

August 22, 2002



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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING OF AUGUST 29, 2002

Michael Jones, Chair

C. Kent Conine, Vice-Chair

Beth Anderson, Member  
Vidal Gonzalez, Member

Shadrick Bogany, Member  
Norberto Salinas, Member

**BOARD MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension Auditorium, 1400 North Congress, Austin, Texas 78701**  
**August 29, 2002 1:30 p.m.**

**A G E N D A**

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

Michael Jones  
Chair of Board

**PUBLIC COMMENT**

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by department staff and motions made by the Board.

The Board of the Texas Department of Housing and Community Affairs will meet to consider and possibly act on the following:

- |        |   |                        |
|--------|---|------------------------|
| Item 1 | Presentation, Discussion and Possible Approval of Minutes of Meetings of July 29, 2002 and August 8, 2002   | Michael Jones          |
| Item 2 | Presentation and Discussion on Sunset Advisory Commission Review Schedule   | Michael Jones          |
| Item 3 | Presentation, Discussion and Possible Approval of Financial Items:  | C. Kent Conine         |
|        | a) Operating Budget for FY2002-03 for the Texas Department of Housing and Community Affairs   |                        |
|        | b) Operating Budget for FY2002-03 for the Housing Finance Division for the Texas Department of Housing and Community Affairs  |                        |
|        | c) Amended and Restated Resolution No. 02-42 for Clarkridge Villas Apartments, Dallas, Texas and Restated Resolution No. 02-43 for Wheatland Villas Apartments, Dallas, Texas to Lower the Interest Rate from 7% to 6.75% and Other Related Matters |                        |
| Item 4 | Presentation, Discussion and Possible Approval of Programmatic Items:   | Shadrick Bogany        |
|        | a) Housing Trust Fund Capacity Building Recommendations for:  |                        |
|        | Azteca Complex  | Dimmitt \$ 34,690      |
|        | East Austin Eco. Dev. Corp.   | Austin \$ 35,000       |
|        | Center on Independent Living  | San Antonio \$ 35,000  |
|        | Williamson-Burnet Co. Opportunities   | Georgetown \$ 25,000   |
|        | Northeast CDO   | El Paso \$ 35,000      |
|        | Economic Justice Foundation   | Manor \$ 35,000        |
|        | Central Dallas Ministries   | Dallas \$ 35,000       |
|        | Avenue CDC  | Houston \$ 35,000      |
|        | Tarrant County Housing Partnership  | Ft. Worth \$ 35,000    |
|        | CDC of South Texas  | McAllen \$ 35,000      |
|        | Organizacion Progresiva de San Elizario   | San Elizario \$ 35,000 |
|        | YWCA CDC  | El Paso \$ 35,000      |
|        | George Gervin Youth Center  | San Antonio \$ 35,000  |
|        | Affordable Housing of Parker County   | Springtown \$ 35,000   |
|        | Habitat for Humanity of Denton County   | Denton \$ 35,000       |
|        | Harmony House   | Houston \$ 22,300      |

|        |  |             |               |
|--------|--|-------------|---------------|
|        | Walker-Montgomery CDC  | New Waverly | \$ 21,652     |
|        | TOTAL  |             | \$558,642     |
| b)     | Report on Findings of <i>Home Mortgage Credit Characteristics of Underserved Areas: A State of Texas Market Study</i>  |             |               |
| Item 5 | Presentation, Discussion and Possible Approval of Low Income Housing Tax Credit Items:   |             | Michael Jones |
| a)     | Selection of Hawkins, Delafield & Wood as Tax Credit Counsel   |             |               |
| b)     | Increase of Tax Credit Allocation for Pleasant Valley Villas   |             |               |
| c)     | Issuance of Four Percent (4%) Determination Notice to Tax Exempt Bond Transaction known as Emerald Bay Apartments With Houston Housing Finance Corporation as Issuer |             |               |
| d)     | Request for Second Extension to Close the Construction Loan for #01152, Parkway Senior Apartments  |             |               |

**REPORT ITEMS**

Executive Directors Report Edwina Carrington

**EXECUTIVE SESSION**

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) - *Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs et al.* Cause No. GN-202219, in the District Court of Travis County, Texas, 53<sup>rd</sup> Judicial District Michael Jones

Consultation with Attorney Pursuant to Sec. 551.071(2), Texas Government Code

Personnel Matters - Discussion and Possible Approval of Performance Evaluation for Internal Auditor under Sec. 551.074, Texas Government Code

The Board may discuss any item listed on this agenda in Executive Session

**OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session Michael Jones

**ADJOURN**

Michael Jones  
Chair of Board

*To access this agenda and details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact the Board Secretary, Delores Groneck, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-3934 and request the information.*

*Individuals who require auxiliary aids, services or translators for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.*

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

**BOARD MEETING**

**AUGUST 29, 2002**

**ROLL CALL**

|                           | Present | Absent |
|---------------------------|---------|--------|
| Jones, Michael, Chair     | _____   | _____  |
| Anderson, Beth, Member    | _____   | _____  |
| Bogany, Shadrick, Member  | _____   | _____  |
| Conine, C. Kent, Member   | _____   | _____  |
| Gonzalez, Vidal, Member   | _____   | _____  |
| Salinas, Norberto, Member | _____   | _____  |
| Number Present            | _____   |        |
| Number Absent             |         | _____  |

## MINUTES OF MEETINGS

### Action Item

Board Secretary requests approval of minutes of meetings.

### Recommendation

The Board approve the minutes.

**BOARD MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension Auditorium, 1400 North Congress, Austin, Texas 78701**  
**July 29, 2002 10:30 a.m.**

**Summary of Minutes**

**CALL TO ORDER, ROLL CALL**  
**CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of July 29, 2002 was called to order by Board Chair Michael Jones at 10:35 p.m. It was held at the Capitol Extension Auditorium, 1400 Congress, Austin, Texas. Roll call certified a quorum was present. Shadrick Bogany was absent.

Members present:

Michael Jones -- Chair

C. Kent Conine -- Vice-Chair

Beth Anderson -- Member

Norberto Salinas -- Member

Vidal Gonzalez -- Member

Staff of the Texas Department of Housing and Community Affairs was also present.

**PUBLIC COMMENT**

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentations made by the department staff and motions made by the Board.

Mr. Jones called for public comment and asked that since so many speakers had submitted forms to speak, that they each limit their comments to three minutes. Several people asked to speak during the presentations of the agenda items. The following presented public comments at this time.

Tom Utter, Corpus Christi, Texas

Mr. Utter read a statement from Mayor Lloyd Neal of Corpus Christi which expressed the mayor's strong support along with the City of Corpus Christi for the Holly Park Apartment project, #02-017. He stated Corpus Christi has tremendous housing needs for lower income citizens and this project will assist families in the 40%-60% of median income. He appreciated the staffs' recommendation of this project and solicited the Board's approval. The mayor extended an invitation to the Board to hold a meeting in Corpus Christi during the next few months.

Isaach Matthews, I.V. Enterprises, La Porte, Texas

Mr. Matthews stated he is the sponsor of Bay Forest Ranch Project #02-081 in La Porte, Texas and he withdrew this application from consideration.

Barry Kahn

Mr. Kahn did not speak.

State Representative Manny Najera, El Paso, Texas

Representative Najera was in attendance to support Region 10 and asked the Board to help El Paso get obtain more affordable housing by awarding tax credits to this region. He thanked the Board for the help in El Paso over the past years.

Paula Campbell, Rep. Helen Giddings Office, DeSoto, Texas

Ms. Campbell stated she was representing St. Rep. Helen Giddings and read the Representatives' letter into the record:

"Dear Chairman Jones and Members: One of the applicants for the current round of funding is the Sphinx at Murdeaux. This project is located in the district which I have the opportunity to represent in the Texas House of Representatives. I am currently on legislative travel. However, this issue was brought to my attention by my staff after a visit from the developers of the project in question. I therefore ask that you shed some light on this matter.

It appears that the Sphinx project was recommended on the initial recommended list with a score of 153. However, the latest list of recommendations did not include this project. I am interested in knowing if this is the first time this has happened. If it is not the first time, then how many times in the past has this occurred? I do acknowledge and understand that a number score is only one of the measurement elements. The initial recommended list document from the Agency indicated that the Sphinx project did score high enough to warrant recommendation from the staff. But the second list did not.

Did you not realize this before you placed it on the first list of recommended projects? Additionally, there are other projects on the current list, which was distributed to developers last week that scored less than Sphinx. Secondly, after reviewing the supporting documents for the round of funding, I noted that there is a project in Fort Worth that is being placed on the recommended list in anticipation of a court order. Do we place any project on the recommended list if a suit is filed? If not, why in this case have we committed some error or violated some rule of law? If not, why would we expect such action from the Court?

Unfortunately, I am again this week on legislative travel and seeking answers from a distance. This is, however, a matter of concern for me. It is very difficult to explain the actions of the agency to someone else if I am unable to understand them. Hopefully, this is the time we have not only rules, but practices that are objective and not subjective. Upon my return, I would be appreciative of a briefing to discuss the Agency's policies and practices in this area.

Chairman and members, yours is a difficult task, and I am appreciative to you for your time and service. Sincerely, Helen Giddings."

Margaret Gomez, Travis County Commissioner, Austin, Texas

Commissioner Gomez did not speak.

Rob Burchfield, Houston, Texas

Mr. Burchfield stated he has been involved in the tax credit program since 1994 and stated the board and staff has brought professionalism back to housing in the State of Texas. He is proud to be involved with this program and he thanked the board for all they have done and asked for help for the Las Villas de Merida Apartments.

Robert Voelkler

Mr. Voelkler asked to speak at the presentation of the agenda item.

Michael Maida

Mr. Maida asked to speak at the presentation of the agenda item.

Brian Cogburn

Mr. Cogburn asked to speak at the presentation of the agenda item.

Antoinette Jackson

Ms. Jackson asked to speak at the presentation of the agenda item.

Sheila McNeil, San Antonio, Texas

Ms. McNeil stated she works for Councilman John Sanders in San Antonio and he regrets that he was unable to attend this meeting and he is asking for reconsideration of Villas at Casa Verde project, #02-041. This project is important to San Antonio. It would be located in an area that has been neglected and is in much need of affordable housing.

Tim Johnson, Socorro, Texas

Mr. Johnson represented Tierra del Sol Housing Corporation and Marvelous Light Corp. which are two non-profits developing housing in Region 10. One of their projects is on the recommended list and he asked that the other two projects be put on the forward commitment list.

Sam Brewster, Socorro, Texas

Mr. Brewster was in attendance on behalf of the people of Socorro to support Project No. 01-063, Rancho del Valle Townhomes and 02-064 Mission del Valle Townhomes. Socorro has many low and very low income families who are in need of affordable housing.

Ike Monty, El Paso, Texas

Mr. Monty requested that El Paso be considered in the forward commitment list.

Terry Irion, Austin, Texas

Mr. Irion represented several property owners adjacent to the Pleasant Valley Courtyards project and he asked the board to deny any awards to this project.

Steven Brandt

Mr. Brandt requested to speak at the presentation of the agenda item.

Bill Fisher

Mr. Fisher requested to speak at the presentation of the agenda item.

John Delgado

Mr. Delgado requested to speak at the presentation of the agenda item.

Dr. Mickey Ukoha

Dr. Ukoha requested to speak at the presentation of the agenda item.

Joe Agumadu

Mr. Agumadu requested to speak at the presentation of the agenda item.

Jay Oji

Mr. Oji requested to speak at the presentation of the agenda item.

Diana Kinlaw

Ms. Kinlaw requested to speak at the presentation of the agenda item.

Dario Chapa

Mr. Chapa requested to speak at the presentation of the agenda item.

Tom McMullen

Mr. McMullen requested to speak at the presentation of the agenda item.

Carlos Herrera

Mr. Herrera requested to speak at the presentation of the agenda item.

Jesse Alcalá

Mr. Alcalá requested to speak at the presentation of the agenda item.

George Littlejohn

Mr. Littlejohn requested to speak at the presentation of the agenda item.

Manuel Macias

Mr. Macias requested to speak at the presentation of the agenda item.

Manual Garza

Mr. Garza requested to speak at the presentation of the agenda item.

Kelly White

Ms. White requested to speak at the presentation of the agenda item.

Cynthia Bast

Ms. Bast requested to speak at the presentation of the agenda item.

Bill Skeen

Mr. Skeen requested to speak at the presentation of the agenda item.

William Lee

Mr. Lee requested to speak at the presentation of the agenda item.

Alfred Moran, Attorney

Mr. Moran represented Pampa Gardens Apartments, #02-115. He stated while this project would have provided much needed affordable housing in rural Texas, they have decided to withdraw their appeal from any further consideration.

Laura Van Dyck

Ms. Van Dyck requested to speak at the presentation of the agenda item.

Michael Landford

Mr. Landford requested to speak at the presentation of the agenda item.

Jay Stewart

Mr. Stewart requested to speak at the presentation of the agenda item.

Ignacio Grillo

Mr. Grillo thanked staff for their diligent efforts in this tax credit allocation round. He stated that the Board asked at the last Board meeting that project 02-123 be underwritten and this was completed by staff. He asked for consideration of an allocation or a forward commitment for this project.

Mayor Bob Young, Cedar Park, Texas

Mayor Young expressed his support for Cedar Point Retirement Apartments #02-128. They have a huge need for senior housing and he asked the Board to award a forward commitment for this project.

Mayor Pro Tem Phillip T. Duprey, Cedar Park, Texas

Mayor Pro Tem Duprey asked the Board to also consider #02-128 for an award as senior housing is needed in their city.

Fred Odanga

Mr. Odanga represented Ryans Crossing Townhomes and Villas in Selma, Texas #02-133. They filed an appeal but were denied so they are now appealing to the Board. He felt the department changed rules and they were not informed of the rule change.

Darryl Jack

Mr. Jack stated he evaluated the underwriting report and the operating expenses of #02-133. The underwriting report of TDHCA showed expenses of \$3,900 a unit which is in excess of any major city in Texas. He stated the expenses of this project are only \$3,000 to \$3,100 a unit and asked that the Board adjust the points to this project.

Gonzalo Barrientos, State Senator, Austin, Texas

Senator Barrientos stated he has written support letters for projects he felt had outstanding merits such as those which provided affordable rents, targeting the elderly and housing for victims of domestic violence. He asked the Board to consider Pleasant Valley Courtyards in Southeast Austin and he thanked the Board for their service to the State of Texas.

Bill Carter, State Representative, Ft. Worth, Texas

Representative Carter stated he was pleased with the progress being made in the affordable housing process in Texas. He stated affordable housing is a priority in Texas and he thanked the board for doing a great job.

Kurt Kehoe

Mr. Kehoe requested to speak at the presentation of the agenda item.

Mr. Jones stated he would close public comments at 11:30 a.m. and will take only those who have submitted witness affirmation forms and have asked to speak on a particular agenda item.

Several guests in attendance were Johnnie Morales from the Speakers Office, Julie Street from the Urban Affairs Committee, Stacy Gunkel from the Lt. Governors Office, Bobby Gerish from the Speakers Office and Marcelo Guevara from the Sunset Commission.

Mr. Jones thanked Mr. Conine for conducting the June 24th board meeting since Mr. Jones could not be in attendance.

**ACTION ITEMS:**

**(1) Presentation, Discussion and Possible Approval of Minutes of the June 13, 2002 Board Meeting and the June 24, 2002 Board Meeting**

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve the minutes of the June 13, 2002 and June 24, 2002 Board Meetings.

Passed Unanimously

**(2) Presentation, Discussion and Possible Approval of Financial Items:**

**(a) Acceptance of Third Quarter Investment Report**

Mr. Bill Dally, COF, stated the portfolio decreased by about \$51 million due to maturities in the single family mortgage side and there were also paydowns in the multifamily portfolio. The portfolio is made up of 62% mortgage backed securities, 29% GICS or investments, 4% repurchase agreements and 5% treasuries, t-bills, etc. Mortgage rates for this time period were about 6.8%.

Motion made by Beth Anderson and seconded by Vidal Gonzalez to accept the Investment Report as presented.

Passed Unanimously

**(b) Approval of Extension of Origination Period for Program 55**

Mr. Byron Johnson, Director of Bond Finance, requested approval to extend the origination period for Program 55 to April 1, 2003.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve Resolution No. 02-036 to approve the extension of the origination period for Program 55 to April 1, 2003.

Passed Unanimously

**(c) Approval of Application to the Bond Review Board for Reservation of Private Activity Bond Authority**

Mr. Johnson requested approval to submit an application to the Bond Review Board for the balance of the volume cap, about \$117,762,826. TDHCA anticipates pricing the bonds in September and closing in October, 2002.

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve Resolution No. 02-035 for submission of an application to the Bond Review Board.

Passed Unanimously

**(d) Approval of Recommendations Regarding Deallocations and Reallocations of Taxable Junior Lien Single Family Mortgage Revenue Bond Proceeds and Other Related Matters**

Mr. Johnson stated previously that staff recommended certain uses for the bond proceeds which were the bootstrap program, downpayment assistance, preservation, statewide architectural barrier removal program and transitional housing. Since that time, the department has discovered that it can not use the funds as requested due to restrictions from the bond indenture. Staff is recommending to deobligate the funds from the architectural barrier removal program which amounts to about \$1 million and from the transitional housing PILOT programs which equals to about \$1.5 million. Staff is requesting to allocate funds to a dome demonstration funding project. Funds will also be used to preserve multifamily units already being used for affordable housing.

Another recommendation is a Section 8 home ownership voucher program and the funds would be used in conjunction with Section 8 rental vouchers. Staff is requesting \$1 million be allocated to that purpose.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the recommendation of staff.

Amendment to the motion by C. Kent Conine and accepted by Norberto Salinas that the Section 8 Homeownership Vouchers be subject to due diligence process and if does not pass this process, that the funds be put in a fund for uses to be determined at a later date.

Passed Unanimously

- (e) **Approval of Loans to be Made Under the Multifamily Preservation Incentives Program for Walnut Hills Apartments, Baird, Texas in Amount of \$282,355; Colony Park Apartments, Eastland, Texas in Amount of \$633,078; Briarwood Apartments, Kaufman, Texas in Amount of \$540,000; and La Mirage Villas, Perryton, Texas in Amount of \$540,000 and Other Related Matters**

Robert Onion, Director of MF Finance, stated these 4 projects applied for tax credits and at the same time applied to the HOME Program for additional funds. At this time HOME funds are not available but there is \$2 million in preservation funds, staff is recommending substituting the preservation funds to be used instead of the HOME funds.

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the use of preservation funds for Walnut Hills Apartments, Baird in amount of \$282,344; Colony Park Apartments, Eastland in amount of \$633,078; Briarwood Apartments, Kaufman in amount of \$540,000; and La Mirage Villas, Perryton in amount of \$540,000.

Passed Unanimously

Mr. Jones then re-ordered the agenda and stated Items 3 and 4 will be presented after Item 5.

- (5) **Presentation, Discussion and Possible Issuance of Four (4) Percent Determination Notice to Tax Exempt Bond Project with Local Bond Issuer for 01462, Eagle Ridge Apartments, San Antonio, Texas (San Antonio Housing Finance Corporation as Issuer)**

Mr. Tom Gouris, Director of Credit Underwriting, stated the applicant requested \$565,207 in credits but staff is recommending \$565,035 with the reduction being due to an adjustment to the eligible basis.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the issuance of a determination notice to Eagle Ridge Apartments, San Antonio, Texas #01462 for \$565,035.

Passed Unanimously

## **EXECUTIVE SESSION**

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) - (1) Sheltering Arms, Community Affairs Program Recipient; (2) Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs and Affairs; Judicial District Court of Travis County, Texas

Consultation with Attorney Pursuant to Sec. 551.071(2), Texas  
Government Code

The Board may discuss any item listed on this agenda in Executive Session

Mr. Jones stated: "On this day, July 29, 2002, at 11:52 a.m. at a regular board meeting of the Texas Department of Housing and Community Affairs held in Austin, Texas, the Board of Directors adjourned into a closed Executive Session as evidenced by the following: The subject matter of this Executive Session deliberation is as follows:

Litigation and Anticipated Litigation, Potential or Threatened, under Section 551.071 and 551.103, Texas Government Code, Litigation Exception; (1) Sheltering Arms, Community Affairs Program Recipient; (2) Century Pacific Equity Corporation versus Texas Department of Housing and Community Affairs, 53rd Judicial District Court of Travis County; (3) Consultation with Attorney, Pursuant to Section 551.0712, Texas Government Code; (4) Discussion of any item listed on the board meeting agenda of even date. With that, we will go in Executive Session."

The Board went into executive session at 11:52 a.m. and returned to open session at 2:10 p.m.

### **OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

Mr. Jones stated: "I now call back to order the Meeting of the Board of Directors of the Texas Department of Housing and Community Affairs for July 29, 2002. The Board of Directors met in Executive Session. The subject matter of this Executive Session deliberation was as follows: Litigation and Anticipated Litigation, Potential or Threatened, under Section 551.071 and 551.103, the Texas Government Code, Litigation Exception (1) Sheltering Arms, Community Affairs Program Recipient; (2) Century Pacific Corporation versus Texas Department of Housing and Community Affairs, 53rd Judicial District Court of Travis County, Texas, Action taken, none; (3) Consultation with Attorney, Pursuant to Section 551.0712, Texas Government Code, Action taken, none; (3) Discussion of any item listed on the board meeting agenda of even date, Action taken, none. The Board of Directors has completed its Executive Session of the Texas Department of Housing and Community Affairs on July 29, 2002, at 2:10 p.m. I hereby certify that that agenda of the Executive Session of the Texas Department of Housing and Community Affairs was properly authorized pursuant to Section 551.103 of the Texas Government Code posted in the Secretary of State's office seven days prior to the meeting, pursuant to Section 551.044 of the Texas Government Code; that all members of the Board of Directors were present, with the exception of Mr. Shadrick Bogany, and that this is a true and correct record of the proceedings pursuant to the Texas Open Meetings Act, Chapter 551, Texas Government Code as amended. Signed by myself, Michael E. Jones, Chair.":

### **(3) Presentation, Discussion and Possible Action on Appeals to Board from Low Income Housing Tax Credit Applicants on Applications Matters as follows:**

**02-015 Eagles Point Apartments**

**02-023 Ensenada de la Palma**

**02-028 Cricket Hollow**

**02-031 La Estrella Apartments**

**02-032 Padre De Vida Apartments**

**02-033 Pueblo de Paz Apartments**

**02-074 Arbor Woods**

**02-078 Sphinx at Murdeaux**

**02-086 Refugio Street Apartments (tabled at June 24, 2002 Meeting)**

**02-087 El Capitan Apartments**

**02-116 Killeen Stone Apartments**

**02-133 Ryans Crossing**

**Any Other Appeals Timely Filed in Accordance with the Qualified Allocation Plan  
And Rules**

Additional Public Comment was taken at this time with the presentation of each appeal.

**02-015, Eagles Point Apartments**

Mr. Robert Voelkler

Mr. Voelkler stated he was in attendance for the Eagles Point Apartments, 02-015 and filed an appeal but since this project is being recommended for a forward commitment there is no reason to hear his appeal.

Mr. Gouris confirmed that Eagles Point Apartments is being recommended for a forward commitment.

Motion made by Beth Anderson and seconded by Norberto Salinas to deny the request for appeal of Eagles Point Apartments.

Passed Unanimously

**02-023 Ensenada de la Palma**

Michael Maida

Mr. Maida stated he was appearing on behalf of Ensenada de la Palma, #02-023. The applicant contends that the department engaged an analysis that failed to take into effect the quality of construction in Brownsville as well as the current market conditions as they exist today. The applicant also contends that construction costs are appropriate as stated in the application.

Mr. Gouris stated underwriting would have had to come up with an additional \$780,000 in costs to agree with the costs submitted by the applicant and this would only have created an ever larger gap.

Motion made by Beth Anderson and seconded by Norberto Salinas to deny the request for appeal of Ensenada de la Palma.

Passed Unanimously

**02-028 Cricket Hollow**

Antoinette Jackson

Ms. Jackson asked for the reinstatement of the eight points which were removed from the low-income targeting points for this project.

Ms. Boston stated staff does not dispute that they received a letter from the Housing Authority but there is no way of confirming that the subsidy will stay with the project for the life of the project or even an initial period of years.

Motion made by C. Kent Conine and seconded by Beth Anderson to deny the requested appeal for 02-028, Cricket Hollow Apartments.

Passed Unanimously

**02-031 La Estrella Apartments**

**02-032 Padre De Vida Apartments**

**02-033 Pueblo de Paz Apartments**

George Littlejohn

Mr. Littlejohn stated TDHCA received a letter from Rowan Smith that stated he was withdrawing his appeal for 02-031 and 02-033. He further stated that Mr. Smith asked his firm to prepare a response to this denial of the appeal at the director level but not in the case of continuing to maintain a dialogue with the underwriting department but to continue improvement in underwriting deals in the valley.

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to deny the appeal for 02-032, Padre De Vida Apartments.

Passed Unanimously

**02-074 Arbor Woods**

Steven Brandt

Mr. Brandt was in attendance as a resource only.

Bill Fisher

Mr. Fisher stated Arbor Woods was the highest scoring project in Region 3; however, it was not recommended by underwriting. This project has support from Laura Miller, Mayor of Dallas and he read a letter from her which stated:

"Ms. Carrington: Re: Arbor Woods. On behalf of the City of Dallas, I would like to express my strong support for the above-referenced project, and ask that you consider recommending this project to your board for an allocation of tax credits. This development will serve a critical need for high-quality affordable housing in Dallas by providing housing for a mixed-income population. Arbor Woods would complement the redevelopment that is currently taking place in this West Dallas area that includes multifamily as well as single-family housing. It is important to the long-term success of this redevelopment effort for the city to leverage federal funds, and to encourage participation of quality developers who have proven track records. The developer of the proposed development is someone who has done unbelievably high-quality affordable housing in the City of Dallas. I recommend the developer with no hesitation. I am very supportive of the goals and objectives of the TDHCA and the Tax Credit program. And thank you for giving your strong consideration to funding this important development."

The next letter he read was from the Dallas Housing Authority, who is the largest property owner in this area of Dallas which stated:

"The Housing Authority of the City of Dallas understands that you are applying for tax credits for the above-referenced project with the TDHCA for the construction of a multifamily housing development in West Dallas, Lake West. The Lake West area once held the nation's largest concentration of low-rise public housing units in the nation. In 1993, DHA began developing a master plan for the revitalization of this area. To date, the DHA has spent approximately \$90 million to build a multipurpose center and new multifamily units that resemble private-sector housing. In addition, Dallas-area Habitat for Humanity and KB Homes are building over 300 single-family homes in the Lake West area. Your proposed development will continue our revitalization efforts and provide units with rents that are affordable to families earning 50 percent of area median income. The consolidated plan for the City of Dallas states the need for additional affordable housing units in the City of Dallas and the Dallas Housing Authority currently has over 12,000 families on its waiting list. The Arbor Woods Apartment Community will offer housing opportunities for any one of the 7,000 families on DHA's Section 8 waiting list. We applaud your efforts to provide affordable housing. And thank you for your commitment to the Lake West community."

He further stated the cost issues have been quantified and the project is within the cost guidelines. The environmental issues have been handled also.

Mr. Gouris stated the department did receive information on the environmental issues but it was received after the application deadline. The department turned down this project due to environmental issues and high costs as it would not maintain a deferred developers fee of below 50%.

Motion made by C. Kent Conine and seconded by Beth Anderson to grant the appeal but to not put them on any list until later.

Passed with 4 ayes and 1no (Norberto Salinas voted against the motion)

**02-078 Sphinx at Murdeaux**

Jay Oji

Mr. Oji stated he was the applicant for 02-078, Sphinx at Murdeaux in Dallas and was appealing the 8 points that staff deducted for de-targeting. His project scored 153 points but was denied 8 points for obtaining \$158,000 to subsidize the provision of about 30 units set aside at a 30% AMFI. They received this subsidy from a community church and the church requested that 2 units be set aside for them. If this project had received these 8 points, it would have been the highest scoring project in Dallas, Texas.

Ms. Boston stated that staff could not consider new information and read part of the letter received from the Jubilee Church that Mr. Oji mentioned in his remarks. This letter stated:

"Based on the information you have provided us, I am happy to report that we are able to offer you a commitment for permanent financing for the development of two units to be set aside for tenants at or below 30 percent of AMGI." t then goes into the terms. "And as the QAP," and I'm reading directly from it, says, "the evidence of commitment of funds specifies the amount of funds committed, terms of the commitment, and the number of units targeted at the AMGI level."

From the staffs perspective, staff has to review what was submitted and staff does not compare one project to other projects in the region.

Motion made by Norberto Salinas and seconded by Beth Anderson to deny the requested appeal for Sphinx at Murdeaux, #02-078.

Passed Unanimously

**02-086 Refugio Street Apartments (tabled at June 24, 2002 Meeting)**

Diana Kinlaw

Ms. Kinlaw stated they are satisfied with the recommendations of staff and will defer to staffs opinion on this issue.

Motion made by C. Kent Conine and seconded by Beth Anderson to deny the requested appeal.

Passed Unanimously

**02-087 El Capitan Apartments**

Jesse Alcala

Mr. Alcala stated Edgewood subdivision supported the idea of a nonprofit housing development and asked the Board to restore one point to this project as a letter was written on Edgewood letterhead. The school district is also in full support of the project.

Manual Garza

Mr. Garza stated he represented Edgewood Neighborhood Association and the community supports this project and requested the Board to provide funds for this it.

Manual Macias

Mr. Macias stated there is a great need in San Antonio for affordable housing and asked the Board to grant funds to the El Capitan Apartments as it is located in a qualified census tract.

Ms. Boston stated the department did not allow support points from an educational institution and a school district qualified as an educational institution. Also nowhere in this referenced letter did it say that they were writing on behalf of anyone besides who the letterhead is from and this was on Edgewood School District letterhead and not the neighborhood association's letterhead.

**02-116 Killeen Stone Apartments**

Jay Stewart

Mr. Stewart stated he is an attorney and represents Langford Interests which is the applicant of the Killeen Stone Ranch Apartment Homes, #02-116. This is an elderly project in Killeen Texas and the cost of the tax credits per unit is \$4,225 which is the lowest new construction per unit tax credit request in Texas and is an efficient use of tax credits. He further stated that is a problem with underwriting with the costs and he asked the Board to consider the actual costs in Killeen and not the information provided by TDHCA's underwriting division.

Mr. Gouris stated the department looked at the statewide database and looked at local averages on costs, etc. He further stated if one looks at the totals, one can see that the TDHCA total database is around 3,166. The IREM Region 6 is 3,124 and the local average is 3,053. The department came up with the number of 3,159.

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to deny the requested appeal.  
Passed with 4 ayes and 1 no (Mr. Conine voted against the motion)

**02-133 Ryans Crossing**

Motion made by C. Kent Conine and seconded by Norberto Salinas to deny the requested appeal.  
Passed Unanimously

**Any Other Appeals Timely Filed in Accordance with the Qualified Allocation Plan  
And Rules**

**02-100 Grove Place Apartments**

Kelly White, Exec. Director, Safe Place, Austin, Texas

Ms. White stated they are the general partner in Grove Place Partners. Since its founding, Safe Place has helped tens of thousands of victims of domestic violence to rebuild their lives (mostly single women with young children). Safe Place creates opportunities for these families and this tax credit project would help in getting homes for these people. They planned a community which meets the department's highest priorities while also meeting the needs of the community. There is major support for this project from the city, state representatives, etc. and she asked the Board to fund this project.

Bill Lee, Developer, Austin, Texas

Mr. Lee stated they are asking the Board to reverse the underwriting decisions relating to this project. He stated staff stated the applicants' grounds for appeal must be based on information contained in the original application and additional documentation filed with the original application. Staff says that Safe Place's plan to form an affiliated entity to act as a general partner and that this entity should be organized as a CHDO was not in the original application. He stated this was incorrect and presented documentation which was included in the original application. In this application, Safe Place noted they planned to create a CHDO and it has been formed. He stated that since the letter from the IRS has not been received on the approval of a CHDO, that this does not exclude them from being the general partner and staff should not have disqualified them.

Mr. Gouris stated this project has a tremendous amount of merit but the general partner has not received the tax exemption from the IRS and this is a key component of being a qualified CHDO.

Cynthia Bast

Ms. Bast did not speak.

Bill Skeen

Mr. Skeen did not speak but gave his time to Bill Lee.

Motion made by C. Kent Conine and seconded by Norberto Salinas to accept the appeal subject to the IRS letter ruling on this project.

Passed with 4 ayes and 1 no (Beth Anderson voted against the motion)

**02-113, Birch Wood Apartments**

Motion made by C. Kent Conine and seconded by Norberto Salinas to deny the requested appeal.  
Passed Unanimously

**02-115, Pampa Gardens Apartments**

This appeal has been withdrawn.

**(4) Presentation, Discussion and Possible Approval of the Staff Recommendations Of Projects for FY2002 Low Income Housing Tax Credit Program Allocation Round and Issuance of Forward Commitments for 2003 Allocation Round and Issuance of Waiting List for 2002**

The Texas Department of Housing and Community Affairs intends to comply with and has complied with Sec. 2306.032(c) of the Texas Government Code which requires that all materials to be considered

by the Department at a board meeting must be published on TDHCA's website and otherwise be made available to the public at least 7 days before the Board Meeting, except for the following limited circumstances applicable only to the July 29, 2002 Board meeting.

Changes in the allocation of low income housing tax credits due to applications withdrawn since the last Board meeting; applications that may be withdrawn at the Board meeting or after the date of this publication; and applications added or removed due to appeals or litigation.

Tom MuMullen

Mr. McMullen did not speak.

Laura Van Dyck

Ms. Van Dyck did not speak.

Michael Landford

Mr. Landford did not speak.

Dr. Mickey Ukoha

Dr. Ukoha did not speak.

Joe Agumadu

Mr. Agumadu did not speak.

Kurk Kehoe, Dallas, Texas

Mr. Kehoe spoke on Madison Point Apartments in Dallas and had a letter of support written by local residents which he read into the record:

"The following signatures below represent those people in favor of the apartment development at the above location in Dallas, Texas, known as Madison Point. We are residents in the Glendale Heights subdivision and the surrounding area on the east side of Interstate 35 across the freeway from the proposed development. Many of us have lived in this area for quite some time, and have seen a major decline in the neighborhood over the years. We have seen major retail establishments close down over the years and needless to say, we are concerned. It is time for our part of town to be revitalized. And we feel that this development will enhance the area and be a good start. Please let this letter and the signatures below represent our expression of support for the Madison Point Apartment development."

John Delgado, City of San Antonio, Texas

Mr. Delgado stated he was senior assistant to City Councilman Enrique Martin, City of San Antonio. They were in opposition to Heatherwilde Estates, #02-025 and felt this project has serious flaws. The owners did not contact the neighborhood associations in this area and zoning has not been heard by the City of San Antonio. He stated the City Council will deny this request. They do support the project known as Villas at Costa Verde.

Ms. Carrington stated staff was recommending Heatherwilde Estates as it was the highest scoring transaction in Region 8A but is subject to rezoning.

Dario Chapa

Mr. Chapa stated he is the Chairman of the sponsoring organization and they have talked to representatives from the neighborhood associations and the formal application for rezoning has been submitted to the City of San Antonio.

At this time the Board took a short break and returned to Open Session at 4:25 p.m.

Ms. Carrington stated that the planned presentation by the LIHTC staff would not be given at this time due to the length of this meeting. She would however like to make a few remarks and thanked everyone for their participation in this round of our tax credits. TDHCA had about 143 final applications which

were processed and there were about 128 competing applications. Those of you who have been TDHCA watchers and participators know that this is the first round of credits allocated under new legislation, Senate Bill 322. This bill put a substantial number of requirements on staff, made a substantial number of changes in the way that TDHCA administers the Low Income Housing Tax Credit Program.

There was a preapplication process, all of the information was posted on the website, a scoring log was maintained, underwriting reports were put on the website along with an appeals process for the first time. She complimented the TDHCA staff and stated staff has done an absolutely exemplary job in struggling with and complying with Senate Bill 322. It was the first time with these rules and many attended forums on Friday morning, of which there were eight of those over eight weeks. She felt that to the best of staff's ability, staff has interpreted the QAP the same for everyone. Letters were submitted on appeals, and from what everyone has said is they think underwriting is wrong or think point scoring is incorrect but there have been no personal attacks.

The last two or three things she stated were as everyone knows, basically Senate Bill 322 says that TDHCA will score, and will award applications and priorities and set-asides by the highest-scoring transactions. There are a few factors that the board can use as discretionary factors. And those factors are serving more low-income families for fewer credits, serving more low-income families for a longer period of time, looking at allocating credits among different entities, or as many different entities as possible, which is addressed in the \$1.6 million rule, and also, looking at applications that are consistent with local needs and that are part of a preservation or revitalization plan. Staff has underwritten and scored, based on the mission and mandate.

Ms. Carrington then read the recommendations into the record:

Region 1:

| <u>No.</u> | <u>Amount</u> |
|------------|---------------|
| 02-029     | \$1,050,826   |
| 02-022     | 333,177       |
| 02-159     | 161,815       |
| 02-157     | 104,374       |
| 02-150     | 113,155       |

Region 10:

|        |            |
|--------|------------|
| 02-051 | \$ 228,465 |
| 02-053 | 624,635    |
| 02-052 | 618,843    |
| 02-068 | 216,491    |
| 02-061 | 160,173    |
| 02-036 | 394,662    |

Region 2:

|        |           |
|--------|-----------|
| 02-046 | \$ 53,565 |
| 02-047 | 21,842    |
| 02-044 | 409,727   |
| 02-070 | 774,967*  |

This transaction will be split between 2002 and a forward commitment for 2002. 2002 allocation amount would be \$555,029

|        |         |
|--------|---------|
| 02-148 | 545,899 |
|--------|---------|

Region 3:

|        |             |
|--------|-------------|
| 02-149 | \$1,053,119 |
| 02-083 | 679,272     |
| 02-034 | 781,495     |
| 02-097 | 288,644     |
| 02-091 | 544,106     |

|        |         |
|--------|---------|
| 02-021 | 425,426 |
| 02-158 | 151,278 |
| 02-008 | 378,365 |
| 02-006 | 638,488 |
| 02-002 | 385,791 |

Region 4:

|        |            |
|--------|------------|
| 02-045 | \$ 373,692 |
| 02-030 | 1,047,330  |
| 02-110 | 744,356    |
| 02-071 | 61,052     |
| 02-156 | 275,871    |
| 02-072 | 86,940     |

Region 5:

|        |            |
|--------|------------|
| 02-174 | \$ 719,168 |
| 02-112 | 762,000    |
| 02-175 | 473,198    |

Region 6:

|        |             |
|--------|-------------|
| 02-147 | \$1,084,340 |
| 02-119 | 1,085,628   |
| 02-099 | 616,304     |
| 02-080 | 936,382     |
| 02-120 | 366,177     |
| 02-151 | 968,058     |
| 02-020 | 466,434     |
| 02-019 | 374,963     |
| 02-161 | 96,390      |
| 02-163 | 93,636      |
| 02-162 | 91,616      |
| 02-160 | 63,915      |
| 02-010 | 610,346     |

Region 7:

|        |             |
|--------|-------------|
| 02-073 | \$1,027,062 |
| 02-042 | 448,615     |
| 02-027 | 369,601     |
| 02-004 | 355,436     |
| 02-005 | 441,453     |
| 02-001 | 356,005     |

Region 8A:

|        |             |
|--------|-------------|
| 02-075 | \$1,068,403 |
| 02-092 | 610,106     |
| 02-086 | 774,562     |
| 02-093 | 300,006     |
| 02-094 | 456,769     |
| 02-009 | 917,770     |

Region 8B:

|        |           |
|--------|-----------|
| 02-043 | \$777,472 |
| 02-011 | 416,498   |
| 02-103 | 899,933   |
| 02-076 | 864,275   |
| 02-037 | 565,712   |

|        |         |
|--------|---------|
| 02-107 | 888,921 |
| 02-033 | 862,724 |
| 02-153 | 55,529  |
| 02-154 | 61,645  |
| 02-007 | 563,846 |
| 02-003 | 885,689 |

Region 9:

|        |           |
|--------|-----------|
| 02-079 | \$925,169 |
| 02-104 | 821,462   |

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the list of recommendations for the Low Income Housing Tax Credit Program as stated.

Amendment to the motion made by C. Kent Conine and seconded by Norberto Salinas to remove 02-073 and replace it with 02-100, which is the Grove Place Apartment subject to the previous motion of granting their appeal and to amend the staff recommendation to not make any recommendations on the 2003 forward commitment list and the waiting list until the meeting next month.

Carlos Herrera, Developer

Mr. Herrera has all the support of all the elected officials in this city, the mayor, the state reps, etc. and it is the highest-scoring project and he asked that 02-073 not be removed from the recommended list.

