

SUPPLEMENT FOR THE BOARD MEETING OF JUNE 26, 2014



**TEXAS DEPARTMENT OF
HOUSING & COMMUNITY AFFAIRS**
Building Homes. Strengthening Communities.

5a

14001

Pine Terrace Apartments

Mt. Pleasant

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 competitive housing tax credit scoring notice was provided to the Applicant for Pine Terrace Apartments (#14001);

WHEREAS, staff identified points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §§11.9(c)(6) and 11.9(d)(2) of the 2014 Qualified Allocation Plan ("QAP") related to Underserved Area and Commitment of Development Funding by Local Political Subdivision;

WHEREAS, the Applicant has timely requested an appeal; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the scoring notice for Riverside Village (#14209) is hereby denied.

BACKGROUND

A 2014 competitive housing tax credit application was submitted for Pine Terrace, located in Mt. Pleasant, rural region 4. The applicant requested points under §11.9(d)(2)(C) of the 2014 Qualified Allocation Plan ("QAP"), which allows for points to be achieved by providing a firm commitment in the form of a resolution from the local government providing funding. That resolution must reflect terms that are consistent with the requirements of the scoring item. In addition, the applicant requested points under §11.9(d)(2)(D) of the QAP, which provides for one point if the financing committed is in the form of a permanent loan with a term of at least 15 years. The application included a resolution from the City of Mt. Pleasant dated February 18, 2014, indicating a funding commitment in the form of a loan with a term of five years. Because the term indicated in the resolution was not at least fifteen years, staff denied the application one point under §11.9(d)(2)(D).

The appeal states that the term indicated in the resolution was a typographical error and was intended to be fifteen years. The appeal also includes a revised resolution, passed on May 17, 2014, that indicates such. However, staff cannot accept resolutions dated after the application submission deadline. This leaves staff with two alternatives, either acknowledging the terms in the originally submitted resolution and denying one point under §11.9(d)(2)(D) for not having financing in the form of a permanent loan, or denying the application two

points under §11.9(d)(2)(C) for having a resolution which indicates terms inconsistent with the rest of the scoring item. Staff determined it appropriate to deny the one point, and that decision was upheld by the Executive Director. The applicant submitted another letter appealing to the Board in which there was mention of the minutes and agenda from the meeting(s) at which the two resolutions were passed; however, no supporting documentation was submitted. Staff independently researched the minutes and agenda from the February meeting but found no evidence that the intent of the originally passed resolution was to provide a loan with a term of at least fifteen years.

The applicant's appeal made no mention of the point loss with respect to §11.9(c)(6) of the QAP, and staff assumes that the applicant is not appealing the denial of those points. These points were denied because the proposed development will serve the elderly population, and therefore the application is not eligible for points under this scoring item.

Staff recommends denial of the appeal.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Daniel Allgeier

Phone #: (214) 277-4839

Email: dan@lakewoodmanagement.com

Second Email: therese@lakewoodmanagement.com

Date: May 16, 2014

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for Pine Terrace Apartments, TDHCA
Number: 14001**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14001, Pine Terrace Apartments

Section 1:

Score Requested by Applicant (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	124
Score Awarded by Department staff (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	121
Difference between Requested and Awarded:	3

Section 2:

Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	0
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Section 4:

Final Score Awarded to Application by Department staff:	154
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Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

- §11.9(c)(6) Underserved Area. The Development does not serve the general population and is not supportive housing so is therefore not eligible for points. (Requested 2, Awarded 0)
- §11.9(d)(2) Commitment of Development Funding by Local Political Subdivision. The application includes a firm commitment in the form of a resolution but with a five (5) year term. (Requested 14, Awarded 13)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 23, 2014. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha
 Jean Latsha
 Director of Multifamily Finance

LAKEWOOD PROPERTY MANAGEMENT, LLC

4925 Greenville Ave., Ste. 1305
Dallas, Texas 75206
Phone 214-277-4839

May 19, 2014

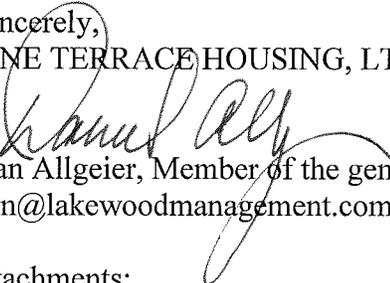
Ms. Kathryn Saar
Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Via email

Re: Pine Terrace Apartments
TDHCA # 14001

Dear Ms. Saar:

Pine Terrace Housing, Ltd wishes to file a formal appeal to the Executive Director of the final scoring of the housing tax credit application for the Pine Terrace Apartments, application number 14001. Staff has deducted one point because the resolution provided by the City of Mt. Pleasant for local funding had a typographical error that provided a five year term for funding. This error was corrected by the City when the error was discovered and a resolution with a fifteen year term for funding was passed and provided to the Agency. This was only a typographical error on the part of the City and was corrected. We ask that this point be reinstated.

Sincerely,
PINE TERRACE HOUSING, LTD, by


Dan Allgeier, Member of the general partner
dan@lakewoodmanagement.com

attachments:
Corrected resolution



*We do not discriminate against persons with disabilities
This institution is an equal opportunity provider and employer*



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 14001, Pine Terrace Apartments

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2014 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 23, 2014.

If my appeal is denied by the Executive Director:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Signed

Daniel Allyn

Title

Member of general Partner

Date

5/19/14

Please email to Kathryn Saar:
<mailto:kathryn.saar@tdhca.state.tx.us>

RESOLUTION NO. 2014-8

A RESOLUTION BY THE CITY OF MOUNT PLEASANT, TEXAS SUPPORTING THE PINE TERRACE APARTMENTS AT 1612 AMY DRIVE, MT. PLEASANT AND AUTHORIZING A LOAN COMMITMENT FOR THE DEVELOPMENT IN CONNECTION WITH A LOW-INCOME HOUSING TAX CREDIT APPLICATION.

WHEREAS, the City of Mt. Pleasant, Texas (the "CITY") desires assisting in the provision of housing options for persons of low and moderate income; and

WHEREAS, the CITY can establish an interim loan program for projects applying for low-income housing tax credits with the Texas Department of Housing and Community Development ("TDHCA") in which the CITY makes loans based on a certificate of deposit or assignment of loan arrangement; and

WHEREAS, Pine Terrace Housing, Ltd has requested an interim loan in connection with the redevelopment of the Pine Terrace Apartments located at 1612 Amy Drive in Mt. Pleasant, Texas; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS THAT:

1. The CITY confirms its support for the development and remodel of Pine Terrace Apartments.
2. The CITY authorizes the issuance of a loan commitment in an amount not to exceed \$185,000 for an interim loan to Pine Terrace Housing, Ltd. for the rehabilitation of the Pine Terrace Apartments in connection with an application for low-income housing tax credits filed with TDHCA. Such loan shall bear interest at the rate of 3% per annum, have a term of fifteen years and be secured and guaranteed as required under a loan commitment and be subject to receipt by Pine Terrace Housing, Ltd. of an allocation of 2014 housing tax credits. The City Manager is authorized to execute a loan commitment in compliance with all TDHCA program requirements, and all actions taken by or on behalf of the CITY in connection with such loan are authorized and confirmed.
3. This Resolution is intended to comply with TDHCA's Qualified Allocation Plan for 2014 and, in particular, constitutes a firm commitment for the purposes of Section 11.9(d)(2)(C). This Resolution shall be in full force and effect from and upon the date of its adoption.

PASSED, APPROVED AND ADOPTED THIS 7TH DAY OF MAY, 2014.



DR. PAUL O. MERIWETHER, MAYOR

ATTEST:



BRENDA REYNOLDS, CITY SECRETARY

From: [Dan LPM](#)
To: ["Jason Burr"; therese@lakewoodmanagement.com](#)
Cc: ["Kathryn Saar"](#)
Subject: RE: TDHCA#14001 Scoring Notice
Date: Monday, May 19, 2014 4:28:59 PM
Attachments: [14001_scoring_appeal_5.19.14.pdf](#)

We wish to appeal this scoring notice. A letter explaining our appeal, a copy of the corrected council resolution and an Appeal Election Form are attached.

