

**REQUEST FOR CITY OF AUSTIN RESOLUTIONS**  
**for**  
**2018 - 9% Competitive Low Income Housing Tax Credits**

This sheet provides a guide for developers requesting resolutions required by the Texas Department of Housing and Community Affairs for 9% Low Income Housing Tax Credit applications for the 2018 Cycle. This form and all attachments will be due no later than close of business on Monday, December 11, 2017. All resolutions being requested are subject to approval by the Austin City Council. It is anticipated that resolutions will be on the Austin City Council Agenda for the February 1, 2018 meeting.

1. **Resolutions.** Please indicate which resolutions are being requested from the City of Austin.

- ☒ Resolution of Support from the Local Governing Body (will be provided to all applicants completing this form and providing all attachments)
- ☒ Twice the State Average Per Capita (will be provided to all applicants completing this form and providing all attachments)
- ☒ One-Mile/Three-Year Rule
- ☐ N/A Limitations on Developments in Certain Census Tracts
- ☒ Development contributing more than any other to the City's concerted revitalization efforts (only one application will receive this designation)
- ☒ Project in a Community Revitalization Plan (CRP) Area

2. **Commitment of Development Funding by Local Political Subdivision.** Funding commitments from the City of Austin will be provided to developments in the form of waived fees through the S.M.A.R.T. Housing Program. Letters from the City of Austin regarding waived fees will comply with the requirements of the 2018 QAP and will be provided to applicants if the development qualifies for S.M.A.R.T. Housing Certification. **Applications for S.M.A.R.T. Housing certification go through a separate review process, and are due by January 15, 2018.** For more information on the S.M.A.R.T. Housing Program, email Sandra Harkins, Project Coordinator, at [sandra.harkins@austintexas.gov](mailto:sandra.harkins@austintexas.gov).

For the request to be considered, please attach the following information:

- 1) Please complete the attached Project Summary Form (Excel)
- 2) Provide a map (8 1/2" x 11") indicating the property location and the distance a resident would actually have to walk on a paved surface to get to the **nearest transit stop**.
- 3) Provide a **flood plain map** generated by [www.ATXFloodPro.com](http://www.ATXFloodPro.com) with the property parcel identified and the legend displayed showing the various types of FEMA Flood Plain zones, if any.
- 4) Provide information about the Developer's Experience and Development Background.

Requests should be submitted to Neighborhood Housing and Community Development, 1000 East 11<sup>th</sup> Street, 2<sup>nd</sup> Floor, Austin, TX 78702 to the attention of Ellis Morgan. For more information, contact Ellis Morgan at 512-974-3121 or by e-mail at [ellis.morgan@austintexas.gov](mailto:ellis.morgan@austintexas.gov). E-mailed submissions are acceptable in PDF format.

**Deadline to Submit: 5:00 pm, Monday, December 11, 2017.**

I certify that, to the best of my knowledge, the attached information provided is true and correct.

Authorized Representative



Date

12/8/2017

## Tax Credit - Project Summary Form

### 1) Development Name

Pathways at Chalmers Courts East

### 2) Development Address, City, State, Zip

Blk 3-4 OLT 6 Division O, Austin, Texas 78702 (SW corner of Chicon St. and E. 4th Street)

### 3) Council District (please use Dropdown box to select)

District 3 - Renteria

### 4) Census Tract

48453000902

### 5) Block Group

484530009024

### 6) Is this a 4% or 9% Tax Credit Development? (please select)

9%

### 7) Is the development New Construction or Rehabilitation? (please use Dropdown box to select)

New Construction

### 8) Summary of Units by MFI Level

@ or below 30% MFI	14
@ >30 to 50% MFI	55
@ >50 to 60% MFI	66
@ >60 to 80% MFI	
@ >80 to 120% MFI	
>120% MFI	7
Total Units	142

### 9) Project Attributes (numerical values only)

Units	Bedrooms	Bathrooms	Unit Size (sq ft)	Estimated Rent
72	1	1	650	Approx. \$400-858
52	2	1	940	Approx. \$475-1025
10	3	2	1250	Approx. \$544-1179
8	4	2	1400	Approx. \$603-1312
142	Total Units			

## Tax Credit - Project Summary Form

10) **Underserved Populations** that are greater than 5% of total unit count (please indicated with an **X** if one of the following populations will be served)

<b>X</b>	Persons with disabilities
	Elderly
<b>X</b>	Veterans
	Children aging out of foster care
<b>X</b>	Homeless

11) **Permanent Supportive Housing (PSH) or Housing First** populations to be served. Please indicate the number of units and population to be served.

# of PSH Units	Description of Population and Services to be offered
8	HUD Veterans Affairs Supportive Housing Program (HUD-VASH). HUD-VASH is a joint program between HUD and the U.S. Department of Veterans Affairs (VA). HUD provides housing choice vouchers and VA provides case management and outreach. This program targets veterans who are currently homeless.

12) **Sources and Uses of funds** (please change descriptions and/or add rows if needed)

### Sources

Tax Credit Equity	14,250,000
Debt	5,634,500
Deferred Developer Fee	487,500
<b>Total</b>	<b>\$ 20,372,000</b>

### Uses

Acquisition Costs	2,000
Hard Costs	12,920,000
Soft & Financing Costs	4,200,000
Reserves & Developer Fee	3,250,000
<b>Total</b>	<b>\$ 20,372,000</b>

13) Is the development located **less than 1/2 mile from an Imagine Austin Corridor**? (Yes/No)

Yes

14) Is the development **less than 1/4 mile walking distance from high frequency transit**? (Yes/No)

No

15) Is the development **less than 3/4 mile walking distance from a transit stop**? (Yes/No)

Yes



# Pathways at Chalmers Courts East



E. 4th Street

E. 3rd Street

Chalmers Street

Chicon Street

Nearest Public Transit Stop - Across Street from Site, Approximately 43 Feet from Site







# City of Austin Regulatory Floodplains

The City of Austin Watershed Protection Department produced this product for informational purposes. It is not intended for or suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative locations of property boundaries. No warranty is made by the City of Austin regarding specific accuracy or completeness. Final determination of the floodplain status for a property must be based on a topographic survey by a Texas registered professional. For regulatory purposes, 100-Year floodplain elevations must be determined from an engineering model created in accordance with the Drainage Criteria Manual and approved by the City of Austin.

0 200 400 Feet



Prepared: 12/8/2017

- Address
- Parcel
- Fully Developed Floodplain
  - COA Fully Developed 25-Year
  - COA Fully Developed 100-Year
  - COA Master Plan 25-Year
  - COA Master Plan 100-Year
  - 100-Year (Detailed-AE)
  - 100-Year (Shallow-AO,AH)
  - 100-Year (Approx-A)

## **Austin Affordable Housing Corporation Development Experience**

Austin Affordable Housing Corporation (AAHC) is a non-profit subsidiary of the Housing Authority of the City of Austin (HACA) created in 2003 to preserve and increase the stock of affordable housing for low- to moderate-income families in Austin as well as provide financial literacy and homeownership opportunities. AAHC is the sole member of the general partner, co-developer, and general contractor for Pathways at Chalmers Courts East. An affiliate of Carleton Residential Properties will be co-developer, special limited partner, and master sub-contractor. Experience for Carleton Residential Properties is provided in a separate exhibit.

Since 2003, AAHC purchased a portion of its real estate portfolio consisting of office buildings, a shopping center, single-family houses and multi-family complexes. With the purchase of older existing stock, AAHC gained experience in apartment, office building and retail rehabilitation. The majority of the apartment complexes acquired between 2003-2013 have had major interior and exterior rehabilitation completed. Below are the apartment communities acquired by AAHC since 2003:

- Sterling Village Apartments – 207 units – 10401 North Lamar Blvd, Austin, Texas 78753
- Bent Tree Village Apartments – 126 units – 8405 Bent Tree Rd, Austin, Texas 78759
- Sweetwater Apartments – 152 units – 2323 Wells Branch Pkwy, Austin, Texas 78723
- Park at Summers Grove – 240 tax-credit units – 2900 Century Park Blvd, Austin, Texas 78728
- Leisure Time Village – 22 senior units – 1920 Gaston Place Dr, Austin, Texas 78723
- Lexington Hills Apartments – 238 units – 2430 Cromwell Circle, Austin, Texas 78741
- Bridge at Tech Ridge – 294 units – 12800 Center Lake Dr Austin, Texas 78753
- Bridge at Center Ridge – 348 units – 701 Center Ridge Dr, Austin, Texas 78753
- Bridge at Volente – 208 units – 11908 Anderson Mill Rd, Austin, Texas 78726
- Bridge at South Point – 176 units – 6808 South IH 35, Austin, Texas 78745
- Sterling Springs Apartments – 172 units – 2809 W. William Cannon Dr, Austin, Texas 78745

Beginning in August of 2014, AAHC began partnering with developers to build new construction 4% tax credit/bond projects. AAHC acted as the General Partner and General Contractor in these partnerships. These partnership developments include:

Partnerships with LDG Development LLC:

- Pointe at Ben White – 250 family units – 6934 E. Ben White Blvd, Austin, Texas 78741
- Villages at Ben White – 183 senior units – 7000 E. Ben White Blvd, Austin, Texas 78741
- Harris Branch Senior – 216 senior units – 12433 Dessau Rd, Austin, Texas 78754
- Bridges at Canyon View – New Construction – 216 senior units – 4506 William Cannon Dr, Austin, Texas
- Bridges at Cameron – 252 family units – 9201 Cameron Road Austin, Texas

Partnerships with Ryan Companies US, Inc:

- Reserve at Springdale – 292 family units – 5605 Springdale Rd, Austin, Texas 78723
- Urban Oaks Apartments – 194 family units – 6725 Circle S Rd, Austin, Texas 78745

Partnerships with Atlantic | Pacific Communities, LLC and Madhouse Development Services, Inc.

- ThinkEast Apartments – 208 family units – 1141 Shady Lane Austin, Texas

In November 2016, AAHC closed five transactions for the rehabilitation of five existing HACA public housing developments: Pathways at North Loop, Pathways at Georgian Manor, Pathways at Manchaca Village, Pathways at Shadowbend Ridge, and Pathways at Northgate. AAHC is the sole member of the general partner, developer, and general contractor for these developments.

In July 2017, AAHC closed an additional transaction, Pathways at Gaston Place, which is also a transaction for the rehabilitation of an existing HACA public housing Development. AAHC is the sole member of the general partner, co-developer, and general contractor for this development.

In July 2017, AAHC received a 9% housing tax credit award for Pathways at Goodrich Place. AAHC is the sole member of the general partner, co-developer, and general contractor for this development.



# Carleton Residential Properties

## Carleton Residential Properties Overview

January 2017



Carleton Residential Properties is a fully integrated owner, developer, and builder of high quality multifamily assets across the South and Southwest United States. Since 1991, the firm has remained actively engaged in all aspects of the multifamily housing market within its target region, successfully executing a conservative strategy across varying market cycles. For over 25 years, under the leadership of its founder, the Dallas, Texas based organization has steadily grown to include over 30 people. The three partners of the firm bring nearly a century of combined experience including over 60 years at Carleton. The executive leadership of Carleton averages over 10 years of tenure at the firm.

Carleton's investors, venture partners, and clients have included large institutions, family offices, high net worth individuals, housing authorities, and non-profits. The firm emphasizes clear communication and alignment of interests coupled with transparency and disciplined execution to deliver the vision of a community to reality. This disciplined approach has enabled Carleton to deliver consistent returns to investors by understanding and meeting market demand.





---

## Carleton Development

Carleton Development provides full-lifecycle multifamily real estate development services across the product spectrum. The firm has extensive experience with Class A market rate product, workforce housing, mixed income, and affordable housing. The principals of the firm have developed over 20,000 residential units of all types.

The development organization utilizes a proprietary risk management approach to development, built upon the partners' years of experience. Carleton believes strongly in the efficient deployment of capital and in working closely with partners and clients to consistently achieve the shared objectives.

Carleton's experience and reputation in the market provide the firm with access to opportunities, and the firm's balance sheet enables it to commit the appropriate resources to opportunities needed to be competitive in the market.





---

## Carleton Construction



Carleton Construction has a strong reputation as a general contractor to clients across the region including Carleton's own development team. Carleton Construction has experience with new construction, rehabilitation, and construction management for in excess of 30,000 units utilizing a variety of construction technologies. The firm has met unique challenges and the high standards demanded by LEED Platinum projects, historic preservation redevelopment, top end market rate projects, mixed-use developments, and value-oriented affordable housing. Carleton Construction has the leadership and risk management expertise to meet the strict compliance and timing standards required for Low Income Housing Tax Credit projects. The firm maintains \$120 million in bonding capacity and is licensed in numerous states across the region.





