

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

REVISED

JUN 15 2009

Project Name: Guadalupe-Saldana Affordable Homes Subdivision

Project Address: 7.018 acres, 50 x 138 & .179 acres & 2711, Goodwin Ave. & 1126 Tillery St. Zip Code 78721

Total number of units to be assisted with G.O. Bond Funds: 90 Total number of units in project: 90

Project type: Predevelopment Acquisition Rehabilitation New construction

Amount of funds requested: \$555,000 Terms: 99-year, deferred, forgivable 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

June 15, 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

***SEE "EXHIBIT A".**

3. **Project Description** – In one page or less, describe the project including the information listed below:
- a. In addition to providing an Itemized Development Budget/ Line Item Cost Breakdown through your response to Question 11, summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of all AHFC and/or G.O. Bond funds requested, amount and provider of other funding and the status of those commitments.
 - b. Location by street and/or legal address; please include an area map with properties clearly indicated.
 - c. Type of structure (multi-family or single-family), square footage, number and size of units.
 - d. If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.
 - e. Proposed homebuyers, including number and type of individuals to be served, and yearly income relative to all funding source requirements of 30%, 50%, 65% or 80% MFI.
 - f. Whether the project is occupied at the time of proposal submission.
 - g. Compatibility with current Neighborhood Plan (if applicable) and letters of neighborhood support.

***SEE "EXHIBIT B".**

4. **Site Control and Demonstration of Value**

Include evidence of site control such as warranty deed or current receipted sales contract evidencing earnest money, and provide 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 "EXHIBIT C".**

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.

***Supplied previously.**

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.

***SEE "EXHIBIT D".**

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-Saldana Affordable Homes, L.P. & Guadalupe Neighborhood Development Corp.	X	X	X
Developer	Guadalupe Neighborhood Development Corp.			X
Architects	Hatch, Ulland & Owen; Hailey Group; KRDB, Momentum Studio			
Engineer (Pre-Design)	Raymond Chan & Associates	X		
Engineer (Design)	Jones-Carter			
Engineering (MEP)	Bothne Engineering			
Construction Lender	TBD			
Other Lenders	Enterprise Community Partners			X
Grant Funding	Kresge Foundation			X
Grant Funding	Enterprise Community Partners			X
Grant/Donation Funding	City of Austin Brownfields Program			
Grant/Donation Funding	Austin Energy			
Attorney	Debbie Ramirez, Graves Dougherty (Texas C-BAR)			X
Accountant	Montemayor, Hill & Company, P.C.	X		
General Contractor	TBD			
Consultant (Design & Planning)	Austin Community Design & Development Center			X
Consultant (Ecological Site Design)	University of Texas, Lady Bird Johnson Wildflower Center			X
Consultant (Rainwater Collection)	Sustainable Homesteads			
Property Management Provider	Guadalupe Neighborhood Development Corp.			X
Energy Modeling	Adam Pyrek Architects			
Energy Rater	Green Zone Homes			

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. Please be as precise as possible, narrowing dates by 15 day intervals.

	DATE(S)
Acquisition and/or holding	2005 – 2009 completed
Environmental and/or historic review (AHFC)	2008-09 in progress
Securing and packaging project financing	In progress
Construction Specifications and Cost estimates	In progress
Construction Bids (infrastructure)	April 2010
Construction Start (housing)	September 2010
Anticipated Draws (list all)	
A & E Design Work	Monthly August 2009 to May 2010
Site Work & Infrastructure	Monthly May 2010 to November 2010
Construction of Housing	Monthly September 2010 to December 2011
End/ Completion of Construction	December 2011
Marketing and Sales	Present to September 2010
Project Completion (i.e., all homes conveyed to low to moderate income buyers)	December 2011

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 N
- 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
2808 Gonzales Street	1	Acquisition	Rental	2004
RHDA 7-Unit Rental Project	7	New	Rental	2005-07
La Vista de Guadalupe	22	New	Rental	2006-08
1000 Lydia Street	1	Rehab	Rental	2009
904-B Lydia Street	1	New	Rental	2009

- d. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement and complete the proposed project. If this is the applicant's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.

