

BOARD MEETING OF JUNE 25, 2003

Michael Jones, Chair
C. Kent Conine, Vice-Chair

Beth Anderson, Member
Vidal Gonzalez, Member
Shadrick Bogany, Member
Norberto Salinas, Member

MISSION

***TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS***

***TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY
OF LIFE THROUGH THE DEVELOPMENT OF BETTER
COMMUNITIES***

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD MEETING

June 25, 2003

ROLL CALL

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

Signed: _____, Board Chair

BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress Avenue, State Capitol Extension Auditorium, Austin, Texas
June 25, 2003 8:30 a.m.

A G E N D A

CALL TO ORDER, ROLL CALL

Michael

Jones

CERTIFICATION OF QUORUM

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:

ACTION ITEMS

Item 1 Presentation, Discussion and Possible Approval of Financial Items:
Conine

C. Kent

- a) Multifamily Mortgage Revenue Bonds and 4% Tax Credits:
 - 1) Proposed Issuance of Multifamily Mortgage Revenue Bonds for Timber Oaks Apartments, Grand Prairie, Texas in an Amount not to Exceed \$13,200,000 and Issuance of Determination Notice in the Amount of \$640,007 for Low Income Housing Tax Credits for Timber Oaks Apartments with TDHCA as the Issuer
 - 2) Proposed Issuance of Multifamily Mortgage Revenue Refunding Bonds for Reading Road Apartments, Rosenberg, Texas in an Amount not to Exceed \$12,200,000

Item 2 Presentation, Discussion and Possible Approval of Low Income
Jones
Housing Tax Credit Items:

Michael

- a) Issuance of Determination Notice to Tax-Exempt Bond Transaction with Local Bond Issuer:
 - 1) #03-407, Cedar Park Ranch, Cedar Park, Texas in the amount of \$413,771 with Capitol Area HFC as the Issuer
- b) LIHTC Applications:
 - 1) Board Review of Recommendations of Department Staff and Issuance of the List of Approved Applications From the Following List of all Applications Submitted for the LIHTC Program

#	Region	Name	City	Credit Amount Requested
03170	6	North Main Park Apartments	Baytown	\$678,659.00
03171	6	Uvalde Ranch Apartments	Houston	\$1,015,377.00
03174	6	Las Palomas	Houston	\$742,912.00
03176	9	Binz Ranch (San Miguel Apartments)	San Antonio	\$1,200,000.00
03178	6	Jacinto Manor	Jacinto City	\$782,354.00
03180	6	The Gardens Senior Living Apartments	Houston	\$416,822.00
03182	6	The Manor at Jersey Village	Jersey Village	\$782,354.00
03184	3	The Pegasus	Dallas	\$1,156,172.00
03158	2	Red River Senior Village	Vernon	\$404,729.00
03159	3	Summit Senior Village	Gainesville	\$490,662.00
03160	7	Villas on Sixth Street	Austin	\$1,190,349.00
03161	8	Dripping Springs Senior Village	Waco	\$576,585.00
03162	10	Pinnacle Pointe Apartments	Victoria	\$872,505.00
03163	3	Cedar View Apartments	Mineral Wells	\$560,000.00
03164	8	Bluffview Villas	Brenham	\$448,245.00
03168	7	Kingsland Trails Apartments	Kingsland	\$446,148.00
03258	2	Mira Vista Apartments	Santa Anna	\$70,346.00
03259	8	Pecan Creek Apartments	Hillsboro	\$145,850.00
03261	5	Pebble Creek Apartments	Port Arthur	\$418,100.00
03262	5	Crystal Creek Park Apartments	Port Arthur	\$390,348.00
03263	5	CedarRidge Apartments	Port Arthur	\$396,303.00
03264	11	Rose Court Apartments	Brownsville	\$1,200,000.00
03265	10	Riversquare Apartments	Corpus Christi	\$1,092,376.00
03189	6	The Village at Morningstar	Texas City	\$418,179.00
03190	9	Westview Ranch (formerly Comal Ranch)	Pearsall	\$595,000.00
03191	9	Bentley Place Apartments	San Antonio	\$1,006,759.00
03192	3	Emmanuel Village	Dallas	\$798,748.00
03195	4	Waterford Place	Longview	\$369,494.00
03196	5	Arcadia Village	Center	\$268,802.00
03197	5	Bowie Estates	Jasper	\$895,493.00
03199	10	Fairways Apartments	Corpus Christi	\$966,906.00
03207	9	Palacio Del Sol	San Antonio	\$1,173,902.00
03212	3	Village of Kaufman	Kaufman	\$203,150.00
03213	5	Fox Run Apartments	Orange	\$216,440.00
03220	13	Desert Breeze, Ltd.	Horizon City	\$360,434.00
03222	13	Whispering Sands Townhomes, Ltd.	Anthony	\$287,970.00
03223	13	Suncrest Townhomes, Ltd.	El Paso	\$1,152,843.00
03226	13	Canyon Run Townhomes, Ltd.	El Paso	\$146,781.00
03227	13	Cedar Oak Townhomes, Ltd.	El Paso	\$999,818.00
03231	6	Montgomery Meadows	Huntsville	\$411,107.00
03235	4	Victoria Place Phase II	Athens	\$362,988.00
03236	6	Little York Villas	Houston	\$816,242.00

03243	6	Central City Homes	Galveston	\$875,624.00
03245	6	Meadows Place Senior Village	Meadows Place	\$674,985.00
03247	11	Las Brisas Apartments	Alamo	\$45,890.00
03248	11	La Casita del Valle	La Casita	\$66,499.00
03249	10	The Palmas Apartments	Aransas Pass	\$41,192.00
03250	3	Pine Run Apartments	Honey Grove	\$62,925.00
03251	7	Reflection Cove Apartments	Bastrop	\$662,581.00
03252	6	Pine Meadow Apartments	Prairie View	\$94,121.00
03253	6	Green Manor Apartments	Hempstead	\$85,495.00
03254	6	Bayou Bend Apartments	Waller	\$120,931.00
03255	6	Cedar Cove Apartments	Sealy	\$122,045.00
03256	6	Willowchase Apartments	Hempstead	\$122,882.00
03257	10	Caney Run Estates	Victoria	\$704,758.00
03001	7	Eagle's Point	Austin	\$1,200,000.00
03002	11	Padre de Vida	McAllen	\$1,025,408.00
03003	13	Mission del Valle	Socorro	\$160,782.00
03004	3	Arbor Woods	Dallas	\$1,078,956.00
03005	7	Grove Place Apartments	Austin	\$789,509.00
03006	6	Villas at Park Grove	Katy	\$627,566.00
03007	9	Bexar Creek	San Antonio	\$614,528.00
03009	8	Forest Park Apartments	Bryan	\$981,432.00
03011	6	Jefferson Davis Artist Lofts	Houston	\$280,733.00
03013	11	Casa Aguila Apartments	Pharr ETJ	\$1,199,966.00
03016	1	Amarillo Garden Apartments	Amarillo	\$404,377.00
03019	8	Nolan Creek Trails	Killeen	\$634,816.00
03021	6	Emmaus Senior Apartments	Houston ETJ	\$333,378.00
03022	13	Tropicana Palms	El Paso	\$660,083.00
03023	13	Capistrano Palms	El Paso	\$660,083.00
03024	13	Diana Palms	El Paso	\$245,915.00
03025	4	The Hills Apartments	Longview	\$1,181,994.00
03028	4	Green Street Apartments	Longview	\$597,838.00
03029	11	La Villita Apartments	Brownsville	\$856,933.00
03031	9	The Villas at Costa Verde	San Antonio	\$1,122,531.00
03032	6	Parkview Apartments	Houston	\$1,058,699.00
03035	11	Rio De Vida Apartments	Mission	\$1,044,231.00
03036	11	The Galilean Apartments	Edinburg	\$1,200,000.00
03037	3	Sphinx at Sandyland	Dallas	\$1,038,767.00
03039	3	Oak Timbers- Grand Prairie	Grand Prairie	\$437,741.00
03046	3	Churchill at Brookhaven	Dallas	\$769,000.00
03047	9	Western Trail Apartments	San Antonio	\$1,199,361.00
03051	3	Churchill At Commerce	Commerce	\$597,061.00
03052	3	Churchill Pinnacle Park	Dallas	\$1,128,000.00
03053	4	Millpoint Townhomes, LTD.	Henderson	\$527,733.00
03054	3	The Village @ Prairie Creek	Dallas	\$996,013.00
03057	9	Landa Place	New Braunfels	\$448,245.00

03058	3	Residences of Rockwall	Rockwall	\$478,588.00
03060	6	Calhoun Place	Houston	\$1,017,060.00
03063	6	Cricket Hollow Apartments	Willis	\$852,954.00
03064	5	Stone Hearst	Beaumont	\$1,038,789.00
03065	8	Red Oak	Waco	\$559,937.00
03066	2	Anson Park	Abilene	\$561,000.00
03067	9	Tuscany Court	Hondo	\$467,182.00
03068	8	Stone Ranch Apartments Homes	Killeen	\$622,580.00
03069	5	Cole Creek Apartments	Crocket	\$477,317.00
03070	6	Bay Ranch Apartments	Bay City	\$477,317.00
03073	3	The Residences of Pemberton Hill	Dallas	\$944,277.00
03080	13	Mission Trail Apartments	El Paso	\$375,202.00
03081	3	The Senior Apartments	Grand Prairie	\$750,000.00
03084	3	Coughtrey Estates	Grand Prairie	\$888,026.00
03088	11	Palm Court Apartments	Brownsville	\$1,200,000.00
03089	9	Merry Oaks Apartments	San Antonio	\$1,147,254.00
03092	6	Foster Place Manor	Houston	\$800,000.00
03094	3	Reserve II at Las Brisas	Irving	\$934,952.00
03095	6	Derby House	Baytown	\$1,200,000.00
03096	1	Family Residences at Greentree	Amarillo	\$369,869.00
03097	3	Frazier Fellowship	Dallas	\$452,374.00
03100	4	Churchill at Longview	Longview	\$1,150,000.00
03104	2	Green Briar Village	Wichita Falls	\$877,490.00
03106	2	Big County Senior Village	Abilene	\$606,769.00
03108	6	Alta Reed Apartments	Houston	\$1,200,000.00
03112	6	Horizon Ridge Apartments	Houston	\$918,055.00
03117	5	Timber Village	Jasper	\$578,303.00
03126	6	The Linden's Apartments	Freeport	\$770,070.00
03129	6	Samaritan Village Apartments	Houston	\$422,499.00
03130	6	Sunset Plaza Apartments	Houston	\$575,723.00
03131	10	Las Villas De Corte Real	Corpus Christi	\$955,118.00
03132	1	The Pioneer	Lubbock	\$550,253.00
03134	13	Lilac Garden Apartments	El Paso	\$686,800.00
03136	9	Tigonio Villas	San Antonio	\$1,143,394.00
03137	9	Park Place Villas	San Antonio	\$1,246,861.00
03138	9	Ryan Crossing Villas	Selma	\$907,828.00
03139	9	Loresho Villas	San Antonio	\$1,043,417.00
03140	1	Park Meadows Villas	Lubbock	\$745,677.00
03145	12	Sterling Springs Villas	Midland	\$850,643.00
03153	6	Northline Point Apartments	Houston	\$364,741.00
03155	9	Villas of Leon Valley	Leon Valley	\$492,672.00
129 apps.				\$82,213,149.00

Item 3 Presentation, Discussion and Possible Approval of Programmatic
Bogany

Shad

Items:

- a) HOME Program:
1) FY 2002-2003 Single Family HOME Program Awards
For Homebuyer Assistance (HBA), Owner Occupied (OCC)
and Tenant Based Rental Assistance (TBRA):

Owner Occupied Housing Assistance

App. #	Name of Applicant	Region	SN	Score	Request	Recommended
20030042	FLOYDADA, CITY OF	1	N	115	\$250,000.00	\$250,000.00
20030209	NEW DEAL, CITY OF	1	N	118	\$500,000.00	\$500,000.00
20030263	LITTLEFIELD, CITY OF	1	N	113	\$500,000.00	\$160,704.00
20030301	CAPROCK COMM. ACTION ASSOC INC	1	Y	110	\$500,000.00	\$500,000.00
20030297	SOUTH PLAINS COMM ACTION ASSOC	1	Y	103	\$500,000.00	\$191,008.00
20030266	BOWIE, CITY OF	2	N	118	\$500,000.00	\$500,000.00
20030246	MERKEL, CITY OF	2	N	111	\$500,000.00	\$443,229.00
20030248	MERKEL, CITY OF	2	Y	111	\$500,000.00	\$56,771.00
20030170	BROWNWOOD, CITY OF	2	Y	110	\$500,000.00	\$444,210.00
20030177	CELESTE, CITY OF	3	N	122	\$500,000.00	\$500,000.00
20030255	PONDER, CITY OF	3	N	121	\$385,000.00	\$385,000.00
20030182	FARMERSVILLE, CITY OF	3	N	120	\$500,000.00	\$500,000.00
20030220	SANGER, CITY OF	3	N	120	\$500,000.00	\$500,000.00
20030166	RICE, CITY OF	3	N	118	\$385,000.00	\$385,000.00
20030093	HAWK COVE, CITY OF	3	N	119	\$480,000.00	\$480,000.00
20030157	BONHAM, CITY OF	3	N	117	\$330,000.00	\$330,000.00
20030275	NEVADA, CITY OF	3	N	117	\$330,000.00	\$330,000.00
20030135	CELINA, CITY OF	3	N	116	\$500,000.00	\$164,337.00
20030029	TERRELL, CITY OF	3	Y	123	\$300,000.00	\$300,000.00
20030256	PONDER, CITY OF	3	Y	121	\$385,000.00	\$115,000.00
20030278	NEVADA, CITY OF	3	Y	117	\$330,000.00	\$170,000.00
20030167	GAINESVILLE, CITY OF	3	Y	116	\$500,000.00	\$500,000.00
20030107	DAWSON, CITY OF	3	Y	115	\$286,000.00	\$286,000.00
20030028	ROYSE CITY	3	Y	110	\$163,539.00	\$163,539.00
20030250	MILFORD, CITY OF	3	Y	110	\$500,000.00	\$326,674.00
20030180	RICE, CITY OF	3	Y	118	\$385,000.00	\$115,000.00
20030048	NASH, CITY OF	4	N	121	\$495,000.00	\$495,000.00
20030054	REDWATER, CITY OF	4	N	120	\$220,000.00	\$220,000.00
20030090	MAUD, CITY OF	4	N	120	\$275,000.00	\$275,000.00
20030280	MURCHINSON, CITY OF	4	N	120	\$330,000.00	\$330,000.00
20030221	GRAND SALINE, CITY OF	4	Y	120	\$500,000.00	\$500,000.00
20030336	TEXARKANA, CITY OF	4	N	120	\$480,440.00	\$410,337.00
20030276	MURCHINSON, CITY OF	4	Y	120	\$330,000.00	\$170,000.00
20030036	HUGHES SPRINGS, CITY OF	4	Y	117	\$275,000.00	\$102,866.00
20030081	NAPLES, CITY OF	4	Y	117	\$275,000.00	\$102,866.00
20030105	OMAHA, CITY OF	4	Y	117	\$275,000.00	\$102,866.00

20030123	PALESTINE, CITY OF	4	Y	117	\$400,000.00	\$147,870.00
20030254	LOG CABIN, CITY OF	4	Y	117	\$500,000.00	\$186,445.00
20030193	HUNTINGTON, CITY OF	5	N	114	\$500,000.00	\$500,000.00
20030149	CENTER, CITY OF	5	N	112	\$300,000.00	\$300,000.00
20030245	TRINITY, CITY OF	5	N	112	\$500,000.00	\$500,000.00
20030118	CROCKETT, CITY OF	5	N	109	\$300,000.00	\$300,000.00
20030131	LUFKIN, CITY OF	5	N	111	\$500,000.00	\$500,000.00
20030075	DIBOLL, CITY OF	5	N	108	\$300,000.00	\$300,000.00
20030073	SAN AUGUSTINE, CITY OF	5	N	96	\$500,000.00	\$500,000.00
20030066	ONALASKA, CITY OF	5	N	95	\$300,000.00	\$300,000.00
20030079	ZAVALLA, CITY OF	5	N	94	\$300,000.00	\$181,032.00
20030146	CENTER, CITY OF	5	Y	112	\$300,000.00	\$200,000.00
20030120	CROCKETT, CITY OF	5	Y	109	\$300,000.00	\$200,000.00
20030317	LONE STAR GARDEN DEVELOPMENT	5	Y	108.5	\$500,000.00	\$500,000.00
20030232	BAY CITY	6	N	122	\$500,000.00	\$500,000.00
20030144	DICKINSON, CITY OF	6	N	119	\$500,000.00	\$500,000.00
20030194	PALACIOS, CITY OF	6	N	117	\$500,000.00	\$500,000.00
20030270	LE TULLE FOUNDATION	6	N	119.5	\$500,000.00	\$500,000.00
20030235	BAY CITY PHA	6	N	119	\$500,000.00	\$500,000.00
20030085	WHARTON, CITY OF	6	N	115	\$495,000.00	\$495,000.00
20030140	CLEVELAND, CITY OF	6	N	115	\$500,000.00	\$234,166.00
20030191	PALACIOS HOUSING AUTHORITY	6	Y	117	\$500,000.00	\$500,000.00
20030088	SEALY, CITY OF	6	Y	112	\$480,000.00	\$480,000.00
20030231	EAGLE LAKE, CITY OF	6	Y	113	\$500,000.00	\$500,000.00
20030205	WHARTON COUNTY	6	Y	110	\$500,000.00	\$128,254.00
20030311	SMITHVILLE, CITY OF	7	N	117	\$500,000.00	\$500,000.00
20030092	LOCKHART, CITY OF	7	N	115	\$495,000.00	\$280,603.00
20030095	LOCKHART, CITY OF	7	Y	115	\$495,000.00	\$219,397.00
20030310	FLATONIA, CITY OF	7	Y	113	\$300,000.00	\$300,000.00
20030104	LEXINGTON, CITY OF	7	Y	112	\$220,000.00	\$122,054.00
20030112	MARLIN, CITY OF	8	N	121	\$480,000.00	\$480,000.00
20030260	MEXIA, CITY OF	8	N	121	\$500,000.00	\$500,000.00
20030057	BELLMEAD, CITY OF	8	N	120	\$500,000.00	\$500,000.00
20030312	ROCKDALE, CITY OF	8	N	119	\$175,000.00	\$175,000.00
20030096	LOTT, CITY OF	8	N	118	\$480,000.00	\$430,431.00
20030062	HILLSBORO, CITY OF	8	Y	118	\$500,000.00	\$500,000.00
20030308	ROCKDALE, CITY OF	8	Y	119	\$175,000.00	\$175,000.00
20030134	TEAGUE, CITY OF	8	Y	109	\$200,000.00	\$200,000.00
20030126	MADISONVILLE, CITY OF	8	Y	107	\$400,000.00	\$400,000.00
20030206	BELTON, CITY OF	8	Y	109	\$500,000.00	\$383,419.00
20030089	JOURDANTON, CITY OF	9	N	122	\$275,000.00	\$275,000.00
20030097	CHARLOTTE, CITY OF	9	N	121	\$275,000.00	\$275,000.00
20030262	BOERNE, CITY OF	9	N	114	\$500,000.00	\$500,000.00
20030115	RUNGE, CITY OF	9	N	111	\$275,000.00	\$275,000.00
20030185	DEVINE, CITY OF	9	N	107	\$500,000.00	\$500,000.00
20030070	PLEASANTON, CITY OF	9	N	106	\$300,000.00	\$300,000.00
20030207	LA COSTE, CITY OF	9	N	102	\$500,000.00	\$151,760.00

20030091	JOURDANTON, CITY OF	9	Y	122	\$275,000.00	\$225,000.00
20030100	CHARLOTTE, CITY OF	9	Y	121	\$275,000.00	\$225,000.00
20030114	RUNGE, CITY OF	9	Y	111	\$275,000.00	\$225,000.00
20030204	LACOSTE, CITY OF	9	Y	102	\$500,000.00	\$134,264.00
20030110	MATHIS, CITY OF	10	N	122	\$495,000.00	\$495,000.00
20030240	BEE COUNTY	10	N	120	\$500,000.00	\$500,000.00
20030218	GONZALES ECONOMIC DEV. CORP	10	N	118	\$500,000.00	\$500,000.00
20030215	GREGORY, CITY OF	10	N	117	\$500,000.00	\$228,832.00
20030223	GREGORY, CITY OF	10	Y	117	\$500,000.00	\$271,168.00
20030230	SINTON, CITY OF	10	Y	117	\$500,000.00	\$500,000.00
20030269	PREMONT, CITY OF	10	Y	116	\$500,000.00	\$144,418.00
20030306	ROMA, CITY OF	11	N	119	\$500,000.00	\$500,000.00
20030189	DIMITT COUNTY	11	N	117	\$500,000.00	\$500,000.00
20030174	CARRIZO SPRINGS	11	N	116	\$500,000.00	\$500,000.00
20030284	ENCINAL, CITY OF	11	N	116	\$500,000.00	\$500,000.00
20030213	BIG WELLS, CITY OF	11	N	112	\$500,000.00	\$500,000.00
20030287	LOS INDIOS, CITY OF	11	N	111	\$500,000.00	\$500,000.00
20030044	WEBB COUNTY	11	N	108	\$500,000.00	\$500,000.00
20030352	SANTA ROSA, CITY OF	11	N	102	\$200,000.00	\$200,000.00
20030302	VAL VERDE COUNTY	11	N	99	\$500,000.00	\$500,000.00
20030349	COMBES, TOWN OF	11	N	97	\$200,000.00	\$200,000.00
20030022	COMMUNITY RESOURCE GROUP, INC.	11	N	82	\$400,000.00	\$400,000.00
20030294	LA SALLE COUNTY	11	Y	98	\$500,000.00	\$500,000.00
20030358	HOUSING AUTH OF CRYSTAL CITY	11	Y	96	\$383,000.00	\$383,000.00
20030172	GOLDSMITH, CITY OF	12	N	117	\$500,000.00	\$500,000.00
20030216	STANTON, CITY OF	12	N	114	\$500,000.00	\$500,000.00
20030271	COAHOMA, CITY OF	12	N	113	\$500,000.00	\$305,679.00
20030040	SEMINOLE, CITY OF	12	N	113	\$500,000.00	\$305,679.00
20030060	COMMUNITY AND SENIOR SERVICES	12	Y	116	\$250,000.00	\$250,000.00
20030128	BIG LAKE, CITY OF	12	N	106	\$250,000.00	\$92,191.00
20030274	COAHOMA, CITY OF	12	Y	113	\$500,000.00	\$194,321.00
20030247	TOYAH, CITY OF	12	Y	109	\$500,000.00	\$500,000.00
20030265	PRESIDIO COUNTY	13	N	120	\$500,000.00	\$455,352.00
20030257	PRESIDIO COUNTY	13	Y	120	\$500,000.00	\$44,648.00
20030103	VAN HORN, CITY OF	13	Y	117	\$275,000.00	\$275,000.00

Total \$40,755,390.00

Homebuyer Assistance

App. #	Applicant	Region	SN	Score	Request	Recommended
20030286	SOUTHPLAINS COMM. ACTION ASSOC.	1	N	109	\$200,000.00	\$200,000.00
20030063	PANHANDLE COMMUNITY SERVICES	1	N	80	\$300,000.00	\$190,302.00
20030375	ALT AFFORDABLE HOUSING SERVICES	3	N	113	\$200,000.00	\$200,000.00
20030357	FRISCO, CITY OF	3	N	109.5	\$96,154.00	\$96,154.00
20030356	EDGEWOOD, CITY OF	4	N	110	\$50,000.00	\$50,000.00

20030005	MOUNT PLEASANT, CITY OF	4	N	106	\$150,000.00	\$150,000.00
20030111	NASH, CITY OF	4	N	102	\$187,500.00	\$187,500.00
20030008	PARIS, CITY OF	4	N	97	\$300,000.00	\$300,000.00
20030034	HUGHES SPRINGS, CITY OF	4	N	96	\$100,000.00	\$54,073.00
20030119	CENTER, CITY OF	5	N	80	\$150,000.00	\$150,000.00
20030046	SOUTHEAST TEXAS HSING FIN. CORP.	6	N	103	\$500,000.00	\$500,000.00
20030045	BAY CITY, CITY OF	6	N	91	\$187,500.00	\$187,500.00
20030376	PHA OF THE CITY OF BASTROP	7	N	110	\$50,000.00	\$50,000.00
20030368	CAPITOL AREA HOUSING FINANCE	7	N	105	\$325,000.00	\$325,000.00
20030012	TRAVIS COUNTY HSING FIN. CORPORATION	7	N	100	\$300,000.00	\$93,362.00
20030027	TEMPLE HOUSING AUTHORITY	8	N	107	\$412,500.00	\$412,500.00
20030337	PROYECTO AZTECA	11	N	95	\$369,600.00	\$369,600.00
20030366	LA FERIA, CITY OF	11	N	88	\$200,000.00	\$200,000.00
20030173	COMMUNITY COUNCIL OF SWT, INC.	11	N	87	\$375,000.00	\$375,000.00
20030374	STARR, COUNTY OF	11	N	84	\$200,000.00	\$200,000.00
20030052	EDINBURG HOUSING OPPORTUNITY	11	N	87	\$300,000.00	\$300,000.00
20030350	PECOS CITY, TOWN OF	12	N	117	\$265,000.00	\$265,000.00
20030152	SOCORRO, CITY OF	13	N	102	\$500,000.00	\$195,151.00

Total **\$5,051,142.00**

Tenant Based Rental Assistance

App.#	Applicant	Region	SN	Score	Request	Recommended
20030011	AFFORDABLE HOUSING OF PARKER COUNTY	3	Y	94	\$79,536.00	\$79,536.00
20030339	BUCKNER CHILDREN & FAMILY SERVICES	5	N	102	\$300,000.00	\$300,000.00
20030151	COMBINED COMM. ACTION, INC.	6	N	88	\$51,400.00	\$51,400.00
20030051	GULF COAST CENTER	6	Y	94	\$499,320.00	\$499,320.00
20030289	MARBLE FALLS HOUSING AUTHORITY	7	N	98	\$500,000.00	\$312,241.00
20030291	MARBLE FALLS HOUSING AUTHORITY	7	Y	98	\$500,000.00	\$187,759.00
20030343	TWIN CITY MISSION	8	Y	98	\$466,667.00	\$437,733.00
20030030	TEMPLE HOUSING RESIDENTIAL CORP.	8	N	113	\$186,750.00	\$186,750.00
20030002	COMAL COUNTY MHMR CENTER	9	Y	114	\$400,000.00	\$400,000.00
20030324	CAMERON COUNTY HOUSING AUTHORITY	11	Y	102	\$500,000.00	\$500,000.00
20030333	BUCKNER CHILDREN & FAMILY SERVICES	12	N	119	\$75,150.00	\$75,150.00

152 Apps.
\$48,836,421.00

Total **\$3,029,889.00**
Grand Total

- b) Housing Trust Fund:
 - 1) Capacity Building Award Recommendations for:
 - 03-917 Habitat for Humanity of Wichita Falls Inc., Wichita Falls, \$38,948
 - 03-910 Denton Affordable Housing Corp., Denton, \$43,670

- 03-911 Ability Resources, Inc., Fort Worth, \$37,600
- 03-915 Paris Living Community Dev. Corp., Paris, \$43,670
- 03-905 Lufkin Community Dev. Team, Inc., Lufkin, \$22,000
- 03-908 Building Dreams Development, Houston, \$43,500
- 03-901 St. John Colony Neighborhood Association, Austin, \$43,671
- 03-912 Economic Justice Foundation, Austin, \$42,832
- 03-914 United Cerebral Palsy of Texas, Austin, \$43,500
- 03-913 The Center on Independent Living CDC, San Antonio, \$38,000
- 03-906 The Latino Education Project, Inc., Corpus Christi, \$43,600
- 03-916 Accessible Communities, Inc., Corpus Christi, \$42,516
- 03-902 TVP Non-Profit Corporation, El Paso, \$40,549
- 03-903 Marvellous Light Corporation, El Paso, \$43,671

REPORT ITEMS

Executive Directors Report Edwina Carrington

EXECUTIVE SESSION

Jones Michael

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, 53rd Judicial District
 Consultation with Attorney Pursuant to Sec. 551.071, Texas Government Code – Matter Concerning a Former Department Employee and Section 572.054, Texas Government Code; Personnel Matters under Section 551.074, Texas Government Code
 If permitted by law, the Board may discuss any item listed on this agenda in Executive Session

OPEN SESSION

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

ADJOURN

Jones Michael
 Board Chair of

To access this agenda and details on each agenda item in the board book, please visit our website at 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 & COMMUNITY AFFAIRS

HOUSING FINANCE DIVISION - MULTIFAMILY

REQUEST FOR BOARD APPROVAL OF MULTIFAMILY MORTGAGE REVENUE BOND ISSUANCE

2003 PRIVATE ACTIVITY MULTIFAMILY REVENUE BONDS

Timber Oaks Apartments
SW corner of Timber Oaks Lane and Osler Drive
Grand Prairie, Texas
OHC / GP I Ltd.
264 Units
\$10,900,000 (*) Tax Exempt – Series 2003A
\$2,300,000 (*) Taxable – Series 2003B

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	LIHTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Costs of Issuance
TAB 5	Department's Credit Underwriting Analysis
TAB 6	Rental Restrictions Explanation Results & Analysis
TAB 7	Location Map
TAB 8	TDHCA Compliance Report
TAB 9	Public Hearing Transcript (May 14, 2003)

() Preliminary - subject to change*

**BOARD APPROVAL
MEMORANDUM**

June 25, 2003

PROJECT: Timber Oaks Apartments, Grand Prairie, Tarrant County, Texas

PROGRAM: Texas Department of Housing and Community Affairs
2003 Multifamily Housing Mortgage Revenue Bonds
(Reservation received 03/31/2003)

ACTION

REQUESTED: Approve the issuance of multifamily housing mortgage revenue bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Act (the "Act"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein.

PURPOSE: The proceeds of the Bonds will be used to fund a mortgage loan (the "Mortgage Loan") to OHC/GP I Ltd., a Texas limited partnership (the "Borrower"), to finance the acquisition, construction, equipping and long-term financing of a new, 264-unit multifamily residential rental project located at 700 Timber Oaks Lane, Grand Prairie, Texas (the "Development"). The Bonds will be tax-exempt by virtue of the Project's qualifying as a residential rental project.

BOND AMOUNT: \$10,900,000 Series 2003A Tax Exempt bonds (*)
\$ 2,300,000 Series 2003B Taxable bonds (*)
\$13,200,000 Total bonds

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Project and the amount for which Bond Counsel can deliver its Bond Opinion.

**ANTICIPATED
CLOSING DATE:**

The Department received a volume cap allocation for the Bonds on March 31, 2003 pursuant to the Texas Bond Review Board's 2003 Private Activity Bond Allocation Program. While the Department is required to deliver the Bonds on or before July 29, 2003, the anticipated closing date is July 22, 2003.

BORROWER: OHC/GP I Ltd., a Texas limited partnership, the general partner of which is Outreach Housing Corporation., a Texas non-profit corporation.

COMPLIANCE

HISTORY:

ISSUANCE TEAM &

ADVISORS:

Charter Municipal Mortgage Acceptance Company ("Bond Purchaser")
Wells Fargo Bank Texas, N.A., ("Trustee")

Vinson & Elkins L.L.P. (“Bond Counsel”)
RBC Dain Rauscher Inc. (“Financial Advisor”)
McCall, Parkhurst & Horton, L.L.P. (Disclosure Counsel)

BOND PURCHASER:

The Bonds will be purchased by Charter Municipal Mortgage Acceptance Company. The purchaser and any subsequent purchaser will be required to sign the Department’s standard traveling investor letter.

PROJECT DESCRIPTION:

Site: The proposed affordable housing community is a 264-unit multifamily residential rental development to be constructed on approximately 18.59 acres of land located at 700 Timber Oaks Lane, Grand Prairie, Texas. The proposed density is 14.20 dwelling units per acre. The Neighborhood has a central location in the metroplex, a strong employment base, and many retail and entertainment amenities. The proximity to an elementary school and entertainment venues make the subject neighborhood appealing to families.

Buildings: The development will include a total of eleven (11) three-story, wood-framed apartment buildings containing approximately 250,000 net rentable square feet and having an average unit size of 946 square feet. All units will have built-in computer desks, washer and dryer connections, ceiling fan with light kits in all rooms, large walk-in closets, double-pane insulated windows, outside storage, energy efficient air conditioning and designer floor coverings and modern kitchens which will include refrigerators with ice maker, dishwashers, ranges with oven, vent hoods and disposals. The exterior of the property will be constructed of brick and cement plank. Landscape areas will be fully irrigated to keep the professionally designed landscaping growing vigorously. The design will be a western motif and the front of the property will feature split-rail fencing with wagon wheels and other western features. Timber Oaks will have a swimming pool and spa, playground area and a large clubhouse/leasing facility containing and exercise room, computer room, crafts room kitchen facility and large clubroom.

<u>Units</u>	<u>Unit Type</u>	<u>Square Feet</u>	<u>Proposed Net Rent</u>
72	1-Bedrooms/1-Bath	747	\$529.00
24	2-Bedrooms/1-Baths	854	\$620.00
120	2-Bedrooms/2-Baths	1000	\$635.00
<u>48</u>	3-Bedrooms/2-Baths	1158	\$731.00
264			

On-site Amenities: There will be a community building with laundry and maintenance facilities as well as picnic and playground equipment and open play areas interspersed throughout the site. The community building will be centrally located and will have office and leasing space as well as provide for community and educational meetings. The community building will contain the following spaces: manager and leasing offices, social service office, business center/community services room, great room/parlor with television and fireplace,

residential kitchen, activity center, entry foyer, restrooms, telephone and vending area, laundry room, mechanical room, and maintenance shop.

SET-ASIDE UNITS:

For Bond covenant purposes, at least forty (40%) of the residential units in the development are set aside for persons or families earning not more than sixty percent (60%) of the area median income. Five percent (5%) of the units in each project will be set aside on a priority basis for persons with special needs.

(The Borrower has elected to set aside 100% of the units for tax credit purposes.)

RENT CAPS:

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for fifty percent (50%) of the area median income.

TENANT SERVICES:

Tenant Services will be performed by Outreach Housing Corporation.

**DEPARTMENT
ORIGINATION
FEES:**

\$1,000 Pre-Application Fee (Paid).
\$10,000 Application Fee (Paid).
\$66,000 Issuance Fee (.50% of the bond amount paid at closing).

**DEPARTMENT
ANNUAL FEES:**

\$13,200 Bond Administration (0.10% of first year bond amount)
\$6,600 Compliance (\$25/unit/year adjusted annually for CPI)

(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Project cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)

**ASSET OVERSIGHT
FEE:**

\$6,600 to TDHCA or assigns (\$25/unit/year adjusted annually for CPI)

TAX CREDITS:

The Borrower has applied to the Department to receive a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to approximately \$607,079 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower will sell a substantial portion of its limited partnership interests, typically 99%, to raise equity funds for the project. Although a tax credit sale has not been finalized, the Borrower anticipates raising approximately \$4,779,871 of equity for the transaction.

BOND STRUCTURE:

The Bonds are proposed to be issued under a Trust Indenture (the "Trust Indenture") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

The Bonds will be privately placed with the Bond Purchaser, and will mature over a term of 40 years. During the construction and lease-up period, the Bonds will pay as to interest only. The loan will be secured by a first lien on the Project.

The Bonds are mortgage revenue bonds and, as such, create no potential liability for the general revenue fund or any other state fund. The Act provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas. The only funds pledged by the Department to the payment of the Bonds are the revenues from the project financed through the issuance of the Bonds.

BOND INTEREST RATES: The interest rate on the Tax Exempt Bonds will be 6.75% and the Taxable Bonds will be 8.75%.

CREDIT ENHANCEMENT: The bonds will be unrated with no credit enhancement.

FORM OF BONDS: The Bonds will be issued in book entry (typewritten or lithographical) form and in denominations of \$100,000 and any amount in excess of \$100,000.

MATURITY/SOURCES & METHODS OF REPAYMENT: The Bonds will bear interest at a fixed rate until maturity and will be payable monthly. During the construction phase, the Bonds will be payable as to interest only, from an initial deposit at closing to the Capitalized Interest Account of the Construction Fund, earnings derived from amounts held on deposit in an investment agreement, if any, and other funds deposited to the Revenue Fund specifically for capitalized interest during a portion of the construction phase. After conversion to the permanent phase, the Bonds will be paid from revenues earned from the Mortgage Loan.

TERMS OF THE MORTGAGE LOAN: The Mortgage Loan is a non-recourse obligation of the Borrower (which means, subject to certain exceptions, the Borrower is not liable for the payment thereof beyond the amount realized from the pledged security) providing for monthly payments of interest during the construction phase and level monthly payments of principal and interest upon conversion to the permanent phase. A Deed of Trust and related documents convey the Borrower's interest in the project to secure the payment of the Mortgage Loan.