---

## Carleton Management Group

Carleton Residential has significant management capabilities including from asset management, construction management, and property management. Carleton manages properties and projects both its own account and for third party clients. This broad portfolio is typically composed of thousands of units including both market rate and affordable housing, working closely with market leading property managers. The group is experienced in providing the strategic leadership needed to lease up and grow rents in new properties, and the vision to reposition and improve operations at existing or acquired properties. The group also maintains the robust accounting, reporting, and compliance capabilities demanded by institutional clients, tax credit investors, and regulatory authorities.



---

## SALT RIVER CAPITAL

Salt River Capital is the financial services arm of the Carleton Residential platform, managing both debt and equity capital. The firm provides advisory services including deal structuring and underwriting, research, analysis, acquisition, and disposition. Salt River's professionals have experience investing and managing capital on behalf of some of the nation's largest institutional investors. Through the firm's experience, access to the Carleton platform, and capital markets relationships, Salt River Capital provides investment opportunities, transaction execution, and investor relations services that directly address the needs of clients and partners.



---

The Carleton Residential Properties family of companies are equal opportunity employers and qualify as Historically Underutilized Business entities.

---

## Carleton Residential – Principal Biographies



### **Printice L. Gary**

Printice Gary is the founder and Managing Partner of Carleton Residential. His prior business experience includes Trammell Crow Residential as a Texas Division Partner for multifamily development; Centex Corporation as President of its Fox & Jacobs Home Building & Mortgage Banking subsidiary; and Investment Banking at Piper, Jaffray and Hopwood as a Vice President Corporate Finance.

Mr. Gary currently serves on the Board of Directors of Oncor Electric Delivery, LLC, the largest regulated electricity Transmission and Distribution service provider in the state of Texas and recently served on the board of the National Equity Fund, Inc., a Chicago-based Tax Credit Syndicator and Asset Manager.

Mr. Gary has also served on the governing boards of various state entities pursuant to appointments by the Governor of Texas including the North Texas Tollway Authority; the Texas State Tax Reform Commission; the University of Texas System Board of Regents, where he was Chairman of the Facilities, Planning & Construction Committee; and on the Board of the University of Texas Investment Management Company and the Board for Lease of University of Lands.

Mr. Gary is a graduate of Carleton College with a major in Economics and holds an MBA with a concentration in Finance from the Harvard Business School.



### **Neal R. Hildebrandt**

Neal Hildebrandt is a Carleton Residential Partner and the Chief Operating Officer of Carleton Construction. Prior to joining Carleton, Mr. Hildebrandt was with Trammell Crow Company where he had construction and asset management responsibility for a portfolio of 2.6 million square feet of commercial real estate. Mr. Hildebrandt's experience also includes several years with Trammell Crow Residential where he was responsible for the development and construction of multiple residential communities; and with Centex Corporation where he was a field Construction Project Manager with Direct responsibility for production. Mr. Hildebrandt is a graduate of Oklahoma State University where he earned a BS in Construction Engineering.



### **Jeffrey D. Fulenchek**

Jeff Fulenchek is a Partner and the Director of Development for Carleton Residential Properties. Mr. Fulenchek began his career with Carleton in 1996 and directs the development activity for both Carleton's affordable and market rate multi-family divisions. Prior to joining Carleton, Mr. Fulenchek had a wide range of real estate experience, including overseeing Securities and Exchange Commission reporting for several national real estate limited partnerships for a large real estate investment firm. Mr. Fulenchek holds a BBA in Accounting from Texas A&M University.



## Senior Members of the Carleton Residential Team

Name	Position	Joined	Industry Experience	Expertise & Background
Printice L. Gary	Partner/Principal & CEO Carleton Residential	Founder 1991	35+ years	<ul style="list-style-type: none"> <li>Investment Banking, Commercial Banking S/F Homebuilding</li> <li>M/F Development &amp; Construction, Partner Trammel Crow</li> <li>Carleton College, AB Economics</li> <li>Harvard Business School, MBA</li> </ul>
Neal R. Hildebrandt	Partner/Principal & COO Director of Construction	1994	30+ years	<ul style="list-style-type: none"> <li>S/F Homebuilding, Asset Management Commercial Real Estate</li> <li>M/F Real Estate Development &amp; Construction, Trammel Crow</li> <li>Oklahoma State University, BS, Engineering Technology</li> </ul>
Jeff D. Fulenchek	Partner/Principal Director of Development	1996	20+ years	<ul style="list-style-type: none"> <li>Real Estate Investments, Financial Accounting</li> <li>M/F Real Estate Development and Construction</li> <li>Texas A&amp;M University, BBA, Accounting</li> </ul>
David Cohenour, CPA	Vice President Director Asset Management	2002	20+ years	<ul style="list-style-type: none"> <li>Asset &amp; Portfolio Management, Financial Reporting</li> <li>Multi-family Property Management</li> <li>University of Iowa, BBA, Accounting</li> </ul>
Holland P. Gary	CFO Carleton Residential CEO Salt River Capital	2009	10+ years	<ul style="list-style-type: none"> <li>Private Equity, Investment Management, Venture Operations</li> <li>Princeton University, BSE, Electrical Engineering</li> <li>Wharton School of the University of Pennsylvania, MBA, Finance</li> </ul>
Jeff Sutton, CPA	Vice President Accounting - Controller	2009	25+ years	<ul style="list-style-type: none"> <li>Financial Control &amp; Reporting, Commercial Real Estate and Construction, Homebuilding, Deloitte &amp; Touche, Trammell Crow</li> <li>University of Texas, El Paso, BBA, Accounting</li> </ul>
Will Henderson	Development – Officer Director Affordable Housing	2007	10+ years	<ul style="list-style-type: none"> <li>Financial Analysis – Real Estate, M/F Financial Analysis</li> <li>Affordable Housing Development</li> <li>Texas A&amp;M University, BA, Management</li> <li>University of Texas, MBA</li> </ul>
Steve Sivells	Vice President Construction	2003	30+ years	<ul style="list-style-type: none"> <li>M/F Construction and Development, Startup and Rehab</li> <li>Commercial Construction, Senior &amp; Student Housing</li> <li>Texas A&amp;M University, BS, Construction Engineering</li> </ul>
Claudia Powers	Asset Management - Officer	2009	10+ years	<ul style="list-style-type: none"> <li>Asset Management, Commercial Real Estate Lending</li> <li>Commercial Banking, Wells Fargo Commercial Credit Training</li> <li>European Business School, International Business Degree</li> <li>Texas Woman's University, MBA</li> </ul>

---

## Selected Recent Projects<sup>1</sup>



**Villas di Lucca** is a 176 unit mixed-use development including 30,000 square feet of retail space on the ground level as required by the entitlements. The property located in Mansfield, Texas (suburban Fort Worth), includes 6 buildings, and was completed in August 2013. Carleton served as lead developer and Carleton Construction was the general contractor. The project was financed with a construction loan from Frost Bank and limited partner equity from Carleton and other accredited investors. Construction started in August 2012 with the first building completed for occupancy on May 1, 2013 at which time the property had pre-leased 52 units. During the first quarter of 2014, the property stabilized with rents exceeding the predevelopment pro forma by over 10%. The property sold in 2015.

- |                         |                       |
|-------------------------|-----------------------|
| • Total Deal Size:      | \$23.8 million        |
| • LP Equity Invested:   | \$6 million           |
| • Investment Objective: | Sale on stabilization |

**Villaggio** is a 272 unit market rate development designed to serve as an independent project or as a second phase to the successful, adjacent Villas di Lucca project. Carleton completed the project at the end of 2016 having served as lead developer with Carleton Construction as the general contractor. The project was financed with a construction loan from Frost Bank and limited partner equity from a large family office.

- |                         |                       |
|-------------------------|-----------------------|
| • Total Deal Size:      | \$32 million          |
| • LP Equity Invested:   | \$8 million           |
| • Investment Objective: | Sale on stabilization |



---

<sup>1</sup> These case studies are illustrative only and do not include all of the investments in which the principals of Carleton Residential have participated, nor are they indicative of future investment opportunities or performance. There is no assurance that future investments will experience similar performance or returns. Past performance is not an indication of future results and no representation or warranty is made as to the performance that may be experienced by investors.



---

## Selected Recent Projects<sup>2</sup>

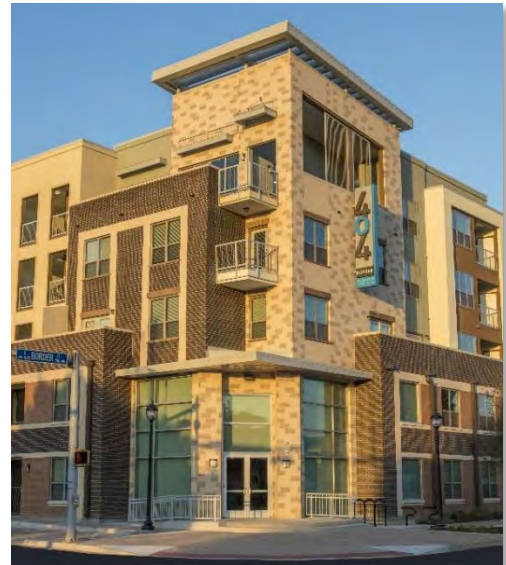


**Sonterra Blue** is a 342 unit Class A multifamily project located in North Central San Antonio. Construction began in February of 2013. The project was completed in 2014 and ultimately sold in 2015. In the first quarter of 2014 the first leases were signed at approximately 10% above projections, prior to the completion of any buildings. Carleton served as the developer and Carleton Construction was the general contractor. The project was financed with a construction loan from Bank of America and limited partner equity from Carleton and a large single family office.

- |                         |                       |
|-------------------------|-----------------------|
| • Total Deal Size:      | \$38 million          |
| • LP Equity Invested:   | \$10 million          |
| • Investment Objective: | Sale on stabilization |

**404 Border** is a 135 unit urban Class A multifamily project in downtown Arlington, Texas near the University of Texas at Arlington. The project was completed and fully leased in 2016. Carleton Residential affiliates handled the financing, and served as the lead developer and general contractor. The limited partner equity was syndicated amongst high net worth individuals and family offices and American National Bank served as the construction lender.

- |                         |                       |
|-------------------------|-----------------------|
| • Total Deal Size:      | \$19 million          |
| • LP Equity Invested:   | \$6 million           |
| • Investment Objective: | Sale on stabilization |



---

<sup>2</sup> These case studies are illustrative only and do not include all of the investments in which the principals of Carleton Residential have participated, nor are they indicative of future investment opportunities or performance. There is no assurance that future investments will experience similar performance or returns. Past performance is not an indication of future results and no representation or warranty is made as to the performance that may be experienced by investors.

## Other Selected Carleton Projects<sup>3</sup>

**The Depot** was on a 6.5 acre warehouse site located near downtown Ft. Worth, Texas. The Carleton Residential companies and affiliates managed the development of this property from the acquisition of this RTC land asset through zoning, demolition, financing, construction, lease-up, and sale. Carleton developed this 210 unit loft-style apartment property, consistently reducing risk at each step, working with the City of Fort Worth, Tarrant County, and the Historic Society all while maintaining multiple exit alternatives including market rate sale, condo conversion, or refinancing. Carleton Construction



delivered the property on time and on budget, leveraging the diligence work performed during the development phase. Carleton Residential Properties managed and monitored the asset throughout its lifecycle through a local joint venture with Lincoln Property Company, a national leader in property management.

- Total Deal Size: \$17.4 million
- LP Equity Invested: \$3.4 million
- Investment Objective: Sale on stabilization

**The Bristol** is 258 unit garden apartment complex located in Grand Prairie, Texas. Carleton partnered with a large commercial bank CDC investor to provide the equity capital. Carleton Development identified the location and the need for workforce housing (60%-120% AMI). The firm developed the property with an eye towards market rate sale while maintaining alternative exit options. Carleton Construction delivered the property on time and on budget in ten months, leveraging the diligence work performed during the development phase. Carleton Residential Properties managed and monitored the asset throughout its lifecycle. The property was sold, closed, and funded within twenty months of starting construction. Carleton Residential Properties managed and monitored the asset throughout its lifecycle through a local joint venture with Lincoln Property Company, a national leader in property management.



- Total Deal Size: \$14.9 million
- LP Equity Invested: \$2.8 million
- Investment Objective: Sale on stabilization

<sup>3</sup> These case studies are illustrative only and do not include all of the investments in which the principals of Carleton Residential have participated, nor are they indicative of future investment opportunities or performance. There is no assurance that future investments will experience similar performance or returns. Past performance is not an indication of future results and no representation or warranty is made as to the performance that may be experienced by investors.



# Community Revitalization Plan Area Information

## Community Revitalization Plan Area

Pathways at Chalmers Courts East is located within the City of Austin's **Homestead Preservation Reinvestment Zone No. 1** (Homestead Zone). The Homestead Zone was adopted by the Austin City Council by Resolution No. 20081016-013 on October 16, 2008 (Exhibit A). Included as part of Resolution No. 20081016-013 was the Preliminary Project Plan and Reinvestment Zone Financing Plan (the Project Plan) for the Homestead Zone (Exhibit A).