Daniel Allgeier

Lakewood Property Management

From: Jason Burr [mailto:jason.burr@tdhca.state.tx.us]
Sent: Friday, May 16, 2014 4:55 PM
To: dan@lakewoodmanagement.com; therese@lakewoodmanagement.com
Cc: Kathryn Saar
Subject: TDHCA#14001 Scoring Notice

Scoring notice attached; no response needed if an appeal is not being filed.

Thanks,

Jason Burr

Multifamily Finance Database Administrator

Texas Department of Housing and Community Affairs

221 E. 11th Street | Austin, TX 78701

Office: 512.475.3986

Fax: 512.475.0764

About TDHCA

The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to

strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in [10 TAC Section 11.1\(b\)](#) there are important limitations and caveats (Also see [10 TAC §10.2\(b\)](#)).

LAKWOOD PROPERTY MANAGEMENT, LLC

4925 Greenville Ave., Ste. 1305

Dallas, Texas 75206

Phone 214-277-4839

June 5, 2014

Ms. Kathryn Saar
Program Administrator
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Via email and Federal Express 7702 3570 8186

20140605:59ARNV

Re: Pine Terrace Apartments
TDHCA # 14001

Dear Ms. Saar:

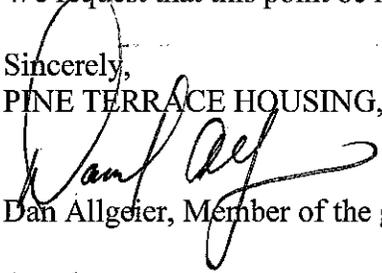
Pine Terrace Housing, Ltd wishes to file a formal appeal to the Texas Department of Housing and Community Affairs' Governing Board concerning the final scoring of the housing tax credit application for the Pine Terrace Apartments, application number 14001. Staff has deducted one point because the resolution provided by the City of Mt. Pleasant for local funding contained a typographical error providing a five year rather than a fifteen year term for local funding. This error was corrected by the City when it was discovered and a corrected resolution with a fifteen year term for funding was passed and provided to the Agency. This was only a typographical error on the part of the City and was corrected. We asked that this point be reinstated.

The staff rejected our appeal on June 4, 2014. Staff reasoned that the fact that the City was required to adopt a new resolution indicating that the original resolution truly reflected the City's actions of February 18 and it was not merely a typographical error in the resolution. Because the corrected resolution was dated after the application due date, it could not be accepted.

The City took the position that since the language of the original resolution was provided with the meeting agenda, was read into the record at the meeting and was included in the minutes of the meeting, a corrected resolution was required. The corrected resolution was passed unanimously at a subsequent meeting.

We request that this point be reinstated to Pine Terrace Apartment's final scoring.

Sincerely,
PINE TERRACE HOUSING, LTD, by


Dan Allgeier, Member of the general partner

Attachments:
Original and Corrected resolution



*We do not discriminate against persons with disabilities
This institution is an equal opportunity provider and employer*

STATE OF TEXAS

COUNTY OF TITUS

CITY OF MOUNT PLEASANT

The City Council of the City of Mount Pleasant, Texas, after notice posted in the manner, form and contents as required by law, met in Regular Session on May 5, 2014 at 6:00 p.m. in the Council Chambers located at City Hall at 501 North Madison with the following members present:

Dr. Paul O. Meriwether	-	Mayor
Robert Nance	-	Mayor Pro-Tem
Erman Hensel	-	Council Member
David Huffman	-	Council Member
Tim Dale	-	Council Member
Andy Fortenberry	-	Council Member
Mike Ahrens	-	City Manager
Brenda Reynolds	-	City Secretary
Kerry Wootten	-	City Attorney

CONSIDER APPROVAL OF MINUTES OF APRIL 7, 2014 REGULAR SESSION.

Motion was made by Council Member Dale, second by Council Member Fortenberry, to approve the minutes of April 7, 2014 Regular Session. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-7 BY THE CITY OF MOUNT PLEASANT, TEXAS, (“CITY”) RESPONDING TO THE APPLICATION OF CENTERPOINT ENERGY RESOURCES CORP., BEAUMONT/EAST TEXAS DIVISION, TO INCREASE RATES UNDER THE GAS RELIABILITY INFRASTRUCTURE PROGRAM; SUSPENDING THE EFFECTIVE DATE OF THIS RATE APPLICATION FOR FORTY-FIVE DAYS; AUTHORIZING THE CITY TO CONTINUE TO PARTICIPATE IN A COALITION OF CITIES KNOWN AS THE “ALLIANCE OF CENTERPOINT MUNICIPALITIES”; REQUIRING THE REIMBURSEMENT OF COSTS; DETERMINING THAT THE MEETING AT WHICH THE RESOLUTION WAS ADOPTED COMPLIED WITH THE TEXAS OPEN MEETINGS ACT; MAKING SUCH OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE.

Motion was made by Council Member Hensel, second by Council Member Nance, to approve Resolution No. 2014-7 which will suspend CenterPoint’s proposed effective date of May 30, 2014 for forty-five days so that the City can evaluate whether the data and calculations in CenterPoint’s rate application are correctly done. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-8 WHICH SUPPORTS PINE TERRACE HOUSING, LTD. FOR DEVELOPMENT OF AFFORDABLE RENTAL HOUSING.

Motion was made by Council Member Nance, second by Council Member Hensel, to approve Resolution No. 2014-8 which supports Pine Terrace Housing, Ltd. for development of affordable rental housing. This Resolution supersedes Resolution No. 2014-5 which was approved by the city council at the February 18, 2014 meeting. The loan agreement was misstated. It should have been fifteen years instead of the five year that was originally approved. This resolution corrects that error. Upon a vote, motion carried unanimously.

PUBLIC HEARING TO ESTABLISH A JUVENILE CURFEW ORDINANCE IN THE CITY OF MOUNT PLEASANT.

The Mayor opened the public hearing. This ordinance was originally approved in 2009 and expired after three years. The Police Chief is recommending that this ordinance be re-enacted. Through review of the curfew it was found that it helped reduced juvenile crimes at night. No one else addressed this issue. The Mayor then closed the public hearing.

CONSIDER APPROVAL OF ORDINANCE NO. 2014-3 TO ESTABLISH A JUVENILE CURFEW ORDINANCE IN THE CITY OF MOUNT PLEASANT.

Motion was made by Council Member Dale, second by Council Member Nance, to approve Ordinance No. 2014-3 to establish a Juvenile Curfew in the city. Upon a vote, motion carried unanimously.

CONSIDER DECLARING CERTAIN CITY OWNED PROPERTY AS SURPLUS AND AUTHORIZING THE SALE OF PROPERTY USING ONLINE AUCTIONEER EXPRESS.

Motion was made by Council Member Hensel, second by Council Member Dale, declaring certain city owned property surplus and authorizing the sale of property using online Auctioneer Express. Upon a vote, motion carried unanimously.

CONSIDER ADOPTION OF RESOLUTION NO. 2014-9 ESTABLISHING THE 2014 "QUAKE ON TOWN LAKE" TO BE HELD JULY 12TH AND 13TH 2014, AUTHORIZING THE USE OF TOWN LAKE PARK AND LAKE FOR SAID EVENT AND AUTHORIZING THE CITY OF MOUNT PLEASANT TO ENTER INTO AN AGREEMENT WITH THE STATE OF TEXAS FOR TEMPORARY CLOSURE OF STATE RIGHT OF WAY.

Motion was made by Council Member Huffman, second by Council Member Nance, to adopt Resolution No. 2014-9 establishing the 2014 "Quake on Town Lake" to be held July 12th and 13th, 2014. Upon a vote, motion carried unanimously.

CONSIDER AND POSSIBLY APPROVE A TAX ABATEMENT POLICY FOR 2014 THROUGH 2016.

Motion was made by Council Member Huffman, second by Council Member Hensel, to approve a Tax Abatement Policy for 2014 through 2016. Upon a vote, motion carried unanimously.

CONSIDER AWARD OF CONTRACT FOR STREETS IMPROVEMENT PROJECT, BID #E1-1314 TO NE-TEX CONSTRUCTION, LTD. OF NEW BOSTON, TEXAS.

Motion was made by Council Member Huffman, second by Council Member Nance, to waive any irregularities as to timing of bids and accept the lowest bid from Ne-Tex Construction, Ltd. at \$437,147.36 and accepting the 45 days for completion. Upon a vote, motion carried unanimously.

