

Richman Southwest Development, LLC

100 Crescent Court, Suite 700 Dallas Texas, 75201

Date: April 2, 2020

Patrick Russell
City of Austin
Neighborhood Housing and Community Development
1000 East 11th Street, Second Floor
Austin, TX 78702

Re: Montopolis Affordable Multifamily, SWC of Ben White and Montopolis, Austin, TX

Dear Mr. Russell:

Please see attached request for a resolution of no objection for the proposed housing development at the southwest corner of Ben White Boulevard and Montopolis, in Austin, Texas.

The proposed development will be a mixed-income apartment community for working families in a location that is very accessible to both downtown Austin, as well as secondary south Austin job centers. The design includes several garden style buildings situated around a community clubhouse and pool, which will include administrative offices, a fitness center, and a community room for use by the residents. The proposed development contains 80 one-bedroom, 144 two-bedroom, and 36 three-bedroom units to serve a range of household sizes. Within that unit mix, there are units for households at 40% MFI and below, 50% MFI and below, 60% MFI and below, 65% MFI and below and 70% MFI and below, thereby also creating diverse mixed income community.

The development site has excellent access to downtown Austin and other South Austin job centers both via car and by public transportation. Specifically, this site is less than 6 miles from downtown Austin, and 1 mile from the intersection of IH-35 and Ben White which is the home to more than 17,000 jobs within a 1-mile radius. There is a bus stop located at this site that offers high frequency service to the University of Texas campus, and downtown Austin. Both these routes travel through the Riverside and Pleasant Valley intersection which is a proposed stop of the future Blue Line as conceived by Cap Metro in its Project Connect initiative. There is also a large HEB Grocery Store and extensive other retail establishments at the intersection Riverside and Pleasant Valley.

Thank you for your time and consideration of this request. Please do not hesitate to contact me with any questions or for additional information.

Sincerely,



Will Cureton
President
Richman Southwest, LLC

REQUEST FOR CITY OF AUSTIN RESOLUTIONS & OTHER REQUIREMENTS
for
2020 4% Low Income Housing Tax Credits

This is the Application for developers requesting resolutions (Requestors) required by the Texas Department of Housing and Community Affairs for 4% Low Income Housing Tax Credit applications in 2020. **This form and all attachments will be considered on a rolling basis on the first business day of each month.** All resolutions being requested are subject to approval by the Austin City Council.

1. Resolutions. Please indicate each applicable resolution requested from the City of Austin.

_____ Resolution of No Objection from the Local Governing Body (will be provided to all Requestors completing this form and providing all attachments)

_____ Twice the State Average Per Capita (will be provided to all Requestors completing this form and providing all attachments)

_____ One-Mile/Three-Year Rule

_____ Limitations on Developments in Certain Census Tracts

_____ Development is located within a census tract that has a poverty rate above 40% for individuals (the development must meet criteria outlined in section 4 below, Preference Criteria)

2. Application Requirements. For the Resolution request to be considered, please certify this Application and include the following information in the Application PDF:

- 1) Please complete the Project Summary Form (Excel) and attach it as a PDF to the Application behind the appropriate tab. [The Project Summary Form is available on NHCD's website.](#)
- 2) S.M.A.R.T. Housing Certification Letter. Applications for S.M.A.R.T. Housing certification go through a separate review process. For more information on the [S.M.A.R.T. Housing Program](#), email Sandra Harkins, Project Coordinator, at sandra.harkins@austintexas.gov.
- 3) Provide an aerial map indicating the Development's location and the distance a resident would have to walk on a paved surface to get to the nearest transit stop. Attach the map to the Application behind the appropriate tab.
- 4) Provide a **flood plain map** generated by www.ATXFloodPro.com with the property parcel identified and the legend displayed showing the various types of FEMA Flood Plain zones, if any. Attach the map to the Application behind the appropriate tab.
- 5) Provide information about the Developer's experience and development history. Attach this information to the Application behind the appropriate tab.

3. Preference Criteria. In order to receive a Resolution acknowledging that the development is located in a census tract with a poverty rate above 40% and authorizing the development to move forward, a development must meet **one of the following criteria. If applicable, please select one:**

- 1) The development is located in a High Opportunity Area, [according to the City of Austin RHDA/OHDA Application Map Series](#).
 - 2) The development is located in a Gentrification area, [according to the City of Austin RHDA/OHDA Application Map Series](#) (all tracts but “susceptible” are eligible).
 - 3) The development is located within 0.5 miles of an Imagine Austin Center/Corridor or a Mobility Bond Corridor, [according to the City of Austin RHDA/OHDA Application Map Series](#).
 - 4) The development will meet the TDHCA definition requirement for Supportive Housing.
 - 5) 20% of the units in the development will be dedicated to the local Continuum of Care.
- 5) **How to Submit.** Applications should be sent by email to Patrick Russell at patrick.russell@austintexas.gov. **Please include the PDF with all the incorporated attachments and please include the excel version of the Project Summary as well.** If Requestors are unable to submit by email, Applications may be submitted to Neighborhood Housing and Community Development, 1000 East 11th Street, 2nd Floor, Austin, TX 78702 to the attention of Patrick Russell. For more information, contact Patrick Russell at 512-974-3141 or by e-mail at patrick.russell@austintexas.gov.