### Texas Department of Housing and Community Affairs Requirements for Concerted Revitalization Plans (CRPs) – Attached as Exhibit B

1. Zone Area – Area targeted for revitalization must be larger than the footprint of the housing development and should be a neighborhood or small group of contiguous neighborhoods – Homestead Zone meets this requirement
2. Adoption by City – CRP must have been adopted by city via resolution – Homestead Zone meets this requirement; was adopted by the Austin City Council by Resolution No. 20081016-013 on October 16, 2008
3. Public Comment – Problems in the revitalization area were identified through a process in which affected local residents had opportunity to express their views - Homestead Zone meets this requirement; City Council adoption of plan took place during public meeting subject to public comment
4. Problems in CRP Area – Plan must identify problems facing area – Homestead Zone meets this requirement:
  - a. Resolution 20081016-013 says that the City Council wishes to promote and expand the opportunities for the creation and preservation of affordable housing in certain disadvantaged neighborhoods;
  - b. Resolution 20081016-013 identifies the need for construction of necessary infrastructure;
  - a. The Project Plan describes its purpose as to prevent the involuntary loss of homesteads by existing low-income and moderate income homeowners living in disadvantaged neighborhoods.
5. Funding – Plan must have sufficient, documented and committed funding to accomplish its goals – Homestead Zone meets this requirement; as a tax increment financing reinvestment zone, the Homestead Zone generates revenue that is dedicated to the development, construction, and preservation of affordable housing and other eligible uses
6. Time Period – Plan must be current as of March 1, 2018 and must officially continue for three years thereafter – The Homestead Zone was created in 2008, and page 11 of the plan states its duration is up to 10 years. Can the City confirm that the plan will be in effect for three more years?

### Items Requested from City of Austin Related to CRP

- Letter from Appropriate Local Official
  - Confirms development's location in CRP
  - Provides documentation of measurable improvements in the area based on the target efforts outlined in the CRP
  - Discusses how improvements will lead to appropriate area for placement of housing
  - Confirms that committed funding exists for the CRP to accomplish CRP goals
  - Confirms that committed funding is currently flowing in accordance with the plan
- Resolution from City Council
  - Designates Pathways at Chalmers Courts East as contributing more than any other to the concerted revitalization efforts of the City of Austin



**RESOLUTION NO. 20081016-013**

**WHEREAS**, the City Council wishes to promote and expand the opportunities for the creation and preservation of affordable housing in **certain disadvantaged neighborhoods** of the City which are included in the Homestead Preservation District area ("District") established by Council on January 11, 2007; and

**WHEREAS**, **Texas Local Government Code Chapter 373A** authorizes the creation of a form of tax increment financing **reinvestment** zone within the District, referred to as a Homestead Preservation Reinvestment Zone ("TIF Zone"); and

**WHEREAS**, revenue derived from City of Austin and Travis County tax increments in such a TIF Zone would be dedicated to the development, construction, and preservation of affordable housing and other eligible uses including **construction of necessary infrastructure** directly related to supporting the construction or rehabilitation of affordable housing in this zone, all of which are public purposes of the City; and

**WHEREAS**, the City has prepared the attached Homestead Preservation Reinvestment Zone preliminary project and financing plan, which is a necessary component of TIF Zone creation; and

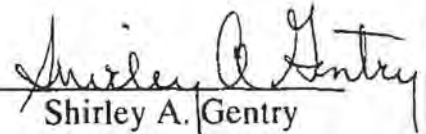
**WHEREAS**, approval of the creation and terms of the proposed TIF Zone by Travis County is necessary for the TIF Zone to become effective, and the City Council wishes to work with the County in creating this valuable tool for affordable housing in East Austin; **NOW THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

- (1) Council adopts the City's preliminary reinvestment zone project and financing plan, attached as Exhibit A, for the proposed Homestead Preservation Reinvestment Zone;
- (2) Council authorizes the City Manager to distribute the preliminary project and financing plan and the City's notice of intent to designate the Homestead Preservation Reinvestment Zone to all other taxing jurisdictions, and to hold a public hearing on the creation of the Zone;
- (3) Council directs the City Manager to meet and confer with Travis County representatives to reach agreement on the terms of the TIF Zone, including the amount of tax increments to be contributed, in order to allow approval of TIF Zone creation by both City and County by the end of 2008; and
- (4) Council authorizes the City Manager to take other steps as necessary to create the Homestead Preservation Reinvestment Zone.

**ADOPTED:** October 16, 2008

**ATTEST:**

  
Shirley A. Gentry  
City Clerk



---

**EXHIBIT A**

City of Austin  
Homestead Preservation Reinvestment Zone No. 1

Preliminary Project Plan  
and  
Reinvestment Zone Financing Plan

October 2008

## Table of Contents

Executive Summary

Project Plan

Reinvestment Zone Financing Plan



## Executive Summary

Chapter 373A, Local Government Code was passed by the 79<sup>th</sup> Texas Legislature in 2005. The Chapter, titled "Homestead Preservation Districts and Reinvestment Zones", provides tools for municipalities to create and preserve affordable housing within specific areas.

The stated purposes of Chapter 373A are (1) promote the ability of municipalities to increase homeownership, provide affordable housing, and prevent the involuntary loss of homesteads by existing low-income and moderate-income homeowners living in disadvantaged neighborhoods, (2) protect a municipality's interest in improving economic and social condition within disadvantaged communities by enhancing the viability of homeownership among low-income and moderate-income residents in areas experiencing economic pressures, and (3) provide municipalities with a means to expand and protect homestead interests of low-income and moderate income families.

The Homestead Preservation Reinvestment Zone must be located within the boundaries of the Homestead Preservation District. Areas eligible for designation as the District are described in Chapter 373A. On January 11, 2007, the City Council passed Ordinance 20070111-053, designating the District. The boundaries of the District are IH-35 on the west, Lady Bird Lake on the south, Springdale Road to Lyons Road to Webberville Road to Oak Springs Drive to Airport Boulevard on the east, and 38<sup>th</sup> ½ Street to Cherrywood Road to Manor Road on the north. The proposed TIF includes all of the Homestead Preservation District area. A map of the proposed Homestead Preservation Reinvestment Zone is attached as Exhibit 1 to the Plan.

The Homestead Preservation District has experienced a great deal of redevelopment pressure, as buyers seek homes close to Downtown. Developers and speculators have moved to purchase properties in the District for development of new housing, leaving long-time residents increasingly unable to purchase and maintain homes in the neighborhoods they and their families have lived in for generations. While redevelopment activities have brought welcome additions to the range of services available for residents, efforts to maintain affordable housing have been hampered by rising real estate prices and limited funding.

Recent data indicates that 48% of households in the District earn less than \$25,000 annually, and a disproportionately large number of households are headed by single-parents, and/or lack a high school diploma. In contrast, a review of homes for sale listed on the Austin Board of Realtors Multiple Listing Service indicates that there are no inhabitable homes available for purchase in the area for a household earning twice as much.

Programs operated by the City of Austin and nonprofit Community Housing Development Organizations have sought to increase the availability of affordable housing in the District. Future production of affordable housing in the District is hampered by increasing real estate values and decreasing federal support for affordable housing programs. Vacant lots suitable for single-family development are priced between \$60,000 and \$250,000 in the District.

The purpose of the Homestead Preservation Reinvestment Zone, is to provide affordable housing opportunities within the Zone. Federal prohibition for projects exceeding the 221(d)3 project cost limitation, or for projects exceeding the 203(b) value, frequently make the use of existing programs impossible in this rapidly gentrifying area. But for the funds to be generated by the HPRZ, continued



development and preservation of affordable housing within the Zone would be severely limited. This plan does not identify or propose any particular purchases of real estate, construction or rehabilitation projects. It is intended that projects will be designed, proposed, planned and developed over time, based on the amount of funds available in the increment fund as the TIF continues in operation. All projects will be subject to City of Austin public notice, procurement and purchasing requirements in effect at the time of proposal.

To finance the creation and preservation of affordable housing within the Homestead Preservation District, the City of Austin proposes the formation of a Homestead Preservation Finance Reinvestment Zone, in accordance with Chapter 373A of Local Government Code. In a TIF, the City and County contribute a portion of the property tax on the increase in value (tax increment) to TIF purposes. Under this proposal the City of Austin will contribute up to 100% of its tax increment and Travis County will annually contribute to the increment fund a percentage of its tax increment that would equal the dollar amount contributed by the City to the increment fund. The project will be funded with the increment collected by the TIF, as funds are received. No debt secured by a tax increment pledge or the full faith and credit of the City or the County will be issued to meet project costs, although layering of funding from other sources may be used to accomplish project goals. The TIF would terminate no later than after 10 years.

## Project Plan

This document is the Preliminary Project Plan for the Homestead Preservation Reinvestment Zone (HPRZ), City of Austin, Texas as required by Chapter 373A of the Local Government Code and Chapter 311 of the Texas Tax Code. The Zone is located in Central East Austin, entirely within the Homestead Preservation District. The purpose of the Zone is to finance the creation and preservation of affordable housing within the Zone.

The creation of the TIF will serve a public purpose through creation and preservation of affordable housing within the Zone, and will provide a continuing benefit to the community. This plan may be amended from time to time.

Expenditures for project and administrative costs will be funded by tax increment revenues derived from increases in property values within the Zone. Expenditures will be made in accordance with Chapter 373A, Local Government Code and Chapter 311, Tax Code. Chapter 373A provides that projects funded by the HPRZ benefit low and moderate income households at specific levels. The construction or rehabilitation of any improvements will comply with City planning, development and construction regulations. Project costs are as defined in Tax Code Section 311.002, and as further defined in Local Government Code Section 373A.157(e), and may include offsite improvements directly related to the construction or rehabilitation of affordable housing in the zone.

**In accordance with the requirements of the HPRZ statute, funds will be expended as follows:**

At least 25% of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 30% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, rehabilitation, renovation or reconstruction of homestead properties owned by households at 30% MFI or below within the Zone. The public benefit created through the preservation of affordable ownership housing will be secured with shared-equity liens, or within a land trust to meet the affordability period requirements in the statute.



At least 50% of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 50% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, construction, rehabilitation, renovation or reconstruction of homestead and rental housing for households at or below 50% MFI within the Zone. The public benefit created through creation or preservation of affordable housing will be secured with shared-equity liens, or within a land trust to meet the affordability period requirements in the statute.

All of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 70% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, construction or rehabilitation of affordable housing for households at or below 70% MFI within the District. Funds may be provided as a direct subsidy to eligible households. The public benefit created through the creation of affordable housing will be preserved through shared-equity liens or within a land trust to meet the affordability period requirements in the statute.

Not more than 10% of the revenue from the tax increment fund expended annually will be used for the administration by land banks and Community Housing Development Organizations of housing-related activities in the Zone. Funds will be made available on a competitive basis to CHDOs certified by the City of Austin that have developed or rehabbed at least three single-family homes or duplexes or one multifamily residential dwelling of four or more units in compliance with all applicable building code within the preceding 10-year period within the Zone.

Not more than 10% of the revenue expended annually from the tax increment fund for administration of the zone.

Funds returned to the HPRZ as loan repayment, recapture or program income will be invested in projects in the Zone. Funds received will be used to create and preserve affordable housing in accordance with the Project Plan.

Revenue from the HPRZ will be dedicated as provided in the project plan for use by a political subdivision, a Community Housing Development Organization certified by the City of Austin, or a Homestead Land Trust created or designated by the City of Austin. Funds may be made available on a competitive basis through a Request for Proposal process.

The area Median Family Income (MFI) level by household size will be the basis for home owner or tenant participation. The Median Family Income is published by the United States Department of Housing and Urban Development on an annual basis. Household eligibility will be determined according to 24 CFR Part 5, using the guidelines found in the "*Technical Guide for Determining Income and Allowances for the HOME Program*", HUD Publication 1780-CPD.

**1 Maps showing existing uses and conditions of real property and proposed improvements and uses of that property within the Zone**

The Homestead Preservation District is impacted by seven separate Neighborhood Plans. The plans are the result of community efforts to articulate preferences for future land development. The plans all include a Future Land Use Map, which indicates preferred types of development and density for the Neighborhood. The Future Land Use Maps included as part of the project plan are for the following Neighborhoods:

- Central East Austin Neighborhood
- Chestnut Neighborhood
- East Cesar Chavez Neighborhood
- Govalle/Johnston Terrace Neighborhood
- Holly Neighborhood
- Rosewood Neighborhood
- Upper Boggy Creek Neighborhood

While some of the FLUM boundaries extend beyond the Homestead Preservation District, they provide a clear illustration of community preferences for future development, and are included here as Exhibit 2.

**2. Proposed Changes of Zoning Ordinances, the Master Plan of the Municipality, Building Codes, and Other Municipal Ordinances**

All project construction is anticipated to adhere to all City Code and other municipal requirements in effect at the time permits are issued. Currently, there are no proposed changes to City ordinances, master plans or building codes. Should changes to zoning ordinances be required to complete individual projects, all applicable processes will be followed.