Ms. Anderson stated she had problems with removing #02-073 from the recommended list and since the Board is not recommending the forward commitments today, they retain the flexibility to fund Grove Place or any other project under a forward commitment that had sound principles behind it.

Mr. Salinas stated he wanted to withdraw the second to the amendment.

Mr. Jones stated the amendment to the motion dies for lack of a second and the Board would go back to the original motion, which was to approve the recommendations of staff.

Original motion passed unanimously.

Mr. Jones asked Ms. Carrington to comment on upcoming board meetings and she stated there will be one and possible two board meetings in August. The QAP and the legislation requires the allocation of the commitments for 2002 by July 31 of this year. Staff will be recommending a list of developments for forward commitments and will also be prioritizing transactions for the waiting list. This will be items that the board will consider at the August 8 meeting. She further stated there could be a meeting held late in August for budget approval.

**REPORT ITEMS**

Executive Directors Report

No report items were presented.

**ADJOURN**

Motion made by Elizabeth Anderson and seconded by Norberto Salinas to adjourn the meeting.

Passed Unanimously

The meeting adjourned at 4:46 p.m.

Respectfully submitted,

Delores Groneck  
Board Secretary

**BOARD MEETING**  
**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
**Capitol Extension Auditorium, 1400 North Congress, Austin, Texas 78701**  
**August 8, 2002                      10:30 a.m.**

**Summary of Minutes**

**CALL TO ORDER, ROLL CALL**  
**CERTIFICATION OF QUORUM**

The Board Meeting of the Texas Department of Housing and Community Affairs of August 8, 2002 was called to order by Chair Michael Jones at 10:40 a.m. It was held at the State Capitol Extension Auditorium, 1400 North Congress, Austin, Texas 78701. Roll call certified a quorum was present. Shadrick Bogany was absent.

Members present:

Michael Jones -- Chair  
C. Kent Conine -- Vice- Chair  
Elizabeth Anderson -- Member  
Vidal Gonzalez -- Member  
Norberto Salinas -- Member

Staff of the Texas Department of Housing and Community Affairs was also present.

**PUBLIC COMMENT**

The Board will solicit Public Comments at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by department staff and motions made by the Board.

Mr. Jones called for Public Comment and the following gave comments either at this time or several elected to speak at the presentation of the agenda item. Since so many people had requested to speak, Mr. Jones asked that each speaker limit the presentation to three minutes.

Jeff Spicer

Mr. Spicer requested to speak at the presentation of the agenda item.

Mr. Bill Fisher

Mr. Fisher requested to speak at the presentation of the agenda item.

Martin Gonzales

Mr. Gonzales requested to speak at the presentation of the agenda item.

Robert Kelley

Mr. Kelly requested to speak at the presentation of the agenda item.

Lee Sloan, President, Kensington Park Neigh. Assn., Austin, Texas

Mr. Sloan stated he was in attendance on behalf of Kensington Park and SCAN to raise serious concerns about the Pleasant Valley Courtyards, #02-073. He stated that he has no financial interest in another LIHTC project in the area. He stated the neighborhood group would like to work with the developer but he has been unavailable to meet with any of the neighbors or neighborhood groups. He stated this property for the proposed project is in the 100 year flood plain of the McKinney Falls Creek. There are several buildings in the center section which are all in the flood plain and he understood that TDHCA does not allow buildings to be put in a flood plain. Also, part of the land in the proposed site is not owned by or under the control of the applicant.

Dora Brown, Southeast Corner Alliance of Neighborhoods, Austin, Texas

Ms. Brown stated they have no choice but to oppose the tax credit application of Pleasant Valley Courtyard as they

are frustrated in attempts to meet with the developer as he said he would meet with them but he was a “no-show” until the night before. They were told by the developers (at a meeting held the night before) that they have no site plan but there is a site plan on the TDHCA website. She asked the Board to not approve any awards for this project.

John Moore, Dallas, Texas

Mr. Moore requested to speak at the presentation of the agenda item.

David Longoria

Mr. Longoria requested to speak at the presentation of the agenda item.

James Kirkpartick

Mr. Kirkpatrick requested to speak at the presentation of the agenda item.

Brian Cogburn

Mr. Cogburn requested to speak at the presentation of the agenda item.

Jay Brown

Mr. Brown requested to speak at the presentation of the agenda item.

James Betterson

Mr. Betterson requested to speak at the presentation of the agenda item.

Chris Richardson, Woodway Village

Mr. Richardson stated this project of Woodway Village is close to Pleasant Valley Courtyard and they have concentration issues. They worked hard to have a high scoring project last year but did not put any projects in Austin last year but did receive the recommendation of the Board at the last meeting to construct the tax credit project. He stated his zoning is in place and he plans to move forward.

Shelly Ann Lemkowitz

Ms. Lemkowitz requested to speak at the presentation of the agenda item.

Sam Ellison

Mr. Ellison requested to speak at the presentation of the agenda item.

Melvin Warren

Mr. Warren requested to speak at the presentation of the agenda item.

Jay Oji

Mr. Oji requested to speak at the presentation of the agenda item.

Robert Voelker

Mr. Voelker requested to speak at the presentation of the agenda item.

George Littlejohn

Mr. Littlejohn requested to speak at the presentation of the agenda item.

Tim Johnson

Mr. Johnson requested to speak at the presentation of the agenda item.

Sam Brewster

Mr. Brewster requested to speak at the presentation of the agenda item.

Rose Garcia

Ms. Garcia requested to speak at the presentation of the agenda item.

Cynthia Bast

Ms. Bast requested to speak at the presentation of the agenda item.

Carlos Herrera, President, El Dorado Housing, Austin, Texas

Mr. Herrera stated he is President of the El Dorado Housing and has met with the group prior to the one meeting they stated was held the night before on Pleasant Valley Courtyards. His desire is to work with the neighborhood through the issues and concerns that they have because he is appealing to the city for the rezoning.

Eugene Mendoza

Mr. Mendoza requested to speak at the presentation of the agenda item.

Marc Caldwell

Mr. Caldwell requested to speak at the presentation of the agenda item.

Elliott Stone

Mr. Stone requested to speak at the presentation of the agenda item.

Maureen Jouett

Ms. Jouett requested to speak at the presentation of the agenda item.

Sara Flores

Ms. Flores requested to speak at the presentation of the agenda item.

Mayor Repp

Mayor Repp requested to speak at the presentation of the agenda item.

Gary Fisher

Mr. Fisher requested to speak at the presentation of the agenda item.

Mr. Cagle

Mr. Cagle requested to speak at the presentation of the agenda item.

Mr. Bates

Mr. Bates requested to speak at the presentation of the agenda item.

Kathryn Thompson

Ms. Thompson requested to speak at the presentation of the agenda item.

Peter Thorne

Mr. Thorne requested to speak at the presentation of the agenda item.

Ron Gebauer

Mr. Gebauer requested to speak at the presentation of the agenda item.

Steve Martin

Mr. Martin requested to speak at the presentation of the agenda item.

Carla Fahey

Ms. Fahey requested to speak at the presentation of the agenda item.

Jerry Cook

Mr. Cook requested to speak at the presentation of the agenda item.

Tom Wilkinson

Mr. Wilkinson requested to speak at the presentation of the agenda item.

Judge Morgan

Judge Morgan requested to speak at the presentation of the agenda item.

Gilson Westbrook

Mr. Westbrook requested to speak at the presentation of the agenda item.

Barry Palmer

Mr. Palmer requested to speak at the presentation of the agenda item.

Paul Robbins, Austin, Texas

Mr. Robbins spoke on Pleasant Valley Villas in Austin, Texas and stated he would have someone later in the day present the board members with a smaller copy of a map on this project. He met with people from Southern Union Gas and there is an active pipeline running through the proposed project site. Southern Union Gas advised him that under no circumstances would they allow a stretch of pipeline to be covered by a street which was proposed to be put in by the proposed tax credit project.

Mr. Jones stated he had called everyone's name who submitted a witness affirmation form and he would now close public comments.

He noted several guests in the audience who were: Paul Hudson from the Governors Office; Stephen Rosales and Perla Cavazos from Senator Lucio's Office; Julie Street from the Urban Affairs Committee; Stacy Gunkel from the Lt. Governors Office; Marcelo Guevara from the Sunset Advisory Commission and Alex Vidales from Senator Shipley's Office.

**ACTION ITEMS**

**(1) Present and Discussion of Report from Member Norberto Salinas on Visit to El Paso and Surrounding Colonias**

Board Member Norberto Salinas stated at the February 2002 Board Meeting held in El Paso the Board was approached by many people who had problems in the Colonias. He was asked to follow up on this meeting and he went to El Paso and discussed in details the colonia issues. He had a three-day agenda which included meeting with officials from the City of Socorro, a meeting with a colonia non-profit which gave him an overall of the problems they are experiencing and one of the problems is that the counties of El Paso and Hudspeth have never followed the rules that were passed by the legislature years ago. Mayor Salinas also met with State officials from El Paso. He asked that the OCI Division look to the health department for assistance in getting a water system for Huerco. He also advised the people in the El Paso area that the ORCA board should be involved with water, etc. People in this area do not have electricity, water or any services, and no paved streets. He stated the County Commissioners in Hudspeth would be filing an application with the ORCA board to assist with services and asked this Board to consider sending the ORCA board a letter supporting the application from Hudspeth County.

**(2) Presentation and Discussion on Status of Central Database**

Mr. Curtis Howe, Director of Information Services, stated they have 19 staff members who all have a wealth of experience in various kinds of projects. He stated the staff has made every effort to focus the structure of the central database to align with the agency's reorganization plans. The agency is reorganizing on functional lines and components for this project are being built along functional lines. The allocation and project module is a big component and benefits the agency in a number of ways and they expect to have a delivered product by January 2003.

This module will allow the agency to track information from the source of funds, to contract through the draw system and will have the ability to take program income and deobligated funds from source of funds to being deobligated to final use. This module will apply to many different program areas and it can be used by all areas and all programs.

Ms. Anderson asked that the board be given an updated plan at the September Board meeting to advise the board what functional areas will be complete by December/January.

Mr. Howe stated there was a report established that gives timeframes and dates that the functional areas are going to be have to be available to work with the IS staff in defining the system requirements.

Ms. Anderson asked that the Board receive a real base-line plan update so the Board will have assurances that the department can and will make this database be a working product.

**(3) Presentation, Discussion and Possible Approval of Report from Audit Committee on:  
Status of Prior Audit Issues**

**Summary Status of Internal/External Audits**

Mr. Gaines stated there are several reports in the Board package and one is on the HOME program and the second reflects all outstanding issues for the entire department. He stated there are 9 issues that have been resolved since the last status update and another 21 issues are being worked on. 8 of these issues related to the HOME program and 2 have been considered cleared by HUD. The department is in disagreement some issues with HUD and is presenting additional information to them for consideration. Since the last meeting a point person responsible for making sure that the issues that relate to more than one division is handled has been appointed and this is helping a great deal to clear these issues.

Mr. Gaines also stated that they completed a payroll audit and a report is being distributed to the Governors Office of Budget and Planning, the LBB, and the State Auditors Office and it was in the Board packet for them to review.

Mr. Jones then re-ordered the agenda.

**(5) Presentation, Discussion and Possible Approval of Financial Items:**

**(a) Approval of Proposed Issuance of Multifamily Mortgage Revenue Bonds for the Clarkridge Villas, Dallas, Texas, in an Amount not to Exceed \$14,700,000 and Other Related Matters**

Mr. Onion stated the issues with Clarkridge Villas are that this project is located in the City of Dallas but the students who would live in the project would be attending Duncanville schools. He stated the department had received a letter from Mark Housewright, a City Council Member who was opposed to this project. The City of Dallas also controls the zoning and it is zoned permissible for this type of project. Staff does recommend this project and is asking that Resolution No. 02-037 be approved.

Mr. Onion then read a letter from State Senator Royce West which states:

"Dear Mr. Jones: Today, I'm writing in regard to the bond allocation for the Clarkridge Villas proposal to build multifamily housing in my district at the corner of Clark Road and Clarkridge Drive. Due to the overwhelming opposition exhibited by numerous calls and letters to my office, as well as public testimony at the public hearing held in Dallas, I am asking that you decline to approve this allocation that is vehemently opposed by the surrounding community. In addition, I have also received input from many elected officials opposing this proposal.

I remain a staunch supporter of the affordable housing and look forward to working with you to promote a system that will be amenable to homeowners, tenants and developers alike. If you have any questions regarding this letter, please contact my office." Royce West, State Senator.

There was a letter received by Chairman Jones, and it is from Kenneth Mayfield which stated:

"I am writing in support of the citizens of Duncanville who are opposed to the above referenced project. As County Commissioner for District 4 of Dallas County, Duncanville is located within my jurisdiction. It appears from reading the newspaper and talking with Mayor Glenn Repp and others that they raise some legitimate issues. I hope you will do all you can to respect the wishes of the citizens of Duncanville. It does not appear that this project should be approved."

**PUBLIC COMMENT**

Glenn Repp, Mayor, Duncanville, Texas

Mr. Repp stated they are against affordable housing nor are they opposed to the corporation who wants to put this project in Duncanville but are opposed to Clarkridge as residents were not notified about the public hearing held and many could not attend due to a late notice and it being held in Dallas and not Duncanville. He asked the Board to vote against this project.

Gary Fisher, Duncanville, Texas

Mr. Fisher stated he has been involved in real estate for over 20 years and there is a 6 lane divided highway that runs through this property. One side is being proposed to have the housing and the swimming pool is proposed to be across the road and he was against the project.

Kent Cagle, City Manager, Duncanville, Texas

Mr. Cagle stated the City of Dallas provides no ambulance service in this area and Duncanville is the first responder. There are no parks that Dallas provides and none are being proposed. There is a safety problem due to the highway.

David Bates, Duncanville, Texas

Mr. Bates stated he was blessed with a brand new apartment for him and his family. The children go to one of the best schools in the state and he felt there is no job market in Duncanville. He has to go to Dallas for employment and he asked the Board to deny the project.

Kathryn Thompson, Duncanville, Texas

Ms. Thompson stated they will be affected by traffic, additional students in schools, additional demands on the library (which students will have to pay to use since they are legally living in Dallas and not Duncanville) and she said there was concern on the type of structures that they plan to build.

At 12:15 pm the Board took a break and returned to Open Session at 1:15 pm at which public comment was continued.

Carla Fahey, Duncanville, Texas

Ms. Fahey stated the impact on the Duncanville schools would be tremendous and these students would have to pay to have the privilege of using the Duncanville library since they lived in Dallas, Texas. There are safety issues with the roads, EMS, which fire department responds to calls, etc.

Bill Fisher, Southwest Housing, Dallas, Texas

Mr. Fisher stated he had over 200 people who signed a petition and these were citizens of Dallas who are in favor of this project. He stated that there are no land use issues and the site is zoned by the City of Dallas and zoned for affordable housing. He stated all buildings would be put on one side of the land and there will be no splitting of buildings on either side of the highway.

Ronald Gebauer, Duncanville, Texas

Mr. Gebauer stated Dallas does the zoning so the citizens have no say in this zoning. He stated it was hard for them to get to the public hearing held in Dallas and they were not able to give their opinions at this hearing because they could not attend the hearing.

Mr. Onion stated the staff is having problems getting places to hold hearings. Usually they use libraries and schools near the projects but there were no facilities large enough or ones that would let TDHCA use their facilities so TDHCA had to use a facility in Dallas for the hearing.

Steve Martin, Duncanville, Texas

Mr. Martin stated at the Public Hearing that no homeowner was in favor of the project.

Dr. Jerry Cook, Duncanville, Texas

Dr. Cook stated that the Duncanville school system is one of the best in the State and additional students would put a strain on this system. They would of course educate all students and make sure that everyone gets an education but it will be a financial burden strain on them as they would have to build more

buildings and have to use portables for classrooms as there will be overcrowding.

Cheryl Potashnik, Southwest Housing, Dallas, Texas

Ms. Potashnik stated the new teachers in Duncanville schools would quality to live in one of these apartments and she read a letter from Mayor Laura Miller of Dallas into the record which states:

"Dear Board members:

I am writing today in regards to a multifamily housing proposal for Clark Road in south Dallas. Brian and Cheryl Potashnik are before you as the developers of this proposed project. It is my understanding that their development would consist of 256 units on a plot of land currently zoned for up to 500 units of affordable housing that would be restricted to adults who are employed and children who stay in school. While I understand and fully appreciate that there is some neighborhood opposition to their development, I wish you to know that the Potashniks have a solid reputation for building, maintaining and keeping very high-quality affordable housing. Their developments are clean, safe and well-kept. I have been most impressed by the caliber of their company's work and track record.

"Since this land is zoned for affordable multifamily housing, I have to wonder if a lower-quality development with less well-intentioned owners will be built if the Potashniks project is not approved by you. My concern is the long-term health and vitality of this southwest Dallas neighborhood. Recently, I appointed a special task force to look at the issue of the lack of affordable housing in Dallas. Brian Potashnik is a valuable member of this task force, which has a goal of helping the city build 30,000 new units of affordable housing. As in the rest of the country, Dallas has a serious shortage of housing for working families.

Thank you for the opportunity to share my thoughts with you. Sincerely, Laura Miller, Mayor, City of Dallas."

Mark Jones, Dallas, Texas

Mr. Jones read a letter from Reginald Gates who is the President of the Dallas Black Chamber into the record which states:

"Dear Ms. Carrington:

I am writing to express my personal support for the proposed committee to be undertaken by Southwest Housing Development. This project is specifically designated to serve the needs of Dallas County families. There is a well-recognized and growing need for quality and affordable housing in our area. The proposed development will provide spacious living units and a community center to serve the specific needs of the residents. As president of the Dallas Black Chamber of Commerce, I represent over 1,700 minority businesses in the Dallas area. Many of our members are located in the southern sector and would take part in the development of this project, providing much-needed employment for our area residents.

"The need for economic development in this area of Dallas is astounding. I believe a project such as this is essential as a catalyst to promote the growth. Again, I wish to express my support for the proposed project. If I can be of further assistance, please do not hesitate to contact me. President Reginald Gates."

Jeff Spicer, Director of Program Dev. Southwest Housing, Dallas, Texas

Mr. Spicer stated there is a lack of affordable housing in this area and he asked the Board to approve this project.

Jim Hyatt, Duncanville, Texas

Mr. Hyatt stated the school district is taxed out and no jobs are being created and he asked that this project be denied.

John Moore, Duncanville, Texas

Mr. Moore stated they were not informed of the hearing held on this development and did not get information about the development of Wheatland Villas.

Dr. Jill Waggoner, Duncanville, Texas

Dr. Waggoner stated she has a family practice in the southwest sector of Dallas County and stated everyone deserves the opportunity to have a safe place to grow up and she asked the Board to approve this project.

Brian Potashnik, Southwest Housing, Dallas, Texas

Mr. Potashnik stated they are proud of housing over 10,000 residents in good, quality, affordable housing. Their policy includes serving senior citizens and families. They have computer labs, after school programs for children and they encourage education for everyone and he asked the Board to approve the project.

Beth Anderson stated holding the public hearing in Dallas was not the best place to have this hearing and she expects staff to hold future public hearings on multi-family projects near the communities that will be affected by these projects.

Motion made by Norberto Salinas and seconded C. Kent Conine to approve Resolution No. 02-037 for Clarkridge Villas, Dallas, Texas for bonds to be issued in the amount not to exceed \$14,700,000.

Passed Unanimously

**(b) Approval of Proposed Issuance of Multifamily Mortgage Revenue Bonds for the Wheatland Villas, Dallas, Texas, in an Amount not to Exceed \$14,900,000 and Other Related Matters**

Jim Betterson, Glen Oaks Homeowners Association

Mr. Betterson stated the residents of the community strongly object to any multi-family zoning on construction of the proposed site where Wheatland would be built and he asked that the Board not approve the project.

Motion made by C. Kent Conine to approve the issuance of bonds for Wheatland Villas with approval of Resolution No. 02-028.

Passed Unanimously

Motion made by C. Kent Conine and seconded by Norberto Salinas to reconsider this motion.

Passed Unanimously

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve Wheatland Villas with Resolution No. 02-028 in the amount of \$14,750,000.

Passed Unanimously

**(c) Approval of Recommended Firms to Provide Trustee Services for the Department's Single Family Mortgage Revenue Bond Issues and Other Related Matters**

Mr. Byron Johnson, Director of Bond Finance, stated the Board in June approved the issuance of a RFP for trustee services for single family bond issues and refundings. The Department received 6 responses but all 6 contained deficiencies. Staff is recommending that TDHCA refrains from pursuing any selection of banks and to defer this until later in the year until about November or December, 2002.

Reponses were received from: BankOne; Bank of New York; Union Bank of California; Wachovia First Union; Wells Fargo and Deutsche Bank.

Staff will again present this item to the Board at the November or December meeting.

**(4) Presentation, Discussion and Possible Approval of Low Income Housing Tax Credit Items:  
(a) Issuance of Four (4) Percent Determination Notices to Tax Exempt Bond Transactions with TDHCA as the Issuer:**

**02-417, Clarkridge Villas Apartments, Dallas**

**02-030, Wheatland Villas, Dallas, Texas**

David Burrell, Director of Housing Programs, stated staff is recommending the Board to allocate tax credits in the amount of \$704,470 for Clarkridge.

Motion made by Norberto Salinas and seconded by Beth Anderson to approve the allocation of \$704,470 for Clarkridge Villas.  
Passed Unanimously

Motion made by Beth Anderson and seconded by C. Kent Conine to approve the allocation of \$\$698,285 for Wheatland Villas.  
Passed Unanimously

**(b) Issuance of Four (4) Percent Determination Notices to Tax Exempt Bond Transactions with Other Issuers**

**02-412, Shady Oaks Manor, Ft. Worth, Texas**

**02-413, Pleasant Valley Villas, Austin, Texas**

**02-414 Eagles Landing Housing, Travis County, Texas**

Mr. Burrell stated staff is recommending approval of these projects for determination notices.

Robert Voekler

Mr. Voekler did not speak.

Sam Ellison, Austin, Texas

Mr. Ellison stated there are inaccuracies in the application submitted to TDHCA for Pleasant Valley Villas and asked that this project be denied.

Craig Alter, Vice President, Southwest Housing, Austin, Texas

Mr. Alter stated that the Austin Housing Finance Corp. voted in favor of this project and the plan is consistent with the zoning that is on the property. They are working with the neighborhood and will work out any issues and also for the record he stated there is no gas pipeline on the property.

Shelley Lemkowitz, Austin, Texas

Ms. Lemkowitz stated she lives near the proposed project and stated there is a problem on the property as it is in the 100 year flood plain and asked the Board to deny the project.

Martin Gonzales, Austin Housing Finance Corp., Austin, Texas

Mr. Gonzales read a letter into the record which states:

"On behalf of the City of Austin and the Austin Housing Finance Corporation, I'm writing to you in support of the Pleasant Valley affordable housing development. As an initial show of support this week, the Austin city council, acting as the Board of Directors of the Austin Housing Finance Corporation, approved the issuance of \$50 million worth of bonds and 2.945 million worth of taxable bonds for financing this project. We're looking to you to provide the 4 percent credits so that we can move forward with this project."

Robert Kelly, Hunt Building Corporation

Mr. Kelly stated he represented the developer for Shady Oaks and there was a reduction in the amount of credits requested and what is being recommended by staff. He stated the TDHCA underwriter had issues with an identify of interest in the project and reduces the credits.

Motion made by Beth Anderson and seconded by C. Kent Conine to approve the issuance of the Determination notices with the clarification that Shady Oaks be funded at the applicants request subject to staff working to verify the costs on the additional information that was provided for Shady Oaks, Pleasant Valley Villas and Eagles Landing.

Passed Unanimously

**(c) Approval of Requests to Extend Deadline for Closing the Construction Loans for:**

01-111, Village at Meadowbend, Temple, Texas

01-143, Laredo Vista, Laredo, Texas

01-144, Corinth Autumn Oaks, Denton County, Texas

Mr. Burrell stated that staff was recommending an extension to 09-14-02 for Village at Meadowbend; an extension on Laredo Vista to 07-11-02 (date already passed but due to TDHCA underwriting not finishing the report this item still needs to be approved); and Corinth Autumn Oaks to 12-11-02.

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to approve the extensions.  
Passed Unanimously

**(d) Approval of the Staff Recommendations for Issuance of Forward Commitments for FY 2003 Low Income Housing Tax Credit Program**

Ms. Brooke Boston of the LIHTC Division stated staff is recommending the 2003 forward commitments and the Board is permitted to allocate up to 15% of the 2003 credit allocation, which is currently estimated to be \$5.7 million. Forward commitments are proposed for two reasons and one is for successful appeals and to try to provide credits to regions that had a shortfall in terms of the amounts of credits that the Board allocated at the July 29<sup>th</sup> meeting.

|                      |                      |        |                |
|----------------------|----------------------|--------|----------------|
| The recommendations: | Arbor Woods          | 02-074 | \$1,078,956    |
|                      | Grove Place          | 02-100 | 789,509        |
|                      | Woodview Apts.       | 02-070 | 219,938        |
|                      | Villas at Park Grove | 02-123 | 626,148        |
|                      | Padre de Vita        | 02-032 | 1,025,408      |
|                      | Eagles Point         | 02-015 | 1,200,000      |
|                      | Bear Creek           | 02-146 | <u>614,528</u> |
|                      | TOTAL                |        | \$5,554,487    |

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to approve the recommendations of staff for forward commitments.

**PUBLIC COMMENT**

David Longoria, Willis, Texas

Mr. Longoria stated he is a partner in Cricket Hollow Townhomes in Willis, Texas and read a letter into the record from the Mayor of Willis which states:

"Mr. Chairman Jones and Board members:

I am unable to attend today's board meeting. However, on behalf of the City of Willis, I am writing this letter to convey our solid support for Cricket Hollow Townhomes, Application 02-028. We have several community leaders who attended and spoke at the April 12 TDHCA public hearing in Conroe. We unanimously communicated our broad public support and need to have this development. The need for affordable housing in north Montgomery County is critical, especially as it relates to the Willis area. Willis is a distinct region experiencing rapid population growth and economic development. Our area is separate and distinct from Conroe, Houston and Harris County. In our opinion, our housing needs are more acute than these other areas'. Please be aware that over half of our existing housing is classified as inferior in quality to be occupied.

Furthermore, our current housing supply is inadequate in quantity to serve our existing residents. The result is the City of Willis has an extreme housing crisis that we are trying to address through the LIHTC program. The addition of 160 affordable housing units is considered necessary and will be a major benefit to our community. In addition to owner-occupied housing, there is a severe lack of available affordable rental housing in our area. Willis does not have any housing comparable to the proposed Cricket Hollow Townhomes. This is our second year in a row that we have participated in the TDHCA application process, and we have worked hard to bring the Cricket Hollow Townhomes development to Willis. Therefore, for the reasons outlined above, I respectfully request that the Board make the Cricket Hollow Townhomes a high priority when it considers its forward commitments and weighting these tax credit allocations. Sincerely, Ruth Castleschouldt, Mayor, and Mike Arthur, City Coordinator, the City of Willis."

James Kirkpatrick

Mr. Kirkpatrick did not speak.

Brian Cogburn, Willis, Texas

Mr. Cogburn stated the City of Willis in Montgomery County needs affordable housing. The leaders have demonstrated their tremendous public support and Cricket Hollow is not being recommended for an allocation. He asked the Board to consider this project and recommend an award to Cricket Hollow.

Mayor Jouett, Killeen, Texas

Mayor Jouett stated Killeen is very interested in having a reconsideration of the Killeen Stone Ranch Apartments and asked the Board to consider an allocation for this project. There is a huge need for senior housing and this would assist their city in providing this type of housing.

Judge Dorothy Morgan

Judge Morgan thanked the staff for their recommendation of an award on 6(b).

Sarah Flores, Killeen, Texas

Ms. Flores stated she was a city council member and asked the board to reconsider and award an allocation to Killeen Stone Ranch Apartments as seniors need housing in this city.

J. Brown, State Senator Fraser's Office

Mr. Brown stated he was speaking on behalf of Rep. Suzanne Hupp and expressed his appreciation to the Board for all their work and stated Killeen has the support of all officials, the entire city, etc. and asked the Board to give an award to them.

Mark Caldwell, Killeen, Texas

Mr. Caldwell stated the city is putting in funds for the Cricket Hollow project and it was the highest scoring nonprofit development in that region and the third highest scoring nonprofit in the State and asked the Board to award them tax credits.

Eugene Mendoza

Mr. Mendoza stated he represented Gateway Pavilion and they were removed from the forward commitment list by staff and he asked that these types of problems be reviewed in the 2003 QAP.

Cynthia Bast, Locke, Liddell & Sapp, Austin, Texas

Ms. Bast stated they represent Mission del Valle project, #02-064 and asked that the Board award an allocation to this project as they desperately need housing in Socorro.

Tom McMullen, Bear Creek

Mr. McMullen stated he was requesting that the Board accept the recommendations of staff as they relate to Bear Creek.

Sam Brewster, Socorro, Texas

Mayor Brewster of Socorro thanked Norberto Salinas for personally taking the time to visit them recently and asked the Board to award tax credits to their city as they need housing so very badly.

Tim Johnson, Socorro, Texas

Mr. Johnson asked the board to award a forward commitment to Mission del Valle as it is a 16 unit project and is only requesting \$160,000.

Jay Oji, Dallas, Texas

Mr. Oji stated he represented the Sphinx Apartments in Dallas, Texas and asked that this project be put back on the recommended list as it scored 153 points in the allocation scoring.

Elliott Stone, Royal Castle Companies

Mr. Stone stated he represented Costa Verde Ltd., #02-041 and asked that Costa Verde be moved into the forward allocation list to meet the needs of Region 8A.

Rose Garcia

Ms. Garcia stated she represented Tierra del Sol Housing Corporation and asked that Socorro be awarded tax credits.

The motion was again restated for the record.

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to approve the recommendations of staff for forward commitments in the amount of \$5,554,487.

Amendment to the motion made by Beth Anderson and seconded by to add Mission del Valle to the forward commitment list.

Passed Unanimously

Original motion as amended was then passed unanimously.

**(e) Approval of Staff Recommendations for Issuance of Waiting List for FY2002 for the Low Income Housing Tax Credit Program**

Ms. Boston stated staff is suggesting that the actual waiting list be composed of all applications that have not been recommended by the board as a 2002 allocation or a 2003 forward commitment and have not been withdrawn or terminated. Staff did ask that the waiting list be prioritized to make sure they are meeting all the required set-asides. Gateway Pavilion will be removed from the waiting list.

Motion made by C. Kent Conine and seconded by Beth Anderson to approve the staff recommendations on the waiting list and the procedure with the following changes: "In the first paragraph where staff is recommending that the Board approve the prioritization of the awaiting list so that the credits become available and the staff will be able to allocate from the prioritized list without return to the board for approval to amend that part and say that the staff needs to come back to the Board for approval as they come off the waiting list so the Board has knowledge of what is happening; the second change is to add the Killen project into the waiting list in the appropriate places.

Passed Unanimously

**(6) Presentation, Discussion and Possible Approval of Programmatic Items:**

**(a) Approval of Recommendations for the Bootstrap Awards from the Office of Collonia Initiatives for:**

|   |                    |
|---|--------------------|
| <b>CDC of Brownsville</b>               | <b>\$ 800,000</b>  |
| <b>Pharr Housing Development</b>        | <b>\$ 312,000</b>  |
| <b>LaGloria Dev. Corp.</b>              | <b>\$ 405,560</b>  |
| <b>Community Action Social Services</b> | <b>\$ 142,594</b>  |
| <b>Community Svc. of South Texas</b>    | <b>\$ 156,090</b>  |
| <b>Lower Valley Housing</b>             | <b>\$1,080,000</b> |
| <b>Alianza Para El Desarrollo</b>       | <b>\$ 103,806</b>  |

Mr. Homer Cabello, Director of OCI, stated that staff was recommending the above projects for funding through the Texas Bootstrap Program which is a self-help construction program.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the recommendations of staff for the awards under the Bootstrap Program.

Passed Unanimously

**(b) Approval of Washington County/Brazos Valley Consortium HOME Program Allocation**

Ms. Ruth Cedillo, Deputy Executive Director, stated staff was recommending the approval of \$216,000 of 2002 HOME Program funds to assist Washington County become a participating jurisdiction.

Tom Wilkinson, Bryan, Texas

Mr. Wilkinson stated they needed these funds to assist them and asked the Board to award the funds to Washington County/Brazos Valley Consortium.

Motion made by Norberto Salinas and seconded by Vidal Gonzalez to approve the award of HOME funds from the 2002 allocation to assist Washington County.  
Passed Unanimously

(c) **Approval of Resolution for Designation of Role and Signature Authority for the Texas Department of Housing and Community Affairs Environmental Responsibilities**

Ms. Cedillo requested that the Board approve this item so there is additional signature authority for environmental responsibilities.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the role and signature authority for environmental responsibilities with approval of Resolution No. 02-040.  
Passed Unanimously

Gilson Westbrook

Mr. Westbrook stated he has been affected by the environmental process in trying to get the sign-off and draws and he was in favor of this item.

(d) **Approval of Housing Trust Fund Awards**

**HTF Development/SECO Recommendations**

|  | <b>HTF Development</b> | <b>HTF/SECO</b>  |
|--|------------------------|------------------|
| <b>Denton Affordable Housing Corp.</b>           | <b>\$604,000</b>       | <b>\$ 16,500</b> |
| <b>Augusta Hills, L.P.</b>                       | <b>\$456,000</b>       |                  |
| <b>Paris Retirement Village, Ltd.</b>            | <b>\$ 45,000</b>       |                  |
| <b>The Greens on Turtle Creek, Ltd.</b>          | <b>\$350,000</b>       | <b>\$126,000</b> |
| <b>Houston Copperwood Apartments, L.P.</b>       | <b>\$350,000</b>       | <b>\$325,000</b> |
| <b>Fountains at Tidwell, Ltd.</b>                | <b>\$225,000</b>       | <b>\$ 75,000</b> |
| <b>Housing Authority of Travis County</b>        | <b>\$360,000</b>       | <b>\$120,000</b> |
| <b>Housing Associates of Kyle</b>                | <b>\$ 30,000</b>       | <b>\$ 10,000</b> |
| <b>Grove Place Partners, Ltd.</b>                | <b>\$100,000</b>       |                  |
| <b>Habitat for Humanity of San Antonio</b>       | <b>\$1,050,000</b>     |                  |
| <b>National Church Residences</b>                | <b>\$350,000</b>       | <b>\$ 84,000</b> |
| <b>Boerne Park Meadows Apartments, L.P.</b>      | <b>\$375,000</b>       |                  |
| <b>Community Retirement/Aransas Pass</b>         | <b>\$ 58,900</b>       | <b>\$ 26,600</b> |
| <b>Affordable Housing of Kingsville II, Ltd.</b> | <b>\$110,000</b>       | <b>\$ 30,000</b> |
| <b>DMA Community Partners II, Inc.</b>           | <b>\$175,000</b>       | <b>\$ 48,000</b> |

Ms. Cedillo stated staff was requesting approval of the HTF Development/SECO awards.

Barry Palmer

Mr. Palmer stated there are some problems with the awards as staff recommends on some of the above a 5 year term at 0% interest and then payments to be re-set at that time. This creates a problem in using the funds and on his project he requested a change to a 30-year term with five years of payments and the TDHCA underwriting staff agreed with this change.

Motion made by Beth Anderson and seconded by Norberto Salinas to approve staff recommendations for the HTF Development/SECO awards with the change in the terms for the project of Mr. Barry Palmer plus the Killeen project for awards subject to getting off the waiting list.

Passed Unanimously

**HTF Capacity Building Recommendations**

|                                   |                 |
|-----------------------------------|-----------------|
| <b>Avenue CDC</b>                 | <b>\$35,000</b> |
| <b>Harmony House</b>              | <b>\$22,300</b> |
| <b>Azteca Complex</b>             | <b>\$34,690</b> |
| <b>CDC of South Texas</b>         | <b>\$35,000</b> |
| <b>Central Dallas Ministeries</b> | <b>\$35,000</b> |
| <b>George Gervin Youth Center</b> | <b>\$35,000</b> |

|   |                 |
|---|-----------------|
| <b>East Austin Economic Development Corp.</b> | <b>\$35,500</b> |
| <b>Williamson/Burnet County Opp.</b>          | <b>\$25,000</b> |
| <b>Northeast CDO</b>                          | <b>\$35,000</b> |
| <b>OPSE</b>                                   | <b>\$35,000</b> |
| <b>Statewide CDC, Inc.</b>                    | <b>\$35,000</b> |
| <b>Habitat for Humanity of Wichita Falls</b>  | <b>\$31,158</b> |
| <b>Midland CDC</b>                            | <b>\$35,000</b> |
| <b>Crossroads Housing Development</b>         | <b>\$21,716</b> |
| <b>Affordable Housing of Parker County</b>    | <b>\$35,000</b> |
| <b>Habitat for Humanity of San Antonio</b>    | <b>\$35,000</b> |
| <b>Webb County Comm. Action</b>               | <b>\$35,000</b> |

The above part of the agenda item will be presented at the next board meeting.

**HTF Predevelopment Recommendations:**

|   |                  |
|---|------------------|
| <b>ARK-TEX Council of Gov., FY2002 Funds</b>  | <b>\$558,642</b> |
| <b>Texas Community Capital, FY 2003 Funds</b> | <b>\$530,068</b> |

Ms. Carrington stated the above are recommended for funds under the HTF predevelopment awards.

Motion made by C. Kent Conine and seconded by Norberto Salinas to approve the two recommendations for ARK-TEX Council of Governments for Texas Community Capital as recommended by staff.

Passed Unanimously

**e) Approval of Amendment to the 2002 State of Texas Consolidated Plan-One Year Action Plan Submitted to the U.S. Department of Housing and Urban Development (HUD) as it Relates to the HOME Investment Partnerships Program**

Ms. Cedillo stated staff was recommending the Board to authorize staff to proceed to hold public hearings to combine the 2002 and 20032 HOME program allocation funds. This would allow staff to do the clean-up on IDIS which has been written up by the state auditors and HUD and also help the staff concentrate on implementing new procedures that have been established to run a more effective program.

Motion made by C. Kent Conine and seconded by Vidal Gonzalez to approve the recommendation of staff but to let the record reflect that the Board would like to get the funds awarded. The staff will hold public hearings and then come back to the Board for final approval.

Passed Unanimously

**REPORT ITEMS**

Executive Directors Report

There was no report presented.

Mr. Conine did state that he would like to see staff take a portion of the HOME funds and do a pilot program to take some of the mortgage revenue bond loans in their single family program and those that are having trouble because they lost their jobs, etc. that they have individual assistance to get them through the rough times and keep the loan current in the form of a second lien with no interest and TDHCA gets repaid when they sell the house. He also wanted everyone to know that he wants any substantive changes made to any of the tax credit projects, they are returned to this Board for approval.

**EXECUTIVE SESSION**

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception)

Consultation with Attorney Pursuant to Sec. 551.071(2), Texas Government Code

The Board may discuss any item listed on this agenda in Executive Session

**OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

There was no executive session held.

**ADJOURN**

Motion made by Vidal Gonzalez and seconded by C. Kent Conine to adjourn.  
Passed Unanimously

The meeting adjourned at 5:30 p.m.

Respectfully submitted,

\_\_\_\_\_, Board Secretary

p:dg:bdminaug

## **SUNSET ADVISORY COMMISSION REVIEW SCHEDULE**

### **TIMELINE**

#### August 21, 2002

House Committee on Urban Affairs makes recommendations on continuation and activities of TDHCA. A copy of the report is attached.

#### September 5, 2002

The Sunset Commission staff will visit the department on September 5, 2002 from 9:30 a.m. to 12:30 p.m. to begin their review of the Texas Department of Housing and Community Affairs.

The Sunset Commission has advised us that they will have 5 people from their staff and they have invited legislative aides, staff from the Governors Office, Lt. Governors Office, Speakers Office and the Legislative Budget Board.

Senior staff of the department will give a presentation on the progress of implementing SB 322 along with the management recommendations in the Sunset report issued in 2001. This presentation will include the following:

- Sunset Presentation
- TDHCA General Summary
- TDHCA Sunset Progress.

#### Late September

The Sunset Staff Review Team will return to TDHCA in the fall to conduct a sampling and checking of files, reports, etc. to determine how well the department has achieved the objectives of SB 322 and the management recommendations of the Sunset Commission.

#### December 10-11, 2002

TDHCA is scheduled to appear before the Sunset Commission on December 10-11, 2002 at which time the Sunset Commission will issue their report on the department. The Commission will then make its recommendations to the Texas Legislature after it convenes at noon on January 14, 2003.

#### January 14, 2003

Legislature Convenes

Attached is an overview of the implementation to date of SB 322.

