

City Council Questions and Answers

City Council Questions and Answers for
Thursday, November 06, 2014

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, November 06, 2014 at Austin City Hall
301 W. Second Street, Austin, TX



Mayor Lee Leffingwell
Mayor Pro Tem Sheryl Cole
Council Member Chris Riley, Place 1
Council Member Mike Martinez, Place 2
Council Member Kathie Tovo, Place 3
Council Member Laura Morrison, Place 4
Council Member William Spelman, Place 5

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

1. Agenda Item # 9 - Approve an ordinance amending City Code Chapter 2-1 relating to boards and commissions.
 - a. QUESTION: Part 3 describes "For an 11 [seven] member board, seven [five] members constitute a two-thirds vote." As per Q&A at the October 23rd meeting there was discussion to clarify "For an 11-member council, it could be seven votes for the plus-one model (the way it is drafted) or eight votes if Council went with the two-thirds model." Please provide background on why these should differ. COUNCIL MEMBER MORRISON
 - b. ANSWER: There was a math error in the draft. A corrected version of the ordinance is attached to this item and will be uploaded as late back-up.
2. Agenda Item # 20 - Authorize negotiation and execution of a Family Business Loan Program, Section 108 loan to 1707 Airport Commerce, LLC, for a new hotel development project located at 1707 Airport Commerce Drive, in an amount not to exceed \$402,000.
 - a. QUESTION: Please provide a list of the four awardees and the loan amounts. COUNCIL MEMBER TOVO
 - b. ANSWER: Borrower 1: Shady Spring Enterprise, Inc. (Rosa Santis) with a final loan amount of \$199,284. Borrower 2: Eastern Diner, LLC (Sawyers & Co.) with a final loan amount of \$519,000. Borrower 3: 11ELLC (Farmers Market) with a final loan amount of \$333,829. Borrower 4: Sweet Victoria (Eat Bi Mi) with a final loan amount of \$35,000. Borrower 5: Eastside Music School with a final loan amount of \$35,000.
3. Agenda Item # 29 - Authorize negotiation and execution of all documents and instruments necessary or desirable to sell two tracts of land totaling approximately 215.436 acres out of and a part of the R.G. Anderson Survey in Williamson and Travis Counties, Texas, known locally as 15700 Anderson Mill Road, to the CITY OF CEDAR PARK, TEXAS, for the amount of \$4,100,000.
 - a. QUESTION: Item # 16, from the 10/23/14 Council meeting was postponed and the related question has not yet been fully answered. The question was partially answered with clarification of relevant watershed, IC%, and WQ Controls but didn't identify buffers or CEF associated regs. The staff response further indicated that Cedar Park was in process of preparing a separate response and that information would be transmitted once received.

Can you find out if we received that? Please provide the additional information requested. In addition, what other environmental constraints would be relevant to consider to preserve or protect environmental quality and features on the tracts? COUNCIL MEMBER MORRISON

- b. ANSWER: See attachment
4. Agenda Item # 63 - Approve a resolution directing the City Manager to work with the City of Austin's Economic Development Department to designate Travis County U.S. Census Tract 48453002431 as a City of Austin Economic Development Zone. (Notes: SPONSOR: Council Member Mike Martinez CO 1: Council Member Laura Morrison)
 - a. QUESTION: Can staff provide a map showing the location and boundaries of this census tract? MAYOR PRO TEM COLE
 - b. ANSWER: See attachment
5. Agenda Item # 82 - C14-2014-0100 – 12008 Pollyanna Avenue – Approve second and third readings of an ordinance amending City Code Chapter 25-2 by rezoning property locally known as 12008 Pollyanna Avenue (Walnut Creek Watershed) from single family residence-large lot (SF-1) district zoning to family residence (SF-3) district zoning. First reading approved on October 2, 2014. Vote: 7-0. Owner/Applicant: Timothy M. Holck. City Staff: Sherri Sirwaitis, 512-974-3057.
 - a. QUESTION: Back up material includes several letters from neighboring property owners indicating a narrow steep blind curve occurring in front of the property requesting the zoning change. Please provide whether the road meets current design standards, including information of existing road width and current road width requirements. Additionally, please indicate what is required for the City to install signage indicating no parking and tow away area along both sides of the street along the curve and any additional length beyond as determined by staff to address safety issues at this location. COUNCIL MEMBER MORRISON
 - b. ANSWER: The Planning and Development Review Department verified that Pollyanna Avenue is currently classified as a local residential street with 50' of right-of-way and a pavement that varies from 24'-30' at different sections along the entire length of the street. GIS indicates that the pavement width of Pollyanna Avenue at the curve is approximately 24 feet. Since this subdivision was previously located outside city limits and Pollyanna Avenue plus Wren Avenue were designed and built originally as county roads, these roads currently do not meet the city's standard pavement width for a local street which is 30' according to the Transportation Criteria Manual. The Austin Transportation Department (ATD) conducted a site visit to assess the road and curve condition and verified there is a safety issue at this location. ATD will install signs prohibiting along the inside of the curve, 103' to the east along Wren and 93' south along Pollyanna. When this case is read into the

record at City Council, staff will confirm for the record that the Austin Transportation Department has looked into the issue and that signage is scheduled to be installed to address the sight distance safety issue.

