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RENTAL HOUSING DEVELOPMENT ASSISTANCE
Application for G. O. Bond Financing

Project Name: Lydia Alley Flat

Project Address: 904 Lydia, Austin, Texas Zip Code: 78702

No. of units: 1 Project type: Predevelopment Acquisition Rehabilitation New construction

Amount of funds requested: \$60,000 Terms: 0% Interest for 99-year term

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

I. 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

1000 Lydia 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 or Agent

Executive Director
 Title

November 2, 2007
 Date

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

3. **Project Description** – In one page or less, describe the project including the information listed below:

GNDC is requesting funding to assist with the construction of a new one-bedroom, secondary apartment on a property it currently owns at 904 Lydia Street. The project is part of an ongoing collaborative effort between GNDC and the University of Texas, School of Architecture's Center for Sustainable Design. The newly formed non-profit, Austin Community Design and Development Center is also assisting with this project. The goal is to produce a very affordable, highly sustainable, extremely energy efficient secondary apartment, or "alley flat" that can serve as a prototype for others throughout the Guadalupe target areas and Austin.

The total construction cost of unit is projected to be \$90,000, thus at a cost of approximately \$145 per square foot. Construction Plans and Specifications have been completed and initial bids have been received. The initial bids came in at over \$110,000, therefore value engineering and design changes are necessary to bring costs down to the target of \$90,000.

Funds from AHFC, in the amount of \$60,000, will be supplemented by \$30,000 in private donations. AutoDesk has already contributed \$15,000 for the project and a fundraising initiative is underway for the remaining funds \$15,000 needed for 904-B Lydia. GNDC is contributing land, and various predevelopment costs such as the land survey, and insurance. Design work and engineering have also been donated by both U.T.'s Center for Sustainable Design and the Austin Community Design and Development Center

The current address is 904 Lydia Street, Austin, Texas 78702 and the unit will very probably have an address of 904-B Lydia Street

The unit will be single-family and is permitted in the Central East Austin Neighborhood Plan as a secondary unit. The one-bedroom unit will have approximately 610 square feet and will be new construction.

The tenant household will have incomes at or below 30% of the Austin MFI. Seniors and persons with mobility disabilities will be given priority for this unit.

The unit will not be reserved for Section 8 families. However, it will be available for Section 8 voucher holders. Eligible tenants will be selected on a first-come, first-served basis.

The unit will be fully accessible for persons with mobility disabilities and will be adaptable for persons with hearing or sight disabilities.

- j. Compatibility with current Neighborhood Plan (if applicable).

The project complies with the Central East Austin Neighborhood Plan. The retention and creation of affordable housing is a goal expressed in the Central East Austin Neighborhood Plan (Goals 2, 7, 8 & 9).

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

Include evidence of site control such as warranty deed or current earnest money contract, and provide a real estate appraisal 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 Attachment.

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	1990
Environmental and/or historic review (AHFC)	TBD
Securing and packaging project financing	12/06/2007
Construction Bids	10/1/07
Construction Start	1/3/08
Anticipated Draws (list all)	2/18/08; 3/18/08; 4/30/08; 5/30/08; 6/30/08
End Construction	6/15/08
Start of Rent-up	6/16/08
Completion & Operation	7/1/08

9. **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.

- 0 Units adaptable for persons with mobility disabilities
1 Units accessible for persons with mobility disabilities
1 Units adaptable for persons with sight and hearing disabilities
0 Units accessible for persons with sign and hearing disabilities

10. **Experience and Qualifications – Rental Development and Property Management**

a. Is this the applicant's first housing project? Yes No

b. 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
Montropolis 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

- c. 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. Of particular importance is the developer's experience with successfully completing a) projects that triggered Davis-Bacon and other Federal Labor Standards, b) federally-funded projects involving temporary or permanent relocation of tenants, or c) projects involving the testing and appropriate treatment of Lead-based paint and/or asbestos, if the proposed project will involve any of those three dimensions. 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.

The Developer has extensive experience with single-family development with project developing from one to nine units. GNDC proposes to build one new alley flat on a site it already owns. As such, it appears Davis-Bacon and other Federal Labor Standards do not apply. There is no relocation, and the presence or use products containing lead or asbestos is not an issue.

- d. Indicate who will provide property management services. Provide documentation to demonstrate the entity's level of experience and track record in operating federally-funded properties of similar size.

GNDC will provide property management. It has been managing rental property for 25 years. Yolanda Aleman-Limon is the current manager. Ms. Aleman-Limon has been GNDC's property manager for four years and has many years experience with government funded projects.

Please see the attached resume.

11. Detailed Project Budget - Use the following table to provide a complete project budget. Add line item categories as necessary.

DETAILED PROJECT BUDGET		
	Cost	Description
PREDEVELOPMENT	N/A	
Engineering	\$1,000	Donated as in-kind services
Survey	\$375	
Architectural	\$4,800	\$4,000 donated as in-kind services
TOTAL PREDEVELOPMENT	\$6,175	All donated
ACQUISITION		
Site and/or Land	\$40,000	Already owned land's current market value by TCAD
TOTAL ACQUISITION	\$40,000	Average cost of \$144,375 per unit & \$150 per square foot.
CONSTRUCTION		
Site work	\$300	
Demolition/trash hauling	\$800	
Concrete foundation	\$11,000	
Rough carpentry	\$5,000	
Finish carpentry	\$3,100	
Waterproofing & Insulation	\$3,000	
Roofing & Sheet Metal	\$3,800	
Plumbing/Hot Water	\$8,700	
HVAC	\$6,500	
Electrical	\$5,100	
Doors/Windows/Glass	\$4,200	
Lath & Plaster/ Drywall & Acoustical	\$4,300	
Soft & Hard Floor	\$3,900	
Paint/Decorating/Blinds/Shades	\$7,500	
Specialties/Special Equipment	\$16,900	Solar panels, On-demand water heater
Cabinetry/Appliances	\$5,900	
Construction Contingency		
TOTAL CONSTRUCTION	\$90,000	

