

## Lowden Lane Apartments Request for Letter of No Objection

- 1. Please specify what is being requested from the City of Austin. Typically, the request will be either a letter from the City or a Council-approved resolution in support of a particular project.**

*The Applicant, Lowden Housing, LP, is requesting a "Letter of No Objection" for Lowden Lane Apartments, a proposed 2014 Tax-Exempt Bond Development.*

- 2. Attach a copy of the section(s) from the 2014 QAP showing the requirement of local government support and the form in which the letter or resolution should be composed.**

*The "Letter of No Objection" requirements are contained in Texas Government Code §2306.67071. Attached is a partially-completed draft Letter of No Objection for Lowden Lane Apartments meeting those requirements.*

### **For the request to be considered, the following information will be required:**

Address/Location of the proposed development:

*12701 Lowden Lane, Manchaca, Travis County, TX 78753*

*\*within the City of Austin's ETJ (Extraterritorial Jurisdiction)*

Census Tract Number:

*48453001772*

Type of Tax Credit or Bonds for which the applicant will apply (9%, 4%, At-Risk Set Aside, Non-Profit Set Aside; private activity bonds, 501(c)(3) bonds, etc.):

*4% Housing Tax Credits (2014 reservation)*

Detail on the proposed Sources and Uses for the project, including the amount of tax credits to be requested from TDHCA and/or the amount of bonds to be issued:

*See attached Sources & Uses Summary and Development Proforma*

Type of Development (New Construction, Rehabilitation, Acquisition/Rehabilitation, Replacement):

*New Construction*

Number of Units proposed by type (i.e. Single Room Occupancy, 1BR, 2BR, 3BR, etc.):

*Total: 192 Units*

*1 bd/1 ba: 48 Units*

*2 bd/2 ba: 96 Units*

*3 bd/2 ba: 48 Units*

Size of Units in square feet:

*1 bd/1 ba: 754 sf*

*2 bd/2 ba: 990 sf*

*3 bd/3 ba: 1149 sf*

Number and percentage of units by Median Family Income level:

*Low Income at 60% MFI: 192 Units, 100% of Development*

Number and percentage of units dedicated for tenants with Special Housing Needs, if any; specify the type of special needs to be served:

None (not required for 4% Developments)

A map showing the nearest transit **stops**, not just transit lines:

Current CapMetro bus routes extend southward to Slaughter Lane and a feeder bus route runs from Southpark Meadows. Attached is a map showing current transit stops within a 3-Mile Radius from the proposed Development site.

Specify Supportive Services, if any, to be provided to tenants:

Lowden Lane Apartments will provide the number and types of Tenant Supportive Services required by TDHCA for 4% Tax Credit Developments. The Applicant will work with their affiliated management company to develop a menu of services that would be most appropriate for the community.

Provide information about on-site amenities, if any (e.g. recreation facilities, computer lab, Wi-Fi); please be specific:

The clubhouse at Lowden Lane Apartments will include a furnished fitness center and separate yoga/pilates room, communal laundry center, party room with warming kitchen, library, and covered clubhouse porch.

Provide Developer's Experience and Development Background for past 10 years; include experience with Low Income Housing Tax Credits, if any; provide the names of the principal parties or staff to be involved in the proposed project:

See the attached Organizational Charts for Lowden Lane Apartments and Company Profiles for Strategic Housing Finance Corporation and AMTEX Multi-Housing.

## Draft Letter of No Objection for Lowden Lane Apartments

Whereas, **Lowden Housing, LP** has proposed a development for affordable rental housing of **192** units that will be located at **12701 Lowden Lane** in Manchaca, an unincorporated area of Travis County that lies within the extraterritorial jurisdiction (ETJ) of the **City of Austin**, and

Whereas, **Lowden Housing, LP** has submitted an application to the Texas Department of Housing and Community Affairs for **2014** Housing Tax Credits for **Lowden Lane Apartments**

It is hereby

RESOLVED, that in accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4), it is hereby found that:

1. Notice has been provided to the Governing Body in accordance with Texas Government Code, §2306.67071(a); and
2. The Governing Body has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the proposed Development; and
3. The Governing Body has held a hearing at which public comment may be made on the proposed Development in accordance with Texas Government Code, §2306.67071(b); and
4. After due consideration of the information provided by the Applicant and public comment, the Governing Body does not object to the proposed Application.

FURTHER RESOLVED, that the **City of Austin**, acting through its governing body, hereby confirms that it **has no objection to** the proposed **Lowden Lane Apartments** and that this formal action has been taken to put on record the opinion expressed by the **City of Austin** on **[date]**, and

FURTHER RESOLVED that for and on behalf of the Governing Body, **[name, position of authorized person]** are hereby authorized, empowered, and directed to certify these resolutions to the Texas Department of Housing and Community Affairs.

SOURCES USES SCHEDULE  
 LOWDEN LANE APARTMENTS  
 12701 LOWDEN LANE, MANCHACA, TRAVIS COUNTY, TEXAS

<b>CONSTRUCTION PERIOD</b>		
SHFC, Bonds:	\$	20,912,461
HUDSON, LIHTC Equity:	\$	1,475,767
AMTEX, Deferred Dev. Fee:	\$	2,475,553
TRAVIS COUNTY, CDBG Loan:	\$	500,000
<b>TOTAL SOURCES:</b>	<b>\$</b>	<b>25,363,851</b>
Project Costs at Construction Completion:	\$	25,363,851
<b>TOTAL USES:</b>	<b>\$</b>	<b>25,363,851</b>
<b>PERMANENT PERIOD</b>		
HUDSON, LIHTC Equity:	\$	7,378,837
CHASE, Permanent Loan:	\$	15,009,461
AMTEX, Deferred Dev. Fee:	\$	2,475,553
TRAVIS COUNTY, CDBG Loan:	\$	500,000
<b>TOTAL SOURCES:</b>	<b>\$</b>	<b>25,363,851</b>
Total Project Costs:	\$	25,363,851
<b>TOTAL USES:</b>	<b>\$</b>	<b>25,363,851</b>