**3 List of Estimated Non-project Costs**

Non-project costs are those development items that will be funded by others and are necessary for the implementation of the project. No tax increment reimbursement is provided for non-project costs. No non-project improvements or costs are proposed.

**4 Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Project**

When necessary and applicable under the Finance Plan and Project Plan for the Homestead Preservation Reinvestment Zone, recipients of financing will be directed to replace all occupied and vacant occupy-able affordable housing demolished or subject to conversion as the result of a project financed through or by the HPRZ.

Consistent with the purpose of the Homestead Preservation Districts and Reinvestment Zones statute, recipients, to the greatest extent feasible, will take steps to minimize the direct and indirect displacement of persons from their homes. These steps may include, but are not be limited to, the following:

- 1 Coordinate code enforcement with rehabilitation and housing assistance programs,
- 2 Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first,



- 3 Arrange for facilities to house persons who must be relocated temporarily during rehabilitation,
- 4 Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative, as a result of a project assisted with HPRZ funds,
- 5 Provide counseling services to assist homeowners and tenants to access information on assistance available to help them remain in their neighborhood in the face of revitalization pressures

All permanent replacement housing will be provided within three years after commencement of the demolition or conversion. Before entering into a contract committing the HPRZ to provide funds for a project that will directly result in demolition or conversion, the HPRZ will direct that Notice be made public by placing publication in a newspaper of general circulation, or post the information at the City of Austin's neighborhood centers, City Clerk's office, the City of Austin Neighborhood Housing and Community Development (NHCD) website, and other selected local public places in the area of the proposed project. Such Notice to include:

- 1 A description of the proposed assisted project,
- 2 The address, number of bedrooms, and location on a map of affordable housing that will be demolished or converted as a result of the assisted project,
- 3 A time schedule for the commencement and completion of the demolition or conversion,
- 4 To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided,
- 5 The source of all funding and a time schedule for the provision of the replacement housing,
- 6 The basis for concluding that the replacement housing will remain affordable for the required period,
- 7 Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two one-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved Project Plan for the HPRZ.

To the extent that the specific location of the replacement housing and other data in items 4 through 7 are not available at the time of the general submission, the recipient of HPRZ funds will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

The Board of the HPRZ or its designated agent is responsible for ensuring the tracking of replacement housing and ensuring that it is provided within the required period.

The recipient of HPRZ funds is responsible for the provision of relocation payments and other relocation assistance to any lower income household displaced by the demolition or conversion of any housing. The provision of relocation payment(s) and other relocation assistance will, at a minimum, meet all the requirements of the Uniform Relocation Assistance and Real Property Acquisition regulations found at 49 CFR Part 24, and the requirements of the Department of Housing and Urban Development Handbook 1378, Tenant Assistance and Real Property Acquisition, as amended, regardless of any other fund source(s) for the project.



## Reinvestment Zone Financing Plan

In the proposed TIF, if created, the City and County contribute equal amounts of the property tax on the increase in value of real property in the zone (tax increment) as generated. The plan proposes that the City of Austin could annually contribute up to 100% of the amount of property taxes levied by the City on the captured appraised value of real property taxable by the City and located in the Zone. Council may approve a plan that provides for a lower increment than 100% if agreed to by the City or the County during discussions, but prior to establishment of the TIF. In accordance with the statute, Travis County would contribute a dollar amount equal to the amount of the City's contribution each year during the life of the TIF. County approval of the creation, boundaries, duration, and amount of tax increment is necessary for the TIF to become effective, and therefore, the City will consult with Travis County representatives to reach agreement on the amount of tax increment to be contributed by the City and County, as well as other terms. Tax increment revenues may be expended only for purposes described in the project and financing plans for the TIF. The project will be funded as the increment is collected, and no debt will be issued to finance the project. The proposed TIF would terminate no later than after 10 years.

### **I List of the Estimated Project Costs of the Zone, Including Administrative and Recurring Expenses**

The zone will not incur bond financing costs. All project costs associated with the project plan outlined above will be funded on a pay-as-you-go basis, using TIF revenue that has been collected and deposited into the Homestead Preservation TIF fund.

At least 25% of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 30% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, rehabilitation, renovation or reconstruction of homestead properties owned by households at 30% MFI or below within the Zone. The public benefit created through the preservation of affordable ownership housing will be secured with shared-equity liens, or within a land trust to meet the affordability period requirements in the statute.

At least 50% of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 50% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, construction, rehabilitation, renovation or reconstruction of homestead and rental housing for households at or below 50% MFI within the Zone. The public benefit created through creation or preservation of affordable housing will be secured with shared-equity liens, or within a land trust to meet the affordability period requirements in the statute.

All of the revenue from the tax increment fund expended annually will be used to directly benefit households at or below 70% of the area Median Family Income. Funds will be used for direct project costs associated with the purchase of real property, construction or rehabilitation of affordable housing for households at or below 70% MFI within the District. Funds may be provided as a direct subsidy to eligible households. The public benefit created through the creation of affordable housing will be preserved through shared-equity liens or within a land trust to meet the affordability period requirements in the statute.



Not more than 10% of the revenue from the tax increment fund expended annually will be used for the administration by land banks and Community Housing Development Organizations of housing-related activities in the Zone. Funds will be made available on a competitive basis to CHDOs certified by the City of Austin that have developed or rehabbed at least three single-family homes or duplexes or one multifamily residential dwelling of four or more units in compliance with all applicable building code within the preceding 10-year period within the Zone.

Not more than 10% of the revenue expended annually from the tax increment fund for administration of the zone.

**II. Statement Listing the Kind, Number and Location of All Proposed Public Works or Public Improvements in the Zone**

The proposed project includes the purchase of real property, rehabilitation, renovation or reconstruction of homestead properties owned by households as outlined in I above. The public benefit created through creation or preservation of affordable housing will be secured with shared-equity liens, or within a land trust to meet the affordability period requirements in the statute.

**III. Economic Feasibility Studies**

An economic feasibility study was completed by Capital Market Research. See Exhibit 3. Because the Homestead Preservation District is a large and diverse area, Capital Market Research applied a broad approach to the forecast of future real estate values, taking into account growth trends, as well as the status of current and planned development in the district. A block-by-block market analysis, which was completed for the Waller Creek tunnel project, is not a practical approach for the analysis of a Homestead Preservation TIF due to the size and diversity of the district. Four possible growth scenarios for the tax base in the Zone were developed, with the city-wide average growth scenario used to project future tax revenue. Staff has verified taxable values included in the report, working with the Travis County Appraisal District. Additional analyses of potential TIF revenue and the estimated impact on the City's General Fund will be completed by staff, and attached to the final plan.

**IV. The Estimated Amount of Bonded Indebtedness to be Incurred**

No bonded indebtedness will be incurred.

**V. The Time When Monetary Obligations are to be Incurred**

The Homestead Preservation TIF will not issue debt. Monetary obligations will be incurred for eligible projects as funds become available, estimated to 2010.

**VI. Description of the Method of Financing All Estimated Project Costs and the Expected Sources of Revenue to Finance or Pay Project Costs Including the Percentage of Tax Increment to be Derived from the Property Taxes of Each Taxing Unit that Levies Taxes on Real Property in the Zone**

**Description of the Methods of Financing**

The zone will not incur bond financing costs. All project costs associated with the project plan outlined above will be funded on a pay-as-you-go basis, using TIF revenue that has been collected and deposited into the Homestead Preservation TIF fund.

#### Sources of Tax Increment Revenue

The tax increment revenue necessary to pay the project costs is expected to come from increased property values in the zone due to growth in values and development that would normally occur over the course of time. Estimated tax base and tax revenues are shown in the table below.

#### 10-Year Revenue Projections

\$ in millions	Yr 1	Yr 5	Yr 10	Annual Average	10-Year Total
<b>HP District</b>					
Captured tax base	\$60.6M	\$337.3M	\$775.8M	\$350.8M	\$ 775.8M
TIF tax revenue	\$ 0.2M	\$ 1.2M	\$ 2.4M	\$ 1.3M	\$ 13.2M

The table above is based on the City of Austin contributing up to 100% of their collected incremental tax revenue to the zone at an estimated effective tax rate. If Travis County subsequently agrees to contribute a dollar amount equal to the amount of the City's contribution each year during the life of the TIF, an additional \$13.2 million could be generated over a ten-year TIF life. Council may approve a plan that provides for a lower increment than 100% if agreed to by the City and the County during discussions after approval of this preliminary plan, but prior to establishment of the TIF. County approval of the creation, boundaries, duration, and amount of tax increment is necessary for the TIF to become effective, and therefore, after approval of this preliminary plan, the City will consult with Travis County representatives to reach agreement on the amount of tax increment to be contributed by the City and County, as well as other terms.

Tax rates that are currently in effect are shown below.

Taxing Unit	Total Tax Rate	Tax Rate Dedicated	% Dedicated
City of Austin	\$0.4034/\$100	\$0.4012/\$100	up to 100%
Travis County	\$0.4122/\$100	\$0.4122/\$100	up to 100%

#### VII The Current Total Appraised Value of Taxable Real Property in the Zone

The area includes 6,815 parcels and includes two proposed Transit Oriented Development (TOD) Districts at Plaza Saltillo and Martin Luther King (MLK).

	Number of Parcels	2008 Taxable Value – City	2008 Taxable Value – County
HP District	6,815	\$1,124,971,617	\$1,024,133,255



### **VIII. The Estimated Captured Value of the Zone During Each Year of its Existence**

The preliminary revenue projections in the table in Section VII above assume that city-wide taxable values will grow, on the average, by 5.4% per year and that new construction will grow by 1.4%.

If the most recent 10-year trends were used to project growth in taxable values in the Homestead Preservation District, growth in overall assessed value might range from 4% to 12% annually, depending on the forecasting methodology. Growth in the District's tax base has averaged 12.9% annually over the last ten years, compared with 7.1% for the City overall. The revenue projections above were developed assuming that overall growth in the District would approximate overall City growth of 5.4% annually as a conservative approach since double-digit growth is not likely to consistently occur over a long-range forecast period.

Staff was able to obtain new construction data since 2005 for the District from the Travis Central Appraisal District. If these trends were used to project growth in new construction, projections might average as much as 10% annually, depending on the forecasting methodology. These more recent trends reflect the steep growth in development experienced in the last few years, and are likely not to be sustainable over a long-range forecast period. As a more conservative approach, the projections above reflect average annual growth in new construction of 2.5% consistent with the average annual compounded growth in new construction experienced across the city during the last ten years.

Cumulative Captured Value in the Zone  
Dollars in millions

2009	\$ 60,581,526
2010	\$ 124,425,463
2011	\$ 191,707,500
2012	\$ 262,612,781
2013	\$ 337,336,426
2014	\$ 416,084,059
2015	\$ 499,072,379
2016	\$ 586,529,752
2017	\$ 678,696,845
2018	\$ 775,827,284

### **IX. Duration of the Zone**

The duration of the Reinvestment Zone is up to 10 years. If established by the end of calendar year 2008, the first date for which the TIF captured appraised value will be recorded will be January 1, 2009. Fiscal year 2010 will be the first year in which both the City and Travis County would pay their associated tax increment into the TIF fund that will be established pursuant to an agreement to be executed between the City and County. In the event that the local economy declines and General Fund property tax revenue is negatively affected or for other good reason, the parties may agree to terminate the TIF agreement prior to the termination date only by written agreement signed by both parties, which agreement shall include the actual termination date, and the disposition of funds that have not been disbursed.