REDEMPTION OF BONDS PRIOR TO MATURITY: The Bonds may be subject to redemption under any of the following circumstances:

Mandatory Redemption:

- (a) (i) In whole or in part, to the extent excess funds remain on deposit in the Loan Account of the Construction Fund after the Project's Completion Date; and (ii) under certain circumstances, upon request by the Majority Owner to redeem Bonds from amounts on deposit in the Earn out Account of the Construction Fund; or
- (b) in part, if the project has not achieved Stabilization within twenty-four (24) months after the earlier of (A) the date the Project achieves Completion or (B) the Completion Date; or
- (c) in whole or in part, if there is damage to or destruction or condemnation of the Project, to the extent that Insurance Proceeds or a Condemnation Award in connection with the Project are deposited in the Revenue Fund and are not to be used to repair or restore the Project; or
- (d) upon the determination of Taxability if the owner of a Bond presents his Bond or Bonds for redemption on any date selected by such owner specified in a written notice delivered to the Borrower and the Issuer at least thirty (30) days' prior to such date; or
- (e) in whole on any interest payment date on or after June 1, 2020, if the Owners of all of the Bonds elect redemption and provide a 180 days' written notice to the Issuer, Trustee and Borrower; or
- (f) In part, according to the dates and amounts indicated on the Mandatory Sinking Fund Schedule of Redemptions.

Optional Redemption:

- (a) The Bonds are subject to redemption, in whole, any time on or after June 1, 2020, from the proceeds of an optional prepayment of the Loan by the Borrower.

**FUNDS AND
ACCOUNTS/FUNDS
ADMINISTRATION:**

Under the Trust Indenture, the Trustee will serve as registrar and authenticating agent for the Bonds and as trustee of certain of the accounts created under the Trust Indenture (described below). The Trustee will also have responsibility for a number of loan administration and monitoring functions.

Moneys on deposit in Trust Indenture accounts are required to be invested in eligible investments prescribed in the Trust Indenture until needed for the purposes for which they are held.

The Trust Indenture will create the following Funds and Accounts:

1. Construction Fund – On the closing date, the proceeds of the

Bonds shall be deposited in the Construction Fund which may consist of five (5) accounts as follows:

- (a) Loan Account – represents a portion of the proceeds of the sale of the Bonds that will be used to pay for Qualified Project Costs;
 - (b) Insurance and Condemnation Proceeds Account - represents Condemnation Award and Insurance Proceeds allocated to restore the Project pursuant to the Loan Documents;
 - (c) Capitalized Interest Account – represents a portion of the initial equity contribution of the Borrower which may be transferred to the Revenue Fund from this account in order to pay interest on the Bonds until the Completion Date of the Project;
 - (d) Costs of Issuance Account – represents a portion of the initial equity contribution of the Borrower from which the costs of issuance are disbursed;
 - (e) Earn out Account – represents a portion of the initial equity contribution of the Borrower, the disbursements from which are to be requested in writing by the Developer and approved by the Majority Owner of the Outstanding Bonds; and
 - (f) Equity Account – represents the balance of the initial equity contribution of the Borrower.
2. Replacement Reserve Fund – Amounts which are held in reserve to cover replacement costs and ongoing maintenance to the Project.
 3. Tax and Insurance Fund – The Borrower must deposit certain moneys in the Tax and Insurance Fund to be applied to the payment of real estate taxes and insurance premiums.
 4. Revenue Fund – Revenues from the Project are deposited to the Revenue Fund and disbursed to sub-accounts for payment to the various funds according to the order designated under the Trust Indenture: (1) to the payment of interest on the Bonds; (2) to the payment of the principal or redemption price, including premium, if any, on the Bonds; (3) to the payment of any required deposit in the Tax and Insurance Fund; (4) to the payment of any required deposit in the Replacement Reserve Fund; (5) to the payment of the fees of the Trustee, the Servicer, the Issuer and the Asset Oversight Agent, if any, due and owing under the Loan Documents and the Indenture; (6) to the payment of any other amounts then due and owing under the Loan Documents; and (7) the remaining balance to the Borrower.
 5. Rebate Fund – Fund into which certain investment earnings are

transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Bonds.

Essentially, all of the bond proceeds will be deposited into the Construction Fund and disbursed therefrom during the Construction Phase to finance the construction of the Project. Although costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds, it is currently expected that all costs of issuance will be paid by an equity contribution of the Borrower.

**DEPARTMENT
ADVISORS:**

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in August 17, 2001. V&E has served in such capacity for all Department or Agency bond financings since 1980, when the firm was selected initially (also through an RFP process) to act as Agency bond counsel.
2. Bond Trustee - Wells Fargo Bank Texas, N.A. (formerly Norwest Bank, N.A.) was selected as bond trustee by the Department pursuant to a request for proposals process in June 1996.
3. Financial Advisor – RBC Dain Rauscher Inc., formerly Rauscher Pierce Refsnes, was selected by the Department as the Department's financial advisor through a request for proposals process in September 1991.
4. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in 1998.

**ATTORNEY GENERAL
REVIEW OF BONDS:**

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 03-50

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (TIMBER OAKS APARTMENTS) SERIES 2003A AND TAXABLE MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS (TIMBER OAKS APARTMENTS) SERIES 2003B; 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 (Timber Oaks Apartments) Series 2003A (the “Series 2003A Bonds”) and the Texas Department of Housing and Community Affairs Taxable Multifamily Housing Mortgage Revenue Bonds (Timber Oaks Apartments) Series 2003B (the “Series 2003B Bonds”, and together with the Series 2003A Bonds, 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 OCH/GP I Ltd., 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, by resolution adopted on October 10, 2002, 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 Tarrant County; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the "Asset Oversight Agreement"), with respect to the Project for the purpose of monitoring the operation and maintenance of the Project; and

WHEREAS, the Board has examined proposed forms of the Indenture, the Loan Agreement, the Assignments, the Regulatory Agreement, the Purchase Agreement and the Asset Oversight 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 Series 2003A Bonds shall be 6.75% per annum from the date of issuance thereof until paid on the maturity date or earlier redemption or acceleration thereof and the interest rate on the Series 2003B Bonds shall be 8.75% per annum from the date of issuance thereof until paid on the maturity date or earlier redemption or acceleration thereof (provided, however, that the default interest rate on the Bonds shall not exceed the maximum rate permitted by applicable law); (ii) the aggregate principal amount of the Series 2003A Bonds shall be \$10,900,000 and of the Series 2003B Bonds shall be \$2,300,000; and (iii) the final maturity of the Series 2003A Bonds shall occur on July 1, 2043 and of the Series 2003B Bonds shall occur on January 1, 2025.

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 Asset Oversight Agreement. That the form and substance of the Asset Oversight 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 Asset Oversight Agreement to the Borrower.

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 - Asset Oversight 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 and Vice Chairman of the Board, Executive Director of the Department, Deputy Executive Director of Housing Operations of the Department, Deputy Executive Director of Programs of the Department, Chief of Agency Administration of the Department, Director of Financial Administration of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department and the 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 or direct the Trustee 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 33 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.

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PASSED AND APPROVED this _____ day of June, 2003.

By: _____
Michael E. Jones, Chairman

Attest: _____
Delores Groneck, Secretary

[SEAL]

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: OCH/GP I Ltd., a Texas limited partnership

Project: The Project is a 264-unit multifamily facility to be known as Timber Oaks Apartments and to be located at the southwest corner of Osler Drive and Timber Oaks Lane in Grand Prairie, Tarrant County, Texas. The Project will include a total of 11 three-story residential apartment buildings with a total of approximately 250,000 net rentable square feet and an average unit size of 948 square feet. The unit mix will consist of:

72 one-bedroom/one-bath units
24 two-bedroom/one-bath units
120 two-bedroom/two-bath units
48 three-bedroom/two-bath units

264 Total Units

Unit sizes will range from approximately 754 square feet to approximately 1,158 square feet.

Common areas will include a swimming pool, a children's play area, and a community building with kitchen facilities, vending area, parlor with television and fireplace and telephones.

**Low Income Housing Tax Credit Program
Board Action Request
June 25, 2003**

Action Item

Request, review and possible approval of one (1) four percent (4%) tax credit application with TDHCA as the issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notice with **TDHCA** as the Issuer for tax exempt bond transaction known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Recommended Credit Allocation
03406	Timber Oaks Apartments	Grand Prairie	TDHCA	264	264	\$19,128,861	\$13,200,000	\$640,007



**LOW INCOME HOUSING TAX CREDIT PROGRAM
2003 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**

Texas Department of Housing and Community Affairs

Development Name: **Timber Oaks Apartments**

TDHCA#: 03406

DEVELOPMENT AND OWNER INFORMATION			
Development Location:	Grand Prairie	QCT: N	DDA: N TTC: N
Development Owner:	OHC/GP I, Ltd.		
General Partner(s):	Outreach Housing, Corp., 50%, Contact: Richard C. Ruschman; Colonial Equities, Inc., 50%, Contact: Richard Shaw		
Construction Category:	New		
Set-Aside Category:	Tax Exempt Bond	Bond Issuer: TDHCA	
Development Type:	Family		
Annual Tax Credit Allocation Calculation			
Applicant Request:	\$646,854	Eligible Basis Amt:	\$640,007 Equity/Gap Amt.: \$844,889
Annual Tax Credit Allocation Recommendation:		\$640,007	
Total Tax Credit Allocation Over Ten Years:		\$ 6,400,070	

PROPERTY INFORMATION			
Unit and Building Information			
Total Units:	264	LIHTC Units:	264 % of LIHTC Units: 100%
Gross Square Footage:	253,458	Net Rentable Square Footage: 250,368	
Average Square Footage/Unit:	948		
Number of Buildings:	11		
Currently Occupied:	N		
Development Cost			
Total Cost:	\$19,128,861	Total Cost/Net Rentable Sq. Ft.: \$76.40	
Income and Expenses			
Effective Gross Income: ¹	\$1,988,865	Ttl. Expenses:	\$975,985 Net Operating Inc.: \$1,012,880
Estimated 1st Year DCR:	1.08		

DEVELOPMENT TEAM			
Consultant:	Not Utilized	Manager:	Provident Management, Inc.
Attorney:	Coats, Rose, Yale, Ryman & lee	Architect:	Allen Whitwell
Accountant:	Reznick, Fedder & Silverman	Engineer:	The Lissiak Company
Market Analyst:	The Jack Poe Company	Lender:	CharterMac
Contractor:	Brasha Builders, Inc.	Syndicator:	Related Capital Company

PUBLIC COMMENT²	
From Citizens:	From Legislators or Local Officials:
Public Hearing:	Sen. Chris Harris, District 9 - NC
# in Support: 0	Rep. Todd Smith, District 92 - NC
# in Opposition: 0	Mayor Charles England - NC
# Undecided: 0	
Letters/Emails:	
# in Support: 0	
# in Opposition: 0	

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

Timber Oaks Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Bond Proceeds, Series 2003A Bonds (Tax-Exempt)	\$ 10,900,000
Bond Proceeds, Series 2003B Taxable	\$ 2,300,000
LIHTC Equity	4,856,146
Interest Income	82,662
Deferred Developer's Fee	1,110,924
Total Sources	\$ 19,249,732

Uses of Funds

Deposit to Mortgage Loan Fund (Construction funds)	\$ 15,281,190
Capitalized Interest (Constr. Interest)	1,093,167
Developer's Overhead & Fee	2,050,000
Costs of Issuance	
Direct Bond Related	195,375
Bond Purchaser Costs	184,500
Other Transaction Costs	265,500
Real Estate Closing Costs	180,000
Total Uses	\$ 19,249,732

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (.50% of Issuance)	\$ 66,000
TDHCA Application Fee	11,000
TDHCA Bond Compliance Fee (\$25 per unit)	6,600
TDHCA Bond Counsel and Direct Expenses (Note 1)	65,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	2,500
Placement Agent	-
Trustee's Fees (Note 1)	7,000
Trustee's Counsel (Note 1)	5,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	2,500
Texas Bond Review Board Application Fee	500
Texas Bond Review Board Issuance Fee (.025% of Reservation)	3,025
TEFRA Hearing Publication Expenses	1,250
Total Direct Bond Related	\$ 195,375

Bond Purchase Costs

Loan Origination Fee (Charter Mac @1%)	132,000
Due Diligence Cost (Charter Mac)	12,500
Bond Counsel & Expenses (Charter Mac)	40,000
Total	\$ 184,500

Other Transaction Costs

Timber Oaks Apartments

Charter Mac Origination/Guarantee Fee	231,000
Tax Credit Determination Fee (4% annual tax cr.)	29,220
Tax Credit Application Fee (\$20/u)	5,280
Total	\$ 265,500

Real Estate Closing Costs

Title & Recording (Const.& Perm.)	100,000
Property Taxes	30,000
Borrower's Bond Counsel	50,000
Total Real Estate Costs	\$ 180,000

Estimated Total Costs of Issuance

\$ 825,375

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

CONDITIONS

1. Should the terms or rates of the proposed debt or syndication change, the transaction should be re-evaluated.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 264 **# Rental Buildings:** 11 **# Common Area Bldgs:** 1 **# of Floors:** 3 **Age:** N/A yrs

Net Rentable SF: 250,368 **Av Un SF:** 948 **Common Area SF:** 3,090 **Gross Bldg SF:** 253,458

STRUCTURAL MATERIALS

Wood frame on a post-tensioned concrete slab on grade, 60% masonry/brick veneer/40% Hardiplank siding exterior wall covering with wood trim, drywall interior wall surfaces, composite shingle roofing.

APPLIANCES AND INTERIOR FEATURES

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, microwave oven, fiberglass tub/shower, washer & dryer connections, ceiling fans, laminated counter tops, individual water heaters.

ON-SITE AMENITIES

A 3,090 square foot community building with activity room, management offices, fitness facilities, kitchen, restrooms, computer center and central mailroom; swimming pool and equipped children's play area are located at the entrance to the property. In addition a sports courts and perimeter fencing are also planned for the site.

Uncovered Parking: 550 spaces **Carpports:** N/A spaces **Garages:** N/A spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Timber Oaks is a relatively dense 14.2 units per acre new construction development of 264 units of affordable housing located in Grand Prairie. The development is comprised of 11 evenly distributed large garden style walk-up residential buildings as follows:

- € (I) Building Type A with twelve one-bedroom/ one-bath units and twelve three-bedroom/ two-bath units;
- € (II) Building Type B with twenty-four two-bedroom/ two-bath units;
- € (III) Building Type C with twelve one-bedroom/ one-bath units and twelve two- bedroom/ one-bath units;

Architectural Review: The exterior elevations are functional with varied rooflines. All units are of average size for LIHTC units. Each unit will have a semi-private entry that is off of a breezeway and shared with three other units.

Supportive Services: The Applicant has indicated that Outreach Housing Corporation will provide supportive services to the tenants. A contract between the Applicant and Outreach Housing Corporation was not provided, however, the Applicant budgeted \$5,000 in annual supportive services expenses.

Schedule: The Applicant anticipates construction to begin in July of 2003, to be completed in September of 2004, to be placed in service and substantially leased-up in December of 2004.

SITE ISSUES

SITE DESCRIPTION

Size: 15 acres 653,400 square feet **Zoning/ Permitted Uses:** HD

Flood Zone Designation: Zone X **Status of Off-Sites:** Partially Improved

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Grand Prairie is located in the Dallas/Fort Worth Metropolitan Area in Tarrant County. The site

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

is an irregularly-shaped parcel located in the southwest area of Grand Prairie, within close proximity to the central business district. The site is situated on the southwest corner of Timber Oaks Lane and Osler Drive.

Adjacent Land Uses:

- € **North:** vacant land, medical offices
- € **South:** elementary school
- € **East:** Dallas-Fort Worth Medical Center-Grand Prairie
- € **West:** single-family residential

Site Access: “The subject site has good proximity to IH-20, IH-30 and SH-360...SH-360 is a six lane, divided, limited access freeway that intersects with IH-30 and SH-183/SH-121 to the north and leads to D/FW International Airport.” (p. 27)

Public Transportation: The availability of public transportation is unknown.

Shopping & Services: “The subject has excellent proximity to shopping. Six Flags Mall is located at the northeast corner of SH-360 and Division Street, two blocks north of the subject...There are numerous restaurants located in proximity to these malls and throughout the neighborhood.” (p. 27)

Special Adverse Site Characteristics:

- € **Zoning:** A zoning verification letter from the City of Grand Prairie dated April 8, 2003 states that the property is zoned for Multi-Family-2 use.

Site Inspection Findings: TDHCA staff performed a site inspection on May 14, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated April 8, 2003 was prepared by Lark & Associates and contained the following findings and recommendations:

“Our firm has concluded that this site has been found to have no current environmental concerns. Based upon this report and other evaluations of this site our firm does rank this property as **LOW RISK**. Our firm does consider that no further environmental investigation is necessary at this time.” (p. 5)

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 20% at 50% or less of area median gross income (AMGI) set-aside. 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, though all of the units may lease to residents earning up to 60% of the AMFI. The Underwriter confirmed with the Applicant the selection of the 20% at 50% set-aside which will unnecessarily limit the income band of eligible residents for this property.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$25,740	\$29,400	\$33,120	\$36,780	\$39,720	\$42,660

MARKET HIGHLIGHTS

A market feasibility study dated April 25, 2003 was prepared by Jack Poe Company Incorporated and highlighted the following findings:

Definition of Market/Submarket: “...the primary market area is concluded to be a five mile radius from the subject site, which includes the majority of the cities of Grand Prairie and Arlington.” (p. 27)

Population: The estimated 2001 population of the PMA was 280,049 and is expected to increase by 7% to approximately 299,820 by 2006. Within the primary market area there were estimated to be 107,309 households in 2006. The defined market area exceeds the population guideline in the Department’s rules by 30,049 or 12%. A 12% decrease in estimated demand will have a negligible effect on capture rate in this instance.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

Total Local/Submarket Demand for Rental Units: “There is significant inventory of LIHTC units in the Primary Market Area, and each development is benefiting from good demand. The population of the primary market is growing and demand for LIHTC units is increasing.” (p. 59)

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY				
Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	322	2%	318	2%
Resident Turnover	15,569	98%	15,350	98%
Other Sources: 10 yrs pent-up demand	N/A	N/A	N/A	N/A
TOTAL ANNUAL DEMAND	15,891	100%	15,668	100%

Ref: p. 55

Inclusive Capture Rate: The Underwriter calculated an inclusive capture rate of 2% based upon a revised supply of unstabilized comparable affordable units of 264 divided by a revised demand of 15,668. The Market Analyst calculated an inclusive capture rate of 7.9% based upon a supply of unstabilized comparable affordable units of 1,258, which consists of the subject property plus 6 developments that are applying for tax credits in the 2003 application cycle. Of the list that the Market Analyst provided, the only developments currently being underwritten for the 2003 application cycle are Oak Timbers (64 rent restricted units) and Apartments at Curtis Wright Field (123 rent restricted units). Both of these developments are targeting the elderly population, therefore, the Underwriter did not include the rent restricted units from these developments since they are not considered comparable to the subject property.

Market Rent Comparables: The Market Analyst surveyed 8 comparable apartment projects totaling 2,110 units in the market area. (p. 35-42)

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
1-Bedroom (50%)	\$522	\$522	\$0	\$575	-\$53
2-Bedroom (50%)-854	\$628	\$628	\$0	\$750	-\$122
2-Bedroom (50%)-1000	\$628	\$628	\$0	\$850	-\$222
3-Bedroom (50%)-1158	\$726	\$726	\$0	\$1,025	-\$299

(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)

Submarket Vacancy Rates: “Occupancy remains above 90% for each floor plan type in the primary market.” (p. 33)

Absorption Projections: “...we project that the subject will be approximately 30% occupied (79 units) once construction is completed, and that it will take approximately seven months to lease up the remaining units and reach a stabilized occupancy of 92.5%.” (p. 58)

Known Planned Development: “The North Arlington Seniors Apartments is under construction. Additionally, there are six complexes, including the subject, that are applying for tax credits in the 2003 application cycle.” (p. 33)

The Underwriter found the market study to provide sufficient information to make a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: At the time of application, the 2003 rent limits had not been released and thus the Applicant used estimated 2002 rent limits in setting rents. Based on the Applicant’s intention to charge maximum program rents, the Underwriter used the 2003 maximum rents for the Fort Worth/Arlington MSA in this analysis, which results in an increase of \$80,640 in potential gross rent. The Applicant stated that the landlord will pay water heat in this project, and rents and expenses were calculated accordingly. The Applicant utilized Tarrant

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

County utility allowances which are \$16, \$20 and \$27 lower than the more appropriate Grand Prairie PHA allowances. While the property does exist in Tarrant County it lies in a part of Tarrant County which is within the City of Grand Prairie making Grand Prairie the more appropriate utility allowance to use. The utility allowance difference results in a \$64K overstatement of potential gross rent. The Applicant's estimate of secondary income is significantly higher than the \$15/unit/month maximum allowed by TDHCA underwriting guidelines. It should be noted that the Applicant included \$1,200/month for carport rental, however, the latest architectural drawings submitted do not indicate that carports will be available for the development. The Underwriter used \$24.61/unit/month for secondary income which is the TDHCA average for the DFW area. Estimates of vacancy and collection losses are in line with TDHCA underwriting guidelines.

On June 16, 2003 the Applicant contacted the Underwriter to discuss the Underwriter's use of the Grand Prairie utility allowance instead of the Tarrant County utility allowance. According to the Applicant, this transaction was structured to use Tarrant County rents and utility allowances. However, since the Underwriter will utilize the Grand Prairie utility allowances, the Applicant indicated that Dallas rents should be used since these allowances are significantly higher for the Dallas County area. The Underwriter contacted Veronica with the Grand Prairie Housing and Neighborhood Services to ask which utility allowance is used for developments in Grand Prairie. Veronica confirmed that the Grand Prairie allowances should be used for any development that is considered to be located in Grand Prairie. She also indicated that utility allowances used to be broken out between Tarrant County and Grand Prairie but this is no longer in practice. She further indicated that the payment standard for all Grand Prairie is based on Dallas County, not Tarrant County. Based on these discussions and discussions with our Compliance department, the Underwriter will continue to utilize the Grand Prairie utility allowances and will also use the Dallas MSA maximum tax credit rents for purposes of this analysis. A copy of the Dallas County Voucher Rent Limits based on estimated utility allowances was faxed to the Underwriter. It should be noted that the maximum net Dallas MSA 50% rents are less than the payment standards for Dallas County with the exception of the one-bedroom units. The one-bedroom maximum LIHTC rent is \$34 more than the payment standard for Dallas County while the two and three-bedroom rents are \$15 and \$201 less than the payment standard, respectively. Thus, using the Dallas MSA maximum rents results in \$101,088 more in rental income for the Applicant than originally estimated.

Expenses: The Applicant's total expense estimate of \$2,994 per unit is more than 5% lower than a TDHCA database-derived estimate of \$3,697 per unit for comparably-sized developments with normal tax credit property taxes. The Applicant's budget shows several line item estimates, however, that deviate significantly when compared to the database averages, particularly general and administrative (\$59K lower), payroll (\$52K lower), repairs and maintenance (\$10K higher), utilities (\$39K lower), water, sewer, and trash (\$26K lower), insurance (\$12K higher) and property tax (\$27K lower). The Underwriter discussed these differences with the Applicant but was unable to reconcile them even with additional information provided by the Applicant. It should be noted that the Applicant indicated that the development is eligible for a tax exemption and have projected their annual property taxes at the 25% pilot rate and has since indicated he would comply with the new legislation regarding property tax exemptions if required. Receipt, review and acceptance of a final PILOT, if applicable, by cost certification is a condition of this report.

Conclusion: The Applicant's total estimated operating expense is inconsistent with the Underwriter's expectations and the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. Due primarily to the difference in operating expenses, the Underwriter's estimated bonds-only debt coverage ratio (DCR) of 1.03 is less than the program minimum standard of 1.10. This suggests that the Applicant's debt service should be limited by a reduction of the bond-financed permanent loan amount. Based on the information provided by the Applicant, the maximum bond-financed permanent loan debt service for this project may be limited to \$920,404. This would result in a mandatory redemption of the amount of taxable bonds proposed by \$828,565 based on the proposed financing structure.

**ACQUISITION VALUATION INFORMATION
APPRAISED VALUE**

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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Land Only: 15.00 acres	\$924,000	Date of Valuation:	04/ 25/ 2003
Existing Building(s): "as is"	N/A	Date of Valuation:	/ /
Total Development: "as is"	N/A	Date of Valuation:	/ /
Appraiser: Jack Poe Company	City: Dallas	Phone:	(214) 720-9898

APPRAISED ANALYSIS/CONCLUSIONS

Analysis: The appraiser concludes that the maximally productive and highest and best use of this property, as vacant, is to develop it with a low income rental housing development such as that one that is proposed. The appraiser's estimated land value is based on four comparable land sales within the same area as the subject property. Land sales ranged in price per square foot from \$1.17 to \$1.89. Adjustments to the comparable land sales were made based on variables that generally affect the value of vacant land such as terms of sale, date of sale, location, size, use (zoning), availability of utilities and topography. Based on the information presented, the estimated land value of the subject property is \$1.41 per square foot.

Conclusion: Based on the information presented, the appraiser's estimate of the property's value, "As Is", appears to be a reliable estimate.

ASSESSED VALUE

Land: 18.5769 acres	\$364,146	Assessment for the Year of:	2002
Land (prorated per acre):	\$19,602	Valuation by:	Tarrant County Appraisal District
Total Assessed Value (15 acres):	\$294,030	Tax Rate:	2.38

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Contract to Purchase Real Estate		
Contract Expiration Date:	08/ 10/ 2003	Anticipated Closing Date:	08/ 10/ 2003
Acquisition Cost:	\$924,000	Other Terms/Conditions:	
Seller: Schwartz Charitable Remainder Trust	Related to Development Team Member:		Yes

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The total acquisition costs consists entirely of the contract purchase price of \$924,000 (\$61,600/acre) as stated in contract. The Appraisal value of the land is also \$924,000 while the tax assessed value of the property is \$294,030. The 15 acre site is part of a larger 18.577 acre site that, according to the appraisal, is to be subdivided. The remaining 3.5 acres that are being purchased will be deeded back to the seller after closing of the contract. Additionally, the information in the application identifies the owner of the Applicant, Richard Shaw, as being a joint venture partner in the land, thus creating an identity of interest land sale. The Underwriter verified this fact with the Applicant and the Applicant confirmed that he was a joint venture partner in the land. According to Mr. Shaw, the subject property is part of a larger parcel of land that he has helped to develop, thus making him a joint venture partner in the land. He indicated, however, that the land is not in his name and that he does not have an ownership interest in the subject property. The Underwriter requested additional documentation providing the original acquisition cost and any holding costs associated with the subject property. The Applicant responded with a letter dated June 2, 2003 in which it states:

"Please let this letter serve as notification that I do not have an ownership interest in the Grand Prairie, Texas property. Three years ago I was partner in the Partnership that sold the property to the Schwartz Charitable Remainder Trust. The information inserted in our application stating that I was a Joint Venture Partner in the land was done so in error. I have not had an ownership interest in this property for three years." The Applicant provided no further documentation of acquisition and holding costs.

The Underwriter allowed the entire site acquisition cost for purposes of this analysis.

Sitework Cost: The Applicant's claimed sitework costs of \$4,872 per unit are considered reasonable compared to historical sitework costs for multifamily projects.

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Direct Construction Cost: The Applicant's direct construction cost estimate is \$259K or 2.5% lower than the Underwriter's Marshall & Swift *Residential Cost Handbook*-derived estimate, and is therefore regarded as reasonable as submitted.

Ineligible Costs: The Applicant incorrectly included \$35,000 for carports and garages which were taken out of direct costs since the Applicant has indicated that they will be rented and used as a source of additional secondary income. It should be noted, however, that the latest architectural drawings submitted do not indicate that carports will be available. The Applicant also included \$300,000 in marketing as an eligible cost; the Underwriter moved this cost to ineligible costs, resulting in an equivalent reduction in the Applicant's eligible basis.

Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$171,807K 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 reduction to the Applicant's eligible basis estimate. The Underwriter reduced the Applicant's interim financing fees by \$83K to reflect the net effect of the Applicant's projection of \$83K in income from a guaranteed investment contract, which results in an equivalent reduction in eligible basis.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

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 \$17,631,054 is used to determine a credit allocation of \$640,007 from this method. 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												
INTERIM TO PERMANENT FINANCING												
Source:	CharterMac				Contact:	Marnie Miller						
Principal Amount:	\$13,200,000		Interest Rate:	6.75% (tax-exempt bonds); 8.75% (taxable bonds)								
Additional Information:	\$10,900,000- tax exempt bonds											
	\$2,300,000- taxable bonds											
Amortization:	40	yrs	Term:		yrs	Commitment:	<input checked="" type="checkbox"/>	LOI	<input type="checkbox"/>	Firm	<input type="checkbox"/>	Conditional
Annual Payment:	\$		Lien Priority:	1 st		Commitment Date	05/	07/	2003			
LIHTC SYNDICATION												
Source:	Related Capital Company				Contact:	Justin Ginsberg						
Address:	625 Madison Avenue				City:	New York						
State:	NY	Zip:	10022	Phone:	(212) 421-5333	Fax:	(212) 751-3550					
Net Proceeds:	\$4,856,000		Net Syndication Rate (per \$1.00 of 10-yr LIHTC)				80¢					
Commitment	<input checked="" type="checkbox"/>	LOI	<input type="checkbox"/>	Firm	<input type="checkbox"/>	Conditional	Date:	05/	15/	2003		
Additional Information:												
APPLICANT EQUITY												
Amount:	\$1,072,715		Source:	Deferred Developer Fee								
FINANCING STRUCTURE ANALYSIS												
The Applicant intends to finance the development with three types of financing from four sources: a bond financed interim to permanent loan, syndicated LIHTC equity, and deferred developer's fees.												
Bonds: Charter Mac has offered to provide interim to permanent financing in the amount of \$10,900,000 in												

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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tax-exempt bonds and \$2,300,000 in taxable bonds. The commitment letter indicates that the tax-exempt bonds and taxable bonds shall mature 40 years and 20 years, respectively. The interest rate on the tax-exempt bonds will be set at 6.75% and 8.75% for the taxable bonds. The Underwriter used a blended interest rate of 6.98%.

LIHTC Syndication: Related Capital Company has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$4,856,000 based on a syndication factor of 80%.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$1,072,715 amount to 52% of the total fees.

Financing Conclusions: As described earlier, the Underwriter's proforma indicates that the development would not be able to support the proposed bond-financed permanent loan amount at a debt coverage ratio that is within the allowable LIHTC guidelines. Therefore, the maximum bond-financed permanent loan debt service for the loan should \$920,404 by a reduction of the taxable bonds. This would result in a mandatory redemption of the proposed taxable bond amount by \$828,565 in order to meet the minimum DCR of 1.10. Since the lenders standard is 1.20 this redemption could actually be slightly higher. Since the Applicant's costs were within 5% of the Underwriter's estimate, the Applicant's total cost breakdown, as adjusted, was used to calculate eligible basis and determine the tax credit allocation. Therefore, the Applicant's adjusted eligible basis determines a LIHTC allocation of \$640,007 annually for ten years, resulting in total syndication proceeds of \$5,118,778. Based on the Underwriter's analysis, the Applicant's deferred developer fee would be increased to \$1,638,648 or 80% of the total fees, which appears to be repayable from development cash flow within 10 years.

If the Applicant were able to secure a 100% property tax exemption for this development, the resulting bonds-only debt coverage ratio of 1.19 would fall within the acceptable TDHCA underwriting guidelines, thus allowing the development to fully service the bond financed permanent loan without a reduction in either the taxable or tax-exempt portions. Additionally the Applicant's deferred developer fee would be reduced to \$810,083, which is repayable from development cash flow by year 10.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, General Contractor and Property Management firms are all related entities. These are common relationships 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 Developer, Colonial Equities, Inc., submitted an unaudited financial statement as of March 28, 2003 reporting total assets of \$17.5M and consisting of \$943K in cash, \$4M in receivables, \$12M in real property, and \$375K in business interests. Liabilities totaled \$350K, resulting in a net worth of \$17.1M.
- € The General Partner, Outreach Housing Corporation, submitted an unaudited financial statement as of March 28, 2003 reporting total assets of \$8.8M and consisting of \$460K in cash, \$5.3M in accounts and notes receivables, \$3M in real property, and \$74K in office fixtures. Liabilities totaled \$750K, resulting in a net worth of \$8M.
- € The principal of the Applicant and Developer, Richard Shaw, submitted an unaudited financial statement as of March 28, 2003.

Background & Experience:

- € The Applicant and General Partner are new entities formed for the purpose of developing the project.
- € The General Partner and Developer have completed six LIHTC and affordable housing developments totaling 1,520 units since 1995.

SUMMARY OF SALIENT RISKS AND ISSUES

- € The Applicant's operating expenses is more than 5% outside of the Underwriter's verifiable range.
- € The significant financing structure changes being proposed have not been reviewed/accepted by the

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS

Applicant, lenders, and syndicators, and acceptable alternative structures may exist.