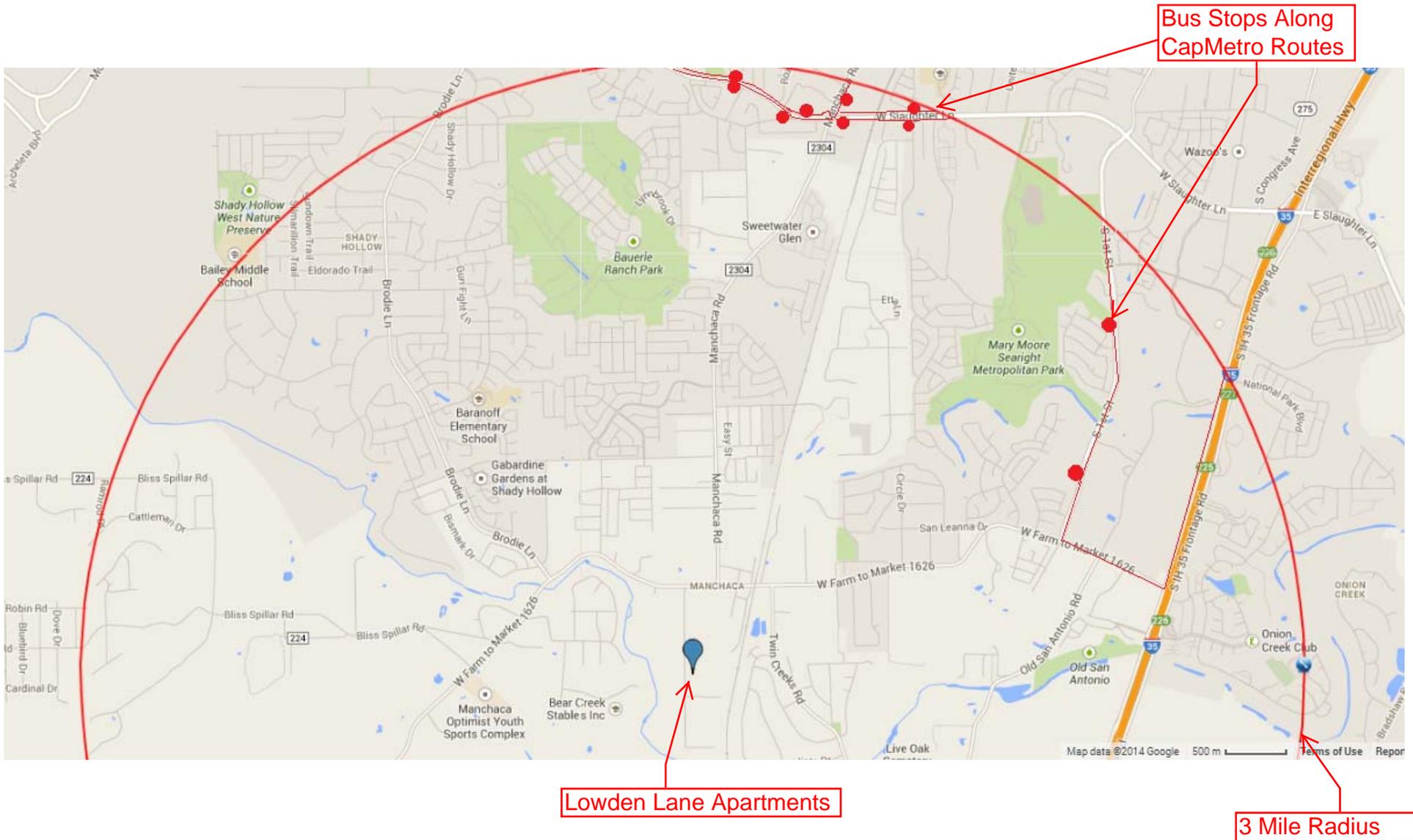
DEVELOPMENT PRO FORMA  
LOWDEN LANE APARTMENTS  
12701 LOWDEN LANE, MANCHACA, TRAVIS COUNTY, TEXAS

	Project	Basis	Non-Basis
<b>Acquisition</b>			
Land Cost or Land Value	1,140,000		1,140,000
Land Lease Rent Prepayment			
Land Closing Cost	29,535		29,535
Land Carrying Cost	147,740		147,740
Demolition			
Existing Improvements Value			
Off Site Development	1,200,000	1,200,000	
<b>New Construction</b>			
Sitework			
Onsites/Common Area	225,000	225,000	
Underground Garage			
Structures			
Rec Building/Room	150,000	150,000	
Direct Building Const.	13,080,000	13,080,000	
GC Contingency			
General Requirements	880,000	880,000	
Contractor Overhead	311,000	311,000	
Contractor Profit	931,057	931,057	
Commercial (non-basis)			
<b>Architectural Fees Design</b>			
Design	247,500	247,500	
Supervision			
Survey & Engineering	425,000	425,000	
Environmental Consultants	26,000	26,000	
Misc Consultants	30,000	30,000	
Soft Goods	15,000	15,000	
<b>Construction Interest and Fees</b>			
Constr'n Loan Origination Fee	269,124	269,124	
Constr'n Loan Interest Reserve	612,371	312,371	300,000
G. C. Credit Enhancement			
Bond Premium			
Closing Costs	40,000	40,000	
Legal	50,000	25,000	25,000
Property Taxes	38,175	38,175	
Insurance	109,051	109,051	
Title and Recording	110,000	110,000	
<b>Permanent Financing</b>			
Loan Origination Fee	75,047		75,047
Closing Fees & Reports	221,532		221,532
Legal	10,000		10,000
Credit Enhancement			
Property Taxes			
Insurance	50,000		50,000
<b>Legal Fees</b>			
Legal and Audit (Construction)	57,500	57,500	

