

RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)
Application for Rental Development Financing

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2011-12 Action Plan goals and policy direction from the Austin City Council.

Project Name: Songhai at West Gate

Project Address: 8700 West Gate Blvd. **Zip Code** 78745

Total # units in project/property: 118

Total # units to be assisted with RHDA Funding: 118



Project type: ☐ Acquisition ☐ Rehabilitation ☒ New construction ☐ Refinance ☐ Rent Buy-Down

Amount of funds requested: \$236,000 **Terms Requested:** In conformity with TDHCA guidelines

Role of applicant in Project (check all that apply): ☐ Owner ☒ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Songhai Development Company, LLC (acting as developer)

Name

1106 Clayton Lane Suite 524W

Street Address

Austin

City

TX, 78723

State, Zip

(512) 452-5505

Telephone #

Miguel Medellin

Contact Person

(512) 452-5505

Contact Telephone #

mmedellin@songhaidev.com

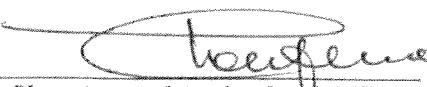
E-mail address

[REDACTED]
Federal Tax ID Number or SS#

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.

Songhai Development Company, LLC

Legal Name of Developer/Entity



Signature of Authorized Officer

12-29-11
Date

Manager
Title

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Name

1106 Clayton Lane Suite 524W
Street Address

Austin	TX, 78723	(512) 452-5505
City	State, Zip	Telephone #

Miguel Medellin	(512) 452-5505	mmedellin@songhaidev.com
Contact Person	Contact Telephone #	E-mail address

Federal Tax ID Number or SS#

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.*

Songhai Development Company, LLC
Legal Name of Developer/Entity

Signature of Authorized Officer

Date _____

Manager
Title

2. **For non-profit applicants/developers only, include copies of the following: N/A**

- a. Articles of Incorporation
- b. Certificate of Incorporation filed with the State of Texas
- c. Federal IRS certification granting non-profit status
- d. Names, addresses and phone numbers of current board members
- e. Certified financial audit for most recent year which include the auditor's opinion and management letters.
- f. Board resolution approving the proposed project and authorizing the request for funding

3. **Project Type (Please check any that apply.)** This project is considered:

- ☒ **Traditional Rental Housing** (serving low-income households, and resident services may or may not be provided)
- ☐ **Transitional Housing** (case management services provided and residency limited to a certain length of time, usually no more than 24 months)
- ☐ **Permanent Supportive Housing** (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below. N/A

A. Types of proposed PSH Units: Multi-family _____ Single-family (1-4 units) _____

B. Numbers of proposed PSH Units:

- _____ Total Number of Units in project
- _____ Total Number of RHDA-assisted Units Proposed (include PSH units and non-PSH units)
- _____ Total Number of Permanent Supportive Housing (PSH) Units Proposed

C. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

Individuals or families headed by individuals that are:

1. _____ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.

NUMBER OF UNITS _____

2. _____ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.

NUMBER OF UNITS _____

3. _____ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:

- a. have experienced a long-term period without living independently in permanent housing;
- b. have experienced persistent instability as measured by frequent moves over such period; and
- c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

4. _____ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

5. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING C.1, C.2, C.3, or C.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below. **See attached project description.**

- a. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents.
- b. Include the type of structure (multi-family or single-family), number and size of units in square feet.
- c. Indicate whether the property is occupied at the time this application is being submitted.
- d. Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).
- e. Indicate whether the project will preserve existing affordable rental units.
- f. If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.
- g. Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).
- h. Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.
- i. Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).
- j. In addition to providing an Itemized Development Budget through your response to Question 12 below, summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.

Please attach the following to the description of the above items: See attached project location.

- k. A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.
- l. Locate on the "Opportunity Map of Austin" the census tract in which the property lies. The map is attached to the Program Guidelines.

5. Site Control and Demonstration of Value. See attached site control and tax statements.

Include evidence of site control such as a warranty deed or a current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the project.

6. Zoning. See attached City of Austin zoning map and zoning verification letter.

Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.

7. S.M.A.R.T. Housing™. Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements. See attached S.M.A.R.T housing certification letter.

- 8. Development Team.** Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (**MBE/WBE**), or if any of the entities are also **non-profit** organizations.

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Songhai Development Company, LLC			
Developer	Songhai Development Company, LLC			
Architect	JHP			
Engineer	Conley Engineering, Inc.			
Construction Lender	TBD			
Other Lenders	TBD			
Attorney	Law Office of Mark Foster			
Accountant	Novogradac & Company LLP			
General Contractor	CMB Construction, LLC			
Consultant (if Applicable)	N/A			
Property Management Provider	Capstone Real Estate Services, Inc.			
Other:				

- 9. Development Schedule.** Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

DA	TE(S)
Acquisition and/or holding	<u>11/2012</u>
Environmental and/or historic review (AHFC)	<u>N/A</u>
Securing and packaging project financing	<u>09/2012</u>
Construction Specifications and Cost estimates	<u>11/2012</u>
Construction Bids	<u>12/2012</u>
Construction Start	<u>02/2013</u>
Anticipated Draws (list all)	<u>Monthly beginning 02/2013</u>
End Construction	<u>03/2014</u>
Start of Rent-up	<u>09/2013</u>
Completion & Operation	<u>01/2014</u>

- 10. Accessible and Adaptable Units.** Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

6 (in total) Units adaptable for persons with mobility disabilities

6 (in total) Units accessible for persons with mobility disabilities

3 (in total) Units adaptable for persons with sight and hearing disabilities

3 (in total) Units accessible for persons with sight and hearing disabilities

11. Experience and Qualifications – Rental Development and Property Management

a. Is this the developer's first housing project? ☐ Yes ☒ No

b. Completed projects (please list below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed
3230 W. Little York Rd, Houston TX, 77088	150 New		Affordable Senior	2011
955 Langwick Drive, Houston, TX 77060	128	New	Affordable Senior	2008
3111 W. Little York Rd, Houston, TX 77091	176 New		Mixed Income Multifamily	2005
10010 Cullen Blvd, Houston, TX 77051	176	New	Mixed Income Multifamily	2006
123 Winkler Dr, Houston, TX 77087	240	New	Affordable Senior	2006

c. Describe the **experience and qualifications** and the developer's ability and capacity to implement the proposed project. **See attached development company bio.**

d. Indicate who will provide **property management** services. Provide documentation to demonstrate the entity's level of experience and track record in operating properties of similar size, particularly income-restricted properties. **Capstone Real Estate Services. See attached firm resume.**

12. Detailed Project Budget. Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award. **See attached detailed project budget**

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Appraisal				
Market Study				
Environmental Review				
Engineering				
Survey				
Architectural				
TOTAL PREDEVELOPMENT				
ACQUISITION				
Site and/or Land				
Structures				
Other (specify)				
TOTAL ACQUISITION				
CONSTRUCTION				
Infrastructure				
Site work				
Hard Construction Costs				
Contractor Fees & Gen Requirements				

Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other (Please specify)				
Construction Contingency				
TOTAL CONSTRUCTION				
SOFT & CARRYING COSTS				
Legal				
Predevelopment Loan - Legal				
Title/Recording				
Architectural (Supervision)				
Architect Design				
Engineering MEP				
Civil/Structural Engineering				
Impact Fees				
Building Permits				
Construction Interest				
Liability Insurance				
Real Estate Taxes				
Construction Loan Origination Fee				
Marketing				
FFE				
Rent-up Reserve				
Operating Reserve				
Accounting Fees				
Predevelopment Closing Costs				
Predevelopment Loan Origination				
Predevelopment Loan Interest				
Origination Fee				
Permanent Financing Costs				
Tax Credit Fees & Monitoring Fees				
Syndication Costs				
Developer Fees				
Inspection Plan and Review				
Replacement Reserve				
TOTAL PROJECT BUDGET				

13. Funds Proposal. Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** – Complete **Tables A (below) & B (on the following page)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
Term		Interest Rate	Amount Evi	dence (Deed, Sales Contract)	
Owner Equity			13,457,579	Partnership Agreement	Acquisition, construction, and costs
Private Financing (List Lenders)					
TBD 30			2,775,000	Note	Acquisition, construction, soft cost
Other Sources (List Below)					
Deferred Developer Fee			346,555	Developer Fee Agreement	Developer Fee
Proposed RHDA Funds			236,000		Acquisition, construction

TABLE B: USES OF FUNDS SUMMARY		
Total	Cost	Cost/Unit
Predevelopment 136,	166	1,154
Acquisition 1,	066,650	9,039
Hard Costs	10,401,167	88,145
Soft & Carrying Costs	5,211,151	44,162
Other Costs		
Total Project Costs	16,815,134	142,501

- b. **Leveraging** – Complete **Table C (below)**. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	236,000
TOTAL OTHER FUNDS	16,579,134
LEVERAGE (%)	1.4%

- c. **Operating Proforma** – In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number "1" as the denominator in the equation. **See attached Proforma**

TABLE D: OPERATING PROFORMA				

Unit Size (BR/BA)	Number of Units	Monthly Rental Income	Annual Rental Income	
FULL OCCUPANCY ANNUAL INCOME				
Less Vacancy Loss (Indicate % and Amount of Loss				
GROSS ANNUAL INCOME				

Inflation Factor - Income		
Inflation Factor - Expense		

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income					
EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					
Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL Debt Service (DS)					
Cash-flow after Debt Serv (CF = NOI - DS)					
Debt Coverage Ratio (DCR = NOI/DS)					

14. Community Engagement Strategy or Efforts. Please provide a description of your organization's efforts or plans to engage neighborhood associations and other stakeholders in the area surrounding the proposed development. If no neighborhood association exists, provide an alternative plan to engage area residents, businesses and faith-based organization, for example. **See attached development description**

15. Description of Supportive Services. If supportive services are NOT to be provided, **please stop here**. For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information: **See attached development description**

- A description of the supportive services to be provided to residents and/or clients.
- The number and types of residents/clients expected to be served annually.
- Describe the developer's experience and qualifications in providing the services to be offered.