Underwriter:	_____	Date:	_____
	<i>Raquel Morales</i>		June 17, 2003
Director of Real Estate Analysis:	_____	Date:	_____
	<i>Tom Gouris</i>		June 17, 2003

MULTIFAMILY COMPARATIVE ANALYSIS

Timber Oaks Apartments, Grand Prairie, LIHTC #03406

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%	72	1	1	754	\$623	\$555	\$39,960	\$0.74	\$68.00	\$30.00
TC 50%	24	2	1	854	748	\$666	15,984	0.78	82.00	30.00
TC 50%	120	2	2	1,000	748	\$666	79,920	0.67	82.00	30.00
TC 50%	48	3	2	1,158	864	\$767	36,816	0.66	97.00	40.00
TOTAL:	264		AVERAGE:	948	\$735	\$654	\$172,680	\$0.69	\$80.91	\$31.82

INCOME		Total Net Rentable Sq Ft:	TDHCA		APPLICANT		USS Region	
POTENTIAL GROSS RENT		<u>250,368</u>	\$2,072,160	\$1,971,072			3	
Secondary Income	Per Unit Per Month:	\$24.61	77,964	80,784	\$25.50		IREM Region Dallas	
Other Support Income: (describe)			0	0				
POTENTIAL GROSS INCOME			\$2,150,124	\$2,051,856				
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%	(161,259)	(153,888)	-7.50%		of Potential Gross Rent	
Employee or Other Non-Rental Units or Concessions			0	0				
EFFECTIVE GROSS INCOME			\$1,988,865	\$1,897,968				

EXPENSES	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.39%	\$331	0.35	\$87,327	\$28,500	\$0.11	\$108	1.50%
Management	5.00%	377	0.40	99,443	\$94,898	0.38	359	5.00%
Payroll & Payroll Tax	11.79%	888	0.94	234,432	\$182,000	0.73	689	9.59%
Repairs & Maintenance	4.98%	375	0.40	99,025	\$109,000	0.44	413	5.74%
Utilities	4.45%	336	0.35	88,593	\$49,500	0.20	188	2.61%
Water, Sewer, & Trash	5.07%	382	0.40	100,800	\$75,000	0.30	284	3.95%
Property Insurance	2.39%	180	0.19	47,570	\$60,000	0.24	227	3.16%
Property Tax	2.38 7.91%	596	0.63	157,395	\$130,003	0.52	492	6.85%
Reserve for Replacements	2.65%	200	0.21	52,800	\$52,800	0.21	200	2.78%
Other Expenses: Comp Fees & Supp Se	0.43%	33	0.03	8,600	\$8,600	0.03	33	0.45%
TOTAL EXPENSES	49.07%	\$3,697	\$3.90	\$975,985	\$790,302	\$3.16	\$2,994	41.64%

NET OPERATING INC	50.93%	\$3,837	\$4.05	\$1,012,880	\$1,107,666	\$4.42	\$4,196	58.36%
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DEBT SERVICE	% OF EGI	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% OF EGI
First Lien Mortgage	49.38%	\$3,720	\$3.92	\$982,047	\$971,793	\$3.88	\$3,681	51.20%
Trustee Fee	0.18%	\$13	\$0.01	\$3,500		\$0.00	\$0	0.00%
TDHCA Admin. Fees	0.66%	\$50	\$0.05	13,200		\$0.00	\$0	0.00%
Asset Oversight Fees	0.20%	\$15	\$0.02	3,960		\$0.00	\$0	0.00%
NET CASH FLOW	0.69%	\$52	\$0.05	\$13,673	\$135,873	\$0.54	\$515	7.16%

INITIAL AGGREGATE DEBT COVERAGE RATIO	1.01	1.14
INITIAL BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO	1.02	
RECOMMENDED BONDS-ONLY DEBT COVERAGE RATIO	1.10	

CONSTRUCTION COST	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		4.66%	\$3,500	\$3.69	\$924,000	\$924,000	\$3.69	\$3,500	4.83%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		6.48%	4,872	5.14	1,286,263	1,286,263	5.14	4,872	6.72%
Direct Construction		52.22%	39,249	41.39	10,361,773	10,103,053	40.35	38,269	52.82%
Contingency	4.29%	2.52%	1,894	2.00	500,000	500,000	2.00	1,894	2.61%
General Req'ts	5.58%	3.28%	2,462	2.60	650,000	650,000	2.60	2,462	3.40%
Contractor's G & A	1.89%	1.11%	833	0.88	220,000	220,000	0.88	833	1.15%
Contractor's Profit	5.58%	3.28%	2,462	2.60	650,000	650,000	2.60	2,462	3.40%
Indirect Construction		2.42%	1,821	1.92	480,750	480,750	1.92	1,821	2.51%
Ineligible Costs		2.89%	2,174	2.29	573,807	573,807	2.29	2,174	3.00%
Developer's G & A	1.89%	1.51%	1,136	1.20	300,000	300,000	1.20	1,136	1.57%
Developer's Profit	11.05%	8.82%	6,629	6.99	1,750,000	1,750,000	6.99	6,629	9.15%
Interim Financing		8.52%	6,405	6.75	1,690,988	1,690,988	6.75	6,405	8.84%
Reserves		2.29%	1,718	1.81	453,587	0	0.00	0	0.00%
TOTAL COST		100.00%	\$75,156	\$79.25	\$19,841,168	\$19,128,861	\$76.40	\$72,458	100.00%
Recap-Hard Construction Costs		68.89%	\$51,773	\$54.59	\$13,668,036	\$13,409,316	\$53.56	\$50,793	70.10%

SOURCES OF FUNDS	%	PER UNIT	PER SQ FT	TDHCA	APPLICANT	RECOMMENDED	Notes
Tax-Exempt Bonds	54.94%	\$41,288	\$43.54	\$10,900,000	\$10,900,000	\$10,900,000	Developer fee Available
Taxable Bonds	11.59%	\$8,712	\$9.19	2,300,000	2,300,000	1,471,435	\$2,050,000
Syndication Proceeds	24.48%	\$18,394	\$19.40	4,856,146	4,856,146	5,118,778	% of Dev. Fee Deferred
GIC Income					83,372		
Deferred Developer Fees	5.41%	\$4,063	\$4.28	1,072,715	1,072,715	1,638,648	80%
Additional (excess) Funds Required	3.59%	\$2,698	\$2.85	712,307	(83,372)	0	15 yr cumulative cash flow
TOTAL SOURCES				\$19,841,168	\$19,128,861	\$19,128,861	\$3,378,678.88

MULTIFAMILY COMPARATIVE ANALYSIS(continued)
Timber Oaks Apartments, Grand Prairie, LIHTC #03406

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook
 Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$41.92	\$10,494,382
Adjustments				
Exterior Wall Finish	5.20%		\$2.18	\$545,708
9' Ceiling	3.40%		1.43	356,809
Roofing			0.00	0
Subfloor			(0.67)	(168,581)
Floor Cover			1.92	480,707
Porches/Balconies	\$19.97	29,740	2.37	593,800
Plumbing	\$615	504	1.24	309,960
Built-In Appliances	\$1,625	264	1.71	429,000
Stairs	\$1,400	88	0.49	123,200
Floor Insulation			0.00	0
Heating/Cooling			1.47	368,041
Garages/Carports		0	0.00	0
Comm &/or Aux Bldgs	\$59.56	3,090	0.74	184,047
Other:			0.00	0
SUBTOTAL			54.79	13,717,071
Current Cost Multiplier	1.03		1.64	411,512
Local Multiplier	0.90		(5.48)	(1,371,707)
TOTAL DIRECT CONSTRUCTION COSTS			\$50.95	\$12,756,876
Plans, specs, survy, bid prm	3.90%		(\$1.99)	(\$497,518)
Interim Construction Interes	3.38%		(1.72)	(430,545)
Contractor's OH & Profit	11.50%		(5.86)	(1,467,041)
NET DIRECT CONSTRUCTION COSTS			\$41.39	\$10,361,773

PAYMENT COMPUTATION

Primary	\$13,200,000	Term	480
Int Rate	6.98%	DCR	1.03

Secondary		Term	
Int Rate		Subtotal DCR	1.02

All-in		Term	
Rate		Aggregate DCR	1.01

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$920,404
Trustee Fee	3,500
TDHCA Admin. Fees Asset Oversight	17,160
NET CASH FLOW	\$71,816

Primary	\$12,371,435	Term	480
Int Rate	6.98%	DCR	1.10

Secondary		Term	
Int Rate		Subtotal DCR	1.10

All-in		Term	
Rate		Aggregate DCR	1.08

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

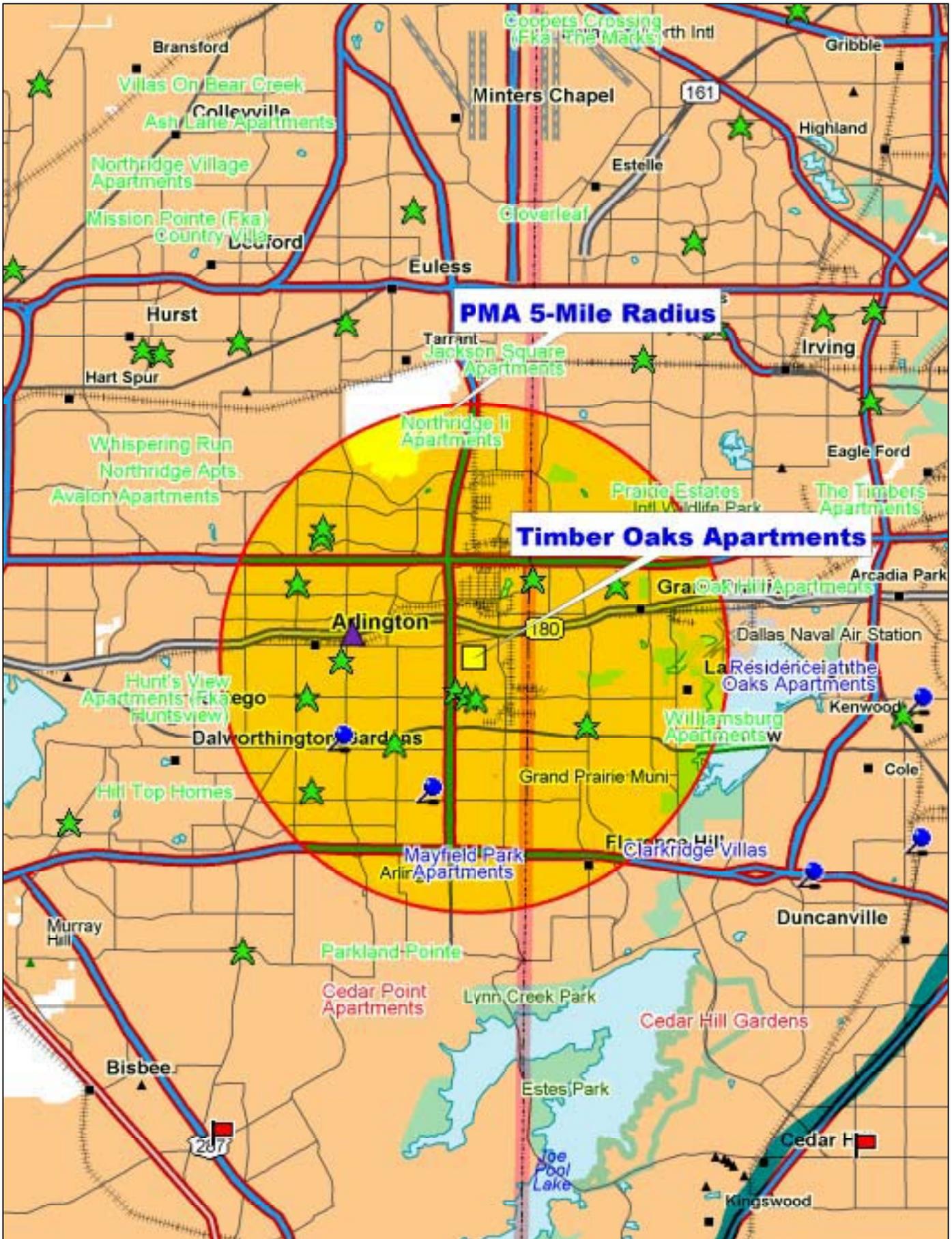
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$2,072,160	\$2,134,325	\$2,198,355	\$2,264,305	\$2,332,234	\$2,703,699	\$3,134,328	\$3,633,545	\$4,883,181
Secondary Income	77,964	80,303	82,713	85,194	87,750	101,726	117,928	136,711	183,728
Other Support Income: (describ)	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,150,124	2,214,628	2,281,067	2,349,499	2,419,984	2,805,425	3,252,256	3,770,256	5,066,909
Vacancy & Collection Loss	(161,259)	(166,097)	(171,080)	(176,212)	(181,499)	(210,407)	(243,919)	(282,769)	(380,018)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,988,865	\$2,048,531	\$2,109,987	\$2,173,287	\$2,238,485	\$2,595,018	\$3,008,337	\$3,487,487	\$4,686,891
EXPENSES at 4.00%									
General & Administrative	\$87,327	\$90,820	\$94,453	\$98,231	\$102,161	\$124,294	\$151,223	\$183,985	\$272,343
Management	99,443	102,427	105,499	108,664	111,924	129,751	150,417	174,374	234,345
Payroll & Payroll Tax	234,432	243,809	253,562	263,704	274,252	333,670	405,960	493,913	731,112
Repairs & Maintenance	99,025	102,986	107,105	111,389	115,845	140,943	171,479	208,630	308,824
Utilities	88,593	92,136	95,822	99,655	103,641	126,095	153,414	186,651	276,290
Water, Sewer & Trash	100,800	104,832	109,025	113,386	117,922	143,470	174,553	212,370	314,360
Insurance	47,570	49,473	51,452	53,510	55,650	67,707	82,376	100,223	148,354
Property Tax	157,395	163,691	170,239	177,049	184,130	224,023	272,558	331,609	490,862
Reserve for Replacements	52,800	54,912	57,108	59,393	61,769	75,151	91,433	111,242	164,665
Other	8,600	8,944	9,302	9,674	10,061	12,240	14,892	18,119	26,820
TOTAL EXPENSES	\$975,985	\$1,014,030	\$1,053,567	\$1,094,655	\$1,137,355	\$1,377,344	\$1,668,304	\$2,021,117	\$2,967,974
NET OPERATING INCOME	\$1,012,880	\$1,034,501	\$1,056,420	\$1,078,632	\$1,101,131	\$1,217,674	\$1,340,033	\$1,466,371	\$1,718,917
DEBT SERVICE									
First Lien Mortgage	\$920,404	\$920,404	\$920,404	\$920,404	\$920,404	\$920,404	\$920,404	\$920,404	\$920,404
Trustee Fee	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
TDHCA Admin. Fees Asset Ov	17,160	16,273	16,210	16,142	16,070	15,622	14,987	3,960	3,960
NET CASH FLOW	\$71,816	\$94,324	\$116,306	\$138,586	\$161,157	\$278,149	\$401,142	\$538,507	\$791,053
AGGREGATE DCR	1.08	1.10	1.12	1.15	1.17	1.30	1.43	1.58	1.85

LIHTC Allocation Calculation - Timber Oaks Apartments, Grand Prairie, LIHTC #03406

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$924,000	\$924,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,286,263	\$1,286,263	\$1,286,263	\$1,286,263
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$10,103,053	\$10,361,773	\$10,103,053	\$10,361,773
(4) Contractor Fees & General Requirements				
Contractor overhead	\$220,000	\$220,000	\$220,000	\$220,000
Contractor profit	\$650,000	\$650,000	\$650,000	\$650,000
General requirements	\$650,000	\$650,000	\$650,000	\$650,000
(5) Contingencies				
	\$500,000	\$500,000	\$500,000	\$500,000
(6) Eligible Indirect Fees				
	\$480,750	\$480,750	\$480,750	\$480,750
(7) Eligible Financing Fees				
	\$1,690,988	\$1,690,988	\$1,690,988	\$1,690,988
(8) All Ineligible Costs				
	\$573,807	\$573,807		
(9) Developer Fees				
Developer overhead	\$300,000	\$300,000	\$300,000	\$300,000
Developer fee	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
(10) Development Reserves				
		\$453,587		
TOTAL DEVELOPMENT COSTS	\$19,128,861	\$19,841,168	\$17,631,054	\$17,889,774

Deduct from Basis:			
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)			
TOTAL ELIGIBLE BASIS		\$17,631,054	\$17,889,774
High Cost Area Adjustment		100%	100%
TOTAL ADJUSTED BASIS		\$17,631,054	\$17,889,774
Applicable Fraction		100%	100%
TOTAL QUALIFIED BASIS		\$17,631,054	\$17,889,774
Applicable Percentage		3.63%	3.63%
TOTAL AMOUNT OF TAX CREDITS		\$640,007	\$649,399

Syndication Proceeds	0.7998	\$5,118,778	\$5,193,891
Total Credits (Eligible Basis Method)		\$640,007	\$649,399
Syndication Proceeds		\$5,118,778	\$5,193,891
Requested Credits		\$646,854	
Syndication Proceeds		\$5,173,538	
Gap of Syndication Proceeds Needed		\$6,757,426	
Credit Amount		\$844,889	



© 2001 DeLorme. XMap® Business 1v3, GDT, Inc., Rel. 01/2001
 Zoom Level: 10-3 Datum: WGS84

Scale 1 : 162 500
 1" = 2.56 mi



RENT CAP EXPLANATION Fort Worth / Arlington MSA

AFFORDABILITY DEFINITION & COMMENTS

An apartment unit is "**affordable**" if the total housing expense (rent and utilities) that the tenant pays is **equal to or less than 30%** of the tenant's household income (as determined by HUD).

Rent Caps are established at this **30%** "affordability" threshold based on local area median income, adjusted for family size. Therefore, rent caps will vary from property to property depending upon the local area median income where the specific property is located.

If existing rents in the local market area are lower than the rent caps calculated at the 30% threshold for the area, then by definition the market is "affordable". This situation will occur in some larger metropolitan areas with high median incomes. In other words, the rent caps will not provide for lower rents to the tenants because the rents are already affordable. This situation, however, does not ensure that individuals and families will have access to affordable rental units in the area. The set-aside requirements under the Department's bond programs ensure availability of units in these markets to lower income individuals and families.

MAXIMUM INCOME & RENT CALCULATIONS (ADJUSTED FOR HOUSEHOLD SIZE) - 2003

MSA/County: Fort Worth/Arlington **Area Median Family Income (Annual):** \$60,300

ANNUALLY				MONTHLY								
Maximum Allowable Household Income to Qualify for Set-Aside units under the Program Rules				Maximum Total Housing Expense Allowed based on Household Income (Includes Rent & Utilities)				Utility Allowance by Unit Type <small>(provided by the local PHA)</small>	Maximum Rent that Owner is Allowed to Charge on the Set-Aside Units (Rent Cap)			
# of Persons	At or Below			Unit Type	At or Below				At or Below			
	50%	60%	80%		50%	60%	80%		50%	60%	80%	
1	\$ 21,450	\$ 25,740	\$ 34,350	Efficiency	\$ 536	\$ 643	\$ 858	\$ 35.00	\$ 501	\$ 608	\$ 823	
2	24,500	29,400	39,250	1-Bedroom	574	689	920	45.00	529	644	875	
3	27,600	33,120	44,150	2-Bedroom	690	828	1,103	55.00	635	773	1,048	
4	30,650	36,780	49,050	3-Bedroom	796	956	1,275	65.00	731	891	1,210	
5	33,100	39,720	52,950	4-Bedroom	888	1,066	1,422	70.00	818	996	1,352	
6	35,550	42,660	56,900	5-Bedroom	980	1,176	1,569	70.00	910	1,106	1,499	
7	38,000	45,600	60,800									
8	40,450	48,540	64,750									
FIGURE 1				FIGURE 2				FIGURE 3	FIGURE 4			

Figure 1 outlines the maximum annual household incomes in the area, adjusted by the number of people in the family, to qualify for a unit under the set-aside grouping indicated above each column.

For example, a family of three earning \$30,000 per year would fall in the 60% set-aside group. A family of three earning \$25,000 would fall in the 50% set-aside group.

Figure 2 shows the maximum total housing expense that a family can pay under the affordable definition (i.e. under 30% of their household income).

For example, a family of three in the 50% income bracket earning \$27,600 could not pay more than \$690 for rent and utilities under the affordable definition.

- 1) \$27,600 divided by 12 = **\$2,300** monthly income; then,
- 2) **\$2,300** monthly income times 30% = **\$690** maximum total housing expense.

Figure 4 displays the resulting maximum rent that can be charged for each unit type, under the three set-aside brackets. This becomes the rent cap for the unit.

The rent cap is calculated by subtracting the utility allowance in **Figure 3** from the maximum total housing expense for each unit type found in **Figure 2**.

Figure 3 shows the utility allowance by unit size, as determined by the local public housing authority. The example assumes all electric units.

Timber Oaks Apartments

RESULTS & ANALYSIS:

Tenants in the 60% AMFI bracket will **save \$46 to \$294** per month (leaving 1.9% to 9.2% more of their monthly income for food, child care and other living expenses).

This is a monthly savings off the market rents of **8% to 28.7%**.

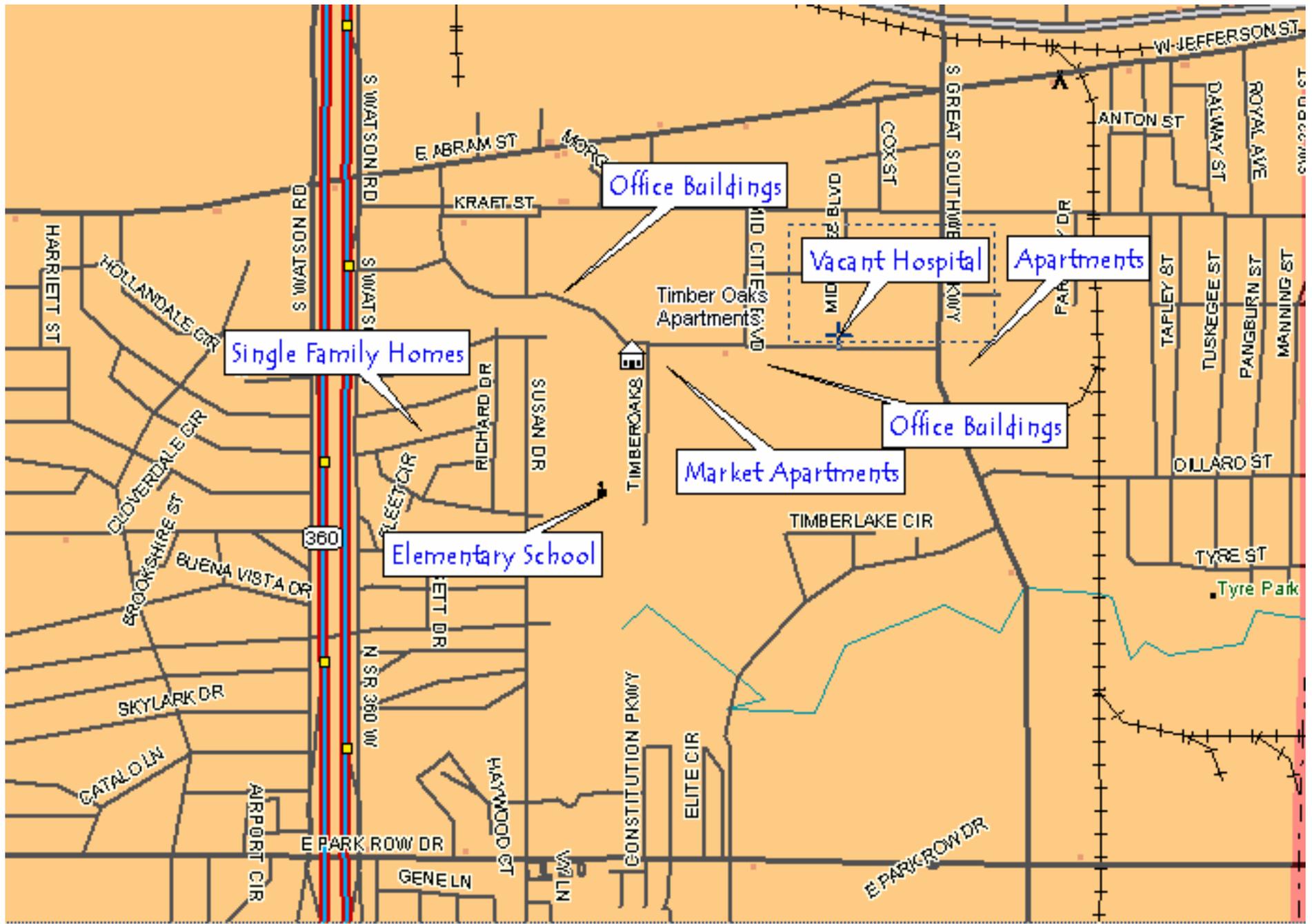
PROJECT INFORMATION

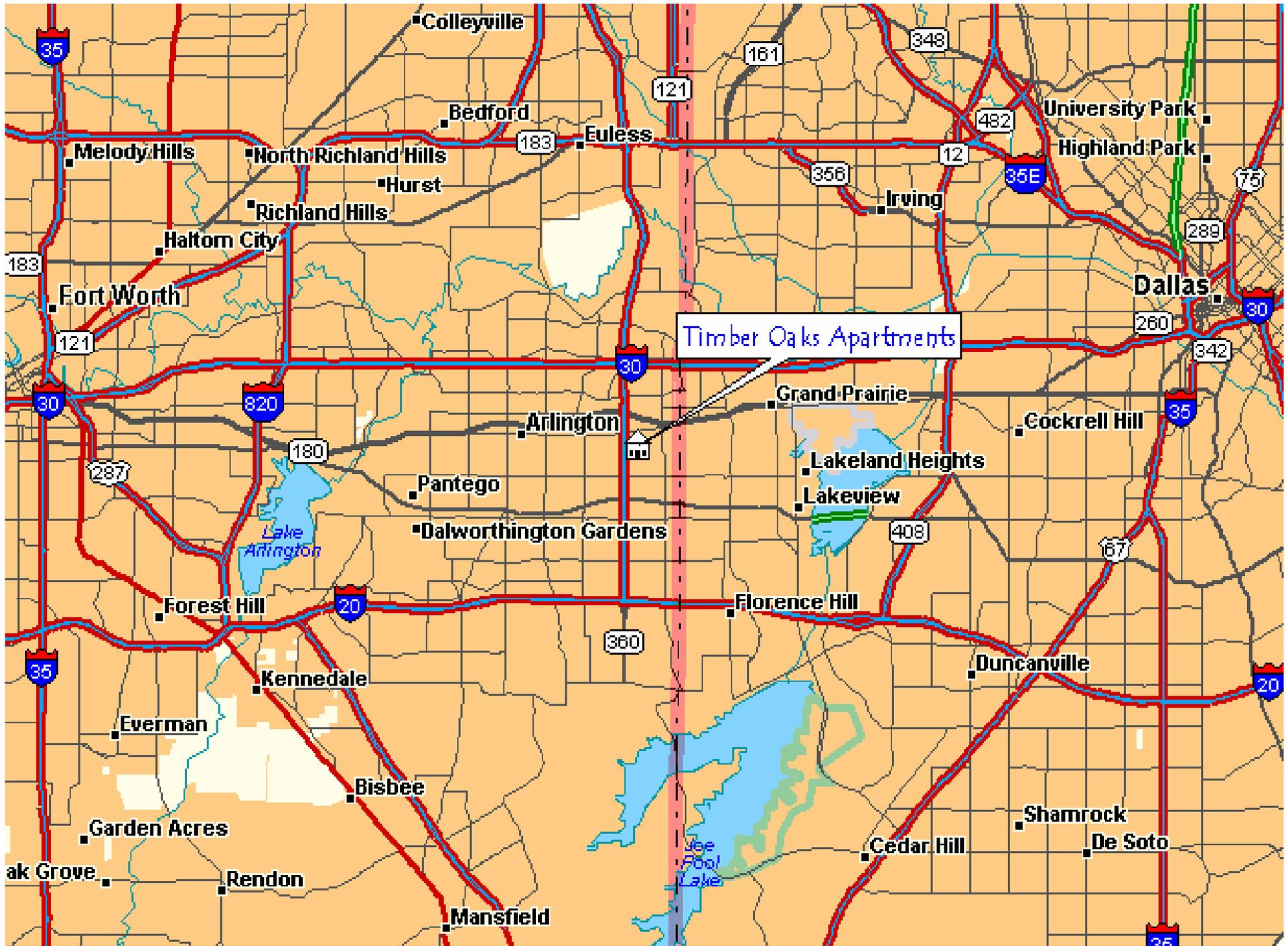
Unit Mix				
Unit Description	1-Bedroom	2-Bedroom	2-Bedroom	3-Bedroom
Square Footage	747	854	1,000	1,158
Rents if Offered at Market Rates	\$575	\$750	\$850	\$1,025
Rent per Square Foot	\$0.77	\$0.88	\$0.85	\$0.89

SAVINGS ANALYSIS FOR 60% AMFI GROUPING

Rent Cap for 50% AMFI Set-Aside	\$529	\$620	\$635	\$731
Monthly Savings for Tenant	\$46	\$130	\$215	\$294
Rent per Square Foot	\$0.71	\$0.73	\$0.64	\$0.63
Maximum Monthly Income - 60% AMFI	\$2,450	\$2,760	\$2,760	\$3,188
Monthly Savings as % of Monthly Income	1.9%	4.7%	7.8%	9.2%
% DISCOUNT OFF MONTHLY RENT	8.0%	17.3%	25.3%	28.7%

Market information provided by: Jack Poe Company Incorporated, 400 N Saint Paul Street, Suite 440, Dallas, Texas 75201. Appraisal dated April 25, 2003.





Timber Oaks Apartments

Developer Evaluation

Project ID # **03406/2003-058** Name: **Timber Oaks Apartments** City: **Grand Prairie**

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Projects in Material Noncompliance: No Yes # of Projects: 0
Total # of Projects monitored: 5 Projects grouped by score 0-9 5 10-19 0 20-29 0
Total # monitored with a score less than 30: 5 # not yet monitored or pending review: 1

Program Monitoring/Draws

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Asset Management

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Sara Carr Newsom Date sday, May 08, 2003

Multifamily Finance Production

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by R Meyer Date 5/28/2003

Single Family Finance Production

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by _____ Date _____

Community Affairs

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Eddie Fariss Date 5/5/2003

Office of Colonia Initiatives

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by H Cabello Date 6/10/2003

Real Estate Analysis (Cost Certification and Workout)

Not applicable Review pending No unresolved issues Unresolved issues found
Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by _____ Date _____

Loan Administration

Not applicable No delinquencies found Delinquencies found
Delinquencies found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Stephanie Stuntz Date 5/6/2003

Executive Director: _____

Executed: _____

Status Summary

Project ID# 03406/2003-058

Name: Timber Oaks Apartments

City Grand Prairie

LIHTC 9 LIHTC 4

HOME HTF

Bond SEC

ESGP Other

Developer	Role	Disbar
OHC/GP I Ltd.	Owner/Applicant Name	<input type="checkbox"/>
Outreach Housing Corporation	General Partner	<input type="checkbox"/>
Richard Ruschman	President	<input type="checkbox"/>
Berri McBride	Director	<input type="checkbox"/>
Frank Seelye	Director	<input type="checkbox"/>
Colonial Equities, Inc.	Special Limited Partner	<input type="checkbox"/>
Richard Shaw	President	<input type="checkbox"/>
Shaw Family Trust	Member	<input type="checkbox"/>

Projects/Contracts Monitored by the Department

Program	Project ID	Project Name	Score
LIHTC	93102	Ash Lane Apartments	03
LIHTC	93155	The Fountains of Rosemeade	0
LIHTC	93101	The Meadows Apartments	01
LIHTC	94067	Canterbury Crossing	0
LIHTC	93153	The Lakes of El Dorado	02
LIHTC	02069	Sanger Trails Apartments	N/A

Out of State Response Received: No

Non-Compliance Reported

Status Summary

Completed By: Jo En Taylor **Date:** 5/1/2003

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Multifamily Finance Division

Public Comment Summary

Timber Oaks Apartments

Public Hearing	
<i>Total Number Attended</i>	3
<i>Total Number Opposed</i>	0
<i>Total Number Supported</i>	2
<i>Total Number Undecided</i>	0
<i>Total Number that Spoke</i>	0

Letters Received	
<i>Opposition</i>	0
<i>Support</i>	0

Summary of Opposition

Response to Summary of Opposition

TEXAS DEPARTMENT OF HOUSING AND
COMMUNITY AFFAIRS

TIMBER OAKS APARTMENTS
PUBLIC HEARING

6:21 p.m.
May 14, 2003

Crouch Elementary School
2810 Prairie Hill Lane
Grand Prairie, Texas

BEFORE: ROBBYE G. MEYER
Multifamily Bond Administrator

ALSO PRESENT:

Richard Shaw
Rick Kurle

P R O C E E D I N G S

1
2 MS. MEYER: Good evening. My name is Robbye
3 Meyer and I would like to proceed with the public hearing.
4 Let the record show that it is 6:21 on Wednesday, May 14,
5 2003, and we are at the Crouch Elementary School located
6 at 2810 Prairie Hill Lane, Grand Prairie, Texas.

7 I am here to conduct the public hearing on
8 behalf of the Texas Department of Housing and Community
9 Affairs with respect to an issue of tax exempt multifamily
10 revenue bonds for a residential rental community. This
11 hearing is required by the Internal Revenue Code.

12 The sole purpose of this hearing is to provide
13 a reasonable opportunity for interested individuals to
14 express their views regarding the development and the
15 proposed bond issue. No decisions regarding the
16 development will be made at this hearing.

17 The Department's board is scheduled to meet to
18 consider the transaction on June 12, 2003. In addition to
19 providing your comments at this hearing, the public is
20 also invited to provide comment directly to the finance
21 committee or the board at any of their meetings.

22 The Department staff will also accept written
23 comments from the public via facsimile at 512/475-0764 up
24 until five o'clock on May 30, 2003.

1 The bonds will be issued as tax exempt
2 multifamily revenue bonds in the aggregate principal
3 amount not to exceed \$10,900,000 and taxable bonds, if
4 necessary, in an amount to be determined and issued in one
5 or more series, by the Texas Department of Housing and
6 Community Affairs.

7 The proceeds of the bonds will be loaned to
8 OHC/GP I, Ltd., or a related person or affiliate thereof,
9 to finance a portion of the costs of acquiring,
10 constructing and equipping a multifamily rental housing
11 community described as follows: a 264-unit multifamily
12 residential rental development to be constructed on
13 approximately 15.5 acres of land located at 700 Timber
14 Oaks Lane, Tarrant County, Texas.

15 The proposed multifamily rental housing
16 community will be initially owned and operated by the
17 borrower or a related person or affiliate thereof.

18 Let the record show that there is no one at the
19 public hearing for public comment and the meeting is now
20 adjourned and the time is 6:23.

21 (Whereupon, at 6:23 p.m., the public hearing
22 was concluded.)

C E R T I F I C A T E

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MEETING OF: Texas Department of Housing and Community
Affairs,
Timber Oaks Apartments public hearing
LOCATION: Grand Prairie, Texas
DATE: May 14, 2003

I do hereby certify that the foregoing pages,
numbers 1 through 4, inclusive, are the true, accurate,
and complete transcript prepared from the verbal recording
made by electronic recording by Debi Eaton before the
Texas Department of Housing and Community Affairs.

05/27/03

(Transcriber) (Date)
On the Record Reporting, Inc.
3307 Northland, Suite 315
Austin, Texas 78731

**Low Income Housing Tax Credit Program
Board Action Request
June 25, 2003**

Action Item

Request, review and possible approval of one (1) four percent (4%) tax credit application with TDHCA as the issuer.

Recommendation

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notice with **TDHCA** as the Issuer for tax exempt bond transaction known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Recommended Credit Allocation
03406	Timber Oaks Apartments	Grand Prairie	TDHCA	264	264	\$19,128,861	\$13,200,000	\$640,007



TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS

HOUSING FINANCE DIVISION - MULTIFAMILY

REQUEST FOR BOARD APPROVAL OF MULTIFAMILY MORTGAGE REVENUE BOND REFUNDING

2003 PRIVATE ACTIVITY MULTIFAMILY REVENUE REFUNDING BONDS

Reading Road Apartments
6000 block of Reading Road located on the north side of Reading Road
Rosenberg, Texas
Reading Road Apartments, L.P.
252 Units
\$10,250,000 (*) Tax Exempt – Series 2003A
\$1,950,000 (*) Taxable – Series 2003B

TABLE OF EXHIBITS

TAB 1	TDHCA Board Presentation
TAB 2	Bond Resolution
TAB 3	LIHTC Profile and Board Summary
TAB 4	Sources & Uses of Funds Estimated Costs of Issuance
TAB 5	Department's Credit Underwriting Analysis
TAB 6	Rental Restrictions Explanation Results & Analysis
TAB 7	Location Map
TAB 8	TDHCA Compliance Report
TAB 9	Public Hearing Transcript (November 25, 2002)

() Preliminary - subject to change*

**BOARD APPROVAL
MEMORANDUM
June 25, 2003**

DEVELOPMENT: Reading Road Apartments, Rosenberg, Fort Bend County, Texas

PROGRAM: Texas Department of Housing and Community Affairs
2003 Multifamily Housing Mortgage Revenue Refunding Bonds

ACTION

REQUESTED: Approve the issuance of multifamily housing mortgage revenue senior and subordinate refunding bonds (the "Bonds") by the Texas Department of Housing and Community Affairs (the "Department"). The Bonds will be issued under Chapter 1371, Texas Government Code, as amended, and under Chapter 2306, Texas Government Code, the Department's Enabling Act (the "Act"), which authorizes the Department to issue its revenue bonds for its public purposes as defined therein.

PURPOSE: The proceeds of the Bonds will be used to fund senior and subordinate mortgage loans (the "Mortgage Loans") to Reading Road Apartments, L.P., a Texas limited partnership (the "Borrower"), to refund the Department's outstanding Multifamily Mortgage Revenue Bonds (Reading Road Apartments) Series 2003A and Series 2003B to finance the construction, equipment and long-term financing of a proposed 252-unit multifamily residential rental development to be constructed in Fort Bend County, Texas. (the "Development"). The Bonds will be tax-exempt by virtue of the Development qualifying as a residential rental development.

BOND AMOUNT: \$ 10,2500,000 Series 2003A (the "Senior Bonds")
\$ 1,950,000 Series 2003B (the "Subordinate Bonds")
\$12,200,000 Total Bond Amount (*) (the "Bonds")

(*) The aggregate principal amount of the Bonds will be determined by the Department based on its rules, underwriting, the cost of construction of the Development and the amount for which Bond Counsel can deliver its Bond Opinion.

**ANTICIPATED
CLOSING DATE:**

The Department received a volume cap allocation for the Bonds on October 18, 2002 pursuant to the Texas Bond Review Board's 2002 Private Activity Bond Allocation Program. The Series 2003A and Series 2003B were closed on February 12, 2003 under a Private Placement Bond Structure. The Applicant wishes to refund these bonds with a variable rate credit enhanced and subordinate bond structure and anticipates closing this transaction by July 31, 2003.

BORROWER: Reading Road Apartments, L.P., a Texas limited partnership, the general partner of which is Reading Road Development, L.L.C., a Texas limited liability company, the Managers of which are J. Steve

Ford, William D. Henson and Sally Gaskin.

COMPLIANCE HISTORY:

A recent Compliance Status Summary reveals that the managers of the general partner above have a total of twenty-two (22) properties being monitored by the Department. Fourteen (14) of these properties have received a compliance score. All of the scores are below the material non-compliance threshold score of 30.

ISSUANCE TEAM & ADVISORS:

Capri Capital Finance, LLC (Freddie Mac Seller/Servicer)
AIG SunAmerica, Inc. ("Equity Provider")
AIG SunAmerica, Inc. (Construction Phase Credit Facility Provider)
Bank One, National Association, ("Trustee")
Vinson & Elkins L.L.P. ("Bond Counsel")
RBC Dain Rauscher Inc. ("Financial Advisor")
McCall, Parkhurst & Horton, L.L.P. (Disclosure Counsel)

BOND PURCHASER:

The Senior Bonds will be publicly offered for sale on or about July 23, 2003 at which time the final pricing and Bond Purchaser(s) will be determined. The Senior Bonds will initially bear interest at a variable rate which may be converted to a fixed rate as described in the Trust Indenture, until maturity or prior redemption. The Subordinate Bonds will be purchased by Kirkpatrick, Pettis, Smith, Polian Inc. at an interest rate of 6.75% (fixed rate)

DEVELOPMENT DESCRIPTION:

Development: The Development is a 252-unit multifamily residential rental development to be constructed on approximately 14.5 acres of land located at 5525 Reading Road in the eastern portion of the City of Rosenberg, Fort Bend County, Texas. Since Rosenberg does not currently utilize zoning ordinances to regulate development, the project is not subject to this type of regulation.

Site: The site is currently undeveloped as is the land immediately north, west and east of the site. The South Texas Medical Clinic is located across Reading Road to the south of the subject property. There are current plans to improve the vacant land north and west of the subject property with the proposed Villages of Town Center single-family residential subdivision. The proposed site density is 17.4 dwelling units per acre. The subject site is not located in a flood hazard area and has adequate slope for drainage purposes.