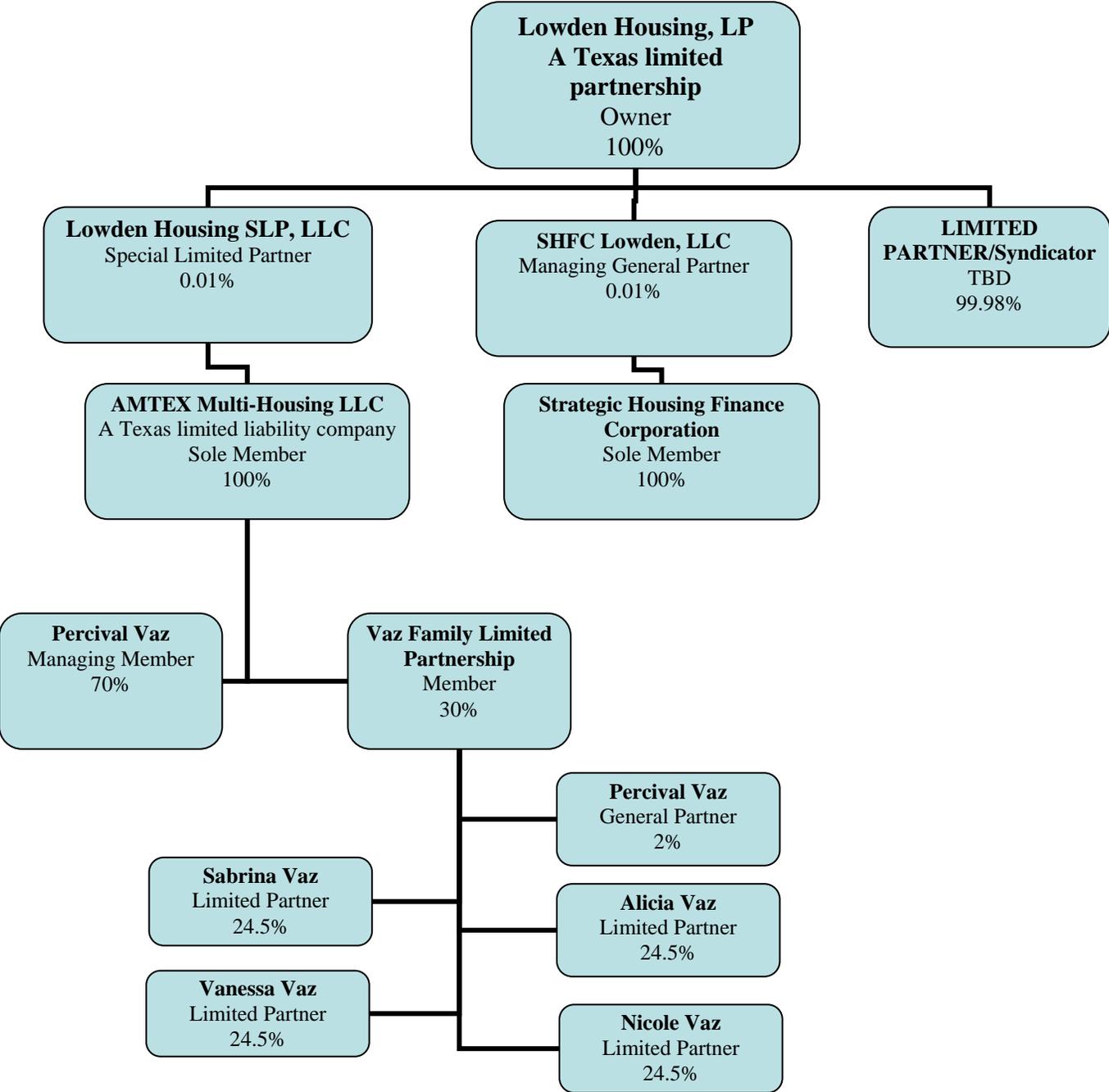
DEVELOPMENT PRO FORMA  
 LOWDEN LANE APARTMENTS  
 12701 LOWDEN LANE, MANCHACA, TRAVIS COUNTY, TEXAS

<b>Reserves</b>			
Operating Reserves	306,544		306,544
Rent Reserves			
Capitalized Replacement Reserve			
<b>Appraisal Costs</b>			
<b>Other</b>	44,003		44,003
Permit Processing Fees	200,000	200,000	
Bldg. Permit Fees	105,000	105,000	
Marketing	81,000		81,000
Furnishings/Appliances	144,000	144,000	
Market Study	7,500	7,500	
Relocation Expenses			
Accounting	15,000	15,000	
Hard Cost Contingency	838,853	838,853	
Soft Cost Contingency	150,000	150,000	
Other			
<b>Developer Costs</b>			
Developer Overhead/Profit	2,941,319	2,941,319	
Consultant/Processing Agent	50,000	50,000	
Project Administration			
Other: Non-profit Partner			
<b>Total Project Costs</b>	<b>25,363,851</b>	<b>22,933,450</b>	<b>2,430,402</b>

# LOWDEN LANE APARTMENTS PUBLIC TRANSPORTATION STOP MAP



**ORGANIZATIONAL CHART-OWNER**



**STRATEGIC HOUSING FINANCE CORPORATION**  
**LOW INCOME HOUSING TAX CREDIT & AFFORDABLE HOUSING DEVELOPMENT**  
**EXPERIENCE**

March, 2014

The Strategic Housing Finance Corporation of Travis County, Texas (SHFC) has partnered with real estate development entities to create multifamily affordable housing projects for family and senior residents. For each project described below, SHFC is the sole member of the general partner in the limited partnership ownership structure. Additionally, SHFC took ownership of the land and leased it back to the limited partnerships, assisted in building and site plan design, provided direct communication with local elected officials in obtaining project support, approved the property management firm, either approved construction general contractor draw requests or was the general contractor, participated in the LIHTC application process before the Texas Department of Housing and Community Affairs, issued private activity bonds for the 4% tax credit projects, and was a co-guarantor for construction completion cost, operating deficit, and tax credit recapture.

