\$104,023	\$120,591
Payroll, Payroll Tax & Benefits	\$224,760	\$231,503	\$238,448	\$245,601	\$252,969	\$293,261	\$339,970
Repairs & Maintenance	\$229,262	\$236,140	\$243,224	\$250,521	\$258,036	\$299,135	\$346,779
Electric & Gas Utilities	\$30,346	\$31,256	\$32,194	\$33,160	\$34,155	\$39,595	\$45,901
Water, Sewer & Trash Utilities	\$76,060	\$78,342	\$80,692	\$83,113	\$85,606	\$99,241	\$115,048
Annual Property Insurance Premiums	\$32,314	\$33,283	\$34,282	\$35,310	\$36,370	\$42,162	\$48,878
Property Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve for Replacements	\$35,000	\$36,050	\$37,132	\$38,245	\$39,393	\$45,667	\$52,941
Other Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenses Subtotal</b>	<b>\$777,111</b>	<b>\$800,424</b>	<b>\$824,437</b>	<b>\$849,170</b>	<b>\$874,645</b>	<b>\$1,013,954</b>	<b>\$1,175,450</b>
<b>Net Operating Income</b>	<b>\$817,397</b>	<b>\$825,974</b>	<b>\$834,489</b>	<b>\$842,934</b>	<b>\$851,301</b>	<b>\$891,631</b>	<b>\$928,469</b>
<b>Debt Service</b>							
First Deed of Trust Annual Loan Payment	\$710,780	\$710,780	\$710,780	\$710,780	\$710,780	\$710,780	\$710,780
Other Annual Required Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Net Cash Flow</b>	<b>\$106,617</b>	<b>\$115,194</b>	<b>\$123,709</b>	<b>\$132,154</b>	<b>\$140,521</b>	<b>\$180,851</b>	<b>\$217,689</b>
<b>Cumulative Net Cash Flow</b>	<b>\$106,617</b>	<b>\$221,811</b>	<b>\$345,520</b>	<b>\$477,674</b>	<b>\$618,196</b>	<b>\$1,421,627</b>	<b>\$2,417,978</b>
<b>Debt Coverage Ratio</b>	<b>1.15</b>	<b>1.16</b>	<b>1.17</b>	<b>1.19</b>	<b>1.20</b>	<b>1.25</b>	<b>1.31</b>
Services Fee subject to Cash flow	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,556	\$71,643
<b>Annual Net Cash Flow after Services</b>	<b>\$46,617</b>	<b>\$53,394</b>	<b>\$60,055</b>	<b>\$66,591</b>	<b>\$72,991</b>	<b>\$111,295</b>	<b>\$146,046</b>
<b>Cumulative Net Cash Flow After Services</b>	<b>\$46,617</b>	<b>\$100,011</b>	<b>\$160,066</b>	<b>\$226,657</b>	<b>\$299,648</b>	<b>\$410,942</b>	<b>\$556,988</b>

# Home Sales

	Unit Model 1 Duplex	Unit Model 2 Townhome	Unit Model 3 Duplex	Unit Model 4 Townhome	Unit Model 5 Duplex
Number of Units	4 units	6 units	6 units	14 units	2 units
Number of Bedrooms	2 bedroom	2 bedroom	3 bedroom	3 bedroom	4 bedroom
Square Footage	1,150	1,200	1,600	1,600	1,750
Anticipated Sale Price	\$180,000	\$180,000	\$215,000	\$215,000	\$250,000
Borrower Contribution	\$0	\$0	\$0	\$0	\$0
Homebuyer Down Payment	\$0	\$0	\$0	\$0	\$0
Total Principal Amount of Mortgage	\$180,000	\$180,000	\$215,000	\$215,000	\$250,000
Anticipated Interest Rate	3.00%	3.00%	3.00%	3.00%	3.00%
Estimated Annual Property Taxes	\$4,500	\$4,500	\$5,400	\$5,400	\$5,700
Estimate Annual HOA Fees	\$360	\$360	\$360	\$360	\$360
Estimated Annual Insurance	\$725	\$725	\$850	\$850	\$1,000
Estimated Annual PITI	\$10,625	\$10,625	\$12,700	\$12,700	\$14,200



## 4.2 Sources

- **Tax Credit Allocation + Tax Exempt Bonds**

In the past 10 years alone, FC has been awarded Low Income Housing Tax Credits for 13 developments. 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, to avoid any surprises resulting from a change of rules. At this time, the location of this site is not competitive for 9% tax credits. If the rules get tweaked, we will pursue a 9% strategy. However, we believe this project is well positioned for 4% tax credits with tax exempt bonds and do not foresee any major obstacles to securing this critical piece of funding. We will apply in 2022 for tax credits and bonds in early 2022.

- **Tax Credit Equity + Mortgage**

FC has fostered strong relationships with many investors, syndicators, and lenders. FC's projects are always in high demand in the tax credit market, drawing many equity and debt proposals and often a bidding war for the highest credit price and lowest interest rate. With an impeccable track record and strong corporate financial health, we are able to achieve competitive terms and maintain committed financing even in times of market instability and uncertainty. Our staff will issue a RFP for equity and lender partners prior to the Bond Reservation and work diligently toward a closing in spring of 2023. We are assuming \$16 million in tax credit equity and a \$15 to \$16 million mortgage.