- d. If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.
- d. Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.
- f. Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:
 1. Sources of Funds: Identify sources and amounts of funds that will be utilized to provide supportive services. **Subject to award of tax credits, funding for residential services is included in the annual operating budget 'operating expenses' line item. See attached Proforma.**
 2. Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years. **Budget included and subject to award of tax credits.**

ATTENTION:

Please submit with the Application a completed "self-evaluation" using the following Scoring Criteria.

**RHDA PROGRAM
SCORING CRITERIA**

Applications received will be reviewed and evaluated according to the following criteria:

REQUIRED INFORMATION:

1. Applicant Information	<u>Yes</u>	9. Accessible/Adaptable Units	<u>Yes</u>
2. Non-profit List of Items	<u>N/A</u>	10. Experience/Qualifications	<u>Yes</u>
3. Project Description	<u>Yes</u>	11. Project Budget	<u>Yes</u>
4. Site Control/Value	<u>Yes</u>	12. Funds Proposal:	
5. Zoning	<u>Yes</u>	a. Sources	<u>Yes</u>
6. S.M.A.R.T. Housing	<u>TBP</u>	b. Uses	<u>Yes</u>
7. Development Team	<u>Yes</u>	c. Leveraging	<u>Yes</u>
8. Development Schedule	<u>Yes</u>	d. Operating Proforma	<u>Yes</u>
		13. Community Engagement Strategy or Efforts	<u>Yes</u>

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **225** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

1. **EXPERIENCE AND QUALIFICATIONS** (maximum 15 points) **15**

15 points: Developer has successfully completed project similar in size and scope.
10 points: Completed similar project but smaller in size and scope.
8 points: Consultant directly involved who has completed project similar in size and scope.
3 points: Owns or manages income-restricted rental property.
2. **SOURCES & USES OF FUNDS** (maximum 10 points) **10**

10 points: All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.

5 points: All sources and uses of funds are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. **DEBT COVERAGE RATIO** (maximum 10 points) **10**

10 points: DCR of 1.25 or greater
6 points: DCR between 1.21 - 1.24
4 points: DCR between 1.15 - 1.20

4. **LEVERAGE** (maximum 10 points) **10**

RHDA Program funding (prior and current) relative to Total Project Costs equals:

10 points: 25% or less
8 points: 26% - 30%
6 points: 31% - 35%
4 points: 36% - 50%
0 points: 51% or greater

5. **AFFORDABLE UNITS** (maximum 25 points) **20**

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the project has a percentage of units in a given income category that is not an exact multiple of ten as shown in the chart, please round up to the next multiple of 10 and use that point value. **See attached unit mix.**

% of G.O. Bond-assisted Units in Total Project										
% MFI	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
50%	3	5	7	9	11	13	15	17	19	25
40%	5	7	9	11	13	15	17	19	21	25
30%	7	9	11	13	15	17	19	23	24	25

6. **RHDA COST PER UNIT** in \$1,000s (maximum 10 points) **10**

	<u>Acquisition</u>	<u>Refinance</u>	<u>Rehabilitation</u>	<u>For-Profit New Construction</u>	<u>Non-Profit New Construction</u>
10 points	<\$45/unit	<\$30/unit	<\$30/eff.	<\$40/unit	<\$60/unit
8 points	<\$55/unit	<\$40/unit	<\$35/1-bd	<\$50/unit	<\$70/unit
6 points	<\$65/unit	<\$50/unit	<\$40/2-bd	<\$60/unit	<\$80/unit
4 points	<\$75/unit	<\$60/unit	<\$45/3-bd+	<\$70/unit	<\$90/unit

7. **TRANSITIONAL HOUSING** (10 points) **0**

10 points: Project will be developed and operated as transitional housing.

8. **PERMANENT SUPPORTIVE HOUSING (PSH)** (maximum 20 points) **0**

20 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

9. **GEOGRAPHIC DISPERSION** (maximum 25 points)

20

Project is located in an area identified according to the Kirwan Institute's Opportunity Map of Austin (Map #2) as having greater opportunity for low-income households.

25 points: Very High priority area
20 points: High priority area
15 points: Moderate priority area
10 points: Low priority area
5 points: Very Low priority area

10. **PRIORITY LOCATION** (10 points)

0

10 points: Project is located in a Vertical Mixed-Use (VMU) Corridor, or is a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).

11. **PRESERVATION OF AFFORDABLE UNITS** (10 points)

0

10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

12. **AFFORDABILITY PERIOD** (25 points)

25

25 points: Affordability of project is for 99-years.

13. **PROJECT READINESS** (maximum 10 points)

2

New construction

2 points each; maximum 10 points

- ☐ The project meets the normal eligibility requirements under the existing program guidelines.
☐ The property is already owned by the developer.
☐ The project has completed all necessary design work and received site plan approval.
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.
☐ A General Contractor has been selected.
☐ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- ☐ The project meets the normal eligibility requirements under the existing program guidelines
☐ All environmental reviews have been completed.
☐ The project has firm commitments from all financing sources.
☐ Closing on the acquisition of the property can be achieved in less than 30 days.

14. **PROPERTY MANAGEMENT** (maximum 10 points)

10

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income-restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

15. **SUPPORTIVE SERVICES** (maximum 15 points)

15

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been secured for the operation of resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been secured for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been secured for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

2 points:

- a. The developer has arrangements with organizations to provide services, or has experienced and qualified staff able to provide the same resident services.
- b. Funds have been not been secured for the operation of the resident services programs.

16. **MBE/WBE PROJECT PARTICIPATION** (5 points)

0

5 points: Development Team includes registered City of Austin minority- or women-owned business enterprises (M/WBE).

17. **PARTNERSHIP WITH OTHER NON-PROFIT ENTITIES** (5 points)

5

5 points: Applicant provides evidence of commitment from another certified non-profit organization to partner on the project in some way.

TOTAL SCORE 152

Development Description

Songhai at West Gate *Austin, Texas*

Songhai at West Gate development is a 118 unit new construction affordable multi-family housing development for families living and working in Austin, TX. The development will be located on a 5.15 acre tract of undeveloped land located on the southbound side of West Gate Blvd. south of Cameron Loop and north of Davis Lane and will serve households at 30% - 60% of area median gross income (AMGI) as determined by, and in accordance with the requirements of, section 42 of the Internal Revenue Code. The development will welcome tenants participating in the Section 8 program.

Songhai at West Gate has engaged in preliminary meetings with the homeowner's association and has agreed to include the homeowner's association in development plans, drawings, and renderings to ensure that it is fully engaged throughout the design process. The development also intends to be present at future homeowner's association meetings to address any questions, comments, or concerns by members of the homeowner's association.

The floor plans include one-bedrooms, two-bedrooms, and three-bedrooms that range from 650 sq. ft. to 1,000 sq. ft. Songhai at West Gate will set aside five percent (5%), or six (6) units for tenant populations with special needs. The development will also set aside an additional two percent (2%) of three (3) units that will be adaptable for persons with sight and hearing disabilities. The development plans to offer social services to all tenants that include, but are not limited to, the following:

- Scholastic tutoring assistance;
- Organized team sports;
- Financial planning assistance;
- Homebuyer education;
- Counseling services;
- Credit counseling;
- Basic adult education;
- Notary public service;

All social services will be available to all tenants and will be provided by the management company as well as the Developer. Both parties have extensive experience in social services typically associated with tax credit projects.

The development's total project cost, estimated at \$16,815,134, will be financed with permanent debt of \$2,775,000, deferred developer fee of \$346,555, tax credit equity of \$13,457,579, and AHFC funds of \$236,000. The planned financing of the development is contingent on receiving an award for an allocation of tax credits. The development expects to receive notice of such award in late July of 2012.