SOUTHPARK RANCH, Austin, Texas

SHFC is the original general partner in a 192 unit family apartment community, Southpark Ranch Apartments, in Austin, Texas. In December, 2006 SHFC issued multifamily housing tax-exempt revenue bonds in the amount of \$14,175,000 and the limited partnership sold 4% tax credits to PNC Real Estate to fund the land acquisition and construction cost of the project. This property offers all the units to persons earning not more than 60% AMI.

Southpark Ranch is a three-story garden walk up property consisting of 54 one bedroom, 102 two bedroom, and 36 three bedroom units. The common area amenities include a community clubhouse with kitchen facilities, a learning center for after school programs, beach entry pool, gated entry, and garages. The units come equipped with dishwasher, stove/oven, refrigerator, washer & dryer connections, walk-in closets, private patios/balconies, ceiling fans in the bedrooms and living room, central HVAC, and carpet and vinyl flooring.

SHFC administers the property management agreement on behalf of the limited partnership and takes an active role in monitoring property management activities. The same management company has provided management services from project completion. Since loan conversion, the property has never failed to meet the required debt coverage ratio, pay loan principal and interest, and deposit required reserves for replacement and operating deficits. The developer fee, deferred developer fee, and all interest have been fully paid. The operating deficit reserve has never been drawn upon because the property has consistently generated positive cash flow.

Assuming its general partner role, SHFC reviews and approves the property annual operating budget, receives and reviews monthly property financial reports, engages Novogradac and Company to produce an annual audit report and file tax returns for the limited partnership, approves capital expenses, seeks and approves insurance policy proposals, conducts site visits to monitor property and unit condition and make-ready quality, regularly discusses property performance, challenges, and market conditions with property management, approves calculations and requests distributions of cash flow, and ensures response to all compliance inspections. The property has consistently maintained occupancy in excess of 95% after reaching stabilization and is experiences monthly occupancy rates of 99-100%.

Texas Department of Housing and Community Affairs tax credit program and Uniform Property Condition Standard inspections have not resulted in penalty compliance points. Southpark Ranch has a TDHCA compliance score of 0.

#### CAMBRIDGE VILLAS APARTMENTS, Pflugerville, Texas

Cambridge Villas Apartments, LP received a competitively awarded \$1,160,295 annual 9% tax credit allocation in July, 2005 to construct a 208 unit senior living community. While the property primarily targeted persons with income not exceeding 60% AMI, it also offers market rate and 30% AMI units. The Housing Authority of Travis County entered into a Housing Assistance Payment contract to project base 19 Housing Choice Vouchers at Cambridge Villas Apartments.

Cambridge Villas is comprised of 52 one-story fourplex buildings plus a community center. Each of the 124 one bedroom units provides 750 SF of living while the 84 two bedroom units are 1,000 SF in size. All units are handicap accessible as is the entire site. Each living unit includes stove & oven, dishwasher, refrigerator, washer/dryer connections, carpet and vinyl tile flooring, privacy porch, and central HVAC. Total development cost was approximately \$18.2 million.

Construction financing was provided by JP Morgan Chase, permanent mortgage was through Centerline (then Related Capital), which also contributed the tax credit equity. The first residential building was placed in service on August 27, 2007 due to unusually rainy weather in 2006 delaying construction completion. The declining national economy negatively impacted the lease-up during 2008 and 2009, but rental achievement was attained beginning in January, 2010 and the permanent loan conversion took place in April, 2010.

As the General Partner, SHFC replaced the original development partner because the developer defaulted on financial obligations to the partnership. SHFC assumed the role of general contractor and sub-contracted the project construction to a third party construction firm while also bringing in a new developer for co-development oversight.

SHFC administers the property management agreement on behalf of the limited partnership and takes an active role in monitoring property management activities. Although the same management company has provided management services from project completion, SHFC has required replacement of on-site managers as needed to improve property financial performance and resident relations. Since loan conversion, the property has never failed to meet the required debt coverage ratio, pay loan principal and interest, and deposit required reserves for replacement and operating deficits. The operating deficit reserve has never been drawn upon because the property has consistently generated positive cash flow.

As the general partner, SHFC reviews and approves the property annual operating budget, receives and reviews monthly property financial reports, engages Novogradac and Company to produce an annual audit report and file tax returns for the limited partnership, approves capital expenses, seeks and approves insurance policy proposals, conducts site visits to monitor property and unit condition and make-ready quality, regularly discusses property performance, challenges, and market conditions with property management, approves calculations and requests distributions of cash flow, and ensures response to all compliance inspections. The property has maintained occupancy in excess of 92% since December, 2010 and is currently experiencing 99-100% occupancy rates. The Texas Department of Housing and Community Development tax credit program and Uniform Property Condition Standard inspections have not resulted in penalty compliance points. Cambridge has a TDHCA compliance score of 2.

The general partner also ensures a meaningful resident program and site amenities are offered to the residents by supporting on-site resident initiatives such as a food pantry, social events, equipment in the community center, and enhancing on-site facilities.

#### CITYVIEW AT THE PARK, Austin, Texas

Parker Lane Senior Apartments, LP was awarded a \$714,181 annual 9% tax credit allocation from the Texas Department of Housing and Community Affairs in July, 2005. Strategic Housing Finance Corporation (SHFC) had been invited to replace the proposed general partner prior to the tax credit award. CityView at the Park is an urban infill development comprised of 70 units in one four-story structure built upon a parking garage podium. As the name suggests, it overlooks a City of Austin neighborhood park and beyond to the Austin city skyline. Rental rates affordable to 30% AMI are offered on 7 units, rent affordable to 60% AMI are offered on 61 units, while market rate rent is charged for 2 units. Total project cost was approximately \$11.3 million.

The residential units range in size from 777 SF to 1,162 SF come equipped with refrigerator, stove & oven, dishwasher, washer/dryer connections, walk-in closets, and balconies. The building has three elevators, interior access corridors,

management office, large community lounge and kitchen area, library, equipped fitness center, business room with computers, and a surround sound theater/media room. It is located directly in front of an Austin Metro bus stop.