ALL APPLICATIONS WILL BE CONSIDERED
ON A ROLLING BASIS ON THE FIRST
BUSINESS DAY OF EACH MONTH.

Development Name: _____

The undersigned hereby certifies that the information provided in this Application, including all attachments and supporting materials, is true and correct under penalty of law, including Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and is subject to criminal penalties as defined by the State of Texas. The undersigned also affirms understanding of Texas Government Code Chapter 552, Public Information Act, which gives the public the right to access government records through public information requests, and acknowledges that this submitted Application will be treated as a government record.

Applicant (Entity Name) to TDHCA

Authorized Representative Signature

Will Curston

Authorized Representative Printed Name

Authorized Representative Title

Date

Attachment 1 - Project Summary

(please insert a PDF of the Excel Project Summary Form)

Project Summary Form

1) **Project Name** 2) **Project Type** 3) **New Construction or Rehabilitation?**

4) **Location Description** (Acreage, side of street, distance from intersection) 5) **Mobility Bond Corridor**

6) **Census Tract** 7) **Council District** 8) **Elementary School** 9) **Affordability Period**

10) **Type of Structure** 11) **Occupied?** 12) **How will funds be used?**

13) Summary of **Rental Units by MFI Level**

Income Level	Efficiency	One Bedroom	Two Bedroom	Three Bedroom	Four (+) Bedroom	Total
Up to 20% MFI						0
Up to 30% MFI						0
Up to 40% MFI		4	7	2		13
Up to 50% MFI		4	7	2		13
Up to 60% MFI		52	94	23		169
Up to 80% MFI		20	36	9		65
Up to 120% MFI						0
No Restrictions						0
Total Units	0	80	144	36	0	260

14) Summary of **Units for Sale at MFI Level**

Income Level	Efficiency	One	Two	Three	Four (+)	Total
Up to 60% MFI						0
Up to 80% MFI						0
Up to 120% MFI						0
No Restrictions						0
Total Units	0	0	0	0	0	0

15) **Initiatives and Priorities** (of the Affordable Units)

Initiative	# of Units	Initiative	# of Units
Accessible Units for Mobility Impairments	26	Continuum of Care Units	0
Accessible Units for Sensory Impairments	6		

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

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

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

Sources	
Debt	34,550,435
Third Party Equity	16,354,041
Grant	
Deferred Developer Fee	1,384,295
Other	
Previous AHFC Funding	-
Current AHFC Request	-

Uses	
Acquisition	6,210,359
Off-Site	
Site Work	3,336,146
Sit Amenities	
Building Costs	28,508,880
Contractor Fees	
Soft Costs	3,683,500
Financing	4,764,789
Developer Fees	5,785,097

Total \$ 52,288,771

Total \$ 52,288,771

Attachment 2 – S.M.A.R.T. Housing Certification Letter

(S.M.A.R.T. Housing Certification Letter. Applications for S.M.A.R.T. Housing certification go through a separate review process. For more information on the [S.M.A.R.T. Housing Program](#), email Sandra Harkins, Project Coordinator, at sandra.harkins@austintexas.gov)



City of Austin

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

Neighborhood Housing and Community Development Department S.M.A.R.T. Housing Program

November 14, 2019

S.M.A.R.T. Housing Certification

Richman Southwest Development LLC – 6017, 6109 and 6125 E Ben White Blvd Svrđ EB – (ID 681)

TO WHOM IT MAY CONCERN:

Richman Southwest Development LLC (contact Will Cureton; ph: 972.672.2300; email wcureton@ascensiondev.com) is planning to develop a **260 unit**, multi-family development at 6017, 6109 and 6125 E Ben White Blvd Svrđ EB, Austin TX 78741 (TCAD Property ID# 291884, 291885 and 291886). The project is subject to a minimum 5 year affordability period after issuance of certificate of occupancy, unless project funding requirements are longer. The development will comply with rents that are established annually by Neighborhood Housing and Community Development (NHCD), unless funding requirements are more restrictive.

Neighborhood Housing and Community Development (NHCD) certifies the proposed project meets the S.M.A.R.T. Housing standards at the pre-submittal stage. The development will reserve **7% (18)** of the units to households at or below **40% MFI**, **3% (8)** of the units to households at or below **50% MFI**; **86% (224)** of the units to households at or below **60% MFI** and **4% (10)** of the units to households at or below **80% MFI**. The development will be eligible for **100%** waiver of all fees listed in the Land Development Code, Chapter 25-1-704, as amended or other fees waived under a separate ordinance. All other expected fee waivers include, but are not limited to, the following fees:

AWU Capital Recovery Fees	Concrete Permit	Mechanical Permit
Building Permit	Electrical Permit	Plumbing Permit
Site Plan Review	Subdivision Plan Review	Zoning Verification
Construction Inspection	Parkland Dedication Fee	Land Status Determination
Demolition Permit Fee	(by separate ordinance)	Building Plan Review
	Regular Zoning Fee	

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

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

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

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

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

Please contact me by phone 512.974.3128 or by email at Sandra.harkins@austintexas.gov if you need additional information.