# Sunset Bill (322) Summary

| <i>Assignment #</i> | <i>Section #</i>      | <i>Relating To</i>   | <i>Staff</i>                                   | <i>Effective Date</i> | <i>Target Date</i> |
|---------------------|-----------------------|--|--|-----------------------|--------------------|
| 1                   | §2306.028             | TDHCA Board Training   | Delores Groneck                                | 9/1/02                | Completed          |
| 2                   | §2306.032 ( c )       | Posting Requirements for TDHCA Board Meetings  | Delores Groneck                                | 9/1/01                | Completed          |
| 2.1                 | §2306.032 ( g )       | Public Testimony during TDHCA Board meetings   | Delores Groneck                                | 9/1/01                | Completed          |
| 3                   | §2306.257             | Applicant Compliance with State and Federal Laws Prohibiting Discrimination: Certification and Monitoring  | Legal  | 9/1/01                | 12/02              |
| 3.1                 | §2306.0321            | Appeal of Board Decisions  | Board, Legal and Appeals Committee             | 9/1/01                | Completed          |
| 4                   | §2306.052(e)          | Public information training  | Board, Executive Director, and Legal           | 9/1/01                | Completed          |
| 4.1                 | §2306.052 (f)         | Administrative Support for TDHCA Board   | Board, Executive Director, and Legal           | 9/1/01                | Completed          |
| 5                   | 2306.057              | Compliance Assessment Required for Project Approval by Board   | Suzanne Phillips, Legal, IS, Program staff.    | 9/1/01                | Completed          |
| 6                   | §2306.081             | Compliance Monitoring during the Construction Phase  | Suzanne Phillips, Tom Gouris, Assigned Program | 4/1/01                | 12/02              |
| 7                   | §2306.0661            | Consolidated Public Hearings   | Sarah Anderson                                 | 9/1/01                | Completed          |
| 8                   | §2306.067(d)          | The Director of TDHCA may enter into an agreement with the Manufactured Housing division to loan or assign department employees, equipment, and facilities to that division. | Executive Director, Legal                      | 9/1/01                | Completed          |
| 9                   | §§2306.0721 and .0722 | Additions to the State Low Income Housing Plan and Report  | Sarah Anderson; Division Directors             | 9/1/01                | Completed          |
| 11                  | §2306.0724            | The Fair Housing Sponsor Report  | Suzanne Phillips, HRC, Legal and IS            | 9/1/01                | Completed          |
| 12                  | §2306.077(d) and (e)  | Internet Submission of Fair Housing Sponsor and Housing for Persons with Disabilities Reports  | Compliance, HRC, IS                            | 9/1/01                | Completed          |
| 13                  | §2306.078             | Reporting of Available Units of Housing for Persons with Disabilities  | Suzanne Phillips; IS                           | 9/1/01                | 12/31/02           |
| 14                  | §2306.079             | Regional Development Coordinator   | Sarah Anderson                                 | 9/1/01                | 8/02               |
| 15                  | §2306.080             | Database Information Specialist  | Sarah Anderson                                 | 9/1/01                | Completed          |
| 16                  | §2306.1111            | Uniform Application and Funding Cycle  | Uniform Application Committee; Sarah Anderson  | 9/1/01                | Completed          |

| <i>Assignment #</i> | <i>Section #</i>  | <i>Relating To</i>   | <i>Staff</i>   | <i>Effective Date</i> | <i>Target Date</i> |
|---------------------|-------------------|--|--|-----------------------|--------------------|
| 17                  | §2306.111 ( c )   | HOME funding restrictions  | Home Staff   | 9/1/01                | Completed          |
| 18                  | §2306.111(g)      | Funding Priorities for Regional Allocation Formula   | Sarah Anderson w/input from Directors affected                                   | 9/1/01                | Completed          |
| 18.1                | §2306.111 (h)     | Reallocation of Financial Assistance   | Deobligation Committee   | 9/1/01                | Completed          |
| 19                  | §2306.1112        | Executive Award and Review Advisory Committee  | ED, David Burrell, Sarah Anderson, Tom Gouris, Robert Onion and Suzanne Phillips | 9/1/01                | Completed          |
| 20                  | §2306.127         | Priority for Certain Communities   | Sarah Anderson and Directors   | 9/1/01                | Completed          |
| 21                  | §2306.142(a)-(k)  | Single Family MRB Market Study   | Sarah Anderson   | 9/1/01                | Completed          |
| 21.1                | §2306.142 (l)-(o) | Single Family MRB Set-Aside for Underserved Economic and Geographic Sub markets  | Byron Johnson and Legal  | 9/1/01                | 8/31/03            |
| 21.2                | §2306.142         | Evaluating a bond program under Section 2306.142, consistent with the reasonable financial operation of the Department, encompassing specific set-asides or reservations of mortgage loans or funds to serve borrowers who have "A-" to "B-" credit. | Byron Johnson  | 9/1/01                | Completed          |
| 22                  | §2306.143         | Alternative to Sub prime Lender List   | Byron Johnson  | 9/1/01                | Completed          |
| 24                  | §2306.185(a)-(e)  | Long-Term Affordability and Safety of Multifamily Rental Housing Developments  | Tom Gouris, HOME, LIHTC, HTF, Multi-family, Compliance                           | 9/1/01                | Completed          |
| 25                  | §2306.185(f)      | Notification of opt out or disposal of property  | Legal and Executive  | 9/1/01                | Completed          |
| 26                  | §2306.223(4)      | QAP: Prohibition of funding for breach of contract, debarment, or misrepresentation.   | David Burrell, Legal   | 9/1/01                | Completed          |
| 27                  | §2306.252         | Additional Duties for the Housing Resource Center  | Sarah Anderson   | 9/1/01                | Completed          |
| 28                  | §2306.255         | Converting Contract for Deeds into General Warranty Deeds  | Homer Cabello  | 9/1/01                | 8/31/03            |
| 29                  | §2306.256         | Development of an Affordable Housing Preservation Program  | Robert Onion   | 9/1/01                | Completed          |
| 30                  | §2306.2561        | Housing Finance Division may provide loans and grants for preservation activities.   | Robert Onion   | 9/1/01                | Completed          |
| 31                  | 2306.257          | Applicant Compliance with State and Federal Rules  | Legal  | 9/1/01                | Completed          |
| 32                  | §2306.269         | Section 8 Admittance Policy. See also #32.1.   | Suzanne Phillips   | 9/1/01                | 11/30/2002         |

| <i>Assignment #</i> | <i>Section #</i>              | <i>Relating To</i>  | <i>Staff</i>                   | <i>Effective Date</i> | <i>Target Date</i> |
|---------------------|-------------------------------|---|--------------------------------|-----------------------|--------------------|
| 32.1                | Subchapter DD:<br>2306.6728   | LIHTC- Section 8 Admittance Policy. See 32  | Compliance and Legal           | 9/1/01                | 11/30/2002         |
| 33                  | §2306.358                     | 501c(3) Multifamily Bonds   | Robert Onion and Legal         | 9/1/01                | Completed          |
| 34                  | §2306.431(c )                 | Board Certification for Bonds Submitted to Attorney General   | Legal and Board Counsel        | 9/1/01                | Completed          |
| 35                  | Subchapter Z:                 | Colonia Initiatives: including advisory committee, resident advisory committee, self-help centers, and biennial plan. | Board; Homer Cabello           | 9/1/01                | 12/02              |
| 38                  | Subchapter DD:<br>§2306.6701  | LIHTC- Purposes   | David Burrell                  | 9/1/01                | Completed          |
| 39                  | Subchapter DD:<br>§2306.6702  | LIHTC- Definitions  | David Burrell                  | 9/1/01                | Completed          |
| 40                  | Subchapter DD:<br>§2306.67022 | LIHTC- QAP, Manual  | David Burrell                  | 9/1/01                | Completed          |
| 41                  | Subchapter DD:<br>§2306.6703  | LIHTC- Ineligibility for Consideration  | David Burrell, Legal           | 9/1/01                | Completed          |
| 42                  | Subchapter DD:<br>§2306.6704  | LIHTC- Pre-Application Process  | David Burrell and Legal        | 9/1/01                | Completed          |
| 43                  | Subchapter DD:<br>§2306.67041 | LIHTC- On-Line Application System   | David Burrell and IS           | 9/1/01                | Completed          |
| 44                  | Subchapter DD:<br>§2306.6705  | LIHTC- General Application Requirements   | David Burrell                  | 9/1/01                | Completed          |
| 45                  | Subchapter DD:<br>§2306.6706  | LIHTC- Nonprofit Set-Aside Allocation   | David Burrell and Legal        | 9/1/01                | Completed          |
| 46                  | Subchapter DD:<br>§2306.6707  | LIHTC- Disclosure of Interested Persons   | David Burrell                  | 9/1/01                | Completed          |
| 47                  | Subchapter DD:<br>§2306.6708  | LIHTC- Application Changes or Supplements   | David Burrell and Legal        | 9/1/01                | Completed          |
| 48                  | Subchapter DD:<br>§2306.6709  | LIHTC- Application Log  | David Burrell, Board and Legal | 9/1/01                | Completed          |
| 49                  | Subchapter DD:<br>§2306.6710  | LIHTC- Evaluation and Underwriting of Applications  | David Burrell and Tom Gouris   | 9/1/01                | Completed          |

| <i>Assignment #</i> | <i>Section #</i>             | <i>Relating To</i>   | <i>Staff</i>  | <i>Effective Date</i> | <i>Target Date</i> |
|---------------------|------------------------------|--|---|-----------------------|--------------------|
| 50                  | Subchapter DD:<br>§2306.6711 | LIHTC - Allocation of Housing Tax Credits                              | Executive Director and David Burrell                  | 9/1/01                | Completed          |
| 51                  | Subchapter DD:<br>§2306.6712 | LIHTC - Amendment of Application Subsequent to Allocation By the Board | David Burrell, Board, Suzanne Phillips and Tom Gouris | 9/1/01                | Completed          |
| 52                  | Subchapter DD:<br>§2306.6713 | LIHTC- Housing Tax Credit Ownership Transfers                          | David Burrell; Compliance                             | 9/1/01                | Completed          |
| 53                  | Subchapter DD:<br>§2306.6714 | LIHTC - At-Risk Development Set-Aside                                  | David Burrell   | 9/1/01                | Completed          |
| 54                  | Subchapter DD:<br>§2306.6715 | LIHTC- Appeal  | David Burrell, Charles Nwaneri & Brooke Boston        | 9/1/01                | Completed          |
| 55                  | Subchapter DD:<br>§2306.6716 | LIHTC - Fees   | David Burrell and Bill Dally                          | 9/1/01                | 8/02               |
| 56                  | Subchapter DD:<br>§2306.6717 | LIHTC- Public Information and Hearings                                 | Sid Struss and David Burrell                          | 9/1/01                | Completed          |
| 57                  | Subchapter DD:<br>§2306.6718 | LIHTC- Elected Officials   | David Burrell   | 9/1/01                | Completed          |
| 58                  | Subchapter DD:<br>§2306.6719 | LIHTC- Monitoring of Compliance:                                       | Suzanne Phillips                                      | 9/1/01                | NA                 |
| 59                  | Subchapter DD:<br>§2306.6720 | LIHTC- Enforceability of Applicant Representations                     | Legal and David Burrell                               | 9/1/01                | Completed          |
| 60                  | Subchapter DD:<br>§2306.6721 | LIHTC- "Debarment from Program Participation:"                         | Legal, David Burrell and Suzanne Phillips             | 9/1/01                | Completed          |
| 61                  | Subchapter DD:<br>§2306.6722 | LIHTC- "Development Accessibility:"                                    | David Burrell, Legal and Suzanne Phillips             | 9/1/01                | Completed          |
| 62                  | Subchapter DD:<br>§2306.6723 | LIHTC- "Coordination with Rural Development Agency:"                   | David Burrell, Legal and ORCA                         | 9/1/01                | Completed          |
| 63                  | Subchapter DD:<br>§2306.6724 | LIHTC- "Deadlines for Allocation of Low Income Housing Tax Credits:"   | David Burrell   | 9/1/01                | Completed          |
| 64                  | Subchapter DD:<br>§2306.6725 | LIHTC- "Scoring of Applications:"                                      | David Burrell   | 9/1/01                | Completed          |
| 65                  | Subchapter DD:<br>§2306.6730 | LIHTC- Accessibility Requirements                                      | Suzanne Phillips and David Burrell                    | 9/1/01                | Completed          |

| <i>Assignment #</i> | <i>Section #</i>                          | <i>Relating To</i>  | <i>Staff</i>                      | <i>Effective Date</i> | <i>Target Date</i> |
|---------------------|---|---|-----------------------------------|-----------------------|--------------------|
| 66                  | Subchapter DD:<br>§2306.6731              | LIHTC- "Allocation Decision; Reevaluation:"                     | David Burrell and Legal           | 9/1/01                | Completed          |
| 67                  | Subchapter DD:<br>§2306.6732              | LIHTC- "Public Information:"                                    | David Burrell                     | 9/1/01                | Completed          |
| 68                  | Subchapter DD:<br>§2306.6733              | LIHTC- "Representation by Former Board Member or Other Person:" | Staff affected.                   | 9/1/01                | Completed          |
| 69                  | Subchapter DD:<br>§2306.6734              | LIHTC- "Minority-Owned Businesses:"                             | David Burrell and Donna Schielack | 9/1/01                | Completed          |
| 70                  | Subchapter FF,<br>§§2306.753 and<br>.755  | Owner-Builder Loan Program                                      | Homer Cabello                     | 9/1/01                | 12/02              |
| 71                  | Subchapter FF:<br>§§2306.758 and<br>.7581 | Owner-Builder Loan Program                                      | Homer Cabello                     | 9/1/01                | 8/02               |
| 72                  | Subchapter GG                             | Colonia Model Subdivision Program                               | Homer Cabello                     | 9/1/01                | 8/31/03            |
| 73                  | Subchapter HH                             | Affordable Housing Preservation                                 | Robert Onion, ORCA and Legal      | 9/1/01                | Completed          |
| 74                  | Subchapter II                             | Multifamily Housing Developments                                | Robert Onion, Legal and ORCA      | 9/1/01                | Completed          |
| 75                  | Subchapter JJ                             | Texas Affordable Housing Needs Assessment                       | Sarah Anderson                    | 9/1/01                | 6/03               |
| 76                  | Subchapter JJ:<br>§§1.40 and 1.41         | SB 322 implementation plan                                      | Sarah Anderson                    | 9/1/01                | on going           |
| 77                  |   | Private Activity Bonds  | Robert Onion                      | 9/1/01                | Completed          |
| 78                  | §2306.066                                 | Complaints Received by TDHCA                                    | Housing Resource Center           | 9/1/01                | Completed          |

••ROUGH DRAFT -

REVIEW THE ROLES OF THE STATE AND OF LOCAL PUBLIC HOUSING AUTHORITIES IN  
INCREASING ACCESS TO HOUSING ASSISTANCE FOR THE STATE'S POOREST FAMILIES AND IN  
SUPPORTING FAMILIES MAKING THE TRANSITION FROM WELFARE TO WORK.  
RECOMMENDATIONS TO THE 78th LEGISLATURE

It is imperative that the State of Texas increase access to affordable housing for low and very low income residents. Public housing and Section 8 assisted housing provide a valuable safety net for low and very low income Texans. The State should actively seek to assist and compliment the efforts of local communities and Public Housing Authorities (PHAs) in the provision of decent, safe and sanitary housing. However, the provision of affordable housing requires proper local planning and support. Local community commitment to the provision of an adequate stock of affordable housing available to Texans with low and very low incomes is necessary.

Change requirement for resident commissioners on PHA governing board - Resident commissioners are essential to better understanding PHA resident concerns and to foster better relations and communications between residents and PHAs:

- Close existing loopholes in State law which allow certain PHAs to forgo resident commissioner representation on PHA boards;
- Specifically change Local Government Code 392.0331 - Appointment of Tenant Representative as Commissioner of Municipal, County or Regional Housing Authority. Amend the statute to ensure consistency with Federal HUD requirements of 42 U.S.C. 1437(b) and 24 C.F.R. Part 964:
  - PHAs with 300 units or more must include at least one resident commissioner on their board;
  - PHAs with fewer than 300 units must provide opportunities for residents to serve on the governing board and make certain efforts to recruit resident commissioners;
  - PHAs with fewer than 300 units must advise the PHA Resident Advisory Board of the opportunity for residents to serve on the governing board and must wait at least 30 days for a response;
  - The resident commissioner requirements are waived only if no resident interest is shown, and a repeat notification must be provided annually; and
  - Federal statute also provides that Section 8-only PHAs, regardless of the number of vouchers they administer, fall under the small PHA rule. Amend the Local Government Code to include provisions that ensure consistency between Federal and State statute in regard to Section 8-only PHAs.
- Clarify language of Local Government Code 392.0331 - The current language is vague concerning resident commissioners in regional housing authorities. The statute should specify that PHA resident board commissioner requirements do in fact apply to regional housing authorities.

Texas Department of Housing and Community Affairs (TDHCA) and PHAs should establish an ongoing working group concerning public and Section 8 housing:

- The group should be composed of PHA directors and commissioners, from both rural and urban areas, as well as TDHCA staff;
- The working group will allow for greater communication, understanding, and collaboration between TDHCA and local PHAs, and will promote TDHCA program accessibility;
- The group should review TDHCA programs and make recommendations for ways program guidelines and resources can better preserve and improve the public and Section 8 housing stock;
- TDHCA should be responsible for determining the composition of the group; and
- Regional Development Coordinators from each of the 11 TDHCA uniform service regions should be de facto members.

TDHCA to explore ways to assist PHAs in applying for funds:

- Continue to participate in conferences and work in conjunction with trade associations;
- Consider making available technical and planning assistance to PHAs;

- Work to make programs more accessible through modifications in program regulations, outreach and training;
- Reduce the administrative burden incurred by PHAs applying for TDHCA administered programs:
  - TDHCA should carefully review and/or offer assistance with paperwork in order to simplify access to funds, especially for small or rural PHAs; and
  - Regional Development Coordinators should help local PHAs access TDHCA funds and programs.

Address the problem of underutilization of Federal vouchers in certain areas of the State:

- Local communities should encourage landlords who receive HUD funding to comply with HUD discrimination guidelines in order to increase Section 8 voucher housing opportunities, especially in desirable employment areas; and
- TDHCA and local City and/or County officials need to collaborate with PHAs to find more available housing for Section 8 Voucher holders.

Consider a joint effort of TDHCA and trade associations to develop a PHA commissioner training program:

- This would enable the commissioners to be more effective in their roles and foster a better understanding of their legal and ethical responsibilities; and
- Separate training programs should be developed for traditional and residential commissioners due to their unique training needs.

Monitor TDHCA's partnership with local PHAs in utilizing Federal Section 8 Vouchers for voucher recipients to transition from renters to homeowners:

- Support a demonstration project between TDHCA and local PHAs, allowing local PHAs to administer such a program;
- TDHCA should research optimal eligibility requirements and methods of determining how to choose among qualified Section 8 homeowner participants; and
- Promote the leveraging of TDHCA administered programs and funds in relations to the Section 8 Homeownership Initiative:
  - Single Family Mortgage Revenue Bond Program; and
  - Down Payment Assistance Program

Note this recommendation is duplicated in Interim Charge Four (Oversight Charge)

TDHCA should continue to focus on the development of affordable, family-oriented rental property and should work with PHAs to increase housing opportunities for low and very low income families.

TDHCA market analysis studies should actively consult with local PHAs about existing housing resources; furthermore, PHAs should be made aware that TDHCA market analysis results may be challenged.

Improve the State's commitment to Texan's with special needs:

- Address affordable housing needs of low and very low income seniors to meet present need and anticipate the higher need for elderly housing in the future;
- Make accessible, affordable and integrated housing available to persons with disabilities in order to encourage the utmost level of independence and productivity;
- Ensure compliance with the provisions of the Olmstead Act; and
- Support TDHCA's continued participation in the Disability Advisory Council to ensure active consideration of Texans with disabilities in TDHCA policies and programs.

Optimize opportunities for greater self sufficiency among public and Section 8 housing residents:

- Promote local PHA participation in HUD Self Sufficiency Program;
- Encourage the availability of affordable housing to low and very low income families in areas with greater job growth; and
- Promote the movement of public housing residents and Section 8 recipients into the private housing market.

In light of the intersection of stable housing with employment and economic security:

- Direct State agencies, such as TDHCA, Department of Human Services (DHS), and Texas Workforce Commission (TWC), as well as local Workforce Development Boards to work closely in collaboration with PHAs in meeting the needs of Texans transitioning from welfare to work;
- State agencies including TDHCA, DHS, and TWC should increase communication with each other to better coordinate programs and explore innovative ways to address the cross section of housing and welfare to work;
- Encourage the use of Temporary Assistance to Needy Families (TANF) Federal block grant monies to provide temporary and supplemental housing benefits to families during the transition from welfare to work; and
- Investigate innovative ways to integrate housing with economic and other programs for the welfare to work population. Explore working with U.S. Department of Housing and Urban Development, U.S. Department of Labor, U.S. Department of Health, and other Federal agencies to meet this goal and to access necessary funds.

## CHARGE TWO

EXAMINE THE DEFINITION AND ROLES OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs) AND NONPROFIT HOUSING ENTITIES. ASSESS STANDARDS THEY SHOULD MEET IN ORDER TO QUALIFY FOR SET-ASIDES, TAX EXEMPTIONS AND OTHER FORMS OF SPECIAL CONSIDERATION.  
RECOMMENDATIONS TO THE 78th LEGISLATURE

It is imperative that the State increase access to affordable housing for low income residents. Preservation of existing affordable units and encouraging the development of new units must be a priority to address the shortage of affordable housing in Texas.

The Community Housing Development Organization (CHDO) property tax exemption should be preserved as a tool for affordable housing in Texas. However, modifications to Section 11.182 of the Tax Code are necessary:

- Develop more stringent public benefit requirements:
  - Significant rent reductions;
  - Substantial capital improvements; or
  - Appropriate social services for residents, including individual development accounts, subsidies to first time homebuyers, child care, scholarships, or educational facilities, equipment and staffing.
- Direct the CHDO property tax exemption to properties that serve the greatest need:
  - Units affordable to families at or below 50% of Area Median Family Income (AMFI); and
  - Units affordable to families at or below 50% of Statewide AMFI where the area median is below that of the State.
- Consider applying a sliding scale basis of percentage of tax exemption to the percentage of affordable units available to low income residents; and
- Create a name and definition unique to this State's ad valorem property tax exemption, such as Community-Based Housing Developer Exemption (CBHD), to avoid confusion with the U.S. Department of Housing and Urban Development (HUD) term and definition.

Consideration to existing CHDOs receiving property tax exemption:

- Whatever changes are necessary to protect the integrity of the CHDO tax exemption should take into consideration the financial agreements of existing CHDOs that may have based financing on the existence of this property tax exemption as it is currently written in Tax Code, Section 11.182.

Support Texas Department of Housing and Community Development's (THDCA) rule change which discontinues the practice of State CHDO certification in Participating Jurisdictions (PJs), except in very specific and rare circumstances, and reaffirms the Agency's limited involvement with CHDO certification to the administration of Federal HOME funds.

## CHARGE FOUR

### ACTIVELY MONITOR AGENCIES AND PROGRAMS UNDER THE COMMITTEE'S OVERSIGHT JURISDICTION, INCLUDING IMPLEMENTATION OF SUNSET LEGISLATION, AND SPECIFICALLY INCLUDING REQUIREMENTS TO TARGET SINGLE FAMILY MORTGAGE LOANS TO UNDERSERVED GEOGRAPHIC AND ECONOMIC POPULATIONS AND NEW SECTION 8 HOMEOWNERSHIP INITIATIVES.

#### RECOMMENDATIONS TO THE 78th LEGISLATURE

The Committee supports Texas Department of Housing and Community Affairs' (TDHCA) efforts in meeting the goals of their Sunset Recommendations and urges legislation to provide for the continuation of this State agency.

Monitor TDHCA's partnership with local PHAs in utilizing Federal Section 8 Vouchers for voucher recipients to transition from renters to homeowners:

- Support a demonstration project between TDHCA and local PHAs which would allow PHAs to administer such a program;
- TDHCA should research optimal eligibility requirements and methods of determining how to choose among qualified Section 8 homeowner participants; and
- Promote the leveraging of TDHCA administered programs and funds in relations to the Section 8 Homeownership Initiative:
  - Single Family Mortgage Revenue Bond Program,
  - Down Payment Assistance Program.

Note that this Recommendation is duplicated in Interim Charge One (PHA Charge)

TDHCA should address abusive subprime and predatory lending in home mortgage loans:

- TDHCA is involved in a study examining subprime and predatory lending; and
- Based on the information gathered, TDHCA should continue to work to identify lending and marketing products to reduce abusive subprime lending practices in Texas, especially in home equity loans.

Legislature should provide support for Regional Development Coordinators Program:

- A Statewide network of Regional Development Coordinators and Regional Advisory Committees will be an effective means to develop and implement regional and local planning for affordable housing; and
- Necessary funds and additional full time employees should be appropriated by the 78th Legislature to TDHCA specifically for the Regional Development Coordinator program as described in Section 2306.079 of the Government Code, and per Article 5 of TDHCA's Sunset Legislation.

TDHCA should continue to focus on development of family-oriented housing projects, with an emphasis of moving families from renters to homeowners.

Support the efforts of TDHCA's Office of Colonia Initiative in improving the standard of living for families in Colonias:

- TDHCA Office of Colonia Initiative should continue to address the issue of substandard housing within 150 miles of the Mexico border by administering programs including Contract for Deed Conversion and Bootstrap Loan Program, both enabling Colonia residents to have safe, sanitary and decent housing;
- TDHCA's Office of Colonia Initiatives programs depend on the existence of adequate infrastructure and it is necessary to develop this infrastructure, such as water and waste water services, in Colonias. Encourage the Secretary of State's Office of Texas Border Colonia Initiative, along with the Office of Rural Community Affairs (ORCA) and the Texas Water

Development Board (TWDB) to develop infrastructure in areas of the State where infrastructure is lacking; and

- The State should explore ways to address the housing and infrastructure needs of inland Colonias.

Continue to monitor the actions of the Manufacture Housing Board.

In light of the tragic national events of September 11, 2001:

- The Texas Commission on Fire Protection anticipates expanded roles and responsibilities in ensuring the public's safety;
- Specifically, the Texas Commission on Fire Protection anticipates an increase in the development of additional curriculum and associated test banks to meet the new diverse training requirements that are related to domestic events, terrorism and associated threats brought about by the catastrophic events of September, 11, 2001; and
- The Legislature should make available appropriate mechanisms of support for the Texas Commission on Fire Protection taking into consideration growing security issues.

(Other TDHCA related recommendations are listed under Interim Charge One Recommendations, concerning Public Housing Authorities.)

### **Board Action Item**

**Action Item:**

Approval of Budget for Texas Department of Housing and Community Affairs for 2002-2003.

**Recommendation:**

Staff is requesting the Board approve the budget.

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS**



**DRAFT**  
**FY-2003 OPERATING BUDGET**  
*(September 1, 2002 through August 31, 2003)*

August 20, 2002

*Prepared by the Financial Services Division*

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2003 OPERATING BUDGET**

**T A B L E   O F   C O N T E N T S**

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
FY-2003 OPERATING BUDGET**

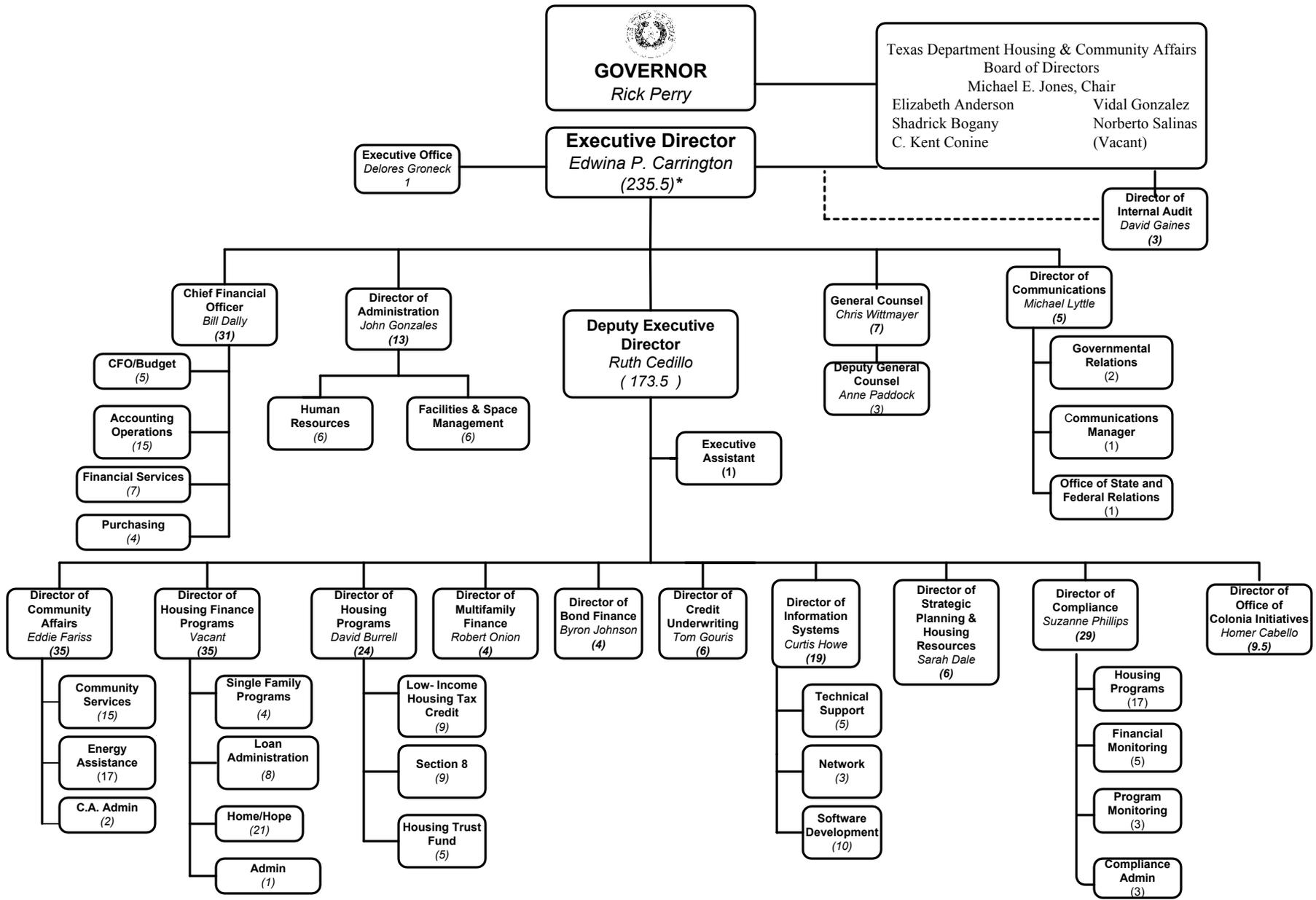
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F. Goal: Regulate Manufactured Housing Industry (Under Separate Budget)

\* \* \* \* \*

# Texas Department of Housing & Community Affairs Organizational Chart



## **AGENCY WIDE BUDGET**

Historical Budget Analysis by Expense Object

Historical Budget Analysis by Division

Texas Department of Housing and Community Affairs  
 Historical Budget Analysis  
 By Expense Object

|                                 | FY02<br>Budget       | Less:<br>ORCA       | Less:<br>Manufactured<br>Housing | FY02<br>Adjusted<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)   | Percentage<br>Change |
|---------------------------------|----------------------|---------------------|----------------------------------|-----------------------------------|-----------------------|---------------------|----------------------|
| Salaries and Wages              | \$ 17,427,467        | \$ 2,203,679        | \$ 3,868,645                     | \$ 11,355,144                     | \$ 11,275,557         | \$ (79,586)         | -0.7%                |
| Payroll Related Costs           | 3,053,675            | 261,905             | 511,406                          | 2,280,364                         | 2,197,747             | (82,617)            | -3.6%                |
| Travel In-State                 | 1,078,226            | 137,155             | 243,324                          | 697,747                           | 571,942               | (125,805)           | -18.0%               |
| Travel Out-of-State             |                      |                     |                                  | -                                 | 98,383                | 98,383              |                      |
| Professional Fees               | 2,700,975            | 656,000             | 247,275                          | 1,797,700                         | 2,033,550             | 235,850             | 13.1%                |
| Material and Supplies           | 687,822              | 56,829              | 87,671                           | 543,322                           | 477,698               | (65,624)            | -12.1%               |
| Repairs/Maintenance             | 362,220              | 23,309              | 47,412                           | 291,499                           | 194,745               | (96,754)            | -33.2%               |
| Printing and Reproduction       | 359,453              | 51,044              | 47,556                           | 260,853                           | 181,676               | (79,177)            | -30.4%               |
| Rentals and Leases              | 2,281,588            | 251,166             | 358,065                          | 1,672,357                         | 1,740,796             | 68,439              | 4.1%                 |
| Membership Fees                 | 92,350               | 14,500              | 1,550                            | 76,300                            | 76,100                | (200)               | -0.3%                |
| Registration Fees               | 436,011              | 31,833              | 66,070                           | 338,108                           | 358,696               | 20,588              | 6.1%                 |
| Employee Tuition                | 16,750               | 1,000               | 2,500                            | 13,250                            | 18,250                | 5,000               | 37.7%                |
| Advertising                     | 104,500              | 1,500               | 3,000                            | 100,000                           | 111,100               | 11,100              | 11.1%                |
| Freight/Delivery                | 109,560              | 2,100               | 71,650                           | 35,810                            | 39,600                | 3,790               | 10.6%                |
| Temporary Help                  | 462,368              | 26,333              | 125,706                          | 310,329                           | 328,109               | 17,780              | 5.7%                 |
| Furniture and Equipment         | 91,400               | 6,650               | 15,300                           | 69,450                            | 76,050                | 6,600               | 9.5%                 |
| Communication and Utilities     | 634,511              | 52,168              | 207,565                          | 374,778                           | 375,919               | 1,141               | 0.3%                 |
| Capital Outlay                  | 1,006,493            | 2,857               | 112,366                          | 891,270                           | 214,459               | (676,811)           | -75.9%               |
| State Office of Risk Management |                      |                     |                                  | -                                 | 201,716               | 201,716             |                      |
| Office Renovation/Consolidation | 275,001              | 30,555              | 41,292                           | 203,154                           |                       | (203,154)           | -100.0%              |
| <b>Total Department</b>         | <b>\$ 31,180,370</b> | <b>\$ 3,810,583</b> | <b>\$ 6,058,352</b>              | <b>\$ 21,311,435</b>              | <b>\$ 20,572,094</b>  | <b>\$ (739,341)</b> | <b>-3.5%</b>         |

374.00      51.00      87.50      235.50      235.50

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Agency Wide by Division

|                                | FY02                 | Less:               | Less:                | FY02                 | FY03                 | Variance            | Percentage   | FY02         | FY03         | Variance       |
|--------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|---------------------|--------------|--------------|--------------|----------------|
|                                | Budget               | ORCA                | Manufactured Housing | Adjusted Budget (a)  | Budget (b)           | (b-a)               | Change       | FTEs         | FTEs         |                |
| Executive Administration       | \$ 3,296,826         | \$ 58,472           | \$ 133,070           | \$ 3,105,284         | \$ 2,926,357         | \$ (178,928)        | -5.8%        | 30.0         | 26.0         | (4.0)          |
| Financial Services Division    | 2,815,590            | 84,225              | 247,139              | 2,484,225            | 2,351,104            | (133,121)           | -5.4%        | 34.0         | 31.0         | (3.0)          |
| Compliance Monitoring Division | 3,335,337            | 69,296              |                      | 3,266,041            | 2,880,503            | (385,538)           | -11.8%       | 31.0         | 29.0         | (2.0)          |
| Community Development Division | 3,157,246            | 3,157,246           |                      | -                    |                      | -                   |              | 33.0         |              | (33.0)         |
| Community Affairs Division     | 3,079,439            | 320,448             |                      | 2,758,991            | 3,071,761            | 312,770             | 11.3%        | 40.0         | 35.0         | (5.0)          |
| Human Resources                | 529,448              | 15,315              | 52,876               | 461,257              | 423,988              | (37,269)            | -8.1%        | 8.0          | 7.0          | (1.0)          |
| Facilities/Support             | 389,767              |                     | 48,220               | 341,547              | 351,451              | 9,903               | 2.9%         | 6.0          | 6.0          | 0.0            |
| Information Systems            | 1,747,049            | 105,581             | 178,159              | 1,463,309            | 1,360,240            | (103,069)           | -7.0%        | 21.0         | 19.0         | (2.0)          |
| Housing Programs Division      | 3,651,048            |                     |                      | 3,651,048            | 3,801,391            | 150,343             | 4.1%         | 44.0         | 45.0         | 1.0            |
| Housing Finance Division       | 3,080,358            |                     |                      | 3,080,358            | 2,671,800            | (408,558)           | -13.3%       | 30.0         | 28.0         | (2.0)          |
| Office of Colonia Initiatives  | 699,375              |                     |                      | 699,375              | 733,500              | 34,125              | 4.9%         | 9.5          | 9.5          | 0.0            |
| Manufactured Housing           | 5,398,888            |                     | 5,398,888            | -                    |                      | -                   |              | 87.5         |              | (87.5)         |
| <b>Total, Department</b>       | <b>\$ 31,180,370</b> | <b>\$ 3,810,583</b> | <b>\$ 6,058,352</b>  | <b>\$ 21,311,435</b> | <b>\$ 20,572,094</b> | <b>\$ (739,341)</b> | <b>-3.5%</b> | <b>374.0</b> | <b>235.5</b> | <b>(138.5)</b> |

Method of Finance:

|                          |                      |                     |                     |                      |                      |                     |              |
|--------------------------|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|--------------|
| General Revenue          | \$ 5,559,540         | \$ 1,614,483        | \$ 2,525,719        | \$ 1,419,338         | \$ 1,662,111         | \$ 242,773          | 17.1%        |
| Federal Funds            | 8,485,212            | 1,917,868           | 1,010,744           | 5,556,600            | 5,826,561            | 269,962             | 4.9%         |
| Appropriated Receipts    | 15,308,153           | 208,521             | 2,521,889           | 12,577,743           | 11,859,727           | (718,016)           | -5.7%        |
| Interagency Contracts    |                      |                     |                     | -                    | 101,220              | 101,220             |              |
| Earned Federal Funds     | ,827,460             | 69,707              |                     | 1,757,753            | 1,122,470            | (635,283)           | -36.1%       |
| <b>Total, Department</b> | <b>\$ 31,180,370</b> | <b>\$ 3,810,583</b> | <b>\$ 6,058,352</b> | <b>\$ 21,311,435</b> | <b>\$ 20,572,094</b> | <b>\$ (739,341)</b> | <b>-3.5%</b> |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Executive Administration

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 1,751,458          | 1,620,923             | (130,536)         | -7.5%                |
| Payroll Related Costs           | 385,321               | 356,603               | (28,718)          | -7.5%                |
| Travel In-State                 | 141,950               | 98,000                | (43,950)          | -31.0%               |
| Travel Out-of-State             |                       | 34,721                | 34,721            |                      |
| Professional Fees               | 398,000               | 271,000               | (127,000)         | -31.9%               |
| Material and Supplies           | 91,523                | 91,642                | 119               | 0.1%                 |
| Repairs/Maintenance             | 19,456                | 17,148                | (2,308)           | -11.9%               |
| Printing and Reproduction       | 65,604                | 66,239                | 635               | 1.0%                 |
| Rentals and Leases              | 200,108               | 195,695               | (4,413)           | -2.2%                |
| Membership Fees                 | 12,500                | 12,250                | (250)             | -2.0%                |
| Registration Fees               | 57,550                | 60,896                | 3,346             | 5.8%                 |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 14,200                | 14,700                | 500               | 3.5%                 |
| Freight/Delivery                | 6,400                 | 7,200                 | 800               | 12.5%                |
| Temporary Help                  | 62,325                | 60,887                | (1,438)           | -2.3%                |
| Furniture and Equipment         | 10,200                | 8,900                 | (1,300)           | -12.7%               |
| Communication and Utilities     | 39,739                | 44,161                | 4,422             | 11.1%                |
| Capital Outlay                  | 15,717                | 21,680                | 5,963             | 37.9%                |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 24,775                |                       | (24,775)          | -100.0%              |
| Subtotal                        | 3,296,826             | 2,982,645             | (314,181)         | -9.5%                |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 58,472                | 0                     | (58,472)          | -100.0%              |
| Manufactured Housing Support    | 133,070               | 56,288                | (76,782)          | -57.7%               |
| Total                           | \$ 3,105,284          | \$ 2,926,357          | \$ (178,928)      | -5.8%                |
| FTE's                           | 30.00                 | 26.00                 | -4.00             |                      |

Note:  
Executive Administration includes:  
Executive Office  
Board  
Legal Services  
Internal Audit  
Government and Communications  
Housing Resource Center