Boston Capital provided the construction loan, permanent mortgage, and tax credit equity with additional soft financing being granted by the City of Austin. The building was placed in service on December 27, 2007. Property lease-up took longer than anticipated due to the economic recession and changes in property management. As the general partner, SHFC dismissed the initial and second property management firms for not effectively marketing and leasing the property. SHFC reviewed proposals for and awarded the property management contract to the current property manager who, within four months had stabilized occupancy and within eight months had attained rental achievement. SHFC closed the permanent loan conversion in December, 2011. During the lease-up period, the limited partnership always met its monthly debt obligations and never accessed the operating deficit reserve.

The general partner reviews and approves the property annual operating budget, seeks and approves insurance coverage policies, receives and reviews monthly property financial reports, engages the Reznick Group to produce an annual audit report and file tax returns for the limited partnership, approves capital expenses, conducts site visits to monitor property and unit condition and make-ready quality, regularly discusses property performance, challenges, and market conditions with property management, meets with residents during resident meetings, responds to communications from residents, and ensures prompt and thorough response to all compliance inspections. The property has maintained an occupancy rate in excess of 92% since July, 2010 and is currently 95.6% occupied and 98.7% preleased. The property is in compliance with the Texas Department of Housing and Community Development tax credit program and Uniform Property Condition Standard inspections.

#### THE PADDOCK AT NORWOOD APARTMENTS, Austin, Texas

Strategic Housing Finance Corporation formed a partnership with LDG Multifamily, LLC to construct a 228 unit family apartment community at 1044 Norwood Plaza, Austin, Texas. The project financing was closed in June, 2013 and construction began immediately. Preleasing will commence in April, 2014 with project completion anticipated by October, 2014. This site is strategically located along the north bound U.S. 183 frontage road in the NE quadrant of the IH-35/U.S. 183 interchange. A large regional Walmart is located in the same commercial master planned development as are other retail and restaurant businesses.

The 228-unit development will be located on 12.76 acres and will include 10 three-story energy efficient residential buildings and 1 clubhouse/community building with a swimming pool and playground. The \$31 million proposed project will be built

using 4% Low Income Housing Tax Credits and Private Activity Bonds issued by Strategic Housing Finance Corporation financing and reserved for families with household earnings within 60% of the area median income, or a family average income of \$43,920. The unit mix will include 36-850 s.f. one-bedroom, 108-1,072 s.f. two-bedroom, and 84-1,185 s.f. three-bedroom garden-style units. With rents offered from \$752 to \$950, the Paddock at Norwood provides a distinctly affordable alternative to the unrestricted market rental rates in this area ranging from \$765 to \$1,236.

Unit amenities will include dishwasher/disposal, frost-free refrigerator, ice maker, microwave, pantry, W&D connections, separate dining area, tile entry & bathroom, 9ft. ceilings, ceiling fans, hall closet, mini-blinds, and private patio/balcony. The community amenities offered are BBQ/picnic areas, business center, club room, fitness center, movie theater, playground, pool, garages, 24 hr. security cameras, police sub-station w/in the clubhouse and a gazebo.

As is provided in all Strategic Housing properties, an extensive resident services program, "Good Neighbor Program", will be available through a third party resident service delivery firm. Residents may enjoy services such as health screening, youth sport programs, homebuyer education, scholastic tutoring, computer lab classes, holiday parties, and legal assistance. Additionally, the ownership structure of the project will enable Strategic Housing Finance Corporation to retain long-term control and eventual out-right ownership of the property, thus preserving its affordable rental rates in perpetuity.

#### FOREST PARK AND SILVER SPRINGS APARTMENTS, Austin, Texas

Delphi Affordable Housing, a housing preservation firm in Austin, Texas, asked Strategic Housing Finance Corporation to enter into limited partnerships for the acquisition and rehabilitation of two properties originally constructed in 1996 using the LIHTC program being sold in a year fifteen transaction. The combined acquisition and rehabilitation budgets for the two properties totaled approximately \$66 million and the transaction closed in July, 2013.

The acquisition/rehabilitation financial structure consisted of 4% LIHTC and private activity bonds fully securitized with HUD FHA 221d(4) mortgages. Strategic Housing Finance Corporation (SHFC) issued the private activity bonds, is the General Partner, and entered a Construction Partnership to purchase project materials (HUD disallows related parties being the general contractor). SHFC intends to exercise its rights to purchase the properties after the 15 year LIHTC compliance period.

Forest Park Apartments contains 228 units while Silver Springs Apartments consists of 360 units. Rehabilitation commenced in August, 2013 and will be completed at Forest Park in July, 2014 and August, 2014 at Silver Springs. The cost of rehabilitation is approximately \$18,000/unit. Renovation work included new HVAC systems, water

heaters, light fixtures, plumbing fixtures, kitchen and bathroom cabinets and countertops, appliances, interior flooring, front doors, and windows. Parking lot repaving, covered parking, solar power panels on the clubhouses, improved site drainage, playground equipment replacement, and additional landscaping will also be included.

Renovation will take place while residents occupy the apartment units. After a thorough resident recertification process, occupancies have risen to 97% at Forest Park and 93% at Silver Springs as of March, 2014. The Austin YMCA provides a daily after school program for the youth and a full day, Monday through Friday summer youth program. In addition, services are also offered to property adults.

#### MANOR TOWN SENIOR APARTMENTS, Manor, Texas

The Strategic Housing Finance Corporation is a component unit of, governed by the same Board of Directors, and staffed by the same personnel as the Housing Authority of Travis County (HATC). In 2004, HATC opened a 33 unit senior apartment community in the small town of Manor, Texas east of Austin and within Travis County. This project was financed with a deferred forgivable, non-interest bearing note from the Federal Home Loan Bank, a non-interest bearing loan from the Texas Department of Housing and Community Affairs, and a permanent mortgage from Wells Fargo Bank.