CONSIDER ADOPTION OF INTERLOCAL AGREEMENT BETWEEN THE CITY OF MOUNT PLEASANT AND REGION VIII EDUCATION SERVICE CENTER FOR TIPS PURCHASING COOPERATIVE.

Motion was made by Council Member Dale, second by Council Member Huffman, to approve adoption of Interlocal Agreement between the City and Region VIII Education Service Center for TIPS Purchasing Cooperative. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-10 FOR THE SALE OF LOT 25, BLOCK 230, 322 MLK AVENUE IN THE CITY OF MOUNT PLEASANT.

Motion was made by Council Member Hensel, second by Council Member Nance, to approve Resolution No. 2014-10 for the sale of Lot 25, Block 230, 322 MLK Avenue at a total price of \$5,500.00 for the lot and house located on it. The original judgment amount was \$4,582.09. Upon a vote, motion carried unanimously.

PUBLIC COMMENT.

CITY MANAGER'S REPORT.

- I. Departmental Monthly Reports
- II. Titus County Appraisal District Report
- III. Quarterly Investment Report
- IV. March Monthly Financial Report
- V. Sales Tax Analysis
- VI. Miscellaneous Correspondence

At the end of the meeting, the Mayor and Council recognized Andy Fortenberry for his years of service from May 2009-May 2014. This was his final council meeting to attend as council member.

ADJOURN: 6:35 P.M.

DR. PAUL O. MERIWETHER, MAYOR

ATTEST:

BRENDA REYNOLDS, CITY SECRETARY

RESOLUTION NO. 2014-5

A RESOLUTION FROM THE CITY OF MOUNT PLEASANT, TEXAS SUPPORTING THE PINE TERRACE APARTMENTS AT 1612 AMY DRIVE, MT. PLEASANT AND AUTHORIZING A LOAN COMMITMENT FOR THE DEVELOPMENT IN CONNECTION WITH A LOW-INCOME HOUSING TAX CREDIT APPLICATION.

WHEREAS, the City of Mt. Pleasant, Texas (the "CITY") desires assisting in the provision of housing options for persons of low and moderate income; and

WHEREAS, the CITY can establish an interim loan program for projects applying for low-income housing tax credits with the Texas Department of Housing and Community Development ("TDHCA") in which the CITY makes loans based on a certificate of deposit or assignment of loan arrangement; and

WHEREAS, Pine Terrace Housing, Ltd has requested an interim loan in connection with the redevelopment of the Pine Terrace Apartments located at 1612 Amy Drive in Mt. Pleasant, Texas; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MT. PLEASANT, TEXAS THAT:

1. The CITY confirms its support for the development and remodel of Pine Terrace Apartments.

2. The CITY authorizes the issuance of a loan commitment in an amount not to exceed \$185,000 for an interim loan to Pine Terrace Housing, Ltd. for the rehabilitation of the Pine Terrace Apartments in connection with an application for low-income housing tax credits filed with TDHCA. Such loan shall bear interest at the rate of 3% per annum, have a term of five years and be secured and guaranteed as required under a loan commitment and be subject to receipt by Pine Terrace Housing, Ltd. of an allocation of 2014 housing tax credits. The City Manager is authorized to execute a loan commitment in compliance with all TDHCA program requirements, and all actions taken by or on behalf of the CITY in connection with such loan are authorized and confirmed.

3. This Resolution is intended to comply with TDHCA's Qualified Allocation Plan for 2014 and, in particular, constitutes a firm commitment for the purposes of Section 11.9(d)(2)(C). This Resolution shall be in full force and effect from and upon the date of its adoption.

PASSED, APPROVED AND ADOPTED THIS THE 18 DAY OF FEBRUARY 2014.



DR. PAUL O. MERIWETHER, MAYOR

ATTEST:



BRENDA REYNOLDS, CITY SECRETARY

RESOLUTION NO. 2014-8

A RESOLUTION BY THE CITY OF MOUNT PLEASANT, TEXAS SUPPORTING THE PINE TERRACE APARTMENTS AT 1612 AMY DRIVE, MT. PLEASANT AND AUTHORIZING A LOAN COMMITMENT FOR THE DEVELOPMENT IN CONNECTION WITH A LOW-INCOME HOUSING TAX CREDIT APPLICATION.

WHEREAS, the City of Mt. Pleasant, Texas (the "CITY") desires assisting in the provision of housing options for persons of low and moderate income; and

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2. The CITY authorizes the issuance of a loan commitment in an amount not to exceed \$185,000 for an interim loan to Pine Terrace Housing, Ltd. for the rehabilitation of the Pine Terrace Apartments in connection with an application for low-income housing tax credits filed with TDHCA. Such loan shall bear interest at the rate of 3% per annum, have a term of fifteen years and be secured and guaranteed as required under a loan commitment and be subject to receipt by Pine Terrace Housing, Ltd. of an allocation of 2014 housing tax credits. The City Manager is authorized to execute a loan commitment in compliance with all TDHCA program requirements, and all actions taken by or on behalf of the CITY in connection with such loan are authorized and confirmed.
3. This Resolution is intended to comply with TDHCA's Qualified Allocation Plan for 2014 and, in particular, constitutes a firm commitment for the purposes of Section 11.9(d)(2)(C). This Resolution shall be in full force and effect from and upon the date of its adoption.

PASSED, APPROVED AND ADOPTED THIS 7TH DAY OF MAY, 2014.



DR. PAUL O. MERIWETHER, MAYOR

ATTEST:



BRENDA REYNOLDS, CITY SECRETARY

**NOTICE OF MEETING
OF THE CITY COUNCIL OF
THE CITY OF MOUNT PLEASANT, TEXAS
FEBRUARY 18, 2014 @ 6:00 P.M.**

Notice is hereby given that a meeting of the City Council of the City of Mount Pleasant, Texas will be held on Tuesday, February 18, 2014.

REGULAR SESSION

The Regular Session of the Mount Pleasant City Council will be held at 6:00 p.m. in the Council Chambers of the City Hall, located at 501 North Madison in the City of Mount Pleasant, Texas.

Call to Order.

REGULAR AGENDA

1. Consider Approval of Minutes of February 4, 2014 Regular Session.
2. Consider Appointment to Industrial Development Corporation Board.
3. Consider Approval of Change Order No. 1 for I30 Water Treatment Plant Improvement Project.
4. Consider Approval of Resolution No. 2014-5 Supporting The Pine Terrace Apartments At 1612 Amy Drive, Mt. Pleasant And Authorizing A Loan Commitment For The Development In Connection With A Low-Income Housing Tax Credit Application.
5. Consider Approval of Resolution No. 2014-6 Designating A Day Of Each Month For Regular City Council Meetings, Designating A Day Of Each Month For A Secondary Regular City Council Meeting, Authorizing The Designation Of Additional Called Meetings As Needed, And Providing An Effective Date.
6. Public Comment.
7. City Manager's Report.
 - I. Monthly Departmental Reports
 - II. Titus County Appraisal District Report
 - III. Sales Tax Analysis
8. This Council will Now Adjourn into Executive Session Pursuant to the Following Sections of the Texas Open Meetings Act and May Consider the Following:

551.072 "Real Property"; discuss purchase, exchange, lease, or value of real property.

Adjourn.

Mike Ahrens, City Manager

I certify that the above notice of meeting is a true and correct copy of said notice and that same was posted on the bulletin board of City Hall of the City of Mount Pleasant, Texas, a place readily accessible to the general public at all times, by 5:00 p.m. on the 14th day of February 2014 and remained so posted for at least 72 hours preceding the scheduled time of said meeting.

Brenda Reynolds, City Secretary

STATE OF TEXAS

COUNTY OF TITUS

CITY OF MOUNT PLEASANT

The City Council of the City of Mount Pleasant, Texas, after notice posted in the manner, form and contents as required by law, met in Regular Session on February 18, 2014 at 6:00 p.m. in the Council Chambers located at City Hall at 501 North Madison with the following members present:

	Dr. Paul O. Meriwether	-	Mayor
	Robert Nance	-	Mayor Pro-Tem.
	Ernan Hensel	-	Council Member
	Tim Dale	-	Council Member
	Andy Fortenberry	-	Council Member
	Mike Ahrens	-	City Manager
	Kerry Wootten	-	City Attorney
Absent:	David Huffman	-	Council Member
	Brenda Reynolds	-	City Secretary

CONSIDER APPROVAL OF MINUTES OF FEBRUARY 4, 2014 REGULAR SESSION.