6. AHFC Agenda Items # 5 and # 6 - 5) Authorize the negotiation and execution of an agreement between the Austin Housing Finance Corporation and the CESAR CHAVEZ FOUNDATION related to a proposal to acquire, rehabilitate, and preserve affordable rental housing at the Timbers Apartments at 1034 Clayton Lane. 6) Approve a resolution authorizing the formation of AHFC 1034 CLAYTON LANE NON-PROFIT CORPORATION, a Texas non-profit corporation and instrumentality of the Austin Housing Finance Corporation, approving its certificate of formation, articles of incorporation, and by-laws, and appointing its board of directors and president.
 - a. QUESTION: We passed a resolution asking for financial transparency on such arrangements, but this posting looks largely the same as previous postings on the agenda. Some of the following information has been requested before and would be the sort of financial transparency being sought by that policy: a.) Please provide this project's pro forma operating budget including sources and uses of funds. b.) The stated plan is to renovate this 16 year old property rather than develop new units, please provide a renovation budget that describes the cost and nature of the intended work. c.) Since this complex is already in operation, does the city have operating financials for the last several years to review? AHFC is promised 30% of cash flow, what is the current and forecasted cash flow? d.) A full property tax exemption represents an off-balance sheet subsidy by the city as well as other taxing agencies. Please provide the net present value of this estimated subsidy over the course of the covenant of affordability so that this can be compared with similar projects. e.) The draft MOU states that CCF is the developer but that AHFC would be paid a developer fee of \$100,000. What is the CCF developer fee for the renovation? f.) What is the Supervisory management Fee and who is the current or proposed manager of the property? Are they subject to any relevant city policies such as living wage floors? g.) Was the CDC provided detailed financial information on this project as a part of their consideration? h.) The RCA indicates that upon acquisition, CCF proposes to enter into a restrictive covenant for 55 years. Does that 55 years start at the time of acquisition and is it inclusive or exclusive of the existing restrictive covenants which end in 2038. i.) What is the current rent for the 26 units without current restrictive covenants and does the pro forma contemplate these being established as affordable or staying market rate? j.) Is this project in a high opportunity area? k.) Is there any permanent supportive housing contemplated as a part of this project? l.) What are the relevant performance measures for this or similar partnerships, such as the Village on Little Texas, that should be considered as a part of initial evaluation or ongoing oversight? MAYOR PRO TEM COLE
 - b. ANSWER: See attachment

END OF REPORT - ATTACHMENTS TO FOLLOW

 *The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

 *For assistance please call (512) 974-2210 OR (512) 974-2445 TDD.*

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 2-1 OF THE CITY CODE RELATING TO CITY BOARDS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 2-1-6 is amended to read:

§ 2-1-6 QUORUM AND ACTION.

- (A) A majority of the total number of authorized board members constitutes a quorum for the conduct of business. For an 11 [~~a seven~~] member board, six [~~four~~] board members constitute a quorum.
- (B) A board action must be adopted by an affirmative vote of the number of members necessary to provide a quorum. For an 11 [~~a seven~~] member board, a board action must be adopted by an affirmative vote of six [~~four~~] board members.
- (C) All members necessary to provide a quorum must be physically present at a meeting to conduct business.
- (D) An ex officio member of a board that is subject to the requirements of this chapter may participate at board meetings, but may not vote or bring a motion and does not count towards calculation of a quorum or any other minimum vote count required by city code or state law.

PART 2. City Code Section 2-1-22 is amended to read:

§ 2-1-22 MEMBERSHIP TERM AND LIMITATION.

- (A) A board member is appointed for a term of up to four [~~three~~] years beginning March [~~August~~] 1st. The tenure of a board member runs concurrently with the tenure of the city council member who appoints the member.
- (B) Except as provided in Subsection (C), a board member may serve no [~~not~~] longer than eight [~~nine~~] consecutive years on the same board. Service before July 31, 2015 [~~2008~~] is excluded in determining the number of years served.
- (C) A board member who has served eight [~~nine~~] years on the same board is not eligible for reappointment to that board until the expiration of two years after the last date of the member's service on that board.

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PART 3. Subsection (B) of City Code Section 2-1-42 (*Membership Term and Limitation*) is amended to read:

(B) A person may not serve as an officer in a designated position of a board for more than four [~~three~~] consecutive one-year terms. Service before July 31, 2015 [~~2008~~] is excluded in determining the number of years served. A person who has served as an officer in a designated position of a board for four [~~three~~] consecutive terms is not eligible for re- election to that designated office until the expiration of two years after the last date of the person’s service in that office, unless, by a two-thirds vote, the board votes to reelect the person to that designated office for an additional term. For an 11 [~~a seven~~] member board, eight [~~five~~] members constitute a two-thirds vote.

PART 4. City Code Section 2-1-44 (*Meeting Procedures*) is amended by adding a new Subsection (E) to read:

(E) A member of the public may not address a board at a meeting on an item posted as a briefing.

PART 5. Subsection (A) of City Code Section 4-2-46 (*Annual Internal Review and Review Report*) is amended to read:

(A) Each calendar year, a board chair must conduct an internal review of the board and prepare an internal review report using the template provided by the city clerk. The internal review report must be filed with the city clerk and the city department assigned to support the board by July [~~March~~] 31 of each year.

PART 6. Subsection (C)(3) of City Code Section 2-1-49 (*Communications Using Electronic Devices*) is amended to read:

(3) A board member who does not comply with the training requirement prescribed in Subsection (B)(8) of Section 2-1-23(*Training*), or does not accept the terms of the user agreement, may not have access to a City e-mail account. A board member who does not have access to a City e-mail account may not use electronic devices for communications related to board business.

(a) Except as provided by (b), a board member who uses electronic devices for communications related to board business in violation of this subsection automatically vacates the member’s position. A board member who vacates a position under this subsection does not hold over under [~~-, subject to the hold over provision in~~] Section 2-1-27 (*Vacancy and Hold Over Capacity*).

1 (b) This subsection does not prohibit a City employee who is assigned
2 to support a board as a job duty from contacting a board member by
3 telephone or e-mail or prohibit the board member from responding
4 to a communication initiated by the liaison.