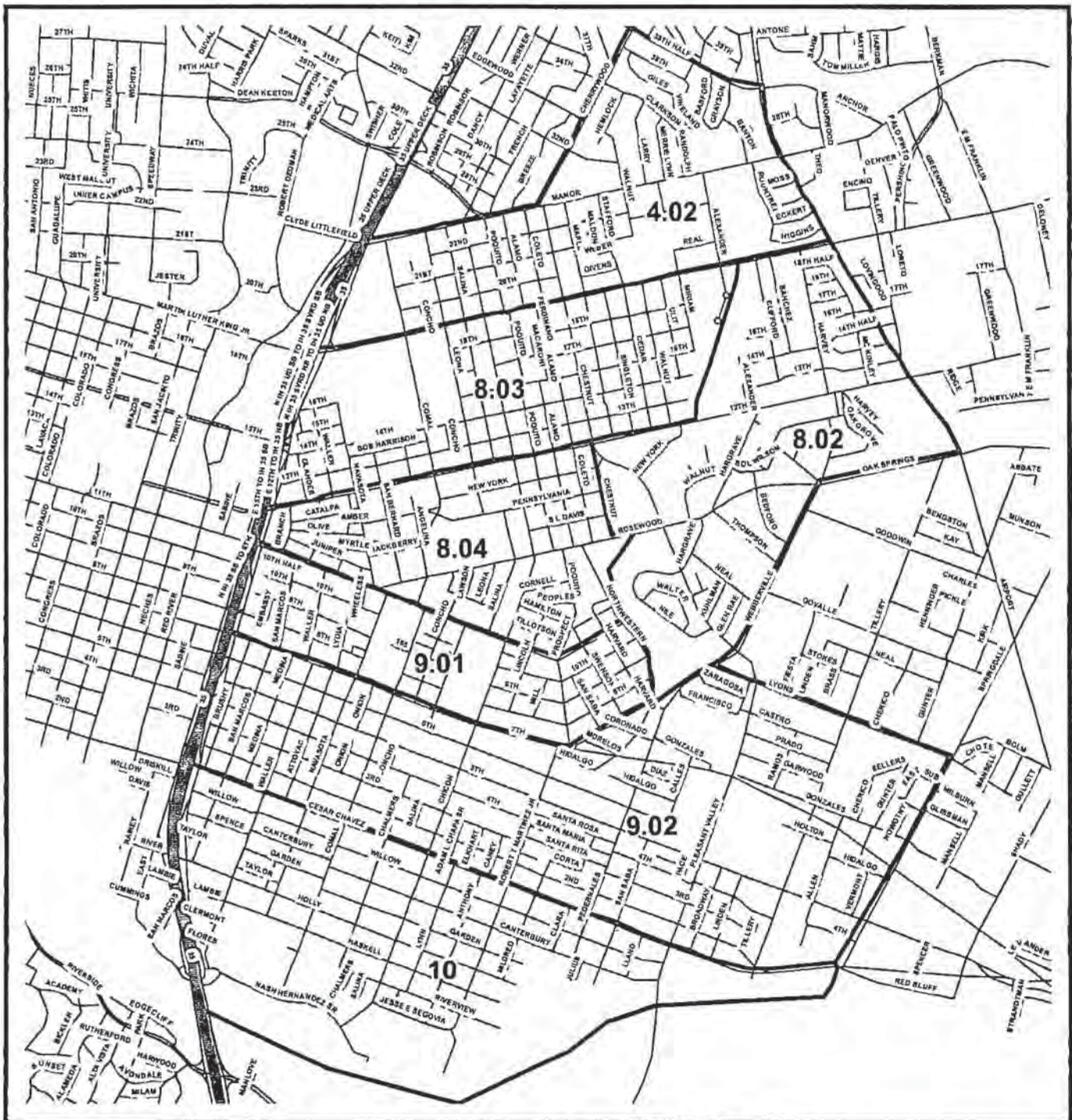


**Homestead Preservation Reinvestment Zone No. 1**  
**Preliminary Project Plan and Reinvestment Zone Financing Plan**

**EXHIBIT 1**

**Zone Map**

The boundaries of the District are IH-35 on the west, Lady Bird Lake on the south, Springdale Road to Lyons Road to Webberville Road to Oak Springs Drive to Airport Boulevard on the east, and 38<sup>th</sup> ½ Street to Cherry wood Road to Manor Road on the north. A map of the proposed Homestead Preservation Reinvestment Zone is attached.




## Homestead Preservation Reinvestment Zone No. 1

### ELIGIBILITY FOR DESIGNATION

The area is a spatially compact area composed of census tracts contiguous to a central business district and with

- 1 fewer than 25,000 residents,
- 2 fewer than 8,000 households
- 3 a number of owner-occupied households that does not exceed 50% of the total households in the area
- 4 housing stock at least 55% of which was built at least 45 years ago
- 5 an unemployment rate that is greater than 10%,
- 6 an overall poverty rate that is at least two times the poverty rate for the entire municipality and
- 7 in each census tract within the area a median family income that is less than 60% of the median family income for the entire municipality

 Homestead Preservation



0 0.25 0.5 1 Miles

This map has been produced by the Austin Housing Finance Corporation for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness. Created October 2007. Updated October 2008.



**Homestead Preservation Reinvestment Zone No. 1**

**Preliminary Project Plan and Reinvestment Zone Financing Plan**

**EXHIBIT 2**

**Future Land Use Maps**

The Future Land Use Maps included as part of the project plan are for the following Neighborhoods

- Central East Austin Neighborhood
- Chestnut Neighborhood
- East Cesar Chavez Neighborhood
- Govalle/Johnston Terrace Neighborhood
- Holly Neighborhood
- Rosewood Neighborhood
- Upper Boggy Creek Neighborhood







A comprehensive plan shall not constitute zoning regulations or establish zoning district boundaries





## Chestnut Neighborhood Planning Area Adopted Future Land Use

200 100 0 200 400  
Feet

### Future Land Use

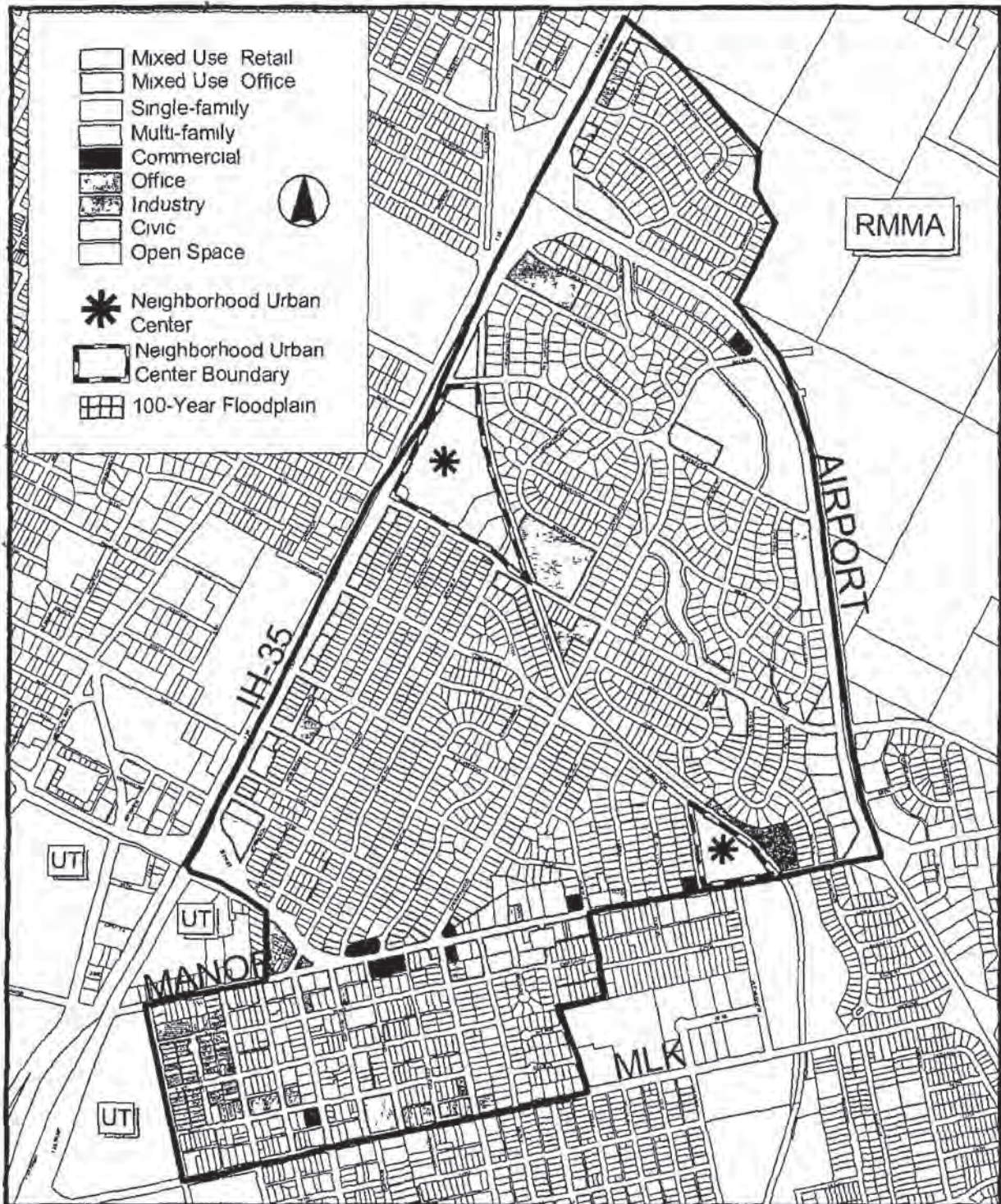
10 Agriculture	200 Multi-family	490 Major Planned Development	870 Utilities
50 Rural Residential	300 Commercial	500 Industry	940 Water
100 Single-family	330 Mixed Use	560 Major Impact Facility	
111 Higher-Density Single Family	335 High Density Mixed Use	600 Civic	
113 Mobile Homes	350 Warehouse/Limited Office	700 Open Space	
130 Mixed Residential	400 Office	750 Environmental Conservation	
	430 Mixed Use/Office	800 Transportation	



Produced by City of Austin  
Neighborhood Planning &  
Zoning Department  
February 14 2005

This map has been produced by the City of Austin  
for the sole purpose of aiding regional planning and  
is not warranted for any other use. No warranty  
is made regarding its accuracy or completeness.





## Upper Boggy Creek Neighborhood Planning Area: Future Land Use Map



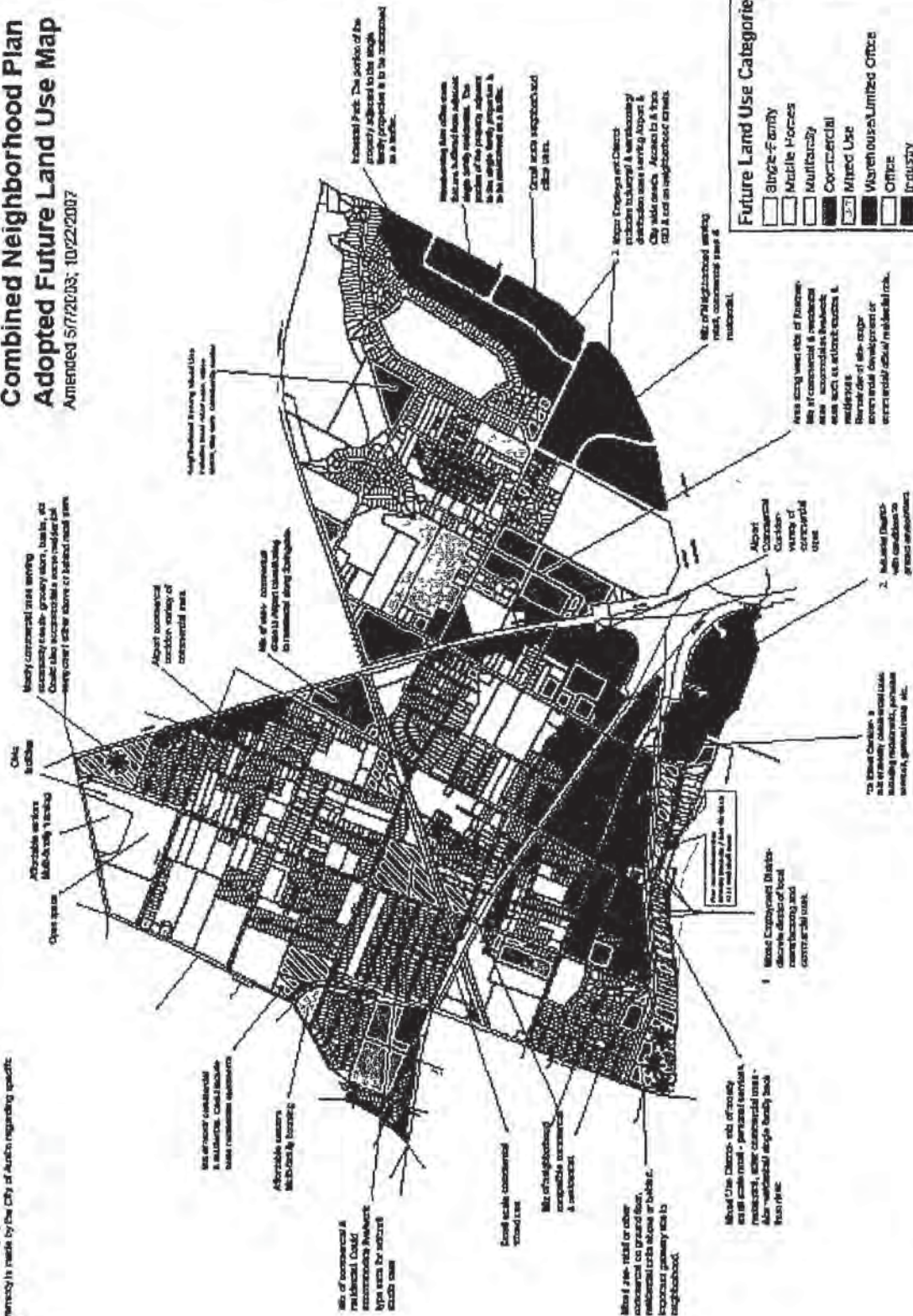
NPZD  
City of Austin

This map is for informational  
purposes only. No guarantee  
can be made as to its accuracy.