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Financial Services Division

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 1,621,855          | 1,562,993             | (58,863)          | -3.6%                |
| Payroll Related Costs           | 315,629               | 236,331               | (79,298)          | -25.1%               |
| Travel In-State                 | 15,750                | 14,750                | (1,000)           | -6.3%                |
| Travel Out-of-State             |                       | 600                   | 600               |                      |
| Professional Fees               | 314,500               | 194,500               | (120,000)         | -38.2%               |
| Material and Supplies           | 57,170                | 44,548                | (12,622)          | -22.1%               |
| Repairs/Maintenance             | 62,218                | 38,004                | (24,214)          | -38.9%               |
| Printing and Reproduction       | 7,185                 | 6,961                 | (224)             | -3.1%                |
| Rentals and Leases              | 222,355               | 217,156               | (5,199)           | -2.3%                |
| Membership Fees                 | 3,750                 | 2,750                 | (1,000)           | -26.7%               |
| Registration Fees               | 56,953                | 64,142                | 7,189             | 12.6%                |
| Employee Tuition                | 3,300                 | 3,300                 | 0                 | 0.0%                 |
| Advertising                     | 2,100                 | 2,200                 | 100               | 4.8%                 |
| Freight/Delivery                | 2,200                 | 2,700                 | 500               | 22.7%                |
| Temporary Help                  | 43,416                | 42,958                | (458)             | -1.1%                |
| Furniture and Equipment         | 9,550                 | 9,550                 | 0                 | 0.0%                 |
| Communication and Utilities     | 48,153                | 46,172                | (1,981)           | -4.1%                |
| Capital Outlay                  | 1,428                 | 19,210                | 17,782            | 1245.2%              |
| State Office of Risk Management |                       | 60,705                | 60,705            |                      |
| Office Renovation/Consolidation | 28,078                |                       | (28,078)          | -100.0%              |
| Subtotal                        | 2,815,590             | 2,569,529             | (246,061)         | -8.7%                |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 84,225                |                       | (84,225)          | -100.0%              |
| Manufactured Housing Support    | 247,139               | 218,425               | (28,714)          | -11.6%               |
| Total                           | \$ 2,484,225          | \$ 2,351,104          | \$ (133,122)      | -5.4%                |

FTE's 34.00 31.00 -3.00

Note:  
Financial Services Division:  
Chief Financial Officer  
Accounting Operations  
Financial Services  
Purchasing

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Community Affairs Division

|  | FY02<br>Budget<br>(a) | Less:<br>Local<br>Government | FY02<br>Adjusted<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|--|-----------------------|------------------------------|-----------------------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages                       | \$ 1,815,513          | \$ 227,952                   | \$ 1,587,561                      | \$ 1,564,160          | \$ (23,401)       | -1.5%                |
| Payroll Related Costs                    | 329,481               | -                            | 329,481                           | 339,879               | 10,399            | 3.2%                 |
| Travel In-State                          | 164,608               | 19,030                       | 145,578                           | 133,303               | (12,275)          | -8.4%                |
| Travel Out-of-State                      |                       |                              | -                                 | 10,603                | 10,603            |                      |
| Professional Fees                        | 47,600                | 1,000                        | 46,600                            | 349,400               | 302,800           | 649.8%               |
| Material and Supplies                    | 156,980               | 6,592                        | 150,388                           | 118,567               | (31,821)          | -21.2%               |
| Repairs/Maintenance                      | 26,710                | 3,561                        | 23,149                            | 21,631                | (1,518)           | -6.6%                |
| Printing and Reproduction                | 36,804                | 15,480                       | 21,324                            | 21,359                | 35                | 0.2%                 |
| Rentals and Leases                       | 279,737               | 28,747                       | 250,990                           | 275,605               | 24,615            | 9.8%                 |
| Membership Fees                          | 14,550                | 500                          | 14,050                            | 14,050                | -                 | 0.0%                 |
| Registration Fees                        | 34,914                | 4,941                        | 29,973                            | 34,087                | 4,114             | 13.7%                |
| Employee Tuition                         | -                     | -                            | -                                 | 5,000                 | 5,000             |                      |
| Advertising                              | 4,500                 | -                            | 4,500                             | 10,500                | 6,000             | 133.3%               |
| Freight/Delivery                         | 5,100                 | 600                          | 4,500                             | 5,500                 | 1,000             | 22.2%                |
| Temporary Help                           | 19,265                | 1,077                        | 18,188                            | 20,714                | 2,526             | 13.9%                |
| Furniture and Equipment                  | 8,100                 | -                            | 8,100                             | 10,200                | 2,100             | 25.9%                |
| Communication and Utilities              | 65,652                | 7,665                        | 57,987                            | 58,831                | 844               | 1.5%                 |
| Capital Outlay                           | 36,893                | -                            | 36,893                            | 47,714                | 10,821            | 29.3%                |
| State Office of Risk Management          |                       |                              | -                                 | 30,657                | 30,657            |                      |
| Office Renovation/Consolidation          | 33,032                | 3,303                        | 29,729                            |                       | (29,729)          | -100.0%              |
| <b>Total, Community Affairs Division</b> | <b>\$ 3,079,439</b>   | <b>\$ 320,448</b>            | <b>\$ 2,758,991</b>               | <b>\$ 3,071,761</b>   | <b>\$ 312,770</b> | <b>10.2%</b>         |

FTE's 40.00 4.00 .5.00 .1.00

Community Affairs Division Includes:  
Division Administration - Community Affairs  
Community Services Program  
Energy Assistance Program

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Housing Programs Division

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 1,934,395          | \$ 2,004,817          | \$ 70,422         | 3.6%                 |
| Payroll Related Costs           | 374,948               | 389,884               | 14,936            | 4.0%                 |
| Travel In-State                 | 132,723               | 115,768               | (16,955)          | -12.8%               |
| Travel Out-of-State             |                       | 18,573                | 18,573            |                      |
| Professional Fees               | 456,600               | 502,600               | 46,000            | 10.1%                |
| Material and Supplies           | 81,648                | 77,717                | (3,931)           | -4.8%                |
| Repairs/Maintenance             | 37,509                | 19,768                | (17,741)          | -47.3%               |
| Printing and Reproduction       | 42,158                | 37,306                | (4,852)           | -11.5%               |
| Rentals and Leases              | 305,727               | 334,643               | 28,916            | 9.5%                 |
| Membership Fees                 | 5,125                 | 5,325                 | 200               | 3.9%                 |
| Registration Fees               | 57,356                | 48,896                | (8,460)           | -14.7%               |
| Employee Tuition                | 3,000                 | 3,000                 | 0                 | 0.0%                 |
| Advertising                     | 4,100                 | 11,600                | 7,500             | 182.9%               |
| Freight/Delivery                | 7,900                 | 8,400                 | 500               | 6.3%                 |
| Temporary Help                  | 58,191                | 60,730                | 2,539             | 4.4%                 |
| Furniture and Equipment         | 11,850                | 9,750                 | (2,100)           | -17.7%               |
| Communication and Utilities     | 68,217                | 72,255                | 4,038             | 5.9%                 |
| Capital Outlay                  | 33,263                | 39,275                | 6,012             | 18.1%                |
| State Office of Risk Management |                       | 41,084                | 41,084            |                      |
| Office Renovation/Consolidation | 36,337                |                       | (36,337)          | -100.0%              |
| <b>Total</b>                    | <b>\$ 3,651,048</b>   | <b>\$ 3,801,391</b>   | <b>\$ 150,343</b> | <b>4.1%</b>          |

FTE's 44.00 45.00 .00

Housing Programs Division Includes:  
Division Administration - Housing Programs  
LIHTC Program  
HOME Program  
Housing Trust Fund  
Section 8 - Rental Assistance Program

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Housing Finance Division

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)   | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|---------------------|----------------------|
| Salaries and Wages              | \$ 1,572,685          | \$ 1,491,364          | \$ (81,321)         | -5.2%                |
| Payroll Related Costs           | 339,689               | 314,908               | (24,781)            | -7.3%                |
| Travel In-State                 | 76,594                | 47,121                | (29,473)            | -38.5%               |
| Travel Out-of-State             |                       | 17,686                | 17,686              |                      |
| Professional Fees               | 94,000                | 128,750               | 34,750              | 37.0%                |
| Material and Supplies           | 50,227                | 47,861                | (2,366)             | -4.7%                |
| Repairs/Maintenance             | 89,156                | 57,552                | (31,604)            | -35.4%               |
| Printing and Reproduction       | 12,102                | 19,736                | 7,634               | 63.1%                |
| Rentals and Leases              | 201,156               | 212,329               | 11,173              | 5.6%                 |
| Membership Fees                 | 33,800                | 34,900                | 1,100               | 3.3%                 |
| Registration Fees               | 62,005                | 67,071                | 5,066               | 8.2%                 |
| Employee Tuition                | 4,100                 | 4,100                 | 0                   | 0.0%                 |
| Advertising                     | 68,600                | 63,600                | (5,000)             | -7.3%                |
| Freight/Delivery                | 7,710                 | 7,500                 | (210)               | -2.7%                |
| Temporary Help                  | 60,081                | 52,287                | (7,794)             | -13.0%               |
| Furniture and Equipment         | 9,350                 | 7,150                 | (2,200)             | -23.5%               |
| Communication and Utilities     | 48,289                | 44,615                | (3,674)             | -7.6%                |
| Capital Outlay                  | 326,039               | 29,630                | (296,409)           | -90.9%               |
| State Office of Risk Management |                       | 23,640                | 23,640              |                      |
| Office Renovation/Consolidation | 24,775                |                       | (24,775)            | -100.0%              |
| <b>Total</b>                    | <b>\$ 3,080,358</b>   | <b>\$ 2,671,800</b>   | <b>\$ (408,558)</b> | <b>-13.3%</b>        |

FTE's 30.00 28.00 -2.00

Housing Finance Division Includes:  
Bond Finance/Single Family  
Bond Finance/Multi-Family  
Credit Underwriting  
Single Family Operations

**A. GOAL: AFFORDABLE HOUSING**

Housing Trust Fund

HOME Program

Section 8 Rental Assistance Program

Low Income Housing Tax Credit Program

Housing Finance – Single Family

Single Family Operations/Loan Administration

Housing Finance –Multi Family

Credit Underwriting Division

Housing Program Administration



Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
HOME Program

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 822,569            | \$ 924,258            | \$ 101,688        | 12.4%                |
| Payroll Related Costs           | 180,965               | 203,337               | 22,371            | 12.4%                |
| Travel In-State                 | 70,000                | 60,000                | (10,000)          | -14.3%               |
| Travel Out-of-State             |                       | 6,000                 | 6,000             |                      |
| Professional Fees               | 14,600                | 80,600                | 66,000            | 452.1%               |
| Material and Supplies           | 37,869                | 28,227                | (9,642)           | -25.5%               |
| Repairs/Maintenance             | 12,329                | 4,310                 | (8,019)           | -65.0%               |
| Printing and Reproduction       | 17,782                | 18,116                | 334               | 1.9%                 |
| Rentals and Leases              | 128,803               | 151,234               | 22,431            | 17.4%                |
| Membership Fees                 | 1,425                 | 1,425                 | 0                 | 0.0%                 |
| Registration Fees               | 18,847                | 21,052                | 2,205             | 11.7%                |
| Employee Tuition                | 1,200                 | 1,200                 | 0                 | 0.0%                 |
| Advertising                     | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Freight/Delivery                | 3,000                 | 3,000                 | 0                 | 0.0%                 |
| Temporary Help                  | 17,138                | 21,577                | 4,439             | 25.9%                |
| Furniture and Equipment         | 3,200                 | 3,200                 | 0                 | 0.0%                 |
| Communication and Utilities     | 26,335                | 30,199                | 3,864             | 14.7%                |
| Capital Outlay                  | 14,693                | 11,348                | (3,345)           | -22.8%               |
| State Office of Risk Management |                       | 19,267                | 19,267            |                      |
| Office Renovation/Consolidation | 15,690                |                       | (15,690)          | -100.0%              |
| <b>Total</b>                    | <b>\$ 1,387,446</b>   | <b>\$ 1,589,349</b>   | <b>\$ 201,904</b> | <b>14.6%</b>         |
| <br>                            |                       |                       |                   |                      |
| FTE's                           | 19.00                 | 21.00                 | 2.00              |                      |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Section 8 - Rental Assistance Program

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)  | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| Salaries and Wages              | \$ 344,749            | \$ 353,338            | \$ 8,590           | 2.5%                 |
| Payroll Related Costs           | 75,845                | 77,734                | 1,890              | 2.5%                 |
| Travel In-State                 | 20,000                | 18,000                | (2,000)            | -10.0%               |
| Travel Out-of-State             |                       | 3,000                 | 3,000              |                      |
| Professional Fees               | 29,000                | 9,000                 | (20,000)           | -69.0%               |
| Material and Supplies           | 12,229                | 14,974                | 2,745              | 22.4%                |
| Repairs/Maintenance             | 4,637                 | 4,559                 | (78)               | -1.7%                |
| Printing and Reproduction       | 6,581                 | 4,121                 | (2,460)            | -37.4%               |
| Rentals and Leases              | 63,933                | 68,028                | 4,095              | 6.4%                 |
| Membership Fees                 | 2,000                 | 1,500                 | (500)              | -25.0%               |
| Registration Fees               | 6,743                 | 6,879                 | 136                | 2.0%                 |
| Employee Tuition                | 600                   | 600                   | 0                  | 0.0%                 |
| Advertising                     | 1,500                 | 1,500                 | 0                  | 0.0%                 |
| Freight/Delivery                | 500                   | 500                   | 0                  | 0.0%                 |
| Temporary Help                  | 18,797                | 13,076                | (5,721)            | -30.4%               |
| Furniture and Equipment         | 4,500                 | 2,400                 | (2,100)            | -46.7%               |
| Communication and Utilities     | 12,022                | 12,571                | 549                | 4.6%                 |
| Capital Outlay                  | 10,000                | 13,835                | 3,835              | 38.4%                |
| State Office of Risk Management |                       | 4,143                 | 4,143              |                      |
| Office Renovation/Consolidation | 7,433                 |                       | (7,433)            | -100.0%              |
| <b>Total</b>                    | <b>\$ 621,069</b>     | <b>\$ 609,759</b>     | <b>\$ (11,310)</b> | <b>-1.8%</b>         |

9.00

0.00

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
LIHTC Program

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)  | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| Salaries and Wages              | \$ 451,434            | \$ 411,682            | \$ (39,752)        | -8.8%                |
| Payroll Related Costs           | 99,315                | 90,570                | (8,745)            | -8.8%                |
| Travel In-State                 | 19,000                | 22,600                | 3,600              | 18.9%                |
| Travel Out-of-State             |                       | 4,440                 | 4,440              |                      |
| Professional Fees               | 413,000               | 413,000               | 0                  | 0.0%                 |
| Material and Supplies           | 22,099                | 25,087                | 2,988              | 13.5%                |
| Repairs/Maintenance             | 15,152                | 5,559                 | (9,593)            | -63.3%               |
| Printing and Reproduction       | 9,874                 | 7,121                 | (2,753)            | -27.9%               |
| Rentals and Leases              | 72,869                | 72,528                | (341)              | -0.5%                |
| Membership Fees                 | 1,300                 | 2,000                 | 700                | 53.8%                |
| Registration Fees               | 25,104                | 13,879                | (11,225)           | -44.7%               |
| Employee Tuition                | 300                   | 300                   | 0                  | 0.0%                 |
| Advertising                     | 1,000                 | 8,500                 | 7,500              | 750.0%               |
| Freight/Delivery                | 1,500                 | 2,000                 | 500                | 33.3%                |
| Temporary Help                  | 12,941                | 14,576                | 1,635              | 12.6%                |
| Furniture and Equipment         | 1,750                 | 1,750                 | 0                  | 0.0%                 |
| Communication and Utilities     | 20,463                | 19,721                | (742)              | -3.6%                |
| Capital Outlay                  | 4,285                 | 7,435                 | 3,150              | 73.5%                |
| State Office of Risk Management |                       | 13,846                | 13,846             |                      |
| Office Renovation/Consolidation | 8,259                 |                       | (8,259)            | -100.0%              |
| <b>Total</b>                    | <b>\$ 1,179,645</b>   | <b>\$ 1,136,594</b>   | <b>\$ (43,051)</b> | <b>-3.6%</b>         |

|       |       |      |      |
|-------|-------|------|------|
| FTE's | 10.00 | 9.00 | 1.00 |
|-------|-------|------|------|

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Bond Finance/Single Family

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 239,729            | \$ 233,551            | \$ (6,179)        | -2.6%                |
| Payroll Related Costs           | 52,740                | 51,381                | (1,359)           | -2.6%                |
| Travel In-State                 | 17,347                | 6,532                 | (10,815)          | -62.3%               |
| Travel Out-of-State             |                       | 6,489                 | 6,489             |                      |
| Professional Fees               | 4,000                 | 4,000                 | 0                 | 0.0%                 |
| Material and Supplies           | 7,519                 | 9,285                 | 1,766             | 23.5%                |
| Repairs/Maintenance             | 13,061                | 13,026                | (35)              | -0.3%                |
| Printing and Reproduction       | 2,230                 | 2,248                 | 18                | 0.8%                 |
| Rentals and Leases              | 25,747                | 27,569                | 1,822             | 7.1%                 |
| Membership Fees                 | 30,000                | 30,000                | 0                 | 0.0%                 |
| Registration Fees               | 8,306                 | 9,589                 | 1,283             | 15.4%                |
| Employee Tuition                | 2,000                 | 2,000                 | 0                 | 0.0%                 |
| Advertising                     | 10,000                | 10,000                | 0                 | 0.0%                 |
| Freight/Delivery                | 1,250                 | 1,250                 | 0                 | 0.0%                 |
| Temporary Help                  | 8,577                 | 9,367                 | 790               | 9.2%                 |
| Furniture and Equipment         | 2,500                 | 2,000                 | (500)             | -20.0%               |
| Communication and Utilities     | 7,165                 | 6,409                 | (756)             | -10.6%               |
| Capital Outlay                  | 0                     | 2,204                 | 2,204             |                      |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 3,303                 |                       | (3,303)           | -100.0%              |
| <b>Total</b>                    | <b>\$ 435,475</b>     | <b>\$ 426,900</b>     | <b>\$ (8,575)</b> | <b>-2.0%</b>         |

4.00

0.00

Texas Department of Housing and Community Affairs  
 Historical Budget Analysis  
 Single Family Operations

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)   | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|---------------------|----------------------|
| Salaries and Wages              | \$ 806,150            | \$ 712,071            | \$ (94,079)         | -11.7%               |
| Payroll Related Costs           | 177,353               | 156,656               | (20,697)            | -11.7%               |
| Travel In-State                 | 31,000                | 21,339                | (9,661)             | -31.2%               |
| Travel Out-of-State             |                       | 5,797                 | 5,797               |                      |
| Professional Fees               | 74,500                | 87,250                | 12,750              | 17.1%                |
| Material and Supplies           | 26,487                | 20,228                | (6,259)             | -23.6%               |
| Repairs/Maintenance             | 68,543                | 37,060                | (31,483)            | -45.9%               |
| Printing and Reproduction       | 7,171                 | 14,743                | 7,572               | 105.6%               |
| Rentals and Leases              | 111,040               | 115,839               | 4,799               | 4.3%                 |
| Membership Fees                 | 2,700                 | 2,800                 | 100                 | 3.7%                 |
| Registration Fees               | 27,716                | 31,792                | 4,076               | 14.7%                |
| Employee Tuition                | 300                   | 300                   | 0                   | 0.0%                 |
| Advertising                     | 50,500                | 51,000                | 500                 | 1.0%                 |
| Freight/Delivery                | 5,210                 | 5,000                 | (210)               | -4.0%                |
| Temporary Help                  | 29,906                | 17,346                | (12,560)            | -42.0%               |
| Furniture and Equipment         | 5,300                 | 3,600                 | (1,700)             | -32.1%               |
| Communication and Utilities     | 25,711                | 22,183                | (3,528)             | -13.7%               |
| Capital Outlay                  | 312,143               | 20,765                | (291,378)           | -93.3%               |
| State Office of Risk Management |                       | 20,957                | 20,957              |                      |
| Office Renovation/Consolidation | 13,214                |                       | (13,214)            | -100.0%              |
| <b>Total</b>                    | <b>\$ 1,774,944</b>   | <b>\$ 1,346,725</b>   | <b>\$ (428,219)</b> | <b>-24.1%</b>        |

FTE's 16.00 14.00 -2.00

Single Family Operations Includes:  
 Administration  
 Programs  
 Loan Administration

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Bond Finance/Multi-Family

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 222,419            | \$ 234,346            | \$ 11,926         | 5.4%                 |
| Payroll Related Costs           | 48,932                | 51,556                | 2,624             | 5.4%                 |
| Travel In-State                 | 13,247                | 10,250                | (2,997)           | -22.6%               |
| Travel Out-of-State             |                       | 1,800                 | 1,800             |                      |
| Professional Fees               | 500                   | 25,000                | 24,500            | 4900.0%              |
| Material and Supplies           | 6,816                 | 6,545                 | (271)             | -4.0%                |
| Repairs/Maintenance             | 2,561                 | 2,526                 | (35)              | -1.4%                |
| Printing and Reproduction       | 980                   | 998                   | 18                | 1.8%                 |
| Rentals and Leases              | 25,747                | 27,569                | 1,822             | 7.1%                 |
| Membership Fees                 | 1,000                 | 2,000                 | 1,000             | 100.0%               |
| Registration Fees               | 8,441                 | 7,724                 | (717)             | -8.5%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 7,500                 | 2,000                 | (5,500)           | -73.3%               |
| Freight/Delivery                | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Temporary Help                  | 1,077                 | 3,867                 | 2,790             | 259.1%               |
| Furniture and Equipment         | 500                   | 500                   | 0                 | 0.0%                 |
| Communication and Utilities     | 7,165                 | 7,409                 | 244               | 3.4%                 |
| Capital Outlay                  | 4,285                 | 4,104                 | (181)             | -4.2%                |
| State Office of Risk Management |                       | 2,683                 | 2,683             |                      |
| Office Renovation/Consolidation | 3,303                 |                       | (3,303)           | -100.0%              |
| <b>Total</b>                    | <b>\$ 355,474</b>     | <b>\$ 391,877</b>     | <b>\$ 36,403</b>  | <b>10.2%</b>         |

4.00

0.00

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Credit Underwriting

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 304,386            | \$ 311,397            | \$ 7,010          | 2.3%                 |
| Payroll Related Costs           | 60,663                | 55,315                | (5,348)           | -8.8%                |
| Travel In-State                 | 15,000                | 9,000                 | (6,000)           | -40.0%               |
| Travel Out-of-State             |                       | 3,600                 | 3,600             |                      |
| Professional Fees               | 15,000                | 12,500                | (2,500)           | -16.7%               |
| Material and Supplies           | 9,405                 | 11,803                | 2,398             | 25.5%                |
| Repairs/Maintenance             | 4,991                 | 4,940                 | (51)              | -1.0%                |
| Printing and Reproduction       | 1,721                 | 1,747                 | 26                | 1.5%                 |
| Rentals and Leases              | 38,622                | 41,352                | 2,730             | 7.1%                 |
| Membership Fees                 | 100                   | 100                   | 0                 | 0.0%                 |
| Registration Fees               | 17,542                | 17,966                | 424               | 2.4%                 |
| Employee Tuition                | 1,800                 | 1,800                 | 0                 | 0.0%                 |
| Advertising                     | 600                   | 600                   | 0                 | 0.0%                 |
| Freight/Delivery                | 250                   | 250                   | 0                 | 0.0%                 |
| Temporary Help                  | 20,521                | 21,707                | 1,186             | 5.8%                 |
| Furniture and Equipment         | 1,050                 | 1,050                 | 0                 | 0.0%                 |
| Communication and Utilities     | 8,248                 | 8,614                 | 366               | 4.4%                 |
| Capital Outlay                  | 9,611                 | 2,557                 | (7,054)           | -73.4%               |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 4,955                 |                       | (4,955)           | -100.0%              |
| <b>Total</b>                    | <b>\$ 514,465</b>     | <b>\$ 506,298</b>     | <b>\$ (8,167)</b> | <b>-1.6%</b>         |

6.00                      6.00                      0.00



**B. GOAL: COMMUNITY DEVELOPMENT**

Office of Colonia Initiatives

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Office of Colonia Initiatives

|  | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|--|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages   | \$ 428,361            | \$ 427,432            | \$ (929)          | -0.2%                |
| Payroll Related Costs  | 80,751                | 84,000                | 3,249             | 4.0%                 |
| Travel In-State  | 40,000                | 50,000                | 10,000            | 25.0%                |
| Travel Out-of-State  |                       | 3,000                 | 3,000             |                      |
| Professional Fees  | 7,000                 | 5,000                 | (2,000)           | -28.6%               |
| Material and Supplies  | 10,949                | 11,479                | 531               | 4.8%                 |
| Repairs/Maintenance  | 3,591                 | 3,540                 | (51)              | -1.4%                |
| Printing and Reproduction  | 30,721                | 12,747                | (17,974)          | -58.5%               |
| Rentals and Leases   | 47,182                | 68,952                | 21,770            | 46.1%                |
| Membership Fees  | 500                   | 500                   | 0                 | 0.0%                 |
| Registration Fees  | 4,162                 | 7,586                 | 3,424             | 82.3%                |
| Employee Tuition   | 300                   | 300                   | 0                 | 0.0%                 |
| Advertising  | 2,000                 | 2,000                 | 0                 | 0.0%                 |
| Freight/Delivery   | 2,000                 | 5,000                 | 3,000             | 150.0%               |
| Temporary Help   | 5,865                 | 17,051                | 11,186            | 190.7%               |
| Furniture and Equipment  | 2,450                 | 2,000                 | (450)             | -18.4%               |
| Communication and Utilities  | 12,348                | 21,114                | 8,766             | 71.0%                |
| Capital Outlay   | 16,240                | 7,357                 | (8,883)           | -54.7%               |
| State Office of Risk Management<br>Office Renovation/Consolidation | 4,955                 | 4,441                 | (4,955)           | -100.0%              |
| <b>Total</b>   | <b>\$ 699,375</b>     | <b>\$ 733,500</b>     | <b>\$ 34,125</b>  | <b>4.9%</b>          |
| <br>   |                       |                       |                   |                      |
| FTE's  | 9.50                  | 9.50                  | 0.00              |                      |

**C. GOAL: POOR AND HOMELESS PROGRAMS**

Community Services

Energy Assistance

Community Affairs Administration

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Community Services Program

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 676,011            | \$ 638,251            | \$ (37,760)       | -5.6%                |
| Payroll Related Costs           | 144,317               | 136,179               | (8,138)           | -5.6%                |
| Travel In-State                 | 55,344                | 50,344                | (5,000)           | -9.0%                |
| Travel Out-of-State             |                       | 3,000                 | 3,000             |                      |
| Professional Fees               | 17,400                | 54,400                | 37,000            | 212.6%               |
| Material and Supplies           | 26,383                | 22,513                | (3,870)           | -14.7%               |
| Repairs/Maintenance             | 11,244                | 10,599                | (645)             | -5.7%                |
| Printing and Reproduction       | 4,422                 | 4,368                 | (54)              | -1.2%                |
| Rentals and Leases              | 117,868               | 123,381               | 5,513             | 4.7%                 |
| Membership Fees                 | 8,050                 | 8,050                 | 0                 | 0.0%                 |
| Registration Fees               | 7,766                 | 12,466                | 4,700             | 60.5%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 1,500                 | 2,000                 | 500               | 33.3%                |
| Freight/Delivery                | 2,500                 | 2,500                 | 0                 | 0.0%                 |
| Temporary Help                  | 7,306                 | 5,878                 | (1,428)           | -19.5%               |
| Furniture and Equipment         | 3,000                 | 2,500                 | (500)             | -16.7%               |
| Communication and Utilities     | 22,161                | 21,785                | (376)             | -1.7%                |
| Capital Outlay                  | 12,858                | 14,792                | 1,934             | 15.0%                |
| State Office of Risk Management |                       | 16,165                | 16,165            |                      |
| Office Renovation/Consolidation | 13,213                |                       | (13,213)          | -100.0%              |
| <b>Total</b>                    | <b>\$ 1,131,343</b>   | <b>\$ 1,129,171</b>   | <b>\$ (2,172)</b> | <b>-0.2%</b>         |
| <br>                            |                       |                       |                   |                      |
| FTE's                           | 16.00                 | 15.00                 | -1.00             |                      |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Energy Assistance Program

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 724,617            | \$ 741,300            | \$ 16,683         | 2.3%                 |
| Payroll Related Costs           | 144,038               | 163,086               | 19,048            | 13.2%                |
| Travel In-State                 | 84,554                | 77,959                | (6,595)           | -7.8%                |
| Travel Out-of-State             |                       | 6,595                 | 6,595             |                      |
| Professional Fees               | 28,000                | 294,000               | 266,000           | 950.0%               |
| Material and Supplies           | 120,057               | 90,829                | (29,228)          | -24.3%               |
| Repairs/Maintenance             | 9,159                 | 9,012                 | (147)             | -1.6%                |
| Printing and Reproduction       | 16,042                | 16,117                | 75                | 0.5%                 |
| Rentals and Leases              | 113,427               | 129,164               | 15,737            | 13.9%                |
| Membership Fees                 | 6,000                 | 6,000                 | 0                 | 0.0%                 |
| Registration Fees               | 16,126                | 17,328                | 1,202             | 7.5%                 |
| Employee Tuition                | 0                     | 5,000                 | 5,000             |                      |
| Advertising                     | 3,000                 | 8,000                 | 5,000             | 166.7%               |
| Freight/Delivery                | 2,000                 | 2,500                 | 500               | 25.0%                |
| Temporary Help                  | 8,450                 | 11,811                | 3,361             | 39.8%                |
| Furniture and Equipment         | 3,800                 | 6,000                 | 2,200             | 57.9%                |
| Communication and Utilities     | 31,952                | 32,989                | 1,037             | 3.2%                 |
| Capital Outlay                  | 24,035                | 30,044                | 6,009             | 25.0%                |
| State Office of Risk Management |                       | 14,492                | 14,492            |                      |
| Office Renovation/Consolidation | 14,039                |                       | (14,039)          | -100.0%              |
| <b>Total</b>                    | <b>\$ 1,349,296</b>   | <b>\$ 1,662,227</b>   | <b>\$ 312,930</b> | <b>23.2%</b>         |

|       |       |      |      |
|-------|-------|------|------|
| FTE's | 17.00 | 7.00 | 0.00 |
|-------|-------|------|------|

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Division Administration - Community Affairs

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 186,933            | \$ 184,609            | \$ (2,324)        | -1.2%                |
| Payroll Related Costs           | 41,125                | 40,614                | (511)             | -1.2%                |
| Travel In-State                 | 5,680                 | 5,000                 | (680)             | -12.0%               |
| Travel Out-of-State             |                       | 1,008                 | 1,008             |                      |
| Professional Fees               | 1,200                 | 1,000                 | (200)             | -16.7%               |
| Material and Supplies           | 3,948                 | 5,225                 | 1,277             | 32.3%                |
| Repairs/Maintenance             | 2,746                 | 2,020                 | (726)             | -26.4%               |
| Printing and Reproduction       | 860                   | 874                   | 14                | 1.6%                 |
| Rentals and Leases              | 19,695                | 23,060                | 3,365             | 17.1%                |
| Membership Fees                 | -                     | -                     | -                 |                      |
| Registration Fees               | 6,081                 | 4,293                 | (1,788)           | -29.4%               |
| Employee Tuition                | -                     | -                     | -                 |                      |
| Advertising                     | -                     | 500                   | 500               |                      |
| Freight/Delivery                | -                     | 500                   | 500               |                      |
| Temporary Help                  | 2,432                 | 3,025                 | 593               | 24.4%                |
| Furniture and Equipment         | 1,300                 | 1,700                 | 400               | 30.8%                |
| Communication and Utilities     | 3,874                 | 4,057                 | 183               | 4.7%                 |
| Capital Outlay                  | -                     | 2,878                 | 2,878             |                      |
| State Office of Risk Management |                       | -                     | -                 |                      |
| Office Renovation/Consolidation | 2,477                 |                       | (2,477)           | -100.0%              |
| <b>Total</b>                    | <b>\$ 278,352</b>     | <b>\$ 280,363</b>     | <b>\$ 2,012</b>   | <b>0.7%</b>          |
| <br>                            |                       |                       |                   |                      |
| FTE's                           | 3.00                  | 3.00                  | 0.00              |                      |

**D. GOAL: ENSURE COMPLIANCE**

Compliance Division

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Compliance Monitoring Division

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 1,492,495          | \$ 1,446,832          | \$ (45,663)       | -3.1%                |
| Payroll Related Costs           | 328,349               | 302,837               | (25,512)          | -7.8%                |
| Travel In-State                 | 117,000               | 97,000                | (20,000)          | -17.1%               |
| Travel Out-of-State             |                       | 12,000                | 12,000            |                      |
| Professional Fees               | 480,000               | 579,000               | 99,000            | 20.6%                |
| Material and Supplies           | 43,724                | 39,996                | (3,728)           | -8.5%                |
| Repairs/Maintenance             | 31,972                | 14,691                | (17,281)          | -54.1%               |
| Printing and Reproduction       | 75,724                | 11,612                | (64,112)          | -84.7%               |
| Rentals and Leases              | 217,546               | 213,870               | (3,676)           | -1.7%                |
| Membership Fees                 | 4,500                 | 4,500                 | 0                 | 0.0%                 |
| Registration Fees               | 23,671                | 22,500                | (1,171)           | -4.9%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 0                     | 1,000                 | 1,000             |                      |
| Freight/Delivery                | 4,000                 | 1,600                 | (2,400)           | -60.0%               |
| Temporary Help                  | 16,468                | 24,913                | 8,445             | 51.3%                |
| Furniture and Equipment         | 12,400                | 15,000                | 2,600             | 21.0%                |
| Communication and Utilities     | 50,030                | 40,717                | (9,313)           | -18.6%               |
| Capital Outlay                  | 411,858               | 27,157                | (384,701)         | -93.4%               |
| State Office of Risk Management |                       | 25,278                | 25,278            |                      |
| Office Renovation/Consolidation | 25,600                |                       | (25,600)          | -100.0%              |
| Subtotal                        | 3,335,337             | 2,880,503             | (454,834)         | -13.6%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 69,296                |                       | (69,296)          | -100.0%              |
| Total                           | \$ 3,266,041          | \$ 2,880,503          | \$ (385,538)      | -11.8%               |

|       |       |       |      |
|-------|-------|-------|------|
| FTE's | 31.00 | 29.00 | 2.00 |
|-------|-------|-------|------|

**E. GOAL: INDIRECT ADMINISTRATION AND SUPPORT COSTS**

Executive Office

Board

Legal

Internal Audit

Governmental Relations & Communications

Strategic Planning/Housing Resource Center

Human Resources

Staff Services

Information Systems

Financial Services

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Executive Office

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 391,282            | \$ 412,520            | \$ 21,239         | 5.4%                 |
| Payroll Related Costs           | 86,082                | 90,754                | 4,672             | 5.4%                 |
| Travel In-State                 | 45,000                | 30,000                | (15,000)          | -33.3%               |
| Travel Out-of-State             |                       | 12,561                | 12,561            |                      |
| Professional Fees               | 500                   | 500                   | 0                 | 0.0%                 |
| Material and Supplies           | 12,411                | 9,429                 | (2,982)           | -24.0%               |
| Repairs/Maintenance             | 3,591                 | 3,509                 | (82)              | -2.3%                |
| Printing and Reproduction       | 1,721                 | 1,623                 | (98)              | -5.7%                |
| Rentals and Leases              | 39,622                | 38,461                | (1,161)           | -2.9%                |
| Membership Fees                 | 4,000                 | 4,000                 | 0                 | 0.0%                 |
| Registration Fees               | 13,662                | 17,155                | 3,493             | 25.6%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 0                     | 500                   | 500               |                      |
| Freight/Delivery                | 2,500                 | 2,500                 | 0                 | 0.0%                 |
| Temporary Help                  | 1,865                 | 2,710                 | 845               | 45.3%                |
| Furniture and Equipment         | 3,000                 | 1,600                 | (1,400)           | -46.7%               |
| Communication and Utilities     | 7,748                 | 14,262                | 6,514             | 84.1%                |
| Capital Outlay                  | 2,858                 | 8,331                 | 5,473             | 191.5%               |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 4,955                 |                       | (4,955)           | -100.0%              |
| Subtotal                        | 620,797               | 650,416               | 29,619            | 4.8%                 |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 9,106                 |                       | (9,106)           | -100.0%              |
| Manufactured Housing Support    |                       |                       |                   |                      |
| Total                           | \$ 611,690            | \$ 650,416            | \$ 38,725         | 6.3%                 |

|       |      |      |     |
|-------|------|------|-----|
| FTE's | 6.00 | 5.00 | .00 |
|-------|------|------|-----|

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Board

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              |                       |                       |                   |                      |
| Payroll Related Costs           |                       |                       |                   |                      |
| Travel In-State                 | 40,000                | 30,000                | (10,000)          | -25.0%               |
| Travel Out-of-State             |                       | 12,560                | 12,560            |                      |
| Professional Fees               | 500                   | 500                   | 0                 | 0.0%                 |
| Material and Supplies           | 4,000                 | 4,000                 | 0                 | 0.0%                 |
| Repairs/Maintenance             | 3,000                 | 2,500                 | (500)             | -16.7%               |
| Printing and Reproduction       | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Rentals and Leases              | 2,000                 | 2,000                 | 0                 | 0.0%                 |
| Membership Fees                 | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Registration Fees               | 14,640                | 14,640                | 0                 | 0.0%                 |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 0                     | 500                   | 500               |                      |
| Freight/Delivery                | 3,000                 | 3,000                 | 0                 | 0.0%                 |
| Temporary Help                  | 15,000                | 15,000                | 0                 | 0.0%                 |
| Furniture and Equipment         | 5,000                 | 4,000                 | (1,000)           | -20.0%               |
| Communication and Utilities     | 0                     | 0                     | 0                 |                      |
| Capital Outlay                  | 0                     | 0                     | 0                 |                      |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 0                     |                       | 0                 |                      |
| <b>Total</b>                    | <b>\$ 89,140</b>      | <b>\$ 90,700</b>      | <b>\$ 1,560</b>   | <b>1.8%</b>          |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Legal Services

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 482,668            | \$ 430,729            | \$ (51,938)       | -10.8%               |
| Payroll Related Costs           | 106,187               | 94,760                | (11,426)          | -10.8%               |
| Travel In-State                 | 12,000                | 5,000                 | (7,000)           | -58.3%               |
| Travel Out-of-State             |                       | 4,200                 | 4,200             |                      |
| Professional Fees               | 350,000               | 230,000               | (120,000)         | -34.3%               |
| Material and Supplies           | 32,377                | 38,758                | 6,381             | 19.7%                |
| Repairs/Maintenance             | 4,122                 | 3,546                 | (576)             | -14.0%               |
| Printing and Reproduction       | 1,461                 | 1,372                 | (89)              | -6.1%                |
| Rentals and Leases              | 51,495                | 48,245                | (3,250)           | -6.3%                |
| Membership Fees                 | 3,000                 | 3,000                 | 0                 | 0.0%                 |
| Registration Fees               | 12,883                | 13,017                | 134               | 1.0%                 |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 600                   | 600                   | 0                 |                      |
| Freight/Delivery                | 400                   | 400                   | 0                 | 0.0%                 |
| Temporary Help                  | 11,153                | 5,391                 | (5,762)           | -51.7%               |
| Furniture and Equipment         | 1,150                 | 2,800                 | 1,650             | 143.5%               |
| Communication and Utilities     | 10,330                | 9,466                 | (864)             | -8.4%                |
| Capital Outlay                  | 2,858                 | 4,983                 | 2,125             | 74.4%                |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 6,607                 |                       | (6,607)           | -100.0%              |
| Subtotal                        | 1,089,290             | 896,268               | (193,023)         | -17.7%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               |                       |                       |                   |                      |
| Manufactured Housing Support    | 66,490                |                       | (66,490)          | -100.0%              |
| Total                           | \$ 1,022,800          | \$ 896,268            | \$ (126,532)      | -12.4%               |

|       |      |      |      |
|-------|------|------|------|
| FTE's | 8.00 | 7.00 | 1.00 |
|-------|------|------|------|