Motion was made by Council Member Fortenberry, second by Council Member Dale, to approve the minutes of February 4, 2014 Regular Session. Upon a vote, motion carried unanimously.

CONSIDER APPOINTMENT OF AN INDIVIDUAL TO THE MOUNT PLEASANT INDUSTRIAL DEVELOPMENT CORPORATION BOARD (MPIDC) FOR A TWO YEAR TERM.

Motion was made by Council Member Dale, second by Council Member Nance, to appoint Kirk Lee to the Mount Pleasant Industrial Development Corporation Board for a two-year term. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF CHANGE ORDER NO. 1 FOR I-30 WATER TREATMENT IMPROVEMENT PROJECT.

Motion was made by Council Member Hensel, second by Council Member Nance, to approve Change Order No. 1 for the I-30 Water Treatment Plant improvement project. This will increase the project by \$185,000.00 to a new contract amount of \$2,229,400.00. Funds for this project are available under the Texas Water Development Board loan that is the funding the project. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-5 FROM THE CITY OF MOUNT PLEASANT, TEXAS SUPPORTING THE PINE TERRACE APARTMENTS AT 1612 AMY DRIVE, MT. PLEASANT AND AUTHORIZING A LOAN COMMITMENT FOR THE DEVELOPMENT IN CONNECTION WITH A LOW-INCOME HOUSING TAX CREDIT APPLICATION.

Motion was made by Council Member Fortenberry, second by Council Member Dale, to approve Resolution No. 2014-5 that indicates the City's intent to approve a loan for the above referenced project to enhance the scoring criteria. Upon a vote, motion carried unanimously.

CONSIDER APPROVAL OF RESOLUTION NO. 2014-6 DESIGNATING A DAY OF EACH MONTH FOR REGULAR CITY COUNCIL MEETINGS, DESIGNATING A DAY OF EACH MONTH FOR A SECONDARY REGULAR CITY COUNCIL MEETING, AUTHORIZING THE DESIGNATION OF ADDITIONAL CALLED MEETINGS AS NEEDED AND PROVIDING AN EFFECTIVE DATE.

Motion was made by Council Member Dale, second by Council Member Hensel, to approve the 1st and 3rd Mondays of each month at 6:00 p.m. as regular scheduled council meeting, that the city council may change or cancel the regular meeting days as needed to account for holidays, absences or other reasons as it sees fit and also that the city council

may meet on additional days and times as deemed necessary to conduct city business.
Upon a vote, motion carried unanimously.

PUBLIC COMMENT.

CITY MANAGER'S REPORT.

- I. Monthly Departmental Reports
- II. Titus County Appraisal District Report
- III. Sales Tax Analysis

**THIS COUNCIL WILL NOW ADJOURN INTO EXECUTIVE SESSION
PURSUANT TO THE FOLLOWING SECTIONS OF THE TEXAS OPEN
MEETINGS ACT AND MAY CONSIDER THE FOLLOWING:**

551.072 "Real Property"; discuss purchase, exchange, lease or
value of real property.

ADJOURN: 6:45 P.M.

DR. PAUL O. MERIWETHER, MAYOR

ATTEST:

BRENDA REYNOLDS, CITY SECRETARY

14063

Hudson Providence

Hudson

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program or Underwriting Rules and Requests for Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 competitive housing tax credit scoring notice was provided to the Applicant for Hudson Providence (#14063);

WHEREAS, staff identified 11 points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §11.9(d)(2) of the 2014 Qualified Allocation Plan ("QAP") related to Development Funding by a Local Political Subdivision; and

WHEREAS, the Applicant appealed the scoring notice and requests that the Board award the 11 points under §11.9(d)(2) of the QAP;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the scoring notice for Hudson Providence (#14063) is hereby denied.

BACKGROUND

An Application was submitted for Hudson Providence, located in Hudson, rural region 5. During the Application review process, staff determined that the Applicant did not qualify for points pursuant to §11.9(d)(2) of the Qualified Allocation Plan ("QAP") related to a Commitment of Development Funding by a Local Political Subdivision because a commitment of development funding from the Deep East Texas Council of Local Governments ("DETCOG") is not eligible under this scoring item. A scoring notice was issued on May 30, 2014, in which no points were awarded under this scoring item.

The initial application included a commitment of HUD-Veterans Affairs Supportive Housing Program Vouchers ("VASH Vouchers") from DETCOG, a regional housing authority made up of 12 contiguous counties, including Angelina, the county in which the development site is located. It also included a letter from the applicant to Angelina County requesting funding. Staff issued a deficiency on May 19, 2014, requesting a letter from Angelina County confirming receipt of the application and a statement that a decision by the County would be made prior to September 1, 2014. The deficiency response contained no such letter and instead indicated that Angelina County had forwarded the

application for VASH Vouchers to DETCOG and DETCOG had set aside the vouchers for Hudson Providence. Based on this information, which indicated that the vouchers would be provided to the development by DETCOG and not directly by the county, staff reviewed the board make-up of DETCOG in order to determine whether or not there was a way that a commitment of funding from this entity would qualify the application for points.

Eligibility for points under §11.9(d)(2) is achieved in one of two ways. First, an Application can include “a commitment of Development funding from the city (if located in a city) or county in which the Development Site is located.” In this case, the commitment of development funding would need to be from either the City of Hudson or the County of Angelina. If neither of these Local Political Subdivisions provided a commitment of funding directly to the development, which was the case here, then development funding from a government instrumentality can qualify an application for points under one of three approaches. The first is that the instrumentality “first awards the funds to the city or county for their administration.” The appeal makes reference to DETCOG allocating the VASH Vouchers to Angelina County; however, staff confirmed with DETCOG that there is no contract between the County and DETCOG. Therefore, the application is not eligible for points using this approach.

The second approach is that “at least 60 percent of the governing board of the instrumentality consists of city council members from the city in which the Development Site is located (if located in a city) or county commissioners from the county in which the Development Site is located.” Similarly, the third approach is that “100 percent of the governing board of the instrumentality is appointed by the elected officials of the city in which the Development Site is located (if located within a city) or county in which the Development site is located.” While elected officials from Angelina County may serve on the DETCOG Board, 60 percent of DETCOG’s Board is not made up of Angelina County commissioners. Likewise, 100 percent of DETCOG’s Board is not appointed by Angelina County commissioners. The applicant concedes this fact, and staff maintains that the application is therefore not eligible for points under either the second or the third approach.

Documentation in the appeal indicates that the DETCOG Board is comprised of over 50 elected officials from 12 counties (including Angelina County), and it appoints an advisory council to provide direction with respect to the administration of its vouchers. It is this relationship, between the DETCOG board and its appointed advisory council, to which the appeal points as possibly qualifying the application for points. The appeal states that the Department should consider the “multi-county” area served by the regional housing authority as a singular county in the application of the rule. Under this interpretation, the applicant presents one scenario that assumes that the advisory council ultimately has the authority to make decisions regarding DETCOG’s funding awards. Staff does not believe this is the case, but solely for the purpose of considering this particular argument staff will use that assumption. So, substituting “multi-county” for “county,” the applicant states that 100% of the DETCOG advisory council is appointed by the DETCOG board, which is made up of elected officials of the “multi-county.” This constitutes equating the Angelina County commissioner’s court (which consists of 4 commissioners and a county judge) to the DETCOG board (again made up of over 50 members from 12 counties). In

addition, this particular structure would allow for the advisory council to act without any representation from Angelina County.

The appeal also suggests that the DETCOG board, not the advisory council, could meet the requirements of the rule if the same “county/multi-county” substitution were made. This is based on the fact that 100 percent of the DETCOG board is made up of elected officials from the “multi-county.” Staff is uncertain as to how these 50 board members are selected, so it is possible that this interpretation would also require a substitution for the word “appointed” in the rule. The rule does not provide for any such substitutions. The rule clearly calls for 100 percent of the board of the instrumentality to be **appointed** by the elected officials of the **county** in which the Development Site is located. The rule was carefully crafted to exclude instrumentalities that did not meet this specific requirement. In the case of this application, in order for funding from a government instrumentality to qualify for points, either 60 percent of the instrumentality’s board should be made up of *Angelina County commissioners* or 100 percent of that board appointed by *Angelina County commissioners*. That simply is not the case here, and therefore the application is not eligible to receive the points.

