

AUSTIN HOUSING FINANCE CORPORATION
Application for G. O. Bond Financing for Homeownership Projects

Project Name: 807 Waller Ownership Project

Project Address: 807 Waller Street, Austin, Texas Zip Code 78702

Total number of units to be assisted with G.O. Bond Funds: One (1) Total number of units in project: One (1)

Project type: Predevelopment Acquisition Rehabilitation New construction

Amount of funds requested: \$100,000 Terms: Forgiveable 99-year loan

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).

Guadalupe Neighborhood Development Corporation

Name

813 East 8th Street

Street Address

Austin Texas, 78702 512-479-6275

City State, Zip Telephone #

Mark C. Rogers 512-479-6275 512-478-9949

Contact Person Contact's Telephone # Fax #

74-2247265

Federal Tax ID Number or SS#

The applicant/developer certifies that the data and exhibits contained comprising this application are true and correct. Unsigned/undated submissions will not be considered.

Guadalupe Neighborhood Development Corporation

Legal Name of Developer

Mark C. Rogers
Signature of Authorized Officer

Executive Director

Title

April 6, 2009
Date

2. For non-profit applicants/developers only, include copies of the following:
 - 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, phone numbers and email addresses of current board members
 - e. Certified financial audit for most recent year, which shall include the auditor's opinion and management letters
 - f. Board resolution approving the proposed project and authorizing the request for funding
3. **Project Description** – In one page or less, describe the project including the information listed below:

The 807 Waller Ownership Project ("the Project") will acquire a vacant parcel at 807 Waller Street in the Guadalupe Neighborhood, located just 4 blocks east of Austin's Central Business District. See the attached map for location. After acquisition GNDC will borrow approximately \$130,000 from a private lender and combined with approximately \$16,700 of its own funds will design and construct a single-family home with approximately 1,300 square feet, 3 bedrooms and 2 bathrooms.

The home will be marketed to 3-person households with an income at or below 60% MFI; 4-person households with an income at or below 55% MFI and 5-person household with an income at or below 50% MFI with the following priority:

1. Current GNDC tenants
2. Residents and former residents of East Austin
3. All other low-to-moderate households

There will be a 99-year affordability period in which the home, if sold, must be sold to a household that meets current qualifications as defined by HUD as having an income at or below 65% of the Austin MFI. The 99-year affordability period would renew upon each sale. If it is available, a community land trust will be used. GNDC may retain ownership hold the land in trust while leasing it for 99-year terms to the homeowner(s). Otherwise, GNDC will maintain ownership of the land and lease it to homeowner for a nominal amount. This will significantly reduce the property taxes the homeowner will have to pay.

Here is the financing scenario:

Sales Price Based on Appraisal \$250,000 (Land = \$100,000 & Improvement = \$150,000)

Project Costs

Land	\$100,000
Construction	\$130,000
Predevelopment & Soft Costs	\$16,700
Total Funds in Property	\$246,700

Mortgage Reduction	\$250,000 (Sales Price)
G.O. Bond forgiven after 99-years	-\$100,000
HOME Funds as Down Payment Assistance	-\$40,000

Buyer's Mortgage Amount	\$110,000
Terms: 5.5% for 30 years P & I =	\$625
Taxes monthly	\$250
Insurance monthly	\$50
TOTAL P.I.T.I	\$925

5-person household at 50% MFI annual income is \$39,600 / 12 = \$3,300 x .3 = \$990
 4-person household at 55% MFI annual income is \$40,150 / 12 = \$3,345 x .3 = \$1,004
 3-person household at 60% MFI annual income is \$39,600 / 12 = \$3,300 x .3 = \$990

The creation of affordable housing is consistent with the goals of the Central East Austin Neighborhood Plan.

This Project provides an extremely rare opportunity to provide ownership opportunity to a household with low to moderate income in the Central East Austin area; particularly in the Guadalupe Neighborhood adjacent to downtown Austin.

4. Site Control and Demonstration of Value

A current receipted sales contract evidencing earnest money, and a real estate appraisal with 4 or more comparables or current tax documentation that substantiates the value of the project. The appraisal or other documentation must indicate that the value of the project is at least 80% of the total debt including any new debt incurred if this loan were to be made.

***See attachments.**

5. Zoning

Include a letter from the City of Austin’s Watershed Protection and Development Review Department (WPDR) 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 WPDR. Should the project receive funding approval, appropriate zoning must be in place prior to execution of loan documents.

***Pending.**

6. S.M.A.R.T. Housing™

Include letter that indicates the project has been reviewed and meets all S.M.A.R.T. Housing requirements.

7. Development Team

Identify the entities anticipated to be involved in implementing the project including lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any entity 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 a non-profit entity.

	Name(s) & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non- profit? (Mark X if Yes)
Owner	Guadalupe NDC			X
Developer	Guadalupe NDC			X
Architect	TBD			
Engineer	N/A			
Construction Lender	TBD			
Other Lenders	Guadalupe NDC			X
Attorney	Ignacio Treviño/ Texas RioGrande Legal Aid			X
Accountant	Montemayor & Hill	X		
General Contractor	Saldana Homes Inc	X	X	
Consultant (if Applicable)	Austin Community Design & Development Center			X
Property Management Provider	Yolanda Aleman-Limon/ Guadalupe NDC			X