Unit Mix		Rent	# of	% of	Square	Gross Rent	Utility	Net Rent	Net Rent/	Market Comp.	Rents	% Below					
Unit	Level		Units	Mix	Feet	Per Unit	Allowance	Per Unit	Sq. Ft.	Net Monthly	Sq. Ft.	Market					
Studios	30%	0	0%	-	\$	-	\$	-	\$	-	\$	0.00%					
Studios	40%	0	0%	-	\$	-	\$	-	\$	-	\$	0.00%					
Studios	50%	0	0%	-	\$	-	\$	-	\$	-	\$	0.00%					
Studios	60%	0	0%	-	\$	-	\$	-	\$	-	\$	0.00%					
Studios	Market	0	0%	-	\$	-	\$	-	\$	-	\$	0.00%					
Total	0																
1bd/1ba	30%	2	2%	780	\$	415	\$	82	\$	333	\$	0.43	\$	-	\$	-	0.00%
1bd/1ba	40%	0	0%	780	\$	554	\$	82	\$	472	\$	0.61	\$	-	\$	-	0.00%
1bd/1ba	50%	10	9%	780	\$	692	\$	82	\$	610	\$	0.78	\$	-	\$	-	0.00%
1bd/1ba	60%	6	5%	780	\$	727	\$	82	\$	645	\$	0.83	\$	-	\$	-	0.00%
1bd/1ba	Market	0	0%	780	\$	727	\$		\$	727	\$	0.93	\$	-	\$	-	0.00%
Total	18																
2bd/2ba	30%	3	3%	1,014	\$	498	\$	100	\$	398	\$	0.39	\$	-	\$	-	0.00%
2bd/2ba	40%	0	0%	1,014	\$	665	\$	100	\$	565	\$	0.56	\$	-	\$	-	0.00%
2bd/2ba	50%	37	31%	1,014	\$	831	\$	100	\$	731	\$	0.72	\$	-	\$	-	0.00%
2bd/2ba	60%	25	21%	1,014	\$	873	\$	100	\$	773	\$	0.76	\$	-	\$	-	0.00%
2bd/2ba	Market	0	0%	1,014	\$	873	\$	-	\$	873	\$	0.86	\$	-	\$	-	0.00%
Total	65																
3bd/2ba	30%	2	2%	1,200	\$	576	\$	124	\$	452	\$	0.38	\$	-	\$	-	0.00%
3bd/2ba	40%	0	0%	1,200	\$	768	\$	124	\$	644	\$	0.54	\$	-	\$	-	0.00%
3bd/2ba	50%	20	17%	1,200	\$	960	\$	124	\$	836	\$	0.70	\$	-	\$	-	0.00%
3bd/2ba	60%	13	11%	1,200	\$	1,008	\$	124	\$	884	\$	0.74	\$	-	\$	-	0.00%
3bd/2ba	Market	0	0%	1,200	\$	1,058	\$	-	\$	1,058	\$	0.88	\$	-	\$	-	0.00%
Total	35																
4bd/2ba	30%	0	0%	1,300	\$	531	\$	108	\$	423	\$	0.33	\$	-	\$	-	0.00%
4bd/2ba	40%	0	0%	1,300	\$	708	\$	108	\$	600	\$	0.46	\$	-	\$	-	0.00%
4bd/2ba	50%	0	0%	1,300	\$	885	\$	108	\$	777	\$	0.60	\$	-	\$	-	0.00%
4bd/2ba	60%	0	0%	1,300	\$	1,062	\$	108	\$	954	\$	0.73	\$	-	\$	-	0.00%
4bd/2ba	Market	0	0%	1,300	\$	1,115	\$	-	\$	1,115	\$	0.86	\$	-	\$	-	0.00%
Total	0																
Project Total/Average		118	1,028 SF	121,255 SF	\$	1,197,005		\$	1,041,076								
					1027.581356								0.715488966				

Map 2: Comprehensive Opportunity Map, City of Austin

KIRWAN
INSTITUTE
for the Study of Race and Ethnicity

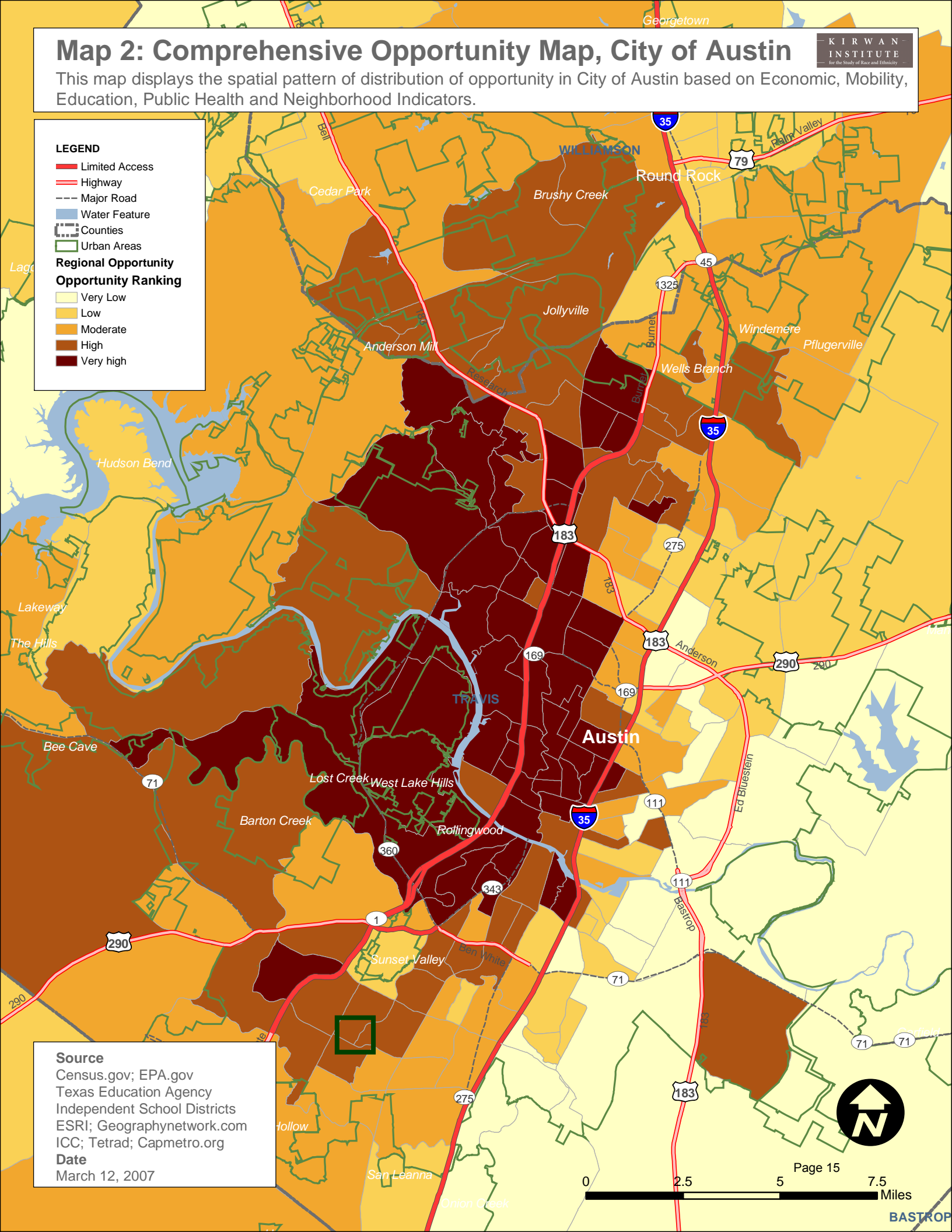
This map displays the spatial pattern of distribution of opportunity in City of Austin based on Economic, Mobility, Education, Public Health and Neighborhood Indicators.