HATC purchased the property, engaged all design consultants, hired the project construction general contractor, and oversaw construction. The property provides 19 units to persons at 30% AMI and 14 units to persons earning less than 60% AMI within the 19 one-bedroom and 14 two-bedroom units.

The very deep rental rate affordability has, at times, been financially challenging. Although all mortgage payments and operational expenses have been met, it has been necessary for HATC to occasionally contribute additional operating capital.

HATC self-manages the property with in-house management and maintenance staff. The facilities are annually inspected by the TDHCA for UPSC standards and have been kept in full compliance. Occupancy at the property rarely deviates from 100%.

#### SHFC EXECUTIVE VICE PRESIDENT SENIOR AND MULTIFAMILY EXPERTISE

The SHFC Executive Vice President, its chief executive, has extensive multifamily development expertise having directed the creation of over 3,100 units. Of this total, 1,390 family and 984 senior units of affordable rental housing were developed. His close working relationship with in-house management staff resulted in appropriately designed or renovated management facilities, resident amenities and service

improvements, and financially performing properties. Almost 2,300 of these apartment projects are financed under the 4% and 9% LIHTC programs.

The Executive Vice President's role in affordable housing projects located in the Austin and Houston markets included site location and feasibility analysis, contracting for land purchase, location driven project design adjustments, obtaining project entitlements, controlling construction cost and monitoring schedules, coordinating the lease-up activity with management staff, securing appropriate resident services, managing operating budgets, and overall property performance. He understands the economics of property operations and the impact property management has upon resident retention. The Executive Vice President's diligence in addressing property performance factors has produced an exemplary track record of successful multifamily communities.



*Delivering the Dream for over 30 Years*



Avenue 26  
Transit Oriented Master Plan

Puerta del Sol  
165 condos

Camino al Oro  
102 senior apartments

Tesoro del Valle  
121 family apartments

Flores del Valle  
146 family apartments  
with on-site childcare

*Avenue 26 Community Awards*

Innovation in Workforce Housing	National Association of Home Builders
Best in American Living	National Association of Home Builders
Editors Choice - Project of the Year	Multifamily Executive Magazine
Best Re-Use of Land	Multifamily Executive Magazine
Best Mixed-Income	Multifamily Executive Magazine
Design Excellence Award	Professional Builder Magazine
Project of the Year Nominee	Affordable Housing Finance Magazine



## Who We Are

AMCAL Multi-Housing Inc. is a vertically integrated real estate development and investment firm, founded in 1978 by CEO Percival Vaz. For over three decades, AMCAL has been a leader in developing, building, and managing market-rate and affordable housing throughout California. By constantly seeking new opportunities, finding new niches, and focusing on a vision one step ahead of its competitors, AMCAL has produced controlled **growth and prospered during California's real estate booms and busts.**

The AMCAL affiliated group of companies includes acquisitions and development, general contracting and asset management divisions. The individual AMCAL companies are tightly structured units that work independently within their fields of expertise but join together as a cohesive force with impressive results.

By leveraging this extensive and varied in-house expertise, AMCAL is able to keep corporate overhead to a minimum and employ an efficient staff of 65 associates in four offices to achieve aggressive goals.

<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Multi-Housing, Inc.</a></li> </ul>	Purchases land and serves as General Partner in tax-credit partnerships.
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Enterprises, Inc.</a></li> </ul>	Serves as developer in tax-credit partnerships.
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Homes, Inc.</a></li> </ul>	Developer of for-sale workforce housing.
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Equities, LLC</a></li> </ul>	Developer of market-rate apartments.
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL General Contractors, Inc.</a></li> </ul>	General contractor (licensed in State of California).
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Management, Inc.</a></li> </ul>	Property management/ investments.
<ul style="list-style-type: none"> <li>• <a href="#">AMCAL Communities, Inc. and Pacrim, Inc.</a></li> </ul>	Investment companies.
<ul style="list-style-type: none"> <li>• <a href="#">AMTEX</a></li> </ul>	Texas Development and Construction of tax-credit partnerships

## Our Motto

**"In the pursuit of excellence, there is simply no substitute for good and honest hard work. With every undertaking, we at AMCAL set out to put this guiding principle to work. The cornerstone of our corporate philosophy is an unwavering commitment to excellence -- a responsibility to take each AMCAL entity and combine them like**

**cogs in a wheel toward the achievement of a common strategic goal. This enables us to act rather than react to new opportunities and changing markets and always present a cohesive and unified corporation, ready to meet any challenge and exceed all expectations."**

Initially, AMCAL exclusively developed **market-rate housing in some of California's most** distinctive master planned communities and in challenging in-fill locations. In an effort to diversify its portfolio, AMCAL entered into the competitive niche market of affordable housing development and quickly established itself as a leader. One example of AMCAL's leadership in delivering comprehensive solutions to the complex housing challenges municipalities face today is its development of the award-winning Avenue 26 master plan that included 165 condominiums, 102 apartment homes for seniors, and 267 family apartments. Completed in 2006, the \$110 million Avenue 26, reflects **AMCAL's unmatched insight** into real estate markets and demonstrates how its experience can be leveraged to revitalize a community. With Avenue 26, AMCAL brought new homeownership opportunities to a wide spectrum of the workforce, along with rental housing options, childcare and new retail opportunities to a formerly underutilized industrial area.

## Our Core Values

Avenue 26 is noteworthy because, the process to convert the vision into a reality succinctly reflects **AMCAL's** Core Values.

- Integrity
- Leadership
- Teamwork
- Excellence
- Innovation

AMCAL lead its financial, civic and community partners through many challenging obstacles to deliver the dream of new possibilities and hope to the hundreds of residents of Avenue 26. It is with the same passion and eye toward innovation that AMCAL brings to all of its communities large and small. AMCAL develops in rural, suburban and urban communities and delivers high-quality housing opportunities across economic segments.

AMCAL has completed 4,100 affordable and market-rate homes valued at \$1,100,000,000 throughout California and has another 1,200 homes in its development pipeline.