Sincerely,



Sandra Harkins, Project Coordinator
Neighborhood Housing and Community Development

Cc: Rosa Gonzales, AE

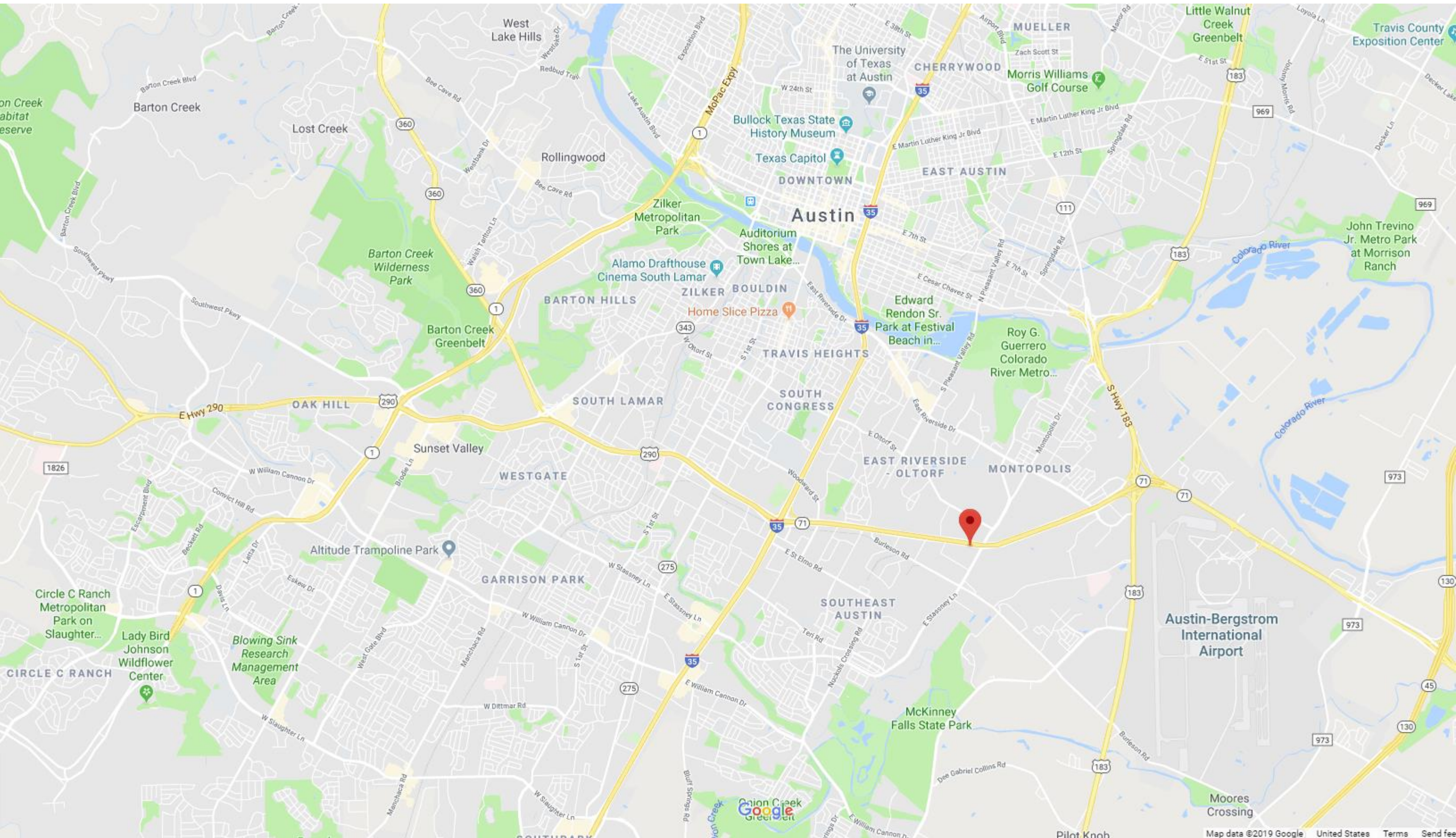
Jonathan Orenstein, AWU

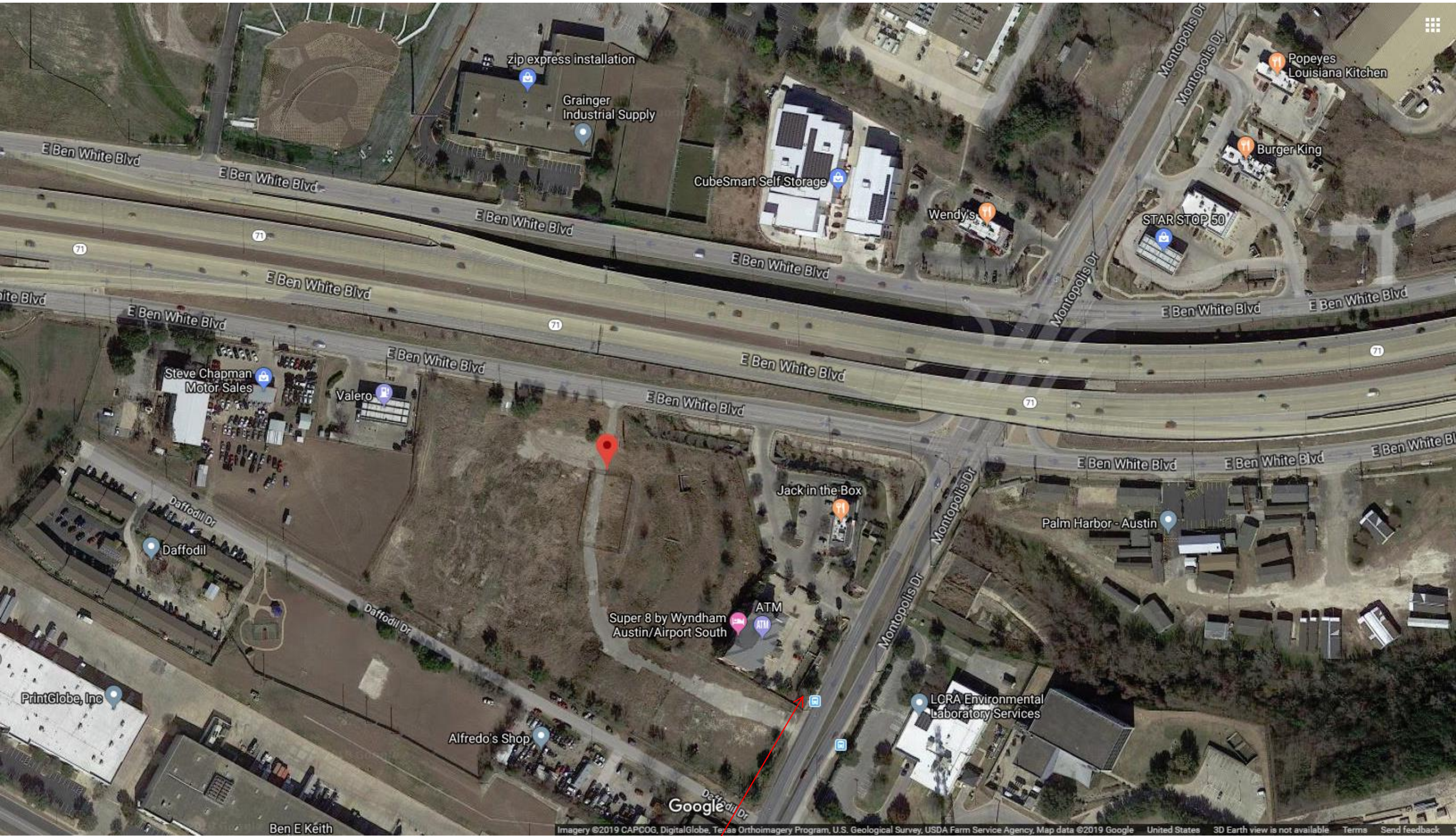
Mashell Smith, ORS

Attachment 3 – Map and Nearest Transit Stop

(please insert a map indicating the property location and the distance a resident would have to walk on a paved surface to get to the nearest transit stop)