Staff recommends denial of the appeal.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Miranda Ashline

Phone #: (409) 724-0020

Email: Miranda.Ashline@itexgrp.com

Second Email: tdula@coatsrose.com

Date: May 30, 2014

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for Hudson Providence, TDHCA Number:
14063**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14063, Hudson Providence

Section 1:

Score Requested by Applicant (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	127
Score Awarded by Department staff (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	116
Difference between Requested and Awarded:	11

Section 2:

Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	0
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Section 4:

Final Score Awarded to Application by Department staff:	149
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Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

§11.9(d)(2) Commitment of Development Funding by Local Political Subdivision. DETCOG is not an eligible Local Political Subdivision under this scoring item. (Requested 11, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, June 6, 2014. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha

Jean Latsha
 Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 14063, Hudson Providence

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2014 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, June 6, 2014.

If my appeal is denied by the Executive Director:

- I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.
- I do not wish to appeal to the Board of Directors.

Signed _____
Title K.T. (Ike) Akbari
Date June 2, 2014

Please email to Kathryn Saar:
<mailto:kathryn.saar@tdhca.state.tx.us>

COATS | ROSE

A Professional Corporation

June 6, 2014

By Email to tim.irvine@tdhca.state.tx.us

Mr. Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

RE: Hudson Providence, Hudson, Angelina County, Texas (TDHCA #14063);
Appeal of Denial of Eleven (11) Points For Commitment of Development
Funding by Local Political Subdivision [§11.9(d)(2)];

Appeal to the Executive Director

Dear Mr. Irvine:

We are writing this letter on behalf of our client, ITEX Developers, LLC (the “**Applicant**”), as an appeal of TDHCA Staff’s decision to disallow eleven (11) points requested in the 2014 competitive housing tax credit application (the “**Application**”) of Hudson Providence (the “**Project**”). Staff determined the Deep East Texas Council of Governments (“**DETCOG**”) is not an eligible local political subdivision (“**LPS**”) as described in Section 11.9(d)(2), Commitment of Development Funding by a Local Political Subdivision, of the 2014 Qualified Allocation Plan (the “**QAP**”). We disagree with Staff’s determination and will show that DETCOG, which is a Regional Public Housing authority, public body corporate and politic, and instrumentality of an aggregate 12-county rural area in East Texas, does meet the eligibility criteria needed to qualify, and the Project therefore qualifies for the requested points. Additionally, TDHCA has previously considered DETCOG a qualified LPS and has awarded points under the same section of the QAP in prior application rounds based on DETCOG’s participation as a source of funding.

Background

The Project applied for eleven (11) points under §11.9(d)(2)(B)(i) of the 2014 QAP based on its request for a commitment of local funding from DETCOG (see letter to The Honorable Wes Suiter dated February 24, 2014, attached hereto as **EXHIBIT A**, which was included in the Application; the “**Request Letter**”). Please note that Judge Suiter is both the Angelina County Judge and the President of DETCOG. A subsequent conversation took place between Don Ball, on behalf of Applicant, and Walter Diggles, Executive Director of DETCOG. In a letter dated

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HOUSTON | CLEAR LAKE | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

4833-2201-5515.v1

June 6, 2014

Page 2

February 27, 2014, DETCOG acknowledged receipt of the request for funds and stated a decision would be made prior to September 1, 2014 (see letter attached hereto as **EXHIBIT B**, which was included in the Application; the “**Acknowledgement Letter**”). The form of funding requested was an option of either a loan or HUD-Veterans Affairs Supportive Housing Program Vouchers (“**VASH Vouchers**”). VASH Vouchers are a HUD rental assistance program authorized under Section 8(o)(19) of the United States Housing Act of 1937. The Acknowledgement Letter stated DETCOG had VASH Vouchers available and would apply for five (5) for the Project.

The Application subsequently received a Deficiency Notice from TDHCA stating “The application file includes a letter to the Honorable Wes Suiter requesting project funding from Angelina County. Please provide a letter from the County confirming receipt of the application and a statement that a decision by the County will be made prior to September 1, 2014.” In response, Applicant submitted two additional letters: (1) a letter from Mr. Diggles to Judge Suiter dated April 8, 2014, acknowledging Judge Suiter’s request to DETCOG for Angelina County VASH Vouchers and confirming five (5) such vouchers had been set aside for the Project contingent upon its receipt of tax credits (see letter attached hereto as **EXHIBIT C**); and (2) a letter dated May 27, 2014, from Judge Suiter acknowledging receipt of the original Request Letter, confirming DETCOG VASH Voucher set-aside, and supporting the DETCOG commitment of vouchers (see letter attached hereto as **EXHIBIT D**).

Applicant later received a notice from TDHCA that the eleven (11) points requested under this scoring item were denied due to DETCOG not being an eligible LPS. Applicant hereby appeals the denial of points.

1. Requirements for Eligibility Have Been Met.

Applicants may qualify to receive up to fourteen (14) points under §11.9(d)(2) of the 2014 QAP if the development receives a commitment of funding from an LPS. The number of points eligible to be received is based on the amount of funds provided. If the funds are received from an LPS that is an *instrumentality* of a city or county (as opposed to receipt from a city or county directly), such instrumentality must “first award the funds to the city or county for their administration” and meet one of the following two criteria to qualify as an LPS: “at least 60 percent of the governing board of the instrumentality consists of city council members from the city in which the Development Site is located (if located in a city) or county commissioners from the county in which the Development Site is located; or 100 percent of the governing board of the instrumentality is appointed by elected officials of the city in which the Development Site is located (if located within a city) or county in which the Development Site is located.” DETCOG meets the threshold requirement, as VASH Vouchers from DETCOG are initially awarded on a per county basis to be administered, and in this case vouchers were first awarded to Angelina County before it was determined a portion of them would be delegated to this Project.

We believe DETCOG can be viewed as meeting the second requirement as well, as will be explained herein. Because DETCOG meets the required criteria, it should qualify as an eligible LPS and the Project should receive the requested eleven (11) points.

DETCOG Awards VASH Vouchers First to its Counties to be Administered

One of the requirements for a city or county instrumentality to qualify as an LPS is for the instrumentality to first award its funds to the city or county for their administration. DETCOG, which is a Regional Housing Authority created under Chapter 392 of the Texas Local Government Code, is the only entity with the authority to provide VASH Vouchers for the twelve-county area it services, including Angelina County. There is no other entity servicing the same area that has the authorization from HUD to distribute or administer VASH Vouchers. There are no other county housing authorities in the DETCOG Regional Housing Authority service area. DETCOG is the sole provider of VASH Vouchers in the 12-county region.

Attached as **EXHIBIT E** is a letter from DETCOG dated June 5, 2014, explaining how the collaboration between each county and DETCOG functions to administer the VASH Vouchers (“**DETCOG Clarification Letter**”). DETCOG first awards a set number of VASH Vouchers to each county and collaborates with each county to determine which projects within each county’s jurisdiction should receive the VASH Vouchers. In this letter, DETCOG confirms that twelve (12) VASH Vouchers were awarded to Angelina County. Angelina County requested some be set-aside for the Project. DETCOG satisfied this request and has set aside five (5) VASH Vouchers for Hudson Providence. The nature of the VASH Voucher program allows for oversight only through public housing authorities. DETCOG Regional Housing Authority *is* the housing authority that serves the County of Angelina. As such, a certain level of administration is initially handled at the county level, such as selection of projects, and duties then revert back to DETCOG for Section 8 program oversight. Therefore, because DETCOG does first award VASH Vouchers to Angelina County to be administered, DETCOG meets the threshold qualification requirement.