5 **PART 7.** Subsection (B) of City Code Section 2-1-102 (*Animal Advisory Commission*) is
6 amended to read:

7 (B) The council shall appoint among the [as] commissioners at least:

8 (1) one licensed veterinarian [~~, nominated by the mayor~~];

9 (2) one city official [~~, nominated by the Place 2 council member~~];

10 (3) one person whose duties include the daily operation of an animal
11 shelter [~~, nominated by the Place 3 council member~~];

12 (4) one animal welfare organization representative [~~, nominated by the
13 Place 6 council member~~]; and

14 (5) one person recommended by the Travis County Commissioners Court,
15 [~~, nominated by the Place 4 council member~~];

16 ~~(6) one person nominated by the Place 1 council member; and~~

17 ~~— (7) one person nominated by the Place 5 council member.]~~

18 **PART 8.** Subsection (B) of City Code Section 2-1-111 (*Board of Adjustment*) is
19 amended to read:

20 (B) The board shall be composed of 11 [~~seven~~] members.

21 **PART 9.** A new Section 2-1-112 is added to the City Code to read:

22 **§ 2-1-112 BOND OVERSIGHT COMMISSION.**

23 (A) The council creates the Bond Oversight Commission to advise the council on the
24 implementation of projects approved by the voters in bond elections.

25 (B) The commission shall consist of 11 members appointed by the council as
26 follows:

27 (1) four members of the Planning Commission;

28 (2) three members of the Zoning and Platting Commission; and

1 (3) four additional members nominated by the Council Audit and Finance
2 Committee.

3 (C) At least one member of the commission must be a professional engineer.

4 (D) The commission shall meet at least once every six months.

5 (E) The commission shall monitor the city manager's plans relating to the issuance
6 of bonds and the implementation of projects approved by the voters, including
7 the annual appropriation of bond funds and changes in the amount of bonds
8 issued or cash commitments made.

9 (F) The city manager shall assign staff as necessary to assist the Bond Oversight
10 Commission in the performance of its duties.

11 **PART 10.** Subsection (A) of City Code Section 2-1-127 (*Community Development*
12 *Commission*) is amended to read:

13 (A) The Community Development Commission is composed of 19 [~~15~~] members
14 appointed by the council, as follows:

- 15 (1) seven members nominated by residents from each of the geographic areas
16 designated in Subsection (B);
17 (2) a member nominated by each member of the city council; and
18 (3) one additional member.

19 **PART 11.** Subsection (B) of City Code Section 2-1-131 (*Commission on Seniors*) is
20 amended to read:

21 (B) The council shall appoint 15 [~~11~~] commission members:

22 (1) the mayor may nominate two commission members and each council
23 member may nominate one commission member;

24 (2) the [~~The~~] Travis County Commissioners Court shall appoint one
25 commission member;

26 (3) the [~~The~~] Area Agency on Aging of the Capital Area shall appoint one
27 commission member;

28 (4) the [~~The~~] Capital Metropolitan Transportation Authority shall appoint
29 one commission member.

30 **PART 12.** City Code Section 2-1-141 (*Downtown Commission*) is renumbered as
31 Section 2-1-140, and Subsection(D) of that section is amended to read:

1 (D) The Downtown Commission is composed of 19 [~~15~~] members appointed by the
2 city council. If no more than the number of members necessary to provide a
3 quorum of the Downtown Commission is present at a meeting, a board action is
4 adopted by an affirmative vote of two-thirds of the quorum. If more than a
5 quorum is present at a meeting, a board action must be adopted by an affirmative
6 vote of the number of members necessary to provide a quorum.

7 **PART 13.** A new section 2-1-141 is added to the City Code to read:

8 **§ 2-1-141 ECONOMIC PROSPERITY COMMISSION.**

9 The council creates the Economic Prosperity Commission to advise the council
10 on matters related to construction and job creation.

11 **PART 14.** Subsection (A) of City Code Section 2-1-170 (*Sustainable Food Policy*
12 *Board*) is amended to read:

13 (A) The Sustainable Food Policy Board is composed of 17 [~~13~~] members. The
14 Board may include representatives from the retail food industry, consumer
15 interest groups, the health care and wellness community, the emergency food
16 program community, the local agriculture industry, soil and compost producers,
17 the food or nutrition education field, the non-profit food organization
18 community, the for-profit food industry, and the food manufacturing industry.
19 Board members need not be city residents.

20 (1) The City Council shall appoint 11[~~7~~] members.

21 (2) The Travis County Commissioners Court shall appoint six [~~6~~] members.

22 **PART 15.** City Code Section 2-1-181(*Sign Review Board*) is repealed, and the section
23 number is reserved for expansion. All references to the Sign Review Board in the City
24 Code are changed to the Board of Adjustment.

25 **PART 16.** Resolution No. 20110127-034, creating the Bond Oversight Committee,
26 expires on the effective date of Part 8 of this ordinance.

27 **PART 17.** Parts 4 and 6 of this ordinance take effect on _____, 2014. The
28 other parts of this ordinance take effect on July 1, 2015.

PASSED AND APPROVED

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_____, 2014

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Lee Leffingwell
Mayor

APPROVED: _____
Karen M. Kennard
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk

DRAFT



Council Question and Answer

Related To	Item #29	Meeting Date	November 6, 2014
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Additional Answer Information

QUESTION: Item #16, from the 10/23/14 Council meeting was postponed and the related question has not yet been fully answered. The question was partially answered with clarification of relevant watershed, IC%, and WQ Controls but didn't identify buffers or CEF associated regs. The staff response further indicated that Cedar Park was in process of preparing a separate response and that information would be transmitted once received. Can you find out if we received that? Please provide the additional information requested. In addition, what other environmental constraints would be relevant to consider to preserve or protect environmental quality and features on the tracts?
COUNCIL MEMBER MORRISON

ANSWER:

The City of Austin's Land Development Code requires Critical Environmental Features (CEFs) (springs, seeps, wetlands, rimrock, sinkholes, etc.) to have a 150-300' buffer where development is prohibited. The buffer can vary depending on the type of CEF and a variance reducing the buffer can be granted administratively.