GNDC plans to build the 90 units in phases. The 4-acre parcel at 1126 will be built with 30 single-family homes, probably in three phases, with approximately 10 homes in each phase. Sixty units will be constructed on the 7-acre site using the multi-family zoning currently in place. These sixty units will be comprised of a combination of 10 single-family type homes, 26 two-family (duplex) type units and 24 townhouse type units.

In this way it will be very similar to other projects that GNDC has completed over the past 25 years. The Project may trigger Davis-Bacon and other Federal Labor Standards. However, at this time no federal funds have been used on the project that would require Davis-Bacon. If Davis-Bacon were required, GNDC recently completed a multi-family project with Davis-Bacon requirements. Therefore, it would not a new experience.

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				
	GNDC Project Costs	Prior A&D Funds Used in Project	A&D Funds Being Requested	Description
PREDEVELOPMENT				
Civil Engineering	\$22,500		\$169,700	
Geotechnical (soils)			\$22,000	
Sustainable Design	\$16,500			
Architectural	\$12,300		\$288,000	Design of 14 unit types & repeat of designs (licensing). Includes MEP & Structural.
Landscape Architect			\$22,000	
Interior Design			\$1,800	
Energy Modeling	\$24,672			
Ecological Planning	\$21,000			
HERS Rater	\$15,000		\$1,500	
Environmental Review	\$131,991			Austin Brownfields donation
Survey	\$6,800			
Contingency			\$50,000	
SUB-TOTAL PREDEVELOPMENT	\$250,763	\$0.00	\$555,000	
TOTAL PREDEVELOPMENT	\$805,763			
ACQUISITION				
Site and/or Land		\$1,000,000		1126 Tillery- 4 acres
Land		\$110,000		2 lots *G.O. Bond Rental
Land	\$86,300			7.2 acres- Guadalupe-Saldana Affordable Homes
SUB-TOTAL ACQUISITION	\$86,300	\$1,110,000	\$0.00	
TOTAL ACQUISITION	\$1,196,300			
CONSTRUCTION				
Infrastructure	\$2,300,000			
Site work	\$450,000			
Demolition				
Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				

HVAC / Mechanical				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Solar Electric and Thermal Arrays	\$750,000			*Austin Energy Donation
New Construction	\$13,037,500			
Construction Contingency	\$400,000			
TOTAL CONSTRUCTION	\$16,937,500			
SOFT & CARRYING COSTS				
Legal	\$2,000			
Audit/Accounting	\$10,000			
Title/Recording	\$41,000			
Architectural (Inspections)	*			*Included in Predevelopment
Construction Interest	\$60,000			
Construction Period Insurance	\$20,000			
Construction Period Taxes	\$6,000			
Maintenance	\$3,000			
Marketing	\$3,000			
Davis-Bacon Monitoring				
Developer Fee	\$600,000			
TOTAL SOFT & CARRYING	\$745,000			
TOTAL PROJECT BUDGET	\$19,684,563			

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					
Guadalupe-Saldana Affordable Homes			\$86,300	Deeds	Acquisition
Guadalupe Neighborhood Dev. Corp.			\$33,772	Receipts	Soft Costs
Private Financing (List Lenders Below)					
TBD	TBD	TBD	\$16,187,500	TBD	Construction
TBD	TBD	TBD	\$600,000	TBD	Soft Cost
Other Sources (List Below)					
Enterprise Community Partners	Grant		\$105,000	Award	Predevelopment & construction
Enterprise Community Partners	24 month	0%	\$25,000	Loan Contract	Predevelopment
Kregse Foundation	Grant		\$100,000	Award	Predevelopment
Austin Energy	Donation		\$750,000	Letter/Budget	Construction
Austin Brownfields Redevelopment Office	Donation		\$131,991	Contract	Predevelopment
Prior G. O. Bond Funds	99-year	0%	\$1,110,000	Deeds/Contracts	Acquisition
Proposed G. O. Bond Funds	99-year	0%	\$555,000		Predevelopment