LEGEND

- Limited Access
- Highway
- Major Road
- Water Feature
- Counties
- Urban Areas

Regional Opportunity Opportunity Ranking

- Very Low
- Low
- Moderate
- High
- Very high



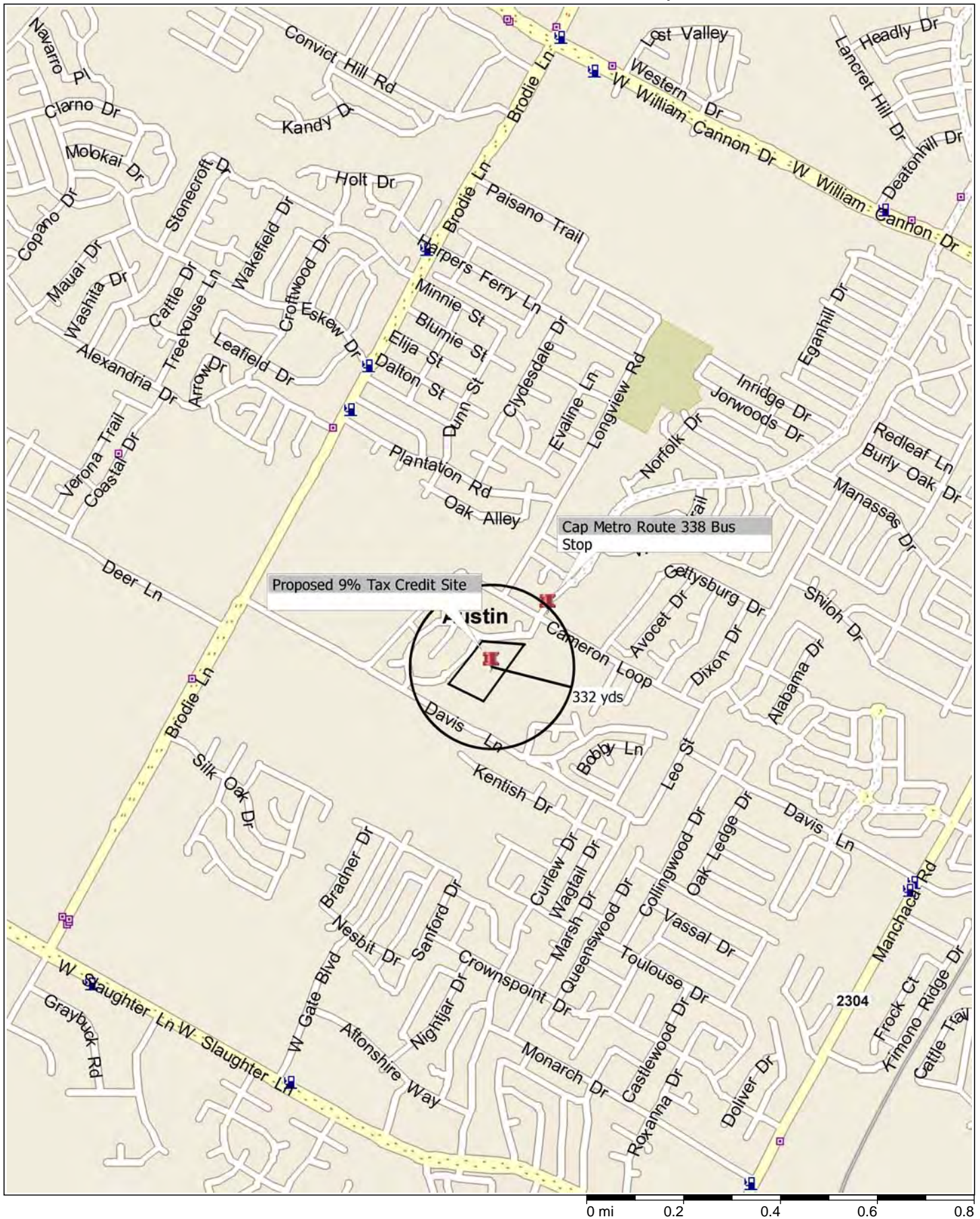
Source

Census.gov; EPA.gov
Texas Education Agency
Independent School Districts
ESRI; Geographynetwork.com
ICC; Tetrad; Capmetro.org

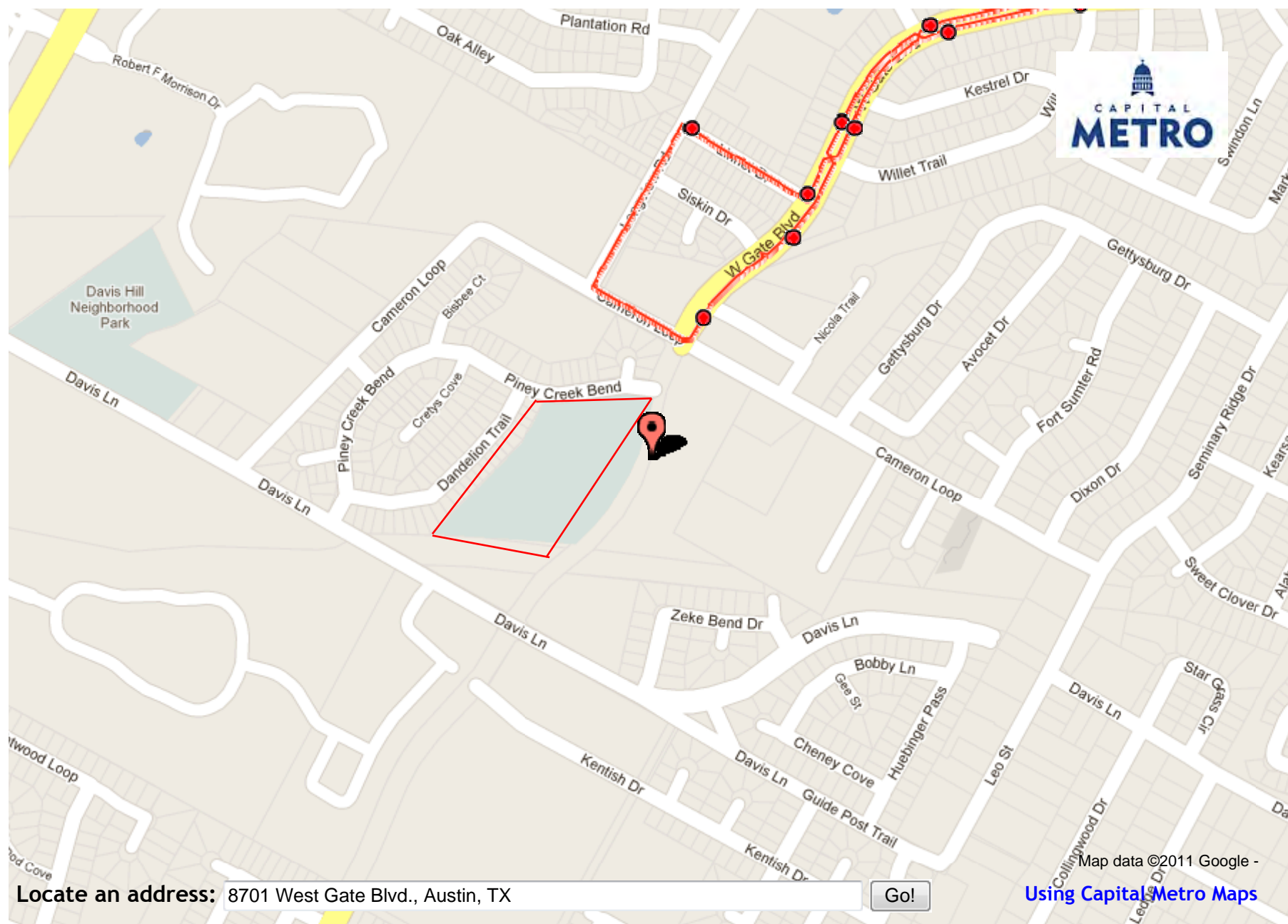
Date

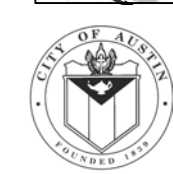
March 12, 2007

West Gate Blvd Site Location Map

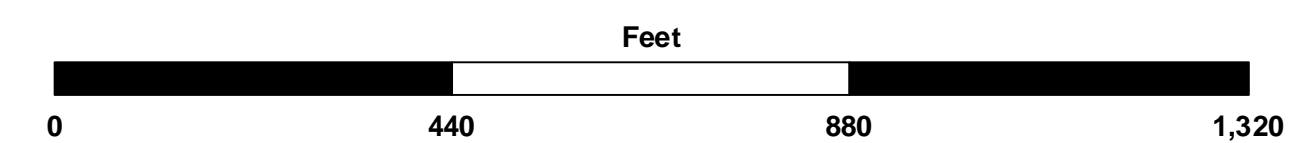


ROUTE 338 - LAMAR/45TH

[Route Map Instructions](#)



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 Communications and Technology Department for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness.

 Pending Zoning Cases

E16

November 29, 2011



CITY OF AUSTIN

ZONING VERIFICATION LETTER

1. Party Requesting Verification

Name: Songhai Development Company, LLC

Address: 1106 Clayton Ln., Ste. 524 W
Austin, Tx. 78723

2. Property Address

8700 west Gate Blvd.
Austin, Tx. 78745

3. Tax Parcel Identification Number

04-2223-0202

4. City of Austin Grid Name

D16, E16

5. Current Zoning

MF-2-CO: Multi-Family Residence-Low Density-Conditional
Overlay combining district

6. Zoning Case Number and Ordinance *

MF-2: Zoned in accordance with City of Austin Land
Development Code re-adoption ordinance number
99-022-70(b)

CO: C14-97-0155 & Ord. No.980709-L

7. Zoning Overlays and Neighborhood Plans *

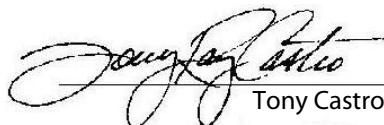
Equilon-Pipeline Restricted Area
Referenced in the Land Development Code of the City of Austin Chapter 25-2-516

Southtex-Pipeline Restricted Area
Referenced in the Land Development Code of the City of Austin Chapter 25-2-516

* To access the zoning ordinance and overlay district documentation, visit the following web page: <http://www.cityofaustin.org/>

For questions concerning Zoning Compliance or any Development Criteria, Parking, Permitted Use, Zoning Violations, Conditional Uses, Variances, Destruction and Rebuilding, et cetera, Contact the Development Assistance Center of the City of Austin at (512) 974-6370 for a Land Use Planner Correspondence Session.

I, Tony Castro, Communications and Technology Management Department, City of Austin, Texas, do hereby certify that the information above is true and correct to the best of my ability, according to the documents filed with this office.