SOFT & CARRYING COSTS		
Legal		
Audit/Accounting	\$300	Pro rata
Architectural (Inspections)	\$500	Donated as in-kind services
Construction Period Insurance	\$1,000	
Construction Period Taxes		
Relocation		
Other: (Specify): 5.5% Developer Fee	\$8,025	Contributed by GNDC
TOTAL PROJECT BUDGET	\$146,000	

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

- a. **Sources and Uses of Funds** - See Tables A & B below.
- b. **Leveraging** - See Table C below.
- c. **Operating Pro Forma** - See Attached 20-year Pro Forma

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
GNDC's Developer Fee 5.5%	Fixed	5.5%	\$8,025		Soft cost
GNDC pre development & soft costs			\$3,475		Soft & Predevelopment
GNDC land value			\$40,000		Land
Private Financing (List Lenders Below)					
Other Sources (List Below)					
U.T. Center for Sustainable Design	Donation		\$30,000	Half received	Construction
Austin Community Design Dev. Center	In-kind		\$4,500		Predevelopment
Proposed RHDA Funds	100 years	N/A	\$60,000	Pending	Construction

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	\$6,175	\$6,175
Acquisition	\$40,000	\$40,000
Hard Costs	\$90,000	\$90,000
Soft & Carrying Costs	\$9,825	\$9,825
Total Project Costs	\$146,000	\$146,000

TABLE C: LEVERAGE SUMMARY

TOTAL RHDA FUNDS	\$60,000	41%
TOTAL OTHER FUNDS	\$86,000	59%

TABLE D: OPERATING PROFORMA

Number of Units of a given Unit Size	Unit Size	Monthly Income	Annual Income
One	1-bedroom	300	3,600
FULL OCCUPANCY ANNUAL INCOME			3,600
Less 3% Vacancy Loss			108
GROSS ANNUAL INCOME			3,492

Inflation Factor for Income	1.5
Inflation Factor for Expenses	3.0

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income	3,492	3,654	3,709	3,764	3,821
EXPENSES					
Utilities	60	62	64	66	70
Insurance	480	494	509	525	540
Maintenance/Repair	180	185	191	197	203
Property Taxes	400	412	424	437	450
Management	244	248	252	256	259
Marketing	0	0	0	0	0
Maintenance Reserve	360	371	382	393	405
Pest Control	48	49	51	52	54
Other (specify)					
TOTAL EXPENSES	1772	1822	1873	1925	1979
NET OPERATING INCOME (NOI)	1720	1722	1725	1726	1727
Sources of Funds & Debt Service					
AHFC \$60,000 0% for 99-years	606	606	606	606	606
TOTAL ANNUAL Debt Service (DS)	606	606	606	606	606
CASH FLOW AFTER DEBT SERVICE (CF = NOI - DS)	1113	1116	1119	1120	1121
DEBT COVERAGE RATIO (DCR = NOI/DS)	2.84	2.84	2.85	2.85	2.85

13. Neighborhood Support

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

	YR 11	YR 12	YR 13	YR 14	YR 15	YR 16	YR 17	YR 18	YR 19	YR 20	
	4,178	4,241	4,304	4,369	4,434	4,501	4,568	4,637	4,706	4,777	Gross Rental Income
	125	127	129	131	133	135	137	139	141	143	less vacancy
											Other Income
	4,053	4,113	4,175	4,238	4,301	4,366	4,431	4,498	4,565	4,634	EFFECTIVE GROSS INCOME (EGI)
											OPERATING EXPENSES:
	81	83	86	88	91	93	96	99	102	105	Utilities
	645	664	684	705	726	748	770	793	817	842	Insurance
	242	249	257	264	272	280	289	298	306	316	Maint. & Repairs
	538	554	570	587	605	623	642	661	681	701	Property Taxes
	284	288	292	297	301	306	310	315	320	324	Management Fee
	65	66	68	70	73	75	77	79	82	84	Pest Control
											Advertising
	484	498	513	529	545	561	578	595	613	631	Maintenance Reserve
	2,337	2,403	2,471	2,541	2,612	2,686	2,762	2,840	2,921	3,004	Subtotal Operating Expenses
											Resident Services
	2,337	2,403	2,471	2,541	2,612	2,686	2,762	2,840	2,921	3,004	TOTAL EXPENSES
	1,715	1,710	1,704	1,697	1,689	1,680	1,669	1,657	1,644	1,630	NET OPERATING INCOME (NOI)
											LESS DEBT SERVICE:
	606	606	606	606	606	606	606	606	606	606	1st Lien - 175,000 @ 6% f/ 20 yrs.
	606	606	606	606	606	606	606	606	606	606	RHDA Loan - 395,000 @ 0% f/ 20 yrs.
	1,109	1,104	1,098	1,091	1,083	1,074	1,063	1,051	1,038	1,024	CASH FLOW (CF)
	2.83	2.82	2.81	2.80	2.79	2.77	2.75	2.73	2.71	2.69	DCR (NOI/DS)
	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	ROI (CF/EQ)