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Internal Audit

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 236,403            | \$ 195,407            | \$ (40,996)       | -17.3%               |
| Payroll Related Costs           | 52,009                | 42,989                | (9,019)           | -17.3%               |
| Travel In-State                 | 4,000                 | 4,000                 | 0                 | 0.0%                 |
| Travel Out-of-State             |                       | 0                     | 0                 |                      |
| Professional Fees               | 20,000                | 15,000                | (5,000)           | -25.0%               |
| Material and Supplies           | 7,467                 | 6,764                 | (703)             | -9.4%                |
| Repairs/Maintenance             | 2,561                 | 2,020                 | (541)             | -21.1%               |
| Printing and Reproduction       | 980                   | 874                   | (106)             | -10.8%               |
| Rentals and Leases              | 25,747                | 20,676                | (5,071)           | -19.7%               |
| Membership Fees                 | 3,000                 | 2,250                 | (750)             | -25.0%               |
| Registration Fees               | 7,041                 | 5,343                 | (1,698)           | -24.1%               |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 600                   | 600                   | 0                 | 0.0%                 |
| Freight/Delivery                | 0                     | 300                   | 300               |                      |
| Temporary Help                  | 577                   | 1,025                 | 448               | 77.6%                |
| Furniture and Equipment         | 500                   | 500                   | 0                 | 0.0%                 |
| Communication and Utilities     | 5,165                 | 4,057                 | (1,108)           | -21.5%               |
| Capital Outlay                  | 0                     | 1,278                 | 1,278             |                      |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 3,303                 |                       | (3,303)           | -100.0%              |
| Subtotal                        | 369,353               | 303,083               | (66,270)          | -17.9%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 16,206                |                       | (16,206)          | -100.0%              |
| Manufactured Housing Support    | 27,100                | 22,779                | (4,321)           | -15.9%               |
| Total                           | \$ 326,047            | \$ 280,304            | \$ (45,742)       | -14.0%               |

|       |      |      |      |
|-------|------|------|------|
| FTE's | 4.00 | 3.00 | 1.00 |
|-------|------|------|------|

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Government and Communications

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 353,599            | \$ 298,571            | \$ (55,028)       | -15.6%               |
| Payroll Related Costs           | 77,792                | 65,686                | (12,106)          | -15.6%               |
| Travel In-State                 | 18,000                | 12,000                | (6,000)           | -33.3%               |
| Travel Out-of-State             |                       | 3,600                 | 3,600             |                      |
| Professional Fees               | 24,000                | 24,000                | 0                 | 0.0%                 |
| Material and Supplies           | 23,301                | 17,541                | (5,760)           | -24.7%               |
| Repairs/Maintenance             | 3,091                 | 2,533                 | (558)             | -18.1%               |
| Printing and Reproduction       | 35,721                | 36,623                | 902               | 2.5%                 |
| Rentals and Leases              | 39,622                | 41,961                | 2,339             | 5.9%                 |
| Membership Fees                 | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Registration Fees               | 2,162                 | 2,155                 | (7)               | -0.3%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 8,000                 | 8,000                 | 0                 | 0.0%                 |
| Freight/Delivery                | 0                     | 500                   | 500               |                      |
| Temporary Help                  | 20,865                | 21,710                | 845               | 4.0%                 |
| Furniture and Equipment         | 0                     | 0                     | 0                 |                      |
| Communication and Utilities     | 8,748                 | 7,762                 | (986)             | -11.3%               |
| Capital Outlay                  | 4,286                 | 4,531                 | 245               | 5.7%                 |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 4,955                 |                       | (4,955)           | -100.0%              |
| Subtotal                        | 625,142               | 548,173               | (76,970)          | -12.3%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 33,160                |                       | (33,160)          | -100.0%              |
| Manufactured Housing Support    | 39,480                | 33,509                | (5,971)           | -15.1%               |
| Total                           | \$ 552,503            | \$ 514,664            | \$ (37,839)       | -6.8%                |

FTE's 6.00 1.00

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Housing Resource Center

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a)  | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| Salaries and Wages              | \$ 287,507            | \$ 283,695            | \$ (3,811)         | -1.3%                |
| Payroll Related Costs           | 63,251                | 62,413                | (838)              | -1.3%                |
| Travel In-State                 | 22,950                | 17,000                | (5,950)            | -25.9%               |
| Travel Out-of-State             |                       | 1,800                 |                    |                      |
| Professional Fees               | 3,000                 | 1,000                 | (2,000)            | -66.7%               |
| Material and Supplies           | 11,967                | 15,150                | 3,183              | 26.6%                |
| Repairs/Maintenance             | 3,091                 | 3,040                 | (51)               | -1.6%                |
| Printing and Reproduction       | 24,721                | 24,747                | 26                 | 0.1%                 |
| Rentals and Leases              | 41,622                | 44,352                | 2,730              | 6.6%                 |
| Membership Fees                 | 500                   | 1,000                 | 500                | 100.0%               |
| Registration Fees               | 7,162                 | 8,586                 | 1,424              | 19.9%                |
| Employee Tuition                | 0                     | 0                     | 0                  |                      |
| Advertising                     | 5,000                 | 4,500                 | (500)              | -10.0%               |
| Freight/Delivery                | 500                   | 500                   | 0                  | 0.0%                 |
| Temporary Help                  | 12,865                | 15,051                | 2,186              | 17.0%                |
| Furniture and Equipment         | 550                   | 0                     | (550)              | -100.0%              |
| Communication and Utilities     | 7,748                 | 8,614                 | 866                | 11.2%                |
| Capital Outlay                  | 5,715                 | 2,557                 | (3,158)            | -55.3%               |
| State Office of Risk Management |                       | 0                     | 0                  |                      |
| Office Renovation/Consolidation | 4,955                 |                       | (4,955)            | -100.0%              |
| <b>Total</b>                    | <b>\$ 503,104</b>     | <b>\$ 494,005</b>     | <b>\$ (10,899)</b> | <b>-2.2%</b>         |
| <br>                            |                       |                       |                    |                      |
| FTE's                           | 6.00                  | 6.00                  | 0.00               |                      |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Human Resources

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 350,819            | \$ 320,775            | \$ (30,043)       | -8.6%                |
| Payroll Related Costs           | 65,709                | 60,506                | (5,203)           | -7.9%                |
| Travel In-State                 | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Travel Out-of-State             |                       | 0                     | 0                 |                      |
| Professional Fees               | 1,000                 | 1,500                 | 500               | 50.0%                |
| Material and Supplies           | 11,239                | 8,917                 | (2,322)           | -20.7%               |
| Repairs/Maintenance             | 4,537                 | 3,746                 | (791)             | -17.4%               |
| Printing and Reproduction       | 1,161                 | 972                   | (189)             | -16.3%               |
| Rentals and Leases              | 51,495                | 48,245                | (3,250)           | -6.3%                |
| Membership Fees                 | 750                   | 500                   | (250)             | -33.3%               |
| Registration Fees               | 8,983                 | 5,017                 | (3,966)           | -44.2%               |
| Employee Tuition                | 1,800                 | 1,800                 | 0                 | 0.0%                 |
| Advertising                     | 0                     | 500                   | 500               |                      |
| Freight/Delivery                | 100                   | 200                   | 100               | 100.0%               |
| Temporary Help                  | 8,353                 | 11,391                | 3,038             | 36.4%                |
| Furniture and Equipment         | 800                   | 1,250                 | 450               | 56.3%                |
| Communication and Utilities     | 10,810                | 10,906                | 96                | 0.9%                 |
| Capital Outlay                  | 4,286                 | 5,383                 | 1,097             | 25.6%                |
| State Office of Risk Management |                       | 321                   | 321               |                      |
| Office Renovation/Consolidation | 6,607                 |                       | (6,607)           | -100.0%              |
| Subtotal                        | 529,448               | 482,929               | (46,520)          | -8.8%                |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 15,315                |                       | (15,315)          | -100.0%              |
| Manufactured Housing Support    | 52,876                | 58,940                | 6,064             | 11.5%                |
| Total                           | \$ 461,257            | \$ 423,988            | \$ (37,269)       | -8.1%                |
| FTE's                           | 8.00                  | 7.00                  | 1.00              |                      |

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Facilities/Support

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 250,056            | 246,719               | (3,337)           | -1.3%                |
| Payroll Related Costs           | 46,722                | 54,278                | 7,556             | 16.2%                |
| Travel In-State                 | 2,000                 | 2,000                 | 0                 | 0.0%                 |
| Travel Out-of-State             |                       | 0                     | 0                 |                      |
| Professional Fees               | 0                     | 1,800                 | 1,800             |                      |
| Material and Supplies           | 7,999                 | 8,039                 | 40                | 0.5%                 |
| Repairs/Maintenance             | 4,091                 | 4,040                 | (51)              | -1.2%                |
| Printing and Reproduction       | 1,351                 | 1,377                 | 26                | 1.9%                 |
| Rentals and Leases              | 38,622                | 41,352                | 2,730             | 7.1%                 |
| Membership Fees                 | 325                   | 325                   | 0                 | 0.0%                 |
| Registration Fees               | 4,887                 | 5,311                 | 424               | 8.7%                 |
| Employee Tuition                | 150                   | 150                   | 0                 | 0.0%                 |
| Advertising                     | 0                     | 500                   | 500               |                      |
| Freight/Delivery                | 0                     | 500                   | 500               |                      |
| Temporary Help                  | 14,415                | 14,151                | (264)             | -1.8%                |
| Furniture and Equipment         | 1,250                 | 3,250                 | 2,000             | 160.0%               |
| Communication and Utilities     | 10,088                | 10,454                | 366               | 3.6%                 |
| Capital Outlay                  | 2,857                 | 2,557                 | (300)             | -10.5%               |
| State Office of Risk Management |                       | 3,228                 | 3,228             |                      |
| Office Renovation/Consolidation | 4,955                 |                       | (4,955)           | -100.0%              |
| Subtotal                        | 389,767               | 400,031               | 10,263            | 2.6%                 |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               |                       |                       |                   |                      |
| Manufactured Housing Support    | 48,220                | 48,580                | 360               | 0.7%                 |
| Total                           | \$ 341,547            | \$ 351,451            | \$ 9,903          | 2.9%                 |

6.00

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Information Systems

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 1,186,788          | \$ 1,056,916          | \$ (129,872)      | -10.9%               |
| Payroll Related Costs           | 184,791               | 161,343               | (23,448)          | -12.7%               |
| Travel In-State                 | 25,152                | 13,000                | (12,152)          | -48.3%               |
| Travel Out-of-State             |                       | 1,200                 | 1,200             |                      |
| Professional Fees               | 0                     | 0                     | 0                 |                      |
| Material and Supplies           | 38,455                | 28,932                | (9,523)           | -24.8%               |
| Repairs/Maintenance             | 15,820                | 14,625                | (1,195)           | -7.6%                |
| Printing and Reproduction       | 3,523                 | 3,367                 | (156)             | -4.4%                |
| Rentals and Leases              | 137,176               | 132,949               | (4,227)           | -3.1%                |
| Membership Fees                 | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Registration Fees               | 32,568                | 43,190                | 10,622            | 32.6%                |
| Employee Tuition                | 600                   | 600                   | 0                 | 0.0%                 |
| Advertising                     | 4,500                 | 4,500                 | 0                 | 0.0%                 |
| Freight/Delivery                | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Temporary Help                  | 23,027                | 23,027                | 0                 | 0.0%                 |
| Furniture and Equipment         | 3,500                 | 9,000                 | 5,500             | 157.1%               |
| Communication and Utilities     | 29,117                | 26,694                | (2,423)           | -8.3%                |
| Capital Outlay                  | 42,689                | 14,496                | (28,193)          | -66.0%               |
| State Office of Risk Management |                       | 12,362                | 12,362            |                      |
| Office Renovation/Consolidation | 17,343                |                       | (17,343)          | -100.0%              |
| Subtotal                        | 1,747,049             | 1,548,201             | (198,848)         | -11.4%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 105,581               |                       | (105,581)         | -100.0%              |
| Manufactured Housing Support    | 178,159               | 187,961               | 9,802             | 5.5%                 |
| Total                           | \$ 1,463,309          | \$ 1,360,240          | \$ (103,069)      | -7.0%                |
| FTE's                           | 21.00                 | 19.00                 | -2.00             |                      |



Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Accounting Operations

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 767,043            | 689,630               | (77,413)          | -10.1%               |
| Payroll Related Costs           | 168,749               | 93,051                | (75,699)          | -44.9%               |
| Travel In-State                 | 9,500                 | 8,500                 | (1,000)           | -10.5%               |
| Travel Out-of-State             |                       | 600                   | 600               |                      |
| Professional Fees               | 8,500                 | 8,500                 | 0                 | 0.0%                 |
| Material and Supplies           | 28,679                | 21,567                | (7,112)           | -24.8%               |
| Repairs/Maintenance             | 11,759                | 10,599                | (1,160)           | -9.9%                |
| Printing and Reproduction       | 3,542                 | 3,368                 | (174)             | -4.9%                |
| Rentals and Leases              | 109,427               | 103,381               | (6,046)           | -5.5%                |
| Membership Fees                 | 300                   | 300                   | 0                 | 0.0%                 |
| Registration Fees               | 30,126                | 30,466                | 340               | 1.1%                 |
| Employee Tuition                | 900                   | 900                   | 0                 | 0.0%                 |
| Advertising                     | 600                   | 600                   | 0                 | 0.0%                 |
| Freight/Delivery                | 1,000                 | 1,000                 | 0                 | 0.0%                 |
| Temporary Help                  | 31,015                | 29,000                | (2,015)           | -6.5%                |
| Furniture and Equipment         | 3,800                 | 3,800                 | 0                 | 0.0%                 |
| Communication and Utilities     | 23,952                | 22,285                | (1,667)           | -7.0%                |
| Capital Outlay                  | 0                     | 7,592                 | 7,592             |                      |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 14,039                | 0                     | (14,039)          | -100.0%              |
| Subtotal                        | 1,212,931             | 1,035,139             | (177,793)         | -14.7%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 49,327                |                       | (49,327)          | -100.0%              |
| Manufactured Housing Support    | 124,759               | 112,100               | (12,659)          | -10.1%               |
| Total                           | \$ 1,038,845          | \$ 923,039            | \$ (115,807)      | -11.1%               |

FTE's 7.00

Texas Department of Housing and Community Affairs  
 Historical Budget Analysis  
 Financial Services

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 323,614            | \$ 348,380            | \$ 24,766         | 7.7%                 |
| Payroll Related Costs           | 71,195                | 76,644                | 5,449             | 7.7%                 |
| Travel In-State                 | 3,000                 | 3,000                 | 0                 | 0.0%                 |
| Travel Out-of-State             |                       | 0                     | 0                 |                      |
| Professional Fees               | 121,000               | 121,000               | 0                 | 0.0%                 |
| Material and Supplies           | 11,051                | 9,531                 | (1,520)           | -13.8%               |
| Repairs/Maintenance             | 12,507                | 22,446                | 9,939             | 79.5%                |
| Printing and Reproduction       | 841                   | 872                   | 31                | 3.7%                 |
| Rentals and Leases              | 45,058                | 48,245                | 3,187             | 7.1%                 |
| Membership Fees                 | 900                   | 900                   | 0                 | 0.0%                 |
| Registration Fees               | 13,848                | 20,422                | 6,574             | 47.5%                |
| Employee Tuition                | 1,800                 | 1,800                 | 0                 | 0.0%                 |
| Advertising                     | 500                   | 500                   | 0                 | 0.0%                 |
| Freight/Delivery                | 500                   | 500                   | 0                 | 0.0%                 |
| Temporary Help                  | 1,009                 | 2,391                 | 1,382             | 137.0%               |
| Furniture and Equipment         | 2,400                 | 2,400                 | 0                 | 0.0%                 |
| Communication and Utilities     | 9,289                 | 9,716                 | 427               | 4.6%                 |
| Capital Outlay                  | 0                     | 4,183                 | 4,183             |                      |
| State Office of Risk Management |                       | 0                     | 0                 |                      |
| Office Renovation/Consolidation | 5,781                 | 0                     | (5,781)           | -100.0%              |
| <b>Total</b>                    | <b>\$ 624,293</b>     | <b>\$ 672,930</b>     | <b>\$ 48,636</b>  | <b>7.8%</b>          |

7.00

Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Purchasing

|                                 | FY02<br>Budget<br>(a) | FY03<br>Budget<br>(b) | Variance<br>(b-a) | Percentage<br>Change |
|---------------------------------|-----------------------|-----------------------|-------------------|----------------------|
| Salaries and Wages              | \$ 230,267            | \$ 189,248            | \$ (41,019)       | -17.8%               |
| Payroll Related Costs           | 9,479                 | 7,956                 | (1,523)           | -16.1%               |
| Travel In-State                 | 1,750                 | 1,750                 | 0                 | 0.0%                 |
| Travel Out-of-State             |                       | 0                     | 0                 |                      |
| Professional Fees               | 0                     | 0                     | 0                 |                      |
| Material and Supplies           | 7,475                 | 4,928                 | (2,547)           | -34.1%               |
| Repairs/Maintenance             | 2,976                 | 2,426                 | (550)             | -18.5%               |
| Printing and Reproduction       | 901                   | 798                   | (103)             | -11.4%               |
| Rentals and Leases              | 33,685                | 29,069                | (4,616)           | -13.7%               |
| Membership Fees                 | 550                   | 550                   | 0                 | 0.0%                 |
| Registration Fees               | 7,177                 | 7,099                 | (78)              | -1.1%                |
| Employee Tuition                | 0                     | 0                     | 0                 |                      |
| Advertising                     | 0                     | 500                   | 500               |                      |
| Freight/Delivery                | 0                     | 500                   | 500               |                      |
| Temporary Help                  | 8,421                 | 9,067                 | 646               | 7.7%                 |
| Furniture and Equipment         | 1,350                 | 1,350                 | 0                 | 0.0%                 |
| Communication and Utilities     | 6,456                 | 5,409                 | (1,047)           | -16.2%               |
| Capital Outlay                  | 0                     | 4,104                 | 4,104             |                      |
| State Office of Risk Management |                       | 2,986                 | 2,986             |                      |
| Office Renovation/Consolidation | 4,129                 |                       | (4,129)           | -100.0%              |
| Subtotal                        | 314,617               | 267,741               | (46,876)          | -14.9%               |
| Less:                           |                       |                       |                   |                      |
| ORCA FTE Transfer               | 17,091                |                       | (17,091)          | -100.0%              |
| Manufactured Housing Support    | 52,568                | 44,122                | (8,445)           | -16.1%               |
| Total                           | \$ 244,958            | \$ 223,619            | \$ (21,339)       | -8.7%                |

5.00

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**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY  
AFFAIRS**



**ANNUAL HOUSING FINANCE OPERATING BUDGET**

**FISCAL YEAR 2003**

*Prepared by the Financial Services Division*

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Texas Department of Housing and Community Affairs  
Housing Finance Budget  
Appropriated Receipts  
Fiscal Year 2003

| Budget Category                     | Executive Administration | Financial Services | Compliance Monitoring | Central Support | Information Systems | Housing Programs | Office of Colonia Initiatives | Housing Finance  | Total Appropriated Receipts |
|-------------------------------------|--------------------------|--------------------|-----------------------|-----------------|---------------------|------------------|-------------------------------|------------------|-----------------------------|
| Salaries                            | 1,332,124                | 547,179            | 1,054,048             | 433,613         | 579,310             | 492,341          | 257,368                       | 1,348,197        | 6,044,180                   |
| Payroll Related Costs               | 293,067                  | 120,379            | 231,891               | 95,395          | 127,448             | 108,813          | 56,621                        | 296,603          | 1,330,215                   |
| Travel In-State                     | 82,250                   | 6,700              | 62,000                | 3,000           | 7,800               | 27,102           | 0                             | 47,121           | 235,973                     |
| Travel Out-of-State                 | 28,227                   | 180                | 12,000                | 0               | 720                 | 7,440            | 0                             | 17,686           | 66,252                      |
| Professional Fees                   | 263,300                  | 123,550            | 579,000               | 3,300           | 0                   | 413,000          | 5,000                         | 128,750          | 1,515,900                   |
| Materials/Supplies                  | 70,923                   | 20,529             | 39,996                | 16,956          | 17,359              | 28,195           | 11,479                        | 47,861           | 253,298                     |
| Repairs/Maintenance                 | 13,493                   | 27,356             | 14,691                | 7,786           | 8,775               | 7,216            | 3,540                         | 57,552           | 140,409                     |
| Printing and Reproduction           | 64,673                   | 2,779              | 11,612                | 2,349           | 2,020               | 7,346            | 12,747                        | 19,736           | 123,261                     |
| Rental/Lease                        | 153,087                  | 101,825            | 213,870               | 89,597          | 79,769              | 79,420           | 68,952                        | 212,329          | 998,849                     |
| Membership Dues                     | 8,475                    | 1,510              | 4,500                 | 825             | 600                 | 2,400            | 500                           | 34,900           | 53,710                      |
| Registration Fees                   | 46,807                   | 34,248             | 22,500                | 10,328          | 25,914              | 16,810           | 7,586                         | 67,071           | 231,263                     |
| Employee Tuition                    | 0                        | 2,250              | 0                     | 1,950           | 360                 | 600              | 300                           | 4,100            | 9,560                       |
| Advertising                         | 13,990                   | 1,060              | 1,000                 | 1,000           | 2,700               | 8,600            | 2,000                         | 63,600           | 93,950                      |
| Freight/Delivery                    | 5,910                    | 1,210              | 1,600                 | 700             | 600                 | 2,500            | 5,000                         | 7,500            | 25,020                      |
| Temporary Help                      | 57,404                   | 15,468             | 24,913                | 25,542          | 13,816              | 15,367           | 17,051                        | 52,287           | 221,848                     |
| Furniture/Equipment                 | 7,030                    | 4,680              | 15,000                | 4,500           | 5,400               | 3,750            | 2,000                         | 7,150            | 49,510                      |
| Communications/Utilities            | 33,115                   | 21,194             | 40,717                | 21,360          | 16,016              | 22,073           | 21,114                        | 44,615           | 220,204                     |
| Capital Outlay                      | 21,041                   | 9,792              | 27,157                | 7,940           | 14,496              | 7,861            | 7,357                         | 29,630           | 125,274                     |
| State Office of Risk Management     | 0                        | 44,269             | 25,278                | 3,228           | 7,365               | 13,846           | 3,424                         | 23,640           | 121,050                     |
| <b>Total, Appropriated Receipts</b> | <b>2,494,914</b>         | <b>1,086,157</b>   | <b>2,381,773</b>      | <b>729,368</b>  | <b>910,470</b>      | <b>1,264,681</b> | <b>482,039</b>                | <b>2,510,328</b> | <b>11,859,726</b>           |

Method of Finance:

|   |                   |
|---|-------------------|
| Bond Administration Fees                    | 5,871,833         |
| Low Income Housing Tax Credit Fees          | 4,386,677         |
| Affordable Housing Disposition Program Fees | 1,601,217         |
| <b>Total, Method of Finance</b>             | <b>11,859,726</b> |

Note: Appropriated Receipts include Bond Administration Fees, Low Income Housing Tax Credit Fees, and Affordable Housing Disposition Program Fees.

## **Board Action Item**

### **Action Item:**

Approve the amended and restated Resolution No. 02-042 for Clarkridge Villas Apartments and Resolution No. 02-043 for Wheatland Villas Apartments which changes the interest rate from seven percent (7%) to Six and Three Quarters (6.75%). All other conditions remain **the same**.

### **Recommendation:**

The Board approve the amended and restated resolutions as presented.

RESOLUTION NO. 02-042

RESOLUTION REVOKING AND SUPERCEDING RESOLUTION 02-037 AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (CLARKRIDGE VILLAS APARTMENTS) SERIES 2002; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multi-family residential rental project loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Clarkridge Villas Apartments) Series 2002 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank Texas, N.A. (the "Trustee"), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Clarkridge Villas Housing, L.P., a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental project described on Exhibit A attached hereto (the "Project") located within the State of Texas required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board adopted Resolution No. 02-037 on August 8, 2002 (the “Original Resolution”) authorizing the Bonds and related documents; and

WHEREAS, the Board has determined to supercede and replace the Original Resolution with this Resolution; and

WHEREAS, the Board, by resolution adopted on October 17, 2001, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the “Loan Agreement”) pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the “Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition and construction of the Project and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the “Note”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust and Security Agreement (with Power of Sale) (the “Deed of Trust”) from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department’s interest in the Loan, including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the “Assignments”) from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Borrower and Charter Municipal Mortgage Acceptance Company, a Delaware business trust (the “Purchaser”), will execute a Bond Purchase Agreement (the “Purchase Agreement”), with respect to the sale of the Bonds; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the “Regulatory Agreement”), with respect to the Project which will be filed of record in the real property records of Dallas County; and

WHEREAS, the Board has determined that the Department, the Trustee and Wachovia Bank, National Association, a national banking association (the “Bank”), will enter into an Intercreditor Agreement (the “Intercreditor Agreement”) that will outline the interests of the various parties with respect to the Indenture, Loan Agreement, Deed of Trust and Regulatory Agreement; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Purchase Agreement and the Intercreditor Agreement, all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions

set forth in Section 1.13, to authorize the issuance of the Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient in connection therewith; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

## ARTICLE I

### ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Bonds shall be, from the date of issuance until paid on the maturity date or earlier redemption or acceleration thereof, 6.75%; (ii) the aggregate principal amount of the Bonds shall be \$14,600,000; and (iii) the final maturity of the Bonds shall occur on September 1, 2042.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement and Regulatory Agreement. That the form and substance of the Loan Agreement and the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Loan Agreement and the Regulatory Agreement and deliver the Loan Agreement and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.6--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.7--Approval, Execution and Delivery of the Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized

representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement to the Borrower and the Purchaser.

Section 1.8--Approval, Execution and Delivery of the Intercreditor Agreement. That the form and substance of the Intercreditor Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and deliver the Intercreditor Agreement to the Trustee and the Bank.

Section 1.9--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.10--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Assignments
- Exhibit F - Purchase Agreement
- Exhibit G - Intercreditor Agreement

Section 1.11--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.12--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman or Vice Chairman of the Board, Executive Director of the Department, Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance, Director of Multifamily Finance of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.13--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Project's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or the Acting Executive Director; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Project.

## ARTICLE II

### APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary and the Assistant Secretary of the Board hereby are severally authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Project in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the units of the Project shall not exceed the amounts attached as Exhibit F to the Loan Agreement and shall be annually redetermined by the Issuer as stated in Section 2.3(s) of the Loan Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

## ARTICLE III

### CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act, and after the Department's consideration of the information with respect to the Project and the information with respect to the proposed financing of the Project by the Department, including but not limited to the information submitted by the Borrower, independent studies

commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Project is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the Borrower is financially responsible,

(iv) that the financing of the Project is a public purpose and will provide a public benefit, and

(v) that the Project will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Project in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, or will not enter into a contract for the Project with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Project in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Project be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Project is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Project, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Project shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the loan established pursuant to the Loan Agreement will produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Project and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Sections 35 and 39, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State of Texas is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 29th day of August, 2002.

By: \_\_\_\_\_  
Michael E. Jones, Chairman

Attest: \_\_\_\_\_  
Delores Groneck, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: Clarkridge Villas Housing, L.P., a Texas limited partnership

Project: The Project is a 256-unit multifamily facility to be known as Clarkridge Villas Apartments and to be located at the intersection of Clark Road and Clarkridge Drive in Dallas, Dallas County, Texas. The Project will include a total of 14 two- and three-story residential apartment buildings with a total of 262,000 net rentable square feet and an average unit size of 1,023 square feet. The unit mix will consist of:

- 152 two-bedroom/two-bath units
- 88 three-bedroom/two-bath units
- 16 four-bedroom/two-bath units

256 Total Units

Unit sizes will range from approximately 950 square feet to approximately 1,300 square feet.

Common areas will include a swimming pool, a children's play area, and a community building with kitchen facilities, laundry facilities, vending area, parlor with television and fireplace, fitness center and telephones. All ground units will be wheelchair accessible.

RESOLUTION NO. 02-043

RESOLUTION REVOKING AND SUPERCEDING RESOLUTION 02-038 AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (WHEATLAND VILLAS APARTMENTS) SERIES 2002; APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND INSTRUMENTS PERTAINING THERETO; AUTHORIZING AND RATIFYING OTHER ACTIONS AND DOCUMENTS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose, among others, of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe, and affordable living environments for individuals and families of low and very low income (as defined in the Act) and families of moderate income (as described in the Act and determined by the Governing Board of the Department (the "Board") from time to time); and

WHEREAS, the Act authorizes the Department: (a) to make mortgage loans to housing sponsors to provide financing for multifamily residential rental housing in the State of Texas (the "State") intended to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; (b) to issue its revenue bonds, for the purpose, among others, of obtaining funds to make such loans and provide financing, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such multi-family residential rental project loans, and to mortgage, pledge or grant security interests in such loans or other property of the Department in order to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Wheatland Villas Apartments) Series 2002 (the "Bonds"), pursuant to and in accordance with the terms of a Trust Indenture (the "Indenture") by and between the Department and Wells Fargo Bank Texas, N.A. (the "Trustee"), for the purpose of obtaining funds to finance the Project (defined below), all under and in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Department desires to use the proceeds of the Bonds to fund a mortgage loan to Wheatland Villas Housing, L.P., a Texas limited partnership (the "Borrower"), in order to finance the cost of acquisition, construction and equipping of a qualified residential rental project described on Exhibit A attached hereto (the "Project") located within the State of Texas required by the Act to be occupied by individuals and families of low and very low income and families of moderate income, as determined by the Department; and

WHEREAS, the Board adopted Resolution No. 02-038 on August 8, 2002 (the “Original Resolution”) authorizing the Bonds and related documents; and

WHEREAS, the Board has determined to supercede and replace the Original Resolution with this Resolution; and

WHEREAS, the Board, by resolution adopted on October 17, 2001, declared its intent to issue its revenue bonds to provide financing for the Project; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Loan Agreement (the “Loan Agreement”) pursuant to which (i) the Department will agree to make a mortgage loan funded with the proceeds of the Bonds (the “Loan”) to the Borrower to enable the Borrower to finance the cost of acquisition and construction of the Project and related costs, and (ii) the Borrower will execute and deliver to the Department a promissory note (the “Note”) in an original principal amount equal to the original aggregate principal amount of the Bonds, and providing for payment of interest on such principal amount equal to the interest on the Bonds and to pay other costs described in the Agreement; and

WHEREAS, it is anticipated that the Note will be secured by a Deed of Trust and Security Agreement (with Power of Sale) (the “Deed of Trust”) from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department’s interest in the Loan, including the Note and the Deed of Trust, will be assigned to the Trustee pursuant to an Assignment of Deed of Trust Documents and an Assignment of Note (collectively, the “Assignments”) from the Department to the Trustee; and

WHEREAS, the Board has determined that the Department, the Borrower and Charter Municipal Mortgage Acceptance Company, a Delaware business trust (the “Purchaser”), will execute a Bond Purchase Agreement (the “Purchase Agreement”), with respect to the sale of the Bonds; and

WHEREAS, the Board has determined that the Department, the Trustee and the Borrower will execute a Regulatory and Land Use Restriction Agreement (the “Regulatory Agreement”), with respect to the Project which will be filed of record in the real property records of Dallas County; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement and the Purchase Agreement, all of which are attached to and comprise a part of this Resolution; has found the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined, subject to the conditions set forth in Section 1.12, to authorize the issuance of the Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient in connection therewith; NOW, THEREFORE,

**BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:**

## ARTICLE I

### ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Bonds. That the issuance of the Bonds is hereby authorized, under and in accordance with the conditions set forth herein and in the Indenture, and that, upon execution and delivery of the Indenture, the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Bonds and to deliver the Bonds to the Attorney General of the State of Texas for approval, the Comptroller of Public Accounts of the State of Texas for registration and the Trustee for authentication (to the extent required in the Indenture), and thereafter to deliver the Bonds to the order of the initial purchaser thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That: (i) the interest rate on the Bonds shall be, from the date of issuance until paid on the maturity date or earlier redemption or acceleration thereof, 6.75%; (ii) the aggregate principal amount of the Bonds shall be \$14,750,000; and (iii) the final maturity of the Bonds shall occur on October 1, 2042.

Section 1.3--Approval, Execution and Delivery of the Indenture. That the form and substance of the Indenture are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Indenture and to deliver the Indenture to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Loan Agreement and Regulatory Agreement. That the form and substance of the Loan Agreement and the Regulatory Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute, attest and affix the Department's seal to the Loan Agreement and the Regulatory Agreement and deliver the Loan Agreement and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deed of Trust and Note. That the Deed of Trust and the Note are hereby accepted by the Department.

Section 1.6--Approval, Execution and Delivery of the Assignments. That the form and substance of the Assignments are hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Assignments and to deliver the Assignments to the Trustee.

Section 1.7--Approval, Execution and Delivery of the Purchase Agreement. That the form and substance of the Purchase Agreement are hereby approved, and that the authorized representatives of the Department named in this Resolution each are authorized hereby to execute and deliver the Purchase Agreement to the Borrower and the Purchaser.

Section 1.8--Taking of Any Action; Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are authorized hereby to take any actions and to execute, attest and affix the Department's seal to, and to deliver to the appropriate parties, all such other agreements, commitments, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of

instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as they or any of them consider to be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.9--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

- Exhibit B - Indenture
- Exhibit C - Loan Agreement
- Exhibit D - Regulatory Agreement
- Exhibit E - Assignments
- Exhibit F - Purchase Agreement

Section 1.10--Power to Revise Form of Documents. That notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative or authorized representatives, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.11--Authorized Representatives. That the following persons are each hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman or Vice Chairman of the Board, Executive Director of the Department, Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance, Director of Multifamily Finance of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.12--Conditions Precedent. That the issuance of the Bonds shall be further subject to, among other things: (a) the Project's meeting all underwriting criteria of the Department, to the satisfaction of the Executive Director or the Acting Executive Director; and (b) the execution by the Borrower and the Department of contractual arrangements satisfactory to the Department staff requiring that community service programs will be provided at the Project.

## ARTICLE II

### APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Approval and Ratification of Application to Texas Bond Review Board. That the Board hereby ratifies and approves the submission of the application for approval of state bonds to the Texas Bond Review Board on behalf of the Department in connection with the issuance of the Bonds in accordance with Chapter 1231, Texas Government Code.

Section 2.2--Approval of Submission to the Attorney General of Texas. That the Board hereby authorizes, and approves the submission by the Department's Bond Counsel to the Attorney General of the State of Texas, for his approval, of a transcript of legal proceedings relating to the issuance, sale and delivery of the Bonds.

Section 2.3--Certification of the Minutes and Records. That the Secretary and the Assistant Secretary of the Board hereby are severally authorized to certify and authenticate minutes and other records on behalf of the Department for the Bonds and all other Department activities.

Section 2.4--Authority to Invest Proceeds. That the Department is authorized to invest and reinvest the proceeds of the Bonds and the fees and revenues to be received in connection with the financing of the Project in accordance with the Indenture and to enter into any agreements relating thereto only to the extent permitted by the Indenture.

Section 2.5--Approving Initial Rents. That the initial maximum rent charged by the Borrower for 100% of the units of the Project shall not exceed the amounts attached as Exhibit O to the Loan Agreement and shall be annually redetermined by the Issuer as stated in the Loan Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the financing of the Project are hereby ratified and confirmed.

### ARTICLE III

#### CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Findings of the Board. That in accordance with Section 2306.223 of the Act, and after the Department's consideration of the information with respect to the Project and the information with respect to the proposed financing of the Project by the Department, including but not limited to the information submitted by the Borrower, independent studies commissioned by the Department, recommendations of the Department staff and such other information as it deems relevant, the Board hereby finds:

(a) Need for Housing Development.

(i) that the Project is necessary to provide needed decent, safe, and sanitary housing at rentals or prices that individuals or families of low and very low income or families of moderate income can afford,

(ii) that the Borrower will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(iii) that the Borrower is financially responsible,

(iv) that the financing of the Project is a public purpose and will provide a public benefit, and

(v) that the Project will be undertaken within the authority granted by the Act to the housing finance division and the Borrower.

(b) Findings with Respect to the Borrower.

(i) that the Borrower, by operating the Project in accordance with the requirements of the Regulatory Agreement, will comply with applicable local building requirements and will supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income,

(ii) that the Borrower is financially responsible and has entered into a binding commitment to repay the loan made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, or will not enter into a contract for the Project with, a housing developer that: (A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development; (B) breached a contract with a public agency; or (C) misrepresented to a subcontractor the extent to which the developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the developer's participation in contracts with the agency and the amount of financial assistance awarded to the developer by the Department.

(c) Public Purpose and Benefits.

(i) that the Borrower has agreed to operate the Project in accordance with the Loan Agreement and the Regulatory Agreement, which require, among other things, that the Project be occupied by individuals and families of low and very low income and families of moderate income, and

(ii) that the issuance of the Bonds to finance the Project is undertaken within the authority conferred by the Act and will accomplish a valid public purpose and will provide a public benefit by assisting individuals and families of low and very low income and families of moderate income in the State of Texas to obtain decent, safe, and sanitary housing by financing the costs of the Project, thereby helping to maintain a fully adequate supply of sanitary and safe dwelling accommodations at rents that such individuals and families can afford.

Section 3.2--Determination of Eligible Tenants. That the Board has determined, to the extent permitted by law and after consideration of such evidence and factors as it deems relevant, the findings of the staff of the Department, the laws applicable to the Department and the provisions of the Act, that eligible tenants for the Project shall be (1) individuals and families of low and very low income, (2) persons with special needs, and (3) families of moderate income, with the income limits as set forth in the Loan Agreement and the Regulatory Agreement.

Section 3.3--Sufficiency of Mortgage Loan Interest Rate. That the Board hereby finds and determines that the interest rate on the loan established pursuant to the Loan Agreement will

produce the amounts required, together with other available funds, to pay for the Department's costs of operation with respect to the Bonds and the Project and enable the Department to meet its covenants with and responsibilities to the holders of the Bonds.

Section 3.4--No Gain Allowed. That, in accordance with Section 2306.498 of the Act, no member of the Board or employee of the Department may purchase any Bond in the secondary open market for municipal securities.

Section 3.5--Waiver of Rules. That the Board hereby waives the rules contained in Sections 35 and 39, Title 10 of the Texas Administrative Code to the extent such rules are inconsistent with the terms of this Resolution and the bond documents authorized hereunder.

## ARTICLE IV

### GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate created under the Indenture, including the revenues and funds of the Department pledged under the Indenture to secure payment of the Bonds and under no circumstances shall the Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State of Texas or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State of Texas. Each Bond shall contain on its face a statement to the effect that the State of Texas is not obligated to pay the principal thereof or interest thereon and that neither the faith or credit nor the taxing power of the State of Texas is pledged, given or loaned to such payment.

Section 4.3--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

Section 4.4--Notice of Meeting. Written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven (7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials in the possession of the Department relevant to the subject of this Resolution were sent to interested persons and organizations, posted on the Department's website, made available in hard-copy at the Department, and filed with the

Secretary of State for publication by reference in the Texas Register not later than seven (7) days before the meeting of the Board as required by Section 2306.032, Texas Government Code, as amended.

PASSED AND APPROVED this 29th day of August, 2002.

By: \_\_\_\_\_  
Michael E. Jones, Chairman

Attest: \_\_\_\_\_  
Delores Groneck, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: Wheatland Villas Housing, L.P., a Texas limited partnership

Project: The Project is a 260-unit multifamily facility to be known as Wheatland Villas Apartments and to be located at the southwest corner of Interstate 35 and Ledbetter Road in Dallas, Dallas County, Texas. The Project will include a total of 16 two- and three-story residential apartment buildings with a total of 265,800 net rentable square feet and an average unit size of 1,022 square feet. The unit mix will consist of:

- 156 two-bedroom/two-bath units
- 88 three-bedroom/two-bath units
- 16 four-bedroom/two-bath units

260 Total Units

Unit sizes will range from approximately 950 square feet to approximately 1,300 square feet.

Common areas will include a swimming pool, a children's play area, and a community building with kitchen facilities, laundry facilities, vending area, parlor with television and fireplace, fitness center and telephones. All ground units will be wheelchair accessible.

## Housing Trust Fund 2002 Capacity Building Program Award Recommendations

### **Background**

The Housing Trust Fund (HTF) was created by the 72<sup>nd</sup> Legislature to provide safe, decent, and sanitary housing for persons with special needs; and to provide technical assistance and capacity building to nonprofit organizations engaged in developing housing for persons and families of low, very low, and extremely low income; including persons with special needs. Ten percent of HTF funding is set aside for capacity building and technical assistance.

The HTF has pursued a number of avenues in fulfilling its mission to build the capacity of Texas nonprofit organizations to develop affordable housing. In the past, funds have been awarded directly to nonprofit organizations for capacity building activities; utilized to hire consultants to provide direct technical assistance to organizations awarded HOME and HTF funding; and utilized to support the East Texas Technical Assistance Center and the Texas Statewide Homebuyer Education Program. In both the 1998-1999 and 2000-2001 award cycle, Capacity Building Program funding was utilized to hire professional training organizations to provide training in affordable housing development to nonprofit organizations statewide.