Tony Castro

Wednesday, December 28, 2011

Date



City of Austin

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

Neighborhood Housing and Community Development Department

Gina Copic, S.M.A.R.T. Housing Program Manager

(512) 974-3180, Fax: (512) 974-3112, regina.copic@ci.austin.tx.us

December 29, 2011

S.M.A.R.T. Housing Certification (id #64479)

Songhai Development Company, LLC- Songhai at Westgate

TO WHOM IT MAY CONCERN:

Songhai Development Company, LLC (development contact: Miguel Medellin 512-452-5505 (o); 512-739-4018 (m); mmedellin@songhaidev.com) is planning to develop a **118 unit multi-family** project at located at **8700 West Gate Blvd.**

NHCD certifies that the proposed construction meets the S.M.A.R.T. Housing standards at the pre-submittal stage. Since **100%** of the units will serve households at **60%** Median Family Income (MFI) or below, the development will be eligible for **100%** waiver of the fees listed in Exhibit A of the S.M.A.R.T. Housing Resolution adopted by the City Council. Expected fee waivers include, but are not limited to:

Capital Recovery Fees
Building Permit
Concrete Permit
Electrical Permit
Mechanical Permit

Plumbing Permit
Site Plan Review
Construction Inspection
Subdivision Plan Review
Zoning Verification

Land Status Determination
Building Plan Review
Parkland Dedication (*by separate ordinance*)

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

- ◆ Obtain a signed Conditional Approval from the Austin Energy Green Building Program stating that the plans and specifications for the proposed development meet the criteria for a Green Building Rating. (Austin Energy: Katherine Murray 512-482-5351).
- ◆ Submit plans demonstrating compliance with accessibility and transit-oriented standards.

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

- ◆ Pass a final inspection and obtain a signed Final Approval from the Green Building Program. (Separate from any other inspections required by the City of Austin or Austin Energy).
- ◆ Pass a final inspection to certify that accessibility and transit-oriented standards have been met.

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

Please contact me at 974-3154 if you need additional information.

Javier V. Delgado
Neighborhood Housing and Community Development

Cc: Laurie Shaw, Capital Metro
Maureen Meredith, PDRD
Heidi Kasper, Austin Energy
Kath. Murray, Austin Energy
Robby McArthur, AWU

John McDonald, PDRD
Gina Copic, NHCD
Chris Yanez, PARD
M. Simmons-Smith, PDRD
Danny McNabb, PDRD

Susan Kinel, NHCD
S. Castleberry, PDRD
Hillary Holey, PDRD
G. Zapalac, PDRD
Deborah Fonseca, PDRD

SONGHAI DEVELOPMENT COMPANY, LLC.

Cherno M. Njie, Principal

1106 Clayton Lane, Suite 524W

Austin, TX 78723

Ph. 512-458-5577 Fax:512-458-5565

Songhai Development Company, LLC, is an Austin-based affordable housing development and consulting firm founded in 2002. It develops affordable housing under Texas' tax credit and private activity bond programs.

Completed Projects: Chelsea Senior Community - 3230 W. Little York Rd Houston, TX 77088 – 150-unit tax credit project for senior citizens. Construction was completed in October 2011 and is currently 61% occupied.

Langwick Senior Residences - 955 Langwick Drive Houston, TX 77060 – 128-unit tax credit project for senior citizens. Construction was completed in September 2008.

Little York Villas – 3111 W. Little York Road Houston, TX 77091 - 128-unit mixed-income multifamily project (103 tax credits units and 25 market units) completed July 2005.

Project Consultant: Lansbourough Apartments- 10010 Cullen Blvd, Houston, TX 77051 - 176-unit mixed-income multifamily project (141 tax credit units and 35 units unrestricted) completed in November 2006.

Winkler Villas Apartments, 123 Winkler Drive Houston, TX 77087-240-unit senior property completed in July 2006. The project was financed using tax credits and private activity bonds.

Songhai's principal brings a decade of experience in affordable housing finance as Program Underwriter and Manager of the Tax Credit program for the State of Texas from 1992-2001. During this period, he managed the allocation of tax credits to hundreds of projects resulting in the production of over 60,000 multifamily units in Texas.

CAPSTONE

REAL ESTATE SERVICES, INC.

"Our mission is to enhance our client's investments and create quality living and working environments."

PROFILE

Capstone Real Estate Services, Inc. is a full-service, third-party management firm presently managing approximately **33,000 multi-family units and 500,000 square feet of commercial space**. Founded in 1969, Capstone maintains 12 offices across 7 states and employs over 1,000 people in the field of property management, and our portfolio extends to over 95 cities. The size of our portfolio ranks us as the **30th overall largest** management firm in the nation.

♦Austin ♦Abilene ♦Albuquerque ♦Brownsville ♦Corpus Christi ♦Dallas ♦El Paso ♦Fort Lauderdale ♦Houston ♦Laredo ♦New Orleans ♦San Antonio

Neither Capstone nor its principals owns, buys or sells investment real estate and we have no conflicts with our clients' interests in this regard. This distinguishes us from many competing firms and enables us to provide the personalized service each property deserves, without the distraction that ownership can cause. Consequently, we focus on the client's goals beginning with take-over. **Third-party real estate management** is the business on which we have built our reputation, and we are committed to providing the highest standards of service and integrity to our clients.

PROPERTY MANAGEMENT SERVICES

Pre-Acquisition Due Diligence Services

Interior Walk Through, Market Analysis, Operating Projections, Lease File Review, Exterior Observations

New Development Planning

Project Design Consulting, Marketing Consulting, Lease-up Specialists

Full Service Property Management

Traditional Multifamily Housing, Student Housing, Seniors Housing, Military Housing, Renovation Supervision, Manufactured Home Parks, Homeowners Associations, High/Mid Rises, Office, Retail

NEW CONSTRUCTION

Capstone's apartment new construction management experience is extensive. The firm's new development background includes project design consulting, pre-construction planning, décor consulting, promotion and full lease-up for **125+ properties totaling over 28,000 units in 58 cities and 6 states since 1994**. Our objective is to reach full occupancy and maximize the bottom line in the shortest time possible in accordance with the owner's investment parameters. About **75% of our lease-ups have been completed in 9 months or less** and a full **51% have been completed in 6 months or less**.

VALUE ADDED & REPOSITIONING EXPERIENCE

Real estate assets require periodic improvements, repairs, or in some cases, a complete re-positioning. Capstone understands this facet of investment ownership and has maintained a personnel base with the knowledge, expertise, and experience to assist our clients when such projects are contemplated. **Coordinating the rehab process with the management of the property is essential, and Capstone has perfected our role in this process to ensure operational goals are either met or exceeded.** We have a proven track record of successful repositionings that have continued to earn us praise from our clients, residents, and industry peers.

A large number of management contracts awarded to Capstone consist of older properties formerly challenged by their specific market or circumstance. Whether that challenge was due to poor management, deferred maintenance, or the desire to re-position, **Capstone was hired to make a difference**. In fact, in recent years Capstone managed properties have undergone comprehensive rehabs ranging from \$125,000 to over \$3 million. We are the recognized leader in this field.

AFFORDABLE HOUSING

Capstone has significant experience with affordable housing units. Currently, Capstone manages affordable communities totaling over **20,000 units**, which ranks us as the **10th largest affordable housing** management company in the country. This includes the LIHTC Program, Tax Exempt Bond, Home Programs, Project-Based Section 8, the RTC/AHDP Affordable Housing Program, Military Rent-Restricted, etc. To better serve our clients, Capstone has a Compliance Department to effectively

monitor properties it manages with governmental reporting requirements. We understand the importance of being “in compliance” and the process that accompanies it.

COMMERCIAL

Capstone's Commercial Division manages approximately 500,000 square feet of space. Our experience includes every property type from office buildings, retail centers, industrial parks and warehouse facilities to downtown buildings, neighborhood centers and malls. Our comprehensive experience in commercial real estate and our commitment to building relationships with clients, tenants, and the brokerage community provides results for our clients' investments.

PROFESSIONAL PERSONNEL DEVELOPMENT

The key to quality client service is motivated and well-trained personnel. Our **training department** conducts extensive monthly seminars to each of our regional offices covering:

- ◆ Leasing & Marketing
- ◆ Risk Management
- ◆ Resident Retention
- ◆ Fair Housing
- ◆ Accounting Software
- ◆ Performance Evaluation

Our corporate-wide incentive program, “Accelerating Income Monthly” (AIM), rewards on-site staff for increasing the property's economic occupancy. The program aligns on-site staff, District Manager and Owner objectives into one concise statement; increase property income and value.

ACCREDITATIONS

Accredited Management Organization (AMO®), Institute of Real Estate Management (IREM®)
Certified Property Manager (CPM®), Certified Public Accountant (CPA), Accredited Resident Manager (ARM®)
Certified Apartment Manager (CAM®), Certified Occupancy Specialist (COS®), Assisted Housing Professional (AHP)
Tax Credit Specialist (TCS), Housing Credit Certified Professional (HCCP®), National Compliance Professional (NCP)
Certified Professional of Occupancy (CPO), Continuing Certified Credit Compliance Professional (C4P)

TESTIMONIALS

“I have been very pleased with the performance of Capstone...The success and efforts on the part of the management and staff are apparent. I fully intend to continue our relationship.”