Linkages: *Transportation* is available via the private automobile. Principal thoroughfares serving the Rosenberg include US Highway 59; FM 2218; FM 1640; Avenues H, N, and M; FM 762; and Highway 90A. *Schools* are convenient to the site. Wharton Junior College and neighborhood schools of all levels are located within a two mile radius of the site. *Shopping centers* include a Wal-Mart Supercenter, an Office Depot, a Home Depot home improvement center and several grocery-anchored shopping centers. *Employment* is available from a nearby regional mall and neighborhood power center, various businesses located along major thoroughfares in the area, and

numerous offices, retail centers and service centers in the area. Medical facilities are convenient. In addition to the South Texas Medical Clinic located just south of the site, Polly Ryon Memorial Hospital is located less than two miles north of the subject property. Nearby recreational facilities include Fort Bend Country Club, Brazos Park, Riverbend Park and Sunset Park. Brazos Bend State Park is located approximately 10 miles southeast of the subject property.

Buildings: The Development will include a total of twenty-seven, two and three-story, wood-framed buildings with a total of 238,896 net rentable square feet and an average unit size of 948 square feet. The exterior walls will be finished with 50% brick veneer and 50% siding. The pitched roofs will be finished with a composition shingles. The interiors will consist of 9 foot ceilings, sheetrock walls and a combination of carpet and vinyl flooring. There will be a full range of kitchen appliances excluding dishwashers, microwave ovens and garbage disposals. Additional features include energy-efficient appliances, washer/dryer connections, walk-in closets, private patios/balconies and the availability of cable television service.

Units	Unit Type	Square Feet	Proposed Net Rent
76	1-Bedrooms/1-Baths	684	\$584
56	2-Bedrooms/2-Baths	975	\$677
48	2-Bedrooms/2-Baths	982	\$677
<u>72</u>	3-Bedrooms/2-Baths	1,183	\$778
252			

On-site Amenities: The Project will include a recreation center with offices, a business center, fitness room, a community room, a computer room, a laundry room, kitchen facilities, and public restrooms. On-site amenities will include a swimming pool, a children’s play area, playground equipment, and a picnic area. All ground units will be wheelchair accessible with 5% of the units equipped for persons with mobility impairments, 2% of the units will be for persons with visual/hearing impairments and all individual units will have washer/dryer connections. Additionally, the Development will also include 216 attached garages, 36 detached garages and 278 uncovered parking spaces.

RENT CAPS:

For Bond covenant purposes, the rental rates on 100% of the units will be restricted to a maximum rent that will not exceed thirty percent (30%) of the income, adjusted for family size, for sixty percent (60%) of the area median income.

TENANT SERVICES:

The Borrower has contracted with Texas Inter-Faith Management Corporation, a Texas non-profit corporation, d.b.a. Good Neighbor to provide a Supportive Services and a Tenant Services Plan based on the tenant profile upon lease-up that conforms to the Department’s program guidelines.

ORIGINATION

FEES:

\$10,000 Application Fee (Paid).
\$30,500 Issuance Fee (.25% of the bond amount paid at closing).

**DEPARTMENT
ANNUAL FEES:**

\$12,200 Bond Administration (0.10% per annum of the aggregate principal amount of Bonds outstanding)
\$6,300 Compliance (\$25/unit/year adjusted annually for CPI)

(Department's annual fees may be adjusted, including deferral, to accommodate underwriting criteria and Project cash flow. These fees will be subordinated to the Mortgage Loan and paid outside of the cash flows contemplated by the Indenture)

**ASSET OVERSIGHT
FEE:**

\$6,300 to TDHCA or assigns (\$25/unit/year adjusted annually for CPI)

TAX CREDITS:

The Borrower has received a Determination Notice for the 4% tax credit that accompanies the private-activity bond allocation. The tax credit equates to \$624,757 per annum and represents equity for the transaction. To capitalize on the tax credit, the Borrower has sold a substantial portion of the limited partnership, typically 99.9%, to raise equity funds for the project. Tax credits have been sold to AIG SunAmerica Inc.. The Borrower raised approximately \$5,055,534 of net equity proceeds for the transaction.

**BOND STRUCTURE &
SECURITY FOR THE
BONDS:**

The Bonds are proposed to be issued under a Senior Trust Indenture and a Subordinate Trust Indenture (the "Trust Indentures") that will describe the fundamental structure of the Bonds, permitted uses of Bond proceeds and procedures for the administration, investment and disbursement of Bond proceeds and program revenues.

As stated above, the Bonds are being issued to fund a Senior Mortgage Loan and a Subordinate Mortgage Loan (the "Mortgage Loans") to refinance the acquisition, construction, equipping and long-term financing of the Development. The Mortgage Loans will be secured by, among other things, a Senior Deed of Trust and a Subordinate Deed of Trust and other security instruments on the Development. The Senior Mortgage Loan and security instruments will be assigned to the Trustee and Freddie Mac and will become part of the Trust Estate securing the Senior Bonds. The Subordinate Mortgage Loan and security instruments will be assigned to the Trustee and will become a part of the Trust Estate securing the Subordinate Bonds.

During both the construction period (the "Construction Phase") and permanent mortgage period (the "Permanent Phase"), Freddie Mac will provide a direct pay credit facility for the Bonds and the Department's Bond Administration Fee. Freddie Mac's credit facility will also provide liquidity support in the event that remarketing proceeds are insufficient to pay the purchase price of Senior Bonds tendered for purchase under the Senior Trust Indenture. During the Construction

Phase, AIG SunAmerica, Inc. will provide Construction Phase Credit Facility for the benefit of Freddie Mac to cover the construction and lease-up risk. Upon satisfaction of certain Conversion Requirements, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase and Freddie Mac will return the Construction Phase Credit Facility AIG SunAmerica Inc..

In addition to the direct pay credit facility for the Senior Bonds, other security for the Senior Bonds during the Construction Phase consists of the net bond proceeds, the revenues and any other moneys received by the Trustee for payment of principal and interest on the Senior Bonds, and amounts otherwise on deposit in the Funds and Accounts (excluding the Rebate Fund, the Fees Account and the Cost of Issuance Fund) and any investment earnings thereon (see Funds and Accounts section, below). The Subordinate Bonds will be secured on a subordinate basis by the trust estate including the Subordinate Deed of Trust.

The Bonds are mortgage revenue bonds and, as such, create no potential liability for the general revenue fund or any other state fund. The Act provides that the Department's revenue bonds are solely obligations of the Department, and do not create an obligation, debt, or liability of the State of Texas or a pledge or loan of the faith, credit or taxing power of the State of Texas. The only funds pledged by the Department to the payment of the Bonds are the revenues from the financing carried out through the issuance of the Bonds.

**CREDIT
ENHANCEMENT:**

The credit enhancement by Freddie Mac allows for an anticipated rating by the Rating Agency of Aaa and an anticipated variable interest rate for the Senior Bonds. Without the credit enhancement, the Senior Bonds would not be investment grade and therefore command a higher interest rate from investors on similar maturity bonds. The Subordinate Bonds will be unrated with no credit enhancement.

FORM OF BONDS:

The Senior Bonds will be issued in book entry form and will be in denominations of, during any Weekly Variable Rate Period, \$100,000 or any integral multiple of \$5,000 in excess of \$100,000, or during any Reset Period or the Fixed Rate Period, \$5,000 or any integral multiple of \$5,000. The Subordinate Bonds will be issued as registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

**TERMS OF THE
MORTGAGE LOAN:**

The Mortgage Loans are non-recourse obligations of the Owner, which means, subject to certain exceptions, that the Owner is not liable for the payment thereof beyond the amount realized from the pledged security. The Mortgage Loans provide for monthly payments of interest during the Construction Phase and level monthly payments of principal and interest for 360 months upon conversion to the Permanent Phase.

During the Construction Phase, the Borrower will be required to make payments on the Mortgage Loans directly to the Trustee (to the extent that capitalized interest funds deposited at closing into the Bond Mortgage Loan Fund are insufficient to make the semi-annual interest payments on the Senior Bonds) along with all other bond and credit enhancement fees. Upon conversion, the Borrower will be required to pay mortgage payments on the Mortgage Loan to the Servicer. The Borrower will continue to pay certain other fees, including the Department's fees (other than the Bond Administration Fee, which is paid to the Trustee through advances under the credit facility), directly to the Trustee.

Effective on the Conversion Date, which is anticipated to occur 30 months from the closing date of the Bonds with one six-month extension option, the Mortgage Loan will convert from the Construction Phase to the Permanent Phase upon satisfaction of the conversion requirements set forth in the Freddie Mac credit facility documents. Among other things, these requirements include completion of the Development according to plans and specifications and achievement of certain occupancy thresholds.

**MATURITY/SOURCES
& METHODS OF
REPAYMENT:**

The Senior Bonds will bear interest initially at a Weekly Variable Rate, which may be converted pursuant to the terms of the Indenture to a Reset Rate or the Fixed Rate, and will mature no later than July 1, 2036.

The Senior Bonds will be payable from: (1) advances made by Freddie Mac under the credit facility; (2) earnings derived from amounts held in Funds & Accounts (discussed below) or on deposit in an investment agreement; and (3) funds deposited to the Bond Mortgage Loan Fund specifically for capitalized interest during a portion of the Construction Phase. The Borrower is obligated to reimburse Freddie Mac for any moneys advanced by Freddie Mac under the credit facility. The credit facility also covers the Department's Bond Administration Fee, but it does not cover any premium to be paid on the Bonds.

**REDEMPTION OF
BONDS PRIOR TO
MATURITY:**

The Senior Bonds are subject to redemption under any of the following circumstances:

Optional Redemption:

The Senior Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower on:

- (1) Any Interest Payment Date within a Weekly Variable Rate Period and on any Adjustment Date at a redemption price equal to 100 percent of the principle amount redeemed plus accrued interest to the Redemption Date;
- (2) Any date within a Reset Period at the respective redemption prices

- set forth in the Indenture as expressed as a percentage of the principal amount of the Senior Bonds; and
- (3) Any date within the Fixed Rate Period, at the respective redemption prices set forth in the Indenture as expressed as percentages of the principal amounts of the Senior Bonds.

The principal of and accrued interest on any Senior Bonds being redeemed above will be paid from an Advance under the direct pay credit facility and the premium, if any, must be paid with other Available Moneys.

Mandatory Redemption: The principal of and accrued interest on Bonds redeemed under the mandatory redemption provisions of the Indenture will be paid from an Advance under the direct pay credit facility at a price of 100%, in the following circumstances:

- (1) the Senior Bonds shall be redeemed in whole or in part in the event and to the extent that any insurance or condemnation proceeds are applied to the prepayment of the Loan;
- (2) the Senior Bonds shall be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Senior Bonds be redeemed following any Event of Default under the Reimbursement Agreement;
- (3) the Senior Bonds shall be redeemed in whole or in part as follows:
 - a) on each date when the interest rate on the Senior Bonds is adjusted to a different Mode in the amount transferred from the Principal Reserve Fund on such date to the Redemption Account; and
 - b) On any Interest Payment Date during a Weekly Variable Rate Period in the amount transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account;
- (4) the Senior Bond shall be redeemed during the Fixed Rate Period if the Issuer has established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule;
- (5) in part, in the event that the Borrower makes a prepayment on the Mortgage Loan to satisfy conversion requirements;
- (6) the Senior Bonds shall be redeemed in whole if the Credit Provider notifies the Trustee of a (i) a Borrower Default or a Construction Lender Default has occurred, or (ii) the Construction Phase Facility Provider has directed Freddie Mac to draw on the Construction Phase Credit Facility due to an event of default by the Borrower under the Construction Phase Loan Agreement or the Construction Phase Reimbursement Agreement. The Senior Bonds shall also be redeemed in whole if the Bonds are purchased in lieu of redemption by the Borrower from amounts remaining in the Loan Fund; and
- (7) the Bonds shall be redeemed in whole or in part to the extent that funds remain in the Senior Bond Mortgage Loan Fund that are not required to pay costs of the Development.

Purchase of Bonds in Lieu of Redemption: Subject to certain

provisions, the Credit Provider, or the Borrower with the consent of the Credit Provider, may purchase Senior Bonds with deposits held by the Trustee in the Credit Facility Account, to pay principal and interest, and the Redemption Account to pay premium, if any. The purchase price of the Bonds cannot exceed the applicable redemption price of the Bonds and any such purchase must be completed prior to the time notice would otherwise be required to be given to redeem the Bonds.

Special Purchase in Lieu of Redemption: If the Bonds are called for redemption in whole, and not in part, as a result of either a conversion failure or certain events of default under the documents (during the period that the Letter of Credit from the Interim Lender is in effect), the Bonds may be purchased in lieu of such redemption by the Trustee for the account of the Interim Lender. These "Special Purchase Bonds" do not benefit from the credit enhancement facility and may not be transferred to any other third-party owner without the approval of the Department or receipt of an investment grade rating.

**FUNDS AND
ACCOUNTS/FUNDS
ADMINISTRATION:**

Under the Senior Trust Indenture, Bank One, National Association, (the "Trustee") will serve as registrar and authenticating agent for the Senior Bonds, trustee of certain of the funds created under the Senior Trust Indenture (described below), and will have responsibility for a number of loan administration and monitoring functions.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Senior Bonds. The Bonds will initially be issued as fully registered securities and when issued will be registered in the name of Cede & Co., as nominee for DTC. One fully registered global bond in the aggregate principal amount of each stated maturity of the Senior Bonds will be deposited with DTC.

Moneys on deposit in Senior Trust Indenture funds are required to be invested in Permitted Investments prescribed in the Senior Trust Indenture until needed for the purposes for which they are held.

The Senior Trust Indenture will create up to Six (6) funds with the following general purposes:

1. Senior Bond Mortgage Loan Fund – Senior Bond proceeds will be deposited and withdrawn to pay the costs of construction of the Development including interest on the Bonds during the Construction Phase.
2. Revenue Fund – Includes Capitalized Interest Account, General Account and a Credit Facility Account, general receipts and disbursement account for revenues to pay the Credit Provider the amount of any Advance under the credit facility for principal and interest on the Senior Bonds. Sub-accounts created within the Revenue Fund for redemption provisions, credit facility purposes, and certain ongoing fees.

3. Costs of Issuance Fund – Consists of a Costs of Issuance Deposit Account and a Net Bond Proceeds Account into which amounts for the payment of the costs of issuance are deposited and disbursed by the Trustee.
4. Rebate Fund - Fund into which certain investment earnings are transferred that are required to be rebated periodically to the federal government to preserve the tax-exempt status of the Senior Bonds. Amounts in this fund are held apart from the trust estate and are not available to pay debt service on the Senior Bonds.
5. Senior Bond Fund - so long as any Senior Bonds are Outstanding and have not been adjusted to the Fixed Rate, remarketing proceeds (and Pledged Senior Bond Advances under the credit facility, if such proceeds are insufficient) are deposited and used to pay the purchase price of Senior Bonds purchased under the Senior Trust Indenture to the former owners of such Senior Bonds upon presentation of such Senior Bonds to the Trustee.
6. Principal Reserve Fund – a fund to collect payments, required to be made by the Borrower under the Reimbursement Agreement, and used to redeem Senior Bonds and for certain other purposes authorized under the Senior Indenture at the direction of the Credit Provider.
7. Redemption Fund – funds are used to reimburse the Credit Facility Provider or redeem Senior Bonds.
8. Administration Fund – funds are used to pay administrative fees.

Essentially, all of the Senior Bond proceeds will be deposited into the Senior Bond Mortgage Loan Fund and disbursed therefrom during the Construction Phase (over 30 months) to finance the construction of the Development (see Exhibit 3).

Subordinate Bond Account – representing funds transferred from the Revenue Fund, the Construction Fund or the Mortgage Recovery Fund and funds paid to the Trustee for the mandatory or optional redemption of the outstanding Subordinate Bonds and used to pay principal of and interest on the Subordinate Bonds.

DEPARTMENT
ADVISORS:

The following advisors have been selected by the Department to perform the indicated tasks in connection with the issuance of the Bonds.

1. Bond Counsel - Vinson & Elkins L.L.P. ("V&E") was most recently selected to serve as the Department's bond counsel through a request for proposals ("RFP") issued by the Department in August 1998. V&E has served in such capacity for all Department or Agency bond financings since 1980, when

the firm was selected initially (also through an RFP process) to act as Agency bond counsel.

2. Bond Trustee – Bank One, National Association. was selected as bond trustee by the Department pursuant to a request for proposal process in June 1996.
3. Financial Advisor - Dain Rauscher, Inc., formerly Rauscher Pierce Refsnes, was selected by the Department as the Department's financial advisor through a request for proposals process in September 1991.
4. Underwriter –Newman and Associates, A Division of GMAC Commercial Holding Capital Markets Corp., was selected by the Borrower from the Department's list of approved senior underwriters for multifamily bond issues. The underwriter list was compiled and approved by the Department through an RFP process in early 1999.
5. Disclosure Counsel – McCall, Parkhurst & Horton, L.L.P. was selected by the Department as Disclosure Counsel through a request for proposals process in 1998.

ATTORNEY GENERAL
REVIEW OF BONDS:

No preliminary written review of the Bonds by the Attorney General of Texas has yet been made. Department bonds, however, are subject to the approval of the Attorney General, and transcripts of proceedings with respect to the Bonds will be submitted for review and approval prior to the issuance of the Bonds.

RESOLUTION NO. 03-51

RESOLUTION AUTHORIZING AND APPROVING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING MORTGAGE REVENUE SENIOR REFUNDING BONDS (READING ROAD APARTMENTS) SERIES 2003A AND MULTIFAMILY HOUSING MORTGAGE REVENUE SUBORDINATE REFUNDING BONDS (READING ROAD APARTMENTS) SERIES 2003B; 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 refunding 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 Department heretofore has issued its Multifamily Housing Mortgage Revenue Bonds (Reading Road Apartments) Series 2003A in the original aggregate principal amount of \$9,760,000 and its Multifamily Housing Mortgage Revenue Bonds (Reading Road Apartments) Series 2003B in the original aggregate principal amount of \$2,440,000 (collectively, the "Prior Bonds") the proceeds of which were loaned to Reading Road Apartments, L.P., a Texas limited partnership (the "Borrower"), to provide financing for the acquisition, construction and equipping of a multifamily residential rental housing project located in Texas and described on Exhibit A attached hereto (the "Project"), all in accordance with the Constitution and laws of the State of Texas; and

WHEREAS, the Board has determined to authorize the issuance of the Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Senior Refunding Bonds (Reading Road Apartments) Series 2003A (the "Senior Bonds"), pursuant to and in accordance with the terms of a Senior Trust Indenture (the "Senior Indenture") by and between the Department and Bank One, National Association, as trustee (the "Trustee"), and the Multifamily Housing Mortgage Revenue Subordinate Refunding Bonds (Reading Road Apartments) Series 2003B (the "Subordinate Bonds," and together with the Senior Bonds, the "Bonds"), pursuant to and in accordance with the terms of a Subordinate Trust Indenture (the "Subordinate Trust Indenture," and together with the Senior Trust Indenture, the "Indentures") by and between the Department and the Trustee for the purpose of obtaining funds to refinance 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 Senior Bond Mortgage Loan (the “Senior Loan”) and a separate Subordinate Bond Mortgage Loan (the “Subordinate Loan,” together with the Senior Loan, the “Loans”) to the Borrower to prepay the outstanding balance of the Mortgage Loan for the Prior Bonds and thereby refund in full the Prior Bonds and to provide financing for certain costs of acquisition, construction and equipping, and operation of the Project, all in accordance with the Constitution and the laws of the State of Texas; and

WHEREAS, it is anticipated that the Department, the Borrower and the Trustee will execute and deliver a Senior Financing Agreement (the “Senior Financing Agreement”) and a Subordinate Financing Agreement (the “Subordinate Financing Agreement,” and together with the Senior Financing Agreement, the “Financing Agreements”) pursuant to which (i) the Department will agree to make the Loans to the Borrower to enable the Borrower to refinance the Project and pay related costs, and (ii) the Borrower will execute and deliver to the Department its two promissory notes (the “Notes”) one in an original principal amount corresponding to the original aggregate principal amount of the Senior Bonds and one in an amount equal to the original aggregate principal amount of the Subordinate Bonds, and providing for payment of interest on such principal amounts equal to the interest on the respective Bonds and to pay other costs described in the Financing Agreements; and

WHEREAS, the Department now desires to authorize the use and distribution of a preliminary official statement (the “Preliminary Official Statement”) in connection with the offering of the Senior Bonds; and

WHEREAS, it is anticipated that the Notes will each be secured by separate Deeds of Trust (with Security Agreement and Assignment of Rents) (collectively, the “Deeds of Trust”) and a Senior Assignment of Leases and Rents (the “Assignment of Leases and Rents”) from the Borrower for the benefit of the Department and the Trustee; and

WHEREAS, the Department’s interest in the Loans, including the Notes and the Deeds of Trust, will be assigned to the Trustee pursuant to separate Assignments of Deed of Trust Documents and Assignments of Notes (collectively, the “Assignments”) from the Department to the Trustee; and

WHEREAS, the Board has determined that, in order to assure compliance with Sections 142(d) and 145 of the Code, the Department, the Trustee and the Borrower will enter into an Amended and Restated 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 Fort Bend County, Texas; and

WHEREAS, the Board has determined that the Department and the Borrower will execute an Asset Oversight Agreement (the “Asset Oversight Agreement”) with respect to the Project for the purpose of monitoring the operation and maintenance of the Project; and

WHEREAS, the Board has further determined that the Department will enter into a Bond Purchase Agreement (the “Senior Purchase Agreement”) with the Borrower and Newman and Associates, A Division of GMAC Commercial Holding Capital Markets Corp. (the “Underwriter”) and a Bond Purchase Agreement (the “Subordinate Bond Purchase Agreement,” and together with the Senior Bond Purchase Agreement, the “Purchaser Agreements”) with the Borrower and Kirkpatrick, Pettis, Smith, Polian Inc. (the “Purchaser”) and any other party to the Purchase Agreements as authorized by the execution thereof by the Department, setting forth certain terms and conditions upon which the Department will sell the Bonds to the Underwriter and the Purchaser and the Underwriter and the Purchaser will purchase the Bonds; and

WHEREAS, it is anticipated that credit enhancement for the Senior Bonds will be provided for initially by a direct pay Credit Enhancement Agreement (the “Credit Enhancement Agreement”) between

the Freddie Mac and the Trustee and the Board desires to accept such Credit Enhancement Agreement; and

WHEREAS, the Board has determined that the Department, the Trustee, AIG SunAmerica Inc. and Freddie Mac will enter into an Intercreditor Agreement (the "Intercreditor Agreement") that will outline the interests of the various parties with respect to the Senior Indenture, Senior Financing Agreement, Senior Deed of Trust and Regulatory Agreement; and

WHEREAS, the Board has determined that the Department, the Trustee and Freddie Mac will enter into a Subordination Agreement (the "Subordination Agreement") for the purpose of describing the subordination of the Subordinate Bonds; and

WHEREAS, the Board has examined proposed forms of (a) the Indentures, the Financing Agreements, the Assignments, the Regulatory Agreement, the Purchase Agreements, the Intercreditor Agreement, the Asset Oversight Agreement, the Preliminary Official Statement and the Subordination Agreement (collectively, the "Issuer Documents"), all of which are attached to and comprise a part of this Resolution and (b) the Deeds of Trust and the Assignment of Leases and Rents; 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 (to the extent such recitals relate to the Department); 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 the Issuer Documents, the acceptance of the Deeds of Trust and the Assignment of Leases and Rents 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 purchasers thereof.

Section 1.2--Interest Rate, Principal Amount, Maturity and Price. That the Chairman or Vice Chairman of the Governing Board or the Executive Director or Acting Executive Director of the Department are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, to fix and determine the interest rate (with respect to the Senior Bonds as determined by the Remarketing Agent), principal amount and maturity of and the redemption provisions related to, the Bonds, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman or Vice Chairman of the Governing Board or the Executive Director or Acting Executive Director of the Department of the Indentures and the Purchase Agreements; provided, however, that: (a)(i) the aggregate principal amount of the Senior Bonds shall not exceed \$10,250,000; and (ii) the final maturity of the Senior Bonds shall occur on July 1, 2036; and (b)(i) the aggregate principal amount of the Subordinate Bonds shall be \$1,950,000; (ii) the interest rate on the Subordinate Bonds shall be six and three-fourths percent (6.75%) per annum from and including the date of issuance thereof; and (iii) the final maturity of the Subordinate Bonds shall occur on July 1, 2036.

Section 1.3--Approval, Execution and Delivery of the Indentures. That the form and substance of the Indentures 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 Indentures and to deliver the Indentures to the Trustee.

Section 1.4--Approval, Execution and Delivery of the Financing Agreements and Regulatory Agreement. That the form and substance of the Financing Agreements and the Regulatory Agreement, in substantially the form attached hereto, 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 Financing Agreements and the Regulatory Agreement and deliver the Financing Agreements and the Regulatory Agreement to the Borrower and the Trustee.

Section 1.5--Acceptance of the Deeds of Trust and Notes. That the Deeds of Trust, the Assignment of Leases and Rents and the Notes 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 Agreements. That the form and substance of the Purchase Agreements 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 Agreements and to deliver the Purchase Agreements to the Borrower, the Underwriter and the Purchaser.

Section 1.8--Approval, Execution, Use and Distribution of the Preliminary Official Statement and the Official Statement. That the form and substance of the Preliminary Official Statement and its use and distribution by the Underwriter in accordance with the terms, conditions and limitations contained therein are hereby approved, ratified, confirmed and authorized; that the Chairman and the Executive Director are hereby severally authorized to deem the Preliminary Official Statement "final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission; that the authorized representatives of the Department named in this Resolution each are authorized hereby to make or approve such changes in the Preliminary Official Statement as may be required to provide a final Official Statement for the Senior Bonds; 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 Preliminary Official Statement and the Official Statement, as required; and that the distribution and circulation of the Official Statement by the Underwriter hereby is authorized and approved, subject to the terms, conditions and limitations contained therein, and further subject to such amendments or additions thereto as may be required by the Senior Bond Purchase Agreement and as may be approved by the Executive Director of the Department and the Department's counsel.

Section 1.9--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 Freddie Mac.

Section 1.10--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 1.11--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 - Senior Indenture
- Exhibit C - Subordinate Indenture
- Exhibit D - Senior Financing Agreement
- Exhibit E - Subordinate Financing Agreement
- Exhibit F - Assignments
- Exhibit G - Regulatory Agreement
- Exhibit H - Asset Oversight Agreement
- Exhibit I - Purchase Agreements
- Exhibit J - Intercreditor Agreement
- Exhibit K - Subordination Agreement
- Exhibit L - Preliminary Official Statement

Section 1.12--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 1.13--Authorized Representatives. That the following persons are each hereby named as authorized representatives (the “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 of the Board, Executive Director or Acting Executive Director of the Department, Deputy Executive Director of the Department, Chief Financial Officer of the Department, Director of Bond Finance of the Department, Director of Multifamily Finance Production of the Department, the Secretary of the Board, and the Assistant Secretary of the Board.

Section 1.14--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 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 refinancing 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 G to the Regulatory Agreement and shall be annually redetermined by the Issuer, as stated in the Financing Agreement.

Section 2.6--Ratifying Other Actions. That all other actions taken by the Executive Director or the Acting Executive Director of the Department and the Department staff in connection with the issuance of the Bonds and the refinancing 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 refinancing 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 has supplied and will continue to 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 refinancing 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 has supplied and will continue to 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 Loans made with the proceeds of the Bonds in accordance with its terms, and

(iii) that the Borrower is not, and 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 Financing 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 refinance 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 refinancing 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 Financing Agreements 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 Loans established pursuant to the Financing Agreements 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 Indentures, including the revenues and funds of the Department pledged under the Indentures 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 ____ day of July, 2003.

By: _____
Michael E. Jones, Chairman

[SEAL]

Attest: _____
Delores Groneck, Secretary

EXHIBIT A

DESCRIPTION OF PROJECT

Owner: Reading Road Apartments, L.P., a Texas limited partnership

Project: The Project is a 252-unit multifamily facility to be known as Reading Road Apartments and to be located at 5525 Reading Road, Rosenberg, Fort Bend County, Texas. The Project will include a total of twenty-seven (27) two-story residential apartment buildings with approximately 238,896 net rentable square feet and an approximate average unit size of 948 square feet. The unit mix will consist of:

76 one-bedroom/one-bath units
104 two-bedroom/two-bath units
72 three-bedroom/two-bath units

252 Total Units

Unit sizes will range from approximately 948 square feet to approximately 1,183 square feet.

The Project will include a recreation center with offices, a business center, fitness room, a community room, a computer room, a laundry room, kitchen facilities, and public restrooms. On-site amenities will include a swimming pool, a children's play area, playground equipment, and a picnic area. All ground units will be wheelchair accessible with 5% of the units equipped for persons with mobility impairments, 2% of the units will be for persons with visual/hearing impairments and all individual units will have washer/dryer connections. Additionally, the Project will also include 216 attached garages, 36 detached garages and 278 uncovered parking spaces.

**Low Income Housing Tax Credit Program
Board Action Request
January 8, 2003**

Action Item

Request review and possible approval of four percent (4%) tax credit applications with other issuers for tax exempt bond transactions.
TDHCA as Issuer for tax exempt bond transactions.

Recommendation

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notices with **TDHCA as Issuer** for tax exempt bond transactions known as:

Development No.	Name	Location	Total Units	LI Units	Total Development Costs	Recommended Tax Exempt Bond Amount	Recommended Credit Allocation
02462	Reading Road Apartments	Rosenberg	252	252	19,647,536	\$12,200,000	\$624,757



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: **Reading Road Apartments**

TDHCA#: 02462

DEVELOPMENT AND OWNER INFORMATION

Development Location: Rosenberg QCT: N DDA: N TTC: N
 Development Owner: Reading Road Apartments, L.P.
 General Partner(s): Reading Road Development, LLC, 100%, Contact: Sally Gaskin
 Construction Category: New
 Set-Aside Category: Tax Exempt Bond Bond Issuer: TDHCA
 Development Type: Family

Annual Tax Credit Allocation Calculation

Applicant Request: \$635,826 Eligible Basis Amt: \$624,757 Equity/Gap Amt.: \$920,358
Annual Tax Credit Allocation Recommendation: \$624,757
 Total Tax Credit Allocation Over Ten Years: \$ 6,247,570

PROPERTY INFORMATION

Unit and Building Information

Total Units: 252 LIHTC Units: 252 % of LIHTC Units: 100%
 Gross Square Footage: 243,896 Net Rentable Square Footage: 238,896
 Average Square Footage/Unit: 948
 Number of Buildings: 27
 Currently Occupied: N

Development Cost

Total Cost: \$19,647,536 Total Cost/Net Rentable Sq. Ft.: \$82.24

Income and Expenses

Effective Gross Income:¹ \$1,937,928 Ttl. Expenses: \$932,400 Net Operating Inc.: \$1,005,528
 Estimated 1st Year DCR: 1.07

DEVELOPMENT TEAM

Consultant:	SGI Ventures, Inc.	Manager:	Orion Real Estate Services, Inc.
Attorney:	To Be Determined	Architect:	Mark S. Mucasey, A. I.A.
Accountant:	Reznick, Fedder & Silverman	Engineer:	Lott & Brown Engineering Services
Market Analyst:	O'Connor and Associates	Lender:	Sun America Affordable Housing Partners, Inc.
Contractor:	Dwayne Henson Investments, Inc.	Syndicator:	Sun America Affordable Housing Partners, Inc.

PUBLIC COMMENT²

From Citizens:	From Legislators or Local Officials:
# in Support: 0 # in Opposition: 0	Sen. J. E. "Buster" Brown, District 17 - NC Rep. Charlie Howard, District 26 - NC Mayor Joe M. Gurecky - NC Jeff D. Braun, City Manager, City of Rosenberg; Consistent with the City of Rosenberg Economic Development Strategy 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”).”
2. Receipt, review, and acceptance of an executed financing commitment not to exceed \$12,200,000 reflecting the terms outlined above or an alternative financing structure acceptable to the Department.
3. Should the terms of the proposed debt be altered, the previous conditions and recommendations herein 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).

Charles E. Nwaneri, 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

Reading Road Apartments

Estimated Sources & Uses of Funds

Sources of Funds

Bond Proceeds, Series 2003A (Senior Bonds)	\$ 10,250,000
Bond Proceeds, Series 2003B (Subordinate Bonds)	\$ 1,950,000
Transfer from the Borrower Equity Account of the Construction Fund	659,125
Transfer from Existing Truste Indenture Bond Fund	118,950
Additional Borrower Equity	-
Deferred Fees	-
Total Sources	\$ 12,978,075

Uses of Funds

Redemption of Bonds	\$ 12,200,000
Payment of Existing Bond Accrued Interest (from June 1 payment date)	118,950
Costs of Issuance	
Direct Bond Related	325,750
Bond Lender Costs	210,375
Other Transaction Costs	40,000
Real Estate Closing Costs	83,000
Total Uses	\$ 12,978,075

Estimated Costs of Issuance of the Bonds

Direct Bond Related

TDHCA Issuance Fee (0.25% of Issuance)	\$ 30,500
TDHCA Application Fee	10,000
TDHCA Bond Counsel and Direct Expenses (Note 1)	75,000
TDHCA Financial Advisor and Direct Expenses	25,000
Disclosure Counsel (\$5k Pub. Offered, \$2.5k Priv. Placed. See Note 1)	5,000
Borrower's Bond Counsel	30,000
Private Placement	19,500
Underwriting of Senior Bonds (0.50% of Bonds Issued)	51,250
Underwriting of Subordinate Bonds (1.00% of Bonds Issued)	19,500
Underwriter's Counsel	25,000
Rating Fees and Printing	15,000
Trustee's Fees (Note 1)	10,000
Trustee's Counsel (Note 1)	5,000
Attorney General Transcript Fee (\$1,250 per series, max. of 2 series)	2,500
Publication Expenses	2,500
Total Direct Bond Related	\$ 325,750

Reading Road Apartments

Bond Purchase Costs	
SunAmerica Intercredit Facility Counsel	25,000
Loan Origination Fee (Capri @ 0.50% of Issuance x 2 years)	102,500
Loan Origination Fee (Freddie Mac @ 0.15% of Origination)	15,375
Freddie Mac Lender's Counsel	25,000
Freddie Mac Council and Expenses	42,500
Total	<u><u>\$ 210,375</u></u>

Equity Partner Fees & Other Transaction Costs	
SunAmerica Counsel	40,000
Total	<u><u>\$ 40,000</u></u>

Real Estate Closing Costs	
Title & Recording (Const.& Perm.)	83,000
Property Taxes	-
Total Real Estate Costs	<u><u>\$ 83,000</u></u>

Estimated Total Costs of Issuance \$ 659,125

Costs of issuance of up to two percent (2%) of the principal amount of the Bonds may be paid from Bond proceeds. Costs of issuance in excess of such two percent must be paid by an equity contribution of the Borrower.

Note 1: These estimates do not include direct, out-of-pocket expenses (i.e. travel). Actual Bond Counsel and Disclosure Counsel are based on an hourly rate and the above estimate does not include on-going administrative fees.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM**

DATE: June 17, 2003 **PROGRAM:** Multifamily Bond 4% LIHTC **FILE NUMBER:** 2002-061 02462

DEVELOPMENT NAME

Reading Road Apartments

APPLICANT

Name: Reading Road Apartments, L.P. **Type:** For Profit
Address: 1800 Bering Drive, Suite 850 **City:** Houston **State:** TX
Zip: 77057 **Contact:** Sally Gaskin **Phone:** (713) 334-5514 **Fax:** (713) 334-5614

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name: Reading Road Development, LLC **(%):** 0.01 **Title:** Managing General Partner
Name: Sun America **(%):** 99.99 **Title:** Limited Partner
Name: J. Steven Ford **(%):** **Title:** Manager of G.P.
Name: Sally Gaskin **(%):** **Title:** Manager of G.P.
Name: William Henson **(%):** **Title:** Manager of G.P.

PROPERTY LOCATION

Location: 6000 Block of Reading Road near FM2218 **QCT** **DDA**
City: Rosenberg **County:** Fort Bend **Zip:** 77471

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$10,250,000	5.865%	30 yrs	30 yrs
2) \$1,950,000	6.75%	30 yrs	30 yrs
3) \$624,757	N/A	N/A	N/A
Other Requested Terms:	1. Senior tax-exempt private activity mortgage revenue bonds-actual amount allocated has not changed but new terms are 5.865% interest rate and 30-year amortization 2. Subordinate tax-exempt private activity mortgage revenue bonds- allocated and previously placed 2. Annual ten-year allocation of low-income housing tax credits- previously allocated		
Proposed Use of Funds:	New Construction		

RECOMMENDATION

- RECOMMEND CONTINUED APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$624,757 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF SENIOR TAX-EXEMPT BONDS NOT TO EXCEED \$10,500,000, STRUCTURED AS FULLY AMORTIZING OVER 30 YEARS AT 5.865 INTEREST, SUBJECT TO CONDITIONS:
- RECOMMEND APPROVAL OF SUBORDINATE TAX-EXEMPT BONDS NOT TO EXCEED

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS ADDENDUM**

\$1,950,000, STRUCTURED AS FULLY AMORTIZING OVER 30 YEARS AT 6.75% INTEREST,
SUBJECT TO CONDITIONS:

CONDITIONS

1. Receipt, review, and acceptance of the revised financing commitment provided to be executed by all principals of the Applicant;
2. Should the terms of the proposed debt be altered, the previous condition and recommendations herein should be re-evaluated.