## Community Impact

AMCAL succeeds by listening to local communities and identifying promising parcels of underutilized land that can be revitalized to achieve their goals for delivering economic stimulus and quality housing solutions for their workforce in a responsible manner. AMCAL communities address many important local and regional issues:

- Neighborhood Revitalization/ Elimination of Blight
- Transit Oriented Development.
- Affordable Housing Production/ Housing Element Compliance
- Leveraging of Local Funding Sources
- Mixed Use Development for Housing/Jobs Balance

### Sustainability

AMCAL faces these issues head-on with a commitment to sustainable development that begins with seeking land that is vacant or has obsolete uses and “recycling” them into livable residential and mixed-use communities. Many of AMCAL developments are near important public amenities, including city government offices, mass transit stations, schools, parks, healthcare facilities, grocery markets and senior activity centers. By building within existing neighborhood fabric, funds typically allocated for infrastructure can be reinvested into the development. In addition, future residents can easily patronize these amenities by walking or bicycling, which reduces automobile traffic.

AMCAL’s design and construction practices also reflect our commitment to sustainability. All of our communities incorporate water saving fixtures and landscaping, energy efficient appliances and building design, and low VOC finishes. Many of AMCAL’s communities have been built to the LEED Silver standard. AMCAL currently has multiple LEED Gold and Platinum developments in its portfolio of properties.

### Civic Connection & Local Hiring

AMCAL also pledges to engaging in a thorough community outreach process and participation in public forums wherever it builds. AMCAL listens to neighbors, local businesses, elected officials, nonprofit and community based groups to deliver an architectural design that is responsive to local needs and enhances the community. Community input improves designs by enhancing public safety and preserving the vitality of streetscapes in support of local businesses.

AMCAL’s practice of local hiring during construction and affirmative marketing during lease-up also ensures that the dialogue with the community is ongoing.

## Partnerships in Development

AMCAL’s reputation as a successful developer has led to partnerships with the most highly respected firms in the financial and real estate communities.

### Financial

AMCAL’s affordable housing developments are financed primarily through state and federal low-income tax credits and bond financing. The application and selection processes for this funding is extremely complex and highly competitive, but AMCAL has been successful in winning awards of credits in every year since 1997. From 2003-10, AMCAL received among the highest total allocation of state and federal tax credits – nearly \$770 million for 33 projects.

AMCAL maintains its track record in completing developments on time and within budget, which has resulted in long standing relationships with its financial partners. SunAmerica Affordable Housing Partners - one of the largest financial conglomerates in the world - regularly invested in AMCAL’s affordable projects, providing in excess of \$200,000,000 in equity and debt investments. Other financial partners include Bank of America Merrill Lynch, JP Morgan Chase, John Hancock Life Insurance, Verizon Capital, Edison Capital, Hudson Housing Capital, Union Bank of California, Citibank, Genesis L.A. Workforce Housing Fund, and Phoenix Realty Group.

### Design

With the support of the community and the financial support of key investors, AMCAL also brings esteemed design firms to the development team that can translate a vision into the built environment. AMCAL’s development teams regularly include well respected architectural firms including Van Tilburg, Banvard and Soderbergh, known for their urban designs, Newman Garrison Gilmour + Partners, a prominent designer of multi-family housing, Withee Malcolm and KTG, firms whom have all garnered prestigious NAHB Pillars of the Industry and PCBC Gold Nugget Awards.

By partnering with elite design firms, AMCAL ensures that its housing is designed to mesh with the community and provide a high-quality aesthetic design. Developments typically have amenities such as a pool, barbecue area, open space for recreation and a community room or clubhouse.

This high quality design philosophy and practice has earned AMCAL numerous industry awards.

## AMCAL Advantage

The AMCAL Advantage is a seamless delivery of real estate solutions from selecting the right site through the long term operation of vibrant and strong communities. The individual AMCAL companies are tightly structured units that work independently within their fields of expertise but join together as a cohesive force with impressive results. At AMCAL, the goals and incentives of employees working on site acquisition, planning, financing, construction and asset management are all aligned toward serving the communities in which we build. AMCAL holds the entire team accountable for delivering the objectives defined at the development initiation and delivering on the promises made to the local community.

What that means for our municipal partners is a greater efficiency in processing the development through entitlements, permitting and construction. With a single, unified AMCAL team in place, the lines of communication remain open and clear. For example, with AMCAL General Contractors in-house, their expertise can be leveraged in determining the constructability and feasibility of a new community at the earliest phases of design development and entitlements. Similarly, once a development is under construction, the AMCAL employees who processed the entitlements are able to work with their colleagues at AGC to ensure that all conditions of approval and the design intent is reflected in the final building.

The AMCAL Advantage also ensures that the promises made to the local community will be kept. AMCAL engages in a comprehensive community outreach process to ensure that we are hearing the concerns and desires of the local community. We are able to deliver a responsive architectural design, but understand that many of the solutions are delivered through ongoing property management. The AMCAL team ensures that our promises to be a good neighbor and a catalyst to revitalization are met through the tenant screening and lease-up process and in ongoing property maintenance.

For our financial partners, the AMCAL Advantage results in solid returns and stability. With AGC and asset management expertise in-house, AMCAL is able to set and meet realistic expectations for a **development's financial performance**. AMCAL has a close pulse on the return thresholds required by real estate investors and lenders and understands the constraints of the marketplace. With this knowledge, AMCAL only allocates its resources to developments that can be financed. Our partners appreciate and respect our track record and as a result are open to complex and innovative solutions to financing challenging developments.

## Geographic Reach

AMCAL is headquartered in Agoura Hills and maintains regional offices in San Francisco and Irvine. The San Francisco office covers development activity in Sacramento, the Bay Area, Fresno and California's Central Valley. The Irvine office is responsible for development activity in Orange, San Diego, and Imperial Counties, including land acquisition, development and entitlement, project financing, tax credit applications and construction oversight.