Doug Bisset, Vice President
J.P. Morgan Investment Management

“I want to compliment Capstone for its cooperation in the sale of my listing. The on-site and corporate staff was always enthusiastic and helpful. The professional attitude demonstrated definitely helped the sale occur, even though the purchaser self-manages. I will definitely recommend Capstone to buyers seeking a manager that understands how the bottom line affects the final sales price.”

Ellen Muskin, Senior Associate
Hendricks & Partners

“Fully leased in nine months. Terrific effort, Capstone. No questions, your attention to detail made the difference.”

David Saling, Project Manager
Campbell-Hogue Associates

“As you know, our building houses our National Headquarters and a grocery market that reflects our company ideals and culture. It is important to our company that this be maintained. Capstone's professional management attention and care has been highly instrumental in ensuring this goal is achieved and that we project the quality image the public expects. On behalf of our organization, thank you for your contribution to our success.”

Mike Willoughby, Facility Manager
Whole Foods Market

EXECUTIVE OFFICERS

James W Berkey, *President*
Hugh A. Cobb, *Chief Operating Officer*
Matthew C. Lutz, *Executive Vice President*
Grant Berkey, *Senior Vice President*
Michael Gettman, *Vice President*
Our experience works for you.

CONTACT INFORMATION

Matthew C. Lutz, Executive Vice President
matt.lutz@capstonemanagement.com

210 Barton Springs Road, Suite 300, Austin, Texas 78704
(512) 646-6700 (512) 646-6798 fax
www.capstonemanagement.com



ACCREDITED
MANAGEMENT
ORGANIZATION



CERTIFIED
PROPERTY
MANAGER®

Songhai at West Gate

Austin, TX

Tax Credit 9% Transaction

PROJECT COST SCHEDULE		Amount	New Construction Eligible Basis	Total Cost Per Unit
	Units			
(1) Purchase of Land & Buildings				
Land Cost		1,066,650	-	9,039
Brokers Fes			-	-
Demolition		-	-	-
Total Purchase of Land & Buildings		1,066,650	-	9,039
(2)Site Work				
On-Site work	\$ 9,000	1,062,000	1,062,000	9,000
Off-Site improvements		-		-
Other		-	-	-
Total Site Work		1,062,000	1,062,000	9,000
(3) Construction Hard Costs				
New structures	\$ 60.00	7,275,276	7,275,276	61,655
Cpmmercial Costs space			(200,000)	-
Accessory structures	\$ 84.00	403,200	403,200	3,417
Total Construction Hard Costs		7,678,476	7,478,476	65,072
(4) Contractor Fees & Gen'l Req'ts				
Contractor overhead	2.00%	174,810	174,810	1,481
Contractor profit	6.00%	524,429	524,429	4,444
General requirements	6.00%	524,429	524,429	4,444
Total Contractor Fees & Gen'l Req'ts		1,223,667	1,223,667	10,370
(5) Contingencies				
Construction contingency	5.00%	437,024	437,024	3,704
Other contingency	0.00%	-	-	-
Total Contingencies		437,024	437,024	3,704
(6) Professional Fees				
Architect Design/Landscape Arch.		225,000	225,000	1,907
Architect supervision		20,000	20,000	169
MEP		25,000	25,000	212
Civil/Structural Engineering		450,000	450,000	3,814
Total Professional Fees		720,000	720,000	6,102
(7) Interim Financing Fees & Costs				
Hazard insurance		-	-	-
Liability insurance		75,000	75,000	636
Predevelopment Loan - Legal	0.00%	25,000	25,000	212
Construction lloan Origination Fee	1.00%	27,750	27,750	
Impact Fees		129,800	129,800	1,100
Building Permits		31,860	31,860	270
Predevelopment Loan Interest		47,999	47,999	407
Construction Interest		485,625	315,656	4,115
Origination Fee	1.00%	27,750	27,750	
Predevelopment Loan - Origination Fee	1.00%	10,667	10,667	90
Replacement Reserves	0.000%	29,500		250
Inspection & Plan Review		15,655	15,655	133
Title & recording		96,000	96,000	814
Legal fees		50,000	50,000	424
Real estate taxes		120,000	120,000	1,017
Total Interim Financing Fees & Costs		1,172,606	973,137	9,937

Project Cost Schedule			New Construction	Total Cost
	Units	Amount	Eligible Basis	Per Unit
(8) Permanent Financing Costs				
Bond Counsel		-	-	-
Trustee & Counsel		-	-	-
Lender Review Fee		5,500	-	47
Financing Application Fee		3,500	-	30
Origination Fee	1.00%	27,750	-	235
LOC Fee	0.00%	1,500	-	13
Agency - fee	0.00%	15,000	-	127
Title & Recording		25,000	-	212
Legal		55,000		466
Total Permanent Financing Costs		133,250	-	1,129
(9) Soft Costs				
Tax credit fees	5.00%	76,471	-	648
Compliance Monitoring	\$40.00	4,720	-	40
Consultant fees		-	-	-
Total Soft Costs		81,191	-	688
(10) Other Development Costs				
Market Study		25,000	25,000	212
Environmental & Soil Report		7,500	7,500	64
Property appraisal		12,000	12,000	102
Accounting Fees		30,000	30,000	254
Predevelopment Closing Costs	0	8,000	8,000	68
Total Other Development Costs		82,500	82,500	699
(11) Syndication Costs				
Organizational		45,000	-	381
Tax opinion		25,000	-	212
Total Syndication Costs		70,000	-	593
(12) Developer Fees				
Developer overhead		-	-	-
Developer fee	15.00%	1,837,771	1,837,771	15,574
Total Developer Fees		1,837,771	1,837,771	15,574
(13) Development Reserves				
Rent-up Reserves		350,000	-	2,966
Operating reserves		450,000	-	3,814
Replacement Reserves			-	-
Total Development Reserves		800,000	-	6,780
(14) Other Costs				
Marketing		175,000		1,483
FFE		275,000	275,000	2,331
Total Other Costs		450,000	275,000	3,814
Total Residential Costs		16,815,134	14,089,574	142,501
Total Commercial Space Costs			-	-
Total Development Costs less Land		15,748,484		133,462
Basis over Maximum			14,089,574	
TOTAL DEVELOPMENT COSTS		16,815,134	14,089,574	142,501

Songhai at West Gate

Austin, TX

Tax Credit 9% Transaction

OPERATING PROFORMA			Year	1	2	3	4	5	6	7	8
Revenue			Unit Costs								
Gross Potential Revenue				\$ 1,041,076	\$ 1,061,897	\$ 1,083,135	\$ 1,104,798	\$ 1,126,894	\$ 1,149,432	\$ 1,172,421	\$ 1,195,869
Other Income		\$ 10.00		14,160	14,443	14,732	15,027	15,327	15,634	15,946	16,265
Less: Vacancy		7.50%		(79,143)	(80,726)	(82,340)	(83,987)	(85,667)	(87,380)	(89,128)	(90,910)
Total Revenue				\$ 976,093	\$ 995,615	\$ 1,015,527	\$ 1,035,838	\$ 1,056,555	\$ 1,077,686	\$ 1,099,240	\$ 1,121,224
Expenses											
Operating		\$ 3,200		\$ 377,600	\$ 388,928	\$ 400,596	\$ 412,614	\$ 424,992	\$ 437,742	\$ 450,874	\$ 464,400
Management Fee		5%		48,805	49,781	50,776	51,792	52,828	53,884	54,962	56,061
Property Taxes		\$ 120,000		120,000	123,600	127,308	131,127	135,061	139,113	143,286	147,585
Reserves		\$ 250		29,500	30,385	31,297	32,235	33,203	34,199	35,225	36,281
Total Expense	\$4.75	SF	Unit 4.881	\$ 575,905	\$ 592,694	\$ 609,977	\$ 627,768	\$ 646,083	\$ 664,938	\$ 684,347	\$ 704,328
NET OPERATING INCOME				\$ 400,189	\$ 402,921	\$ 405,551	\$ 408,070	\$ 410,471	\$ 412,748	\$ 414,893	\$ 416,897
Debt Service											
Permanent Debt	Amount	Rate									
Coverage	\$2,975,000	7.50%		249,620	249,620	249,620	249,620	249,620	249,620	249,620	249,620
				1.60	1.61	1.62	1.63	1.64	1.65	1.66	1.67
Credit Enhancement Fee		0.00%		-	-	-	-	-	-	-	-
Issuers Annual Fee		0.00%		-	-	-	-	-	-	-	-
Trustees Annual Fee		0.00%		-	-	-	-	-	-	-	-
Total Annual Bond Fees				-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE				249,620	249,620	249,620	249,620	249,620	249,620	249,620	249,620
Cash Flow After Debt Service				150,569	153,302	155,931	158,450	160,852	163,129	165,273	167,277
Debt Service Coverage Ratio				1.60	1.61	1.62	1.63	1.64	1.65	1.66	1.67
Partnership Management Fee				7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Asset Management Fee				5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Other Debt	\$295,000	1.00%		11,386	11,386	11,386	11,386	11,386	11,386	11,386	11,386
Cash Flow after Other Debt				126,183	128,916	131,545	134,064	136,466	138,743	140,887	142,891
Developer Note	100% CF	\$103,352	0.00%	103,352	-	-	-	-	-	-	-
Cash Flow after Developer Note				22,831	128,916	131,545	134,064	136,466	138,743	140,887	142,891
Soft Debt	0% CF	\$0	5.65%	-	-	-	-	-	-	-	-
Cash Flow after Soft Debt				22,831	128,916	131,545	134,064	136,466	138,743	140,887	142,891
NET CASH FLOW				22,831	128,916	131,545	134,064	136,466	138,743	140,887	142,891
Incentive Management Fee to General Partner		85%		19,406	109,578	111,813	113,954	115,996	117,931	119,754	121,457
Remaining Cash Flow to Limited Partner		15%		3,425	19,337	19,732	20,110	20,470	20,811	21,133	21,434