In FY 2001, funds were awarded to nonprofit organizations for the hiring of experienced staff to increase capacity and/or a nonprofit could contract directly with technical assistance providers for the purpose of providing training specific to the needs of that particular nonprofit. As a result of the 2001 Capacity Building program, 13 nonprofit organizations received funds either for additional staff or technical assistance and more than 500 units of affordable housing either have been or by the end of the grant year will be created. Due to the success of this format, the HTF elected to continue the 2002 Capacity Building Program in the same manner as the 2001 with a few modifications based on public input.

### **Changes for 2002:**

In keeping with the policies outlined in the State Low Income Housing Plan to promote integrated housing, the HTF would not award Capacity Building funds to any organization that was developing housing that would be exclusively for persons with disabilities. As is stated in the 2002 SLIHP all affordable housing projects must be fully integrated.

The applicants were scored not only on the number of years in existence, but also on the experience of the Executive Director and other relevant staff members. This would allow newer organizations to remain competitive provided that the staff itself was experienced.

All 2001 Awardees were allowed to apply again for those same positions funded in 2001, however they had to demonstrate additional benefits beyond those identified in their 2001 application.

Finally, the application itself was significantly simplified and every effort was made to remove duplication or unnecessary paperwork.

The maximum award amount was decreased from \$50,000 per awardee to \$35,000 per awardee to allow for more nonprofit organizations to benefit from the Capacity Building program. This resulted in approximately 4 additional awards being recommended that there would not have been funding available for otherwise.

### **Additional Benefits**

The goal of the 2002 Capacity Building program is to advance the benefits of capacity building to address the needs that exist beyond the general training that has been provided by HUD, LISC and the HTF, among others, for the past several years. The benefits of doing so are evidenced in the projected creation of *437 proposed units of affordable housing*.

The main purpose of the Housing Trust Fund is the creation of affordable housing. The scoring model was designed to allow more points for those nonprofits that could evidence the creation of affordable units as a direct result of the assistance received via the 2002 Capacity Building Program. This year 100% of the proposals being recommended have evidenced the direct creation of housing. The methodology utilized in designing the scoring model is discussed in the scoring section.

### **2002 Request for Proposals**

On March 15, 2002, the Department published a Notice of Funding Availability (NOFA) to receive applications from nonprofit organizations with a need for experienced staff and/or technical assistance training. The ultimate goal and purpose of the NOFA was to provide funding to nonprofit housing providers which will allow them to hire experienced staff and/or hire technical assistance providers for specific training needs that will increase their capacity for creating affordable housing.

Fifty-seven proposals were submitted in response to this request for proposals by the May 1, 2002 deadline. The information in the following pages describes the content of each of the 17 proposals being recommended for funding. Out of the fifty-seven proposals, 2 were disqualified for failing to produce integrated housing, one was returned because the applicant did not use the required application form, and one was returned because the applicant was applying for existing staff that was not part of the 2001 Capacity Building Program, which is an ineligible activity. No applications were received from Region 4.

### **Scoring and Selecting Proposals for Recommendation**

Housing Trust Fund staff reviewed the proposals, utilizing the scoring criteria outlined in the RFP proposal package and included in the “2002 Capacity Building Application Scoring

Summary” included with this report. Two Housing Trust Fund staff members reviewed each proposal. Additionally, the HTF Senior Planner reviewed each proposal a second time with a final review by the Program Manager.

Based on the amounts of funds requested, the available funding is sufficient to award only the 17 highest ranking proposals. Since many of the applications scored 100 points it was necessary to include the projected number of units to be created in the ranking process. Included is a breakdown of all recommended applications showing:

Name  
City  
Area of Assistance  
Amount of Funding Recommended  
CHAS Region Location of the Applicant  
Unit Creation  
Score

Additionally, a map of the state’s CHAS regions has been provided that denotes where each organization is located. If the recommendations being presented are approved, the Housing Trust Fund will have allocated 100% of the funding available in this cycle.

**HOUSING TRUST FUND**  
**2002 Capacity Building Application Scoring Summary**  
*Applications submitted on May 1, 2002*

Applicant: \_\_\_\_\_

Contact Person: \_\_\_\_\_

|   | Reviewer 1<br>By/Score | Reviewer 2<br>By/Score | Possible<br>Points | Score |
|---|------------------------|------------------------|--------------------|-------|
| <b>Category 1 – Organizational Experience</b> | _____                  | _____                  | 40                 | _____ |
| <b>Category 2 – Services to be rendered</b>   | _____                  | _____                  | 60                 | _____ |
| <b><u>TOTAL POINTS:</u></b>                   | _____                  |                        |                    |       |

**Category 1 – Experience and Organizational History**

Organizational Experience: Years in existence (up to 20 points):

- 1- 3 years               =     5 points
- 4-6 years               =     10 points
- 7 or more years       =     20 points

Executive Director and other staff experience (years will be averaged of those resumes provided) 20 points:

- 1-3 years               =     5 points
- 4-6 years               =     10 points
- 7 or more years       =     20 points

REVIEWER’S COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Maximum available points - 40               Total points awarded Category 1: \_\_\_\_\_

**Category 2 – Description of Services to be rendered:**

**Is this request either for 1) additional staffing related to the creation of affordable housing or 2) the hiring of a technical assistance consultant to provide training related to the creation of affordable housing?**

*If the answer is “no” to this question the applicant is requesting funding for an ineligible activity and must receive a score of **zero** in this category. If the applicant is requesting an eligible activity and an ineligible activity, the ineligible activity will be disregarded and the score will only reflect information provided on the eligible activity. The only exception to this is if the applicant is a 2001 awardee and is applying for the same position(s) awarded in 2001 – BUT they must demonstrate different benefits than those scored for in 2001.*

**Is the assistance requested related to one of the following areas:**

- Architectural Barrier Removal/Universal Design
- Comprehensive Capacity Building (including Planning, Resource Development, Internal Operations and Governance, Program Delivery and Networking)
- Construction Management
- Energy Efficiency and Alternative Building Methods
- Property Management
- Real Estate/Project Development
- Affordable Housing utilizing at risk youth

*If the answer is “no” to this question, the applicant is requesting funds for an ineligible activity and must receive a score of zero in this category.*

**Qualifications of staff to be hired:**

- No training but at least one-year direct experience: = 10 points
- Some specialized training and two years direct experience: = 20 points
- College degree (or other specialized training spanning 4 years) required and at least three years direct experience: = 30 points

**Qualifications of Technical Assistance Provider to be selected:**

- 1-3 years direct experience = 10 points
- 4-6 years direct experience = 20 points
- 7 or more years = 30 points

If the applicant is proposing both additional staff AND Technical Assistance providers – score for both areas and divide by 2. The applicant must identify the minimum requirements acceptable in either area. If the applicant has

identified a specific TA provider or potential staff person they are considering, the experience documented for that person/TA provider may be accepted as their minimum experience requirement.

REVIEWER'S COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

POINTS AWARDED: \_\_\_\_\_

**Benefits to be received (up to 30 points):**

General capacity building = 15 points

Actual creation of affordable housing = 30 points

*As with the Housing Trust Fund Development program, creation of affordable housing includes both new construction or rehabilitation of both multi or single family housing, provided that the housing cost is within what is defined as affordable for the area to be served.*

All 2001 Capacity Building Awardees that are applying in 2002 must demonstrate different benefits, including units to be created or general capacity building, from those listed on the 2001 application.

REVIEWER'S COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

POINTS AWARDED: \_\_\_\_\_

**Total average points:** \_\_\_\_\_

**HOUSING TRUST FUND  
2002 CAPACITY BUILDING AWARD RECOMMENDATIONS**

| <u>Organization</u>                      | <u>City</u>  | <u>Amount</u>    |
|--|--------------|------------------|
| Azteca Complex                           | Dimmit       | \$34,690         |
| East Austin Economic Development Corp.   | Austin       | \$35,000         |
| Center on Independent Living             | San Antonio  | \$35,000         |
| Williamson-Burnet Co. Opportunities Inc. | Georgetown   | \$25,000         |
| Northeast CDO                            | El Paso      | \$35,000         |
| Economic Justice Foundation              | Manor        | \$35,000         |
| Central Dallas Ministries                | Dallas       | \$35,000         |
| Avenue CDC                               | Houston      | \$35,000         |
| Tarrant County Housing Partnership       | Fort Worth   | \$35,000         |
| CDC of South Texas                       | McAllen      | \$35,000         |
| Organizacion Progresiva de San Elizario  | San Elizario | \$35,000         |
| YWCA CDC                                 | El Paso      | \$35,000         |
| George Gervin Youth Center               | San Antonio  | \$35,000         |
| Affordable Housing of Parker County      | Springtown   | \$35,000         |
| Habitat for Humanity of Denton           | Denton       | \$35,000         |
| Harmony House                            | Houston      | \$22,300         |
| Walker-Montgomery CDC                    | New Waverly  | <u>\$21,652</u>  |
| <b>Total Allocation</b>                  |              | <b>\$558,642</b> |

## 2002 HTF CAPACITY BUILDING AWARD RECOMMENDATIONS

| Number        | APPLICANT                        | CITY         | AREA OF ASSISTANCE                               | AMOUNT RECOMMENDED   | CHAS REGION | UNIT CREATION | SCORE |
|---------------|----------------------------------|--------------|--|----------------------|-------------|---------------|-------|
| CB2-02-032    | Azteca Complex                   | Dimmitt      | Hsg. Development Coord.;Tech Assistance Consult. | \$ 34,690.00         | 1           | 138           | 100   |
| CB2-02-031    | East Austin Econom. Dev. Corp.   | Austin       | Home Own. Dev. Spec. & Tech Assistance Consult.  | \$ 35,000.00         | 7           | 60            | 100   |
| CB2-02-028    | Center on Independent Living     | San Antonio  | Technical Assistance Consultant                  | \$ 35,000.00         | 8A          | 38            | 100   |
| CB2-02-003    | Williamson/BurnetCo.Oppor.,Inc.  | Georgetown   | Technical Assistance Consultant                  | \$ 25,000.00         | 7           | 24            | 100   |
| CB2-02-018    | Northeast CDO                    | El Paso      | Technical Assistance Consultant                  | \$ 35,000.00         | 10          | 21            | 100   |
| CB2-02-030    | Economic Justice Foundation      | Manor        | Project Manager                                  | \$ 35,000.00         | 7           | 20            | 100   |
| CB2-02-049    | Central Dallas Ministries        | Dallas       | Project Manager                                  | \$ 35,000.00         | 3           | 20            | 100   |
| CB2-02-041    | Avenue CDC                       | Houston      | Director of Rental Housing                       | \$ 35,000.00         | 6           | 19            | 100   |
| CB2-02-026    | Tarrant Co. Housing Partnership  | Ft Worth     | Construction Assistant                           | \$ 35,000.00         | 3           | 16            | 100   |
| CB2-02-009    | CDC of South Texas               | McAllen      | Technical Assistance Consultant                  | \$ 35,000.00         | 8B          | 15            | 100   |
| CB2-02-021    | Org. Progresiva de San Elizario  | San Elizario | Technical Assistance Consultant                  | \$ 35,000.00         | 10          | 15            | 100   |
| CB2-02-039    | YWCA CDC                         | El Paso      | Technical Assistance Consultant                  | \$ 35,000.00         | 10          | 12            | 100   |
| CB2-02-052    | George Gervin Youth Center       | San Antonio  | Technical Assistance Consultant                  | \$ 35,000.00         | 8A          | 10            | 100   |
| CB2-02-057    | Affordable Hsg. Of Parker County | Springtown   | Technical Assistance Consultant & Leasing Mgr.   | \$ 35,000.00         | 3           | 10            | 100   |
| CB2-02-013    | Habitat for Humanity/Denton      | Denton       | Office Admin/Dir. Of Development                 | \$ 35,000.00         | 3           | 8             | 100   |
| CB2-02-042    | Harmony House                    | Houston      | Technical Assistance Consultant                  | \$ 22,300.00         | 6           | 6             | 100   |
| CB2-02-051    | Walker-Montgomery CDC            | New Waverly  | Construction Manager                             | \$ 21,652.00         | 6           | 5             | 100   |
|               |                                  |              |  |                      |             |               |       |
| <b>TOTALS</b> |                                  |              |  | <b>\$ 558,642.00</b> |             | <b>437</b>    |       |



HTF CB Regional Breakdown

| Applicant and Amount Requested by Region (Score/Units) | Region 1 Amount Available | Region 2 Amount Available | Region 3 Amount Available | Region 4 Amount Available | Region 5 Amount Available | Region 6 Amount Available | Region 7 Amount Available | Region 8A Amount Available | Region 8B Amount Available | Region 9 Amount Available | Region 10 Amount Available | TOTALS |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|--------|
| Azteca Complex (100/138)                               | \$ 34,690                 |                           |                           |                           |                           |                           |                           |                            |                            |                           |                            |        |
| South Plains Community Action (85/0)                   | \$ 35,000                 |                           |                           |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Habitat for Humanity of Wichita Falls, Inc. (75/0)     |                           | \$ 31,158                 |                           |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Central Dallas Ministeries (100/20)                    |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Tarrant County Housing Partnership (100/16)            |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Affordable Housing of Parker County (100/10)           |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Habitat for Humanity of Denton (100/8)                 |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| T. R. Hoover CDC (90/20)                               |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| NHS of Ft. Worth and Tarrant Co. (85/0)                |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Ability Resources, Inc. (85/0)                         |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Fraizer Berean Group (85/0)                            |                           |                           | \$ 31,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Dallas City Homes (85/0)                               |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Grayson County CDC (75/10)                             |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| The Frank H. Brown Foundation (75/4)                   |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Alta Housing Corporation (70/0)                        |                           |                           | \$ 25,350                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Network Planning Corporation (60/0)                    |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| U-HEED (55/0)  |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Manchester CDC (35/0)                                  |                           |                           | \$ 35,000                 |                           |                           |                           |                           |                            |                            |                           |                            |        |
| Statewide CDC, Inc. (90/10)                            |                           |                           |                           |                           | \$ 35,000                 |                           |                           |                            |                            |                           |                            |        |
| YWCA of Beaumont (55/0)                                |                           |                           |                           |                           | \$ 35,000                 |                           |                           |                            |                            |                           |                            |        |
| Avenue CDC (100/19)                                    |                           |                           |                           |                           |                           | \$ 35,000                 |                           |                            |                            |                           |                            |        |
| Harmony House (100/6)                                  |                           |                           |                           |                           |                           | \$ 22,300                 |                           |                            |                            |                           |                            |        |
| Walker-Montgomery CDC (100/5) Partial Funding          |                           |                           |                           |                           |                           | \$ 21,652                 |                           |                            |                            |                           |                            |        |
| New Hope Housing (100/3)                               |                           |                           |                           |                           |                           | \$ 35,000                 |                           |                            |                            |                           |                            |        |
| Neighborhood Centers, Inc. (85/0)                      |                           |                           |                           |                           |                           | \$ 35,000                 |                           |                            |                            |                           |                            |        |
| East Austin Economic Dev. Corp. (100/60)               |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |        |
| Williamson/Burnet Co. Opportunities, Inc. (100/24)     |                           |                           |                           |                           |                           |                           | \$ 25,000                 |                            |                            |                           |                            |        |
| Economic Justice Foundation (100/20)                   |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |        |
| Saint John Colony Neighborhood (90/36)                 |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |        |
| United Cerebral Palsy of Texas (85/0)                  |                           |                           |                           |                           |                           |                           | \$ 34,500                 |                            |                            |                           |                            |        |

HTF CB Regional Breakdown

| Applicant and Amount Requested by Region (Score/Units) | Region 1 Amount Available | Region 2 Amount Available | Region 3 Amount Available | Region 4 Amount Available | Region 5 Amount Available | Region 6 Amount Available | Region 7 Amount Available | Region 8A Amount Available | Region 8B Amount Available | Region 9 Amount Available | Region 10 Amount Available | TOTALS              |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|---------------------------|----------------------------|---------------------|
| Family Eldercare (85/0)                                |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |                     |
| Empyrean Corporation (80/8)                            |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |                     |
| Metropolis-AVC, Inc. (70/0)                            |                           |                           |                           |                           |                           |                           | \$ 35,000                 |                            |                            |                           |                            |                     |
| COIL (100/38)  |                           |                           |                           |                           |                           |                           |                           | \$ 35,000                  |                            |                           |                            |                     |
| George Gervin Youth Center (100/10)                    |                           |                           |                           |                           |                           |                           |                           | \$ 35,000                  |                            |                           |                            |                     |
| Habitat for Humanity of San Antonio (90/59)            |                           |                           |                           |                           |                           |                           |                           | \$ 35,000                  |                            |                           |                            |                     |
| South Texas Housing and CDC (80/30)                    |                           |                           |                           |                           |                           |                           |                           | \$ 35,000                  |                            |                           |                            |                     |
| CDC of South Texas (100/15)                            |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Webb County Community Action Agency (100/3)            |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Accessible Communities, Inc. (85/2)                    |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Harlingen CDC (85/0)                                   |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Community Council of Southwest Texas, Inc. (85/0)      |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Housing Assistance Corp. of Eagle Pass (75/0)          |                           |                           |                           |                           |                           |                           |                           |                            | \$ 34,977                  |                           |                            |                     |
| CASSE, Inc. (60/0)                                     |                           |                           |                           |                           |                           |                           |                           |                            | \$ 35,000                  |                           |                            |                     |
| Midland CDC (90/25)                                    |                           |                           |                           |                           |                           |                           |                           |                            |                            | \$ 35,000                 |                            |                     |
| Crossroads Housing Development Corp. (60/0)            |                           |                           |                           |                           |                           |                           |                           |                            |                            | \$ 21,716                 |                            |                     |
| Northeast CDO (100/21)                                 |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| OPSE (100/15)  |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| YWCA CDC (100/12)                                      |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| Habitat for Humanity of El Paso (85/0)                 |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| Big Bend Community Action Committee, Inc. (85/0)       |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| American Society for the Deaf (75/4)                   |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 35,000                  |                     |
| Project VIDA CDC (75/0)                                |                           |                           |                           |                           |                           |                           |                           |                            |                            |                           | \$ 23,272                  |                     |
| <b>Total Amount Requested Per Region</b>               | <b>\$ 69,690</b>          | <b>\$ 31,158</b>          | <b>\$ 511,350</b>         | <b>\$ -</b>               | <b>\$ 70,000</b>          | <b>\$ 148,952</b>         | <b>\$ 269,500</b>         | <b>\$ 140,000</b>          | <b>\$ 244,977</b>          | <b>\$ 56,716</b>          | <b>\$ 233,272</b>          | <b>\$ 1,775,615</b> |

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Azteca Complex  
Contact: Joe A. Franco  
910 E. Jones  
Dimmit, Texas 79027-0698

Area of Capacity Building: Staff/Technical Assistance

Proposal Score: 100

Unit Creation: 138

Proposed Contract Amount: \$34,690

#### Summary of Proposal

Azteca Economic Development Corporation is applying for funds to pay for staff and a technical assistance provider. These positions will be directly tied to the substantial rehabilitation and related creation of 138 units of affordable housing. The TA provider will be responsible for developing a plan for the rehab of the units, the staff position of Housing Development Coordinator will be responsible for overseeing the entire rehab project.

Azteca Economic Development Corporation and the housing associated are located in Region 8B. Site control is in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: East Austin Economic Development Corporation  
Contact: Van Dyke Johnson  
1009 East 11<sup>th</sup> Street Suite 103  
Austin, Texas 78702

Area of Capacity Building: Technical Assistance

Proposal Score: 100

Unit Creation: 60

Proposed Contract Amount: \$35,000

#### Summary of Proposal

East Austin Economic Development Corporation is applying for funds to pay technical assistance in the form of a Home Ownership Development Specialist. This technical assistance will be directly tied to the creation of 60 units of single-family affordable housing. The East Austin Economic Development Corporation purchases HUD properties, renovates, locates low-income owners, provides home-ownership training, and assists with the purchase. This assistance doubles the East Austin Economic Development Corporation unit production.

East Austin Economic Development Corporation and the housing associated are located in Region 7. Substantial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: The Center on Independent Living  
Contact: Robert Martinez  
4905 Center Park Boulevard  
San Antonio, Texas 78218

Area of Capacity Building: Technical Assistance

Proposal Score: 100  
Unit Creation: 38

Proposed Contract Amount: \$35,000

#### Summary of Proposal

The Center on Independent Living is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 38 units of duplex and multifamily affordable housing for elderly and disabled persons.

The Center on Independent Living and the housing associated are located in Region 8a. Significant funding as well as site control is in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Williamson-Burnet County Opportunities  
Contact: Rosetta Howard  
PO Box 740  
Georgetown, Texas 78627-0704

Area of Capacity Building: Technical Assistance

Proposal Score: 100

Unit Creation: 24

Proposed Contract Amount: \$25,000

#### Summary of Proposal

Williamson-Burnet County Opportunities is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 24 units of multifamily affordable housing during the grant year and 72 units by the conclusion of the project. The project will be built in Leander, Texas.

Williamson-Burnet County Opportunities and the housing associated are located in Region 7. Site control is in place and substantial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Northeast Community Development Organization  
Contact: Martha Rodriguez  
5250 Wren  
El Paso, Texas 79924

Area of Capacity Building: Technical Assistance

Proposal Score: 100

Unit Creation: 21

Proposed Contract Amount: \$35,000

### Summary of Proposal

Northeast Community Development Organization is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 21 units of affordable housing.

Northeast Community Development Organization and the housing associated is located in Region 10. Site control is in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Economic Justice Foundation  
Contact: Robert L. Mahoney  
PO Box 1050  
Manor, Texas 78653

Area of Capacity Building: Staff

Proposal Score: 100  
Unit Creation: 20

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Economic Justice Foundation is applying for funds to pay for staff salary and associated costs for an Affordable Housing Project Manager. These positions will be directly tied to the creation of 20 units of elderly affordable housing.

Economic Justice Foundation and the housing associated are located in Region 7. Site control is in place and substantial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Central Dallas Ministries  
Contact: John Greenan  
3902 Elm Street  
Dallas, Texas 75226

Area of Capacity Building: Staff

Proposal Score: 100  
Unit Creation 19

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Central Dallas Ministries is applying for funds to pay the salary and related expenses for the staff position of Project Manager. This position will be directly tied to the creation of a multifamily project. Central Dallas Ministries is still in the design phase and has not determined as of the application date the exact number of units to be constructed. The project will contain two and three bedroom units suitable for families as well as some efficiency units for singles. A partner of Central Dallas Ministries, Dallas Services, will provide childcare and other services to the complex.

Central Dallas Ministries and the housing associated are located in Region 3. Site control is in place and partial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Avenue Community Development Corporation  
Contact: Mary Lawler  
2505 Washington, Suite 400  
Houston, Texas 77007

Area of Capacity Building: Staff

Proposal Score: 100  
Unit Creation: 19

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Avenue CDC is applying for funds to pay the salary and related expenses for the staff position of Director of Rental Housing. Avenue CDC is one of two applicants being recommended for award that also received Capacity Building funds during FY 2001. The program guidelines for the 2002 Capacity Building program provided for the 2001 awardees to apply again for the position created in 2001, provided that they could demonstrate benefits beyond those reported in 2001. This position will be directly tied to the creation of 19 rental units of affordable housing, 10 of which will be scattered site with the remaining 9 units being substantial rehabilitation. None of these units were part of Avenue CDC's 2001 proposal.

Avenue CDC and the housing associated are located in Region 6. Partial funding has already been obtained for both projects. The 9 units to be rehabilitated have been purchased and the sites for the 10 other units have been identified.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Tarrant County Housing Partnership, Inc.  
Contact: Jason Hall  
603 W. Magnolia Suite 207  
Ft. Worth, Texas 76104

Area of Capacity Building: Staff

Proposal Score: 100

Unit Creation: 16

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Tarrant County Housing Partnership, Inc. is applying for funds to pay salary and related costs for a Construction Assistant. This position will be directly tied to the creation of 3 units of single-family affordable housing in the next 12 months with an additional 13 units over the life of the project.

Tarrant County Housing Partnership, Inc. and the housing associated are located in Region 3. Site control is in place and substantial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Community Development Corporation of South  
Texas

Contact: Robert Calvillo  
600 S. 11<sup>th</sup> Street  
McAllen, Texas 78501-4922

Area of Capacity Building: Technical Assistance

Proposal Score: 100

Unit Creation: 15

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Community Development Corporation of South Texas is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 15 units of affordable housing. In addition the low-income homebuyers will be provided with homebuyer education and long-term flexible financing.

Community Development Corporation of South Texas and the housing associated are located in Region 8b. Funding is in place for this project and the organization is currently reviewing appropriate sites.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant:                      Organizacion Progresiva de San Elizario  
Contact:                         Antonio Araujo  
   PO Box 423  
   San Elizario, Texas 79849

Area of Capacity Building:     Technical Assistance

Proposal Score:                 100  
Unit Creation:                    15

Proposed Contract Amount:    \$35,000

#### Summary of Proposal

Organizacion Progresiva de San Elizario (OPSE) is applying for funds to contract with a technical assistance provider in order to develop a self-help housing program and to provide assistance in applying for funding to facilitate the program. The TA provider will also assist in expanding the organization's passive solar energy demonstration program, provide Board Training, and organizational assistance. This contract will be directly tied to the creation of 15 single-family homes constructed through the self-help process.

San Elizario is located in El Paso County. This is part of Region 10. This organization has some housing experience and has participated in the Contract for Deed Conversion program. As part of a recent, final application to USDA, OPSE has developed a roster of potential homeowners, the lots on which development will take place, and proof of funding sources.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: YWCA Community Development Corporation  
Contact: Myrna Deckert  
1918 Texas Avenue  
El Paso, Texas 79901

Area of Capacity Building: Staff

Proposal Score: 100  
Unit Creation: 12

Proposed Contract Amount: \$35,000

#### Summary of Proposal

YWCA CDC is applying for funds to pay for a technical assistance provider. This position will be directly tied to the creation of 12-16 units of elderly affordable housing. The TA provider will be responsible for predevelopment and design activities, project financing and construction management.

YWCA CDC and the housing associated are located in Region 10. Site control is in place and partial funding has been secured.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: George Gervin Youth Center, Inc.  
Contact: Barbara Hawkins  
6903 Sunbelt Drive  
San Antonio, Texas 78218-3336

Area of Capacity Building: Technical Assistance

Proposal Score: 100

Unit Creation: 10

Proposed Contract Amount: \$35,000

#### Summary of Proposal

George Gervin Youth Center, Inc. is applying for funds to pay for a technical assistance provider. This position will be directly tied to the creation of 8 energy efficient transitional housing units for homeless youth and 2 energy efficient single-family homes. The TA provider will be responsible for predevelopment activities, project financing and construction management as well as training the existing staff on all areas of construction.

YWCA CDC and the housing associated are located in Region 8A. Site control is in place for both projects, funding has been secured for the single-family project and funding is pending for the transitional housing project.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Affordable Housing of Parker County, Inc.  
Contact: A.G. Swan  
PO Box 39  
Springtown, Texas 76082

Area of Capacity Building: Staff/TA Training

Proposal Score: 100

Unit Creation: 10

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Affordable Housing of Parker County, Inc. is applying for funds to pay the salary and related expenses for the new staff position of Leasing Manager and to contract with a technical assistance provider for specialized training. This position will be directly tied to the creation of a minimum of one senior citizen, independent living complex consisting of a minimum of ten (10) one bedroom units. It is anticipated that the design of the housing will consist of five (5) duplex buildings located on a single site.

Parker County and the housing associated are located in Region 3. Affordable Housing of Parker County, Inc. has a contract on the property to be developed and has partial funding in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Habitat for Humanity of Denton  
Contact: Jill Grozev  
PO Box 425  
Denton, Texas 76202

Area of Capacity Building: Staff

Proposal Score: 100  
Unit Creation: 8

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Habitat for Humanity of Denton is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 8 units of single-family affordable housing.

Habitat for Humanity of Denton and the housing associated are located in Region 3. Funding as well as site control is in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Harmony House  
Contact: Richard Bender  
602 Girard Street  
Houston, Texas 77007

Area of Capacity Building: Technical Assistance

Proposal Score: 100  
Unit Creation 6

Proposed Contract Amount: \$22,300

#### Summary of Proposal

Harmony House is applying for funds to pay for technical assistance. This assistance will be directly tied to the creation of 6 efficiency units of affordable housing for veterans with AIDS and disabled veterans.

Harmony House and the housing associated are located in Region 6. Significant funding as well as site control is in place.

HOUSING TRUST FUND  
2002 CAPACITY BUILDING PROGRAM  
PROPOSAL SUMMARY

Applicant: Walker-Montgomery Community Development Corporation

Contact: Archie Robertson  
143 Forest Service Road  
New Waverly, Texas 77358

Area of Capacity Building: Staff

Proposal Score: 100

Unit Creation: 5

Proposed Contract Amount: \$35,000

#### Summary of Proposal

Walker-Montgomery CDC is applying for funds to pay for salary and related expenses associated with the new position of Construction Manager. This position will be directly tied to the creation of 15 single-family homes in the City of Navasota, Texas, five of which will be completed within the grant period with the remaining 10 units being built in the two years following the grant period.

Walker-Montgomery CDC and the housing associated are located in Region 6. Site control is in place and partial funding has been secured.

## **Home Mortgage Credit Characteristics of Underserved Areas: A State of Texas Market Study**

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### ***Background***

Per Senate Bill 322 passed during the 77<sup>th</sup> Texas Legislative Session, the Department conducted a market study to determine the home mortgage credit needs in underserved economic and geographic submarkets in the state. Specifically Section 2306.142 (c) states:

(c) The board by rule shall adopt a methodology for determining through a market study the home mortgage credit needs in underserved economic and geographic sub-markets in the state. In conducting the market study required by this subsection, the department or its designee shall analyze for the underserved economic and geographic sub-markets, at a minimum, the following factors:

- (1) home ownership rates;
- (2) loan volume;
- (3) loan approval ratios;
- (4) loan interest rates;
- (5) loan terms;
- (6) loan availability;
- (7) type and number of dwelling units; and
- (8) use of subprime mortgage loan products, comparing the volume amount of subprime loans and interest rates to "A" paper mortgage loans as defined by Standard and Poor's credit underwriting criteria.

The Department is to use the market study to evaluate the feasibility of developing a subprime lending product and dedicating 40 percent of the Single Family Mortgage Revenue Bond Program loan volume towards meeting the needs of underserved economic and geographic submarkets. TDHCA is to submit the market study results to the Bond Review Board by the end of the fiscal year (August 31, 2002).

To ensure that the scope of the study was comprehensive, the Department made the methodology available for a three-week public comment period beginning June 17<sup>th</sup> and ending at July 8<sup>th</sup>. The Department also held one public hearing on the methodology on June 26<sup>th</sup>

In addition, the Department had a two-week public comment period on the results of the study beginning August 12<sup>th</sup> and ending August 26<sup>th</sup>. A public hearing was held on the results of the study on August 19<sup>th</sup>.

It should be noted that this market study is intended to be a living document that will be updated as new data becomes available. With this in mind, Department strategies with regard to single family lending products will continue to evolve beyond the initial conclusions and recommendations outlined below.

### ***Conclusions and Recommendations***

The Texas Department of Housing and Community Affairs finds the following general conclusions:

- Rural areas have a 75 percent homeownership rate compared to 66.1 percent for metro areas.
- Nationally, 16.8 percent of owners in rural areas had mortgage interest rates over 10 percent; nearly double the percentage in metro areas.
- Over 20 percent of the homes in rural areas are mobile homes in Regions 3, 5, 8A, and 10.
- Pre-purchase homebuyer education dramatically reduces the likelihood of loan delinquency risk.
- Many victims of predatory lending are uneducated with regard to basic financing and loan terms.
- Subprime lending tends to flourish in low-income areas that may not be adequately served by traditional lenders and where borrowers may be unfamiliar with available mortgage products.
- In some markets, it is estimated that between 35 percent and 50 percent of prime-rate-qualified borrowers are receiving subprime loans as a result of lack of financial lending knowledge and/or aggressive sales tactics. Therefore, homebuyer education can dramatically minimize the possibility that a prime borrower will receive a subprime loan when in fact they qualify for traditional prime market lending products.
- The Department acknowledges that lack of down payment funds are a significant barrier to homeownership. According to the available HMDA data, the main obstacle to receiving credit from both prime and subprime lenders in both urban and rural areas is poor credit history and insufficient debt-to-income ratios.
- Although the rural areas are being served by local housing finance corporations and other prime and subprime lenders, only 14 of the 294 participating branch lenders in TDHCA's single family bond program are located in rural areas. However, over 34.4 percent of TDHCA branch lenders are located in the border areas.
- Because subprime and manufactured housing borrowers may have a lack of down payment funds, poor credit histories and insufficient qualifying ratios, TDHCA may market an appropriate product in those areas that have a high preponderance of subprime and manufactured home lenders. TDHCA has recently introduced Fannie Mae's Expanded Approval product as a first step in entering this market. The Fannie Mae Expanded Approval product enables borrowers who have minor credit problems access mortgage credit; these borrowers would have otherwise been unable to obtain mortgage loans through the existing single-family bond product. In general, the product serves borrowers with A- credit. As part of the marketing plan for the Expanded Approval product, TDHCA held a press conference with Fannie Mae representatives and interested legislative parties to publicize the product. The Department intends to produce a video of the news conference that includes quotes from department representatives that will be distributed to approximately 200 television stations across the state. The Department is also negotiating the placement of public service announcements on radio stations across the state.

Based on the results of the market study, TDHCA will direct its single-family mortgage loan efforts according to the volume and type of mortgage products originated throughout the various Texas regions. TDHCA will focus several of its products and services to geographic regions identified with high concentrations of subprime loans. Such products will include homebuyer and credit education, subprime purchase loans, and subprime refinancing loans. Given those trends, TDHCA will initiate several additional strategies:

- Consistent with national priorities articulated by the President of the United States and the US Department of Housing and Urban Development, TDHCA believes that education prior to the purchase of a home can increase homeownership rates and improve prospects for

successful homeownership. TDHCA will continue to market homebuyer education with the new product. The department sends consumers seeking homebuyer assistance area-specific education providers.

- TDHCA will continue to market homebuyer education with the new product. All information packets sent out contain a list of homebuyer education providers in the area as well as a brochure on the department's First Time Homebuyer program.
- TDHCA will continue to encourage the Housing Finance Corporations across the state to include homebuyer education counselors on staff that are trained through the department's homebuyer education program.
- TDHCA will investigate including educational materials specific to predatory and subprime lending to be incorporated with the marketing of this new product.
- TDHCA will allocate at least 10 percent of its total single-family mortgage revenue bond loan volume for subprime loans to meet the credit needs of borrowers in underserved economic and geographic submarkets. This figure has been derived from statistics that demonstrate that 10 percent of the single-family owner-occupied home mortgage market is attributed to subprime lenders and the fact that subprime issues are costlier than prime issues. For these reasons, TDHCA has elected to make a cautious entrance into this market with a minimum 10 percent offering.
- Of the total 10 percent owner-occupied subprime loan allocation, the Department proposes that 46 percent be allocated for home purchase and 54 percent be allocated for refinance purposes. These percentages are consistent with the subprime mortgage loan figures reported in the analysis.
- TDHCA will offer subprime *purchase* mortgage loans in Regions 3, 6, 7, and 8A. According to the market study, these regions had the highest rates of subprime purchase mortgage loans in Texas in 2000.
- TDHCA will offer subprime *refinance* mortgage loans in all Regions of Texas. According to the market study, approximately one-third of all refinance mortgage loans were subprime refinance mortgage loans throughout all Texas regions.
- Within the purchase and refinance categories, TDHCA will further target the loans geographically e.g., rural, urban low-income tracts, and border. The successful origination of subprime mortgage loan products is highly contingent upon effective and timely product marketing. Marketing of previous bond products to rural lenders has been challenging in the past. An investment in radio advertisements in several East Texas markets did not produce the expected volume of loans. Face-to-face marketing meetings with rural lenders in less-populated areas also did not produce expected results. TDHCA single-family bond program participating lenders must meet several requirements, including the presence of a mortgage warehouse line and a mortgage-lending department with an experienced underwriter familiar with mortgage lending. These requirements have been a challenge in locating participating rural lenders.

The offering of subprime mortgage loans will require further research and development into three credit-enhancement options. TDHCA will attempt to structure subprime and purchase loans using Fannie Mae and Freddie Mac guarantees, which assume the full risk of the loan. It should be noted that based on TDHCA's recent experience with Expanded Approval loans, securitizing subprime "A-" through a GSE has significant credit enhancement costs. If this structure proves to be uneconomical or unfeasible, then TDHCA will look to bond structures secured by whole loans and the last two options: internal or external credit enhancement. With regard to internal credit enhancement, rating agencies require additional Loss Coverage Reserves (LCRs) to compensate for the additional risk with subprime loans. Rating agencies calculate these reserves using factors

that include loan-to-value, foreclosure frequency, foreclosure costs, property market value decline, geographic concentration, and type of dwelling. If TDHCA were to utilize this method, the Department would need to use lower loan-to-value ratios in order to minimize the LCR required. In addition, the lower the mortgage credit grade, the greater the LCR. The LCRs make structuring a whole-loan, non-securitized bond transaction more difficult and costly. External credit enhancement involves TDHCA obtaining bond insurance, or insurance for the loans, through an external provider such as the Mortgage Guaranty Insurance Corporation, and includes significant costs as well. In any event, if bonds secured by subprime loans are unfeasible or would damage the financial condition of TDHCA, TDHCA's Board may formally appeal to the Bond Review Board for modification or waiver of certain terms.

To view the entire market study please see the TDHCA website:

[www.tdhca.state.tx.us/pdf/hrc/02-MktStdy-020812.pdf](http://www.tdhca.state.tx.us/pdf/hrc/02-MktStdy-020812.pdf)

**TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS  
ENGAGEMENT OF TAX CREDIT COUNSEL**

**ACTION ITEM**

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**RECOMMENDATION:**

Approval to engage Hawkins, Delafield & Wood as Tax Credit Counsel for the Department for one year, with discretionary authority to extend for the second year. Hawkins, Delafield & Wood is recommended over McBeth & Associates due to current activity, history and expertise in all aspects of the tax credit program with comprehensive knowledge of federal housing finance and subsidy programs with a practical understanding of the business aspects from a state agency perspective of tax credit development, management and syndication since its earliest legislative consideration and, provided by far the superior response.

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**BACKGROUND:**

In accordance with the policy set by the Attorney General of Texas in June of 2000, all state agencies must post a Request for Proposals for all outside counsel contracts every two years. In keeping with this policy, the Department filed and posted a Request for Proposals for Tax Credit Counsel both in the Texas Marketplace: Electronic State Business Daily, on May 8, 2002, and with the Secretary of State on May 8, 2002, for publication in the *Texas Register* (27 TexReg 4408) on May 17, 2002. The deadline for submitting proposals was June 21, 2002. Copies of the request for proposals were requested by and provided to i) Mr. Anthony S. Freedman, Hawkins, Delafield & Wood in Washington, D.C. on May 13, 2002; ii) Mr. Hiram McBeth, McBeth & Associates in Dallas, Texas, on May 9, 2002. Both firms responded to the Department's Request for Proposals.

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**SUMMARY OF PROPOSALS:**

**Tax Credit Counsel:**

**Hawkins, Delafield & Wood:** The firm proposed its continued representation of the Department as its Tax Credit Counsel. Hawkins, Delafield & Wood has been engaged by the Department since 1993. It proposed fees for its attorneys ranging from \$475 to \$235 per hour with a discount of \$25 per hour. All other expenses will be at state-mandated rates as well as actual cost (courier, mail, phone, fax, etc.). The Department will be billed hourly with detailed billings for actual time and expenses necessary toward tax credit representation. The fees and expenses with an hourly breakdown on rates are valid for the duration of this proposal to contract.

**McBeth & Associates:** The firm proposed fees for its attorneys discounted to \$158 per hour and its paralegals at \$45 per hour. All other expenses will be at state-mandated rates as well as actual cost (courier, mail, phone, fax, etc.). The Department will be billed hourly with detailed billings for actual time and expenses necessary toward tax credit representation. The fees and expenses with an hourly breakdown on rates are valid for the duration of this proposal to contract.