8.8 Acres at SWC of Ben White (Hwy. 71) and Montopolis, Austin, TX



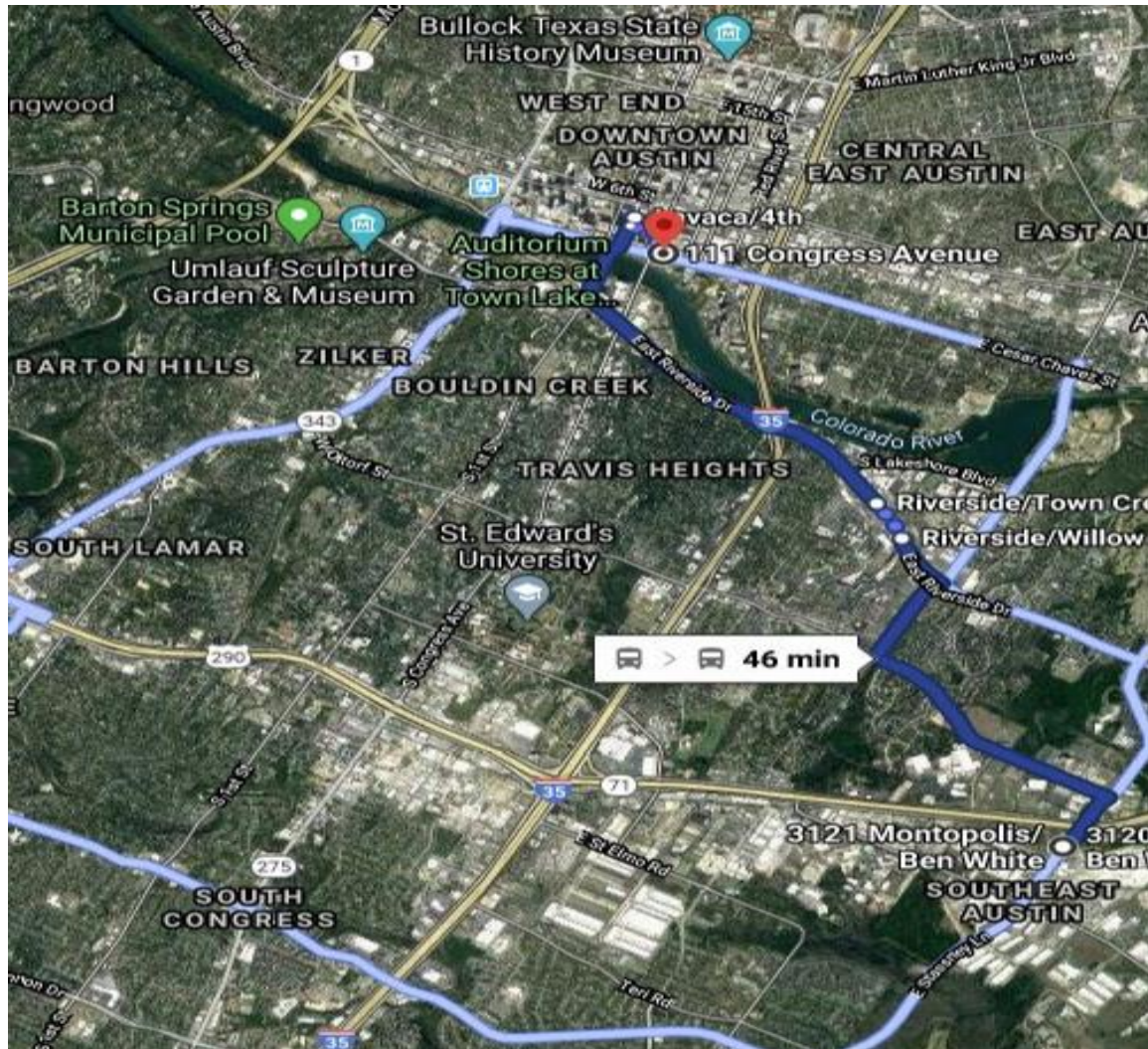


BUS STOP AT SITE

BUS ROUTES THAT SERVE SITE

The development site has excellent access to downtown Austin situated less than 6 miles from downtown Austin, and 1 mile from the intersection of IH-35 and Ben White which is the home to more than 17,000 jobs within a 1-mile radius. The site is also located 3.3 miles from the Austin-Bergstrom International Airport. There is a bus stop located adjacent to the site that offers high frequency service to the University of Texas campus, and downtown Austin. Both these routes travel through the Riverside and Pleasant Valley intersection which is a proposed stop of the future Blue Line as conceived by Cap Metro in its Project Connect initiative. There is also a large HEB Grocery Store and extensive other retail establishments at the intersection Riverside and Pleasant Valley (approx. 2 miles from the site)

Bus Route Montopolis to Central Business District (7AM Departure)



Bus Route Montopolis to Bergstrom International Airport (7AM Departure)



Attachment 4 - Flood Plain Map

(Please insert a map generated by www.ATXFloodPro.com with the property parcel identified and the legend displayed showing the various types of FEMA Flood Plain zones, if any)



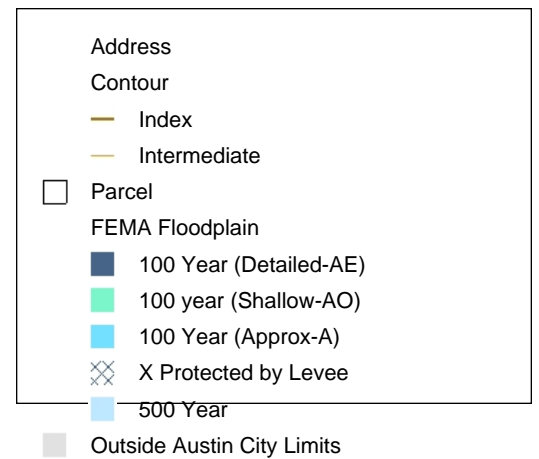
FEMA Floodplains

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

0 200 400 Feet



Prepared: 3/31/2020



Attachment 5 - Developer's Experience and Development Background

(Please provide resumes and/or detailed narratives of the Development members' relevant experience, especially as it pertains to LIHTCs and affordable housing, and please provide a development experience summary, including the property names, their locations, number of units developed, populations served, years of placement in service, and the financing structures)

The Richman Group of Companies

The Richman Group of Companies (“TRG”) was founded by Richard Paul Richman in 1987 to syndicate and develop affordable housing. Over the past 30+ years, TRG has successfully completed over 155 high-quality affordable, mixed income, and market rate housing developments in the United States with 12 additional projects under development. Total development costs TRG’s completed and under development projects is in excess of \$7billion. As of 2016, The Richman Group is the 7th largest multi-family owner in the U.S., and included on Multifamily Executive's 2016 Top 50 Owner's List, an achievement built on a foundation of outstanding affordable housing developments. Including investment, TRG holds approximately 1,500 developments, 115,000 units representing over \$20 Billion in development costs.