OPERATING PROFORMA			Year	9	10	11	12	13	14	15	16
Revenue			Unit Costs								
Gross Potential Revenue				\$ 1,219,786	\$ 1,244,182	\$ 1,269,066	\$ 1,294,447	\$ 1,320,336	\$ 1,346,743	\$ 1,373,678	\$ 1,401,151
Other Income			\$ 10.00	16,591	16,923	17,261	17,606	17,958	18,317	18,684	19,057
Less: Vacancy			7.50%	(92,728)	(94,583)	(96,475)	(98,404)	(100,372)	(102,380)	(104,427)	(106,516)
Total Revenue				\$ 1,143,649	\$ 1,166,522	\$ 1,189,852	\$ 1,213,649	\$ 1,237,922	\$ 1,262,681	\$ 1,287,934	\$ 1,313,693
Expenses											
Operating			\$ 3,200	\$ 478,332	\$ 492,682	\$ 507,463	\$ 522,687	\$ 538,367	\$ 554,518	\$ 571,154	\$ 588,288
Management Fee			5%	57,182	58,326	59,493	60,682	61,896	63,134	64,397	65,685
Property Taxes			\$ 120,000	152,012	156,573	161,270	166,108	171,091	176,224	181,511	186,956
Reserves			\$ 250	37,370	38,491	39,646	40,835	42,060	43,322	44,621	45,960
Total Expense	\$4.75	SF	Unit 4,881	\$ 724,897	\$ 746,072	\$ 767,871	\$ 790,312	\$ 813,415	\$ 837,198	\$ 861,683	\$ 886,889
NET OPERATING INCOME				\$ 418,752	\$ 420,450	\$ 421,981	\$ 423,337	\$ 424,508	\$ 425,483	\$ 426,252	\$ 426,804
Debt Service			Amount	Rate							
Permanent Debt			\$2,975,000	7.50%	249,620	249,620	249,620	249,620	249,620	249,620	249,620
Coverage					1.68	1.68	1.69	1.70	1.70	1.71	1.71
Credit Enhancement Fee				0.00%	-	-	-	-	-	-	-
Issuers Annual Fee				0.00%	-	-	-	-	-	-	-
Trustees Annual Fee				0.00%	-	-	-	-	-	-	-
Total Annual Bond Fees					-	-	-	-	-	-	-
TOTAL DEBT SERVICE					249,620	249,620	249,620	249,620	249,620	249,620	249,620
Cash Flow After Debt Service					169,132	170,830	172,362	173,718	174,888	175,863	177,184
Debt Service Coverage Ratio					1.68	1.68	1.69	1.70	1.70	1.71	1.71
Partnership Management Fee					7,500	7,500	7,500	7,500	7,500	7,500	7,500
Asset Management Fee					5,500	5,500	5,500	5,500	5,500	5,500	5,500
Other Debt			\$295,000	1.00%	11,386	11,386	11,386	11,386	11,386	11,386	11,386
Cash Flow after Other Debt					144,746	146,444	147,976	149,332	150,502	151,477	152,798
Developer Note	100% CF		\$103,352	0.00%	-	-	-	-	-	-	-
Cash Flow after Developer Note					144,746	146,444	147,976	149,332	150,502	151,477	152,798
Soft Debt	0% CF		\$0	5.65%	-	-	-	-	-	-	-
Cash Flow after Soft Debt					144,746	146,444	147,976	149,332	150,502	151,477	152,798
NET CASH FLOW					144,746	146,444	147,976	149,332	150,502	151,477	152,798
Incentive Management Fee to General Partner				85%	123,034	124,478	125,779				
Remaining Cash Flow to Limited Partner				15%	21,712	21,967	22,196				

OPERATING PROFORMA				Year	17	18	19	20
Revenue				Unit Costs				
Gross Potential Revenue					\$ 1,429,174	\$ 1,457,758	\$ 1,486,913	\$ 1,516,651
Other Income				\$ 10.00	19,439	19,827	20,224	20,628
Less: Vacancy				7.50%	(108,646)	(110,819)	(113,035)	(115,296)
Total Revenue					\$ 1,339,967	\$ 1,366,766	\$ 1,394,102	\$ 1,421,984
Expenses								
Operating				\$ 3,200	\$ 605,937	\$ 624,115	\$ 642,839	\$ 662,124
Management Fee				5%	66,998	68,338	69,705	71,099
Property Taxes				\$ 120,000	192,565	198,342	204,292	210,421
Reserves				\$ 250	47,339	48,759	50,222	51,728
Total Expense				\$4.75 SF Unit	4,881	\$ 912,839	\$ 939,554	\$ 967,058
NET OPERATING INCOME					\$ 427,128	\$ 427,212	\$ 427,044	\$ 426,611
Debt Service				Amount	Rate			
Permanent Debt				\$2,975,000	7.50%	249,620	249,620	249,620
Coverage						1.71	1.71	1.71
Credit Enhancement Fee					0.00%	-	-	-
Issuers Annual Fee					0.00%	-	-	-
Trustees Annual Fee					0.00%	-	-	-
Total Annual Bond Fees						-	-	-
TOTAL DEBT SERVICE						249,620	249,620	249,620
Cash Flow After Debt Service						177,508	177,592	176,992
Debt Service Coverage Ratio						1.71	1.71	1.71
Partnership Management Fee						7,500	7,500	7,500
Asset Management Fee						5,500	5,500	5,500
Other Debt				\$295,000	1.00%	11,386	11,386	11,386
Cash Flow after Other Debt						153,122	153,206	152,606
Developer Note				100% CF	\$103,352	0.00%	-	-
Cash Flow after Developer Note						153,122	153,206	153,038
Soft Debt				0% CF	\$0	5.65%	-	-
Cash Flow after Soft Debt						153,122	153,206	153,038
NET CASH FLOW						153,122	153,206	153,038
Incentive Management Fee to General Partner					85%			
Remaining Cash Flow to Limited Partner					15%			



Jason Aldridge
Community Lending & Investment
5400 LBJ Freeway, Ste 1000
Dallas, TX 75240
Tel: 972.385.4205
Fax: 972.386.4723

December 29, 2011

Cherno Njie
Principal
Songhai Development Company, LLC
1106 Clayton Lane, Suite 524W
Austin, TX 78723

RE: Westgate Villas – Austin, TX

Dear Cherno:

Wells Fargo (the "Bank") is pleased to put forth the following proposal to provide the construction and permanent financing for Westgate Villas, a 118-unit, mainly LIHTC community, located in Austin, TX.

Summary of Terms

Borrower:	TBD
Guaranty:	An unlimited personal guaranty from Cherno Njie. In addition, full guarantees will be provided by Songhai Development Company, LLC and CMB Construction, LLC. The construction loan will be fully recourse to the borrower and the entities named above while the permanent loan will be non-recourse except for carve outs. A completion guaranty will be provided by CMB Construction, LLC.
Project:	118 unit, LIHTC development located in Austin, TX



Credit Facilities: A) Construction Loan of \$7,955,000 +/-

- Priced at a variable rate of 30 Day LIBOR + 3.00%
- Origination Fee of 1%
- 24-month construction period with one 6-month extension options. Extension will require a 0.50% fee on the outstanding loan amount
- LTV not to exceed 75% during construction period. Appraisal report will be in a form and substance acceptable to the Bank.
- Interest only, payable monthly during construction period
- Repayment from equity and permanent proceeds upon stabilization

B) Permanent Loan of \$2,775,000 +/-

- Forward commitment for 24 months plus one six month extension. There is no fee for the six month extension.
- Fixed Rate is quoted at 6.60% as of the date of this letter. This rate is subject to change based on market conditions. Permanent loan rate to be locked no later than construction loan closing.
- The perm facility will be underwritten at a rate of 6.75%, but is subject to change as the 10 year T-bill and market rate spreads fluctuate.
- Origination fee of 1.0%
- Conversion fee of \$10,000
- Legal Fee (paid at the time of initial closing) of \$5,000
- LTV of no greater than 80%
- Property must achieve 90% occupancy levels for 90 consecutive days and must cover all debt service at a minimum of 1.20x (DSCR) in Year 1 to convert from the construction facility to the permanent facility. Typical trending must yield a DSCR of 1.15x in Year 18. DSCR to be calculated in accordance with normal permanent loan standards including, but not limited to, actual revenue received during the 90-day period, and the greater of actual or appraisal estimated expenses. Debt Service shall include debt service on the permanent loan as well as all "hard" or "must pay" debt associated with the project.
- Principal and interest due monthly during permanent period based on a 30-year amortization; balloon payment due at maturity
- 18 year term