ADDENDUM

Reading Road Apartments is a new construction project that was originally underwritten in December of 2002 for the 4% LIHTC/Tax-Exempt bond cycle. The Applicant received an annual allocation of tax credits in the amount of \$624,757 and a tax-exempt bond award of \$12,200,000 structured as fully amortizing over not less than 35 years at not more than 6.75% interest, subject to the following conditions: (1) receipt, review and acceptance of an executed financing commitment not to exceed \$12,200,000 reflecting the terms as outlined above; and (2) should the terms of the proposed debt be altered, the previous conditions and recommendations herein should be re-evaluated.

The original recommendation was conditioned upon receiving the items listed above because the original commitment provided was not an executed agreement. In response to the conditions listed above, the Applicant submitted an original loan commitment from Capri Capital with a commitment from Freddie Mac for credit enhancement and an amendment to the original loan commitment. The commitment letter reflects that the bonds are to be issued by the TDHCA and placed with Capri Capital in an amount of \$10,250,000. The underwritten interest rate on the senior lien bonds, per the commitment letter from Capri Capital, is 5.865% based upon the fixed rate payment plus the bond fee component, the credit enhancement fee and the servicing spread. The bond mortgage loan term will be 2.5 years for the construction phase plus 6 months extension and 30 years for the permanent phase. The amortization for the bond mortgage loan will be 30 years. This development will also receive \$1,950,000 in subordinate lien tax-exempt bonds which were previously placed with Kirk Patrick Pettis. A commitment letter for the subordinate lien bonds was not provided at the time of this addendum, but information was provided by Jerry Wright, Managing Director for Newman & Associates which is the underwriter for Capri Capital. According to Mr. Wright, the subordinate lien tax-exempt bonds will have a total interest rate of 6.90%, consisting of a 6.75% bond rate plus an issuer fee of 10 basis points and a trustee fee of 5 basis points. The overall permanent loan rate for the senior lien tax exempt bonds is anticipated to be 4.965% consisting of a swap rate of 3.60%, construction credit enhancement fee of 30 basis points, permanent credit enhancement fee of 70 basis points, Freddie liquidity fee of 15 basis points, Freddie swap enhancement fee of 15 basis points, remarketing fee of 12.50 basis points, issuer fee of 10 basis points, trustee fee of 5 basis points and Capri servicing fee of 9 basis points.

The original underwriting analysis recommended an award of tax-exempt bonds not to exceed \$12,200,000 structured as fully amortizing over not less than 35 years at not more than 6.75% interest. However, based on the information provided by the Applicant the loan at the proposed terms will provide a debt coverage ratio that is within the acceptable TDHCA underwriting guidelines of 1.10 to 1.30. Additionally, the first condition stated that the Applicant was to provide an executed financing commitment in order to receive the recommended tax credit and tax-exempt bond award. While the Applicant provided this information, the commitment was only executed by one of the three principals of the Applicant, J. Steven Ford. The other two guarantors of the development, Sally Gaskin and William Henson, did not execute the financing commitment provided. Therefore, this addendum is conditioned upon receipt, review and acceptance of the revised financing commitment provided executed by all principals of the Applicant.

Underwriter:

Raquel Morales

Date: June 17, 2003

Director of Real Estate Analysis:

Tom Gouris

Date: June 17, 2003

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST: Comparative Analysis

Reading Road, Rosenberg, Bond #2002-061, LIHTC # 02462 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	Trash
TC60%	76	1	1	684	\$670	\$584	\$44,384	\$0.85	\$86.00	\$11.00
TC60%	56	2	2	975	804	677	37,912	0.69	127.00	11.00
TC60%	48	2	2	982	804	677	32,496	0.69	127.00	11.00
TC60%	72	3	2	1,183	930	778	56,016	0.66	152.00	11.00
TOTAL:	252		AVERAGE:	948	\$800	\$678	\$170,808	\$0.71	\$121.78	\$11.00

INCOME Total Net Rentable Sq Ft: 238,896

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00

Other Support Income

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%

Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

TDHCA	APPLICANT
\$2,049,696	\$2,049,696
45,360	45,360
0	0
\$2,095,056	\$2,095,056
(157,129)	(157,128)
0	0
\$1,937,927	\$1,937,928

PER SQ FT	PER UNIT	% OF EGI
\$15.00		
-7.50%		of Potential Gross Income

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	4.04%	\$311	\$0.33
Management	5.00%	385	0.41
Payroll & Payroll Tax	11.34%	872	0.92
Repairs & Maintenance	5.65%	435	0.46
Utilities	3.56%	274	0.29
Water, Sewer, & Trash	3.00%	231	0.24
Property Insurance	2.47%	190	0.20
Property Tax 2.84038	10.16%	781	0.82
Reserve for Replacements	2.60%	200	0.21
Other: Security, Compliance, Supportive	2.73%	210	0.22
TOTAL EXPENSES	50.55%	\$3,888	\$4.10
NET OPERATING INC	49.45%	\$3,803	\$4.01

TDHCA	APPLICANT
\$78,316	\$64,490
96,896	96,896
219,744	180,200
109,526	160,000
68,948	38,500
58,221	67,000
47,779	71,669
196,838	150,258
50,400	50,400
52,987	52,987
\$979,656	\$932,400
\$958,271	\$1,005,528

PER SQ FT	PER UNIT	% OF EGI
\$0.27	\$256	3.33%
0.41	385	5.00%
0.75	715	9.30%
0.67	635	8.26%
0.16	153	1.99%
0.28	266	3.46%
0.30	284	3.70%
0.63	596	7.75%
0.21	200	2.60%
0.22	210	2.73%
\$3.90	\$3,700	48.11%
\$4.21	\$3,990	51.89%

DEBT SERVICE

	% OF EGI	PER UNIT	PER SQ FT
1st tier bonds	37.50%	\$2,884	\$3.04
Trustee Fee	0.18%	\$14	\$0.01
TDHCA Admin. Fees	0.53%	\$41	\$0.04
Asset Oversight & Compliance Fees	0.65%	\$50	\$0.05
NET CASH FLOW	10.58%	\$814	\$0.86

TDHCA	APPLICANT
\$726,806	\$811,774
\$3,500	3,500
10,250	13,650
12,600	12,600
\$205,115	\$164,004

PER SQ FT	PER UNIT	% OF EGI
\$3.40	\$3,221	41.89%
\$0.01	\$14	0.18%
\$0.06	\$54	0.70%
\$0.05	\$50	0.65%
\$0.69	\$651	8.46%

AGGREGATE DEBT COVERAGE RATIO

BONDS & TRUSTEE FEE-ONLY DEBT COVERAGE RATIO

ALTERNATIVE BONDS-ONLY DEBT COVERAGE RATIO

1.27	1.19
1.31	1.23
	1.14

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldng)		5.95%	\$4,841	\$5.11
Off-Sites		0.00%	0	0.00
Sitework		7.62%	6,200	6.54
Direct Construction		49.61%	40,394	42.61
Contingency	5.00%	2.86%	2,330	2.46
General Req'ts	5.73%	3.28%	2,670	2.82
Contractor's G & A	1.91%	1.09%	890	0.94
Contractor's Profit	5.73%	3.28%	2,670	2.82
Indirect Construction		2.99%	2,433	2.57
Ineligible Costs		4.66%	3,797	4.00
Developer's G & A	1.91%	1.47%	1,197	1.26
Developer's Profit	12.39%	9.56%	7,782	8.21
Interim Financing		6.40%	5,210	5.50
Reserves		1.24%	1,007	1.06
TOTAL COST		100.00%	\$81,419	\$85.89

TDHCA	APPLICANT
\$1,220,000	\$1,220,000
0	0
1,562,500	1,562,500
10,179,222	9,292,500
587,086	657,500
672,750	672,750
224,250	224,250
672,750	672,750
613,000	613,000
956,744	956,744
301,684	301,684
1,960,944	1,960,944
1,312,914	1,312,914
253,819	200,000
\$20,517,663	\$19,647,536

PER SQ FT	PER UNIT	% of TOTAL
\$5.11	\$4,841	6.21%
0.00	0	0.00%
6.54	6,200	7.95%
38.90	36,875	47.30%
2.75	2,609	3.35%
2.82	2,670	3.42%
0.94	890	1.14%
2.82	2,670	3.42%
2.57	2,433	3.12%
4.00	3,797	4.87%
1.26	1,197	1.54%
8.21	7,782	9.98%
5.50	5,210	6.68%
0.84	794	1.02%
\$82.24	\$77,966	100.00%

Recap-Hard Construction Costs 67.74% **\$55,153** **\$58.18**

\$13,898,558 **\$13,082,250** **\$54.76**

\$51,914 **66.58%**

SOURCES OF FUNDS

	%	TDHCA	APPLICANT
1st tier bonds	49.96%	\$40,675	\$42.91
Second tier bonds	9.50%	\$7,738	\$8.16
LIHTC Syndication Proceeds	26.87%	\$21,880	\$23.08
Deferred Developer's Fee	10.22%	\$8,322	\$8.78
Additional (excess) Funds Required	3.44%	\$2,804	\$2.96
TOTAL SOURCES			

TDHCA	APPLICANT	RECOMMENDED
\$10,250,000	\$10,250,000	\$10,250,000
1,950,000	1,950,000	1,950,000
5,513,798	5,513,798	5,055,473
2,097,173	2,097,173	2,392,063
706,692	(163,435)	0
\$20,517,663	\$19,647,536	\$19,647,536

RECOMMENDED

MULTIFAMILY FINANCIAL ASSISTANCE REQUEST (continued)

Reading Road, Rosenberg, Bond #2002-061, LIHTC # 02462 Addendum

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basic

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$42.35	\$10,117,873
Adjustments				
Exterior Wall Finish	4.50%		\$1.91	\$455,304
Elderly			0.00	0
Roofing			0.00	0
Subfloor			(1.01)	(241,285)
Floor Cover			1.92	458,680
Porches/Balconies	\$21.41	25,245	2.26	540,369
Plumbing	\$615	528	1.36	324,720
Built-In Appliances	\$1,625	252	1.71	409,500
Stairs	\$1,625	114	0.78	185,250
Floor Insulation			0.00	0
Heating/Cooling			1.47	351,177
Garages	\$12.01	50,400	2.53	605,304
Comm &/or Aux Bldgs	\$53.70	5,000	1.12	268,515
Other:			0.00	0
SUBTOTAL			56.41	13,475,408
Current Cost Multiplier	1.02		1.13	269,508
Local Multiplier	0.91		(5.08)	(1,212,787)
TOTAL DIRECT CONSTRUCTION COSTS			\$52.46	\$12,532,130
Plans, specs, survy, bld perm	3.90%		(\$2.05)	(\$488,753)
Interim Construction Interest	3.38%		(1.77)	(422,959)
Contractor's OH & Profit	11.50%		(6.03)	(1,441,195)
NET DIRECT CONSTRUCTION COSTS			\$42.61	\$10,179,222

PAYMENT COMPUTATION

Primary	\$10,250,000	Amort	360
Int Rate	5.865%	DCR	1.32

Secondary	\$1,950,000	Amort	360
Int Rate	6.75%	Subtotal DCR	1.30

Additional		Amort	
Int Rate		Aggregate DCR	1.27

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI

Primary Debt Service	\$726,806
Subordinate Debt Service	151,772
TDHCA Fees	26,350
NET CASH FLOW	\$100,601

Primary	\$10,250,000	Amort	360
Int Rate	5.865%	DCR	1.38

Debt plus Trustee Fee	\$1,950,000	Amort	360
Int Rate	6.75%	Subtotal DCR	1.14

All-in Debt Costs	\$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.11

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI

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	\$2,049,696	\$2,111,187	\$2,174,522	\$2,239,758	\$2,306,951	\$2,674,388	\$3,100,349	\$3,594,154	\$4,830,243
Secondary Income	45,360	46,721	48,122	49,566	51,053	59,185	68,611	79,539	106,894
Developer's Profit	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,095,056	2,157,908	2,222,645	2,289,324	2,358,004	2,733,573	3,168,960	3,673,693	4,937,137
Vacancy & Collection Loss	(157,128)	(161,843)	(166,698)	(171,699)	(176,850)	(205,018)	(237,672)	(275,527)	(370,285)
TOTAL COST	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,937,928	\$1,996,065	\$2,055,947	\$2,117,625	\$2,181,154	\$2,528,555	\$2,931,288	\$3,398,166	\$4,566,851
EXPENSES at 4.00%									
General & Administrative	\$64,490	\$67,070	\$69,752	\$72,542	\$75,444	\$91,789	\$111,676	\$135,871	\$201,122
Management	96,896	99,803	102,797	105,881	109,058	126,428	146,564	169,908	228,343
Payroll & Payroll Tax	180,200	187,408	194,904	202,700	210,809	256,481	312,048	379,654	561,981
Repairs & Maintenance	160,000	166,400	173,056	179,978	187,177	227,730	277,068	337,096	498,984
Utilities	38,500	40,040	41,642	43,307	45,040	54,798	66,670	81,114	120,068
Water, Sewer & Trash	67,000	69,680	72,467	75,366	78,381	95,362	116,022	141,159	208,950
Insurance	71,669	74,536	77,517	80,618	83,843	102,007	124,108	150,996	223,511
Property Tax	150,258	156,268	162,519	169,020	175,781	213,864	260,198	316,571	468,602
Reserve for Replacements	50,400	52,416	54,513	56,693	58,961	71,735	87,276	106,185	157,180
Other	52,987	55,106	57,311	59,603	61,987	75,417	91,756	111,636	165,248
TOTAL EXPENSES	\$932,400	\$968,727	\$1,006,478	\$1,045,710	\$1,086,479	\$1,315,610	\$1,593,387	\$1,930,189	\$2,833,988
NET OPERATING INCOME	\$1,005,528	\$1,027,337	\$1,049,468	\$1,071,915	\$1,094,674	\$1,212,944	\$1,337,901	\$1,467,977	\$1,732,863
DEBT SERVICE									
First Lien Financing	\$726,806	\$726,806	\$726,806	\$726,806	\$726,806	\$726,806	\$726,806	\$726,806	\$726,806
Adjustments	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Trustee Fee	10,250	10,121	9,984	9,839	9,685	8,765	7,533	5,881	704
TDHCA Admin. Fees	12,600	13,104	13,628	14,173	14,740	17,934	21,819	26,546	39,295
Cash Flow	252,372	273,807	295,550	317,598	339,944	455,940	578,244	705,244	962,558
AGGREGATE DCR	1.34	1.36	1.39	1.42	1.45	1.60	1.76	1.92	2.25

LIHTC Allocation Calculation - Reading Road, Rosenberg, Bond #2002-061, LIHTC # 02462 Addendum

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$1,220,000	\$1,220,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,562,500	\$1,562,500	\$1,562,500	\$1,562,500
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$9,292,500	\$10,179,222	\$9,292,500	\$10,179,222
(4) Contractor Fees & General Requirements				
Contractor overhead	\$224,250	\$224,250	\$217,100	\$224,250
Contractor profit	\$672,750	\$672,750	\$651,300	\$672,750
General requirements	\$672,750	\$672,750	\$651,300	\$672,750
(5) Contingencies	\$657,500	\$587,086	\$542,750	\$587,086
(6) Eligible Indirect Fees	\$613,000	\$613,000	\$613,000	\$613,000
(7) Eligible Financing Fees	\$1,312,914	\$1,312,914	\$1,312,914	\$1,312,914
(8) All Ineligible Costs	\$956,744	\$956,744		
(9) Developer Fees			\$2,226,505	
Developer overhead	\$301,684	\$301,684		\$301,684
Developer fee	\$1,960,944	\$1,960,944		\$1,960,944
(10) Development Reserves	\$200,000	\$253,819		
TOTAL DEVELOPMENT COSTS	\$19,647,536	\$20,517,663	\$17,069,869	\$18,087,100

Deduct from Basis:				
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)				
TOTAL ELIGIBLE BASIS			\$17,069,869	\$18,087,100
High Cost Area Adjustment			100%	100%
TOTAL ADJUSTED BASIS			\$17,069,869	\$18,087,100
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$17,069,869	\$18,087,100
Applicable Percentage			3.66%	3.66%
TOTAL AMOUNT OF TAX CREDITS			\$624,757	\$661,988

Syndication Proceeds 0.8092 \$5,055,473 \$5,356,740

RENT CAP EXPLANATION

Houston MSA

AFFORDABILITY DEFINITION & COMMENTS

An apartment unit is "**affordable**" if the total housing expense (rent and utilities) that the tenant pays is **equal to or less than 30%** of the tenant's household income (as determined by HUD).

Rent Caps are established at this **30%** "affordability" threshold based on local area median income, adjusted for family size. Therefore, rent caps will vary from property to property depending upon the local area median income where the specific property is located.

If existing rents in the local market area are lower than the rent caps calculated at the 30% threshold for the area, then by definition the market is "affordable". This situation will occur in some larger metropolitan areas with high median incomes. In other words, the rent caps will not provide for lower rents to the tenants because the rents are already affordable. This situation, however, does not ensure that individuals and families will have access to affordable rental units in the area. The set-aside requirements under the Department's bond programs ensure availability of units in these markets to lower income individuals and families.

MAXIMUM INCOME & RENT CALCULATIONS (ADJUSTED FOR HOUSEHOLD SIZE) - 2002

MSA/County: Houston **Area Median Family Income (Annual):** \$59,100

ANNUALLY				MONTHLY							
Maximum Allowable Household Income to Qualify for Set-Aside units under the Program Rules				Maximum Total Housing Expense Allowed based on Household Income (Includes Rent & Utilities)			Utility Allowance by Unit Type <small>(provided by the local PHA)</small>	Maximum Rent that Owner is Allowed to Charge on the Set-Aside Units (Rent Cap)			
# of Persons	At or Below			Unit Type	At or Below			At or Below			
	50%	60%	80%		50%	60%	80%	50%	60%	80%	
1	\$ 20,850	\$ 25,020	33,400	Efficiency	\$ 521	\$ 625	\$ 835	\$ 60	\$ 461	\$ 565	\$ 775
2	23,850	28,620	38,150	1-Bedroom	558	670	894	86	472	584	808
3	26,800	32,160	42,900	2-Bedroom	670	804	1,072	127	543	677	945
4	29,800	35,760	47,700	3-Bedroom	775	930	1,240	152	623	778	1,088
5	32,200	38,640	51,500	4-Bedroom	863	1,036	1,382	196	667	840	1,186
6	34,550	41,460	55,300	5-Bedroom	953	1,144	1,525		757	948	1,329
7	36,950	44,340	59,100								
8	39,350	47,220	62,950								
FIGURE 1				FIGURE 2			FIGURE 3	FIGURE 4			

Figure 1 outlines the maximum annual household incomes in the area, adjusted by the number of people in the family, to qualify for a unit under the set-aside grouping indicated above each column.

For example, a family of three earning \$30,000 per year would fall in the 60% set-aside group. A family of three earning \$25,000 would fall in the 50% set-aside group.

Figure 2 shows the maximum total housing expense that a family can pay under the affordable definition (i.e. under 30% of their household income).

For example, a family of three in the 60% income bracket earning \$32,160 could not pay more than \$804 for rent and utilities under the affordable definition.

- 1) \$32,160 divided by 12 = **\$2,680** monthly income; then,
- 2) **\$2,680** monthly income times 30% = **\$804** maximum total housing expense.

Figure 4 displays the resulting maximum rent that can be charged for each unit type, under the three set-aside brackets. This becomes the rent cap for the unit.

The rent cap is calculated by subtracting the utility allowance in **Figure 3** from the maximum total housing expense for each unit type found in **Figure 2**.

Figure 3 shows the utility allowance by unit size, as determined by the local public housing authority. The example assumes all electric units.

READING ROAD APARTMENTS

RESULTS & ANALYSIS:

Tenants in the 60% AMFI bracket will **save \$86 to \$358** per month (leaving 3.6% to 11.5% more of their monthly income for food, child care and other living expenses).
This is a monthly savings off the market rents of **12.9% to 31.5%**.

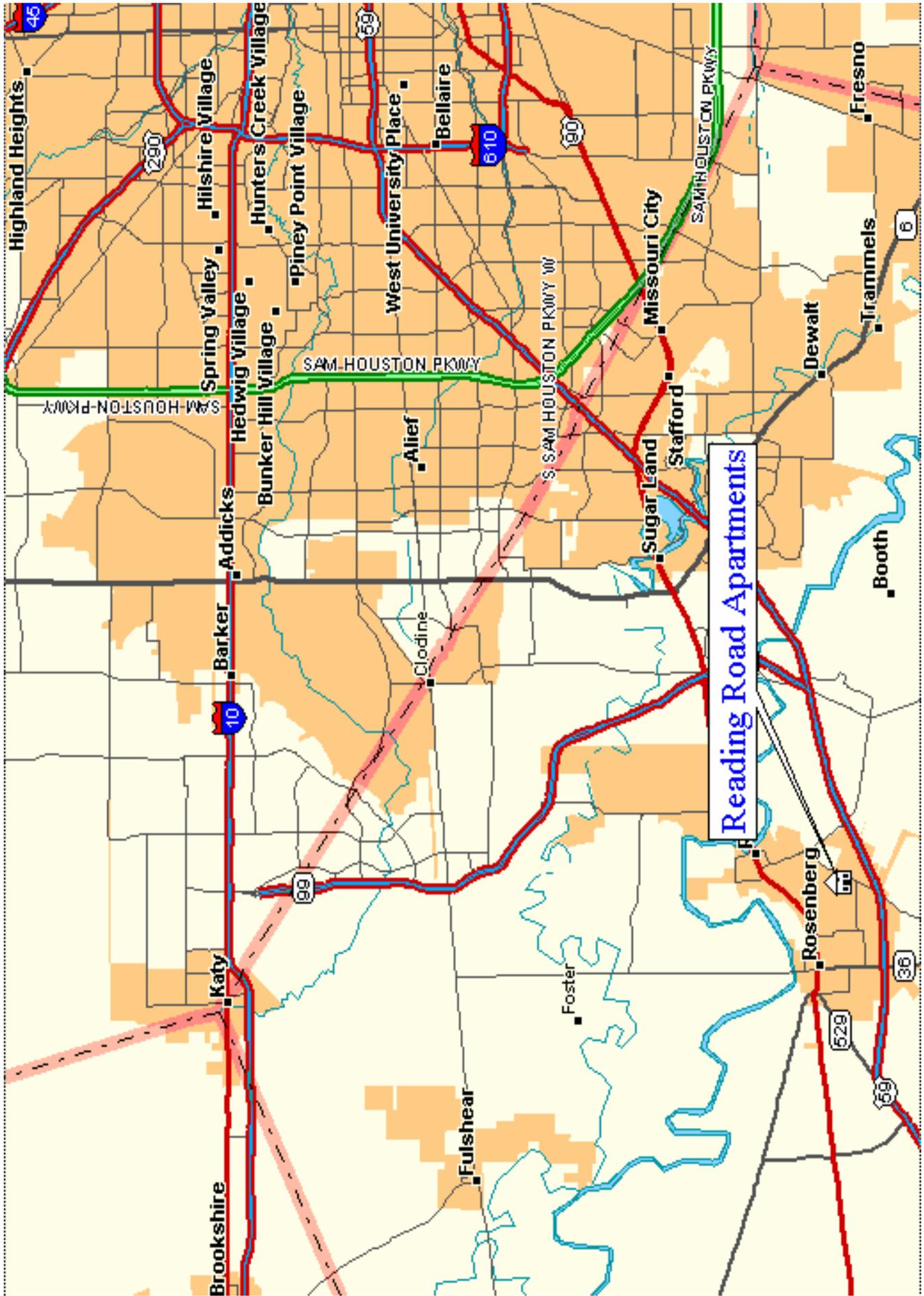
PROJECT INFORMATION

Unit Mix				
Unit Description	1-Bedroom	2-Bedroom	3-Bedroom	
Square Footage	684	978	1,183	
Rents if Offered at Market Rates	\$670	\$890	\$1,136	
Rent per Square Foot	\$0.98	\$0.91	\$0.96	

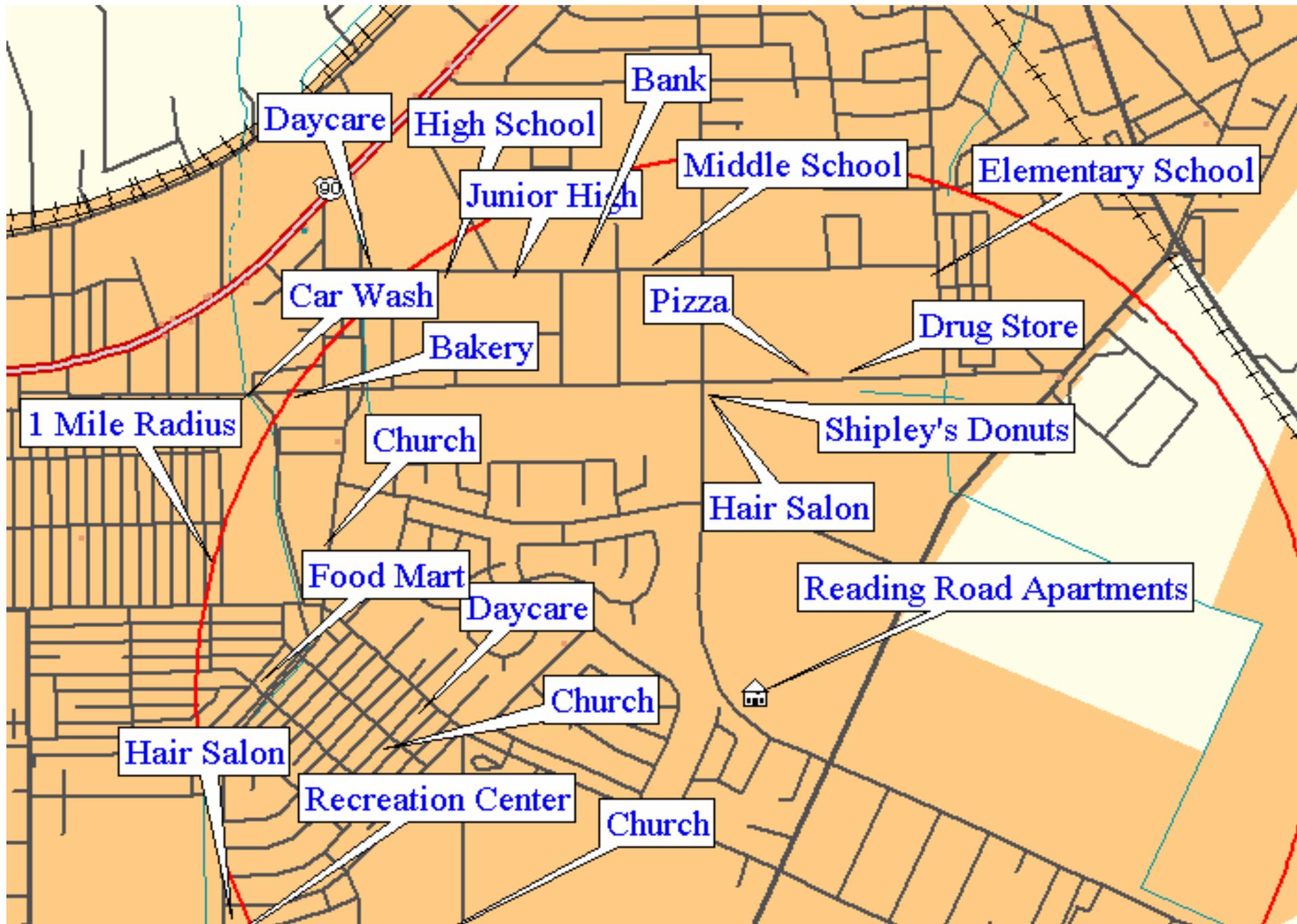
SAVINGS ANALYSIS FOR 60% AMFI GROUPING

Rent Cap for 50% AMFI Set-Aside	\$584	\$677	\$778	
Monthly Savings for Tenant	\$86	\$213	\$358	
Rent per square foot	\$0.85	\$0.69	\$0.66	
Maximum Monthly Income - 60% AMFI	\$2,385	\$2,680	\$3,100	
Monthly Savings as % of Monthly Income	3.6%	7.9%	11.5%	
% DISCOUNT OFF MONTHLY RENT	12.9%	23.9%	31.5%	

Market information provided by: Patrick O'Connor & Associates, 2000 North Loop West, Suite 110, Houston, Texas 77018. Report dated November 14, 2002.



Reading Road Apartments



Developer Evaluation

Compliance Status Summary

Project ID #: 2002-061/02462

LIHTC 9% LIHTC 4%

Project Name: Reading Road Apartments

HOME HTF

Project City:

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 14 # not yet monitored or pending review 8

of projects grouped by score 0-9: 14 10-19: 0 20-29: 0

Members of the development team have been disbarred by HUD

National Previous Participation Certification Received N/A

Non-Compliance Reported _____

Completed by Jo Taylor **Completed on** 12/18/2002

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 Lucy Trevino **Completed on** 11/04/2002

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** 12/18/2002

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** 11/14/2002

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 S. Roth **Completed on** 12/19/2002

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** 11/05/2002

Executive Director: Edwina Carrington **Date Signed:** ember 30, 2002

Status Summary

Project ID# 2002-061/02462

LIHTC 9 LIHTC 4

Name: Reading Road Apartments

HOME HTF

City

Bond SEC

ESGP Other

Developer	Role	Disbar
Reading Road Apartments, L.P.	Owner/Applicant Name	<input type="checkbox"/>
Reading Road Development, L.L.C.	General Partner	<input type="checkbox"/>
Dwayne Henson Investments, Inc.	40% Member of GP	<input type="checkbox"/>
William D. Henson	35% Stockholder	<input type="checkbox"/>
Resolution Real Estate Services, LLC	40% Member of GP	<input type="checkbox"/>
J. Steve Ford	Manager	<input type="checkbox"/>
SGI Ventures, Inc.	20% Member of GP	<input type="checkbox"/>
Sally Gaskin	100% Stockholder	<input type="checkbox"/>

Projects/Contracts Monitored by the Department

Program	Project ID	Project Name	Score
LIHTC	95002	Blue Ash Apartments	08
LIHTC	96026	Hollow Creek Apartments	03
LIHTC	96080	Wood Bayou Apartments	0
LIHTC	97139	Bent Oaks Apartments	0
LIHTC	97140	Sprucewood Apartments	03
LIHTC	97141	Burnett Place Apartments	01
LIHTC	97143	Bent Tree Apartments	0
LIHTC	98154	Boerne Creekside Apartments	0
LIHTC	98155	Brazoswood Apartments	0

Status Summary

LIHTC	98156	Kerrville Meadows Apartments	0
LIHTC	99003	Fairmont Oaks Apartments	0
LIHTC	99014T	Quail Chase Apartments	02
LIHTC	99044	The Springs Apartments	0
LIHTC	99066	Shoreham Apartments	03
LIHTC	00008T	Oaks of Hitchcock Apartments	N/A
LIHTC	00011	Heritage Oaks Apartments	N/A
LIHTC	01433	Park Row Apartments	N/A
LIHTC	01453	The Oaks @ Boggy Creek	N/A
LIHTC	01455	Millstone Apartments	N/A
LIHTC	01456	Sugar Creek Apartments	N/A
LIHTC	01461	Boerne Park Meadows	N/A
LIHTC	02007	Portside Villas Apartments	N/A

Out of State Response Received: N/A

Non-Compliance Reported

Completed By: Jo Taylor

Date: 12/18/2002

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Multifamily Finance Division

Public Comment Summary

Reading Road Apartments (Refunding)

Public Hearing	
<i>Total Number Attended</i>	3
<i>Total Number Opposed</i>	0
<i>Total Number Supported</i>	2
<i>Total Number Undecided</i>	0
<i>Total Number that Spoke</i>	0

Letters Received	
<i>Opposition</i>	0
<i>Support</i>	0

Summary of Opposition

Response to Summary of Opposition

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

MULTIFAMILY HOUSING REVENUE BONDS SERIES 2002
READING ROAD APARTMENTS

PUBLIC HEARING

Cafeteria
Lamar Consolidated High School
4606 Mustang Avenue
Rosenberg, Texas

November 25, 2002
6:14 p.m.

BEFORE:

ROBBYE G. MEYER, Multifamily Loan Analyst

ON THE RECORD REPORTING
(512) 450-0342

P R O C E E D I N G S

MS. MEYER: Good evening. My name is Robbye Meyer, and I would like to proceed with the public hearing. Let the record show that it is 6:14, Monday, November 25, and we are at the Lamar Consolidated High School Cafeteria, located at 4606 Mustang Avenue, in Rosenberg, Texas.

I'm here to conduct the public hearing on behalf of the Texas Department of Housing and Community Affairs with respect to an issue of tax-exempt multifamily revenue bonds for a residential rental community.

This hearing is required by the Internal Revenue Code. The sole purpose of this hearing is to collect public comments that will be provided to the highest elected official with jurisdiction over the issue, which, for this issue, is the Texas Attorney General.

No decisions regarding the project will be made at this hearing; there are no department board members present. The department's board is scheduled to meet to consider the transaction either on December 12, 2002, or on January 8 of 2003, upon recommendation by the Finance Committee.

In addition to providing your comments at this hearing, the public is also invited to provide comment

directly to the Finance Committee or the board at any of their meetings. The department staff will also accept written comments from the public via facsimile at 512-475-3085 up until five o'clock on December 2 for the December 12 meeting or December 27 for the January 8 meeting.

The bonds will be issued as tax-exempt multifamily revenue bonds in the aggregate principal amount not to exceed 14 million and taxable bonds, if necessary, in an amount to be determined and issued in one or more series by the Texas Department of Housing and Community Affairs, the issuer.

The proceeds of the bonds will be loaned to Reading Road Apartments, LP, or a related person or affiliate entity thereof to finance a portion of the cost of acquiring, constructing, and equipping a multifamily rental housing community described as follows: a 248-unit multifamily residential rental development to be constructed on approximately 14 acres located at the 6000 block of Reading Road on the north side of Reading Road, approximately 500 feet west of FM 2218 in Rosenberg, Texas.

The proposed multifamily rental housing community will be initially owned and operated by the borrower or a related person or affiliate thereof.

I would like to now open the floor for comment.
Let the record show that there are no attendees;
therefore, the meeting is now adjourned, and the time is
now 6:17 p.m.

(Whereupon, at 6:17 p.m., the public hearing
was concluded.)

**Low Income Housing Tax Credit Program
Board Action Request
June 25, 2003**

Action Item

Request, review and possible approval of one (1) four percent (4%) tax credit application with other issuers for tax exempt bond transaction.

Recommendation

Staff is recommending that the board review and approve the issuance of four percent (4%) Tax Credit Determination Notice with **other issuers** for tax exempt bond transaction known as:

Development No.	Name	Location	Issuer	Total Units	LI Units	Total Development	Applicant Proposed Tax Exempt Bond Amount	Recommended Credit Allocation
03407	Cedar Park Ranch Apartments	Cedar Park	Capital Area HFC	180	180	\$13,726,994	\$9,490,000	\$413,771



**LOW INCOME HOUSING TAX CREDIT PROGRAM
2003 LIHTC/TAX EXEMPT BOND DEVELOPMENT PROFILE AND BOARD SUMMARY**

Texas Department of Housing and Community Affairs

Development Name: **Cedar Park Ranch Apartments**

TDHCA#: 03407

DEVELOPMENT AND OWNER INFORMATION

Development Location: Cedar Park QCT: N DDA: N TTC: N
 Development Owner: CP Ranch Apartments I, LP
 General Partner(s): MAEDC-CP Ranch GP, LLC, 50%, Contact: Monique Allen; CPR Class A SLP, LP, 50%, Contact: Stuart B. Shaw
 Construction Category: New
 Set-Aside Category: Tax Exempt Bond Bond Issuer: Captial Area HFC
 Development Type: Elderly

Annual Tax Credit Allocation Calculation

Applicant Request: \$422,159 Eligible Basis Amt: \$413,771 Equity/Gap Amt.: \$455,488

Annual Tax Credit Allocation Recommendation: \$413,771

Total Tax Credit Allocation Over Ten Years: \$ 4,137,710

PROPERTY INFORMATION

Unit and Building Information

Total Units: 180 LIHTC Units: 180 % of LIHTC Units: 100%
 Gross Square Footage: 192,056 Net Rentable Square Footage: 143,973
 Average Square Footage/Unit: 800
 Number of Buildings: 1
 Currently Occupied: N

Development Cost

Total Cost: \$13,726,994 Total Cost/Net Rentable Sq. Ft.: \$95.34

Income and Expenses

Effective Gross Income:¹ \$1,304,261 Ttl. Expenses: \$555,418 Net Operating Inc.: \$748,843
 Estimated 1st Year DCR: 1.10

DEVELOPMENT TEAM

Consultant: D. J. Hammond & Associates Manager: CGI Management, Inc.
 Attorney: To Be Determined Architect: Gaylen Howard Laing Architect, Inc.
 Accountant: To Be Determined Engineer: To Be Determined
 Market Analyst: Apartment Market Data Research Lender: MuniMae Midland, LLC
 Contractor: CGI Construction, Inc. Syndicator: MuniMae Midland, LLC

PUBLIC COMMENT²

From Citizens:	From Legislators or Local Officials:
# in Support: 0 # in Opposition: 0	Sen. Steve Ogden, District 5 - NC Rep. Dan Gattis, District 20 - NC Mayor Bob Young - NC Jolinda Marshall, Planner, City of Cedar Park; Consistent with the local Comprehensive Plan.