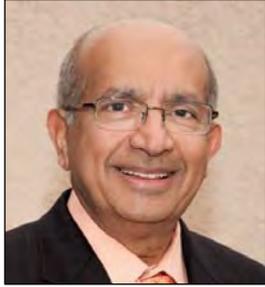
In 2012, AMCAL expanded its operations to the State of Texas with its sister company AMTEX. AMTEX develops and builds workforce housing in the Houston, Austin, and Dallas/ Fort Worth metro areas.

Operating as a fully integrated company with established regional offices enables us to work closely with local governments and community members, maintain a local presence and build long lasting partnerships, while maintaining the financial strength and wealth of experience that only a large company can provide. Our team members in each office are deeply engaged in the cities in which they work and collaborate with the community to plan and build attractive places to live.

As long-term owner's, we bring sensitivity, a dedication to engagement and communication, and a real commitment to build long lasting community assets. Becoming a long-term stakeholder in the neighborhood, we create effective local teams that combine neighborhood understanding, technical skills, and managerial ability.

AMCAL partners with local non-profit organizations experienced in the delivery of social services as well as accredited and experienced affordable housing property management firms. AMCAL spends the time to get to know the communities where we work—and we maintain those relationships over the long-term.





**Percival Vaz**  
**Chief Executive Officer**

With more than 35 years of industry experience, AMCAL Multi-Housing's Chief Executive Officer Percival Vaz is an expert in single and multi-family developments, construction, property management and real estate investment.

After founding AMCAL in 1978, Mr. Vaz successfully transformed the company into one of the industry's leading builders by planning, developing, building and managing projects valued at more than \$1,000,000,000 throughout California. In 1996, due to market demand, AMCAL shifted its focus primarily on affordable housing. With over nearly \$600,000,000 awarded in tax credits since 2003, AMCAL continues to develop high-quality urban multi-family housing that provides architecturally attractive, meticulously constructed and environmentally smart opportunities for affordable family living in both for-sale and rental properties.

Born in Bombay, India, Mr. Vaz emigrated to the United States in 1966. After graduating from the University of California, Los Angeles with a master's degree in electronics and a minor in business, he worked within the aerospace and electronics industries before obtaining his contractor's license in 1979 and building his first apartment building.

Mr. Vaz is on the Board of Directors for the California Housing Consortium, an organization dedicated to advancing affordable housing and community development issues throughout California. He is also a member of the Southern California Association of Non-Profit Housing (SCANPH), and the California Redevelopment Association. A recognized leader in the affordable housing industry, He has been invited to speak about urban redevelopment for several forums, including the Urban Land Institute, Pacific Coast Builders Conference, National Housing Conference, BIA, the

University of Southern California and SCANPH.

A recipient of the West Angeles Community Development Corporation's "Outstanding Corporate Citizen" Award, Mr. Vaz also received the William F. McKenna Award for leadership in the field of affordable housing from LINC Housing Corporation. In addition, he was inducted into the California Housing Coalition's "Affordable Housing Hall of Fame" for his contributions to the industry. In 2006, his leadership helped AMCAL win the NAHB's "Innovation in Workforce Housing" award for the "Avenue 26 Master Plan" development.

AMCAL is a supporter of the Boys and Girls Clubs of Los Angeles, and it has partnered with YouthBuild, a mentoring/apprentice program for at-risk youth, on Los Angeles construction projects. In addition to his participation in the real estate industry, Mr. Vaz is an active member of the community, previously serving on the Board of Directors for The Wellness Community in Westlake Village, a national non-profit organization dedicated to providing free emotional support, education and hope for people with cancer and their loved ones.

Mr. Vaz is also the co-founder of the Sonaz Peace Foundation, an organization that has funded over 6,000 cataract surgeries for people in rural India. He is a benefactor of the Civic Arts Plaza and St. Maximilian Kolbe Church, both located in his home city of Thousand Oaks.



**Arjun Nagarkatti**  
**President**

Arjun Nagarkatti has 25 years of experience in residential development, and he began working at AMCAL in 1988. He was promoted to President in 2010.

Upon graduation with an Architectural Degree, Mr. Nagarkatti worked for Woodward and Associates, an architectural firm in Dallas, and helped to design Commercial and Residential buildings in the Dallas area. He later joined Morrison Knudsen Co., a large construction company based in Boise, Idaho, and worked on the Fort Drum Army training installation in upstate New York, which was built over a five-mile radius. At Morrison Knudsen, he was with the Quality Control Team and worked on maintaining specifications and the quality of construction of the project.

Mr. Nagarkatti joined AMCAL as an Assistant Project Manager responsible for overseeing the sales and marketing of single-family and multi-family 'for sale' housing tracts. Later as Project Manager for Development, he was responsible for the entitlement process of projects, including meeting with homeowner groups in an effort to receive project support and approval. He also interfaced with brokers and negotiated land acquisition deals for AMCAL after running market-rate 'for sale' housing proformas to ascertain the viability of projects.

As Executive Vice President from 2004 to 2009, Mr. Nagarkatti structured the financing for all of AMCAL's market-rate and affordable projects, which include residential and mixed-use. Under his direction, AMCAL has developed and constructed \$800,000,000 in real estate during the last two decades.

Mr. Nagarkatti is an expert at public financing for affordable housing, and AMCAL's developments regularly are awarded funding via low-income housing tax credits, which are funded by the Department of the Treasury and administered by the California Tax Credit Allocation Committee. Most AMCAL projects receive allocations of the highly competitive 9% credits, and he arranges the syndication of the credit to major international financial service organizations. Other developments are financed via 4% credits or bonds.

Mr. Nagarkatti also structures projects using homebuyer grants from city agencies, including the Los Angeles Housing Department and BEGIN funds, and 'soft' funds from local city housing agencies. AMCAL also procures funds from public sources, such as City of Industry Funds, AHP and MHP.

Mr. Nagarkatti graduated from the Massachusetts Institute of Technology with a Masters of Science in Architecture Studies. He was born in India and emigrated to the United States in 1982.