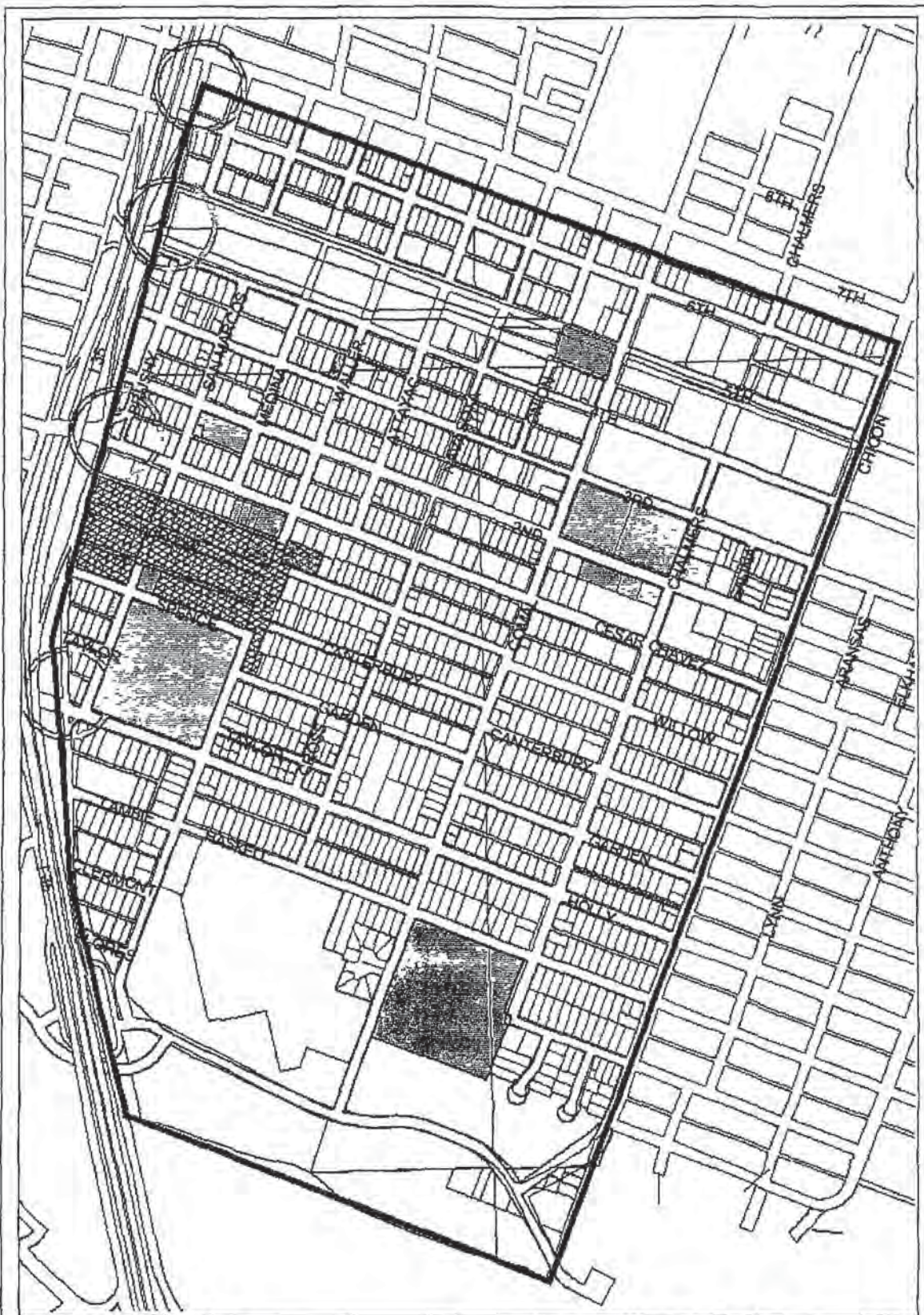
# Govalle/ Johnston Terrace Combined Neighborhood Plan Adopted Future Land Use Map Amended 5/7/2003; 10/22/2007

A comprehensive plan shall not constitute a zoning ordinance or a subdivision map. This map has been prepared by the City of Austin for the sole purpose of providing information. No warranty is made by the City of Austin regarding specific accuracy or completeness.



Legend





**East César Chávez  
Neighborhood Plan  
Future Land Use Plan**



PECD  
Neighborhood Planning  
Plotted May 1999  
Adopted by Ordinance May 13, 1999

A comprehensive plan shall not constitute zoning  
regulations or establish zoning district boundaries



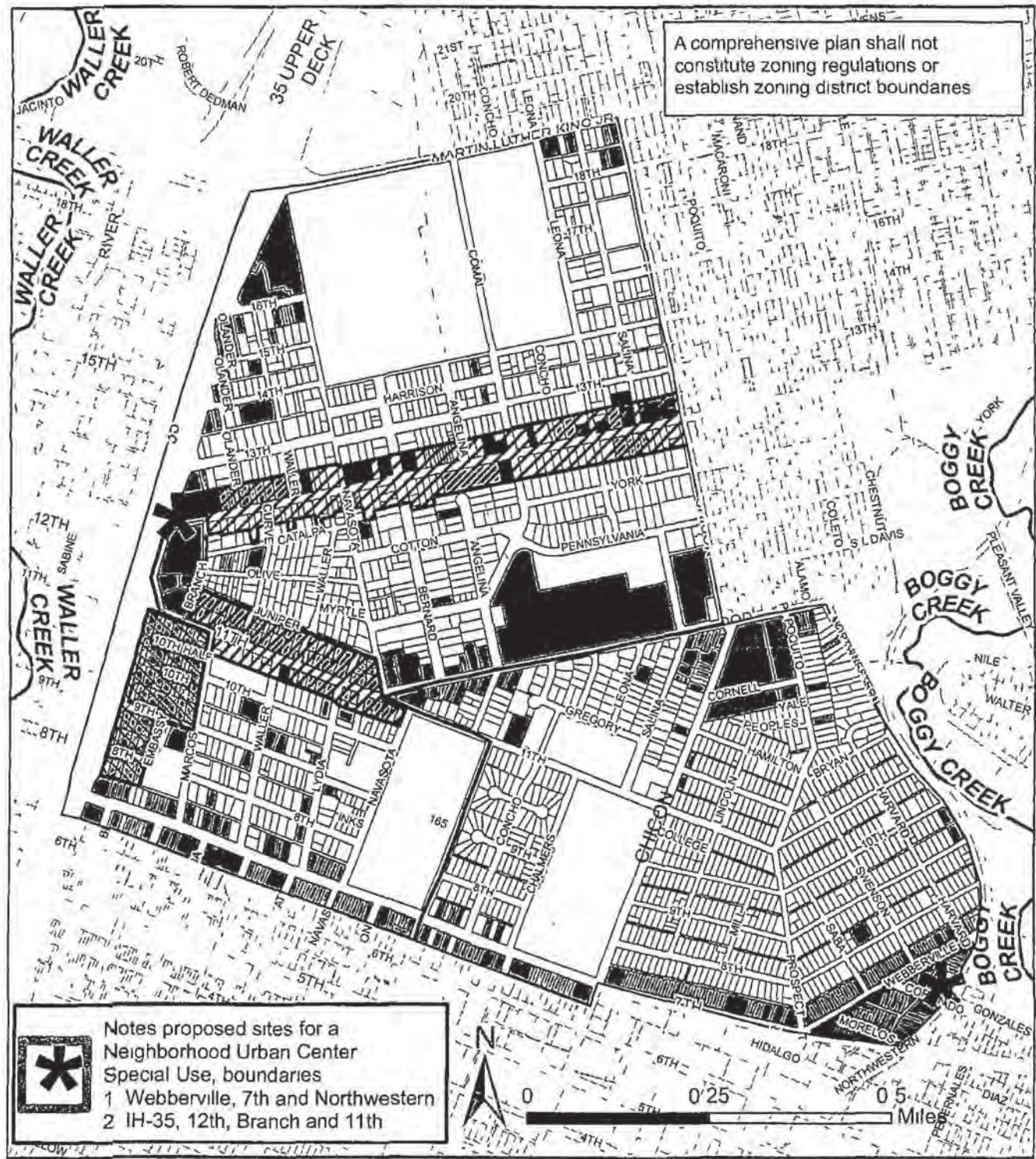
Neighborhood Gateway

- ☐ Multi-Family
- ☐ Mixed Use
- ☐ Residential
- ☐ Open space
- ☐ Civic
- ☒ Historic District





A comprehensive plan shall not constitute zoning regulations or establish zoning district boundaries



Notes proposed sites for a Neighborhood Urban Center Special Use, boundaries  
 1 Webberville, 7th and Northwestern  
 2 IH-35, 12th, Branch and 11th



**Central East Austin Neighborhood Planning Area Future Land Use Map**  
 Adopted 12/13/2001  
 Amended 6/23/05, 11/30/06, 5/3/07, 5/25/07  
 Neighborhood Planning and Zoning Department

- Neighborhood Planning Areas
- Bennett Tract & 11th Street NCCD
- Austin Revitalization Authority 11th & 12th Street Corridors

- Single-Family
- Higher-Density Single-Family
- Multifamily
- Commercial
- Mixed Use
- Office
- Mixed Use/Office
- Industry
- Civic
- Recreation & Open Space
- Transportation



**Homestead Preservation Reinvestment Zone No. 1**  
**Preliminary Project Plan and Reinvestment Zone Financing Plan**

**EXHIBIT 3**  
**Economic Feasibility Study**



## CAPITOL MARKET RESEARCH

Real Estate Research, Land Development Economics & Market Analysis

October 10, 2008

Margaret R. Shaw  
Director  
City of Austin, Neighborhood Housing  
and Community Development  
1000 East 11<sup>th</sup> Street, Suite 400  
Austin, TX 78702

### reg Homestead Preservation District TIF

Dear Ms. Shaw,

As you requested, we have prepared an assessment of the Homestead Preservation District proposed for a portion of central east Austin. Our assessment includes a determination of historical and current real property values within the District and a forecast of taxable value to help estimate the potential revenue that could be generated from a tax increment district.

#### Overview

Between 1997 and 2007, the number of residential units receiving building permits within the boundaries of the Homestead Preservation District (HPD) increased from 35 units to 154 units per year. Permitted residential units during this time span decreased citywide by 5%, yet the number of permitted units in the HPD increased fourfold. Permitted units in the HPD, as a share of citywide residential units, increased from 0.5% in 1997 to 2.4% of total permits citywide by 2007.

An increasing number of mixed-use and loft-style buildings are being developed within the HPD, such as Saltillo Lofts, TwentyOne24, and Waterstreet Lofts. A recent Diana McIver & Associates report identified more than 16 residential or mixed-use developments with more than 650 units currently planned near the Saltillo TOD, one of two TOD's located within the HPD.

As the pace of development has increased in the HPD, property values of new and existing units have increased significantly. In 1999-2000 in the HPD area, the median price for residential listings on the Austin Board of Realtors Multiple Listing Service was \$90,000, with the median price per square foot at \$66.00. By 2005-2006, the median price on MLS had increased to \$135,000, with the price per square foot at \$109.00. This 50% increase in market value contrasts to a 30% increase city wide over the same period.