100% of the DETCOG Regional Housing Advisory Council is Appointed by Elected Officials from the Counties which make up the DETCOG Operation Area, in which the Development Site is Located

DETCOG must also meet one of the other criteria to be considered an eligible LPS. Under one option, the 2014 QAP allows a county instrumentality to be eligible if the entire governing board is appointed by the elected officials of the county where the Development Site is located. Generally speaking, the purpose of the “Commitment of Development Funding by Local Political Subdivision” provision is to incentivize local support for a proposed development as shown by the dedication of financial assistance.¹ The stated purpose was in the 2012 QAP and although the current QAP no longer sets forth the intent, we have no reason to believe the purpose of the scoring item has changed. The provision is also intended to simultaneously prevent local instrumentalities from providing assistance to projects outside of their service areas. For example, TDHCA does not want a project in north Texas to be able to qualify for LPS points based on funding committed by an instrumentality in south Texas that is intended to service the south Texas area. Hence, the governing board composition requirement that ties the instrumentality to the location of the proposed development site.

¹ 2012 QAP at 45-46, <http://www.tdhca.state.tx.us/multifamily/hlc/docs/12-13-QAP-RelatedRulesLaws.pdf>.

A regional housing authority is created to serve two or more contiguous counties in a manner not being served by another county housing authority. DETCOG is a regional housing authority created to more effectively and economically serve the contiguous counties in its 12-county operation area and it uses its funds to assist the aggregate counties it was created to serve. Chapter 392 of the Texas Local Government Code authorizes creation of a housing authority in each county and city in the State. Chapter 392 also authorizes commissioners courts of two or more contiguous counties to create a regional housing authority for those counties. As such, a regional housing authority serves the contiguous county operating area for which it was created, just as a municipal housing authority serves the city for which it was created and a county housing authority serves the county for which it was created. Each is a "public body corporate and politic."² By law, "at the time a regional housing authority is created, the county housing authority in a county for which the regional housing authority is created ceases to exist except for the purpose of winding up its affairs and executing the deed of its real property to the regional housing authority."³ As set forth in the statute, county housing authorities and regional housing authorities cannot coexist. Therefore, regional housing authorities should be viewed as substitutes for county housing authorities. From this perspective, the aggregate counties that make up a regional housing authority should be considered a single jurisdiction, or a "multi-county" in theory. It follows that, so long as 100% of the governing board of the regional housing authority is appointed by the elected official of the "multi-county" in which the development site is located, it should qualify under the second LPS eligibility option.

The DETCOG Board of Directors is comprised of over 50 **elected** officials from its "multi-county". DETCOG's Regional Housing Authority is a component of DETCOG and maintains an office in Angelina County with full staff that administers its programs. The attached DETCOG Clarification Letter explains the makeup of the governing body and how it operates as a housing authority. It explains that the Regional Housing Advisory Council, which provides direction and advisement on the Section 8 Housing Choice Voucher Program to the DETCOG Board, is comprised of a minimum of twelve members **appointed** from the DETCOG Board. The Project is located in Angelina County, which is one of the counties that comprise the DETCOG "multi-county" jurisdiction. DETCOG's Clarification Letter confirms 100% of the governing board of the DETCOG Regional Housing Advisory Council is appointed by elected officials of its "multi-county." This confirmation reflects the fulfillment of the second criterion needed to qualify as an eligible LPS under the 2014 QAP.

2. The Application Should Receive the Requested Points Because the Public-Private Partnership Encompassed in the Application is Precisely what TDHCA is Incentivizing under §11.9(d)(2).

The notion of equating a regional housing authority to a county housing authority should be readily accepted considering a refusal to equate the two would result in unfair treatment to less populated rural areas. Without the ability to create regional housing authorities, rural areas that do not have the capacity to sustain multiple housing authorities in each nearby county would have no other way to administer certain types of rental assistance. City and county public housing authorities are acceptable LPSs under §11.9(d)(2) and are not denied points when providing funds and vouchers for projects in their operational areas (assuming the housing

² TEX. LOCAL GOV'T CODE §392.011(b), §392.012(b), and §392.013(b).

³ TEX. LOCAL GOV'T CODE §392.013(j).

authority is not a related party). A regional housing authority should be viewed in the same light. By definition, all three are “political subdivisions.” So long as a regional housing authority is providing funds for a development located within its operational area, it should undoubtedly qualify as an eligible LPS, just as its city and county counterparts do.

While there are only a few regional housing authorities in the State, they serve a much needed purpose and aid in the efforts to further fair housing. The February 2014 Texas Applesed complaint in connection with the TDHCA’s Phase 2 Analysis of Impediments to Fair Housing Choice points out the unrecognized value of the few regional housing authorities that exist.⁴ Additionally, in the action item recommending the 2014 QAP of the Supplemental Board Book of November 7, 2013, TDHCA’s Staff Response to Public Comment expressly states “a public housing authority can be and often is a local political subdivision and provision of PHA funds to a not related applicant can result in an application receiving points under [Commitment of Development Funding by Local Political Subdivision].”⁵ Staff Response also states, “Section 8 project-based assistance is sometimes administered directly by HUD with the oversight of a regional contractor. This kind of Section 8 assistance cannot be considered development funding from a local political subdivision as the funds do not flow through any local political subdivisions.”⁶ Here, the Section 8 assistance in the form of VASH Vouchers is administered through the regional housing authority and *does* flow through a local political subdivision.

Based on the Scoring Notice received for the Project, it appears TDHCA Staff read §11.9(d)(2)’s restrictive language as excluding regional housing authorities, but we do not believe this was intended by TDHCA. This reading of the language in this manner resulted in unintended consequences that are directly in conflict with the intents and purposes of this scoring item. Partnerships between local housing authorities and private developers building affordable housing in their jurisdictions are exactly the kind of partnerships TDHCA aims to encourage – a financial contribution of area governmental entities for developments in the area they serve. This is not a case where a PHA applicant is providing funds to its own project, nor is this an instance where an out-of-area instrumentality is collecting fees for providing commitments to projects outside of its service area. Here we have a project where the public-private partnership between a housing authority and a developer fall squarely in line with the intentions of the scoring item. In fact, transcripts from the November 13, 2012, TDHCA Board Meeting speak exactly to this situation.⁷ In that meeting, Cameron Dorsey explained that very rarely a housing authority will provide funding to a development and not be part of the ownership structure (he says he only saw it happen once since he has been working for TDHCA), and in those very rare circumstances, the project may not be eligible to receive points under this scoring item even though this kind of partnership between a housing authority and a private developer is exactly what this scoring item is attempting to incentivize.

⁴ See June 5, 2014, Board Book at 197, <http://www.tdhca.state.tx.us/board/docs/books/140605-book-140529.pdf>.

⁵ November 4, 2013, Supplemental Board Book at 38, <http://www.tdhca.state.tx.us/board/docs/books/131107-supplement-131104.pdf>.

⁶ *Id.*

⁷ See November 13, 2012, Board Meeting Transcripts at pp. 188-195, 213-216, <http://www.tdhca.state.tx.us/board/docs/transcripts/121113-board.pdf>.

June 6, 2014

Page 6

3. TDHCA has Deemed DETCOG an Eligible Local Political Subdivision in a Previous Application Round

We would like to also point out that TDHCA has previously granted points for at least one application under this scoring item that relied on DETCOG as its source of local political subdivision financing commitment. Vista Pines Apartment Homes (TDHCA #060132) received 18 points under §50.9(i)(5) of the 2006 QAP based on funding from DETCOG and was awarded tax credits in that round. Section 50.9(i)(5) of that year's QAP was the equivalent provision to what is now §11.9(d)(2) of the 2014 QAP, entitled in both documents as "Commitment of Development Funding by Local Political Subdivision." The 2006 9% HTC Application Log shows under "Records of Contact" that TDHCA made additional inquiry at that time as to whether DETCOG qualified as a local political subdivision. It was determined then that DETCOG met the requirements to qualify as an eligible local political subdivision and the application received 18 points under that scoring item.

In view of the foregoing, we urge you to grant this appeal and reinstate the eleven (11) points denied in the Scoring Notice received from Staff for the Application. If, however, as Executive Director you do not feel able to grant the appeal, then we request that this appeal be presented to the TDHCA Board at its next meeting, currently scheduled for June 26, 2014.