**LOW INCOME HOUSING TAX CREDIT PROGRAM  
REVISED 2002 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD  
SUMMARY**

Texas Department of Housing and Community Affairs

Development Name: **Pleasant Valley Villas**

TDHCA#: 02413

**DEVELOPMENT AND OWNER INFORMATION**

Development Location: Austin QCT: Y DDA: N TTC: N  
 Development Owner: Pleasant Valley Villas Housing, L.P.  
 General Partner(s): Pleasant Valley Villas Development, LLC, Brian Potashnik, 100%  
 Construction Category: New  
 Set-Aside Category: Tax Exempt Bond Bond Issuer: Austin HFC  
 Development Type: Family

**Annual Tax Credit Allocation Calculation**

Applicant Request: \$882,512 Eligible Basis Amt: \$1,137,274 Equity/Gap Amt.: \$1,350,318  
**Annual Tax Credit Allocation Recommendation: \$1,137,274\***  
 Total Tax Credit Allocation Over Ten Years: \$11,372,740

**PROPERTY INFORMATION**

**Unit and Building Information**

Total Units: 280 LIHTC Units: 280 % of LIHTC Units: 100%  
 Gross Square Footage: 312,211  
 Average Square Footage/Unit: 1097  
 Number of Buildings: 55  
 Currently Occupied: N

**Development Cost**

Total Cost: \$27,942,908 Total Cost/Net Rentable Sq. Ft.: \$90.97

**Income and Expenses**

Effective Gross Income:<sup>1</sup> \$2,535,151 Ttl. Expenses: \$1,115,714 Net Operating Inc.: \$1,419,437  
 Estimated 1st Year DCR: 1.10

**DEVELOPMENT TEAM**

Consultant: Not Utilized Manager: Southwest Housing Management  
 Attorney: True & Shackelford Architect: BGA Architects  
 Accountant: Reznick, Fedder & Silverman Engineer: Pond Robinson  
 Market Analyst: Butler Burgher Lender: Charter MAC Municipal Mortgage  
 Contractor: Affordable Housing Construction Syndicator: Related Capital Company

**PUBLIC COMMENT<sup>2</sup>**

| From Citizens:     | From Legislators or Local Officials:  |
|--------------------|---|
| # in Support: 0    | Sen. Gonzalo Barrientos, District 14 - NC   |
| # in Opposition: 0 | Rep. Glen Maxey, District 51 - NC   |
|                    | Mayor Gus Garcia - NC   |
|                    | Paul Hilgers, Community Development Officer, Neighborhood Housing and Community Development Office; Consistent with the City of Austin's local Consolidated Plan. |

\* This revised Annual Allocation Recommendation Amount is based upon verification that the development is located in a Qualified Census Tract.

1. Gross Income less Vacancy  
 2. NC - No comment received, O - Opposition, S - Support

**CONDITION(S) TO COMMITMENT**

1. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”
2. Receipt, review, and acceptance of a third party detailed sitework cost breakdown for all sitework costs, including costs per unit of materials and numbers of units required certified by an architect or engineer familiar with the sitework costs of this proposed project.
3. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs, building flood insurance and tenant flood insurance costs.
4. Receipt, review, and acceptance of documentation from the City of Austin that the development as proposed and underwritten is a conforming land use under current site zoning.
5. Should the terms of the proposed debt be altered, the development should be re-evaluated.

**DEVELOPMENT’S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond.    Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Brooke Boston, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT’S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score    Utilization of Set-Aside    Geographic Distrib.    Tax Exempt Bond    Housing Type

Other Comments including discretionary factors (if applicable).\_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director  
Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director’s Approval and description of discretionary factors (if applicable).**

Chairperson Signature: \_\_\_\_\_  
Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ADDENDUM**

DATE: July 31, 2002      PROGRAM: 4% LIHTC      FILE NUMBER: 02413

**DEVELOPMENT NAME**

Pleasant Valley Villas

**APPLICANT**

**Name:** Pleasant Valley Villas Housing, L.P.      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expressway, Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206      **Contact:** Brian Potashnik      **Phone:** (214) 891-1402      **Fax:** (214) 987-9294

**PRINCIPALS of the APPLICANT**

**Name:** Pleasant Valley Villas Development, LLC      **(%):** 0.01      **Title:** Managing General Partner  
**Name:** Related Capital Company      **(%):** 99.99      **Title:** Limited Partner  
**Name:** Brian Potashnik      **(%):** N/A      **Title:** 100% Owner of MGP

**GENERAL PARTNER**

**Name:** Pleasant Valley Villas Development, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 5910 North Central Expressway, Suite 1145      **City:** Dallas      **State:** TX  
**Zip:** 75206      **Contact:** Brian Potashnik      **Phone:** (214) 891-1402      **Fax:** (214) 987-9294

**PROPERTY LOCATION**

**Location:** Pleasant Valley Road and Oltorf Street       **QCT**     **DDA**  
**City:** Austin      **County:** Travis      **Zip:** 78741

**REQUEST**

| <u>Amount</u>   | <u>Interest Rate</u> | <u>Amortization</u> | <u>Term</u> |
|---|----------------------|---------------------|-------------|
| \$882,512   | N/A                  | N/A                 | N/A         |
| <b>Other Requested Terms:</b> <u>Annual ten-year allocation of low-income housing tax credits</u> |                      |                     |             |
| <b>Proposed Use of Funds:</b> <u>New construction</u>   |                      |                     |             |

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

Pleasant Valley Villas Housing, L.P. was awarded tax credits conditioned upon:

1. Receipt, review, and acceptance of a third party detailed sitework cost breakdown for all sitework costs, including costs per unit of materials and numbers of units required certified by an architect or engineer familiar with the sitework costs of this proposed project;
2. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs, building flood insurance and tenant flood insurance costs;
3. Receipt, review, and acceptance of documentation from the City of Austin that the development as

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
CREDIT UNDERWRITING ADDENDUM**

proposed and underwritten is a conforming land use under current site zoning;  
4. Should the terms of the proposed debt be altered, the development should be re-evaluated.  
Subsequent to completion of the original underwriting report, the Applicant submitted letters from the City of Austin and an accounting firm indicating that the development is located in a Qualified Census Tract (QCT) and, therefore, should receive an adjustment of 30% to its eligible basis estimate. The Underwriter concurs.

The QCT adjustment increases the development's eligible basis by \$7,151,166. As a result, the revised recommended annual tax credit allocation is \$1,137,274. The anticipated increase in syndication proceeds will cause a decrease in the required deferred developer fees to an estimated total of \$1,746,541. Deferred fees in this amount appear to be repayable from stabilized cashflow within ten years of operation.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- The Applicant's operating expenses/operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- Significant environmental/locational risks exist regarding the 100-year floodplain and site access.
- The significant financing structure changes being proposed have not been reviewed/accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$1,137,274 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.**

**CONDITIONS**

1. Receipt, review, and acceptance of a third party detailed sitework cost breakdown for all sitework costs, including costs per unit of materials and numbers of units required certified by an architect or engineer familiar with the sitework costs of this proposed project;
2. Receipt, review, and acceptance of a flood hazard mitigation plan to include, at a minimum, consideration and documentation of flood plain reclamation site work costs, building flood insurance and tenant flood insurance costs;
3. Receipt, review, and acceptance of documentation from the City of Austin that the development as proposed and underwritten is a conforming land use under current site zoning;
4. Should the terms of the proposed debt be altered, the development should be re-evaluated.

|   |                              |                                     |
|---|------------------------------|-------------------------------------|
| <b>Credit Underwriting Supervisor:</b>  | <hr/> <i>Lisa Vecchiatti</i> | <b>Date:</b> <u>August 13, 2002</u> |
| <b>Director of Credit Underwriting:</b> | <hr/> <i>Tom Gouris</i>      | <b>Date:</b> <u>August 13, 2002</u> |

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Pleasant Valley Villas, Austin, LIHTC #02413 ADDENDUM**

| Type of Unit  | Number     | Bedrooms | No. of Baths    | Size in SF   | Gross Rent Lmt. | Net Rent per Unit | Rent per Month   | Rent per SF   | Tnt Pd Util    | Wtr, Swr, Trns |
|---------------|------------|----------|-----------------|--------------|-----------------|-------------------|------------------|---------------|----------------|----------------|
| LIHTC (50%)   | 120        | 2        | 2               | 950          | \$800           | \$723             | \$86,760         | \$0.76        | \$77.00        | \$46.00        |
| LIHTC (50%)   | 104        | 3        | 2               | 1,153        | 924             | 832.00            | 86,528           | 0.72          | 92.00          | 70.00          |
| LIHTC (50%)   | 56         | 4        | 2               | 1,308        | 1,031           | 909.00            | 50,904           | 0.69          | 122.00         | 83.00          |
| <b>TOTAL:</b> | <b>280</b> |          | <b>AVERAGE:</b> | <b>1,097</b> | <b>\$892</b>    | <b>\$801</b>      | <b>\$224,192</b> | <b>\$0.73</b> | <b>\$91.57</b> | <b>\$62.31</b> |

| <b>INCOME</b>   |                 |                 |                  | <b>TDHCA</b>       | <b>APPLICANT</b>   |                 |                         |               |
|---|-----------------|-----------------|------------------|--------------------|--------------------|-----------------|-------------------------|---------------|
| Total Net Rentable Sq Ft: <b>307,160</b>                      |                 |                 |                  | <b>\$2,690,304</b> | <b>\$2,690,304</b> |                 |                         |               |
| <b>POTENTIAL GROSS RENT</b>                                   |                 |                 |                  | <b>50,400</b>      | <b>67,200</b>      | \$20.00         | Per Unit Per Month      |               |
| Secondary Income Per Unit Per Month: \$15.00                  |                 |                 |                  | 0                  |                    |                 |                         |               |
| Other Support Income: (describe)                              |                 |                 |                  | <b>\$2,740,704</b> | <b>\$2,757,504</b> |                 |                         |               |
| <b>POTENTIAL GROSS INCOME</b>                                 |                 |                 |                  | <b>(205,553)</b>   | <b>(206,808)</b>   | -7.50%          | of Potential Gross Rent |               |
| Vacancy & Collection Loss % of Potential Gross Income: -7.50% |                 |                 |                  | 0                  |                    |                 |                         |               |
| Employee or Other Non-Rental Units or Concessions             |                 |                 |                  | <b>\$2,535,151</b> | <b>\$2,550,696</b> |                 |                         |               |
| <b>EFFECTIVE GROSS INCOME</b>                                 |                 |                 |                  |                    |                    |                 |                         |               |
| <b>EXPENSES</b>   | <b>% OF EGI</b> | <b>PER UNIT</b> | <b>PER SQ FT</b> | <b>PER SQ FT</b>   | <b>PER UNIT</b>    | <b>% OF EGI</b> |                         |               |
| General & Administrative                                      | 2.78%           | \$252           | \$0.23           | \$70,512           | \$70,000           | \$0.23          | \$250                   | 2.74%         |
| Management  | 5.00%           | 453             | 0.41             | 126,758            | 127,364            | 0.41            | 455                     | 4.99%         |
| Payroll & Payroll Tax   | 9.52%           | 862             | 0.79             | 241,360            | 127,900            | 0.42            | 457                     | 5.01%         |
| Repairs & Maintenance   | 5.21%           | 472             | 0.43             | 132,031            | 121,000            | 0.39            | 432                     | 4.74%         |
| Utilities   | 3.09%           | 280             | 0.26             | 78,458             | 104,000            | 0.34            | 371                     | 4.08%         |
| Water, Sewer, & Trash   | 4.00%           | 362             | 0.33             | 101,360            | 96,600             | 0.31            | 345                     | 3.79%         |
| Property Insurance  | 1.94%           | 176             | 0.16             | 49,146             | 60,080             | 0.20            | 215                     | 2.36%         |
| Property Tax 2.5043   | 8.33%           | 754             | 0.69             | 211,091            | 168,000            | 0.55            | 600                     | 6.59%         |
| Reserve for Replacements                                      | 2.21%           | 200             | 0.18             | 56,000             | 56,000             | 0.18            | 200                     | 2.20%         |
| Other: spt svcs, compl. fees                                  | 1.93%           | 175             | 0.16             | 49,000             | 49,000             | 0.16            | 175                     | 1.92%         |
| <b>TOTAL EXPENSES</b>   | <b>44.01%</b>   | <b>\$3,985</b>  | <b>\$3.63</b>    | <b>\$1,115,714</b> | <b>\$979,944</b>   | <b>\$3.19</b>   | <b>\$3,500</b>          | <b>38.42%</b> |
| <b>NET OPERATING INC</b>                                      | <b>55.99%</b>   | <b>\$5,069</b>  | <b>\$4.62</b>    | <b>\$1,419,437</b> | <b>\$1,570,752</b> | <b>\$5.11</b>   | <b>\$5,610</b>          | <b>61.58%</b> |
| <b>DEBT SERVICE</b>   |                 |                 |                  |                    |                    |                 |                         |               |
| Charter/Mac Municipal Mortgage                                | 54.15%          | \$4,903         | \$4.47           | \$1,372,738        | \$1,436,974        | \$4.68          | \$5,132                 | 56.34%        |
| Additional Financing  | 0.00%           | \$0             | \$0.00           | 0                  | 0                  | \$0.00          | \$0                     | 0.00%         |
| Additional Financing  | 0.00%           | \$0             | \$0.00           | 0                  | 0                  | \$0.00          | \$0                     | 0.00%         |
| <b>NET CASH FLOW</b>  | <b>1.84%</b>    | <b>\$167</b>    | <b>\$0.15</b>    | <b>\$46,699</b>    | <b>\$133,778</b>   | <b>\$0.44</b>   | <b>\$478</b>            | <b>5.24%</b>  |
| <b>AGGREGATE DEBT COVERAGE RATIO</b>                          |                 |                 |                  | <b>1.03</b>        | <b>1.09</b>        |                 |                         |               |
| <b>ALTERNATIVE DEBT COVERAGE RATIO</b>                        |                 |                 |                  | <b>1.10</b>        |                    |                 |                         |               |

| <b>CONSTRUCTION COST</b>             |        |                |                 |                | <b>TDHCA</b>        | <b>APPLICANT</b>    | <b>PER SQ FT</b> | <b>PER UNIT</b> | <b>% of TOTAL</b> |
|--------------------------------------|--------|----------------|-----------------|----------------|---------------------|---------------------|------------------|-----------------|-------------------|
| Description                          | Factor | % of TOTAL     | PER UNIT        | PER SQ FT      |                     |                     |                  |                 |                   |
| Acquisition Cost (site or bldg)      |        | 7.37%          | \$7,143         | \$6.51         | \$2,000,000         | \$2,000,000         | \$6.51           | \$7,143         | 7.16%             |
| Off-Sites                            |        | 0.00%          | 0               | 0.00           | 0                   | 0                   | 0.00             | 0               | 0.00%             |
| Sitework                             |        | 13.70%         | 13,278          | 12.10          | 3,717,805           | 3,717,805           | 12.10            | 13,278          | 13.31%            |
| Direct Construction                  |        | 42.81%         | 41,493          | 37.82          | 11,617,980          | 12,266,000          | 39.93            | 43,807          | 43.90%            |
| Contingency 5.00%                    |        | 2.83%          | 2,739           | 2.50           | 766,789             | 854,300             | 2.78             | 3,051           | 3.06%             |
| General Reqts 6.00%                  |        | 3.39%          | 3,286           | 3.00           | 920,147             | 1,025,160           | 3.34             | 3,661           | 3.67%             |
| Contractor's G & 2.00%               |        | 1.13%          | 1,095           | 1.00           | 306,716             | 341,720             | 1.11             | 1,220           | 1.22%             |
| Contractor's Prof 6.00%              |        | 3.39%          | 3,286           | 3.00           | 920,147             | 1,025,160           | 3.34             | 3,661           | 3.67%             |
| Indirect Construction                |        | 2.10%          | 2,039           | 1.86           | 571,050             | 571,050             | 1.86             | 2,039           | 2.04%             |
| Ineligible Costs                     |        | 6.43%          | 6,237           | 5.69           | 1,746,271           | 1,746,271           | 5.69             | 6,237           | 6.25%             |
| Developer's G & A 2.00%              |        | 1.48%          | 1,430           | 1.30           | 400,325             | 0                   | 0.00             | 0               | 0.00%             |
| Developer's Profit 13.00%            |        | 9.59%          | 9,293           | 8.47           | 2,602,115           | 3,049,804           | 9.93             | 10,892          | 10.91%            |
| Interim Financing                    |        | 4.41%          | 4,270           | 3.89           | 1,195,638           | 1,195,638           | 3.89             | 4,270           | 4.28%             |
| Reserves                             |        | 1.38%          | 1,338           | 1.22           | 374,611             | 150,000             | 0.49             | 536             | 0.54%             |
| <b>TOTAL COST</b>                    |        | <b>100.00%</b> | <b>\$96,927</b> | <b>\$88.36</b> | <b>\$27,139,596</b> | <b>\$27,942,908</b> | <b>\$90.97</b>   | <b>\$99,796</b> | <b>100.00%</b>    |
| <b>Recap-Hard Construction Costs</b> |        | <b>67.24%</b>  | <b>\$65,177</b> | <b>\$59.41</b> | <b>\$18,249,585</b> | <b>\$19,230,145</b> | <b>\$62.61</b>   | <b>\$68,679</b> | <b>68.82%</b>     |

| <b>SOURCES OF FUNDS</b>           |        |           |          | <b>RECOMMENDED</b>  |                     |                     |
|-----------------------------------|--------|-----------|----------|---------------------|---------------------|---------------------|
| Charter/Mac Municipal Mortgage    | 66.12% | \$64,089  | \$58.42  | \$17,945,000        | \$17,945,000        | \$16,871,654        |
| Additional Financing              | 0.00%  | \$0       | \$0.00   | 0                   | 0                   | 0                   |
| LIHTC Syndication Proceeds        | 26.56% | \$25,743  | \$23.47  | 7,208,000           | 7,208,000           | 9,324,712           |
| Deferred Developer Fees           | 9.71%  | \$9,410   | \$8.58   | 2,634,882           | 2,634,882           | 1,746,541           |
| Additional (excess) Funds Require | -2.39% | (\$2,315) | (\$2.11) | (648,286)           | 155,026             | 0                   |
| <b>TOTAL SOURCES</b>              |        |           |          | <b>\$27,139,596</b> | <b>\$27,942,908</b> | <b>\$27,942,908</b> |

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**  
**Pleasant Valley Villas, Austin, LIHTC #02413 ADDENDUM**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook  
 Average Quality Multiple Residence Basis

| CATEGORY                               | FACTOR     | UNITS/SQ FT | PER SF         | AMOUNT              |
|--|------------|-------------|----------------|---------------------|
| Base Cost                              |            |             | \$40.16        | \$12,335,055        |
| <b>Adjustments</b>                     |            |             |                |                     |
| Exterior Wall Finish                   | 2.00%      |             | \$0.80         | \$246,701           |
| Elderly                                | 3.00%      |             | 1.20           | 370,052             |
| Roofing                                |            |             | 0.00           | 0                   |
| Subfloor                               |            |             | (1.96)         | (602,034)           |
| Floor Cover                            |            |             | 1.82           | 559,031             |
| Porches/Balconies                      | \$28.10    | 30896       | 2.83           | 868,178             |
| Plumbing                               | \$585      | 840         | 1.60           | 491,400             |
| Built-In Appliances                    | \$1,550    | 280         | 1.41           | 434,000             |
| Exterior Stairs                        | \$1,550    | 30          | 0.15           | 46,500              |
| Floor Insulation                       |            |             | 0.00           | 0                   |
| Heating/Cooling                        |            |             | 1.41           | 433,096             |
| Garages/Carports                       |            | 0           | 0.00           | 0                   |
| Comm &/or Aux Bldgs                    | \$53.70    | 5,051       | 0.88           | 271,254             |
| Interior Stairs                        | \$1,175.00 | 80          | 0.31           | 94,000              |
| <b>SUBTOTAL</b>                        |            |             | <b>50.62</b>   | <b>15,547,233</b>   |
| Current Cost Multiplier                | 1.04       |             | 2.02           | 621,889             |
| Local Multiplier                       | 0.88       |             | (6.07)         | (1,865,668)         |
| <b>TOTAL DIRECT CONSTRUCTION COSTS</b> |            |             | <b>\$46.57</b> | <b>\$14,303,454</b> |
| Plans, specs, survy, bld               | 3.90%      |             | (\$1.82)       | (\$557,835)         |
| Interim Construction Int               | 3.38%      |             | (1.57)         | (482,742)           |
| Contractor's OH & Profit               | 11.50%     |             | (5.36)         | (1,644,897)         |
| <b>NET DIRECT CONSTRUCTION COSTS</b>   |            |             | <b>\$37.82</b> | <b>\$11,617,980</b> |

**PAYMENT COMPUTATION**

|                   |              |               |      |
|-------------------|--------------|---------------|------|
| <b>Primary</b>    | \$17,945,000 | Term          | 480  |
| Int Rate          | 7.22%        | DCR           | 1.03 |
| <b>Secondary</b>  | \$0          | Term          |      |
| Int Rate          | 0.00%        | Subtotal DCR  | 1.03 |
| <b>Additional</b> | \$7,208,000  | Term          |      |
| Int Rate          |              | Aggregate DCR | 1.03 |

**RECOMMENDED FINANCING STRUCTURE:**

|                         |                  |
|-------------------------|------------------|
| Primary Debt Service    | \$1,290,630      |
| Secondary Debt Service  | 0                |
| Additional Debt Service | 0                |
| <b>NET CASH FLOW</b>    | <b>\$128,807</b> |

|                   |              |               |      |
|-------------------|--------------|---------------|------|
| <b>Primary</b>    | \$16,871,654 | Term          | 480  |
| Int Rate          | 7.22%        | DCR           | 1.10 |
| <b>Secondary</b>  | \$0          | Term          | 0    |
| Int Rate          | 0.00%        | Subtotal DCR  | 1.10 |
| <b>Additional</b> | \$7,208,000  | Term          | 0    |
| Int Rate          | 0.00%        | Aggregate DCR | 1.10 |

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE**

| INCOME at 3.00%             | YEAR 1             | YEAR 2             | YEAR 3             | YEAR 4             | YEAR 5             | YEAR 10            | YEAR 15            | YEAR 20            | YEAR 30            |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| POTENTIAL GROSS RENT        | \$2,690,304        | \$2,771,013        | \$2,854,144        | \$2,939,768        | \$3,027,961        | \$3,510,237        | \$4,069,326        | \$4,717,464        | \$6,339,878        |
| Secondary Income            | 50,400             | 51,912             | 53,469             | 55,073             | 56,726             | 65,761             | 76,235             | 88,377             | 118,771            |
| Other Support Income: (des  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| POTENTIAL GROSS INCOME      | 2,740,704          | 2,822,925          | 2,907,613          | 2,994,841          | 3,084,686          | 3,575,997          | 4,145,561          | 4,805,841          | 6,458,649          |
| Vacancy & Collection Loss   | (205,553)          | (211,719)          | (218,071)          | (224,613)          | (231,351)          | (268,200)          | (310,917)          | (360,438)          | (484,399)          |
| Employee or Other Non-Rent  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| EFFECTIVE GROSS INCOME      | \$2,535,151        | \$2,611,206        | \$2,689,542        | \$2,770,228        | \$2,853,335        | \$3,307,797        | \$3,834,644        | \$4,445,403        | \$5,974,250        |
| <b>EXPENSES at 4.00%</b>    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| General & Administrative    | \$70,512           | \$73,332           | \$76,265           | \$79,316           | \$82,489           | \$100,360          | \$122,103          | \$148,557          | \$219,901          |
| Management                  | 126,758            | 130,560            | 134,477            | 138,511            | 142,667            | 165,390            | 191,732            | 222,270            | 298,712            |
| Payroll & Payroll Tax       | 241,360            | 251,014            | 261,055            | 271,497            | 282,357            | 343,531            | 417,957            | 508,509            | 752,718            |
| Repairs & Maintenance       | 132,031            | 137,312            | 142,804            | 148,516            | 154,457            | 187,921            | 228,634            | 278,168            | 411,757            |
| Utilities                   | 78,458             | 81,597             | 84,861             | 88,255             | 91,785             | 111,671            | 135,865            | 165,300            | 244,684            |
| Water, Sewer & Trash        | 101,360            | 105,414            | 109,631            | 114,016            | 118,577            | 144,267            | 175,523            | 213,550            | 316,107            |
| Insurance                   | 49,146             | 51,111             | 53,156             | 55,282             | 57,493             | 69,950             | 85,104             | 103,542            | 153,268            |
| Property Tax                | 211,091            | 219,534            | 228,315            | 237,448            | 246,946            | 300,448            | 365,540            | 444,736            | 658,318            |
| Reserve for Replacements    | 56,000             | 58,240             | 60,570             | 62,992             | 65,512             | 79,705             | 96,974             | 117,984            | 174,644            |
| Other                       | 49,000             | 50,960             | 52,998             | 55,118             | 57,323             | 69,742             | 84,852             | 103,236            | 152,814            |
| <b>TOTAL EXPENSES</b>       | <b>\$1,115,714</b> | <b>\$1,159,075</b> | <b>\$1,204,133</b> | <b>\$1,250,953</b> | <b>\$1,299,606</b> | <b>\$1,572,984</b> | <b>\$1,904,285</b> | <b>\$2,305,853</b> | <b>\$3,382,924</b> |
| <b>NET OPERATING INCOME</b> | <b>\$1,419,437</b> | <b>\$1,452,130</b> | <b>\$1,485,409</b> | <b>\$1,519,275</b> | <b>\$1,553,729</b> | <b>\$1,734,814</b> | <b>\$1,930,358</b> | <b>\$2,139,550</b> | <b>\$2,591,326</b> |
| <b>DEBT SERVICE</b>         |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| First Lien Financing        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        | \$1,290,630        |
| Second Lien                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Other Financing             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>NET CASH FLOW</b>        | <b>\$128,807</b>   | <b>\$161,500</b>   | <b>\$194,779</b>   | <b>\$228,645</b>   | <b>\$263,099</b>   | <b>\$444,184</b>   | <b>\$639,728</b>   | <b>\$848,920</b>   | <b>\$1,300,696</b> |
| <b>DEBT COVERAGE RATIO</b>  | <b>1.10</b>        | <b>1.13</b>        | <b>1.15</b>        | <b>1.18</b>        | <b>1.20</b>        | <b>1.34</b>        | <b>1.50</b>        | <b>1.66</b>        | <b>2.01</b>        |

**LIHTC Allocation Calculation - Pleasant Valley Villas, Austin, LIHTC #02**

| CATEGORY  | APPLICANT'S<br>TOTAL<br>AMOUNTS | TDHCA<br>TOTAL<br>AMOUNTS | APPLICANT'S<br>REHAB/NEW<br>ELIGIBLE BASIS | TDHCA<br>REHAB/NEW<br>ELIGIBLE BASIS |
|---|---------------------------------|---------------------------|--|--------------------------------------|
| <b>(1) Acquisition Cost</b>                           |                                 |                           |  |                                      |
| Purchase of land                                      | \$2,000,000                     | \$2,000,000               |  |                                      |
| Purchase of buildings                                 |                                 |                           |  |                                      |
| <b>(2) Rehabilitation/New Construction Cost</b>       |                                 |                           |  |                                      |
| On-site work  | \$3,717,805                     | \$3,717,805               | \$3,717,805                                | \$3,717,805                          |
| Off-site improvements                                 |                                 |                           |  |                                      |
| <b>(3) Construction Hard Costs</b>                    |                                 |                           |  |                                      |
| New structures/rehabilitation hard costs              | \$12,266,000                    | \$11,617,980              | \$12,266,000                               | \$11,617,980                         |
| <b>(4) Contractor Fees &amp; General Requirements</b> |                                 |                           |  |                                      |
| Contractor overhead                                   | \$341,720                       | \$306,716                 | \$319,676                                  | \$306,716                            |
| Contractor profit                                     | \$1,025,160                     | \$920,147                 | \$959,028                                  | \$920,147                            |
| General requirements                                  | \$1,025,160                     | \$920,147                 | \$959,028                                  | \$920,147                            |
| <b>(5) Contingencies</b>                              |                                 |                           |  |                                      |
|   | \$854,300                       | \$766,789                 | \$799,190                                  | \$766,789                            |
| <b>(6) Eligible Indirect Fees</b>                     |                                 |                           |  |                                      |
|   | \$571,050                       | \$571,050                 | \$571,050                                  | \$571,050                            |
| <b>(7) Eligible Financing Fees</b>                    |                                 |                           |  |                                      |
|   | \$1,195,638                     | \$1,195,638               | \$1,195,638                                | \$1,195,638                          |
| <b>(8) All Ineligible Costs</b>                       |                                 |                           |  |                                      |
|   | \$1,746,271                     | \$1,746,271               |  |                                      |
| <b>(9) Developer Fees</b>                             |                                 |                           |  |                                      |
| Developer overhead                                    |                                 | \$400,325                 |  | \$400,325                            |
| Developer fee   | \$3,049,804                     | \$2,602,115               | \$3,049,804                                | \$2,602,115                          |
| <b>(10) Development Reserves</b>                      |                                 |                           |  |                                      |
|   | \$150,000                       | \$374,611                 |  |                                      |
| <b>TOTAL DEVELOPMENT COSTS</b>                        | <b>\$27,942,908</b>             | <b>\$27,139,596</b>       | <b>\$23,837,220</b>                        | <b>\$23,018,714</b>                  |

| <b>Deduct from Basis:</b>                                  |  |        |                     |                     |
|--|--|--------|---------------------|---------------------|
| All grant proceeds used to finance costs in eligible basis |  |        |                     |                     |
| B.M.R. loans used to finance cost in eligible basis        |  |        |                     |                     |
| Non-qualified non-recourse financing                       |  |        |                     |                     |
| Non-qualified portion of higher quality units [42(d)(3)]   |  |        |                     |                     |
| Historic Credits (on residential portion only)             |  |        |                     |                     |
| <b>TOTAL ELIGIBLE BASIS</b>                                |  |        | <b>\$23,837,220</b> | <b>\$23,018,714</b> |
| High Cost Area Adjustment                                  |  |        | 130%                | 130%                |
| <b>TOTAL ADJUSTED BASIS</b>                                |  |        | <b>\$30,988,386</b> | <b>\$29,924,328</b> |
| Applicable Fraction  |  |        | 100%                | 100%                |
| <b>TOTAL QUALIFIED BASIS</b>                               |  |        | <b>\$30,988,386</b> | <b>\$29,924,328</b> |
| Applicable Percentage                                      |  |        | 3.67%               | 3.67%               |
| <b>TOTAL AMOUNT OF TAX CREDITS</b>                         |  |        | <b>\$1,137,274</b>  | <b>\$1,098,223</b>  |
| <b>Syndication Proceeds</b>                                |  |        |                     |                     |
|  |  | 0.8199 | \$9,324,712         | \$9,004,527         |



**LOW INCOME HOUSING TAX CREDIT PROGRAM**  
**2002 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**  
 Texas Department of Housing and Community Affairs

Development Name: **Emerald Bay Apartments**

TDHCA#: 02421

**DEVELOPMENT AND OWNER INFORMATION**

Development Location: Houston QCT: Y DDA: N TTC: N  
 Development Owner: Mineral Creek Limited Partnership  
 General Partner(s): Picerne Mineral Creek, LLC, 100%, Contact: Kurt P. Kehoe  
 Construction Category: New  
 Set-Aside Category: Tax Exempt Bond Bond Issuer: Houston HFC  
 Development Type: Family

**Annual Tax Credit Allocation Calculation**

Applicant Request: \$835,349 Eligible Basis Amt: \$851,068 Equity/Gap Amt.: \$932,562  
**Annual Tax Credit Allocation Recommendation: \$851,068**  
 Total Tax Credit Allocation Over Ten Years: \$ 8,510,680

**PROPERTY INFORMATION**

**Unit and Building Information**

Total Units: 248 LIHTC Units: 248 % of LIHTC Units: 100%  
 Gross Square Footage: 270,842  
 Average Square Footage/Unit: 1080  
 Number of Buildings: 11  
 Currently Occupied: N

**Development Cost**

Total Cost: \$19,547,012 Total Cost/Net Rentable Sq. Ft.: 72.98

**Income and Expenses**

Effective Gross Income:<sup>1</sup> \$1,860,624 Ttl. Expenses: \$859,271 Net Operating Inc.: \$1,001,353  
 Estimated 1st Year DCR: 1.11

**DEVELOPMENT TEAM**

Consultant: Not Utilized Manager: Picerne Management Corp.  
 Attorney: Gray, Harris & Robinson Architect: Forum Architecture & Interior Design  
 Accountant: Reznick, Fedder & Silverman Engineer: Burt & Partners  
 Market Analyst: Real Property Research Group Lender: Charter Mac  
 Contractor: Picerne Construction Co. Syndicator: Related Capital Company

**PUBLIC COMMENT<sup>2</sup>**

|                    |  |
|--------------------|--|
| From Citizens:     | From Legislators or Local Officials:   |
| # in Support: 0    | Sen. Rodney Ellis, District 13 - NC  |
| # in Opposition: 0 | Rep. Harold V. Dutton, Jr., District 142 - NC  |
|                    | Mayor Lee P. Brown - NC  |
|                    | Margie L Bingham, Director of Housing and Community and Development Department; Consistent with the City of Houston's Consolidated Plan. |

1. Gross Income less Vacancy

2. NC - No comment received, O - Opposition, S - Support

**CONDITION(S) TO COMMITMENT**

- 1. Per §49.7(i)(6) of the Qualified Allocation Plan and Rules, all Tax Exempt Bond Project Applications “must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of such services will be included in the Declaration of Land Use Restrictive Covenants (“LURA”).”

**DEVELOPMENT'S SELECTION BY PROGRAM MANAGER & DIVISION DIRECTOR IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond.  Housing Type

Other Comments including discretionary factors (if applicable).

\_\_\_\_\_  
Brooke Boston, LIHTC Co-Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
David Burrell, Director of Housing Programs

\_\_\_\_\_  
Date

**DEVELOPMENT'S SELECTION BY EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:**

Score  Utilization of Set-Aside  Geographic Distrib.  Tax Exempt Bond  Housing Type

Other Comments including discretionary factors (if applicable).\_\_\_\_\_

\_\_\_\_\_  
Edwina P. Carrington, Executive Director

Chairman of Executive Award and Review Advisory Committee

\_\_\_\_\_  
Date

**TDHCA Board of Director's Approval and description of discretionary factors (if applicable).**

Chairperson Signature: \_\_\_\_\_

Michael E. Jones, Chairman of the Board

\_\_\_\_\_  
Date

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
MULTI FAMILY CREDIT UNDERWRITING ANALYSIS**

DATE: August 20, 2002

PROGRAM: 4% LIHTC

FILE NUMBER: 02421

**DEVELOPMENT NAME**

Emerald Bay Apartments

**APPLICANT**

**Name:** Mineral Creek Limited Partnership      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 247 North Westmonte Drive      **City:** Altamonte Springs      **State:** FL  
**Zip:** 32714    **Contact:** Kurt P. Kehoe      **Phone:** (407) 772-0200    **Fax:** (407) 772-0220

**PRINCIPALS of the APPLICANT**

**Name:** Picerne Mineral Creek, LLC      **(%):** .01      **Title:** General Partner  
**Name:** Related Capital Company      **(%):** 99.99      **Title:** Limited Partner  
**Name:** \_\_\_\_\_      **(%):** \_\_\_\_\_      **Title:** \_\_\_\_\_

**GENERAL PARTNER**

**Name:** Picerne Mineral Creek, LLC      **Type:**  For Profit     Non-Profit     Municipal     Other  
**Address:** 247 North Westmonte Drive      **City:** Altamonte Springs      **State:** FL  
**Zip:** 32714    **Contact:** Kurt P. Kehoe      **Phone:** (407) 772-0200    **Fax:** (407) 772-0220

**PROPERTY LOCATION**

**Location:** NW corner of Bennington & Homestead Road       QCT     DDA  
**City:** Houston      **County:** Harris      **Zip:** 77028

**REQUEST**

| <u>Amount</u>                 | <u>Interest Rate</u>   | <u>Amortization</u> | <u>Term</u> |
|-------------------------------|--|---------------------|-------------|
| \$835,349                     | n/a  | n/a                 | n/a         |
| <b>Other Requested Terms:</b> | Annual ten-year allocation of low-income housing tax credits |                     |             |
| <b>Proposed Use of Funds:</b> | New Construction   |                     |             |

**SITE DESCRIPTION**

**Size:** 11 acres      479,160 square feet      **Zoning/ Permitted Uses:** not subject to zoning  
**Flood Zone Designation:** Zone X      **Status of Off-Sites:** Fully Improved

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
CREDIT UNDERWRITING ANALYSIS**

**DESCRIPTION of IMPROVEMENTS**

**Total Units:** 248    **# Rental Buildings:** 11    **# Common Area Bldgs:** 1    **# of Floors:** 3    **Age:** n/a yrs    **Vacant:** \_\_\_\_\_ at / /

| Number | Bedrooms | Bathroom | Size in SF |
|--------|----------|----------|------------|
| 104    | 2        | 2        | 968        |
| 112    | 3        | 2        | 1,122      |
| 32     | 4        | 2        | 1,297      |

**Net Rentable SF:** 267,840    **Av Un SF:** 1,080    **Common Area SF:** 3,002    **Gross Bldg SF:** 270,842

**Property Type:**     Multifamily     SFR Rental     Elderly     Mixed Income     Special Use

**CONSTRUCTION SPECIFICATIONS**

**STRUCTURAL MATERIALS**

Wood frame on a post-tensioned concrete slab on grade, 40% brick veneer/60% vinyl siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

**APPLIANCES AND INTERIOR FEATURES**

Carpeting, vinyl & tile flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters

**ON-SITE AMENITIES**

3,002-SF community building with club room, management offices, fitness & laundry facilities, kitchen, restrooms, computer/business center, media room, central mailroom, swimming pool,

**Uncovered Parking:** 470 spaces    **Carports:** n/a spaces    **Garages:** n/a spaces

**OTHER SOURCES of FUNDS**

**LONG TERM/PERMANENT FINANCING**

**Source:** Charter Mac    **Contact:** Marnie Miller

**Principal Amount:** \$11,900,000    **Interest Rate:** 7% fixed for tax exempt; 9% fixed for taxable

**Additional Information:** \_\_\_\_\_

**Amortization:** 40 yrs    **Term:** 40 yrs    **Commitment:**     None     Firm     Conditional

**Annual Payment:** \$908,270    **Lien Priority:** 1st    **Commitment Date:** 5/ 31/ 2002

**LIHTC SYNDICATION**

**Source:** Related Capital Company    **Contact:** Justin Ginsberg

**Address:** 625 Madison Avenue    **City:** New York

**State:** NY    **Zip:** 10022    **Phone:** (212) 521-6369    **Fax:** (212) 751-3550

**Net Proceeds:** \$6,573,000    **Net Syndication Rate (per \$1.00 of 10-yr LIHTC):** .82¢

**Commitment:**     None     Firm     Conditional    **Date:** 06/ 21/ 2002

**Additional Information:** \_\_\_\_\_

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
CREDIT UNDERWRITING ANALYSIS**

**APPLICANT EQUITY**

**Amount:** \$1,074,010                      **Source:** Deferred developer fee

**VALUATION INFORMATION**

**ASSESSED VALUE**

|   |                  |                                    |                                  |
|---|------------------|------------------------------------|----------------------------------|
| <b>Land (41.2204 acres):</b>            | \$718,220        | <b>Assessment for the Year of:</b> | 2001                             |
| <b>Land (prorated) :</b>                | \$17,423.89/acre | <b>Valuation by:</b>               | Harris County Appraisal District |
| <b>Total Assessed Value (11 acres):</b> | \$191,662.79     | <b>Tax Rate:</b>                   | 1.3826                           |

**EVIDENCE of SITE or PROPERTY CONTROL**

**Type of Site Control:** Earnest Money Contract

**Contract Expiration Date:** 09/ 26/ 2002    **Anticipated Closing Date:** 09/ 25/ 2002

**Acquisition Cost:** \$ 1,102,068    **Other Terms/Conditions:** \_\_\_\_\_

**Seller:** Cypress-Industrial Co-Investment, LP                      **Related to Development Team Member:** No

**REVIEW of PREVIOUS UNDERWRITING REPORTS**

No previous reports.

**PROPOSAL and DEVELOPMENT PLAN DESCRIPTION**

**Description:** Emerald Bay Apartments is a proposed new construction development of 248 units of affordable housing located in northeast Houston. The development is comprised of 11 residential buildings as follows:

- (2) Building Type I with twelve 3-bedroom units and twelve 4- bedroom units;
- (6) Building Type II with twelve 2-bedroom units and twelve 3-bedroom units;
- (2) Building Type III with twelve 2-bedroom units and eight 3-bedroom units; and
- (1) Building Type IV with eight 2-bedroom units and eight 4-bedroom units;

Based on the site plan the apartment buildings are distributed evenly throughout the site, with the community building, mailboxes, and swimming pool located near the entrance to the site. The 3,002-square foot community building plan includes management offices, a club room, media room, business center, fitness room, kitchen, restrooms, and laundry facilities.

**Supportive Services:** The Applicant has contracted with Picerne Management Corporation to provide the following supportive services to tenants: resident activities, after school youth program, health care, resident support group meetings and community resources. These services will be provided at no cost to tenants. The contract requires the Applicant to provide, furnish, and maintain facilities in the community building for provision of the services, and to pay a monthly fee of \$1,033.33 for the five year term of the contract.

**Schedule:** The Applicant anticipates construction to begin in October of 2002, to be completed in December of 2003, to be placed in service in December of 2003, and to be substantially leased-up in March of 2004.