8. **Development Schedule.** Complete the grid below. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	<u>May 15, 2009</u>
Environmental and/or historic review (AHFC)	<u>April 2009</u>
Securing and packaging project financing	<u>July 2009</u>
Construction Specifications and Cost estimates	<u>July 2009</u>
Construction Bids	<u>August 2009</u>
Construction Start	<u>September 2009</u>
Anticipated Draws (list all)	<u>May 15, 2009</u>
End/ Completion of Construction	<u>April 2010</u>
Marketing and Sales	<u>September – Dec. 2009</u>
Project Completion (i.e., all homes conveyed to low to moderate income buyers)	<u>April 2010</u>

9. **Experience and Qualifications – Homeownership Development**

- a. Is this the developer's first housing project? Yes No
- b. Is this the developer's first *affordable* housing project? Yes No
- c. Completed projects (complete table below):

COMPLETED PROJECTS BY APPLICANT				
Address	Number of Units	New or Rehab	For Rent or Ownership	Year Completed
Inks Avenue Conversion Project	7	Rehab	Homeownership	1984
Guadalupe Conservation Project	10	New	Rental	1984
Revolving Loan Repair Program	48	Rehab	Ownership	1984-85
Sykes Relocation Project	4	Rehab	Rental	1985
Guajardo Estate Project	3	Rehab	Rental	1989
Consortium Project	2	Rehab	Rental	1991
Good Neighbor Project	4	Rehab	Homeownership	1992-present
Major Exterior Rehab Project	16	Rehab	Rental	1993-94
Major Interior Rehab Project	18	Rehab	Rental	1995-96
Montopolis Lease-to-Own Project	6	Rehab	Homeownership	1995-99
Brook House & Brook Bungalow	2	Rehab	Rental	1997 & 1999
Garcia Home	1	Rehab	Rental	1999
Guadalupe Area Infill Project	17	New	Homeownership	2000-2004
Guadalupe HIP 1999	2 & 3	New/Rehab	Rental	1999-2003
Guadalupe HIP 2000	4	New	Rental	2001
1008 Brass	1	Rehab	Rental	2002
1009 East 10 th Street	1	Rehab	Rental	2004-05
RHDA 7-Unit Rental Project	7	New	Rental	2005-07
La Vista de Guadalupe	22	New	Rental	2007-08

- d. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement the proposed project.

The Developer, GNDC, has extensive experience with single-family development with project developing from one to nine units. During the past three years, GNDC has gained experience with multi-family development, having completed its first apartment project in September 2008. Davis-Bacon regulations were followed for that project. This is a one unit project, as such, Davis-Bacon and other Federal Labor Standards will not apply. There is no relocation because the site is vacant.

10. Detailed Project Budget - Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary to detail the specific funding being requested. Delineate all prior and currently requested A&D funding by individual line item.

DETAILED PROJECT BUDGET				
	Total Project Cost	Prior A&D Funds Used in Project	A&D Funds Being Requested	Description
PREDEVELOPMENT				
Appraisal	\$400			
Environmental Review				
Engineering				
Survey				
Architectural	\$3,000			
TOTAL PREDEVELOPMENT	\$3,400	\$0.00	\$0.00	
ACQUISITION				
Site and/or Land			\$100,000	
Structures				
Other (specify)				
TOTAL ACQUISITION	\$100,000	\$0.00	\$100,000	
CONSTRUCTION				
	\$130,000			Approx. 1300 sf @ \$100/ft
Infrastructure				
Site work				
Demolition				
Concrete				
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	\$5,000			
TOTAL CONSTRUCTION	\$135,000	\$0.00	\$0.00	

SOFT & CARRYING COSTS				
Legal	\$0			
Audit/Accounting	\$100			
Title/Recording	\$1,000			
Architectural (Inspections)	\$0			
Construction Interest	\$1,500			
Construction Period Insurance	\$350			
Construction Period Taxes	\$350			
Relocation	\$0			
Marketing	\$0			
Davis-Bacon Monitoring	\$0			
Developer Fee	\$5,000			
TOTAL SOFT & CARRYING	\$8,300			
TOTAL PROJECT BUDGET	\$246,700			

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

- a. **Sources and Uses of Funds** – Complete Tables A & B below, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, letters of commitments, etc.).
- 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 A: SOURCES OF FUNDS SUMMARY					Intended Use of Fund (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity	N/A	N/A	\$16,700		Predevelopment, Soft & Carrying Costs
Private Financing (List Lenders Below)					
Mercy Loan Fund	18 month	6%	\$130,000		Construction
Other Sources (List Below)					
Proposed G. O. Bond Funds	99 years	0%	\$100,000	Sales contract	Acquisition

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$3,400	\$3,400
Acquisiton	\$100,000	\$100,000
Hard Costs	\$135,000	\$135,000
Soft & Carrying Costs	\$8,300	\$8,300
Other Costs	\$0.00	\$0.00
Total Project Costs	\$246,700	\$246,700

TABLE C: LEVERAGE SUMMARY	
TOTAL A&D G. O. BOND FUNDS	\$100,000
TOTAL OTHER FUNDS	\$146,700

12. Neighborhood Support

Include letters of support from all organizations registered with the City of Austin within the area of the proposed project.

See attachment.

13. Partnership with Non-profit entities

Include commitments from other non-profit organizations or a City of Austin-certified Community Housing Development Organization (CHDO) to partner on the project in some way.

See attachment.

14. Accounting Requirements

By submitting this application, the applicant/developer agrees to comply with all reporting, record keeping and on-going monitoring requirements applicable to G.O. Bond financing of the proposed project.

15. Anti-Lobbying Agreement

By submitting this application, the applicant/developer, its employees, representatives, or agents agree not to discuss the contents of the applicant/developer's application with any member of the Housing Bond Review Committee (HBRC) or staff of NHCD/AHFC (other than the designated Single Point of Contact) prior to HBRC's meeting to review all applications submitted.