Sincerely,



Barry J. Palmer
Coats, Rose, Yale, Ryman and Lee, P.C.

cc: Jean Latsha
Kathryn Saar

EXHIBIT A
REQUEST LETTER

Hudson Providence, LP
3735 Honeywood Court
Port Arthur, Texas 77642
409.724.0020 ext. 258 | 409.721.6603 fax

February 24, 2014

Honorable Wes Sulter
Angelina County Judge
606 East Lufkin Avenue
2nd Floor, Room 202
Lufkin, Texas

RE: Hudson Providence
Request for Funding

Dear Sulter,

Our firm would like to request a commitment of local funding for Hudson Providence, LP ("Borrower") for the Hudson Providence ("Project") located on Northeast Quadrant of Ted Trout Drive and Oscar Berry Road in Hudson, Texas. We would like to make a formal request for a commitment of local funding for this project based upon the following two options:

Option I - Construction/Interim loan that meets the following terms:

Funding Amount:	\$60,000
Term:	5 Years
Type:	Construction or Interim Financing Only
Interest Rate:	3%
Closing Fees:	1% Fee Plus Payment of Lender Legal Fees not to Exceed \$10,000
Security:	Borrower will provide a Letter of Credit ("LOC") for 100% of the Principal Amount of the Loan to the Lender as Security
Repayment:	Simple Interest will be paid Yearly and all accrued interest and principal will be paid at the end of the Term. Loan may be prepaid at any time.

Option II - Provide Project-Based Veterans Vouchers under the following terms:

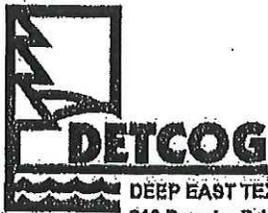
Project-Based Section 8 Contract for 15 years for Vouchers for Veterans on 5 units through the Veterans Administration with an estimated value of over \$60,000 over the term of the contract.

Once again, we appreciate your attention to this matter. Please accept this as a formal application for funding. Please provide us with a letter of receipt of this application and an acknowledgement that the county will make a decision before September 1, 2014.

Sincerely,


K.T. (Ike) Akbari
Authorized Agent

EXHIBIT B
ACKNOWLEDGEMENT LETTER



DEEP EAST TEXAS COUNCIL OF GOVERNMENTS & ECONOMIC DEVELOPMENT DISTRICT
210 Premier Drive • Jasper, Texas 75951 • 409/384-5704 • Fax 409/383-0832 • TDD 409/384-5975

WALTER G. DIGGLES, SR.
Executive Director



ETHEL BLUITT
Director of Housing

February 27, 2014

Mr. Don Ball
President
Premier Affordable Housing
1885 Farragut Street
Orange, Texas 77630

Ref: Project based VASH Voucher Request for Hudson Providence

Dear Mr. Ball:

We have received your request which indicates that the Deep East Texas Council of Governments (DETCOG) does handle vouchers for deep East Texas counties and municipalities, including Angelina County. DETCOG has available VASH vouchers and will apply for five (5) project based VASH vouchers from the Veteran's Administration, Houston Regional Office, for the proposed development in the City of Hudson.

I would like to acknowledge that the DETCOG Board, composed of elected officials from the deep East Texas 12-county area, will make a decision before September 1, 2014 on whether to award these project based vouchers to Hudson Providence.

Sincerely,

Walter G. Diggles, Sr.
Executive Director

CC: Ethel Bluitt, Housing Director

EXHIBIT C

LETTER FROM MR. DIGGLES TO MR. SUITER
DATED APRIL 8, 2014



Deep East Texas Council of Governments and Economic Development District
210 Premier Drive • Jasper, Texas 75951 • (409) 384-5704 • FAX (409) 384-5390 • TDD (409) 384-5975

WALTER G. DIGGLES, SR.
Executive Director

April 8, 2014

Honorable Wes Suiter
County Judge – Angelina County, Texas
Angelina County Courthouse Annex
P.O. Box 908
Lufkin, TX 75902-0908

Dear Wes,

Pursuant to your recent request to Angelina County for U.S. Veteran's Administration project-based HUD-VASH vouchers for the proposed new 80 – unit elderly development to be constructed in Hudson, TX. We are pleased to inform you that we have set-aside five vouchers for this project in the event that it receives funding for Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA). The oversight of these vouchers will be through the DETCOG's Housing Department and a commitment will be provided upon the approval from the DETCOG board of directors.

Sincerely,

Walter G. Diggles
Executive Director
Deep East Texas Council of Governments

Cc: Ethel Bluitt – Director of Housing DETCOG
K.T. "Ike" Akbari – CEO ITEX

EXHIBIT D

LETTER FROM MR. SUITER DATED MAY 27, 2014



ANGELINA COUNTY

OFFICE (936) 634-5413
FAX (936) 637-7452

P.O. BOX 908
LUFKIN, TEXAS 75902-0908

WES SUITER
County Judge

May 27, 2014

Texas Department of Housing and Community Affairs
Attn: Ms. Jean Latsha
221 E 11th Street
Austin, Texas 78701

Re: Acknowledgement of Request for Commitment of local fund for Hudson
Providence LP

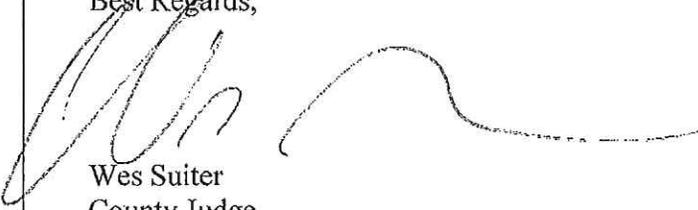
Dear Ms. Latsha,

This letter is to acknowledge I am in receipt of the Hudson Providence, LP request for funding letter dated February 24, 2014 and also a letter dated April 8, 2014 from Mr. Walter Diggles, Executive Director of the Deep East Texas Council of Governments (DETCOG), pertaining to project-based HUD-VASH vouchers.

Mr. Diggles indicated in his letter dated April 8, 2014, that DETCOG has set aside five U.S. Veteran's Administration project-based HUD-VASH vouchers for a proposed new 80-unit elderly development to be constructed in Hudson, Texas.

The Commissioner's Court of Angelina County applauds and stands by DETCOG in their decision to support this project through the commitment of these vouchers in the event the project receives funding for Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA). The oversight for these vouchers will be, as stated in the letter, through the DETCOG Housing Department upon approval of this commitment by the DETCOG Board of Directors.

Best Regards,



Wes Suiter
County Judge
Angelina County

EXHIBIT E

DETCOG CLARIFICATION LETTER

4833-2201-5515, v. 1

4833-2201-5515.v1



Deep East Texas Council of Governments and Economic Development District
210 Premier Drive • Jasper, Texas 75951 • (409) 384-5704 • FAX (409) 384-5390 • TDD (409) 384-5975

WALTER G. DIGGLES, SR.
Executive Director

Texas Department of Housing and Community Affairs

June 5, 2014

221 E. 11th Street

P.O. Box 13941

Austin, TX 78711-3941

Atten: Director of Housing Tax Credits

Re: #14063 – Hudson Providence, Hudson, Texas

Ladies and Gentlemen,

This letter is being written in connection with the Hudson Providence application for 2014 9% low income housing tax credits. It has been brought to my attention that the application was denied eleven (11) points due to the determination made by the Texas Department of Housing and Community Affairs (TDHCA) that Deep East Texas Council of Governments (DETCOG) does not qualify as an eligible Local Political Subdivision under the applicable section of the 2014 QAP. We would like to provide some additional information about DETCOG and the HUD-Veterans Affairs Supportive Housing Program Vouchers (VASH Vouchers) that we believe will assist you in reevaluating that determination.

DETCOG is a Regional Housing Authority created under Chapter 392 of the Texas Local Government Code. As a Regional Housing Authority, DETCOG services as the funding agency for the HUD Section 8 Housing Assistance Program, including VASH Vouchers, for the twelve-county area consisting of the following counties: Angelina, Hardin, Houston, Jasper, Newton, Polk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, and Tyler counties.

DETCOG first awards a set number of VASH Vouchers to each county for their administration, and works collaboratively with those counties for their input as to which projects within each county's jurisdiction should receive the VASH Vouchers. Due to the rural nature and limited resources of the counties in DETCOG Regional Housing Authority's service area and the fact there are no county housing authorities in the jurisdiction to oversee such a program, administration of the VASH Voucher program is reverted back to DETCOG. There is no other entity servicing the same area that has the authorization from HUD to distribute or administer VASH Vouchers.