- **National Housing Trust Funds**

FC has secured 15 awards for various state and federal funds distributed by TDHCA. Most recently utilizing three awards for state allocated National Housing Trust Fund, of \$2 - \$3 million per award. FC is able to access these funds at 0% interest through the soft set aside program by offering deeper affordability. Our development and compliance teams have successful experience managing these funds and related federal requirements. FC will apply for \$2 - \$3 million in 2022 along with the tax credit application.



## 4.2 Sources

- **Federal Home Loan Bank**

FC has applied for and received 15 awards through the Federal Home Loan Bank (FHLB) Affordable Housing Program. FC's Development staff has experience and familiarity with the nuances of the funding and applications, and have great relationships with staff in the San Francisco, Dallas, and Atlanta offices. FC has a competitive edge for FHLB funding as a nonprofit with experience providing FHLB required services, and serving the program's target populations. Our staff will submit applications to FHLB Dallas for \$750,000 and Atlanta for \$500,000 in summer of 2022 and work with GNDC to apply for ownership funds. Awards will be announced in Fall of 2022.

- **Capital Magnet Funds**

In 2017 and 2019, FC secured funding through the very competitive federal Capital Magnet Fund (CMF) program. These two awards provide revolving capital that FC uses for bridge and permanent financing for new affordable housing projects. This funding source is only available to nonprofits that have a successful track record of utilizing funds in this way. Our staff is gearing up to submit a 2021 application for approximately \$3 - \$4 million to fund our pipeline and will work with GNDC to include in future requests. Approximately \$850,00 would be committed for Norman Crossing's rental portion. The US Treasury typically announces awards in February.

- **Fundraising**

FC has a very strong track record of securing large grants, private fundraising and individual donations to build our new communities. These critical gap funding sources are available to us because of our track record and nonprofit mission. Past large foundation donors include Meadows, Topfer, Kendeda, Enterprise, Home Depot, St. David's, and the Michael & Susan Dell Foundations. In the last five years, Foundation Communities has been successful in raising over \$10 million in private funds to help fund construction of 6 new communities. Foundation Communities typically bridges these funds while our capital campaign is underway and is committing approximately \$900,000 for Norman Crossing. FC will work with GNDC to include them in grant applications and/or provide support in solo applications where feasible



## 4.2 Sources

- **Ownership Financing**

GNDC uses a low interest construction loan to cover the cost of development and once complete, works with eligible lowincome home buyers to purchase homes with an affordable mortgage. GNDC shops for the most attractive construction financing and has a consistent track record with Caliber Home Loans for the affordable mortgages within the unique nature of a Community Land Trust model. GNDC will likely work with homeowners to apply for up to \$40K in down payment assistance to assist in homebuying.

- **Minimal City Subsidy**

FC does not anticipate the need for RHDA funding for the rental component of the project, even after reimbursing AHFC \$1.96 million for its initial acquisition cost. Although FC has required some amount of RHDA funding for nearly all of our recent affordable communities, unique factors at Norman Crossing should allow us to execute on this project without city funding. Those variables include: location in a qualified census tract, low land acquisition cost, manageable topography, likely competitiveness for gap funding sources like FHLB and the Capital Magnet Program, low interest rate environment, and the recent fixing of the 4% tax credit rate. GNDC is currently assuming a maximum city request of \$77k per unit from a combination of Austin Down Payment Assistance and OHDA funds. GNDC is uniquely able to use HOME funds allocated through the City that other developers are unable or unwilling to use. However, FC and GNDC will collaborate to find opportunities for additional nonprofit funding to reduce the need for City subsidy.

- **Ongoing Funding for Services**

FC has long history of fundraising to cover the cost of services, which are delivered free to FC residents and community members. Funding for operations, staff, and services offered at the Learning Center will come from a combination of cash flow from the affordable housing component, 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 and financial centers. FC has deep relationships with the donor community, a well-funded Central Reserve, and maintains a healthy portfolio contributing strong ongoing revenue to the organization. FC has raised approximately \$43 million over the past 5 years to fund services at our existing properties in Austin.

## 4.3 Financial Capacity

Foundation Communities is a premier nonprofit affordable housing developer in large part due to our commitment to sound fiscal management. FC has never filed bankruptcy or otherwise defaulted on financial obligations to a third party and has very strong financial health and capacity. We have 30 years of clean audits and have been careful to not over-leverage assets.

In the last five years FC has completed new real estate development with budgets of over \$160 million to build six new affordable housing communities, three new learning centers and our new office and flagship Prosper Center in South Austin. 80% of our \$50 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.

GNDC is a 40 year old experienced and trusted community development corporation that has been growing and building capacity over the past years. The increased occupancy from recent growth will bring increased operational income and capacity, allowing GNDC to expand its staff. In order to be prepared for this growth, GNDC recently completed capacity building consulting to document and optimize its current processes and procedures, establish training protocol, engage in succession planning, and determined new hires needs that will support project management and operations. GNDC is well positioned to grow and has the necessary resources to develop this project and others.

Attached are FC and GNDC's last year's audited financial statements