1. Gross Income less Vacancy

2. NC - No comment received, O - Opposition, S - Support

CONDITION(S) TO COMMITMENT

1. Per §49.12(c) 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 letter from the local appraisal district recognizing that the Applicant is or will be considered eligible for the ad valorem tax exemption.
3. At the end of the five-year HOME loan term, the performance of the project should be reviewed and the potential for repayment should be re-evaluated.
4. Receipt, review, and acceptance of a revised permanent loan commitment reflecting a decrease in the debt by \$361,377, or maintenance of an initial deferred developer fee of at least \$691,282, or any combination of less debt plus initial deferred developer fee totaling the same amount.
5. Should the terms or rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount or HOME loan terms may be warranted.

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).

Robert Onion, Multifamily Finance Manager

Date

Brooke Boston, Director of Multifamily Finance Production 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
MULTIFAMILY UNDERWRITING ANALYSIS**

DATE: June 13, 2003

PROGRAM: 4% LIHTC
HOME

FILE NUMBER: 03407

DEVELOPMENT NAME

Cedar Park Ranch Apartments

APPLICANT

Name: CP Ranch Apartments I, LP **Type:** For Profit
Address: 7017 Chipperton **City:** Dallas **State:** TX
Zip: 75225 **Contact:** Monique Allen **Phone:** (214) 236-3701 **Fax:** (214) 431-0007

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name: MAEDC-CP Ranch GP, LLC ("MAEDC")	(%): .005	Title: Managing General Partner
Name: CPR Class A SLP, LP	(%): .005	Title: Co-General Partner
Name: Maple Avenue Economic Development Corp.	(%): _____	Title: 100% Owner of MAEDC
Name: Covenant CP Ranch Special Limited, LLC	(%): _____	Title: 50% Owner of CPR Class A SLP, LP
Name: SSFP CPR II, LP	(%): _____	Title: 50% Owner of CPR Class A SLP, LP
Name: Gary D. Staats	(%): _____	Title: 32% Owner of Covenant
Name: Robert Bullock	(%): _____	Title: 32% Owner of Covenant
Name: CCLP Real Estate Investments	(%): _____	Title: 32% Owner of Covenant
Name: Stuart Shaw	(%): _____	Title: 100% Owner of SSFP CPR II, LP

PROPERTY LOCATION

Location: 1301 West Whitestone (F.M. 1431) **QCT** **DDA**
City: Cedar Park **County:** Williamson **Zip:** 78613

REQUEST

<u>Amount</u>	<u>Interest Rate</u>	<u>Amortization</u>	<u>Term</u>
1) \$422,159	N/A	N/A	N/A
2) \$1,000,000	0%	40 yrs	40 yrs
Other Requested Terms:	1) Annual ten-year allocation of low-income housing tax credits 2) HOME-CHDO/TDHCA		
Proposed Use of Funds:	New Construction	Property Type:	Multifamily/Elderly

RECOMMENDATION

- RECOMMEND APPROVAL OF AN LIHTC ALLOCATION NOT TO EXCEED \$413,771 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.
- RECOMMEND APPROVAL OF A HOME AWARD NOT TO EXCEED \$1,000,000, STRUCTURED AS A FIVE YEAR/NON-AMORTIZING LOAN AT 0% INTEREST, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review, and acceptance of a letter from the local appraisal district recognizing that the

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MULTIFAMILY UNDERWRITING ANALYSIS**

- Applicant is or will be considered eligible for the ad valorem tax exemption.
- At the end of the five-year HOME loan term, the performance of the project should be reviewed and the potential for repayment should be re-evaluated.
 - Receipt, review, and acceptance of a revised permanent loan commitment reflecting a decrease in the debt by \$361,377., or maintenance of an initial deferred developer fee of at least \$691,282, or any combination of less debt plus initial deferred developer fee totaling the same amount.
 - Should the terms or rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit amount or HOME loan terms may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 180 **# Rental Buildings:** 1* **# Common Area Bldgs:** 0 **# of Floors:** 3 **Age:** N/A yrs

* All four structures are connected by corridors to make one large building complex

Net Rentable SF: 143,973 **Av Un SF:** 800 **Common Area SF:** 48,083 **Gross Bldg SF:** 192,056

STRUCTURAL MATERIALS

Wood frame on a post-tensioned concrete slab on grade, 7% stone/60%brick veneer/33% Hardiplank siding exterior wall covering, drywall interior wall surfaces, composite shingle roofing

APPLIANCES AND INTERIOR FEATURES

Carpeting & vinyl flooring, range & oven, hood & fan, garbage disposal, dishwasher, refrigerator, fiberglass tub/shower, washer & dryer connections, cable, laminated counter tops, individual water heaters

ON-SITE AMENITIES

The main community area is located in building A on the ground floor with activity room, management offices, fitness facilities, kitchen, restrooms, central mailroom, swimming pool area which are located near the entrance of the property. In addition perimeter fencing with limited access gates is also planned for the site

Uncovered Parking: 180 spaces **Carports:** 100 spaces **Garages:** N/A spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Cedar Park Ranch is a relatively dense 18 units per acres new construction development of 180 units of affordable housing located in Cedar Park. The development is comprised of one large three-story elevator served low-rise residential buildings as follows:

€ (1) Building Type A with 111 one-bedroom/ one-bath units, 69 two- bedroom/ two-bath units;

Architectural Review: The building elevations and unit floor plans are attractive and functional.

Supportive Services: CGI Management, Inc. will provide supportive services that will consist of: transportation for shopping and appointments, social events and outings, and on-site health seminars. The services will be optional and the cost of the services is included in the rent.

Schedule: The Applicant anticipates construction to begin in July of 2003, to be completed in August of 2004, to be placed in service in February of 2004, and to be substantially leased-up in August of 2005.

SITE ISSUES

SITE DESCRIPTION

Size: 9.74 acres 424,274 square feet **Zoning/ Permitted Uses:** R-2C Multifamily

Flood Zone Designation: Zone X **Status of Off-Sites:** Partially Improved

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: Cedar Park is located northwest of Austin within approximately a 20 minute commute in

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Williamson County. The site is a irregularly-shaped parcel located in the west side of Cedar Park. The site is less than one mile west from the intersection of Whitestone Boulevard and U.S. Highway 183.

Adjacent Land Uses:

- € **North:** vacant land
- € **South:** several buildings south of FM 1431
- € **East:** vacant land
- € **West:** small buildings

Site Access: Access to the property is from the east or west along Whitestone Boulevard (FM 1431). The development is to have one main entry from the south from Whitestone Boulevard. Access to U.S. Highway 183 is less than one mile east, which provides connections to all other major roads serving the greater Austin area.

Public Transportation: The availability of public transportation is unknown.

Shopping & Services: The site is within one miles of major grocery/pharmacies and four miles from Lakeline Mall for shopping, a multi-screen theater, and a variety of 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 May 29, 2003 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated May 7, 2003 was prepared by HBC/Terracon and contained the following findings and recommendations:

Findings: HBC/Terracon did not identify recognized environmental conditions in connection with the site, which in our opinion; require additional investigation at this time.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. All 180 of the units (100% of the total) will be reserved for low-income/elderly tenants. One hundred-eighty of the units (100%) will be reserved for households earning 50% or less of AMGI.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
60% of AMI	\$29,880	\$34,140	\$38,400	\$42,660	\$46,080	\$49,500

MARKET HIGHLIGHTS

A market feasibility study dated April 2, 2003 was prepared by MarketData Research Services, LLC and highlighted the following findings:

Definition of Primary Market Area: “Comprising a 97 square mile Trade Area in and around the northwest Austin/Cedar Park area.” (p. 3) Though the market designation is somewhat shaped like a rectangle along US 183, the area roughly translates to an equivalent area under a circle with a five and a half mile radius.

Population: The estimated 2002 population of the primary market area was 167,057 and is expected to increase by 18% to approximately 197,214 by 2007. Within the primary market area there were estimated to be 66,050 households in 2002.

Total Local/Submarket Demand for Rental Units: “In the Primary Market Area, we have determined that there is a demand for 57-99 senior rental units per year, based on the employment and household growth analysis.” (p. 17)

ANNUAL INCOME-ELIGIBLE SUBMARKET DEMAND SUMMARY

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Type of Demand	Market Analyst		Underwriter	
	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	13	1%	157	5%
Resident Turnover	1,002	99%	3,172	95%
TOTAL ANNUAL DEMAND	1,015	100%	3,329	100%

Ref: p. 44

Inclusive Capture Rate: “Based on the capture rate calculations listed above, the TDHCA could allocate a total of 1,015 units in 2003 within the Primary Market Area and not exceed the 100 % capture rate allowed for within the QAP” (p. 44)

The Underwriter calculated a concentration capture rate of 5% based upon a revised demand of 3,329.

Market Rent Comparables: The Market Analyst surveyed 31 comparable apartment projects totaling 9,725 units in the market area.

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Market	Differential
1-Bedroom (50%)	\$596	\$596	\$0	\$659	-\$63
2-Bedroom (50%)	\$705	\$705	\$0	\$792	-\$87

(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)

Submarket Occupancy Rates: “The occupancy of the Primary Market Area is stable at 92.2%. Demand for rental housing is forecast to increase as the population continues to grow.” (p. 9)

Absorption Projections: “Absorption in the Trade Area has been strong during the last eight years. All told, there have been more than 7,000 units built and occupied in the area. We estimate historical absorption to be 820+ units per year. Should the rate of new job formation continue, we opine that the market will accept the subject’s units.” (p. 11)

The Underwriter found the market study to be acceptable.

OPERATING PROFORMA ANALYSIS

Income: The 2003 rent limits were used by the Applicant in setting the rents, but due to the fact the Georgetown Housing Authority’s utility allowance numbers were used instead of the Austin Housing Authority’s utility allowance numbers the estimated gross rents were reduced by \$57,276 annually. Of particular note is that the development will claim property tax exemption based upon the managing co-general partners ownership by a Community Housing Development Organization (CHDO). The Applicant has not provided documentation from the taxing authority or the assessor’s office indicating that the development would be eligible for tax exemption. Without tax exemption this transaction would not be feasible, therefore this report is conditioned upon receipt, review and acceptance of documentation from the assessor’s office confirming the development’s qualification for the anticipated property tax exemption.

Expenses: The Applicant’s estimate of total operating expense is 3% lower than the Underwriter’s TDHCA database-derived estimate, an acceptable deviation. The Applicant’s budget shows one line item estimate, insurance, that deviates significantly when compared to the database averages, (\$21K higher). The Applicant originally used Austin utility allowances but then subsequently submitted the Georgetown allowances citing closer proximity of the site to Georgetown. The Underwriter contacted the Georgetown Housing Authority who confirmed that they would not allow a new voucher holder to use their voucher more than one mile outside of city limits and Cedar Park is over 12 miles. The Underwriter also verified with the City of Austin that they would and do allow voucher holders to select housing in Cedar Park. Thus, the Austin allowances appear to be more appropriate. The Applicant indicated secondary income of \$23.61 but did not provide any justification for this high level of secondary income, thus the Underwriter maintained the Department’s \$15 per unit maximum guideline. Estimates of vacancy and collection losses were consistent with TDHCA underwriting guidelines were made.

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Conclusion: The Applicant's estimated income and the Applicant's net operating income is not within 5% of the Underwriter's estimate. Therefore, the Underwriter's NOI will be used to evaluate debt service capacity. Due primarily to the difference in estimated income; the Underwriter's estimated debt coverage ratio (DCR) of 1.06 is less than the program minimum standard of 1.10. Therefore, the maximum debt service for this project is anticipated to be limited to \$680,737 by a reduction of the loan. Based upon the current terms it is likely that a mandatory redemption of \$361,000 can be anticipated.

ACQUISITION VALUATION INFORMATION			
ASSESSED VALUE			
Land: (9.74) acres	\$954,617	Assessment for the Year of:	2002
Tax Rate:	2.67854	Valuation by:	Williamson County Appraisal District
EVIDENCE of SITE or PROPERTY CONTROL			
Type of Site Control:	Earnest Money Contract		
Contract Expiration Date:	8/ 30/ 2003	Anticipated Closing Date:	8/ 30/ 2003
Acquisition Cost:	\$900,000	Other Terms/Conditions:	\$100 Earnest Money
Seller:	Merit Texas Properties, LLC	Related to Development Team Member:	No

CONSTRUCTION COST ESTIMATE EVALUATION
<p>Acquisition Value: The site cost of \$950,000 (\$6.60/SF) is substantiated by the appraisal/tax assessed value of \$954,617 and the acquisition price is assumed to be reasonable since the acquisition is an arm's-length transaction.</p> <p>Sitework Cost: The Applicant's claimed sitework costs of \$6,713 per unit are considered reasonable compared to historical sitework costs for multifamily projects.</p> <p>Direct Construction Cost: The Applicant's costs are more than 5% lower than the Underwriter's Marshall & Swift Residential Cost Handbook-derived estimate after all of the Applicant's additional justifications were considered. This would suggest that the Applicant's direct construction costs are understated. It should also be noted that the Applicant included no contingency in their budget.</p> <p>Interim Financing Fees: The Underwriter reduced the Applicant's eligible interim financing fees by \$58.8K 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 reduction to the Applicant's eligible basis estimate.</p> <p>Fees: The Applicant's contractor's general and administrative fees, and contractor's profit exceed the 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 by \$23,404 with the overage effectively moved to ineligible costs. The Applicant's developer fees also exceed 15% of the Applicant's adjusted eligible basis and therefore the eligible portion of the Applicant's developer fee must be reduced by \$21,981.</p> <p>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 size the award recommendation and calculate eligible basis and determine the LIHTC allocation. As a result an eligible basis of \$11,461,809 is used to determine a credit allocation of \$413,771 from this method. 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.</p>

FINANCING STRUCTURE
INTERIM CONSTRUCTION or GAP FINANCING

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
MULTIFAMILY UNDERWRITING ANALYSIS**

Source: MuniMae Midland, LLC	Contact: Richard Monfred
Principal Amount: \$9,490,000	Interest Rate: 8.0% through stabilization
Amortization: N/A yrs	Term: 2 yrs
Commitment: <input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	

BOND/LONG TERM/PERMANENT FINANCING

Source: MuniMae Midland, LLC	Contact: Richard Monfred
Principal Amount: \$9,490,000	Interest Rate: 7.0%
Additional Information:	
Amortization: 40 yrs	Term: 42 yrs
Commitment: <input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	
Annual Payment: \$707,800	Lien Priority: 1 st
Commitment Date: 4/ 1/ 2003	

LIHTC SYNDICATION

Source: MuniMae Midland, LLC	Contact: Ryan Luxon
Address: 13455 Noel Road, Suite 1430	City: Dallas
State: TX	Zip: 75240
Phone: (972) 440-1118	Fax: (972) 404-9133
Net Proceeds: \$3,010,736	Net Syndication Rate (per \$1.00 of 10-yr LIHTC): 79¢
Commitment: <input type="checkbox"/> LOI <input type="checkbox"/> Firm <input checked="" type="checkbox"/> Conditional	
Date: 3/ 31/ 2003	

APPLICANT EQUITY

Amount: \$226,994	Source: Deferred Developer Fee
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FINANCING STRUCTURE ANALYSIS

Permanent Financing: The permanent financing commitment is consistent with the terms reflected in the sources and uses listed in the application. The interest rate on the bonds appears to be 50 to 100 basis points higher than the prevailing rate, however, the commitment did not indicate that the rate was indexed which could have defined a lower rate. The Underwriter's proforma reflects the need to reduce debt service by at least \$26,949 to achieve a minimally acceptable 1.10 DCR. Given this reduction in debt service and the stated loan terms the Underwriter estimates a reduction in debt to \$9,129,000 will occur at conversion to permanent through mandatory redemption of bonds.

HOME Funds: The requested HOME funds will not be available for award until July, however they have been included in this analysis and could be recommended, assuming the bond terms remain unchanged, in the amount of \$1,000,000 in the form of a 0% interest, 5-year term note. At the end of five years the development's cash flows should be evaluated to determine an appropriate amortization schedule and interest rate. If the terms of the bonds change the structure of the HOME loan should be re-evaluated as amortization may be possible sooner if the bond rate declines. The HOME funds requested are well below the 221(d)(3) limits. A simple cash or cash return on equity based upon the net cash flow over the deferred developer fee can be estimated at 12% in the Underwriter's analysis.

LIHTC Syndication: MuniMae Midland LLC has offered terms for syndication of the tax credits. The commitment letter shows net proceeds are anticipated to be \$3,010,736 based on a syndication factor of 79%. The funds would be disbursed in a 4-phased pay-in schedule:

1. 60% paid at the latest to occur of (i) admission of the Investment Partnership to the Operating Partnership, (ii) closing of the construction loan and Project land acquisition;
2. 20% paid within thirty days of the later of: (i) completion of the Project; or (ii) receipt by the Investment Partnership of the cost and credit certification from the independent accountants;
3. 10% paid within thirty (30) days of the later of: (i) Conversion of the bonds to non-recourse and amortizing principal payments; or (ii) application for the Form 8609; or (iii) 90% physical occupancy for three consecutive calendar months; or (iv) 1.15 Debt Service Coverage for ninety days;
4. 10% paid within thirty (30) days of the later of: (i) receipt of the form 8609; or (ii) receipt of the Operating Partnership tax return for the first year of the reported credit.

**TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS
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Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of \$226,994 amount to less than 15% of the total fees.

Financing Conclusions: Based on the Applicant's estimate of eligible basis, the LIHTC allocation should not exceed \$413,771 annually for ten years, resulting in syndication proceeds of approximately \$3,268,466. The underwriting analysis further suggests the Applicant's deferred developer fee will be increased to \$329,905 which should be repayable from cash flow with in four years. Even if the HOME funds are not awarded to this development sufficient developer fees are available to defer to make up the gap and the amount of deferral is repayable in less than ten years. Should the Applicant's final direct construction cost exceed the cost estimate used to determine credits in this analysis, additional deferred developer's fee may be available to fund those development cost overruns.

**DEVELOPMENT TEAM
IDENTITIES of INTEREST**

The Developer, General Contractor and Property Manager firms are all related entities. These are common relationships 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 100% Owner of General Partner-MAEDC-CP Ranch, LLC, Maple Avenue Economic Development Corporation, submitted an unaudited financial statement as of December 31, 2002 reporting total assets of \$38M and consisting of \$168K in cash, \$723K in other current assets, \$32M in fixed assets, and \$4.8M in other assets. Liabilities totaled \$41.3M, resulting in a negative net worth of \$3.3M.

Background & Experience:

- € The Applicant and General Partner are new entities formed for the purpose of developing the project.
- € The Owner of the General Partner Maple Avenue Economic Development Corporation has completed two LIHTC/affordable housing developments totaling 498 units.
- € Robert Bullock and Gary Staats, the principals of the General Partner CPR Class A SLP, LP, has one project currently under construction.

SUMMARY OF SALIENT RISKS AND ISSUES

- € The Applicant's estimated income and operating proforma are more than 5% outside of the Underwriter's verifiable ranges.
- € The Applicant's direct construction costs differ from the Underwriter's *Marshall and Swift* based estimate by more than 5%.
- € The significant financing structure changes being proposed have not been reviewed or accepted by the Applicant, lenders, and syndicators, and acceptable alternative structures may exist

Underwriter:

Carl Hoover

Date: June 13, 2003

Director of Real Estate Analysis:

Tom Gouris

Date: June 13, 2003

MULTIFAMILY COMPARATIVE ANALYSIS

Cedar Park Ranch Apartments, Cedar Park, LIHTC #03407

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%)	111	1	1	709	\$666	\$596	\$66,156	\$0.84	\$70.00	\$40.00
TC (50%)	69	2	2	946	800	705	48,645	0.75	95.00	46.00
TOTAL:	180		AVERAGE:	800	\$717	\$638	\$114,801	\$0.80	\$79.58	\$42.30

INCOME

Total Net Rentable Sq Ft: 143,973

POTENTIAL GROSS RENT

Secondary Income Per Unit Per Month: \$15.00
 Other Support Income: (describe)

POTENTIAL GROSS INCOME

Vacancy & Collection Loss % of Potential Gross Income: -7.50%
 Employee or Other Non-Rental Units or Concessions

EFFECTIVE GROSS INCOME

EXPENSES

	% OF EGI	PER UNIT	PER SQ FT
General & Administrative	5.15%	\$373	0.47
Management	5.00%	362	0.45
Payroll & Payroll Tax	12.12%	878	1.10
Repairs & Maintenance	4.96%	359	0.45
Utilities	3.34%	242	0.30
Water, Sewer, & Trash	6.35%	460	0.58
Property Insurance	2.22%	161	0.20
Property Tax 2.67854	0.00%	0	0.00
Reserve for Replacements	2.76%	200	0.25
Other Expenses: Supp Serv./ Com	0.69%	50	0.06
TOTAL EXPENSES	42.58%	\$3,086	\$3.86
NET OPERATING INC	57.42%	\$4,160	\$5.20

DEBT SERVICE

MuniMae Midland	54.26%	\$3,932	\$4.92
TDHCA-HOME	0.00%	\$0	\$0.00
TDHCA-HOME	0.00%	\$0	\$0.00
NET CASH FLOW	3.16%	\$229	\$0.29

AGGREGATE DEBT COVERAGE RATIO

RECOMMENDED DEBT COVERAGE RATIO

TDHCA	APPLICANT
\$1,377,612	\$1,434,888
32,400	50,998
0	
\$1,410,012	\$1,485,886
(105,751)	(111,444)
0	
\$1,304,261	\$1,374,442
\$67,141	\$56,600
65,213	\$54,158
158,023	\$156,250
64,650	\$69,700
43,585	\$40,000
82,848	\$68,292
28,958	\$50,000
0	\$0
36,000	\$36,000
9,000	\$9,000
\$555,418	\$540,000
\$748,844	\$834,442
\$707,686	\$707,800
0	0
0	0
\$41,158	\$126,642
1.06	1.18
1.10	

USS Region 7
 IREM Region Austin
 Per Unit Per Month \$23.61

-7.50% of Potential Gross Rent

PER SQ FT	PER UNIT	% OF EGI
\$0.39	\$314	4.12%
0.38	301	3.94%
1.09	868	11.37%
0.48	387	5.07%
0.28	222	2.91%
0.47	379	4.97%
0.35	278	3.64%
0.00	0	0.00%
0.25	200	2.62%
0.06	50	0.65%
\$3.75	\$3,000	39.29%
\$5.80	\$4,636	60.71%
\$4.92	\$3,932	51.50%
\$0.00	\$0	0.00%
\$0.00	\$0	0.00%
\$0.88	\$704	9.21%

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT
Acquisition Cost (site or bldg)		6.71%	\$5,278	\$6.60
Off-Sites		0.00%	0	0.00
Sitework		8.53%	6,713	8.39
Direct Construction		44.96%	35,390	44.25
Contingency	0.00%	0.00%	0	0.00
General Req'ts	5.62%	3.00%	2,364	2.96
Contractor's G & A	1.98%	1.06%	835	1.04
Contractor's Profit	5.95%	3.18%	2,506	3.13
Indirect Construction		5.68%	4,472	5.59
Ineligible Costs		7.55%	5,943	7.43
Developer's G & A	1.67%	1.22%	958	1.20
Developer's Profit	13.00%	9.49%	7,470	9.34
Interim Financing		6.58%	5,179	6.47
Reserves		2.03%	1,601	2.00
TOTAL COST		100.00%	\$78,710	\$98.41
Recap-Hard Construction Costs		60.74%	\$47,809	\$59.77

TDHCA	APPLICANT
\$950,000	\$950,000
0	0
1,208,354	1,208,354
6,370,223	6,017,587
0	0
425,574	425,574
150,370	150,370
451,109	451,109
805,000	805,000
1,069,800	1,069,800
172,432	0
1,344,568	1,517,000
932,200	932,200
288,223	200,000
\$14,167,852	\$13,726,994
\$8,605,630	\$8,252,994

PER SQ FT	PER UNIT	% of TOTAL
\$6.60	\$5,278	6.92%
0.00	0	0.00%
8.39	6,713	8.80%
41.80	33,431	43.84%
0.00	0	0.00%
2.96	2,364	3.10%
1.04	835	1.10%
3.13	2,506	3.29%
5.59	4,472	5.86%
7.43	5,943	7.79%
0.00	0	0.00%
10.54	8,428	11.05%
6.47	5,179	6.79%
1.39	1,111	1.46%
\$95.34	\$76,261	100.00%
\$57.32	\$45,850	60.12%

SOURCES OF FUNDS

MuniMae Midland	66.98%	\$52,722	\$65.92
TDHCA-HOME	7.06%	\$5,556	\$6.95
LIHTC Syndication Proceeds	21.25%	\$16,722	\$20.91
Deferred Developer Fees	1.60%	\$1,261	\$1.58
Additional (excess) Funds Required	3.11%	\$2,449	\$3.06
TOTAL SOURCES			

\$9,490,000	\$9,490,000
1,000,000	1,000,000
3,010,000	3,010,000
226,994	226,994
440,858	0
\$14,167,852	\$13,726,994

RECOMMENDED

\$9,129,000	Developer Fee Available
1,000,000	\$1,517,000
3,268,466	% of Dev. Fee Deferred
329,528	22%
0	15-Yr Cumulative Cash Flow
\$13,726,994	\$2,922,462.89

MULTIFAMILY COMPARATIVE ANALYSIS (continued)

Cedar Park Ranch Apartments, Cedar Park, LIHTC #03407

DIRECT CONSTRUCTION COST ESTIMATE

Residential Cost Handbook

Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost			\$36.19	\$5,210,383
Adjustments				
Exterior Wall Finish	5.69%		\$2.06	\$296,471
Elderly	5.00%		1.81	260,519
Roofing			0.00	0
Subfloor			(0.67)	(96,942)
Floor Cover			1.92	276,428
Porches/Balconies	\$21.87	7354	1.12	160,832
Plumbing	\$615	207	0.88	127,305
Built-In Appliances	\$1,625	180	2.03	292,500
Stairs/Fireplaces	\$865	14	0.08	12,110
Elevators	\$43,750	4	1.22	175,000
Heating/Cooling			1.47	211,640
Garages/Carports	\$7.83	18,600	1.01	145,638
Comm &/or Aux Bldgs			0.00	0
All Common Area	\$36.19	48,083	12.09	1,740,124
SUBTOTAL			61.21	8,812,008
Current Cost Multiplier	1.03		1.84	264,360
Local Multiplier	0.86		(8.57)	(1,233,681)
TOTAL DIRECT CONSTRUCTION COSTS			\$54.47	\$7,842,687
Plans, specs, survy, bld prm	3.90%		(\$2.12)	(\$305,865)
Interim Construction Interes	3.38%		(1.84)	(264,691)
Contractor's OH & Profit	11.50%		(6.26)	(901,909)
NET DIRECT CONSTRUCTION COSTS			\$44.25	\$6,370,223

PAYMENT COMPUTATION

Primary	\$9,490,000	Term	480
Int Rate	7.00%	DCR	1.06

Secondary	\$1,000,000	Term	0
Int Rate	0.00%	Subtotal DCR	1.06

Additional	\$3,010,000	Term	
Int Rate		Aggregate DCR	1.06

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	\$680,766
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	\$68,078

Primary	\$9,129,000	Term	480
Int Rate	7.00%	DCR	1.10

Secondary	\$1,000,000	Term	0
Int Rate	0.00%	Subtotal DCR	1.10

Additional	\$3,010,000	Term	0
Int Rate	0.00%	Aggregate DCR	1.10

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

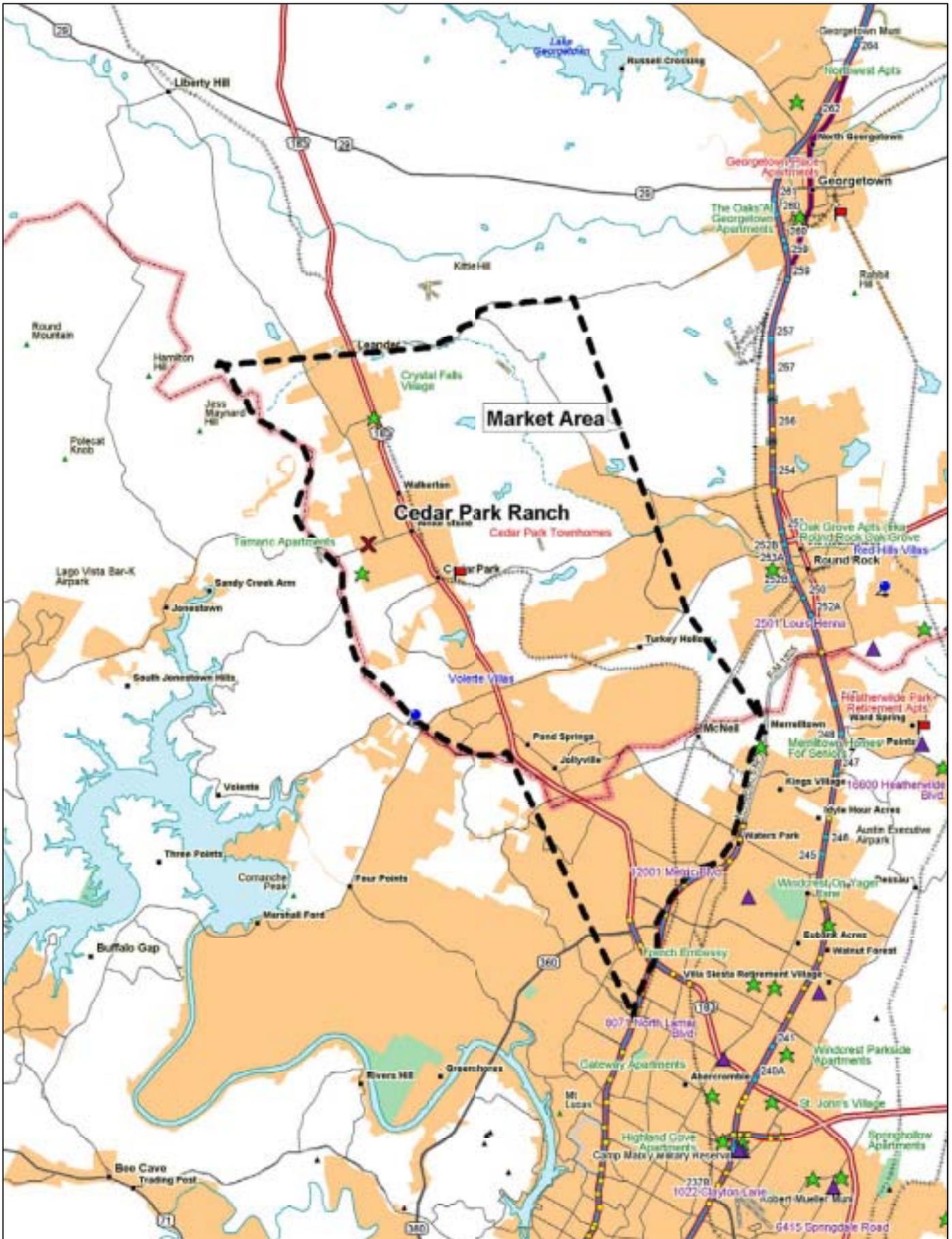
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	\$1,377,612	\$1,418,940	\$1,461,509	\$1,505,354	\$1,550,514	\$1,797,471	\$2,083,762	\$2,415,651	\$3,246,433
Secondary Income	32,400	33,372	34,373	35,404	36,466	42,275	49,008	56,814	76,353
Other Support Income: (descri	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	1,410,012	1,452,312	1,495,882	1,540,758	1,586,981	1,839,746	2,132,770	2,472,465	3,322,786
Vacancy & Collection Loss	(105,751)	(108,923)	(112,191)	(115,557)	(119,024)	(137,981)	(159,958)	(185,435)	(249,209)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	\$1,304,261	\$1,343,389	\$1,383,691	\$1,425,201	\$1,467,957	\$1,701,765	\$1,972,812	\$2,287,030	\$3,073,577
EXPENSES at 4.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
General & Administrative	\$67,141	\$69,827	\$72,620	\$75,525	\$78,546	\$95,563	\$116,267	\$141,456	\$209,390
Management	65,213	67,169	69,185	71,260	73,398	85,088	98,641	114,351	153,679
Payroll & Payroll Tax	158,023	164,343	170,917	177,754	184,864	224,915	273,644	332,930	492,817
Repairs & Maintenance	64,650	67,236	69,925	72,722	75,631	92,017	111,953	136,208	201,620
Utilities	43,585	45,328	47,141	49,027	50,988	62,035	75,474	91,826	135,925
Water, Sewer & Trash	82,848	86,162	89,608	93,193	96,920	117,919	143,466	174,548	258,374
Insurance	28,958	30,117	31,321	32,574	33,877	41,217	50,146	61,011	90,311
Property Tax	0	0	0	0	0	0	0	0	0
Reserve for Replacements	36,000	37,440	38,938	40,495	42,115	51,239	62,340	75,847	112,271
Other	9,000	9,360	9,734	10,124	10,529	12,810	15,585	18,962	28,068
TOTAL EXPENSES	\$555,418	\$576,982	\$599,390	\$622,673	\$646,868	\$782,802	\$947,516	\$1,147,138	\$1,682,456
NET OPERATING INCOME	\$748,844	\$766,407	\$784,301	\$802,528	\$821,090	\$918,963	\$1,025,296	\$1,139,891	\$1,391,121
DEBT SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
First Lien Financing	\$680,766	\$680,766	\$680,766	\$680,766	\$680,766	\$680,766	\$680,766	\$680,766	\$680,766
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	\$68,078	\$85,641	\$103,535	\$121,762	\$140,324	\$238,197	\$344,530	\$459,126	\$710,355
DEBT COVERAGE RATIO	1.10	1.13	1.15	1.18	1.21	1.35	1.51	1.67	2.04

LIHTC Allocation Calculation - Cedar Park Ranch Apartments, Cedar Park, LIHTC #03407

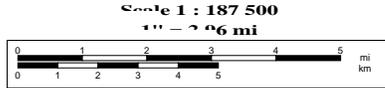
CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost				
Purchase of land	\$950,000	\$950,000		
Purchase of buildings				
(2) Rehabilitation/New Construction Cost				
On-site work	\$1,208,354	\$1,208,354	\$1,208,354	\$1,208,354
Off-site improvements				
(3) Construction Hard Costs				
New structures/rehabilitation hard costs	\$6,017,587	\$6,370,223	\$6,017,587	\$6,370,223
(4) Contractor Fees & General Requirements				
Contractor overhead	\$150,370	\$150,370	\$144,519	\$150,370
Contractor profit	\$451,109	\$451,109	\$433,556	\$451,109
General requirements	\$425,574	\$425,574	\$425,574	\$425,574
(5) Contingencies				
(6) Eligible Indirect Fees				
	\$805,000	\$805,000	\$805,000	\$805,000
(7) Eligible Financing Fees				
	\$932,200	\$932,200	\$932,200	\$932,200
(8) All Ineligible Costs				
	\$1,069,800	\$1,069,800		
(9) Developer Fees				
			\$1,495,019	
Developer overhead		\$172,432		\$172,432
Developer fee	\$1,517,000	\$1,344,568		\$1,344,568
(10) Development Reserves				
	\$200,000	\$288,223		
TOTAL DEVELOPMENT COSTS	\$13,726,994	\$14,167,852	\$11,461,809	\$11,859,830

Deduct from Basis:				
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)				
TOTAL ELIGIBLE BASIS			\$11,461,809	\$11,859,830
High Cost Area Adjustment			100%	100%
TOTAL ADJUSTED BASIS			\$11,461,809	\$11,859,830
Applicable Fraction			100%	100%
TOTAL QUALIFIED BASIS			\$11,461,809	\$11,859,830
Applicable Percentage			3.61%	3.61%
TOTAL AMOUNT OF TAX CREDITS			\$413,771	\$428,140

Syndication Proceeds	0.7899	\$3,268,466	\$3,381,967
Total Credits (Eligible Basis Method)		\$413,771	\$428,140
Syndication Proceeds		\$3,268,466	\$3,381,967
Requested Credits		\$422,159	
Syndication Proceeds		\$3,334,723	
Gap of Syndication Proceeds Needed		\$3,597,994	
Credit Amount		\$455,488	



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 Zoom Level: 10-1 Datum: WGS84



TN
 MN
 5.8°E

Developer Evaluation

Project ID # **03407**

Name: **CP Ranch Apartments**

City:

LIHTC 9% LIHTC 4% HOME BOND HTF SECO ESGP Other

No Previous Participation in Texas Members of the development team have been disbarred by HUD

National Previous Participation Certification Received: N/A Yes No

Noncompliance Reported on National Previous Participation Certification: Yes No

Portfolio Management and Compliance

Projects in Material Noncompliance: No Yes # of Projects: 0

Total # of Projects monitored: 0 Projects grouped by score 0-9 0 10-19 0 20-29 0

Total # monitored with a score less than 30: 0 # not yet monitored or pending review: 2

Program Monitoring/Draws

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Asset Management

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Sara Carr Newsom Date sday, May 08, 2003

Multifamily Finance Production

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by R Meyer Date 5/28/2003

Single Family Finance Production

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by _____ Date _____

Community Affairs

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Eddie Fariss Date 6/5/2003

Office of Colonia Initiatives

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by H Cabello Date 6/10/2003

Real Estate Analysis (Cost Certification and Workout)

Not applicable Review pending No unresolved issues Unresolved issues found

Unresolved issues found that warrant disqualification (Additional information/comments must be attached)

Reviewed by _____ Date _____

Loan Administration

Not applicable No delinquencies found Delinquencies found

Delinquencies found that warrant disqualification (Additional information/comments must be attached)

Reviewed by Stephanie Stuntz Date 5/6/2003

Executive Director: Edwina Carrington

Executed: Friday, June 13, 2003

For the Tax Credit List of Recommendations, please see the attachments.