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$805,763	\$8,953
Acquisition	\$1,196,300	\$13,292
Hard Costs	\$16,937,500	\$188,194
Soft & Carrying Costs	\$145,000	\$1,611
Other Costs	\$600,000	\$6,667
Total Project Costs	\$19,684,563	\$218,717

TABLE C: LEVERAGE SUMMARY

TOTAL A&D G. O. BOND FUNDS	\$1,665,000
TOTAL OTHER FUNDS	\$18,019,563
LEVERAGE % – G.O. BOND FUNDS	8.5%

TABLE D: AFFORDABILITY DATA

	House Model One	House Model Two	House Model Three	House Model Four
Number of Bedrooms				
Square Footage				
Anticipated Sale Price				
Borrower Contribution				
Homebuyer Subsidy (List all sources separately)				
Total Principal Amount of Mortgage				
Anticipated Interest Rate				
Monthly Principal Amount				
Monthly Interest				
Estimated Monthly Taxes				
Estimated Monthly Insurance				
TOTAL Estimated PITI				

12. Neighborhood Support

*Included with previous applications.

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.

GNDC an owner, developer & partner on the project is a non-profit CHDO. Other non-profit partners include ACDDC, Labybird Johnson Wildflower Center, Enterprise Community Partners, and Kresge Foundation.

See “EXHIBIT E”

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 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 AHFC Board of Directors or their staff, 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.

EXHIBIT B

G.O. Bond Application – GNDC Guadalupe-Saldana Subdivision

\$555,000 Request for Predevelopment

a. KEY FINANCIALS

Cost \$1,196,300

- **Pre-Development - Pre-design Phase:** Enterprise Community Partners has provided GNDC with \$55,000 for planning and pre-design work, and an additional \$50,000 in a “Green Communities Grant” for sustainable design and construction. The Kresge Foundation has provided GNDC with a \$100,000 grant for pre-design work related to achieving net-zero energy in the affordable housing project. As of June 2009, pre-design work is nearly completed.

This has included four meetings with neighborhood organizations and two neighborhood-wide *charrettes*. In addition, a development team assembled on several occasions, including one full-day and one half-day *charrette*. These meetings were used to develop criteria for achieving a net-zero energy project, strategies for water quality controls, concepts for drainage, flood management, and a variety of other factors such as street types (public versus private), pros and cons of crossing the drainage easement, and fire department access to structures. Team members also performed energy modeling for the various house designs. See “ATTACHMENT 1” for a list of participants and team members.

Team members also met with key City Planning Department staff throughout the pre-design phase to assure minimal difficulty moving the subdivision site plan through the approval process. The result is that the site plan concept has the approval of key members of the Govalle Neighborhood Association, the Govalle-Johnston Terrace Neighborhood Plan contact team, and Planning Department, Austin Energy and Austin Fire Department staff are already familiar with it and ready to review actual designs and plans.

Simultaneously with the pre-design process, the Austin Brownfields Redevelopment Office (ABRO) completed environmental assessment of all 11 acres. The Texas Commission on Environmental Quality completed ground water testing on both the 7-acre and the 4-acre sites. And finally, the U.S. Environmental Protection Agency has begun the pre- and post-cleanup soil sampling.

Cost \$235,465

- **Pre-Development – Design Phase:** In April 2009, having developed a site plan concept that can be built and of which the neighborhood approves, GNDC solicited design proposals for engineering and architectural work from 3 engineering and four architectural firms. After reviewing the proposals, GNDC selected one engineering firm and negotiated fees that are acceptable to all four architects. Copies of the original proposals will be provided upon request. The total funding amount needed to complete predevelopment work is \$555,000.

There are several reasons G.O. Bonds are the best source for funding this phase of the development process.

1. It is not cost effective for an affordable housing project to finance pre-development work when the site plan and subdivision review and approval process will take approximately 9 to 12 months.