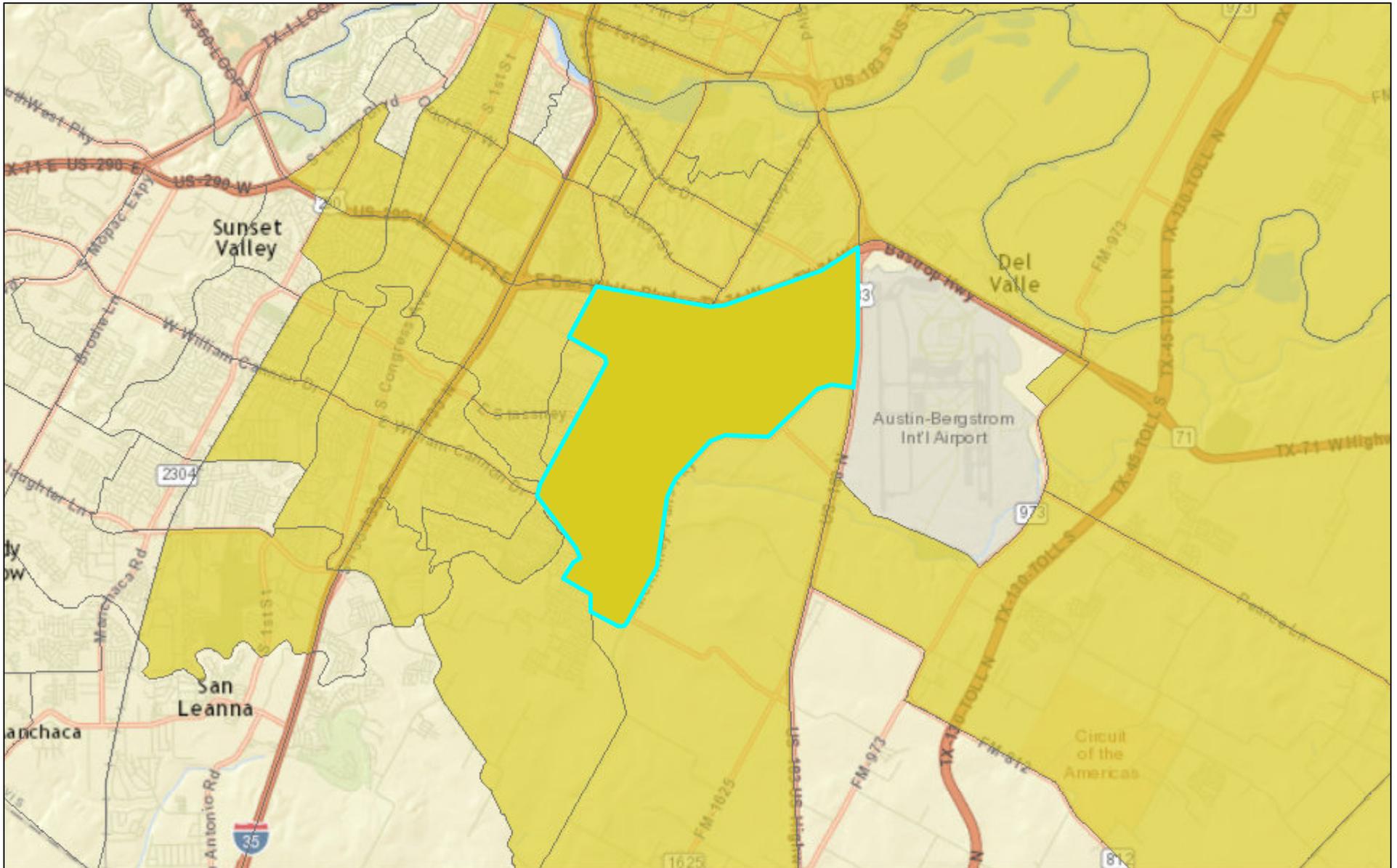
As requested, listed below are several options to place as conditions of sale to require environmental protection similar to what would be required for development if the property were in Austin's jurisdiction. The options are listed in order of decreasing environmental value.

- Limit impervious cover
 - Option 1 – Duplicate Austin requirements of 20% impervious cover for portion that would be classified as water supply rural and 65% on the Suburban watershed portion.
 - Option 2 – Average the 20% and 65% areas across the whole site, which would be approximately 48% impervious cover.
- Protect CEF's and require buffers per City of Austin code. The area is over the Northern Edwards recharge zone and there is the possibility of CEF's on the site.
- Quarry restoration – Austin's code has specific requirements for backfill and revegetation of quarries.
- Creek buffers – There are two short segments of headwaters streams on the site that would have creek buffers under current CoA regulations.

Water quality treatment is not required because the TCEQ Edwards rules require water quality treatment that is somewhat similar to Austin's requirements.

As a part Council Q&A for the October 23rd meeting, Council requested a description of the City of Cedar Park's environmental regulations as they apply to this property. Staff has not received a response to that request, however, staff from the City of Cedar Park will be at the Council meeting to answer questions.

Census Tract 2431 - COA Economic Development Zone

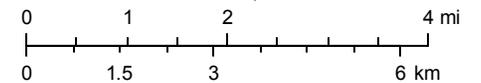


October 29, 2014 7:09:35 PM

-  Yes
-  2010 Census Tract
-  No
-  Yes



1:120,373



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand),



Council Question and Answer

Related To	AHFC Items #5 and #6	Meeting Date	November 6, 2014
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Additional Answer Information

QUESTIONS: We passed a resolution asking for financial transparency on such arrangements, but this posting looks largely the same as previous postings on the agenda. Some of the following information has been requested before and would be the sort of financial transparency being sought by that policy:

- a.) Please provide this project's pro forma operating budget including sources and uses of funds.
- b.) The stated plan is to renovate this 16 year old property rather than develop new units, please provide a renovation budget that describes the cost and nature of the intended work.
- c.) Since this complex is already in operation, does the city have operating financials for the last several years to review? AHFC is promised 30% of cash flow, what is the current and forecasted cash flow?
- d.) A full property tax exemption represents an off-balance sheet subsidy by the city as well as other taxing agencies. Please provide the net present value of this estimated subsidy over the course of the covenant of affordability so that this can be compared with similar projects.
- e.) The draft MOU states that CCF is the developer but that AHFC would be paid a developer fee of \$100,000. What is the CCF developer fee for the renovation?
- f.) What is the Supervisory management Fee and who is the current or proposed manager of the property? Are they subject to any relevant city policies such as living wage floors?
- g.) Was the CDC provided detailed financial information on this project as a part of their consideration?
- h.) The RCA indicates that upon acquisition, CCF proposes to enter into a restrictive covenant for 55 years. Does that 55 years start at the time of acquisition and is it inclusive or exclusive of the existing restrictive covenants which end in 2038.
- i.) What is the current rent for the 26 units without current restrictive covenants and does the pro forma contemplate these being established as affordable or staying market rate?
- j.) Is this project in a high opportunity area?
- k.) Is there any permanent supportive housing contemplated as a part of this project?
- l.) What are the relevant performance measures for this or similar partnerships, such as the Village on Little Texas, that should be considered as a part of initial evaluation or ongoing oversight? MAYOR PRO TEM COLE

ANSWERS:

- a.) The pro forma, the operating budget, and sources and uses of funds are **Attachments 1, 2, and 3**, respectively.
- b.) The draft renovation budget is **Attachment 4**.
- c.) CCF representatives provided a copy of a marketing package prepared by the real estate brokerage firm that is listing the property. Current, past, and projected operating financial information was included. The projected annual cash flows calculated by CCF are found in **Attachment 1** on the line "Net Cash Flow After Debt Service."
- d.) Over a 30-year period, using the current average interest rates for HUD-insured multi-family mortgages (3.75%), and a 2014 property tax assessment of approximately \$133,000, the Net Present Value is \$3.2 million. The City's share of that amount under the current combined total property tax rates for all jurisdictions would be 20.2% or \$646,400. AHFC has provided more funding to similar-sized acquisition and rehabilitation projects:
 - Garden Terrace, 100 units, \$1 million (2000 and 2008)
 - Skyline Terrace, 100 units, \$1.5 million (2008)
 - Arbor Terrace, 120 units, \$2 million (2011)

- e.) The total projected developer fee is \$1,448,000 of which \$940,573 is deferred and will be paid out over time from residual receipts. It is a common practice for non-profit housing developers to defer taking the developer fee.
- f.) The proposed fee is \$5,000 and the proposed management agent will be the Cesar Chavez Foundation. The current management agent is Sheltering a Nation. We are not aware of any agreements made between the City and the current owner that would require policies such as a Living Wage floor.
- g.) No. The CDC is a policy advisory Board of the City of Austin not a body of the AHFC. The backup provided to the CDC can be viewed at: <http://www.austintexas.gov/edims/document.cfm?id=219015> and <http://www.austintexas.gov/edims/document.cfm?id=219016>
- h.) There is an existing Land Use Restriction Agreement with the Texas Department of Housing and Community Affairs, and AHFC's restrictive covenant will start at the time of acquisition. If purchased in 2015, the AHFC affordability restrictions would run through 2070.
- i.) Per the real estate broker's marketing package indicates the rents are \$850, \$950, and \$1,100 for 2, 3, and 4-bedroom units, respectively. The pro forma (Attachment 1) contemplates affordable rents.
- j.) According to the Kirwan Institute's 2012 Comprehensive Opportunity Map of Austin, this existing property is located in an area considered "Very Low Opportunity."
- k.) Yes. CCF is committed to having Permanent Supportive Housing units and CCF representatives have been in contact with ECHO about PSH to learn more.
- l.) As with all AHFC-assisted developments, the performance measures start with rents that do not exceed specified affordability limits, renting to households with incomes at or below specified limits, and maintaining the affordability for a specified number of years. Additional performance measures may be imposed by other funders, by HUD, or the Texas Department of Housing and Community Affairs, as examples.

Project Name: The Timbers
City/County: Austin, Travis, TX

Percent Annual Adjustment:
2.00% Income
3.00% Expense
7.50% Vacancy Rate
0.00% Other Income
2700000

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Income	1,066,368	1,081,695	1,109,449	1,131,638	1,154,271	1,177,356	1,200,904	1,224,922	1,249,420	1,274,408	1,299,897	1,325,895	1,352,412	1,379,461	1,407,050
Gross Rental Income	6,240	6,365	6,492	6,622	6,754	6,889	7,027	7,168	7,311	7,457	7,607	7,759	7,914	8,072	8,234
Other Income	1,072,608	1,094,060	1,115,941	1,138,260	1,161,025	1,184,246	1,207,931	1,232,058	1,256,731	1,281,866	1,307,503	1,333,653	1,360,326	1,387,593	1,415,263
Subtotal Income	(80,448)	(82,055)	(83,968)	(85,570)	(87,072)	(88,478)	(89,885)	(91,292)	(92,700)	(94,107)	(95,515)	(96,923)	(98,331)	(99,740)	(101,149)
Less Vacancy	\$ 992,162	\$ 1,012,008	\$ 1,032,248	\$ 1,052,891	\$ 1,073,948	\$ 1,095,427	\$ 1,117,336	\$ 1,139,683	\$ 1,162,476	\$ 1,185,726	\$ 1,209,440	\$ 1,233,629	\$ 1,258,302	\$ 1,283,468	\$ 1,309,137
Total Income:															

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Expenses	402,480	414,554	426,931	439,601	452,695	466,185	480,182	494,600	509,450	524,745	540,389	557,426	573,840	591,055	608,787
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reservi	(\$402,480)	(\$414,554)	(\$426,931)	(\$439,601)	(\$452,695)	(\$466,185)	(\$480,182)	(\$494,600)	(\$509,450)	(\$524,745)	(\$540,389)	(\$557,426)	(\$573,840)	(\$591,055)	(\$608,787)
Total Expenses:															