SINGLE FAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

JUNE 25, 2003

Action Items

Request approval of one hundred fifty-two (152) 2002-2003 Single Family Home Investment Partnerships (HOME) Program Award Recommendations, for total awards in the amount of \$48,836.421.

Required Action

Approve the Home Investment Partnerships Program Award Recommendations.

Background and Recommendations

The HOME Program made available approximately \$80 million for the 2002-2003 funding cycle. The application deadline due date was April 2, 2003. A total of 377 Single Family and Multifamily applications were received for funding. The number of applications for Single Family activities: Homebuyer Assistance (HBA), Owner Occupied (OCC), Tenant Based Rental Assistance (TBRA) and Special Needs Set-Aside totaled 344. Listed below is a summary of the total number of applications received, the dollar amount requested and the dollar amount being recommended for funding for Single Family activities.

Breakdown of 2002-2003 HOME Applications

Non Special Needs Requested		
HBA	\$11,154,454	43 Applications
OCC	\$65,280,607	161 Applications
TBRA	\$2,214,974	9 Applications
	\$78,650,035	213 Applications

Non Special Needs Recommended		
HBA	\$5,051,142	23 Applications
OCC	\$27,709,332	70 Applications
TBRA	\$925,541	5 Applications
	\$33,686,015	98 Applications

Special Needs Requested		
HBA	\$736,000	3 Applications
OCC	\$47,075,139	110 Applications
TBRA	\$5,854,488	18 Applications
	\$53,665,627	132 Applications

Special Needs Recommended		
HBA	\$-0-	0 Applications
OCC	\$13,046,058	48 Applications
TBRA	\$2,104,348	6 Applications
	\$15,150,406	54 Applications

		Applications			
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Total Requested		
HBA	\$11,890,454	46 Applications
OCC	\$112,355,746	271 Applications
TBRA	\$8,069,462	27 Applications
		344 Applications
	\$132,315,662	

Total Recommended		
HBA	\$5,051,142	23 Applications
OCC	\$40,755,390	118 Applications
TBRA	\$3,029,889	10 Applications
		152 Applications
	\$48,836,421	

Grand Total Requested		
HBA	\$11,890,454	46 Applications
OCC	\$112,355,746	271 Applications
TBRA	\$8,069,462	27 Applications
RHD	\$21,846,076	33 Applications
	\$154,161,738	377 Applications

The 2002-2003 HOME Program Funding Plan is attached and summarizes:

- I. Allocation: The annual allocation and set-asides in accordance with the Consolidated Plan
- II. Projections: The total dollar and unit projections based on the recommended applications
- III. Regional Allocation Formula Analysis: An analysis of the Regional Allocation Formula based on the recommended applications

At this time, we are only recommending awards for HBA, OCC, TBRA and the Special Needs Set-Aside. The funding recommendations for the Set-Aside For Persons With Disabilities and the CHDO Set-Aside will be made with the Multifamily funding recommendations at the July 30th Board meeting.

Staff requests approval of the 2002–2003 HOME Program funding recommendations. Staff also recommends and requests approval of 4% administrative funds for all applicants, except for-profit organizations, based on the amount of project dollars recommended. For the two CHDO applicants being recommended for funding under Region 11, staff recommends 5% for operating expenses based on the amount of project dollars recommended.

2002-2003 HOME Program Funding Plan

I. Allocation

2002 HOME Allocation	\$39,376,000.00
2003 HOME Allocation (approx.)	\$47,000,000.00
less Administration (10%)	-\$8,637,600.00
less CHDO Operating Expenses (5% of CHDO Set Aside)	-\$647,820.00
add Uncommitted 2000 Project Funds	\$541,014.00
add Uncommitted 2001 Project Funds	\$1,924,791.00
Total Project Funds	\$79,556,385.00
less Set Aside for CHDO activities *	-\$15,437,248.00
less Set Aside for Persons with Disabilities (5% of Annual Allocation) **	-\$4,318,800.00
less Set Aside for Contract for Deed Conversions	-\$4,000,000.00
less Set Aside for Rental Housing Preservation Program	-\$4,000,000.00
less Rental Assistance for Olmstead Population	-\$2,000,000.00
Funds Remaining for HOME Activities Subject to Regional Allocation Formula	\$49,800,337.00
less Set Aside for Special Needs (20% of Annual HOME Allocation) ***	-\$17,275,200.00
	\$32,525,137.00

CHDO Set Aside (15% of Annual Allocation)	\$12,956,400.00
add Uncommitted 2000 CHDO Funds	\$292,137.00
add Uncommitted 2001 CHDO Funds	\$2,188,711.00
* Total Set Aside for CHDO Activities	\$15,437,248.00

** \$1,000,000 will be reserved from this set aside for the Texas HOME of Your Own Program

*** \$17,275,200 (20% of Annual HOME Allocation) will be set aside for Special Needs; \$1,000,000 of the Special Needs funds will be reserved for the Colonia Model Subdivision Program.

II. Projections

Owner-Occupied Hsg. Asst. (50%)	
Homebuyer Asst. (30%)	
Tenant Based Rental Asst. (20%)	
Set Aside for Special Needs	
Set Aside for CHDO activities	
Ser Aside for Persons with Disabilities	
Set Aside for Contract for Deed Conversion	
Set Aside for Rental Housing Preservation Prog.	
Set Aside for Rental Asst. for Olmstead Population	
TOTAL:	

Total Proj. Funds Avail.	Total Project Funds Recomm.	Total Units Recomm.	Estimated Subsidy per Unit	Percentage of Project Funds Recomm.
\$16,262,568.50	\$27,594,332.00	535	\$ 51,578.19	57%
\$9,757,541.10	\$5,051,142.00	689	\$ 7,331.12	10%
\$6,505,027.40	\$925,541.00	155	\$ 5,971.23	2%
\$17,275,200.00	\$15,265,408.00	460	\$ 33,185.67	31%
\$49,800,337.00	\$48,836,423.00	1839	\$98,066.21	100%
\$15,437,248.00	\$0.00	0	#DIV/0!	
\$4,318,800.00	\$0.00	0	#DIV/0!	
\$4,000,000.00	\$0.00	0	#DIV/0!	
\$4,000,000.00	\$0.00	0	#DIV/0!	
\$2,000,000.00	\$0.00	0	#DIV/0!	
\$79,556,385.00	\$48,836,423.00	1839	#DIV/0!	

Total Units Recommended:				1839
AMFI Recommended				
<30%	31-60%	61-80%	Totals	
HBA Units (1)	0	393	296	689
OCC Units	532	3	0	535
TBRA Units	130	24	1	155
Demonstration Units				0
CHDO Units				0
Special Needs Units	447	13	0	460
Totals	1109	433	297	1839

(1) HBA Units are <60% and 61-80%

III. Regional Allocation Formula Analysis

Percentage	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8	Region 9	Region 10	Region 11	Region 12	Region 13	Total Per Activity
OCC available	4.0%	2.9%	11.9%	7.6%	9.5%	12.2%	4.8%	9.6%	7.0%	5.3%	17.2%	6.0%	2.0%	\$16,262,569
OCC recommended	\$650,503	\$471,614	\$1,935,246	\$1,235,955	\$1,544,944	\$1,984,033	\$780,603	\$1,561,207	\$1,138,380	\$861,916	\$2,797,162	\$975,754	\$325,251	\$27,594,332
HBA available	\$390,302	\$282,969	\$1,161,147	\$741,573	\$926,966	\$1,190,420	\$468,362	\$936,724	\$683,028	\$517,150	\$1,678,297	\$585,452	\$195,151	\$9,757,541
HBA recommended	\$390,302	\$0	\$296,154	\$741,573	\$150,000	\$687,500	\$468,362	\$412,500	\$0	\$0	\$1,444,600	\$265,000	\$195,151	\$5,051,142
TBRA available	\$260,201	\$188,646	\$774,098	\$494,382	\$617,978	\$793,613	\$312,241	\$624,483	\$455,352	\$344,766	\$1,118,865	\$390,302	\$130,101	\$6,505,027
TBRA recommended	\$0	\$0	\$0	\$0	\$300,000	\$51,400	\$312,241	\$186,750	\$0	\$0	\$0	\$75,150	\$0	\$925,541
Special Needs Available	\$691,008	\$500,981	\$2,055,749	\$1,312,915	\$1,641,144	\$2,107,574	\$829,210	\$1,658,419	\$1,209,264	\$915,586	\$2,971,334	\$1,036,512	\$345,504	\$17,275,200
Special Needs recommended	\$691,008	\$500,981	\$2,055,749	\$1,312,915	\$900,000	\$2,107,574	\$829,210	\$2,096,152	\$1,209,264	\$915,586	\$1,383,000	\$944,321	\$319,648	\$15,265,408
Total \$ per Region	\$1,992,013	\$1,444,210	\$5,926,240	\$3,784,826	\$4,731,032	\$6,075,641	\$2,390,416.18	\$4,780,832	\$3,486,024	\$2,639,418	\$8,565,658	\$2,988,020	\$996,007	\$49,800,337

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY
AFFAIRS
BOARD MEETING
JUNE 25, 2003**

PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF
2002–2003 SINGLE FAMILY HOME INVESTMENT PARTNERSHIPS (HOME)
PROGRAM AWARD RECOMMENDATIONS

Staff is pleased to present the award recommendations for the 2002–2003 Single Family HOME Investment Partnerships Program Funding Cycle. The following activities are being recommended for funding: Homebuyer Assistance (HBA), Owner-Occupied (OCC), Tenant Based Rental Assistance (TBRA) and the Special Needs Set-Aside. An overview of the methodologies used to rank the projects is provided.

Funding Recommendation Methodology

The Single Family HOME funds allow for the application of three different types of activities – HBA, OCC and TBRA. A percentage estimate of each activity that would be made available to applicants during the 2002–2003 HOME Funding Cycle was projected in the 2003 Program Year HUD Consolidated Plan and the HOME Program Funding Plan. Recommendations are being made based on the highest scoring applicants serving non-participating jurisdictions. Award amounts may not exceed \$500,000 per application under each activity.

Compliance with the Regional Allocation Formula was maintained as a priority throughout the scoring process in the preparation of the funding recommendations. In regions where an insufficient number of applicants existed under an activity, recommendations are being made to fund applicants in the same region for the activity with the most eligible applications, in accordance with the 2003 Consolidated Plan and the 2002-2003 HOME Program Notice of Funding Availability (NOFA).

In addition to the three eligible activities in each region (HBA, OCC & TBRA), there is also a special needs set-aside for each region. The Department allocated a minimum of 20% of the annual HOME allocation to applicants serving persons with special needs. In regions where two applications are submitted from the same entity for the same activity, one for the general HBA, OCC, or TBRA activity and one for the same activity under the special needs set-aside, priority is given to the application serving the general HBA, OCC or TBRA activity. If the recommended award amount for this activity is \$500,000, the general application is recommended for funding. The special needs application is not recommended for funding because we cannot exceed the maximum award amount. Department staff felt that an applicant recommended for funding under a regional activity could serve special needs populations if they so desire without receiving funding through the special needs set-aside. If an applicant chooses to do so, additional special needs households will be served as a result.

If the recommended award amount for the general activity does not exceed the \$500,000 maximum award amount, the second application serving special needs for the same activity may be recommended for funding up to the maximum award amount per activity. In accordance with the 2003 State Low Income Housing Plan and Rider 3 to TDHCA's 2003-2004 appropriation, priority in the special needs set-aside is given to TBRA applicants, followed by OCC and HBA.

In accordance with Section 2306.111 of the Government Code, the Department may allocate no less than ninety-five percent (95%) of the HOME Program funds to applicants that serve households in a non-participating jurisdiction (non-PJ). Current state law requires the Department to allocate five percent (5%) of the HOME Program funds to applicants servicing persons with disabilities. HOME Program funds under the five percent (5%) set-aside may be used to serve households in participating jurisdictions (PJs) as long as one-hundred percent (100%) of the households served have a disabled member. A PJ application competes for funds under the five percent (5%) disability set-aside with preference given to applicants serving non-PJs. These funds are not subject to the Regional Allocation Formula. Non-PJ preference is ensured since PJ applicants do not receive an Affordable Housing Needs (AHN) score.

Eligible activities under this set-aside include HBA, OCC & TBRA. Since funds can be awarded under this set-aside to applicants serving PJs, the set-aside is subject to the ninety-five percent (95%) rule. Therefore, Single Family funding recommendations cannot be made until the Multifamily Finance Production Division HOME Program funding recommendations are determined. It is anticipated that these funds will be awarded at the July 30th TDHCA Board meeting.

A minimum of fifteen percent (15%) of the HOME allocation is reserved for Community Housing Development Organizations (CHDOs). These organizations can apply for rental housing acquisition and rehabilitation or new construction of rental housing. Funding recommendations for these activities will be made by the Multifamily Finance Production Division at the July TDHCA Board meeting. CHDOs can also apply for HBA funds if their organization is the owner, developer or sponsor of the single family housing project. Funds for this activity will be distributed by the Single Family Finance Production Division. In order to provide adequate funding per activity, CHDO funds are not subject to the Regional Allocation Formula. Prior to award, a percentage for each CHDO eligible activity will be determined by Department staff by the number of eligible applicants under each activity. Since CHDO Rental Housing Development project recommendations will not be made until the July Board meeting, the CHDO HBA awards will be withheld until that time as well. It is important to note that any CHDO HBA awards recommended for funding serving one-hundred percent of the disability community will be awarded under the CHDO set-aside and not from the five percent (5%) disability set-aside. This will enable the Department to serve more households with disabilities and to utilize funds from the CHDO set-aside. Historically, the Department has not received sufficient fundable applications under the CHDO set-aside.

Additional Considerations

The State HOME rules include a minimum score requirement based on 60% of the total score established for the respective activity (HBA, OCC, TBRA) to be considered for a funding recommendation. This requirement equates to 78 points based on an availability of 130 total points and is annotated by the bold line on the attached spreadsheets. Applicants that did not pass the minimum score requirement were not eligible for recommendations. Applications recommended for funding were submitted to the Portfolio Management and Compliance Division for review and approval and entry into the Developer Evaluation System.

It is important to note that no funds, with the exception of Region 11, remain within any of the thirteen (13) Uniform State Service Regions after funding recommendations. Approximately \$2.2 million remained in the Region 11 allocation after all eligible applicants (HBA, OCC, TBRA and Special Needs Set-Aside) were funded. The Department has determined when this occurs, to fund any CHDO HBA applicants from remaining regional funds instead of awarding the funds from the CHDO set-aside. This will enable the Department to award more CHDO dollars in

excess of the 15% requirement, if necessary, which is permissible under U.S Department of Housing and Urban Development (HUD) guidelines. Even after funding CHDO HBA allocations (\$660,600) out of Region 11, approximately \$1.5 million remains in Region 11. In an effort to ensure these funds are awarded for that region, which has numerous colonias, the Department is suggesting that the remaining funds be rolled into an upcoming Colonia Model Subdivision Program funding cycle.

Recommendation

Staff requests approval of the 2002–2003 HOME Program funding recommendations for the activities and program set-asides as detailed on the attached List of Recommendations and regional spreadsheets. Staff also recommends and requests approval of 4% administrative funds for all applicants, except for-profit organizations, based on the amount of project dollars recommended. For the two CHDO applicants being recommended for funding under Region 11, staff recommends 5% for operating expenses based on the amount of project dollars recommended.

**2002-2003 LIST OF RECOMMENDATIONS
FOR OWNER OCCUPIED HOUSING ASSISTANCE**

App. #	Name of Applicant	Region	SN	Score	Request	Recommended
20030042	FLOYDADA, CITY OF	1	N	115	\$250,000.00	\$250,000.00
20030209	NEW DEAL, CITY OF	1	N	118	\$500,000.00	\$500,000.00
20030263	LITTLEFIELD, CITY OF	1	N	113	\$500,000.00	\$160,704.00
20030301	CAPROCK COMM. ACTION ASSOC INC	1	Y	110	\$500,000.00	\$500,000.00
20030297	SOUTH PLAINS COMM ACTION ASSOC	1	Y	103	\$500,000.00	\$191,008.00
20030266	BOWIE, CITY OF	2	N	118	\$500,000.00	\$500,000.00
20030246	MERKEL, CITY OF	2	N	111	\$500,000.00	\$443,229.00
20030248	MERKEL, CITY OF	2	Y	111	\$500,000.00	\$56,771.00
20030170	BROWNWOOD, CITY OF	2	Y	110	\$500,000.00	\$444,210.00
20030177	CELESTE, CITY OF	3	N	122	\$500,000.00	\$500,000.00
20030255	PONDER, CITY OF	3	N	121	\$385,000.00	\$385,000.00
20030182	FARMERSVILLE, CITY OF	3	N	120	\$500,000.00	\$500,000.00
20030220	SANGER, CITY OF	3	N	120	\$500,000.00	\$500,000.00
20030166	RICE, CITY OF	3	N	118	\$385,000.00	\$385,000.00
20030093	HAWK COVE, CITY OF	3	N	119	\$480,000.00	\$480,000.00
20030157	BONHAM, CITY OF	3	N	117	\$330,000.00	\$330,000.00
20030275	NEVADA, CITY OF	3	N	117	\$330,000.00	\$330,000.00
20030135	CELINA, CITY OF	3	N	116	\$500,000.00	\$164,337.00
20030029	TERRELL, CITY OF	3	Y	123	\$300,000.00	\$300,000.00
20030256	PONDER, CITY OF	3	Y	121	\$385,000.00	\$115,000.00
20030278	NEVADA, CITY OF	3	Y	117	\$330,000.00	\$170,000.00
20030167	GAINESVILLE, CITY OF	3	Y	116	\$500,000.00	\$500,000.00
20030107	DAWSON, CITY OF	3	Y	115	\$286,000.00	\$286,000.00
20030028	ROYSE CITY	3	Y	110	\$163,539.00	\$163,539.00
20030250	MILFORD, CITY OF	3	Y	110	\$500,000.00	\$326,674.00
20030180	RICE, CITY OF	3	Y	118	\$385,000.00	\$115,000.00
20030048	NASH, CITY OF	4	N	121	\$495,000.00	\$495,000.00
20030054	REDWATER, CITY OF	4	N	120	\$220,000.00	\$220,000.00
20030090	MAUD, CITY OF	4	N	120	\$275,000.00	\$275,000.00
20030280	MURCHINSON, CITY OF	4	N	120	\$330,000.00	\$330,000.00
20030221	GRAND SALINE, CITY OF	4	Y	120	\$500,000.00	\$500,000.00
20030336	TEXARKANA, CITY OF	4	N	120	\$480,440.00	\$410,337.00
20030276	MURCHINSON, CITY OF	4	Y	120	\$330,000.00	\$170,000.00
20030036	HUGHES SPRINGS, CITY OF	4	Y	117	\$275,000.00	\$102,866.00
20030081	NAPLES, CITY OF	4	Y	117	\$275,000.00	\$102,866.00
20030105	OMAHA, CITY OF	4	Y	117	\$275,000.00	\$102,866.00
20030123	PALESTINE, CITY OF	4	Y	117	\$400,000.00	\$147,870.00
20030254	LOG CABIN, CITY OF	4	Y	117	\$500,000.00	\$186,445.00
20030193	HUNTINGTON, CITY OF	5	N	114	\$500,000.00	\$500,000.00
20030149	CENTER, CITY OF	5	N	112	\$300,000.00	\$300,000.00
20030245	TRINITY, CITY OF	5	N	112	\$500,000.00	\$500,000.00
20030118	CROCKETT, CITY OF	5	N	109	\$300,000.00	\$300,000.00
20030131	LUFKIN, CITY OF	5	N	111	\$500,000.00	\$500,000.00
20030075	DIBOLL, CITY OF	5	N	108	\$300,000.00	\$300,000.00

20030073	SAN AUGUSTINE, CITY OF	5	N	96	\$500,000.00	\$500,000.00
20030066	ONALASKA, CITY OF	5	N	95	\$300,000.00	\$300,000.00
20030079	ZAVALLA, CITY OF	5	N	94	\$300,000.00	\$181,032.00

**2002-2003 LIST OF RECOMMENDATIONS
FOR OWNER OCCUPIED HOUSING ASSISTANCE**

App. #	Name of Applicant	Region	SN	Score	Request	Recommended
20030146	CENTER, CITY OF	5	Y	112	\$300,000.00	\$200,000.00
20030120	CROCKETT, CITY OF	5	Y	109	\$300,000.00	\$200,000.00
20030317	LONE STAR GARDEN DEVELOPMENT	5	Y	108.5	\$500,000.00	\$500,000.00
20030232	BAY CITY	6	N	122	\$500,000.00	\$500,000.00
20030144	DICKINSON, CITY OF	6	N	119	\$500,000.00	\$500,000.00
20030194	PALACIOS, CITY OF	6	N	117	\$500,000.00	\$500,000.00
20030270	LE TULLE FOUNDATION	6	N	119.5	\$500,000.00	\$500,000.00
20030235	BAY CITY PHA	6	N	119	\$500,000.00	\$500,000.00
20030085	WHARTON, CITY OF	6	N	115	\$495,000.00	\$495,000.00
20030140	CLEVELAND, CITY OF	6	N	115	\$500,000.00	\$234,166.00
20030191	PALACIOS HOUSING AUTHORITY	6	Y	117	\$500,000.00	\$500,000.00
20030088	SEALY, CITY OF	6	Y	112	\$480,000.00	\$480,000.00
20030231	EAGLE LAKE, CITY OF	6	Y	113	\$500,000.00	\$500,000.00
20030205	WHARTON COUNTY	6	Y	110	\$500,000.00	\$128,254.00
20030311	SMITHVILLE, CITY OF	7	N	117	\$500,000.00	\$500,000.00
20030092	LOCKHART, CITY OF	7	N	115	\$495,000.00	\$280,603.00
20030095	LOCKHART, CITY OF	7	Y	115	\$495,000.00	\$219,397.00
20030310	FLATONIA, CITY OF	7	Y	113	\$300,000.00	\$300,000.00
20030104	LEXINGTON, CITY OF	7	Y	112	\$220,000.00	\$122,054.00
20030112	MARLIN, CITY OF	8	N	121	\$480,000.00	\$480,000.00
20030260	MEXIA, CITY OF	8	N	121	\$500,000.00	\$500,000.00
20030057	BELLMEAD, CITY OF	8	N	120	\$500,000.00	\$500,000.00
20030312	ROCKDALE, CITY OF	8	N	119	\$175,000.00	\$175,000.00
20030096	LOTT, CITY OF	8	N	118	\$480,000.00	\$430,431.00
20030062	HILLSBORO, CITY OF	8	Y	118	\$500,000.00	\$500,000.00
20030308	ROCKDALE, CITY OF	8	Y	119	\$175,000.00	\$175,000.00
20030134	TEAGUE, CITY OF	8	Y	109	\$200,000.00	\$200,000.00
20030126	MADISONVILLE, CITY OF	8	Y	107	\$400,000.00	\$400,000.00
20030206	BELTON, CITY OF	8	Y	109	\$500,000.00	\$383,419.00
20030089	JOURDANTON, CITY OF	9	N	122	\$275,000.00	\$275,000.00
20030097	CHARLOTTE, CITY OF	9	N	121	\$275,000.00	\$275,000.00
20030262	BOERNE, CITY OF	9	N	114	\$500,000.00	\$500,000.00
20030115	RUNGE, CITY OF	9	N	111	\$275,000.00	\$275,000.00
20030185	DEVINE, CITY OF	9	N	107	\$500,000.00	\$500,000.00
20030070	PLEASANTON, CITY OF	9	N	106	\$300,000.00	\$300,000.00
20030207	LA COSTE, CITY OF	9	N	102	\$500,000.00	\$151,760.00
20030091	JOURDANTON, CITY OF	9	Y	122	\$275,000.00	\$225,000.00
20030100	CHARLOTTE, CITY OF	9	Y	121	\$275,000.00	\$225,000.00
20030114	RUNGE, CITY OF	9	Y	111	\$275,000.00	\$225,000.00
20030204	LACOSTE, CITY OF	9	Y	102	\$500,000.00	\$134,264.00
20030110	MATHIS, CITY OF	10	N	122	\$495,000.00	\$495,000.00
20030240	BEE COUNTY	10	N	120	\$500,000.00	\$500,000.00

20030218	GONZALES ECONOMIC DEV. CORP	10	N	118	\$500,000.00	\$500,000.00
20030215	GREGORY, CITY OF	10	N	117	\$500,000.00	\$228,832.00
20030223	GREGORY, CITY OF	10	Y	117	\$500,000.00	\$271,168.00
20030230	SINTON, CITY OF	10	Y	117	\$500,000.00	\$500,000.00
20030269	PREMONT, CITY OF	10	Y	116	\$500,000.00	\$144,418.00

**2002-2003 LIST OF RECOMMENDATIONS
FOR OWNER OCCUPIED HOUSING ASSISTANCE**

App. #	Name of Applicant	Region	SN	Score	Request	Recommended
20030306	ROMA, CITY OF	11	N	119	\$500,000.00	\$500,000.00
20030189	DIMITT COUNTY	11	N	117	\$500,000.00	\$500,000.00
20030174	CARRIZO SPRINGS	11	N	116	\$500,000.00	\$500,000.00
20030284	ENCINAL, CITY OF	11	N	116	\$500,000.00	\$500,000.00
20030213	BIG WELLS, CITY OF	11	N	112	\$500,000.00	\$500,000.00
20030287	LOS INDIOS, CITY OF	11	N	111	\$500,000.00	\$500,000.00
20030044	WEBB COUNTY	11	N	108	\$500,000.00	\$500,000.00
20030352	SANTA ROSA, CITY OF	11	N	102	\$200,000.00	\$200,000.00
20030302	VAL VERDE COUNTY	11	N	99	\$500,000.00	\$500,000.00
20030349	COMBES, TOWN OF	11	N	97	\$200,000.00	\$200,000.00
20030022	COMMUNITY RESOURCE GROUP, INC.	11	N	82	\$400,000.00	\$400,000.00
20030294	LA SALLE COUNTY	11	Y	98	\$500,000.00	\$500,000.00
20030358	HOUSING AUTH OF CRYSTAL CITY	11	Y	96	\$383,000.00	\$383,000.00
20030172	GOLDSMITH, CITY OF	12	N	117	\$500,000.00	\$500,000.00
20030216	STANTON, CITY OF	12	N	114	\$500,000.00	\$500,000.00
20030271	COAHOMA, CITY OF	12	N	113	\$500,000.00	\$305,679.00
20030040	SEMINOLE, CITY OF	12	N	113	\$500,000.00	\$305,679.00
20030060	COMMUNITY AND SENIOR SERVICES	12	Y	116	\$250,000.00	\$250,000.00
20030128	BIG LAKE, CITY OF	12	N	106	\$250,000.00	\$92,191.00
20030274	COAHOMA, CITY OF	12	Y	113	\$500,000.00	\$194,321.00
20030247	TOYAH, CITY OF	12	Y	109	\$500,000.00	\$500,000.00
20030265	PRESIDIO COUNTY	13	N	120	\$500,000.00	\$455,352.00
20030257	PRESIDIO COUNTY	13	Y	120	\$500,000.00	\$44,648.00
20030103	VAN HORN, CITY OF	13	Y	117	\$275,000.00	\$275,000.00

Total \$40,755,390.00

**2002-2003 LIST OF RECOMMENDATIONS
FOR TENANT BASED RENTAL ASSISTANCE**

App.#	Applicant	Region	SN	Score	Request	Recommended
20030011	AFFORDABLE HOUSING OF PARKER COUNTY	3	Y	94	\$79,536.00	\$79,536.00
20030339	BUCKNER CHILDREN & FAMILY SERVICES	5	N	102	\$300,000.00	\$300,000.00
20030151	COMBINED COMM. ACTION, INC.	6	N	88	\$51,400.00	\$51,400.00
20030051	GULF COAST CENTER	6	Y	94	\$499,320.00	\$499,320.00
20030289	MARBLE FALLS HOUSING AUTHORITY	7	N	98	\$500,000.00	\$312,241.00
20030291	MARBLE FALLS HOUSING AUTHORITY	7	Y	98	\$500,000.00	\$187,759.00
20030343	TWIN CITY MISSION	8	Y	98	\$466,667.00	\$437,733.00
20030030	TEMPLE HOUSING RESIDENTIAL CORP.	8	N	113	\$186,750.00	\$186,750.00
20030002	COMAL COUNTY MHMR CENTER	9	Y	114	\$400,000.00	\$400,000.00
20030324	CAMERON COUNTY HOUSING AUTHORITY	11	Y	102	\$500,000.00	\$500,000.00
20030333	BUCKNER CHILDREN & FAMILY SERVICES	12	N	119	\$75,150.00	\$75,150.00

Total \$3,029,889.00

Region 1 - HBA Applicants

From TBRA \$0.00
 From HBA \$390,302.00
 From OCC \$0.00
 Amount Available: \$390,302.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030286	SOUTHPLAINS COMM. ACTION ASSOC.	20	20	0	\$ 200,000.00	109		\$200,000.00	20
20030063	PANHANDLE COMMUNITY SERVICES	86	44	10	\$ 300,000.00	80		\$190,302.00	54

Amount Remaining: \$0.00

Region 2 - HBA Applicants

From TBRA \$0.00
 From HBA \$282,969.00
 From OCC \$0.00
 Amount Available: \$282,969.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					

Amount Remaining: \$282,969.00

*NO APPLICATIONS RECEIVED AND/OR NO RECOMMENDATIONS BEING MADE AT THIS TIME

Region 3 - HBA Applicants

From TBRA \$0.00
 From HBA \$1,161,147.00
 From OCC \$0.00
 Amount Available: \$1,161,147.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030375	ALT AFFORDABLE HOUSING SERVICES	40	25	15	\$200,000.00	113		\$200,000.00	40
20030357	FRISCO, CITY OF	19	2	17	\$96,154.00	109.5		\$96,154.00	19

Amount Remaining: \$864,993.00

Region 4 - HBA Applicants

From TBRA \$0.00
 From HBA \$741,573.00
 From OCC \$0.00
 Amount Available: \$741,573.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030356	EDGEWOOD, CITY OF	5	2	3	\$50,000.00	110		\$50,000.00	5
20030005	MOUNT PLEASANT, CITY OF	20	6	14	\$150,000.00	106		\$150,000.00	20
20030111	NASH, CITY OF	25	25	0	\$187,500.00	102		\$187,500.00	25
20030008	PARIS, CITY OF	40	40	0	\$300,000.00	97		\$300,000.00	40
20030034	HUGHES SPRINGS, CITY OF	10	5	0	\$100,000.00	96		\$54,073.00	5

Amount Remaining: \$0.00

Region 5 - HBA Applicants

From TBRA \$0.00
 From HBA \$926,966.00
 From OCC \$0.00
 Amount Available: \$926,966.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030119	CENTER, CITY OF	15	15	0	150,000.00	80		\$150,000.00	15

Amount Remaining: \$776,966.00

Region 6 - HBA Applicants

From TBRA \$0.00
 From HBA \$1,190,420.00
 From OCC \$0.00
 Amount Available: \$1,190,420.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030325	HUNTSVILLE, CITY OF	10	10	0	\$150,000.00	106		\$0.00	10
20030046	SOUTHEAST TEXAS HSING FIN. CORP.	80	10	70	\$500,000.00	103		\$500,000.00	80
20030045	BAY CITY, CITY OF	25	25	0	\$187,500.00	91		\$187,500.00	25

HOLD FOR PWD

Amount Remaining: \$502,920.00

Region 11 - HBA Applicants

From TBRA \$0.00
 From HBA \$1,678,297.00
 From OCC \$0.00
 Amount Available: \$1,678,297.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030337	PROYECTO AZTECA	32	32	0	\$369,600.00	95		\$369,600.00	32
20030366	LA FERIA, CITY OF	20	4	16	\$200,000.00	88		\$200,000.00	20
20030052	EDINBURG HOUSING OPPORTUNITY	30	30	0	\$300,000.00	87		\$300,000.00	30
20030173	COMMUNITY COUNCIL OF SWT, INC.	50	45	5	\$375,000.00	87		\$375,000.00	50
20030374	STARR, COUNTY OF	20	10	10	\$200,000.00	84		\$200,000.00	20

Amount Remaining: \$233,697.00

Region 12 - HBA Applicants

From TBRA \$0.00
 From HBA \$585,452.00
 From OCC \$0.00
 Amount Available: \$585,452.00

Application Number	Applicant Name	Units Requested	AMFI Targeted		Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<60%	61-80%					
20030350	PECOS CITY, TOWN OF	25	18	8	\$265,000.00	117		\$265,000.00	26

Amount Remaining: \$320,452.00

Region 3 - TBRA Applicants

From TBRA \$774,098.00
 From HBA \$0.00
 From OCC \$0.00
 From Special Needs \$2,055,749.00
 Amount Available: \$774,098.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030011	AFFORDABLE HOUSING OF PARKER COUNTY	20	20	0	0	\$ 79,536	94		\$ 79,536	20

Applicant funded from Special Needs

Amount Remaining TBRA: \$774,098.00

Amount Remaining Special Needs: \$1,976,213.00

Region 4 - TBRA Applicants

From TBRA \$494,382.00
 From HBA \$0.00
 From OCC \$0.00
 Amount Available: \$494,382.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030016	SABINE VALLEY CENTER	15	14	1	0	115200	111		\$ -	0.00

Hold for PWD

Amount Remaining: \$494,382.00

Region 5 - TBRA Applicants

From TBRA \$617,978.00
 From HBA \$0.00
 From OCC \$0.00
 Amount Available: \$617,978.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030003	SPINDLETOP MHMR SERVICES	25	25	0	0	\$ 163,700	115		\$ -	0
20030006	BURKE CENTER	52	52	0	0	\$ 497,750	112		\$ -	0
20030339	BUCKNER CHILDREN & FAMILY SERVICES	25	25	0	0	\$ 300,000	102		\$ 300,000	25

Hold for PWD
 Hold for PWD

Amount Remaining: \$317,978.00

Region 6 - TBRA Applicants

From TBRA \$793,613.00
 From HBA \$0.00
 From OCC \$0.00
 From Special Needs: \$2,107,574.00
 Amount Available: \$793,613.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030151	COMBINED COMM. ACTION, INC.	4	2	1	1	\$51,400.00	88		\$51,400.00	4
20030051	GULF COAST CENTER	38	38	0	0	\$499,320.00	94		\$499,320.00	38

Funded out of Special Needs

Amount Remaining TBRA: \$742,213.00

Amount Remaining Special Needs: \$1,608,254.00

Region 8 - TBRA Applicants

From TBRA \$624,483.00
 From HBA \$0.00
 From OCC \$0.00
 Amount Available: \$624,483.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030030	Temple Housing Residential Corp.	15	0	15	0	\$ 186,750.00	113		\$ 186,750.00	15
20030343	TWIN CITY MISSION	60	51	5	0	\$ 466,667.00	98		\$ 437,733.00	56

Funded out of Special Needs

Amount Remaining: \$437,733.00

Region 9 - TBRA Applicants

From TBRA \$455,352.00
 From HBA \$0.00
 From OCC \$0.00
 From Special Needs: \$1,209,264.00
 Amount Available: \$455,352.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030002	COMAL COUNTY MHMR CENTER	40	40	0	0	\$400,000.00	114		\$400,000.00	40
20030305	BLUEBONNET TRAILS MHMR CENTER	5	5	0	0	\$50,000.00	118		\$0.00	0
20030361	SPECTRUM HOUSING & SERVICES	53	38	15	0	\$500,000.00	95		\$0.00	0

**Funded out
 of Special
 Needs
 Hold for
 PWD
 Hold for
 PWD**

Amount Remaining TBRA: \$455,352.00

Amount Remaining Special Needs: \$809,264.00

Region 10 - TBRA Applicants

From TBRA \$344,766.00
 From HBA \$0.00
 From OCC \$0.00
 Amount Available: \$344,766.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030058	GULF BEND MHMR CENTER	7	7	0	0	\$52,000.00	116		\$0.00	0
20030305	BLUEBONNET TRAILS MHMR CENTER	5	5	0	0	\$50,000.00	114		\$0.00	0
20030373	COMMUNITY ACTION CORP. OF SOUTH TEXAS	20	8	11	1	\$178,000.00	116		\$0.00	0

Hold for PWD
 Hold for PWD
 Hold for PWD

Amount Remaining: \$344,766.00

Region 11 - TBRA Applicants

From TBRA \$1,118,865.00
 From HBA \$0.00
 From OCC \$0.00
 From Special Needs: \$2,971,334.00
 Amount Available: \$1,118,865.00

Application Number	Applicant Name	Units Requested	AMFI Targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030324	CAMERON COUNTY HOUSING AUTHORITY	60	60	0	0	\$ 500,000.00	102		\$500,000.00	60