2. At this point in time, the Austin Housing Finance Corporation (AHFC) has invested only \$12,333 per unit in a 90-unit project that will provide maximum long-term affordability to households with extremely low to moderate-income levels. However, GNDC at this time has committed to only 33 affordable units. An additional investment of \$555,000 will increase AHFC's role to \$18,500 per unit. In exchange, GNDC agrees to restrict all 90 units to providing affordable housing at 80% MFI and below for ownership and 25 of the 32 rental units at 50% MFI or less. See Exhibit B, e for details.
3. Austin Energy has committed to provide solar arrays for 60 units, yet some of the funds must be vested in the project by September 30, 2010
4. Major grant sources have been used for other pre-development expenses totaling over \$200,000. Additional no-interest or low-interest sources are not available.

Cost \$555,000

- **Acquisition:** On August 2, 2005, the Guadalupe Neighborhood Development Corporation (GNDC) and Saldana Homes, L.L.P. acquired a 7.018 acre parcel and a .193 acre parcel of vacant land at a tax foreclosure sale for \$86,300. A legal partnership, Guadalupe-Saldana Affordable Homes, L.P. formed in October 2005 and the land was to this partnership.

In January and February of 2008, the GNDC used General Obligation Bond funds from the Austin Housing Finance Corporation (AHFC) to acquire a 50' x 138' parcel for \$20,000 and a .179 acre parcel for \$90,000 that are contiguous with the other previously acquired parcels.

On January 30, 2009, GNDC acquired a 3.998 acre tract at 1126 Tillery Street that is contiguous with an eastern section of the previously acquired land for \$1,000,000 using G. O. Bond funding.

Cost \$1,196,300

- **Construction:** Site work is estimated at \$450,000. The site has two factors contributing to more than usual site work requirements. One of these is that approximately 2/3 of the 7-acre site is a brownfield because of past unlicensed dumping. The other factor is created by much of the entire site being located in a City designated 100-year flood zone with a drainage easement in a critical water quality zone. These two factors mean the site work must include the removal of debris from the illegal dumping, a small portion of which is a hazardous material and also considerable grading needed to create proper drainage and a flood management area.

Infrastructure is estimated to cost \$2,300,000. This is based on recent costs for subdivision development, lowered slightly because the 7-acre site will be developed with single-family type structures under multi-family regulation. This allows for less costly private streets, walkways and other infrastructure. Also, natural gas will not be brought onto the site. The 90 units, therefore have been assigned an estimated infrastructure cost of \$30,556 each, including site work. Current single-family development of similarly sized subdivisions are costing between \$35,000 and \$40,000.

Construction costs at this time are being estimated at \$125 per square foot. This is higher than usual because the homes on the 7-plus acre tract are being design to be built to achieve a net zero energy use and thoe homes on the 4-acre tract (1126 Tillery) are being designed to be net zero energy capable. The average size unit is 1,160 square feet and the total square footage for all 90 units is 104,300 square feet. At a cost of \$125 per square foot, this provides an estimated hard construction cost of \$13,037,500.

Austin Energy is committed to donate solar electric and thermal arrays for 60 of the 90 units. These have an estimated value of \$750,000.

A construction contingency of \$400,000 is being considered.

It is anticipated GNDC will borrow private funds and seek public gap funding for construction of the rental units and federal funds for down payment assistance to home buyers for the ownership units.

d. **Existing Structures:**

There is one house on the 11-acre site, located at 1126 Tillery Street (on the 4 acres acquired this year). According to the Travis Central Appraisal District, the structure was built circa 1934. See attached TCAD document.

e. **Proposed Homebuyers & Renters:**

The goal is to have 65% of the units for sale to first-time homebuyers with incomes ranging from 40% to 80% of the Austin MFI.

58 Home Ownership Units- MFI Breakout:

25 homes at 60% to 80% MFI

25 homes at 50% to 60% MFI

8 homes at 50% MFI or less

32 Rental Units- MFI Breakout

7 Units at 50% to 60% MFI

15 Units at 30% to 50% MFI

10 Units at 30% MFI or less

f. **Project Occupancy Status:**

The one existing structure is occupied.