Net Operating Income:	589,882	597,451	605,255	613,090	620,954	628,843	636,754	644,683	652,627	660,581	668,541	676,503	684,482	692,412	700,350
Less Debt Service 1st Mont.	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)
Less Debt Service 2nd Mont.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow After Dt. Serv.	\$ 121,325	\$ 128,894	\$ 136,697	\$ 144,532	\$ 152,396	\$ 160,285	\$ 168,196	\$ 176,126	\$ 184,069	\$ 192,023	\$ 199,983	\$ 207,945	\$ 215,904	\$ 223,855	\$ 231,793

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Income	1,435,191	1,463,895	1,493,173	1,523,036	1,553,497	1,584,567	1,616,258	1,648,583	1,681,555	1,715,185	1,749,490	1,784,480	1,820,169	1,856,573	1,893,704
Gross Rental Income	8,398	8,566	8,732	8,912	9,091	9,272	9,458	9,647	9,840	10,037	10,237	10,442	10,651	10,864	11,081
Other Income	1,445,389	1,472,461	1,501,910	1,531,948	1,562,587	1,593,839	1,625,716	1,658,230	1,691,369	1,725,123	1,759,527	1,794,622	1,830,420	1,867,436	1,904,785
Subtotal Income	(108,289)	(110,435)	(112,643)	(114,898)	(117,194)	(119,538)	(121,929)	(124,368)	(126,855)	(129,392)	(131,980)	(134,619)	(137,312)	(140,060)	(142,863)
Less Vacancy	\$ 1,335,320	\$ 1,382,026	\$ 1,389,267	\$ 1,417,052	\$ 1,445,393	\$ 1,474,301	\$ 1,503,787	\$ 1,533,863	\$ 1,564,540	\$ 1,595,831	\$ 1,627,748	\$ 1,660,303	\$ 1,693,509	\$ 1,727,379	\$ 1,761,926
Total Income:															

Debt Service Ratio - 1st	1.26	1.28	1.29	1.31	1.33	1.34	1.36	1.38	1.39	1.41	1.43	1.44	1.46	1.48	1.49
Debt Service Ratio Combined	1.26	1.28	1.29	1.31	1.33	1.34	1.36	1.38	1.39	1.41	1.43	1.44	1.46	1.48	1.49

	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Expenses	627,051	645,662	665,238	685,195	705,751	726,924	748,731	771,193	794,329	818,159	842,704	867,985	894,024	920,845	948,470
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reservi	(\$627,051)	(\$645,662)	(\$665,238)	(\$685,195)	(\$705,751)	(\$726,924)	(\$748,731)	(\$771,193)	(\$794,329)	(\$818,159)	(\$842,704)	(\$867,985)	(\$894,024)	(\$920,845)	(\$948,470)
Total Expenses:															

Net Operating Income:	708,269	716,164	724,029	731,857	739,642	747,377	755,056	762,670	770,211	777,672	785,044	792,318	799,484	806,554	813,456
Less Debt Service 1st Mont.	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)	(\$468,558)
Less Debt Service 2nd Mont.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow After Dt. Serv.	\$ 239,712	\$ 247,607	\$ 255,471	\$ 263,299	\$ 271,085	\$ 278,820	\$ 286,498	\$ 294,112	\$ 301,654	\$ 309,114	\$ 316,486	\$ 323,760	\$ 330,927	\$ 337,976	\$ 344,898
Debt Service Ratio - 1st	1.51	1.53	1.55	1.56	1.58	1.60	1.61	1.63	1.64	1.65	1.68	1.69	1.71	1.72	1.74
Debt Service Ratio Combined	1.51	1.53	1.55	1.56	1.58	1.60	1.61	1.63	1.64	1.65	1.68	1.69	1.71	1.72	1.74
Cumulative 10 Yr. Cash Flow	\$ 1,564,344														
Cumulative 20 Yr. Cash Flow	\$ 3,920,998														
Cumulative 30 Yr. Cash Flow	\$ 7,045,244														

ANNUAL OPERATING EXPENSES

General & Administrative Expenses				
Accounting	\$	6,768.00		
Advertising	\$	5,040.00		
Legal fees	\$	8,800.00		
Leased equipment	\$			
Postage & office supplies	\$	1,740.00		
Telephone	\$	8,812.00		
Other <u>Describe</u>	\$			
Other <u>Describe</u>	\$			
Total General & Administrative Expenses:			\$	31,160.00
Management Fee:	Percent of Effective Gross Income:	#DIV/0!	\$	40,179.00
Payroll, Payroll Tax & Employee Benefits				
Management	\$	145,714.00		
Maintenance	\$			
Other <u>Describe</u>	\$			
Other <u>Describe</u>	\$			
Total Payroll, Payroll Tax & Employee Benefits:			\$	145,714.00
Repairs & Maintenance				
Elevator	\$			
Exterminating	\$	5,467.00		
Grounds	\$	17,476.00		
Make-ready	\$	12,442.00		
Repairs	\$	14,900.00		
Pool	\$	2,500.00		
Other <u>Plumbing</u>	\$	2,550.00		
Other <u>HVAC</u>	\$	5,350.00		
Total Repairs & Maintenance:			\$	60,685.00
Utilities (Enter Development Owner expense)				
Electric	\$	14,098.00		
Natural gas	\$	1,460.00		
Trash	\$	15,192.00		
Water & sewer	\$	84,745.00		
Other <u>Water Reimbursement</u>	\$	-54,505.00		
Other <u>Describe</u>	\$			
Total Utilities:			\$	60,990.00
Annual Property Insurance:	Rate per net rentable square foot:	\$	#DIV/0!	\$ 24,232.00
Property Taxes:				
Published Capitalization Rate: _____	Source: _____			
Annual Property Taxes:	\$	0.00		
Payments in Lieu of Taxes:	\$			
Other Taxes <u>Describe</u>	\$			
Other Taxes <u>Describe</u>	\$			
Total Property Taxes:			\$	-
Reserve for Replacements:	Annual reserves per unit:	\$	300.00	\$ -
Other Expenses				
Cable TV	\$			
Supportive service contract fees	\$			
TDHCA Compliance fees	\$	4,160.00		
TDHCA Bond Administration Fees (TDHCA as Bond Issuer <u>Only</u>)	\$			
Security	\$			
Other <u>Replacement Reserve</u>	\$	31,200.00		
Other <u>Compliance review Fee</u>	\$	4,160.00		
Total Other Expenses:			\$	39,520.00
TOTAL ANNUAL EXPENSES	Expense per unit:	\$	#DIV/0!	\$ 402,480.00
	Expense to Income Ratio:		#DIV/0!	
NET OPERATING INCOME (before debt service)				\$ (402,480.00)
Annual Debt Service				
<u>Describe Source</u>	\$			
<u>Describe Source</u>	\$			
<u>Describe Source</u>	\$			
<u>Describe Source</u>	\$			
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		0.00	\$ -
NET CASH FLOW				\$ (402,480.00)