These trends point to a significant demographic shift in the Homestead Preservation District. The area is experiencing a rising level of development activity, including not only single-family homes but also mixed-use, loft-style developments. This new development

Capitol Market Research, Inc.  
605 Brazos, Suite 300  
Austin, Texas 78701  
Phone (512) 476-5000  
Fax (512) 476-5011  
[chermath@cmraustin.com](mailto:chermath@cmraustin.com)



has contributed to increasing property values, but this trend has also had a negative financial impact on renters and homeowners seeking to remain in the area

### **Methodology**

The approach that we took and the results of our analysis are shown below

- 1 First we obtained from the Neighborhood Housing and Community Development Office a file that contains the property tax ID numbers and values for all 6,815 parcels in the proposed Homestead Preservation District. The appraisal district data included the property ID number, situs address, year of completion and total value by year, from 2000 through 2008 (Table 1)
- 2 Because there are two TOD areas within the proposed HPD TIF (Saltillo Plaza and MLK) which may also use TIF financing as a tool to foster development, we have also provided a forecast that removes the 464 TOD parcels from the HPD inventory with the result being a slightly smaller area with less value (Table 2)
- 3 With this data, we then explored several options for estimating future values within the district and determined that the two most acceptable approaches were an extrapolation of historical trends using two different forecasting methods. The two approaches selected were
  - a) a district value forecast that is based on the average annual percentage increase in total district value from 2000 through 2008 (high scenario)
  - b) a district value forecast which uses a linear extrapolation of the total property values in the area from 2000 through 2008 (low scenario)
- 4 The results of these forecast options are presented in table (3) with TOD parcels and (3)a, (without TOD parcels)
  - a) the forecast based on district value increases from 2000 to 2008 results in a 2028 total district value of \$12.7 billion with the TOD parcels and \$12.5 billion without
  - b) and the forecast which is based on a linear extrapolation of the property values results in a \$2.7 billion district value with the TOD parcels and \$2.5 billion value without
  - c) After examining the two options, CMR also prepared a forecast that is the average of the two scenarios, and which falls into the middle of the range of values at \$7.7 billion in 2028 with the TOD parcels and \$7.4 billion without. And, as a more conservative approach, the City may wish to assume that growth will more closely approximate the city-wide average over the long-term future

- 5 A Tax Increment revenue analysis was prepared using the most conservative forecast to determine what revenues would be available to support the planned affordable housing program initiatives within the district and these results are shown in Table(4) and (4)a

We hope this preliminary analysis is useful to you as you consider the option of creating a Homestead Preservation District in Austin

Respectfully yours,

CAPITOL MARKET RESEARCH, INC



Charles H Heimsath, AICP

October 10, 2008  
Date



Table (1)  
**Homestead Preservation District Tax Valuation Summary**

Year	Tax Records	City of Austin Total Taxable Value	Travis County Total Taxable Value
2000	6,739	376,239,867	350,442,581
2001	6,744	440,713,546	407,565,143
2002	6,751	506,825,154	465,381,719
2003	6,760	540,240,799	489,540,931
2004	6,779	601,542,656	542,880,116
2005	6,785	656,922,625	590,068,946
2006	6,823	785,895,911	707,574,588
2007	6,835	928,976,896	840,251,056
2008	6,815	1,124,971,617	1,024,133,255

TaxValuationSummary.xls

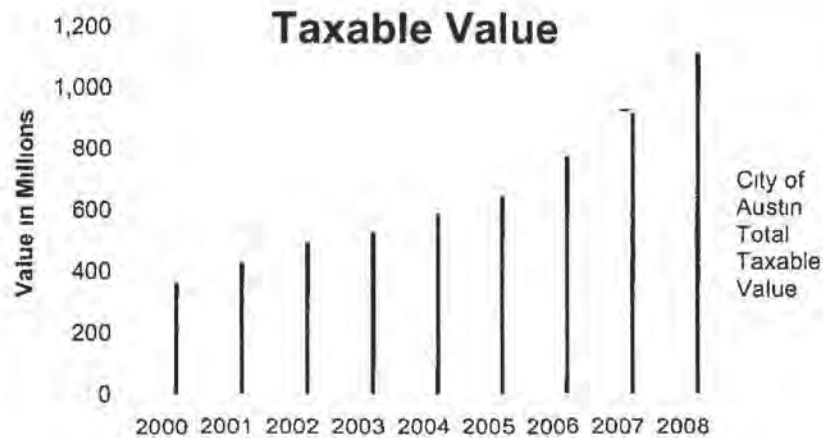


Table (2)  
**HPD Tax Valuation Summary (without TOD parcels)**

Year	Tax Records	City of Austin Total Taxable Value	Travis County Total Taxable Value
2000	6,286	326,373,619	301,401,317
2001	6,288	387,883,647	355,884,948
2002	6,295	447,496,882	407,454,579
2003	6,304	482,946,804	434,015,197
2004	6,323	533,359,300	476,860,841
2005	6,329	587,021,465	520,626,187
2006	6,363	706,508,636	630,676,022
2007	6,375	839,986,069	754,031,696
2008	6,351	1,009,339,633	911,606,955

TaxValuationSummary.xls

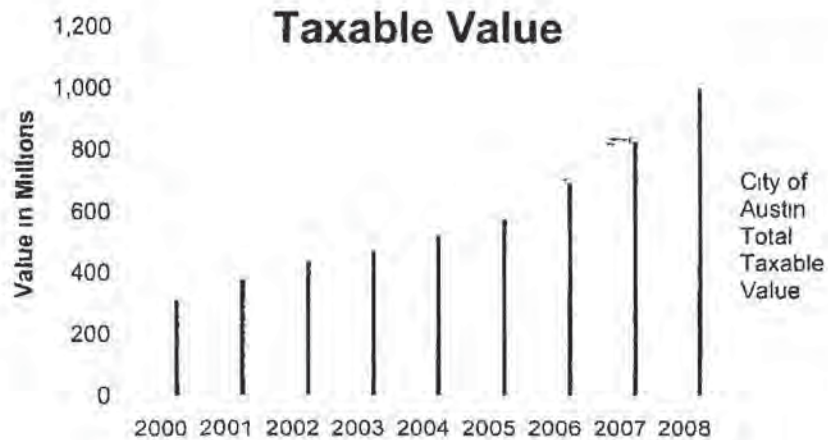




Table (3)  
HPD Forecasted Taxable Value Options

Year	District City Taxable Value	High range	Low Range	High/Low Average	City Average
2000	\$376,239,867				
2001	\$440,713,546				
2002	\$506,825,154				
2003	\$540,240,799				
2004	\$601,542,656				
2005	\$656,922,625				
2006	\$785,895,911				
2007	\$928,976,876				
2008	\$1,124,971,617	\$1,124,971,617	\$1,124,971,617	\$1,124,971,617	\$1,124,971,617
2009		\$1,270,092,956	\$1,090,359,367	\$1,180,226,161	\$1,185,553,143
2010		\$1,433,934,947	\$1,175,935,039	\$1,304,934,993	\$1,249,397,080
2011		\$1,618,912,555	\$1,261,510,711	\$1,440,211,633	\$1,316,679,117
2012		\$1,827,752,275	\$1,347,086,383	\$1,587,419,329	\$1,387,587,398
2013		\$2,063,532,318	\$1,432,662,055	\$1,748,097,187	\$1,462,308,043
2014		\$2,329,727,987	\$1,518,237,727	\$1,923,982,857	\$1,541,055,676
2015		\$2,630,262,897	\$1,603,813,400	\$2,117,038,148	\$1,624,043,996
2016		\$2,969,566,811	\$1,689,389,072	\$2,329,477,941	\$1,711,501,369
2017		\$3,352,640,930	\$1,774,964,744	\$2,563,802,837	\$1,803,668,462
2018		\$3,785,131,610	\$1,860,540,416	\$2,822,836,013	\$1,900,798,901
2019		\$4,273,413,587	\$1,946,116,088	\$3,109,764,838	\$2,003,159,970
2020		\$4,824,683,940	\$2,031,691,760	\$3,428,187,850	\$2,111,033,347
2021		\$5,447,068,168	\$2,117,267,433	\$3,782,167,800	\$2,224,715,877
2022		\$6,149,739,962	\$2,202,843,105	\$4,176,291,533	\$2,344,715,877
2023		\$6,943,056,417	\$2,288,418,777	\$4,615,737,597	\$2,470,776,578
2024		\$7,838,710,695	\$2,373,994,449	\$5,106,352,572	\$2,603,831,858
2025		\$8,849,904,375	\$2,459,570,121	\$5,654,737,248	\$2,744,052,379
2026		\$9,991,542,039	\$2,545,145,793	\$6,268,343,916	\$2,891,824,000
2027		\$11,280,450,962	\$2,630,721,466	\$6,955,586,214	\$3,047,553,360
2028		\$12,735,629,136	\$2,716,297,138	\$7,725,963,137	\$3,211,668,955

### Historical and Forecasted Value Options

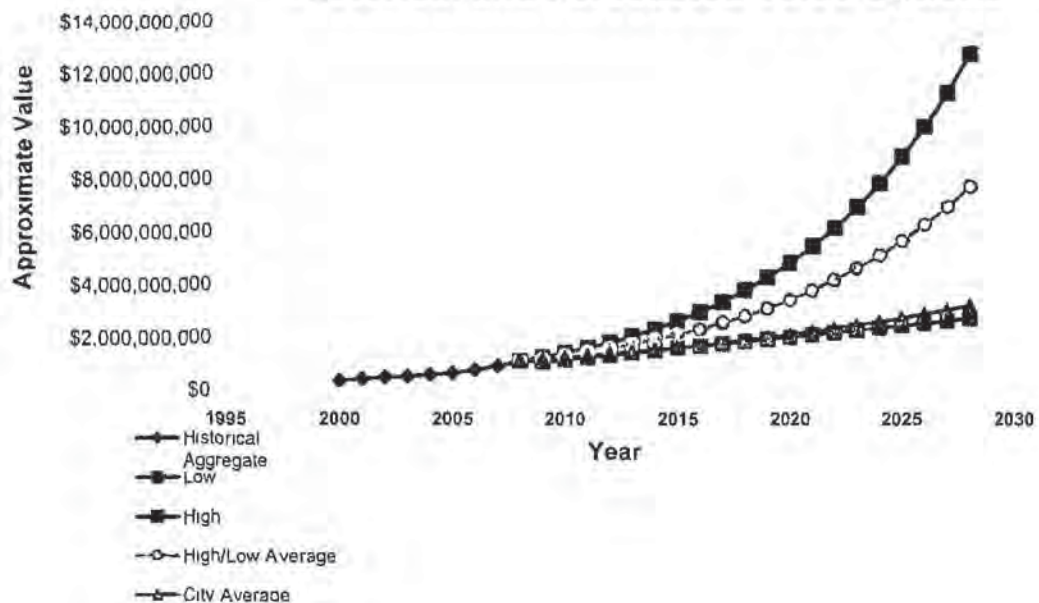


Table (3)a  
**HPD Forecasted Taxable Value Options without TOD parcels**

Year	District City Taxable Value	High range	Low Range	High/Low Average	City Average
2000	\$326,373,619				
2001	\$387,883,647				
2002	\$447,496,882				
2003	\$482,946,804				
2004	\$533,359,300				
2005	\$587,021,465				
2006	\$706,508,636				
2007	\$839,986,069				
2008	\$1,009,339,633	\$1,009,339,633	\$1,009,339,633	\$1,009,339,633	\$1,009,339,633
2009		\$1,144,591,144	\$983,735,353	\$1,064,163,248	\$1,063,694,191
2010		\$1,297,966,357	\$1,062,239,844	\$1,180,103,101	\$1,120,975,829
2011		\$1,471,893,849	\$1,140,744,336	\$1,306,319,092	\$1,181,342,175
2012		\$1,669,127,625	\$1,219,248,827	\$1,444,188,226	\$1,244,959,345
2013		\$1,892,790,726	\$1,297,753,319	\$1,595,272,023	\$1,312,002,402
2014		\$2,146,424,684	\$1,376,257,810	\$1,761,341,247	\$1,382,655,835
2015		\$2,434,045,591	\$1,454,762,302	\$1,944,403,947	\$1,457,114,069
2016		\$2,760,207,701	\$1,533,266,793	\$2,148,737,247	\$1,535,581,998
2017		\$3,130,075,533	\$1,611,771,285	\$2,370,923,409	\$1,618,278,551
2018		\$3,549,505,654	\$1,690,275,776	\$2,619,890,715	\$1,705,422,285
2019		\$4,025,139,411	\$1,768,780,268	\$2,896,959,840	\$1,797,262,009
2020		\$4,564,508,093	\$1,847,284,759	\$3,205,896,426	\$1,894,047,051
2021		\$5,176,152,177	\$1,925,789,251	\$3,550,970,714	\$1,996,044,943
2022		\$5,869,756,569	\$2,004,293,742	\$3,937,025,156	\$2,103,535,164
2023		\$6,656,303,949	\$2,082,798,234	\$4,369,551,091	\$2,216,813,906
2024		\$7,548,248,678	\$2,161,302,725	\$4,854,775,702	\$2,336,192,889
2025		\$8,559,714,001	\$2,239,807,217	\$5,399,760,609	\$2,462,000,623
2026		\$9,706,715,677	\$2,318,311,708	\$6,012,513,693	\$2,594,583,304
2027		\$11,007,415,578	\$2,396,816,200	\$6,702,115,889	\$2,734,305,775
2028		\$12,482,409,265	\$2,475,320,691	\$7,478,864,978	\$2,881,552,526