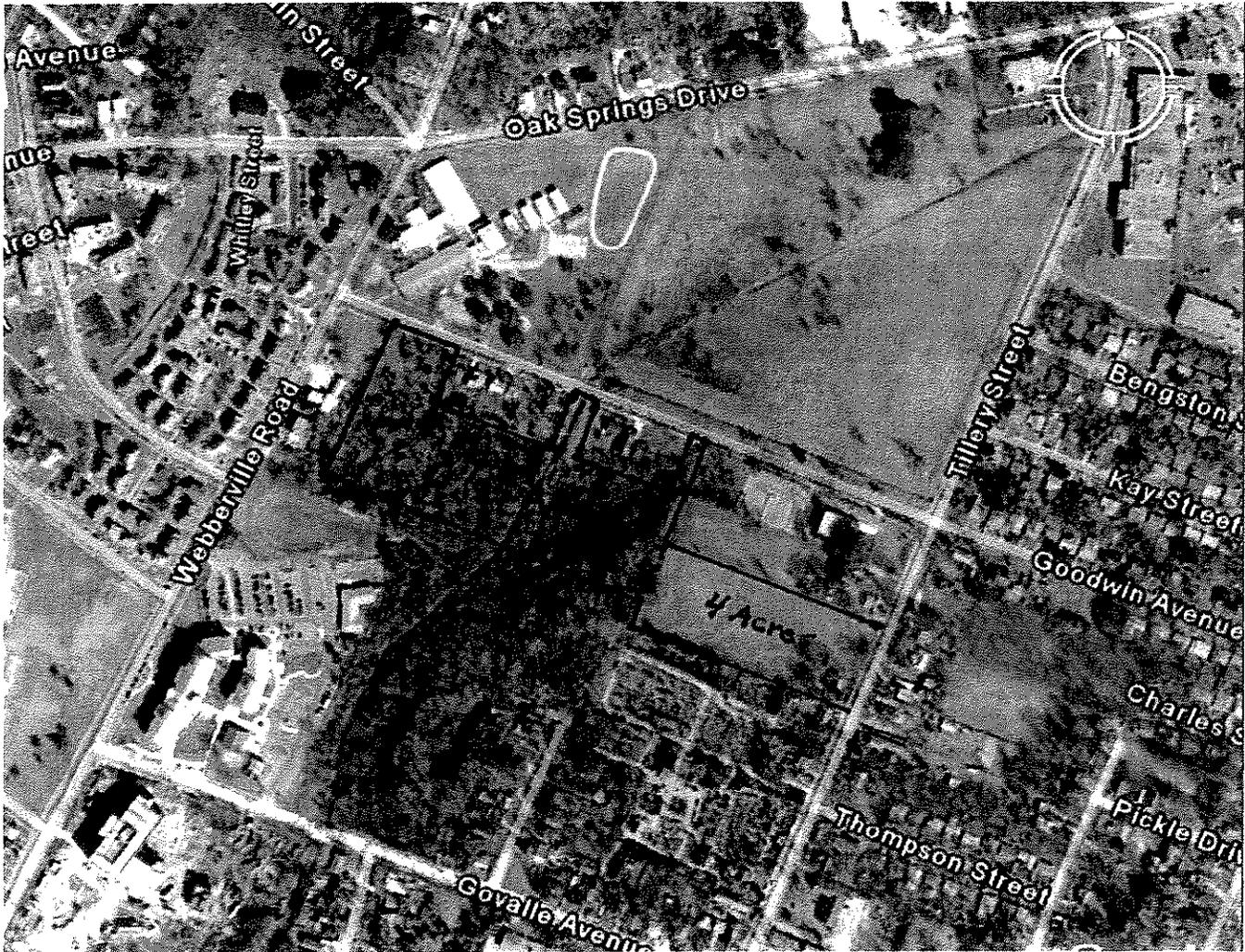
g. **Compatibility with Neighborhood Plan:**

The project is building in accordance with the zoning and uses adopted in the Govalle-Johnston Terrace Neighborhood Plan and it has the support of the Neighborhood Plan Contact Team, the Govalle Neighborhood Association and the Garden Neighborhood Association.

Cost \$16,937,500

TOTAL PROJECT COST \$19,684,563

b. Location:



c. Type of Structures:

There will be:

40 Detached single-family

24 Townhouse Units

14 Two-family (duplex) Units

12 Stacked Duplex Units