Sources Uses

9/21/2014

Project Name: The Timbers
City/County: Austin, Travis, TX

Sources:

First Mortgage		8,415,000
Cash-Flow During construction	24 months	803,952
Chavez Cash Flow Note		
Owner Contribution/Deferred Development Fee		940,573
Total Sources From Debt		10,159,525
Tax Credit/Equity		3,565,224
LP Equity Non-Tax Credit		
Total Sources		13,724,749
Total Uses		13,724,748

Max Loan	
8,751,000	DSCR
#DIV/0!	LTV

0
(should be zero)

LTV: 61%

Uses:

	Uses excluded in dev. fee cal.	Uses included in dev. fee cal.	
Site Costs			
Land	940,000		
Building Acquisition	6,375,987		
Land Improvements			
Off Site and Demolition			
Other Land Improvements - Impact Fees	-		
Sub-Total Land Improvements	7,315,987		x
Buildings			
Construction Hard Costs		1,870,175	x
Site Work			
General Requirements (6%)	6.00%	112,211	x
Contingency	10.00%	187,018	
Sub-Total Buildings		2,169,404	
Fees			
Builders Profit (6%)	6.00%	112,211	x
Builders O/H (2%)	2.00%	37,404	x
Bond Premium	0.50%	10,660	x
Architects		90,000	
Architects Fee-Supervision			
Engineering		16,129	x
Landscape Arch		10,000	x
Alta Survey		25,000	x
Permits		27,368	x
Mezz Financing Costs		-	
Sub-Total Fees		328,771	
Charges and Financing			
Construction Loan Interest		732,105	24 months
Financing Fee - Perm Loan	0.00%	-	
Financing Fee - Construction	0.00%	-	
Financing Fee - Bridge Loan		-	
Bond Issuance Costs	see next page	663,420	
Taxes		70,000	
Insurance		70,000	
Inspections Lender	1.00% construction costs	21,320	
Title/Recording		65,000	
Sub-Total Fees		1,621,845	
Legal/Organizational			
Legal		115,081	
CPA Fees		5,000	
Organizational		3,000	
Cost Certification		25,000	
Sub-Total Legal/Org.		148,081	
Other Fees and Cost			
Consultant/Application	0.00%	25,000	
LHHC Application Fee		3,120	
Tax Credit Commitment Fees	5.00%	18,379	
Market Study		10,000	
Appraisal		10,000	
Phase I		10,000	
Capital Needs Assessment		15,750	x
Relocation Costs	per unit 1600	238,900	includes \$25,000 security
Third Party Reports (Conversion)		-	
Soft Cost Contingency		35,000	
Sub-Total Other		366,149	
Project Reserves			
Operation Reserves	201,240		6 months
Lease-Up	54,070		
Replacement Reserves	31,200		
Sub-Total Reserves	286,510		
Developer Fee NC/Rehab.(Maximum 15%)	15.00%	491,603	
Developer Fee - Acquisition	15.00%	956,398	
Syndication Expenses			
Application Fee		40,000	
Accountant Fees/Synd. Fee			
Sub-Total	1,488,001		
Totals:	9,090,499	4,634,250	
TOTAL USES:		13,724,748	

Developer Fee Breakout	
Gross	\$ 1,448,001
Deferred Dev. Fee	\$ (940,573)
Percent Deferred	65%
Net Dev. Fee	\$ 507,428

Cash During Construction	
Income	\$ 1,072,608
Vacancy	25%
(adjusted income)	\$ 804,458
expenses	\$ 402,480
cash during construction	\$ 401,978

Rehab Per unit	\$ 20,500
Total Rehab Costs	\$ 2,132,000
Net Rentable Square Feet	
Cost Per NR SQFT	
Total Builder Contract	\$ 2,132,000
Hard Cost Contingency	\$ 187,018
Total Rehab Costs	\$ 2,319,018

Acquisition Cost Breakout	
CCF Secured Note	\$ 829,909
CCF Unsecured note	\$ 1,072,812
Fannie Mae Note	\$ 5,213,266
SAN Fee	\$ 200,000
Total	\$ 7,315,987