The Richman property portfolio is located in 49 states, Washington, DC, Puerto Rico, Guam, and Saipan. In addition to being one of the nation's largest affordable housing participants, today the firm is an active developer of top market rate and affordable rental apartments in Florida, California, Texas, Colorado and the Northeast. Its staff has the expertise in-house to execute all phases of the businesses: land acquisition, process governmental approvals and entitlements, design and construct properties, arrange equity and mortgage financing for itself and its clients, and conduct long-term asset and property management.

TRG, through its 12 offices located nationally, conducts a wide range of development, equity investment, mortgage financing, and asset management and property management activities. The Richman Group has a major presence in affordable housing sector nationwide. This is attributed to the strong private/public partnerships formed with local government officials and municipalities.

Our Development Approach

“ONE STOP SHOP”

As an affordable housing developer, TRG has been able to distinguish itself as a prominent provider of housing throughout the country by establishing a “ONE STOP SHOP” business model.

The philosophy is to efficiently streamline the development and management process by vertically integrating development, financing, and management of a project. In utilizing this platform, The Richman Group has been able to successfully expedite the development process; and thus, introduce new housing units to communities in desperate need of new development within a short period time.

The “one-stop shop” model, as it’s structured, is to provide TRG with a competitive advantage in the industry, especially as it relates to affordable housing development. From day one, TRG will

engage its experienced development team including architects, project managers, engineers, entitlement professionals, attorneys, geotechnical engineers, design consultants (interior designer), mortgage and investment bankers, and property/asset managers. This will create an atmosphere in which all the development team members will communicate and interact effectively with one another to successfully achieve our partners' objectives and meet the project goals.

For instance, prior and during development, TRG's in-house Investment Banking division will work simultaneously with lenders to successfully help structure the debt and LIHTC equity syndication. Upon completion of the development, Richman Property Services (RPS) and Richman Asset Management (RAM) team will coordinate with other members of the development team to effectively implement a lease up strategy and the transition of handing over the project's daily operation. We pride ourselves in our "One Stop Shop" model, and we believe this model is the catalyst in providing the state-of-the-art affordable housing developments to the communities in which we serve.

Executive Leadership

Richard P. Richman

Founder and Chairman



Mr. Richman is the Chairman of The Richman Group, Inc., which he founded in 1987. A respected leader and speaker in the field of housing and urban development, he has been interviewed on ABC's Nightline and National Public Radio. Richman was a founder of the Affordable Housing Tax Credit Coalition, one of the country's leading advocacy groups for affordable housing, and has served as its President and Chairman of the Board. Richman is a member of the Dean's Council of Columbia Law School, the Board of Overseers of the Columbia University Graduate School of Business, the University of Pennsylvania's Urban Research Institute and has been a member of the University of Pennsylvania Parents' Leadership Board. In addition to numerous honors and awards, The National Housing Conference recognized him as "Developer of the Year."

Richman graduated from the Columbia University Law School with a Juris Doctor (JD) degree, the Columbia University Graduate School of Business Administration with a Master of Business Administration (MBA) degree, and Syracuse University with a Bachelor of Arts (BA) degree in Political Science.

Development Leadership

Kristin Miller

President

The Richman Development Corporation



Kristin M. Miller, President of The Richman Group Development Corporation where she oversees the development activities of the company including site selection, construction and lease-up. Ms. Miller oversees the four development offices located throughout the country which are responsible for all ground up development as well as acquisition rehabs. Under Ms. Miller's leadership the company has developed 16,500 units of housing. She has the full breadth of experience in all segments of rental housing including market rate, mixed-used and mixed-income as well as affordable rental housing. She has worked with the myriad of funding sources including LIHTC, tax exempt bonds, CDBG, HOME, FHLB, HOPE VI, SHIP and various state

programs. Prior to working with The Richman Group, Miller was the Housing Coordinator for Westchester County Planning Department, N.Y., where she administered the county's housing funds. In this capacity, Miller worked closely with community organizations, developers, the business community and elected officials in developing policies and programs for the creation of affordable housing opportunities throughout Westchester County. Earlier, Miller served for four years as Project Manager for a multidisciplinary planning consulting firm.

Miller received a Master's degree in Urban and Regional Planning from the University of North Carolina and a BS in Political Science from Pace University.