- Yield maintenance penalties will be applied if the loan fails to convert to a permanent loan and/or if the loan is prepaid during the permanent loan term. Borrower shall pay Lender a fee in an amount equal to the greater of (a) 1% of the unpaid principal balance of the Maximum Mortgage Loan Amount or (b) the Yield Maintenance Amount (standard formula will be provided).
- Replacement reserves to be at least \$250 per unit per year
- Reserve requirements based on Bank's approval
- Minimum 10% LIHTC rent advantage to market rents based on each unit type

Collateral: 1st lien deed of trust and assignment of leases and rents on the subject property

- UCC filing on furniture, fixtures, and equipment
- Security interest in operating and replacement reserve funds
- Subordination of deferred developer fee and other management fees collected by general partner or a related entity
- Assignment and subordination of management, construction, architectural contracts, etc

Other: Borrower will pay for all reasonable costs incurred by the Bank in connection with the loans including, but not limited to:

- Legal fees and expenses
- Appraisal/survey fees
- Plan and Cost Reviews
- Other Fees

All cost incurred by the Bank are expected to be repaid by borrower whether or not the facilities contemplated herein are funded. This obligation will survive the expiration or termination of any approval.

Draws: Construction draws will be approved by the Bank, with customary title down-date endorsements and upon approval of a 3rd party construction engineering firm hired by or acceptable to the Bank.

Reporting

Requirements: Include but are not limited to:

- Annual audited financial statements of Borrower and Guarantors
- Annual evidence of tax credit compliance
- Monthly and annual operating statements, rent rolls, and operating budget



Developer Fee: Timing of payment of developer fee to be mutually agreed upon between Bank, Borrower, and equity investor

Project Budget: The Development Budget will include construction contingencies of at least 5% of the General Construction Contract. Significant changes to the budget that materially affect the project may result in changes to the terms and conditions proposed herein.

General

Contractor: General Contractor will be CMB Construction, LLC. Wells Fargo reserves the right to require a payment and performance bond in amount of the construction contract price OR be provided with a letter of credit from an acceptable institution in the amount of 15% of the contract price. CMB Construction, LLC, will provide a full completion guaranty.

**Conditions to
Closing of the
Const. Loan:**

Included but not limited to:

- Approval of the equity investor, and approval of the Partnership Agreement
- Receipt and review of market study
- Receipt of all requested due diligence
- Review and approval of final plans and specifications
- Review and approval of final construction contract and total development budget.
- Appraisal acceptable to the Bank
- Soils analysis and environmental report acceptable to Wachovia.
- Borrower shall indemnify and hold lender harmless from all liability and costs relating to the environmental condition of the Project and the presence thereon of hazardous materials
- Borrower will establish and maintain all operating and management accounts related to the Project with the Bank
- Remittance of a Loan Processing Fee in the amount of \$1,500
- Such other conditions which are customary and reasonable for a loan of this nature and amount

**Conditions to
Funding Perm
Loan:**

Included but not limited to:

- Certified construction completion in accordance with all plans and specifications



- Property has reached stabilized occupancy of 90% for at least 90 days and achieved annualized 1.20 to 1 debt service coverage (DSCR). DSCR to be calculated in

accordance with normal permanent loan standards including, but not limited to, actual revenue received during the 90-day period, and the greater of actual or appraisal estimated expenses. Debt Service shall include debt service on the permanent loan as well as all “hard” or “must pay” debt associated with the project.

- Maximum LTV of 80%
- All certificates of occupancy have been issued and remain in effect
- Receipt and approval of all third party reports
- Receipt of all required equity contributions
- Such other conditions and deliverable items which are customary and reasonable for a loan of this nature and amount



This is not intended to be an exhaustive list of closing requirements. Wells Fargo may impose such other conditions as are customary and reasonable for a loan of this nature and amount.

All third-party beneficiary rights are expressly negated. No person who is not a party to this letter shall have or enjoy any rights under this letter. No change, amendment or modification of this letter shall be valid unless made in writing, addressed to the Borrower and signed by a duly authorized officer of the Bank. This Summary of Terms is not intended to be and should not be construed as an offer, a commitment, nor agreement to lend, nor should it be construed as an attempt to establish all of the terms and conditions relating to the Facility. It is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and if approved, how the loan documents might be structured, and shall not preclude negotiations within the general scope of these terms and conditions.

No person or entity shall have any obligation to commence or thereafter continue any negotiations to enter into any definitive, binding agreement with respect to the Facility, and no person or entity should rely on an eventual formation of any agreement. Any party may freely enter into negotiations with any other person or entity, and nothing herein shall preclude any party from entering into a binding agreement with any other person or entity. The foregoing shall apply to this Summary of Terms, as well as to any prior and subsequent communications between the Borrower and Lender with respect to the Facility, and only a definitive, written agreement, executed by both Borrower and Lender, shall be binding on Borrower and Lender with respect to the Facility.

Wells Fargo wishes to thank you for the opportunity to bid on the financing for Westgate Villas. If you should have any questions concerning these terms and conditions, please call me at 972.385.4205. If you are satisfied with the terms and conditions set forth in this letter, please execute and return to the Bank by September 1, 2012.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Jason Aldridge", written over a horizontal line.

Jason Aldridge, Vice President

Wells Fargo Bank N.A.

Agreed and accepted:

By: _____
Cherno Njie
Principal
Songhai Development Company

Austin Urban Youth and Family Services
7005 Bennett Ave
Austin, TX 78752
Tel: (512) 785-5577
Email: Alexaco@swbell.net

December 30, 2011

Mr. Miguel Medellin
Songhai Development Company, LLC
1106 Clayton Lane, Suite 524W
Austin, TX 78723

RE: Social Services at Songhai at West Gate

Dear Mr. Medellin,


The purpose of this letter is to provide confirmation of the partnership between Austin Urban Youth and Family Services, Inc. and Songhai Development Company, LLC to assist in administering social services to be provided at Songhai at West Gate. Songhai at West Gate is a proposed multifamily low-income housing tax credit development to be located in Austin, Texas. It will serve households at 30% - 60% of area media gross income. The development plans to provide social services that include, but are not limited to, the following:

Scholastic tutoring assistance;
Organized team sports;
Financial planning assistance;
Homebuyer education;
Counseling services;
Credit counseling;
Basic adult education;
Notary public service

It is our goal to partner with you and assist in administering these services in conjunction with Songhai Development Company, LLC and the development's management company. We look forward to our partnership.

Please let us know if we can be of further assistance.

Sincerely,


Alex Ogunmuyiwa
President

Songhai at West Gate

Austin, TX

Tax Credit 9% Transaction

OPERATING PROFORMA - Social Services				Year	1	2	3
Revenue				Unit Costs			
Gross Potential Revenue					\$ 1,041,076	\$ 1,061,897	\$ 1,083,135
Other Income				\$ 10.00	14,160	14,443	14,732
Less: Vacancy				7.50%	(79,143)	(80,726)	(82,340)
Total Revenue					\$ 976,093	\$ 995,615	\$ 1,015,527
Expenses							
Operating W/O Social Services				\$ 3,175	\$ 374,650	\$ 382,940	\$ 391,478
Social Services				\$ 25	\$ 2,950	\$ 2,950	\$ 2,950
Management Fee				5%	48,805	49,781	50,776
Property Taxes				\$ 120,000	120,000	123,600	127,308
Reserves				\$ 250	29,500	30,385	31,297
Total Expense	\$4.75	SF	Unit	4,881	\$ 575,905	\$ 589,655	\$ 603,809
NET OPERATING INCOME					\$ 400,189	\$ 405,960	\$ 411,719
Debt Service				<u>Amount</u>	<u>Rate</u>		
Permanent Debt				\$2,975,000	7.50%	249,620	249,620
Coverage						1.60	1.63
Credit Enhancement Fee					0.00%	-	-
Issuers Annual Fee					0.00%	-	-
Trustees Annual Fee					0.00%	-	-
Total Annual Bond Fees						-	-
TOTAL DEBT SERVICE						249,620	249,620
Cash Flow After Debt Service						150,569	156,340
Debt Service Coverage Ratio						1.60	1.63
Partnership Management Fee						7,500	7,500
Asset Management Fee						5,500	5,500
Other Debt				\$295,000	1.00%	11,386	11,386
Cash Flow after Other Debt						126,183	131,954
Developer Note				100% CF	\$103,352	103,352	-
Cash Flow after Developer Note						22,831	131,954
Soft Debt				0% CF	\$0	-	-
Cash Flow after Soft Debt						22,831	131,954
NET CASH FLOW						22,831	131,954
Incentive Management Fee to General Partner				85%		19,406	112,161
Remaining Cash Flow to Limited Partner				15%		3,425	19,793