Builders Risk & Partnership GL

Mez Costs		
Principal	\$	-
Points	0%	\$ -
Rate	0.0%	\$ -
Total	\$	-

Purchase Price	
Asking Price	
Per Unit	
Land Value	
Improvement Value	



EXHIBIT " B " SCHEDULE OF VALUES / ALLOWANCES

DATE: 11-4-14

PROJECT:	Timbers- Austin, Texas	Cost breakdown			Budget dwgs:	Page 1
duration:	8 months					
bid type	type V- 1hr	total site acres	5.5	off site work total	0	Architectual dwgs-----NONE
stories	2 and 3 story buildings	site sq footage	0	on-site work total	0	structural dwgs-----NONE
total units	104	parking sq ft	0	parking struct	0	mechanical dwgs-----NONE
total bldgs	11	carports	0	building total	0	plumbing dwgs-----NONE
bid sq ft(total)	117,571	elevators	0	green bid total	0	electrical dwgs-----NONE
studios	0					civil dwgs-----NONE
studio sq ft	0					dry utility plan-----NONE
4 bed count	16					soils report-----NONE
4 bed sq ft	1,325					conditions of app-----NONE
2bed count	56					t-cac requirements-----APPLICATION
2 bed sq ft	976			TOTAL	0	lender requirements-----NONE
3 bed count	32					H.U.D requirements-----NONE
3 bed sq ft	1,215					
common bldg	1					
common sqft						

Cost Code	Description	Off-site work Amount	On-site work Amount	Residential Building amount	Total project amount	NOTES	per unit cost
02 0000	SITE WORK						
	rough and final clean			20,800			200
	survey /staking			0			
	site demolition			0			
	mass excavation		8,000	0		around area drains and landscaping	
	finish grading			0			
	soil treatment			0			
	erosion control /swpps			0			
	trash enclosure			0			
	domestic water			0			
	sewer and laterals	0	0	0			
	fire service and assembly	0	0	0			
	storm drain			0			
	area drains		5,000	0		misc drains	
	power pole relocations			0			
	joint trench/utilities			0			
	concrete walks		30,000	0		a.d.a path of travel	
	asphalt paving		5,000	0		misc repairs	
	entry /special pavement			0			
	entry gate phone system			0			
	wheel stops / striping		1,500	0		misc repairs	
	curb and gutter	0	4,000	0		a.d.a ramps	
	landscape and irrigator		85,000	0		irrigation repairs and xeroscapi	
	pool furniture		0	0			
	bbq's		0	0			
	basketball court		0	0			
	playground equipmen		20,000	0		remove existing surface and replace with rubberized surface with concrete cur	
	sub-total	0	158,500	20800	179300		
03 3000	CONCRETE						
	structural concrete	0	0	0			
	lightweight concrete			0			
	sub-total	0	0	0	0		
04 000	MASONRY						
	precast caps			0			
	landscaping/site walls	0	0	0			
	simulated stone			0			
	subtotal	0	0	0	0		
05 000	METALS						
	vehicle entry gates			0			
	structural steel			0			
	handrails and railings	0	30,000	0		modify handrails at all buildings to meet a.d.a requirements	2,727per bldg
	fencing and wrought iron		0	0			
	sub-total	0	30000	0	30000		
06 000	WOOD / PLASTICS						
	rough carpentry			0			0
	finish carpentry	0		98,600		new front doors, weather stripping, misc int doors, unit lever h.w, misc shelf and pole	948
	formica tops			80,720		all units	776
	cabinets			174,750		all units	1,680
	sub-total	0	0	354070	354070		
Cost Code	Description	Off-site work Amount	On-site work Amount	Residential Building amount	Total project amount	NOTES	page 2 per unit cost
07 000	THERMAL/ MOISTURE						
	deck coating			0			
	building insulation	0	0	0			
	roofing			25,000		misc repairs (EXCLUDED R & R OF ALL ROOFS)	2,272 per bldg
	sheet metal flashing &trim	0		5,500		misc repairs only	500 per bldg
	sub-total	0	0	30500	30500		
08 000	DOORS /WINDOWS						
	aluminum /vinyl windows			0			0
	mirrors			10,000		misc unit repairs	96
	sub-total	0	0	10000	10000		
09 000	FINISHES						
	stucco plaster			35,000		ALLOWANCE	337
	gyp board- (allowance)			5,000		community building bathrooms	
	ceramic tile			0			
	accoustical ceiling			157,310		through out unit (except bedrooms). Include community building	1,513
	resilient sheet flooring			52,000		bedrooms only	500
	carpet			30,000		misc exterior repairs	2,727 per bldg
	exterior site painting	0		134,000		paint only (no primer, except for patches)	1,288
	interior painting						

	sub-total	0	0	413310	413310			
	SPECIALTIES							
	exterior signage		0	20,576			0	
	fire protection			0				
	postal specialties							
	unit demolition	0	0	67,600		cabinets, countertops, plumbing fixtures, h.v.a.c equip and flooring	650	
	sub-total	0	0	88176	88176			
	EQUIPMENT							
	trash chutes							
	appliances			153,088		energy star refrigerator and dishwasher. New stoves and range hoods	1,472	
	sub-total	0	0	153088	153088			
	FURNISHINGS							
	blinds/shades/shutters			6,500		misc repairs	63	
	sub-total	0	0	6500	6500			
	SPECIAL CONSTR.							
640-50000	carports		0					
630-13150	swimming pools		0					
	sub-total	0	0	0	0			
	CONVEYING SYSTEMS							
	elevator							
	sub-total	0	0	0	0			
	MECHANICAL							
	plumbing			316,327		water heater, low flow fixtures, water closets, garbage disposals and sinks	3,042	
	fire sprinklers			0				
	heating/ air conditioning			215,296		remove existing equipment and replace with seer 13. (excluded all duct work and line sets)	2,070	
	sub-total	0	0	531623	531623			
16 000	ELECTRICAL							
	site lighting		0					
	security system			0				
	electrical service			73,608		co2/smokes detectors, new g.f.i.'s , range hood plug and h.v.a.c shut off switch	708	
	fire alarm			0				
	sub-total	0	0	73608	73608			
	total direct costs				\$ 1,870,175.00	EXCLUSIONS:		17,982
6%	general conditions			112,211.00		all costs associated with relocation (hotel, movers and storage), building permits		
8%	contractor fee			149,615.00		utility fees or special inspections		
	contingency (contractor)			0.00				
1%	performance bond			0				
3%	G L insurance			0				
	contingency (owner)			0				
	PROJECT TOTAL				\$ 2,132,001.00			20,500