Will Cureton

President

Richman Southwest Development



Will Cureton, President of Richman Southwest Development leading The Richman Group's development business throughout Texas and Colorado. Richman Southwest is specifically geared toward finding, financing and developing new and redeveloped luxury rental properties. Mr. Cureton is a 30-year+ veteran real estate developer and businessman. Prior to Richman Southwest, Mr. Cureton co-founded CLB Partners. The company's developments totaled more than \$600 million under his direction. Prior to CLB Partners, Cureton served as Chief Operating Officer of Columbus Realty Trust, directing the Dallas-based self-administered and self-managed REIT in becoming the market leader in the development of residential communities in the Uptown district of Dallas. Before his tenure at Columbus, Cureton was co-founder of Texana, a commercial real estate investment and property management company. Under his guidance as President and Chief Executive Officer the firm completed two major acquisitions totaling \$80 million during its first year of operations.

Cureton has been an active participant in The Real Estate Council for many years, having served as its Chairman, a member of its Advisory Board, as well as chairperson of its Associate Leadership Council. Furthermore, he formerly served on the Advisory Board for Frost Bank and on the Board of Directors for Ascendent Solutions. Cureton has also served as a member of the Board of CityHomes and is a past director of the Ferndale Club.

In addition to his business success, Mr. Cureton is known for his athletic accomplishments. Cureton was quarterback for the Cleveland Browns until he retired in 1976. Cureton received a Bachelor of Business Administration degree in Accounting from East Texas State University (now Texas A&M University-Commerce).

Property & Asset Management/Compliance

Brian Myers
President



Brian Myers is Executive Director of Richman Property Services, Inc. In addition to his role as head of the property management division, Myers is President of Richman Asset Management, Inc., which is responsible for the oversight of 1,100 low-income, tax-credit properties in 49 states, totaling over 80,000 units. Prior to joining the firm in 1997, Myers served as Vice President for Sentinel Real Estate Corp., one of the nation's premier multi-family pension fund advisors and property management companies. From 1989 to 1993, Myers was Senior Asset Manager at The Related Companies, where he managed a portfolio of 130 multifamily properties. From 1986 to 1988 he was employed as an associate in the Real Estate Lending Group at Chemical Bank.

Myers holds Bachelor of Science degrees in Economics and Applied Math from Stony Brook University and is a Certified Property Manager (CPM) from the Institute of Real Estate Management.

Theresa E. Davis
Senior Vice President



Theresa Eastwood Davis is Sr. Vice President of Richman Property Services, Inc., and responsible for the operation of the management of Richman's affordable properties nationwide. Theresa is an industry leader with over 20+ years of experience in property and asset management with an exceptional track record of success. As a leader, she provides exceptional property performance by hiring and developing top talent, builds winning and empowered teams that focus on the owner's objectives, provides outstanding customer service and meticulous asset preservation, skilled at in-depth financial analysis, and applies strategic planning and implements initiatives needed to position the asset and the organization for success. Theresa holds a nationally recognizable Certified Property Manager (CPM) designation, and she is a member at IREM, where she served as a chapter president in 2011.

TRG's Recent Development Experience

(A detailed list of prior developments is included as an attachment)

One East Harlem



The Richman Group brings extensive experience in developing complex and large-scale urban, mixed-use transactions on underutilized City owned land

Most recently, TRG broke ground on One East Harlem in partnership with The New York City Economic Development Corporation (“EDC”), New York City Housing Preservation and Development (“HPD”), The New York City Housing Development Corporation (“HDC”), and HOPE Community Inc and El Barrio Operation Fightback (Non-Profit Partners). TRG was designated as developer through and RFP process with The City of New York.

Project Description

Upon Completion, One East Harlem will consist of a 19-story mixed-use, mixed-income building located in East Harlem with frontage along 3rd Avenue between 125th and 126th Streets. When complete, the project will offer 404-units of mixed income housing for households earning up to 40% AMI, 50% AMI, 60% AMI, 80% AMI, 130% AMI, 145% AMI and a portion set-aside for market-rate tenants. The building will offer to all residents a comprehensive amenity package located on the 3rd floor including a state-of-the-art fitness center, club room, and landscaped terraces. There will be approx. 62,200 square feet of retail space with frontage on 125th Street, the main commercial corridor in Harlem. The retail will be anchored by a supermarket that will occupy approximately 45,000 Sq. Ft. of space on the ground level and 2nd floor. The remaining 17,000 square feet of ground level retail will be divided into smaller shop-like storefronts creating more of an intimate vibe along the ground level on 125th Street. The retail storefronts will transition into 10,000 square feet of open space that will include landscaped areas, a café, seating, and art features. The space will be open to the public and span east/west connecting 125th and 126th Streets. The project will also have 5,887 square feet of community/cultural space, which will be operated by a local non-profit dance studio. Groove with Me is a youth organization offering free dance classes, after school programs, and other performance opportunities to young inner-city women.