### Historical and Forecasted Value Options

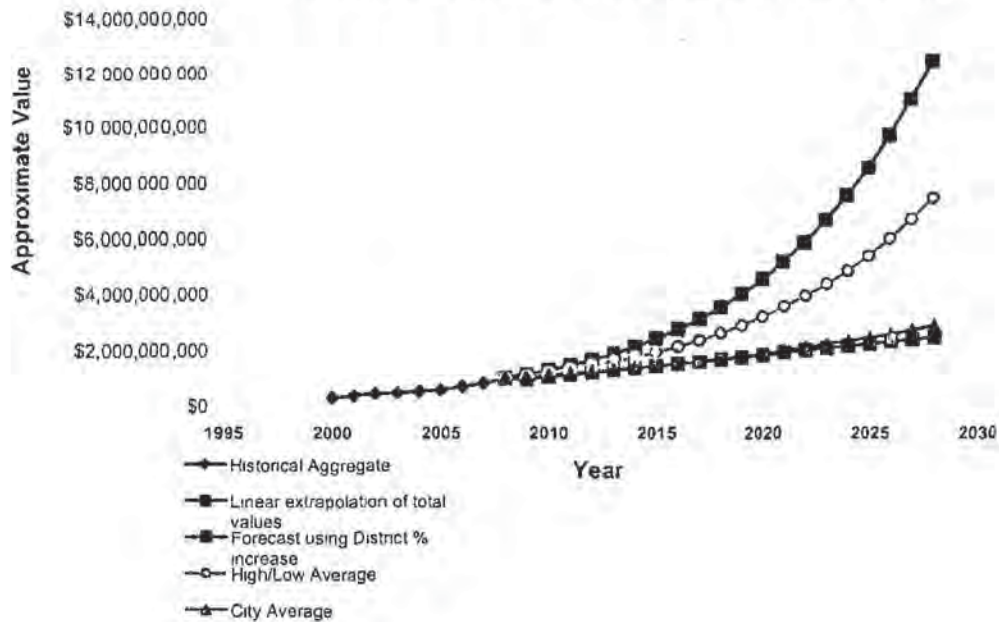




Table (4)

# Homestead Preservation District Austin, Texas Cumulative City of Austin Property Tax Collections

## Homestead Preservation District

Year	2008 HPD District Value	Homestead Preservation District Forecasted Values	Increment from Base Year	Revenues from Incremental Value
2008	\$1,124,971,617	\$1,124,971,617	\$0	\$0
2009	\$1,124,971,617	\$1,180,226,161	\$55,254,544	\$245,961
2010	\$1,124,971,617	\$1,304,934,993	\$179,963,376	\$489,987
2011	\$1,124,971,617	\$1,440,211,633	\$315,240,016	\$731,939
2012	\$1,124,971,617	\$1,587,419,329	\$462,447,712	\$971,667
2013	\$1,124,971,617	\$1,748,097,187	\$623,125,570	\$1,209,351
2014	\$1,124,971,617	\$1,923,982,857	\$799,011,240	\$1,444,644
2015	\$1,124,971,617	\$2,117,038,148	\$992,066,531	\$1,677,382
2016	\$1,124,971,617	\$2,329,477,941	\$1,204,506,324	\$1,907,395
2017	\$1,124,971,617	\$2,563,802,837	\$1,438,831,220	\$2,134,502
2018	\$1,124,971,617	\$2,822,836,013	\$1,697,864,396	\$2,357,739
2019	\$1,124,971,617	\$3,109,764,838	\$1,984,793,221	\$2,577,483
2020	\$1,124,971,617	\$3,428,187,850	\$2,303,216,233	\$2,793,513
2021	\$1,124,971,617	\$3,782,167,800	\$2,657,196,183	\$3,005,601
2022	\$1,124,971,617	\$4,176,291,533	\$3,051,319,916	\$3,213,511
2023	\$1,124,971,617	\$4,615,737,597	\$3,490,765,980	\$3,416,999
2024	\$1,124,971,617	\$5,106,352,572	\$3,981,380,955	\$3,615,813
2025	\$1,124,971,617	\$5,654,737,248	\$4,529,765,631	\$3,809,697
2026	\$1,124,971,617	\$6,268,343,916	\$5,143,372,299	\$3,998,387
2027	\$1,124,971,617	\$6,955,586,214	\$5,830,614,597	\$4,181,615
2028	\$1,124,971,617	\$7,725,963,137	\$6,600,991,520	\$4,359,111
<b>Total</b>				<b>\$48,142,297</b>

HPD value estimates based on forecasts prepared by Capital Market Research, October 8, 2008  
Assumes the City of Austin Property Tax Rate is the effective tax rate in each year

Table (4)a

# Homestead Preservation District (without TOD Parcels) Austin, Texas Cumulative City of Austin Property Tax Collections

## Homestead Preservation District

Year	2008 HPD District Value	Homestead Preservation District Forecasted Values	Increment from Base Year	Revenues from Incremental Value
2008	\$1,009,339,633	\$1,009,339,633	\$0	\$0
2009	\$1,009,339,633	\$1,064,163,248	\$54,823,615	\$220,680
2010	\$1,009,339,633	\$1,180,103,101	\$170,763,468	\$439,512
2011	\$1,009,339,633	\$1,306,319,092	\$296,979,459	\$656,534
2012	\$1,009,339,633	\$1,444,188,226	\$434,848,593	\$871,557
2013	\$1,009,339,633	\$1,595,272,023	\$585,932,390	\$1,084,441
2014	\$1,009,339,633	\$1,761,341,247	\$752,001,614	\$1,295,407
2015	\$1,009,339,633	\$1,944,403,947	\$935,064,314	\$1,504,074
2016	\$1,009,339,633	\$2,146,737,247	\$1,137,397,614	\$1,710,288
2017	\$1,009,339,633	\$2,370,923,409	\$1,361,583,776	\$1,913,886
2018	\$1,009,339,633	\$2,619,890,715	\$1,610,551,082	\$2,114,003
2019	\$1,009,339,633	\$2,896,959,840	\$1,887,620,207	\$2,310,976
2020	\$1,009,339,633	\$3,205,896,426	\$2,196,556,793	\$2,504,608
2021	\$1,009,339,633	\$3,550,970,714	\$2,541,631,081	\$2,694,692
2022	\$1,009,339,633	\$3,937,025,156	\$2,927,685,523	\$2,881,017
2023	\$1,009,339,633	\$4,369,551,091	\$3,360,211,458	\$3,063,362
2024	\$1,009,339,633	\$4,854,775,702	\$3,845,436,069	\$3,241,503
2025	\$1,009,339,633	\$5,399,760,609	\$4,390,420,976	\$3,415,206
2026	\$1,009,339,633	\$6,012,513,693	\$5,003,174,060	\$3,584,236
2027	\$1,009,339,633	\$6,702,115,889	\$5,692,776,256	\$3,748,351
2028	\$1,009,339,633	\$7,478,864,978	\$6,469,525,345	\$3,907,308
<b>Total</b>				<b>\$43,161,641</b>

HPD value estimates based on forecasts prepared by Capitol Market Research October 8 2008

Assumes the City of Austin Property Tax Rate is the effective tax rate in each year

Base year TOD values of \$115,631,984 removed from District total value of \$1,124,971,617

prepared by CMR October 8 2008

HPD Tax Revenue Forecast.xls



(C) An Application may receive two (2) points for a letter of support from a Special Management District whose boundaries, as of the Full Application Delivery Date as identified in §11.2 of this chapter (relating to Program Calendar for Competitive Housing Tax Credits), include the Development Site.

(D) Input that evidences unlawful discrimination against classes of persons protected by Fair Housing law or the scoring of which the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered. If the Department receives input that could reasonably be suspected to implicate issues of non-compliance under the Fair Housing Act, staff will refer the matter to the Texas Workforce Commission for investigation, but such referral will not, standing alone, cause staff or the Department to terminate the Application. Staff will report all such referrals to the Board and summarize the status of any such referrals in any recommendations.

**(7) Concerted Revitalization Plan.** An Application may qualify for points under this paragraph only if no points are elected under subsection (c)(4) of this section, related to Opportunity Index.

(A) For Developments located in an Urban Area:

(i) An Application may qualify to receive points if the Development Site is located in a distinct area that was once vital and has lapsed into a situation requiring concerted revitalization, and where a concerted revitalization plan has been developed and executed. The area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood or small group of contiguous neighborhoods with common attributes and problems. The Application must include a copy of the plan or a link to the online plan and a description of where specific information required below can be found in the plan. The concerted revitalization plan, which may be a Tax Increment Reinvestment Zone ("TIRZ") or Tax Increment Finance ("TIF") or similar plan, must meet the criteria described in subclauses (I) - (V) of this clause:

(I) The concerted revitalization plan must have been adopted by the municipality or county in which the Development Site is located. The resolution adopting the plan, or if development of the plan and budget were delegated the resolution of delegation and other evidence in the form of certifications by authorized persons confirming the adoption of the plan and budget, must be submitted with the application.

(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. These problems may include the following:

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, streets infrastructure neglect such as inadequate drainage, and/or sidewalks in significant disrepair;

(-b-) declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(III) Staff will review the target area for presence of the problems identified in the plan and for targeted efforts within the plan to address those problems. In addition, but not in lieu of, such a plan may be augmented with targeted efforts to promote a more vital local economy and a more desirable neighborhood, including but not limited to:

- (-a-) creation of needed affordable housing by improvement of existing affordable housing that is in need of replacement or major renovation;
- (-b-) attracting private sector development of housing and/or business;
- (-c-) developing health care facilities;
- (-d-) providing public transportation;
- (-e-) developing significant recreational facilities; and/or
- (-f-) improving under-performing schools.

(IV) The adopted plan must have sufficient, documented and committed funding to accomplish its purposes on its established timetable. This funding must have been flowing in accordance with the plan, such that the problems identified within the plan will have been sufficiently mitigated and addressed prior to the Development being placed into service.

(V) The plan must be current at the time of Application and must officially continue for a minimum of three years thereafter.

(ii) Up to seven (7) points will be awarded based on:

(I) Applications will receive four (4) points for a letter from the appropriate local official providing documentation of measurable improvements within the revitalization area based on the target efforts outlined in the plan. The letter must also discuss how the improvements will lead to an appropriate area for the placement of housing; and

(II) Applications may receive (2) points in addition to those under subclause (I) of this clause if the Development is explicitly identified in a resolution by the municipality, or county as contributing more than any other to the concerted revitalization efforts of the municipality or county (as applicable). A municipality or county may only identify one Development per CRP area during each Application Round for the additional points under this subclause, unless the concerted revitalization plan includes more than one distinct area within the city or county, in which case a resolution may be provided for each Development in its respective area. The resolution from the Governing Body of the municipality or county that approved the plan is required to be submitted in the Application. If multiple Applications submit resolutions under this subclause from the same Governing Body for the same CRP area, none of the Applications shall be eligible for the additional points, unless the resolutions address the respective and distinct areas described in the plan; and



(III) Applications will receive (1) point in addition to those under subclause (I) and (II) if the development is in a location that would score at least 4 points under Opportunity Index, §11.9(c)(4)(B), except for the criteria found in §11.9(c)(4)(A) and subparagraphs §11.9(c)(4)(A)(i) and §11.9(c)(4)(A)(ii).

(B) For Developments located in a Rural Area.

(i) Applications will receive 4 points for the rehabilitation or demolition and reconstruction of a development in a rural area that has been leased at 85% or greater for the six months preceding Application by low income households and which was initially constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, the HOME program, or the CDBG program. The occupancy percentage will not include units that cannot be occupied due to needed repairs, as confirmed by the PCA or CNA. Demolition and relocation of units must be determined locally to be necessary to comply with the Affirmatively Furthering Fair Housing Rule, or if necessary to create an acceptable distance from Undesirable Site Features or Undesirable Neighborhood Characteristics.

(ii) Applications may receive (2) points in addition to those under clause (i) of this subparagraph if the Development is explicitly identified in a resolution by the municipality (or county if the Development Site is completely outside of a city) as contributing more than any other to the concerted revitalization efforts of the municipality or county (as applicable). Where a Development Site crosses jurisdictional boundaries, resolutions from all applicable governing bodies must be submitted. A municipality or county may only identify one single Development during each Application Round for each specific area to be eligible for the additional points under this subclause. If multiple Applications submit resolutions under this subclause from the same Governing Body for a specific area described in the plan, none of the Applications shall be eligible for the additional points; and

(iii) Applications may receive (1) additional point if the development is in a location that would score at least 4 points under Opportunity Index, §11.9(c)(4)(B), except for the criteria found in §11.9(c)(4)(A) and subparagraphs §11.9(c)(4)(A)(i) and §11.9(c)(4)(A)(ii)..

**(e) Criteria promoting the efficient use of limited resources and applicant accountability.**

(1) Financial Feasibility. (§2306.6710(b)(1)(A)) An Application may qualify to receive a maximum of eighteen (18) points for this item. To qualify for points, a 15-year pro forma itemizing all projected income including Unit rental rate assumptions, operating expenses and debt service, and specifying the underlying growth assumptions and reflecting a minimum must-pay debt coverage ratio of 1.15 for each year must be submitted. The pro forma must include the signature and contact information evidencing that it has been reviewed and found to be acceptable by an authorized representative of a proposed Third Party construction or permanent lender. In addition to the signed pro forma, a lender approval letter must be submitted. An acceptable form of lender approval letter may be obtained in the Uniform Multifamily Application Templates. If the letter evidences review of the Development alone it will receive sixteen (16) points. If the letter evidences review of the Development and the Principals, it will receive eighteen (18) points.