Funded out of Special Needs

Amount Remaining TBRA: \$1,118,865.00

Amount Remaining Special Needs: \$2,471,334.00

REGION 1 - OCC APPLICANTS

From TBRA \$260,201.00
 From HBA \$0.00
 From OCC \$650,503.00
 Amount Available: \$910,704.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030209	NEW DEAL, CITY OF	9	9	0	0	\$500,000.00	118		\$500,000.00	9
20030042	FLOYDADA, CITY OF	5	4	1	0	\$250,000.00	115		\$250,000.00	5
20030263	LITTLEFIELD, CITY OF	9	2	0	0	\$500,000.00	113		\$160,704.00	2

Amount Remaining: \$0.00

REGION 1 - OCC SPECIAL NEEDS APPLICANTS

Amount Available: \$691,008.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030301	CAPROCK COMM ACTION ASSOC INC.	10	8	2	0	\$500,000.00	110		\$500,000.00	10
20030297	SOUTH PLAINS COMM ACTION ASSOC	10	2	1	0	\$500,000.00	103		\$191,008.00	3

Amount Remaining: \$0.00

REGION 2- OCC APPLICANTS

From TBRA \$188,646.00
 From HBA \$282,969.00
 From OCC \$471,614.00
 Amount Available: \$943,229.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030266	BOWIE, CITY OF	9	9	0	0	\$500,000.00	118		\$500,000.00	9
20030246	MERKEL, CITY OF	9	8	0	0	\$500,000.00	111		\$443,229.00	8

Amount Remaining: \$0.00

REGION 2 - OCC SPECIAL NEEDS APPLICANTS

Amount Available: \$500,981.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030248	MERKEL, CITY OF	9	1	0	0	\$500,000.00	111		\$56,771.00	1
20030170	BROWNWOOD, CITY OF	9	8	0	0	\$500,000.00	110		\$444,210.00	8

Amount Remaining: \$0.00

Region 3 - OCC APPLICANTS

From TBRA \$774,098.00
 From HBA \$864,993.00
 From OCC \$1,935,246.00
 Amount Available: \$3,574,337.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030177	CELESTE, CITY OF	9	9	0	0	\$500,000.00	122		\$500,000.00	9
20030255	PONDER, CITY OF	7	7	0	0	\$385,000.00	121		\$385,000.00	7
20030182	FARMERSVILLE, CITY OF	9	9	0	0	\$500,000.00	120		\$500,000.00	9
20030220	SANGER, CITY OF	9	9	0	0	\$500,000.00	120		\$500,000.00	9
20030093	HAWK COVE, CITY OF	9	9	0	0	\$480,000.00	119		\$480,000.00	9
20030166	RICE, CITY OF	7	7	0	0	\$385,000.00	118		\$385,000.00	7
20030157	BONHAM, CITY OF	6	6	0	0	\$330,000.00	117		\$330,000.00	6
20030275	NEVADA, CITY OF	6	6	0	0	\$330,000.00	117		\$330,000.00	6
20030135	CELINA, CITY OF	9	2	0	0	\$500,000.00	116		\$164,337.00	2

Amount Remaining: \$0.00

Region 3 - OCC Special Needs Applicants

Amount Allocated: \$2,055,749.00
 Used for TBRA: -\$79,536.00
 Amount Available: \$1,976,213.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030029	TERRELL, CITY OF	6	6	0	0	\$300,000.00	123		\$300,000.00	6
20030256	PONDER, TOWN OF	7	2	0	0	\$385,000.00	121		\$115,000.00	2

20030180	RICE, CITY OF	7	2	0	0	\$385,000.00	118		\$115,000.00	2
20030278	NEVADA, CITY OF	6	3	0	0	\$330,000.00	117		\$170,000.00	3
20030167	GAINESVILLE, CITY OF	9	9	0	0	\$500,000.00	116		\$500,000.00	9
20030107	DAWSON, CITY OF	5	5	0	0	\$286,000.00	115		\$286,000.00	5
20030028	ROYCE CITY	3	3	0	0	\$163,539.00	110		\$163,539.00	3
20030250	MILFORD, CITY OF	9	8	0	0	\$500,000.00	110		\$326,674.00	8

Amount Remaining: \$0.00

Region 4 - OCC Applicants

From TBRA \$494,382.00
 From HBA \$0.00
 From OCC \$1,235,955.00
 Amount Available: \$1,730,337.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030048	NASH, CITY OF	9	9	0	0	\$495,000.00	121		\$495,000.00	9
20030054	REDWATER, CITY OF	4	4	0	0	\$220,000.00	120		\$220,000.00	4
20030090	MAUD, CITY OF	5	5	0	0	\$275,000.00	120		\$275,000.00	5
20030280	MURCHISON, CITY OF	6	6	0	0	\$330,000.00	120		\$330,000.00	6
20030336	TEXARKANA, CITY OF	9	7	0	0	\$480,440.00	120		\$410,337.00	7

Amount Remaining: \$0.00

Region 4 - OCC Special Needs Applicants

Amount Available: \$1,312,915.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030221	GRAND SALINE, CITY OF	9	9	0	0	\$500,000.00	120		\$500,000.00	9
20030276	MURCHISON, CITY OF	6	3	0	0	\$330,000.00	120		\$170,000.00	3
20030036	HUGHES SPRINGS, CITY OF	5	1	0	0	\$275,000.00	117		\$102,866.00	1
20030081	NAPLES, CITY OF	5	1	0	0	\$275,000.00	117		\$102,866.00	1
20030105	OMAHA, CITY OF	5	1	0	0	\$275,000.00	117		\$102,866.00	1
20030123	PALESTINE, CITY OF	8	2	0	0	\$400,000.00	117		\$147,870.00	2
20030254	LOG CABIN, CITY OF	9	3	0	0	\$500,000.00	117		\$186,447.00	3

Amount Remaining: \$0.00

Region 5 - OCC Applicants

From TBRA \$317,978.00
 From HBA \$776,966.00
 From OCC \$1,544,944.00
 From Special Needs \$741,144.00
 Amount Available: \$3,381,032.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030193	HUNTINGTON, CITY OF	9	9	0	0	\$500,000.00	114		\$500,000.00	9
20030149	CENTER, CITY OF	6	6	0	0	\$300,000.00	112		\$300,000.00	6
20030245	TRINITY, CITY OF	9	9	0	0	\$500,000.00	112		\$500,000.00	9
20030118	CROCKETT, CITY OF	6	6	0	0	\$300,000.00	109		\$300,000.00	6
20030131	LUFKIN, CITY OF	10	10	0	0	\$500,000.00	111		\$500,000.00	10
20030075	DIBOLL, CITY OF	6	6	0	0	\$300,000.00	108		\$300,000.00	6
20030073	SAN AUGUSTINE, CITY OF	10	10	0	0	\$500,000.00	96		\$500,000.00	10
20030066	ONALASKA, CITY OF	6	6	0	0	\$300,000.00	95		\$300,000.00	6
20030079	ZAVALLA, CITY OF	6	3	0	0	\$300,000.00	94		\$181,032.00	3

Amount Remaining: \$0.00

Region 5 - OCC Special Needs Applicants

Amount Available: \$1,641,144.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030146	CENTER, CITY OF	4	4	0	0	\$200,000.00	112		\$200,000.00	4
20030120	CROCKETT, CITY OF	6	4	0	0	\$300,000.00	109		\$200,000.00	4
20030317	LONE STAR GARDEN DEVELOPMENT	9	9	0	0	\$500,000.00	108.5		\$500,000.00	9

Amount Remaining: \$741,144.00

Region 6 - OCC Applicants

From TBRA \$742,213.00
 From HBA \$502,920.00
 From OCC \$1,984,033.00
 Amount Available: \$3,229,166.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030232	BAY CITY	9	9	0	0	\$500,000.00	122		\$500,000.00	9
20030270	LE TULLE FOUNDATION	9	9	0	0	\$500,000.00	119.5		\$500,000.00	9
20030144	DICKINSON, CITY OF	9	9	0	0	\$500,000.00	119		\$500,000.00	9
20030235	BAY CITY PHA	9	9	0	0	\$500,000.00	119		\$500,000.00	9
20030194	PALACIOS, CITY OF	9	9	0	0	\$500,000.00	117		\$500,000.00	9
20030085	WHARTON, CITY OF	9	9	0	0	\$495,000.00	115		\$495,000.00	9
20030140	CLEVELAND, CITY OF	9	4	0	0	\$500,000.00	115		\$234,166.00	4

Amount Remaining: \$0.00

Region 6 - OCC Special Needs Applicants

Amount Allocated: \$2,107,574.00
 Amount Used for TBRA: -\$499,320.00
 Amount Available: \$1,608,254.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030191	PALACIOS HOUSING AUTHORITY	9	9	0	0	\$500,000.00	117		\$500,000.00	9
20030088	SEALY, CITY OF	9	9	0	0	\$480,000.00	112		\$480,000.00	9
20030231	EAGLE LAKE, CITY OF	9	9	0	0	\$500,000.00	113		\$500,000.00	9
20030205	WHARTON COUNTY	9	2	0	0	\$500,000.00	110		\$128,254.00	2

Amount Remaining: \$0.00

Region 7 - OCC Applicants

From TBRA \$0.00
 From HBA \$0.00
 From OCC \$780,603.00
 Amount Available: \$780,603.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			30%	31-60%	61-80%					
20030311	SMITHVILLE, CITY OF	10	10	0	0	\$500,000.00	117		\$500,000.00	10
20030092	LOCKHART, CITY OF	9	5	0	0	\$495,000.00	115		\$280,603.00	5

Amount Remaining: \$0.00

Region 7 - OCC Special Needs Applicants

Amount Allocated: \$829,210.00
 Amount Used for TBRA: -\$187,759.00
 Amount Available: \$641,451.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030095	LOCKHART, CITY OF	9	4	0	0	\$495,000.00	115		\$219,397.00	4
20030310	FLATONIA, CITY OF	7	7	0	0	\$300,000.00	113		\$300,000.00	7
20030104	LEXINGTON, CITY OF	4	2	0	0	\$220,000.00	112		\$122,054.00	2

Amount Remaining: \$0.00

Region 8 - OCC Applicants

From TBRA \$0.00
 From HBA \$524,224.00
 From OCC \$1,561,207.00
 Amount Available: \$2,085,431.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			30%	31-60%	61-80%					
20030112	MARLIN, CITY OF	9	9	0	0	\$480,000.00	121		\$480,000.00	9
20030260	MEXIA, CITY OF	9	9	0	0	\$500,000.00	121		\$500,000.00	9
20030057	BELLMEAD, CITY OF	10	10	0	0	\$500,000.00	120		\$500,000.00	10
20030312	ROCKDALE, CITY OF	5	5	0	0	\$175,000.00	119		\$175,000.00	5
20030096	LOTT, CITY OF	9	8	0	0	\$480,000.00	118		\$430,431.00	8

Amount Remaining: \$0.00

Region 8 - OCC Special Needs Applicants

Amount Available: \$1,658,419.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030308	ROCKDALE CITY OF	5	5	0	0	\$175,000.00	119		\$175,000.00	5
20030062	HILLSBORO, CITY OF	9	9	0	0	\$500,000.00	118		\$500,000.00	9
20030134	TEAGUE, CITY OF	4	4	0	0	\$200,000.00	109		\$200,000.00	4
20030206	BELTON, CITY OF	9	6	0	0	\$500,000.00	109		\$383,419.00	6
20030126	MADISONVILLE, CITY OF	8	8	0	0	\$400,000.00	107		\$400,000.00	8

Amount Remaining: \$0.00

Region 9 - OCC Applicants

From TBRA \$455,352.00
 From HBA \$683,028.00
 From OCC \$1,138,380.00
 Amount Available: \$2,276,760.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030089	JOURDANTON, CITY OF	5	5	0	0	\$275,000.00	122		\$275,000.00	5
20030097	CHARLOTTE, CITY OF	5	5	0	0	\$275,000.00	121		\$275,000.00	5
20030262	BOERNE, CITY OF	9	9	0	0	\$500,000.00	114		\$500,000.00	9
20030115	RUNGE, CITY OF	5	5	0	0	\$275,000.00	111		\$275,000.00	5
20030185	DEVINE, CITY OF	9	9	0	0	\$500,000.00	107		\$500,000.00	9
20030070	PLEASANTON, CITY OF	6	6	0	0	\$300,000.00	106		\$300,000.00	6
20030207	LA COSTE, CITY OF	9	2	0	0	\$50,000.00	102		\$151,760.00	2

Amount Remaining: \$0.00

Region 9 - OCC Special Needs Applicants

Amount Allocated: \$1,209,264.00
 Amount Used for TBRA: \$ (400,000.00)
 Amount Available: \$809,264.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030091	JOURDANTON, CITY OF	5	4	0	0	\$225,000.00	122		\$225,000.00	4
20030100	CHARLOTTE, CITY OF	5	4	0	0	\$225,000.00	121		\$225,000.00	4
20030114	RUNGE, CITY OF	5	4	0	0	\$275,000.00	111		\$225,000.00	4

20030204	LACOSTE, CITY OF	9	2	0	0	\$500,000.00	102		\$134,264.00	2
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Amount Remaining: \$0.00

Region 10 - OCC Applicants

From TBRA \$344,766.00
 From HBA \$517,150.00
 From OCC \$861,916.00
 Amount Available: \$1,723,832.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030110	MATHIS, CITY OF	9	9	0	0	\$495,000.00	122		\$495,000.00	9
20030240	BEE COUNTY	9	9	0	0	\$500,000.00	120		\$500,000.00	9
20030218	GONZALES ECONOMIC DEV. CORP	9	9	0	0	\$500,000.00	118		\$500,000.00	9
20030215	GREGORY, CITY OF	9	4	0	0	\$500,000.00	117		\$228,832.00	4

Amount Remaining: \$0.00

Region 10 - OCC Special Needs Applicants

Amount Available: \$915,586.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030223	GREGORY, CITY OF	9	5	0	0	\$500,000.00	117		\$271,168.00	5
20030230	SINTON, CITY OF	9	9	0	0	\$500,000.00	117		\$500,000.00	9
20030269	PREMONT, CITY OF	9	2	0	0	\$500,000.00	116		\$144,418.00	2

Amount Remaining: \$0.00

Region 11 - OCC Applicants

From TBRA \$1,118,865.00
 From HBA \$233,697.00
 From OCC \$2,797,162.00
 From Special Needs \$1,588,334.00
 Amount Available: \$5,738,058.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030306	ROMA, CITY OF	10	10	0	0	\$500,000.00	119		\$500,000.00	10
20030189	DIMITT COUNTY	9	9	0	0	\$500,000.00	117		\$500,000.00	9
20030174	CARRIZO SPRINGS	9	9	0	0	\$500,000.00	116		\$500,000.00	9
20030284	ENCINAL, CITY OF	10	10	0	0	\$500,000.00	116		\$500,000.00	10
20030213	BIG WELLS, CITY OF	9	9	0	0	\$500,000.00	112		\$500,000.00	9
20030287	LOS INDIOS, CITY OF	10	10	0	0	\$500,000.00	111		\$500,000.00	10
20030044	WEBB COUNTY	16	14	2	0	\$500,000.00	108		\$500,000.00	16
20030352	SANTA ROSA, CITY OF	10	10	0	0	\$200,000.00	102		\$200,000.00	10
20030302	VAL VERDE COUNTY	10	10	0	0	\$500,000.00	99		\$500,000.00	10
20030349	COMBES, TOWN OF	10	10	0	0	\$200,000.00	97		\$200,000.00	10
20030022	COMMUNITY RESOURCE GROUP, INC.	25	15	0	0	\$400,000.00	82		\$400,000.00	15

Amount Remaining: \$938,058.00

Region 11 - OCC Special Needs Applicants

Amount Allocated: \$2,971,334.00
 Amount Used for TBRA: \$ (500,000.00)
 Amount Available: \$2,471,334.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030294	LA SALLE COUNTY	10	10	0	0	\$500,000.00	98		\$500,000.00	10
20030358	HOUSING AUTH OF CRYSTAL CITY	15	10	5	0	\$383,000.00	96		\$383,000.00	15

Amount Remaining: \$1,588,334.00

Region 12 - OCC Applicants

From TBRA \$315,152.00
 From HBA \$320,452.00
 From OCC \$975,754.00
 From Special Needs \$92,191.00
 Amount Available: \$1,703,549.00

Application Number	Applicant Name	Units Requested	AMFI targeted			Project \$'s Requested	Score	PJ	Project \$'s Recommended	Units Rec.
			30%	31-60%	61-80%					
20030172	GOLDSMITH, CITY OF	9	9	0	0	\$500,000.00	117		\$500,000.00	9
20030216	STANTON, CITY OF	9	9	0	0	\$500,000.00	114		\$500,000.00	9
20030271	COAHOMA, CITY OF	9	5	0	0	\$500,000.00	113		\$305,679.00	5
20030040	SEMINOLE, CITY OF	9	5	0	0	\$500,000.00	113		\$305,679.00	5
20030128	BIG LAKE, CITY OF	5	2	0	0	\$250,000.00	106		\$92,191.00	2

Amount Remaining: \$0.00

Region 12 - OCC Special Needs Applicants

Amount Available: \$1,036,512.00

Number	Applicant Name	Requested	AMFI targeted			Requested	Score	PJ	Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030060	COMMUNITY AND SENIOR SERVICES	10	5	5	0	\$250,000.00	116		\$250,000.00	10
20030274	COAHOMA, CITY OF	9	3	0	0	\$500,000.00	113		\$194,321.00	3
20030247	TOYAH, CITY OF	9	9	0	0	\$500,000.00	109		\$500,000.00	9

Amount Remaining: \$92,191.00

Region 13 - OCC Applicants

From TBRA \$130,101.00
 From HBA \$0.00
 From OCC \$325,251.00
 Amount Available: \$455,352.00

Number	Applicant Name	Requested	AMFI targeted			Requested	Score	PJ	Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030265	PRESIDIO COUNTY	9	8	0	0	\$ 500,000.00	120		\$ 455,352.00	8

Amount Remaining: \$0.00

Region 13 - Special Needs Applicants

Amount Available: \$345,504.00

Number	Applicant Name	Requested	AMFI targeted			Requested	Score	PJ	Recommended	Units Rec.
			<30%	31-60%	61-80%					
20030257	PRESIDIO COUNTY	9	1	0	0	\$500,000.00	120		\$44,648.00	1
20030103	VAN HORN, CITY OF	5	5	0	0	\$275,000.00	117		\$275,000.00	5

Amount Remaining: \$25,856.00

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
June 25, 2003

Action Items

Request approval of fourteen Housing Trust Fund Capacity Building awards.

Required Action

Approve Capacity Building award recommendations.

Background and Recommendations

This agenda item was originally presented to the Board on June 12, 2003. The Board tabled the agenda item so that staff could provide additional information on the prior Capacity Building awards each applicant had received. That information has been added to the summary for each applicant.

On March 21, 2003, the Department published a Notice of Funding Available (NOFA) in the amount of \$567,729 for the Housing Trust Fund Capacity Building Program. The ultimate goal and purpose of the Capacity Building NOFA is 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 to create affordable housing.

The capacity building awards will be made as one time grants. All funds will be disbursed upon receipt of a Request for Payment Form *and Department approval of a résumé of the individual hired*. The staff hired with the funds will be required to attend at least two workshops sponsored by TDHCA on multifamily and single family affordable housing development. The Department will monitor the organization at least two times during the year. Prior to the expiration of the contract, a final report will be submitted which verifies that the individual has satisfied the measures described in the application. If it is determined that the goals stated in the application were not satisfied, the organization will not be eligible for funds in the following year. Of the applications that were submitted, only 3 of the applicants received Capacity Building funds in a prior year; of those three, two applicants received funds in 2002 and one applicants received funds in 2001 (but not 2002).

Seventeen applications were submitted in response to the NOFA by the April 23, 2003 deadline. The information in the following pages describes the content of each of these applications. The Multifamily Finance Production staff reviewed the applications utilizing the scoring criteria outlined in the 2003 Capacity Building Application Submission Procedures Manual.

Staff is recommending funding in the amount of \$567,729 to the fourteen highest scoring proposals. In accordance with the NOFA, the highest scoring application in each of the thirteen Uniform State Service regions is being recommended. There were no applications submitted for regions 1, 8, 11 and 12; therefore, the balance of the available funding is being recommended for the next highest scoring applications, regardless of region.

Adjustments were made to the requested grant amount of three applicants. Lufkin Community Development Team, Inc. included in their budget \$5,500 for the preparation of a market study. Since this is not an eligible expense, the requested amount of \$27,500 was reduced to a recommended amount of \$22,000. Since the last two applications to be recommended have identical scores, the shortfall in funding in the amount of \$1,677.42 was divided and subtracted from the requested amount of these two applicants. Therefore, the grant amount requested by Economic Justice Foundation was reduced from \$43,671.46 to a recommended amount of \$42,832.75 and the grant amount requested by Accessible Communities, Inc. was reduced from \$43,355 to a recommended amount of \$42,516.29.

2003 HTF CAPACITY BUILDING AWARD RECOMMENDATIONS

Number	Applicant	City	Region	Area of Assistance	Amount Recommended	Score
03917	Habitat for Humanity of Wichita Falls, Inc.	Wichita Falls	2	Director of Marketing and Development	\$38,948.00	40
03910	Denton Affordable Housing Corporation	Denton	3	Housing Educator/Public Relation Coordinator	\$43,670.00	25
03911	Ability Resources, Inc.	Fort Worth	3	Technical Assistance Consultant	\$37,600.00	25
03915	Paris Living Community Development Corp.	Paris	4	Community Resource and Develop. Coordinator	\$43,670.00	25
03905	Lufkin Community Development Team, Inc.	Lufkin	5	Technical Assistance Consultant	\$22,000.00	80
03908	Building Dreams Development	Houston	6	Fundraising Coordinator	\$43,500.00	60
03901	St. John Colony Neighborhood Association	Austin	7	Housing Counselor	\$43,671.00	65
03912	Economic Justice Foundation	Austin	7	Affordable Housing Project Manager	\$42,832.75	25
03914	United Cerebral Palsy of Texas	Austin	7	Integrated Housing Development Associate	\$43,500.00	40
03913	The Center on Independent Living (COIL) CDC	San Antonio	9	Technical Assistance Consultant	\$38,000.00	45
03906	The Latino Education Project, Inc.	Corpus Christi	10	Housing Developer	\$43,600.00	40
03916	Accessible Communities, Inc.	Corpus Christi	10	Housing Specialist	\$42,516.29	25
03902	TVP Non-Profit Corporation	El Paso	13	Property Manager	\$40,549.50	65
03903	Marvelous Light Corporation	El Paso	13	Property Management Assistant	\$43,671.46	65

Total Amount Recommended \$567,729.00

Amount Available \$567,729

NOT RECOMMENDED

					Amount Requested	
03904	Opportunity Center for the Homeless	El Paso	13	Housing Planner	\$43,671.46	5
03907	Habitat for Humanity of El Paso, Inc.	El Paso	13	Development Director	\$43,671.46	0
03909	Alianza Para El Desarrollo Comunitario, Inc.	San Elizario	13	Construction Coordinator	\$43,671.46	5

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: **Habitat for Humanity of Wichita Falls, Inc.**

Contact: Dan Gray
1206 Lamar
Wichita Falls, Texas 76301
(940) 716-9300

Region: 2

Area of Assistance: Director of Marketing and Research

Score: 40

Prior Award History: None

Requested Amount: \$38,948

Recommended Amount: \$38,948

Summary of Application:

Habitat for Humanity of Wichita Falls is applying for funds to pay for staff salary and associated costs for a Director of Marketing and Research. This position will be responsible for developing an annual fundraiser, expanding the House Sponsorship Program and creating press releases and public service announcements. As a result of this new position, Habitat will be able to raise additional funds that will be used towards the creation of more houses in Wichita Falls.

Applicant: **Denton Affordable Housing Corporation**

Contact: Jane Burda Provo
604 North Bell Avenue
Denton, TX 76209
(940) 484-7048

Region: 3

Area of Assistance: Housing Educator/Public Relation Coordinator and Technical Assistance Consultant

Score: 25

Prior Award History: None

Requested Amount: \$43,670

Recommended Amount: \$43,670

Summary of Application:

Denton Affordable Housing Corporation is applying for funds to pay for staff salary and associated costs for a Housing Educator/Public Relation Coordinator and a Technical Assistance Consultant. The Housing Educator will be responsible for developing, coordinating and delivering educational and training opportunities for program participants and contractors, and keeping the public informed of the goals, activities and accomplishments of the Housing Corporation.

DAHC will also partner with the Center of Public Service at the University of North Texas to develop and present a series of training workshops on energy efficiency and alternative building methods to the staff of housing authorities, community development agencies, nonprofit developers, community-based organizations and private contractors working with those organizations. The workshops will consist of two series on alternative building methods and maximizing energy efficiency in residential building, with an emphasis on ways to promote these methods and features in affordable housing settings. Candidate presenters are Barbara Harwood of Enviro-Custom Homes and Barbara Ross of Denton's Community Development department.

Applicant: **Ability Resources, Inc.**

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Contact: Jesse Seawell
6040 Camp Bowie Blvd., #31
Fort Worth, Texas 76116
(817) 377-1046

Region: 3

Area of Assistance: Technical Assistance Consultant

Score: 25

Prior Award History: None

Requested Amount: \$37,600

Recommended Amount: \$37,600

Summary of Application:

Ability Resources, Inc. is applying for funds to pay for a Technical Assistance Consultant. The consultant will assist the staff with the development of a new 22 unit affordable housing development to be built in 2003. Specific job duties include preparation of project overviews, site plans, development plans, applications for funding, budgets and proforma financial statements.

Applicant: Paris Living Community Development Corporation

Contact: Linda Ridder
2800 N. Lamar
Paris, Texas 75460
(903) 739-9947

Region: 4

Area of Assistance: Community Resource and Development Coordinator and Technical Assistance Consultants

Score: 25

Prior Award History: None

Requested Amount: \$43,670

Recommended Amount: \$43,670

Summary of Application:

Paris Living Community Development Corporation is applying for funds to pay for staff salary and associated costs for a Community Resource and Development Coordinator as well as a Technical Assistance Consultant. The Community Resource and Development Coordinator will engage in outreach activities designed to encourage participation in neighborhood redevelopment, including identification of needs and resources, and to encourage qualified renters and homebuyers to apply for available rental units or attempt to purchase qualified housing units.

The grant will also fund the services of two technical assistance consultants. The first will serve as a construction manager for the first five homes to be built by Paris Living CDC and for the multi-family property currently in planning stages. The second consultant will help the board and staff reach capacity to undertake larger developments such as the adaptive re-use of the now vacant and abandoned Gibraltar Hotel in downtown Paris.

Applicant: Lufkin Community Development Team, Inc.

Contact: Gloria Toran
1012 Kurth Drive
Lufkin, Texas 75904

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

(936) 634-8899
Region: 5
Area of Assistance: Technical Assistance Coordinator
Score: 80
Prior Award History: None
Requested Amount: \$27,500
Recommended Amount: \$22,000

Summary of Application:

Lufkin Community Development Team, Inc. (LCDT) is applying for funds to hire a technical assistance consultant. Tina Moore, owner and chief consultant of the I Am Pleased Development Center, will provide comprehensive capacity building services to LCDT, to include planning, resource development, internal operations and governance, program delivery, and networking. These services will assist LCDT in developing a realistic and appropriate revitalization strategy for the North Lufkin neighborhood and a strategic plan addressing affordable housing needs.

In the budget submitted for the technical assistance consultant, LCDT included \$5,500 for the preparation of a market study. Since the grant is for salary and related staffing costs, staff has determined that the cost for a market study is ineligible. Therefore, the requested amount has been reduced by \$5,500, resulting in a recommended amount of \$22,000.

Applicant: Building Dreams Development

Contact: Denise Bradford
P.O. Box 8450
Houston, Texas 77288
(713) 524-9732
Region: 6
Area of Assistance: Fundraising Coordinator and Technical Assistance Consultant
Score: 60
Prior Award History: None
Requested Amount: \$43,500
Recommended Amount: \$43,500

Summary of Application:

Building Dreams Development is applying for funds to pay for staff salary and associated costs for a Fundraising Coordinator and a Technical Assistance Consultant. The fundraising coordinator will identify new donor bases, organize initiatives to solicit funding and conduct prospect research and proposal writing. The technical assistance consultant will coordinate the planning, analysis, implementation and monitoring of redevelopment activities.

Applicant: St. John Colony Neighborhood Association

Contact: Gilson Westbrook
2200 East Martin Luther King Blvd.
Austin, Texas 78702
(512) 479-9548
Region: 7

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Area of Assistance: Housing Counselor and Technical Assistance Consultant
Score: 65
Prior Award History: None
Requested Amount: \$43,671
Recommended Amount: \$43,671

Summary of Application:

St. John Colony Neighborhood Association is applying for funds to pay for staff salary and associated costs for a Housing Counselor and a Technical Assistance Consultant. The Housing Counselor will be responsible for implementing the St. John Colony Neighborhood Association Housing Program Design. The technical consultant will provide training that will enable staff members to take over property and construction management duties. Assistance will also be provided in the areas of architectural barrier removal and energy efficiency.

Applicant: Economic Justice Foundation

Contact: Thomas Wakely
2212 Martin Luther King Jr. Blvd.
Austin, Texas 78702
(512) 220-5518
Region: 7
Area of Assistance: Affordable Housing Project Manager
Score: 25
Prior Award History: Awarded capacity building funds in 2002.
Requested Amount: \$43,671.46
Recommended Amount: \$42,832.75

Summary of Application:

Economic Justice Foundation is applying for funds to continue to pay for staff salary and associated costs for an Affordable Housing Project Manager. This organization was awarded a 2002 capacity building grant and wishes to continue the services of the Affordable Housing Project Manager. This position is responsible for the coordination of the development of St. Brendan's Place, a 20 unit multi-family complex serving low-income elderly households. Duties also include developing a comprehensive five year business plan to develop owner-occupied duplexes.

Since the last two applications to be recommended based on score in their region have identical scores, the shortfall in funding of \$1,677.42 was divided and subtracted from the requested amount of these two applicants. Therefore, the grant amount requested by Economic Justice Foundation was reduced from \$43,671.46 to a recommended amount of \$42,832.75.

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: **United Cerebral Palsy of Texas**

Contact: Jean Langendorf
5555 N. Lamar Blvd., Suite L139
Austin, Texas 78751
(512) 472-8696

Region: 7

Area of Assistance: Integrated Housing Development Associate

Score: 40

Prior Award History: None

Requested Amount: \$43,500

Recommended Amount: \$43,500

Summary of Application:

United Cerebral Palsy of Texas is applying for funds to pay for staff salary and associated costs for an Integrated Housing Development Associate and a Technical Assistance Consultant. The Integrated Housing Development Associate will perform research on HUD Section 811 program requirements, including types of housing, project size limits, project requirements, and the success of the existing scattered site HUD Section 811 projects currently established and/or under development in other parts of the country. The technical assistance consultant will provide consulting services to complete and submit an application to HUD for Section 811 housing.

Applicant: **The Center on Independent Living (COIL) CDC**

Contact: Madlyn Bowen
4905 Center Park Blvd.
San Antonio, Texas 78218
(210) 599-7711

Region: 9

Area of Assistance: Technical Assistance Consultant

Score: 45

Prior Award History: Awarded capacity building funds in 2002

Requested Amount: \$38,000

Recommended Amount: \$38,000

Summary of Application:

The Center on Independent Living CDC is applying for funds to pay for technical assistance. The technical assistance consultant will be responsible for managing and overseeing the activities and operations of the housing development division. This will include financial management work with emphasis in accounting, budgeting, financial compliance and fiscal control of Federal grants received, and/or other related Federal, State and local funds.

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: **The Latino Education Project, Inc.**

Contact: Fances Pawlik
1045 Airline Rd., Suite #2
Corpus Christi, Texas 78412
(361) 980-0361

Region: 10
Area of Assistance: Housing Developer and Technical Assistance Consultant
Score: 40
Prior Award History: None
Requested Amount: \$43,600
Recommended Amount: \$43,600

Summary of Application:

The Latino Education Project, Inc. (LEP) is applying for funds to pay for staff salary and associated costs for a Housing Developer and a Technical Assistance Consultant. The Housing Counselor will develop and launch a housing development initiative which will focus on building new and/or rehabilitating established housing and performing housing counseling to ensure that the target population can obtain needed housing at an affordable cost. LEP will also hire Dr. Marta Sotomayor as a consultant who will provide technical assistance in developing applications to HUD, obtaining site control, working with architects, engineers and contractors in the development of plans, construction, securing additional funding from private sources, working with project management firms and day-to-day maintenance of housing facilities.

Applicant: **Accessible Communities, Inc.**

Contact: Judy Telge
1537 Seventh Street
Corpus Christi, Texas 78404
(361) 883-8461

Region: 10
Area of Assistance: Housing Specialist and Technical Assistance Consultant
Score: 25
Prior Award History: Awarded capacity building funds in 2001
Requested Amount: \$43,355
Recommended Amount: \$42,516.29

Summary of Application:

Accessible Communities, Inc. is applying for funds to pay for staff salary and associated costs for a Housing Specialist and a Technical Assistance Consultant. The Housing Specialist will respond to inquiries for affordable and accessible rental housing options, provide consultation for architectural barrier removal, and conduct accessibility surveys. Two technical assistance consultants will be hired to achieve accessibility in affordable rental housing. The first consultant will be licensed with the Texas Department of Licensing and Regulation as a Registered Accessibility Specialist to conduct reviews and surveys to meet Texas Accessibility Standards. The second consultant will be from a recognized consumer-controlled entity with expertise in home modifications.

Since the last two applications to be recommended based on score in their region have identical scores, the shortfall in funding of \$1,677.42 was divided and subtracted from the requested amount of these two applicants. Therefore, the grant amount requested by Accessible Communities, Inc. was reduced from \$43,355 to a recommended amount of \$42,516.29.

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: TVP Non-Profit Corporation

Contact: Valerie Funk
151 S. Prado
El Paso, Texas 79907
(915) 858-0607
Region: 13
Area of Assistance: Property Manager
Score: 65
Prior Award History: None
Requested Amount: \$40,549.50
Recommended Amount: \$40,549.50

Summary of Application:

TVP Non-profit Corporation is applying for funds to pay for staff salary and associated costs for a Property Manager. TVP will hire a property manager for Burgundy Palms, a new 100-unit tax credit development. The property manager will also help TVP pursue additional affordable housing development by becoming educated in HUD programs, including CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS.

Applicant: Marvelous Light Corporation

Contact: James Millender
4517 Fairbanks Dr.
El Paso, Texas 79924
(915) 568-3026
Region: 13
Area of Assistance: Property Management Assistant and Technical Assistance Consultant
Score: 65
Prior Award History: None
Requested Amount: \$43,671.46
Recommended Amount: \$43,671.46

Summary of Application:

Marvelous Light Corporation is applying for funds to pay for staff salary and associated costs for a Property Management Assistant and a Technical Assistance Consultant. The Property Management Assistant will assist in performing lease-up and annual recertification and coordinate supportive service activities. The technical assistance consultant will provide assistance in architectural barrier removal, affordable housing planning and energy efficiency and alternative building methods.

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: **Opportunity Center for the Homeless**

Contact: Raymond Tullius, Jr.
PO Box 63
El Paso, Texas 79941-0063
(915) 577-0357

Region: 13

Area of Assistance: Housing Planner

Score: 5

Prior Award History: None

Requested Amount: \$43,671.46

Recommended Amount: NOT RECOMMENDED

Summary of Application:

Opportunity Center for the Homeless is applying for funds to pay for staff salary and associated costs for a Housing Planner. The Housing Planner will work on the development of the recently funded SRO facility for the homeless. The Housing Planner will also develop a viable plan for the establishment of additional low-income housing.

This applicant is not being recommended for an award because the score was not competitive in Region 13.

Applicant: **Habitat of Humanity of El Paso, Inc.**

Contact: Pauline Jones
9210 Dyer
El Paso, Texas 79924
(915) 755-6633

Region: 13

Area of Assistance: Development Director

Score: 0

Prior Award History: Awarded capacity building funds in 2001

Requested Amount: \$43,671.46

Recommended Amount: NOT RECOMMENDED

Summary of Application:

Habitat of Humanity of El Paso, Inc. is applying for funds to pay for staff salary and associated costs for a Development Director. This position will be responsible for the solicitation of donations and sponsorships for the construction budget.

This applicant is not being recommended for an award because the score was not competitive in Region 13.

2003 HOUSING TRUST FUND CAPACITY BUILDING APPLICATION SUMMARY

Applicant: **Alianza Para El Desarrollo Comunitario, Inc.**

Contact: Daniel Solis
825 Bob Neill
San Elizario, Texas 79849
(915) 851-8334

Region: 13

Area of Assistance: Construction Coordinator

Score: 5

Prior Award History: None

Requested Amount: \$43,671.46

Recommended Amount: NOT RECOMMENDED

Summary of Application:

Alianza Para El Desarrollo Comunitario, Inc. is applying for fund to pay for staff salary and related costs for a Construction Coordinator. This position will be responsible for facilitating all construction projects to include planning, implementation and evaluation of affordable housing development.

This applicant is not being recommended for an award because the score was not competitive in Region 13.

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, 53rd Judicial District

Consultation with Attorney Pursuant to Sec. 551.071, Texas Government Code – Matter Concerning a Former Department Employee and Section 572.054, Texas Government Code; Personnel Matters under Section 551.074, Texas Government Code
If permitted by law, 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 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.