The above project description represents "Parcel B West" is the 2nd phase of a multi phased development pursuant to an RFP awarded to TRG by the City of New York. The overall development will encompass almost the entire square block of 125th and 126th Street between 2nd and 3rd Avenues and ultimately consist of approx. 953 mixed income-housing units and 175,000 square feet of retail space spread out across three phases.

10 years of Community Outreach/Local Hiring/MWBE

TRG has worked continually, for the past 10 years with the local East Harlem Development Project Task Force (TF). The TF was formed as the RFP was being drafted by EDC, where the TF gave input into the parameters of the RFP regarding community outreach and local impact. The TF is made up of local community board members, local and City-wide elected officials, and other civic leaders.

With TRG, the TF has the following inputs into the East 125th Street project:

Hiring- the TF sets MWBE and local hiring goals and hiring practices for construction and permanent hiring related to the East 125th Street project;

Culture- the TF suggests, reviews and in some cases funds cultural-related users of space in the East 125th Street project;

Local Retail- the TF helps locate local businesses who can use space in the East 125th Street project, and in some cases the TF helps with financing related to the businesses and respective expansion needs; and

Design Review- the TF offers input into design and sustainability measures, while it also sets minimum standards for sustainability.

Economics

With total Development costs of \$219,841,464, the Project includes the following financial sources:

Debt Financing

The project is financed under HDC/HPD's Mixed-Income M2 Program. During construction, HDC will issue a combination of taxable and tax-exempt bonds in the amount of approximately \$137.5MM on a draw down basis. The bonds will either be directly purchased or structured as a Back-to-Back loan in which case HDC would issue debt obligations in Lieu of a standard bond issuance. The tax-exempt portion will be in an amount sufficient to meet the 50% test on the LIHTC units (approx. \$24mm) and trigger the as of right 4% LIHTC. Upon stabilization, equity proceeds generated from LIHTCs will pay down the construction loan to the permanent period amount of approx. \$120.65MM.

The permanent 1st mortgage is anticipated to be a forward committed loan from Freddie Mac (3-4 year forward) with a term of at least 15 years and payments based on a 35-year amortization schedule (fixed interest rate). The Freddie Mac perm uses a risk share structure whereby HDC, a AA+/Aa2 rated entity, will utilize its balance sheet to take on the liability for a portion of any initial claims on the loan ("Top Loss" – percentages).

Subordinate Debt

During construction, the project will benefit from a subordinate loan from HDC in the amount of at least \$15MM (\$55,555 per affordable unit), a subordinate loan from HPD in the amount of \$33MM (\$122,222 per affordable unit), and a subordinate loan from City Council in the amount of \$3MM which will be administered by HPD.

Crescent Crossings – Bridgeport, CT



Crescent Crossings – Bridgeport, CT: Starting in 2015, affiliates of TRG working in joint-venture partnership including the local housing authority, began construction on the first phase of a multiphase redevelopment and revitalization effort of the former Father Panik Village public housing site located in Bridgeport, CT. Phase I, which contains 93 total units (33 of which are project based Section 8) completed construction on time and on budget and converted to perm financing in December 2017. Phase II of the project has 84 units and is also completed and stabilized. Phase II also operates with a project-based subsidy as well as offering units to moderate-income residents as defined by the state department of housing regulations. A third phase of the project is currently being contemplated, and if completed has the potential to bring the total number of units created to 258. Phase I and Phase II both utilized multi-layered financing structures that when combined, sourced funds from conventional construction to perm loans, tax exempt bond financing, 4% and 9% LIHTC equity, HOME and CDBG Funds, and various other sources including the local housing authority.

Overlook Village – Hartford, CT



Overlook Village – Hartford, CT: In July 2017, affiliates of TRG, through a JV partnership, closed on the first phase of the master redevelopment of the former Chester A. Bowles Park public housing project in Hartford, CT. As part of the redevelopment, all 59 buildings containing 410 units on the 62-acre site of the former public housing site were razed to make way for the planned mix of affordable and market rate rental units as well as a planned homeownership phase. Phase I of Overlook Village, when complete, contains 62-units of affordable housing, 19 of which will operate under a project-based subsidy targeted toward veterans. Phase II is under construction and when complete will consist of 43 housing units of which 38 will be affordable and the remaining 5 units unrestricted. Of the affordable units, 11 will operate with project based subsidy. Combined, Phases I and II will create over 100 units of rental housing, 95% of which will be affordable, targeting families making below 60% of AMI. Total development costs for both phases are estimated to be in excess of \$45,000,000 and will be financed with a combination conventional construction to perm financing, 9% LIHTC equity, and various other sources provided by state and local agencies.

Mulford Gardens – Yonkers, NY



Mulford Gardens – Yonkers, NY: From 2008-2011 affiliates of TRGCA completed a multi-phase redevelopment of the former Mulford Gardens public housing in Yonkers, NY which created 265 affordable units and utilized a combination of conventional construction and perm financing, 4% and 9% Federal LIHTC equity as well as NY State Tax Credit Equity, plus additional financing through the HOME program and various city, county and state agencies.