**POPULATIONS TARGETED**

**Income Set-Aside:** The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. 248 of the units (100% of the total) will be reserved for low-income tenants. All of the units will be reserved for households earning 50% or less of AMGI. Although this allows for prospective tenants to be qualified at the 60% of AMGI or less income level, as a Priority 1 private activity bond lottery project 100% of the units must have rents restricted to be affordable to households at or below 50% of AMGI.

**Special Needs Set-Asides:** Thirteen units (5.24%) will be handicapped-accessible.

**Compliance Period Extension:** The Applicant did not disclose whether the compliance period will be extended.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS**  
**CREDIT UNDERWRITING ANALYSIS**

**MARKET HIGHLIGHTS**

A market feasibility study dated June 2002 was prepared by Real Property Research Group and highlighted the following findings:

**Definition of Market/Submarket:** “The Primary Market Area for Emerald Bay Apartments consists of the census tracts northeast of downtown Houston. The approximate borders of this market area are Little York Road to the north, Interstate 60 to the east, Interstate 10 to the south, and Interstate 45/Hardy Toll Road to the west...The subject site is located in the approximate middle of this market area.” (p. 17)

| <b>ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY</b> |                         |                          |                        |                          |
|--|-------------------------|--------------------------|------------------------|--------------------------|
| <b>Type of Demand</b>                                  | <b>Market Analyst</b>   |                          | <b>Underwriter</b>     |                          |
|  | <b>Units of Demand*</b> | <b>% of Total Demand</b> | <b>Units of Demand</b> | <b>% of Total Demand</b> |
| Household Growth                                       | 254                     | 83%                      | -2                     | 0%                       |
| Resident Turnover                                      | n/a                     | n/a                      | 2,734                  | 100%                     |
| # of unit for 5% market vacancy                        | 52                      | 17%                      | n/a                    | n/a                      |
| <b>TOTAL ANNUAL DEMAND</b>                             | <b>306</b>              | <b>100%</b>              | <b>2,733</b>           | <b>100%</b>              |

Ref: p. 51-52

The market analyst based this figure on household projection discussed in the report. The analyst estimates that 32,757 households will reside in the PMA in 2003, which will decrease slightly in 2006. “Based on 2000 Census data, 49.9 percent of householders in this market are renters. Applying this rate to the projected number of households, we project an increase of 254 renter households in the market area...Typically it is assumed that a five percent vacancy rate is required to keep a rental market relatively fluid, e.g. giving people a choice of whether they wish to live in a rental unit. Based on this assumption, 52 units must be added to the market area in order to achieve 95 percent occupancy. Thus, the total rental demand for rental housing would be 306 in 2003.” (p. 51-52)

The Underwriter calculated a different demand figure based on the information provided in the market study. **Capture Rate:** The Underwriter calculated a concentration capture rate of 9% based upon the information provided in the market study. The market analyst included the following information regarding capture rate: “To fully lease up, the 248 tax credit units would need to capture 3.3 percent of the income-qualified households in the market.” (p. 53)

**Market Rent Comparables:** “As part of this analysis, Real Property Research Group surveyed 12 rental communities identified in the Primary Market Area...The 12 rental communities surveyed account for 1,559 dwelling units.” (p. 38)

| <b>RENT ANALYSIS (net tenant-paid rents)</b> |                 |                    |                     |                |                     |
|--|-----------------|--------------------|---------------------|----------------|---------------------|
| <b>Unit Type (% AMI)</b>                     | <b>Proposed</b> | <b>Program Max</b> | <b>Differential</b> | <b>Market*</b> | <b>Differential</b> |
| <b>2-Bedroom (50%)</b>                       | \$600           | \$600              | \$0                 | \$523          | +\$77               |
| <b>3-Bedroom (50%)</b>                       | \$690           | \$690              | \$0                 | \$744          | -\$54               |
| <b>4-Bedroom (50%)</b>                       | \$757           | \$757              | \$0                 | \$744          | +\$13               |

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent = \$500, program max = \$600, differential = -\$100)

\* Market rental rate ranges: \$340 - \$700 for 2BR; \$618 - \$875 for +3BR

**Submarket Vacancy Rates:** “Although specific historical data was unavailable from property managers, general information was available. The majority of property managers surveyed indicated that vacancy rates remained consistently below five percent.” (p. 38)

**Absorption Projections:** “We believe that given the large unit sizes, strong demand estimates, competitive rents, and competitive amenities and assuming an aggressive professional marketing campaign, this project should be able to lease at a minimum rate of 20 units per month. At this rate, the project should be able to attain 95 percent occupancy within approximately 11 to 12 months time.” (p. 58)

**Known Planned Development:** “According to the Houston Planning and Development Department, there are no multifamily rental properties proposed within the borders of the primary market area. Development officials confirmed that there has been little new construction in this area of Houston during the past decade.”

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
CREDIT UNDERWRITING ANALYSIS**

(p. 45)

**Effect on Existing Housing Stock:** “The multifamily rental stock in the primary market area is fairly old. The average age of rental communities in the PMA is twenty-six years...The experiences of the property that has been constructed within the past year indicate that there is demand for newly constructed rental units within the primary market area.” (p. 38)

The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

**SITE and NEIGHBORHOOD CHARACTERISTICS**

**Location:** Houston is located in southeast Texas in Harris County. The site is a rectangular-shaped parcel located in the northeast area of Houston. The site is situated on the north side of Bennington Street.

**Population:** The estimated 2000 population of the PMA was 103,388 and is expected to decrease slightly to approximately 103,372 by 2006. Within the primary market area there were estimated to be 32,798 households in 2000.

**Adjacent Land Uses:** Land uses in the overall area in which the site is located are mixed, with vacant land, single family homes, and retail/restaurant establishments. Adjacent land uses include:

- **North:** single family homes, Peyton Street
- **South:** vacant land, Bennington Street
- **East:** vacant land
- **West:** single family homes, further west are retail, restaurants and public schools

**Site Access:** Access and entry to the property is from the east or west along Bennington Street. Access to Highway 59 is approximately two miles and Interstate 45 is within one half mile east of the site, which provides connections to all other major roads serving the Houston area.

**Public Transportation:** “The Houston Metropolitan Transit Authority serves the primary market area with several local routes including Route 60 which has several stops within walking distance along Bennington Street. The daily fare for unlimited bus service is \$2.” (p. 12)

**Shopping & Services:** The site is within one half of one mile of a Fiesta Food Store and other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

**Site Inspection Findings:** TDHCA staff performed a site inspection on July 3, 2002 and found the location to be acceptable for the proposed development. The inspector noted there is an abandoned multifamily complex down the street and an unidentified plant across the street from the Subject.

**HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)**

A Phase I Environmental Site Assessment report dated June 21, 2002 was prepared by Professional Service Industries, Inc. and contained the following conclusions and recommendations:

**Conclusions:** “PSI has performed a Phase I Environmental Site Assessment in general conformance with the scope and limitations of the ASTM Standard E 1527-00 protocol and the client specified scope of work of the proposed Emerald Bay Apartments in Houston, Texas. Exceptions to or deletions from this protocol are discussed earlier in this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the subject property.” (p. 18)

**Recommendations:** “Based on investigation of the property for evidence of recognized environmental conditions, PSI offers the following recommendations: No further assessments of recognized environmental conditions appear warranted, at this time.” (p. 19)

**OPERATING PROFORMA ANALYSIS**

**Income:** The Applicant’s rent projections are the maximum rents allowed under LIHTC guidelines and are consistent with the Underwriter’s estimates. The Applicant’s secondary income and vacancy and collection loss assumptions are in line with TDHCA underwriting guidelines.

**Expenses:** The Applicant’s total expense estimate of \$3,465 per unit is within 5% of a TDHCA database-derived estimate of \$3,583 per unit for comparably-sized developments. However, the Applicant’s budget shows several line item estimates that deviate significantly when compared to the Underwriter’s estimates,

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS**  
**CREDIT UNDERWRITING ANALYSIS**

particularly: general and administrative (\$48K lower), repairs and maintenance (\$33K lower), utilities (\$24K lower), water, sewer, and trash (\$29K higher), insurance (\$7K lower) and property tax (\$59K higher)

**Conclusion:** The Applicant's income, operating expense and net operating income estimates are within 5% of the Underwriter's estimates. Therefore, the Applicant's NOI will be used to evaluate debt service capacity. While the Underwriter's proforma results in a debt coverage ratio (DCR) that is below the Department's 1.10 minimum, the Applicant's proforma results in an acceptable DCR based on both their estimated debt service and the Underwriter's slightly lower calculated debt service.

**CONSTRUCTION COST ESTIMATE EVALUATION**

**Land Value:** The acquisition price of \$1,102,068 is assumed to be reasonable since the acquisition is an arm's-length transaction.

**Sitework Cost:** The Applicant's claimed sitework costs of \$5,522 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

**Direct Construction Cost:** The Applicant's direct construction cost estimate is \$198K or 2% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate.

**Interim Financing Fees:** The Underwriter reduced the Applicant's eligible interim financing fees by \$253K to reflect an apparent overestimation of eligible construction loan interest, to bring the eligible interest expense down to one year of fully drawn interest expense. This results in an equivalent adjustment to the Applicant's eligible basis estimate.

**Fees:** The Applicant's general requirements, contractor's general and administrative fees, and contractor's profit exceed the 6%, 2%, and 6% maximums allowed by LIHTC guidelines based on their own construction costs. Consequently the Applicant's eligible fees in these areas have been reduced with the overage effectively moved to ineligible costs.

**Conclusion:** The Applicant's total development cost estimate is within 5% of the Underwriter's verifiable estimate and is therefore generally acceptable. Since the Underwriter has been able to verify the Applicant's projected costs to a reasonable margin, the Applicant's total cost breakdown, as adjusted, is used to calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$17,838,364 is used to determine a credit allocation of \$851,068 from this method. This is \$15,719 more than initially requested due to the Applicant's use of a lower applicable percentage of 3.54% rather than the 3.67% underwriting rate used. The resulting syndication proceeds will be used to compare to the gap of need using the Applicant's costs to determine the recommended credit amount.

**FINANCING STRUCTURE ANALYSIS**

The Applicant intends to finance the development with three types of financing from three sources: a bond financed interim to permanent loan, syndicated LIHTC equity and deferred developer's fees.

**Bonds:** The Applicant has requested tax-exempt and taxable private activity bonds in the amount of \$10,570,000 and \$1,330,000, respectively. Charter MAC has proposed to purchase the bonds. The terms include a 7% interest rate for the tax-exempt bonds and 9% interest rate for the taxable bonds and an overall maturity of 40 years. It is anticipated that the taxable portion will be repaid first with interest-only payments due on the tax-exempt portion for the first 15 to 16 years, as estimated by Charter MAC. Based on these terms, the Underwriter used a blended interest rate of 7.12% for this analysis.

**LIHTC Syndication:** Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$6,573,000 based on a syndication factor of 81.73%. The funds would be disbursed in a seven-phased pay-in schedule:

1. 25% upon admission to the partnership;
2. 12% at 25% construction completion;
3. 15% at 50% construction completion;
4. 15% at 75% construction completion;
5. 15% at 98% construction completion;
6. 8% at construction completion and upon satisfaction of other completion conditions; and
7. 10% upon satisfaction of rental achievement conditions.

**Deferred Developer's Fees:** The Applicant's proposed deferred developer's fees of \$1,074,010 amount to 47% of the total fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS  
CREDIT UNDERWRITING ANALYSIS**

**Financing Conclusions:** The Applicant's adjusted estimate of eligible basis results in a recommended LIHTC allocation of no more than \$851,068 annually for ten years and anticipated syndication proceeds of approximately \$6,955,937. Based on the underwriting analysis, the Applicant's deferred developer fee will decrease to \$691,075. Deferred fees in this amount appear to be repayable from development cash flow within five years of stabilized operation.

**REVIEW of ARCHITECTURAL DESIGN**

The exterior elevations are simple, with varied rooflines. Individual unit floor plans indicate adequate storage space including walk in closets, linen closets and utility closets. Each unit has a semi-private exterior entry that is off an interior breezeway that is shared with three other units. The units are in three-story structures with mixed brick veneer/vinyl siding exterior finish and hipped roofs.

**IDENTITIES of INTEREST**

The Applicant, developer, general contractor, property manager, and support services provider are related entities. These are common identities of interest for LIHTC-funded developments.

**APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE**

**Financial Highlights:**

- The Applicant and General Partner are single-purpose entities created for the purpose of receiving assistance from TDHCA and therefore have no material financial statements.
- The 49% owner of the General Partner, Picerne Investment Corporation submitted an unaudited financial statement dated March 31, 2001 for the consolidated companies of Picerne Investment Corporation. Total assets reported were \$633M, consisting of \$94M in cash, \$76M in receivables, \$439M in real property and construction in progress, and \$23M in other assets. Liabilities totaled \$628M, resulting in a net worth of \$5M.

**Background & Experience:**

- The Applicant and General Partner are new entities formed for the purpose of developing the project.
- The Picerne Development Corporation, the Developer, General Contractor, Property Manager, and 51% owner of the General Partner, listed participation as general partner, developer, contractor, and/or manager on 54 affordable housing projects totaling 7,035 units since 1985.

**SUMMARY OF SALIENT RISKS AND ISSUES**

- None noted.

**RECOMMENDATION**

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$851,068 ANNUALLY FOR TEN YEARS.

**Associate Underwriter:**

\_\_\_\_\_  
*Raquel Morales*

**Date:** August 20, 2002

**Director of Credit Underwriting:**

\_\_\_\_\_  
*Tom Gouris*

**Date:** August 20, 2002

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis**

**Emerald Bay Apartments, Houston, LIHTC #02421**

| Type of Unit  | Number     | Bedrooms | No. of Baths    | Size in SF   | Gross Rent Lmt. | Net Rent per Unit | Rent per Month   | Rent per SF   | Tnt Pd Util    | Wtr, Swr, Trsh |
|---------------|------------|----------|-----------------|--------------|-----------------|-------------------|------------------|---------------|----------------|----------------|
| TC 50%        | 104        | 2        | 2               | 968          | \$670           | \$600             | \$62,400         | \$0.62        | \$70.00        | \$25.00        |
| TC 50%        | 112        | 3        | 2               | 1,122        | \$775           | \$690             | 77,280           | 0.61          | 85.00          | \$25.00        |
| TC 50%        | 32         | 4        | 2               | 1,297        | \$863           | \$757             | 24,224           | 0.58          | 106.00         | \$25.00        |
| <b>TOTAL:</b> | <b>248</b> |          | <b>AVERAGE:</b> | <b>1,080</b> | <b>\$742</b>    | <b>\$661</b>      | <b>\$163,904</b> | <b>\$0.61</b> | <b>\$81.42</b> | <b>\$25.00</b> |

| <b>INCOME</b>                                     |                              |                |               | <b>TDHCA</b>     | <b>APPLICANT</b>   |                  |                         |                 |
|---|------------------------------|----------------|---------------|------------------|--------------------|------------------|-------------------------|-----------------|
| Total Net Rentable Sq Ft: 267,840                 |                              |                |               | \$1,966,848      | \$1,966,848        |                  |                         |                 |
| <b>POTENTIAL GROSS RENT</b>                       |                              |                |               |                  |                    |                  |                         |                 |
| Secondary Income                                  | Per Unit Per Month:          | \$15.00        |               | 44,640           | 44,640             | \$15.00          | Per Unit Per Month      |                 |
| Other Support Income: (describe)                  |                              |                |               | 0                | 0                  |                  |                         |                 |
| <b>POTENTIAL GROSS INCOME</b>                     |                              |                |               | \$2,011,488      | \$2,011,488        |                  |                         |                 |
| Vacancy & Collection Loss                         | % of Potential Gross Income: | -7.50%         |               | (150,862)        | (150,864)          | -7.50%           | of Potential Gross Rent |                 |
| Employee or Other Non-Rental Units or Concessions |                              |                |               | 0                | 0                  |                  |                         |                 |
| <b>EFFECTIVE GROSS INCOME</b>                     |                              |                |               | \$1,860,626      | \$1,860,624        |                  |                         |                 |
| <b>EXPENSES</b>                                   |                              |                |               |                  |                    | <b>PER SQ FT</b> | <b>PER UNIT</b>         | <b>% OF RGI</b> |
| General & Administrative                          | 4.35%                        | \$326          | \$0.30        | \$80,892         | \$32,780           | \$0.12           | \$132                   | 1.76%           |
| Management  | 5.00%                        | 375            | 0.35          | 93,031           | 93,031             | 0.35             | 375                     | 5.00%           |
| Payroll & Payroll Tax                             | 11.10%                       | 833            | 0.77          | 206,584          | 200,000            | 0.75             | 806                     | 10.75%          |
| Repairs & Maintenance                             | 5.08%                        | 381            | 0.35          | 94,499           | 61,900             | 0.23             | 250                     | 3.33%           |
| Utilities   | 3.32%                        | 249            | 0.23          | 61,788           | 38,000             | 0.14             | 153                     | 2.04%           |
| Water, Sewer, & Trash                             | 4.00%                        | 300            | 0.28          | 74,400           | 103,800            | 0.39             | 419                     | 5.58%           |
| Property Insurance                                | 2.30%                        | 173            | 0.16          | 42,854           | 35,960             | 0.13             | 145                     | 1.93%           |
| Property Tax                                      | 2.9626                       | 671            | 0.62          | 166,326          | 225,600            | 0.84             | 910                     | 12.12%          |
| Reserve for Replacements                          | 2.67%                        | 200            | 0.19          | 49,600           | 49,600             | 0.19             | 200                     | 2.67%           |
| Other Expenses:                                   | 1.00%                        | 75             | 0.07          | 18,600           | 18,600             | 0.07             | 75                      | 1.00%           |
| <b>TOTAL EXPENSES</b>                             | <b>47.76%</b>                | <b>\$3,583</b> | <b>\$3.32</b> | <b>\$888,574</b> | <b>\$859,271</b>   | <b>\$3.21</b>    | <b>\$3,465</b>          | <b>46.18%</b>   |
| <b>NET OPERATING INC</b>                          | <b>52.24%</b>                | <b>\$3,920</b> | <b>\$3.63</b> | <b>\$972,052</b> | <b>\$1,001,353</b> | <b>\$3.74</b>    | <b>\$4,038</b>          | <b>53.82%</b>   |
| <b>DEBT SERVICE</b>                               |                              |                |               |                  |                    |                  |                         |                 |
| Charter Mac- Tax Exempt                           | 48.39%                       | \$3,630        | \$3.36        | \$900,321        | \$908,270          | \$3.39           | \$3,662                 | 48.82%          |
|   | 0.00%                        | \$0            | \$0.00        | 0                | 0                  | \$0.00           | \$0                     | 0.00%           |
|   | 0.00%                        | \$0            | \$0.00        | 0                | 0                  | \$0.00           | \$0                     | 0.00%           |
| <b>NET CASH FLOW</b>                              | <b>3.86%</b>                 | <b>\$289</b>   | <b>\$0.27</b> | <b>\$71,732</b>  | <b>\$93,083</b>    | <b>\$0.35</b>    | <b>\$375</b>            | <b>5.00%</b>    |
| <b>AGGREGATE DEBT COVERAGE RATIO</b>              |                              |                |               | 1.08             | 1.10               |                  |                         |                 |
| <b>ALTERNATIVE DEBT COVERAGE RATIO</b>            |                              |                |               |                  | 1.11               |                  |                         |                 |

| <b>CONSTRUCTION COST</b>             |               |                   |                 | <b>TDHCA</b>     | <b>APPLICANT</b>    | <b>PER SQ FT</b>    | <b>PER UNIT</b>     | <b>% of TOTAL</b> |
|--------------------------------------|---------------|-------------------|-----------------|------------------|---------------------|---------------------|---------------------|-------------------|
| <b>Description</b>                   | <b>Factor</b> | <b>% of TOTAL</b> | <b>PER UNIT</b> | <b>PER SQ FT</b> |                     |                     |                     |                   |
| Acquisition Cost (site or bldg)      |               | 5.52%             | \$4,444         | \$4.11           | \$1,102,068         | \$1,102,068         | \$4.11              | \$4,444           |
| Off-Sites                            |               | 0.00%             | 0               | 0.00             | 0                   | 0                   | 0.00                | 0.00%             |
| Sitework                             |               | 6.85%             | 5,522           | 5.11             | 1,369,570           | 1,369,570           | 5.11                | 5,522             |
| Direct Construction                  |               | 50.73%            | 40,872          | 37.84            | 10,136,354          | 9,938,038           | 37.10               | 40,073            |
| Contingency                          | 4.86%         | 2.80%             | 2,255           | 2.09             | 559,130             | 559,130             | 2.09                | 2,255             |
| General Requireme                    | 6.00%         | 3.45%             | 2,784           | 2.58             | 690,355             | 704,504             | 2.63                | 2,841             |
| Contractor's G & .                   | 2.00%         | 1.15%             | 928             | 0.86             | 230,118             | 234,834             | 0.88                | 947               |
| Contractor's Prof                    | 6.00%         | 3.45%             | 2,784           | 2.58             | 690,355             | 704,504             | 2.63                | 2,841             |
| Indirect Construction                |               | 4.15%             | 3,345           | 3.10             | 829,559             | 829,559             | 3.10                | 3,345             |
| Ineligible Costs                     |               | 2.73%             | 2,201           | 2.04             | 545,803             | 545,803             | 2.04                | 2,201             |
| Developer's G & A                    | 3.65%         | 2.88%             | 2,319           | 2.15             | 575,000             | 575,000             | 2.15                | 2,319             |
| Developer's Profit                   | 10.94%        | 8.63%             | 6,956           | 6.44             | 1,725,000           | 1,725,000           | 6.44                | 6,956             |
| Interim Financing                    |               | 6.30%             | 5,077           | 4.70             | 1,259,002           | 1,259,002           | 4.70                | 5,077             |
| Reserves                             |               | 1.35%             | 1,089           | 1.01             | 270,192             | 0                   | 0.00                | 0                 |
| <b>TOTAL COST</b>                    |               | <b>100.00%</b>    | <b>\$80,575</b> | <b>\$74.61</b>   | <b>\$19,982,507</b> | <b>\$19,547,012</b> | <b>\$72.98</b>      | <b>\$78,819</b>   |
| <b>Recap-Hard Construction Costs</b> |               | <b>68.44%</b>     | <b>\$55,145</b> | <b>\$51.06</b>   | <b>\$13,675,883</b> | <b>\$13,510,580</b> | <b>\$50.44</b>      | <b>\$54,478</b>   |
| <b>SOURCES OF FUNDS</b>              |               |                   |                 |                  |                     | <b>RECOMMENDED</b>  |                     |                   |
| Charter Mac- Tax Exempt              |               | 52.90%            | \$42,621        | \$39.46          | \$10,570,000        | \$10,570,000        | \$10,570,000        |                   |
| Charter Mac- Taxable                 |               |                   |                 |                  | \$1,330,000         | \$1,330,000         | \$1,330,000         |                   |
| LIHTC Syndication Proceeds           |               | 32.89%            | \$26,504        | \$24.54          | 6,573,000           | 6,573,000           | 6,955,937           |                   |
| Deferred Developer Fees              |               | 5.37%             | \$4,331         | \$4.01           | 1,074,010           | 1,074,010           | 691,075             |                   |
| Additional (excess) Funds Require    |               | 2.18%             | \$1,756         | \$1.63           | 435,497             | 2                   | 0                   |                   |
| <b>TOTAL SOURCES</b>                 |               |                   |                 |                  | <b>\$19,982,507</b> | <b>\$19,547,012</b> | <b>\$19,547,012</b> |                   |

**MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)**

**Emerald Bay Apartments, Houston, LIHC #02421**

**DIRECT CONSTRUCTION COST ESTIMATE**

Residential Cost Handbook  
Average Quality Multiple Residence Basis

| CATEGORY                               | FACTOR  | UNITS/SQ FT | PER SF         | AMOUNT              |
|--|---------|-------------|----------------|---------------------|
| Base Cost                              |         |             | \$39.42        | \$10,558,811        |
| <b>Adjustments</b>                     |         |             |                |                     |
| Exterior Wall Finish                   | 3.80%   |             | \$1.50         | \$401,235           |
| Elderly                                | 0.00%   |             | 0.00           | 0                   |
| Roofing                                |         |             | 0.00           | 0                   |
| Subfloor                               |         |             | (0.65)         | (174,989)           |
| Floor Cover                            |         |             | 1.82           | 487,469             |
| Porches/Balconies                      | \$28.10 | 12400       | 1.30           | 348,440             |
| Plumbing                               | \$585   | 744         | 1.63           | 435,240             |
| Built-In Appliances                    | \$1,550 | 248         | 1.44           | 384,400             |
| Stairs/Fireplaces                      | \$1,150 | 128         | 0.55           | 147,200             |
| Floor Insulation                       |         |             | 0.00           | 0                   |
| Heating/Cooling                        |         |             | 1.41           | 377,654             |
| Garages/Carports                       |         | 0           | 0.00           | 0                   |
| Comm &/or Aux Bldgs                    | \$56.86 | 3,002       | 0.64           | 170,700             |
| Other:                                 |         |             | 0.00           | 0                   |
| <b>SUBTOTAL</b>                        |         |             | <b>49.04</b>   | <b>13,136,160</b>   |
| Current Cost Multiplier                | 1.04    |             | 1.96           | 525,446             |
| Local Multiplier                       | 0.91    |             | (4.41)         | (1,182,254)         |
| <b>TOTAL DIRECT CONSTRUCTION COSTS</b> |         |             | <b>\$46.59</b> | <b>\$12,479,352</b> |
| Plans, specs, survy, Bld               | 3.90%   |             | (\$1.82)       | (\$486,695)         |
| Interim Construction Inte              | 3.38%   |             | (1.57)         | (421,178)           |
| Contractor's OH & Profit               | 11.50%  |             | (5.36)         | (1,435,125)         |
| <b>NET DIRECT CONSTRUCTION COSTS</b>   |         |             | <b>\$37.84</b> | <b>\$10,136,354</b> |

**PAYMENT COMPUTATION**

|                   |              |               |      |
|-------------------|--------------|---------------|------|
| <b>Primary</b>    | \$11,900,000 | Term          | 480  |
| Int Rate          | 7.12%        | DCR           | 1.08 |
| <b>Secondary</b>  |              | Term          |      |
| Int Rate          |              | Subtotal DCR  | 1.08 |
| <b>Additional</b> |              | Term          |      |
| Int Rate          |              | Aggregate DCR | 1.08 |

**RECOMMENDED FINANCING APPLICANT'S NOI:**

|                         |                 |
|-------------------------|-----------------|
| Primary Debt Service    | \$900,321       |
| Secondary Debt Service  | 0               |
| Additional Debt Service | 0               |
| <b>NET CASH FLOW</b>    | <b>\$71,732</b> |

|                   |              |               |      |
|-------------------|--------------|---------------|------|
| <b>Primary</b>    | \$11,900,000 | Term          | 480  |
| Int Rate          | 7.12%        | DCR           | 1.11 |
| <b>Secondary</b>  | \$0          | Term          | 0    |
| Int Rate          | 0.00%        | Subtotal DCR  | 1.11 |
| <b>Additional</b> |              | Term          | 0    |
| Int Rate          | 0.00%        | Aggregate DCR | 1.11 |

**OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE APPLICANT'S PROFORMA**

| INCOME at 3.00%               | YEAR 1             | YEAR 2             | YEAR 3             | YEAR 4             | YEAR 5             | YEAR 10            | YEAR 15            | YEAR 20            | YEAR 30            |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| POTENTIAL GROSS RENT          | \$1,966,848        | \$2,025,853        | \$2,086,629        | \$2,149,228        | \$2,213,705        | \$2,566,291        | \$2,975,034        | \$3,448,880        | \$4,635,006        |
| Secondary Income              | 44,640             | 45,979             | 47,359             | 48,779             | 50,243             | 58,245             | 67,522             | 78,277             | 105,197            |
| Other Support Income: (desc   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| POTENTIAL GROSS INCOME        | 2,011,488          | 2,071,833          | 2,133,988          | 2,198,007          | 2,263,947          | 2,624,536          | 3,042,556          | 3,527,156          | 4,740,203          |
| Vacancy & Collection Loss     | (150,864)          | (155,387)          | (160,049)          | (164,851)          | (169,796)          | (196,840)          | (228,192)          | (264,537)          | (355,515)          |
| Employee or Other Non-Renta   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>EFFECTIVE GROSS INCOME</b> | <b>\$1,860,624</b> | <b>\$1,916,445</b> | <b>\$1,973,939</b> | <b>\$2,033,157</b> | <b>\$2,094,151</b> | <b>\$2,427,695</b> | <b>\$2,814,364</b> | <b>\$3,262,620</b> | <b>\$4,384,688</b> |
| EXPENSES at 4.00%             | YEAR 1             | YEAR 2             | YEAR 3             | YEAR 4             | YEAR 5             | YEAR 10            | YEAR 15            | YEAR 20            | YEAR 30            |
| General & Administrative      | \$32,780           | \$34,091           | \$35,455           | \$36,873           | \$38,348           | \$46,656           | \$56,764           | \$69,063           | \$102,229          |
| Management                    | 93,031             | 95,822             | 98,697             | 101,658            | 104,708            | 121,385            | 140,718            | 163,131            | 219,234            |
| Payroll & Payroll Tax         | 200,000            | 208,000            | 216,320            | 224,973            | 233,972            | 284,662            | 346,335            | 421,370            | 623,730            |
| Repairs & Maintenance         | 61,900             | 64,376             | 66,951             | 69,629             | 72,414             | 88,103             | 107,191            | 130,414            | 193,045            |
| Utilities                     | 38,000             | 39,520             | 41,101             | 42,745             | 44,455             | 54,086             | 65,804             | 80,060             | 118,509            |
| Water, Sewer & Trash          | 103,800            | 107,952            | 112,270            | 116,761            | 121,431            | 147,740            | 179,748            | 218,691            | 323,716            |
| Insurance                     | 35,960             | 37,398             | 38,894             | 40,450             | 42,068             | 51,182             | 62,271             | 75,762             | 112,147            |
| Property Tax                  | 225,600            | 234,624            | 244,009            | 253,769            | 263,920            | 321,099            | 390,666            | 475,305            | 703,568            |
| Reserve for Replacements      | 49,600             | 51,584             | 53,647             | 55,793             | 58,025             | 70,596             | 85,891             | 104,500            | 154,685            |
| Other                         | 18,600             | 19,344             | 20,118             | 20,922             | 21,759             | 26,474             | 32,209             | 39,187             | 58,007             |
| <b>TOTAL EXPENSES</b>         | <b>\$859,271</b>   | <b>\$892,712</b>   | <b>\$927,462</b>   | <b>\$963,574</b>   | <b>\$1,001,100</b> | <b>\$1,211,983</b> | <b>\$1,467,598</b> | <b>\$1,777,483</b> | <b>\$2,608,870</b> |
| <b>NET OPERATING INCOME</b>   | <b>\$1,001,353</b> | <b>\$1,023,733</b> | <b>\$1,046,476</b> | <b>\$1,069,583</b> | <b>\$1,093,051</b> | <b>\$1,215,712</b> | <b>\$1,346,766</b> | <b>\$1,485,137</b> | <b>\$1,775,818</b> |
| DEBT SERVICE                  | YEAR 1             | YEAR 2             | YEAR 3             | YEAR 4             | YEAR 5             | YEAR 10            | YEAR 15            | YEAR 20            | YEAR 30            |
| First Lien Financing          | \$900,321          | \$900,321          | \$900,321          | \$900,321          | \$900,321          | \$900,321          | \$900,321          | \$900,321          | \$900,321          |
| Second Lien                   | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Other Financing               | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| <b>NET CASH FLOW</b>          | <b>\$101,032</b>   | <b>\$123,413</b>   | <b>\$146,156</b>   | <b>\$169,262</b>   | <b>\$192,731</b>   | <b>\$315,392</b>   | <b>\$446,446</b>   | <b>\$584,816</b>   | <b>\$875,498</b>   |
| <b>DEBT COVERAGE RATIO</b>    | <b>1.11</b>        | <b>1.14</b>        | <b>1.16</b>        | <b>1.19</b>        | <b>1.21</b>        | <b>1.35</b>        | <b>1.50</b>        | <b>1.65</b>        | <b>1.97</b>        |

**LIHTC Allocation Calculation - Emerald Bay Apartments, Houston, LIHTC #02421**

| CATEGORY  | APPLICANT'S         | TDHCA               | APPLICANT'S                 | TDHCA                       |
|---|---------------------|---------------------|-----------------------------|-----------------------------|
|   | TOTAL<br>AMOUNTS    | TOTAL<br>AMOUNTS    | REHAB/NEW<br>ELIGIBLE BASIS | REHAB/NEW<br>ELIGIBLE BASIS |
| <b>(1) Acquisition Cost</b>                           |                     |                     |                             |                             |
| Purchase of land                                      | \$1,102,068         | \$1,102,068         |                             |                             |
| Purchase of buildings                                 |                     |                     |                             |                             |
| <b>(2) Rehabilitation/New Construction Cost</b>       |                     |                     |                             |                             |
| On-site work  | \$1,369,570         | \$1,369,570         | \$1,369,570                 | \$1,369,570                 |
| Off-site improvements                                 |                     |                     |                             |                             |
| <b>(3) Construction Hard Costs</b>                    |                     |                     |                             |                             |
| New structures/rehabilitation ha                      | \$9,938,038         | \$10,136,354        | \$9,938,038                 | \$10,136,354                |
| <b>(4) Contractor Fees &amp; General Requirements</b> |                     |                     |                             |                             |
| Contractor overhead                                   | \$234,834           | \$230,118           | \$226,152                   | \$230,118                   |
| Contractor profit                                     | \$704,504           | \$690,355           | \$678,456                   | \$690,355                   |
| General requirements                                  | \$704,504           | \$690,355           | \$678,456                   | \$690,355                   |
| <b>(5) Contingencies</b>                              | \$559,130           | \$559,130           | \$559,130                   | \$559,130                   |
| <b>(6) Eligible Indirect Fees</b>                     | \$829,559           | \$829,559           | \$829,559                   | \$829,559                   |
| <b>(7) Eligible Financing Fees</b>                    | \$1,259,002         | \$1,259,002         | \$1,259,002                 | \$1,259,002                 |
| <b>(8) All Ineligible Costs</b>                       | \$545,803           | \$545,803           |                             |                             |
| <b>(9) Developer Fees</b>                             |                     |                     |                             |                             |
| Developer overhead                                    | \$575,000           | \$575,000           | \$575,000                   | \$575,000                   |
| Developer fee   | \$1,725,000         | \$1,725,000         | \$1,725,000                 | \$1,725,000                 |
| <b>(10) Development Reserves</b>                      |                     | \$270,192           |                             |                             |
| <b>TOTAL DEVELOPMENT COSTS</b>                        | <b>\$19,547,012</b> | <b>\$19,982,507</b> | <b>\$17,838,364</b>         | <b>\$18,064,444</b>         |

| <b>Deduct from Basis:</b>                                  |  |              |              |
|--|--|--------------|--------------|
| All grant proceeds used to finance costs in eligible basis |  |              |              |
| B.M.R. loans used to finance cost in eligible basis        |  |              |              |
| Non-qualified non-recourse financing                       |  |              |              |
| Non-qualified portion of higher quality units [42(d)(3)]   |  |              |              |
| Historic Credits (on residential portion only)             |  |              |              |
| <b>TOTAL ELIGIBLE BASIS</b>                                |  | \$17,838,364 | \$18,064,444 |
| High Cost Area Adjustment                                  |  | 130%         | 130%         |
| <b>TOTAL ADJUSTED BASIS</b>                                |  | \$23,189,873 | \$23,483,777 |
| Applicable Fraction  |  | 100%         | 100%         |
| <b>TOTAL QUALIFIED BASIS</b>                               |  | \$23,189,873 | \$23,483,777 |
| Applicable Percentage                                      |  | 3.67%        | 3.67%        |
| <b>TOTAL AMOUNT OF TAX CREDITS</b>                         |  | \$851,068    | \$861,855    |

|                            |        |             |             |
|----------------------------|--------|-------------|-------------|
| Syndication Proceeds       | 0.8173 | \$6,955,937 | \$7,044,095 |
| Total Credit Amount        |        | \$851,068   |             |
| Total Syndication Proceeds |        | \$6,955,937 |             |

# Developer Evaluation

## Compliance Status Summary

**Project ID #:** 02421

LIHTC 9%  LIHTC 4%

**Project Name:** Emerald Bay

HOME  HTF

**Project City:** Houston

BOND  SECO

### Housing Compliance Review

Project(s) in material non-compliance

No previous participation

Status of Findings (individual compliance status reports and National Previous Participation and Background Certification(s) available)

Projects Monitored by the Department

# reviewed 6 # not yet monitored or pending review 3

# of projects grouped by score 0-9: 6 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received Yes

Non-Compliance Reported No

**Completed by** Jo En Taylor **Completed on** 07/16/2002

### Single Audit

Status of Findings (any outstanding single audit issues are listed below)

single audit not applicable  no outstanding issues  outstanding issues

Comments:

**Completed by** ucy Trevino **Completed on** 07/17/2002

### Program Monitoring

Status of Findings (any unresolved issues are listed below)

monitoring review not applicable  monitoring review pending

reviewed; no unresolved issues  reviewed; unresolved issues found

Comments:

**Completed by** Ralph Hendrickson **Completed on** 07/16/2002

**Community Affairs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** EEF      **Completed on** \_\_\_\_\_

**Housing Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** \_\_\_\_\_      **Completed on** \_\_\_\_\_

**Housing Programs**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Shannon Roth      **Completed on** 07/18/2002

**Multifamily Finance**      Status of Findings (any unresolved issues are listed below)

monitoring review not applicable       monitoring review pending

reviewed; no unresolved issues       reviewed; unresolved issues found

Comments:

**Completed by** Robbye Meyer      **Completed on** 07/19/2002

**Executive Director:** Edwina Carrington      **Date Signed:** July 30, 2002

**LOW INCOME HOUSING TAX CREDIT PROGRAM**

**BOARD ACTION REQUEST**

**August 29, 2002**

**Action Item**

Request extension of deadline to close construction loans.

**Required Action**

Approve a request for a second extension associated with the 2001 commitments.

**Background**

Pertinent facts about the development requesting extension of the deadline to close the construction loan are summarized below. The request was accompanied by a mandatory \$2,500 extension request fee. Staff has reviewed the information and recommends granting the extension pursuant to Section 50.11(h) of the 2001 QAP.

**LIHTC Development No. 01152, Parkway Senior Apartments**

Summary of Request: Applicant requested a second extension of the deadline to close the construction loan. This request for extension results from the fact that HUD has required the payment of all equity at the initial closing. Arranging the equity pay-in from the syndicator to meet this requirement resulted in considerable delay. Applicant submitted a letter from Davis Penn Mortgage Co. as evidence that HUD has made a firm commitment and the interest rate has been locked-in. Applicant indicated that the loan might close before the expiration of the first deadline, but a second extension is needed as a contingency measure. The applicant has successfully completed other LIHTC Program developments.

|                                 |  |
|---------------------------------|--|
| City/County:                    | Pasadena / Harris  |
| Set-Aside:                      | Elderly  |
| Type of Project:                | New Construction   |
| Units:                          | 91 LIHTC and 31 market rate units  |
| Allocation:                     | \$493,226  |
| Allocation Cost per LIHTC Unit: | \$5,420  |
| Extension Request Fee Paid:     | \$2,500  |
| Type of Extension Request:      | Extension of deadline to close the construction loan   |
| Current Deadline:               | September 12, 2002   |
| New Deadline Requested:         | October 12, 2002   |
| Prior Extensions on Project:    | Carryover was extended from Oct. 13 to Nov. 12<br>Construction Loan closing was extended from June |

14 to Sept. 12

Reason for Original Extension Request:

Large increases in the utility allowances in Pasadena, which have since been reduced, caused a decrease in the amount of the loan that could be obtained.

Staff Recommendation:

Grant extension as requested.

## **REPORT ITEMS**

Executive Directors Report

## **EXECUTIVE SESSION**

Litigation and Anticipated Litigation (Potential or Threatened under Sec. 551.071 and 551.103, Texas Government Code Litigation Exception) - *Century Pacific Equity Corporation v. Texas Department of Housing and Community Affairs et al.* Cause No. GN-202219, in the District Court of Travis County, Texas, 53<sup>rd</sup> Judicial District

Consultation with Attorney Pursuant to Sec. 551.071(2), Texas Government Code

Personnel Matters - Discussion and Possible Approval of Performance Evaluation for Internal Auditor under Sec. 551.074, Texas Government Code

The Board may discuss any item listed on this agenda in Executive Session

## **OPEN SESSION**

Action in Open Session on Items Discussed in Executive Session

## **ADJOURN**

*To access this agenda and details on each agenda item in the board book, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact the Board Secretary, Delores Groneck, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-3934 and request the information.*

*Individuals who require auxiliary aids, services or translators for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.*