DETCOG Regional Housing Authority was awarded thirty-five (35) VASH Vouchers in 2009 and twenty-five (25) VASH Vouchers in 2013. Of these 12 were awarded to Angelina County where the Veterans Hospital is located. DETCOG received a request for VASH Vouchers from both the Developer and the Angelina County Judge Wes Suiter in connection with the Hudson Providence 80-unit elderly project. In response, DETCOG stated it would apply for the VASH Vouchers from the

Houston HUD field Office and would make a decision before September 1, 2014 on whether to award these project based vouchers to Hudson Providence. DETCOG has since received and set-aside five (5) VASH Vouchers for this project in the event that it receives funding for the Housing Tax Credits from TDHCA and a commitment will be provided upon the final approval from the DETCOG Board of Directors.

Please note that the DETCOG Regional Housing Authority staff administers the HUD Section 8 Housing Choice Voucher Program the direction of the DETCOG Board of Directors. The DETCOG Board of Directors, which consists of over 50 members, is composed of elected officials from the deep East Texas 12-County area. As Executive Director, I serve as the direct link between the board of directors and the Regional Housing Authority staff. The Housing Director reports directly to me, as Executive Director. The Housing Director works with the Regional Housing Advisory Council group appointed by the DETCOG Board of Directors. This advisory council is comprised of a minimum of 12 members from the DETCOG Board of Directors. The Advisory group provides direction and advisement on the Section 8 Housing Choice Voucher Program to the full board of directors. Therefore, 100% of the governing board of the DETCOG Regional Housing Advisory Council is appointed by elected officials of the 12-county area in the DETCOG's jurisdiction.

DETCOG is in full support of the Providence Hudson and would like to see our VASH Vouchers put to good use in this proposed project. DETCOG Housing Authority currently has a 3 year waiting list of eligible applicants for Housing assistance. In addition, the housing quality of available properties is a serious problem for voucher holders looking for HQS Rental property throughout the DETCOG Region. DETCOG is working with the Hurricane Ike Disaster Recovery program to increase the available HQS Rental property in order to meet the lack of available housing for eligible clients. Angelina County has been the highest recipient of Section 8 Vouchers in the past and this proposed project is well within the planning priorities of the Advisory Council and the DETCOG Board.

We sincerely hope that this letter of clarification provides TDHCA with the necessary information to have a better understanding of how DETCOG functions as both a Council of Governments and a Regional Housing Authority, and our status as local political subdivision of the state of Texas should be considered eligible under the QAP.

Sincerely,



Walter G. Diggles, Sr.

Executive Director

Cc: Wes Suiter, DETCOG President

Ethel Bluiett, Housing Program Director

14083 & 14084

Selinsky Street Supportive Housing

Palm Parque

Houston

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance for Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, two Competitive Housing Tax Credit Applications were submitted for Selinsky Street Supportive Housing (#14083) and Palm Parque (#14084) (the "Applications") on February 28, 2014);

WHEREAS, both Applications included a Market Analysis Summary prepared by Jack Poe;

WHEREAS, pursuant to 10 TAC §10.205(2) of the Uniform Multifamily Rules ("Rule"), the Market Analysis Summary must adhere to the requirements found in §10.303 of the Rule, the market Analysis Rules and Guidelines;

WHEREAS, pursuant to 26 U.S.C. §42(m)(1)(A)(iii), Texas Government Code §2306.67055, and §10.303 of the Rule, the Market Analysis must be prepared by a market analyst approved by the Department (a "Qualified Market Analyst");

WHEREAS, staff terminated the Applications because Jack Poe is not a Qualified Market Analyst as specified in §10.303(c) of the Rule; and

WHEREAS, the Applicant has timely appealed the termination;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the terminations of Selinsky Street Supportive Housing (#14083) and Palm Parque (#14084) is hereby denied.

BACKGROUND

Applications were submitted for Selinsky Street Supportive Housing and Palm Parque, both located in Houston, urban region 6, and both submitted by the same 30% owner of the General Partner,

Reward Third Ward, Inc., herein referred to as the Applicant. The Applications both included Market Analysis Summaries prepared by Jack Poe. The Market Analysis Summary is required by §10.205(2) of the Rule and was due with the full application on February 28, 2014. This report includes some general information (basic demographic information and a map of the Primary Market Area) that is ultimately included in the full Market Analysis, which was due on April 1, 2014. Both the Market Analysis Summary and Market Analysis are required to be prepared and certified by a Department approved Qualified Market Analyst, pursuant to 26 U.S.C. §42(m)(1)(A)(iii), Texas Government Code §2306.67055, and §10.303(c) of the Rule. On March 19, 2014, staff determined that Jack Poe was not included on the Department's approved Market Analyst list, which is maintained pursuant to Texas Government Code, §2306.67055(a)(1). Staff therefore terminated the Applications.

The Applicant does not dispute that Mr. Poe was not on the approved Market Analyst list but contends that he is a proven and trusted third party analyst. While this may be the case, the Rule very clearly calls for Market Analysts who wish to be added to the most currently published approved list to submit documentation to the Department at least thirty days prior to the Application Acceptance Period. In this case, that date was December 2, 2013. No such documentation was submitted by this deadline, and although Mr. Poe had previously been on the approved Market Analyst list he was not on the list that was relevant to this particular Application Acceptance Period.

Staff recommends denial of the appeal for both Applications.

Barbara Deane

From: Tim Irvine [tim.irvine@tdhca.state.tx.us]
Sent: Wednesday, April 02, 2014 2:29 PM
To: Barbara Deane; Megan Sylvester; Cameron Dorsey; jean.latsha@tdhca.state.tx.us
Subject: FW: Appeal Responses for 14083 and 14084

Tim

From: Rick Sims [mailto:rrsims90@aol.com]
Sent: Wednesday, April 02, 2014 2:11 PM
To: elizabeth.henderson@tdhca.state.tx.us; pastorpunch@yahoo.com; tim.irvine@tdhca.state.tx.us
Subject: Re: Appeal Responses for 14083 and 14084

Mr. Irvine I have reviewed your response to Pastor Punch's appeal of the termination of my application. I disagree with your decision and must say it plainly, that negligence on the part of the department in posting a list of unqualified market analysis, is not my fault. And these facts support my position.

Year	Applications	Supportive/Transitional Housing	Person submitted
2005	202	2	Rick Sims
2006	141	0	
2007	172	0	
2008	140	0	
2009	146	0	
2010	119	2	Rick Sims
2011	142	1	Rick Sims
Total	1062	5	

So. Mr Irvine you are telling me the person who has more experience with third party report submission to tdhca than any person in the entire state of Texas that the list you are speaking of has QUALIFIED PERSON, IT DOES NOT. IT REPRESENTS, NO EXPERIENCE OF PREPARING MARKET STUDIES FOR SUPPORTIVE HOUSING. This is negligence of the department. Since 2005, the department has received 1062 market studies and of the 1062, the department has received 5, for special needs housing, And I submitted the 5 market reports. The list is for persons who over the last 10 years have chosen not to provide housing for the supportive housing market, and the market analyst have no experience preparing market studies for Supportive Housing.

So how does that list apply to these facts, You want to punish me for not using a person because they are on a list that represents experience in providing market studies for general and elderly, BUT HAVE NO EXPERIENCE IN PREPARING MARKET STUDIES FOR SUPPORTIVE HOUSING. That's the department's fault not mine, As far as I am concerned the list is discriminatory,

This is my input on the appeal,
Respectfully

Rick Sims

-----Original Message-----

From: Elizabeth Henderson <elizabeth.henderson@tdhca.state.tx.us>
To: pastorpunch <pastorpunch@yahoo.com>; sims rick <rrsims90@aol.com>
Sent: Tue, Apr 1, 2014 3:12 pm
Subject: Appeal Responses for 14083 and 14084

Please find attached the response letters for both 14083 and 14084. If you have questions please contact Jean Latsha at 512-475-1676 or by email at jean.latsha@tdhca.state.tx.us.

Best Regards,

Elizabeth Henderson
Program Specialist III
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.463.9784 | Fax : 512.475.0764

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).

14097

Residences at Rodd Field

Corpus Christi

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance for Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a Competitive Housing Tax Credit Application was submitted for Residences at Rodd Field (#14097) on February 28, 2014);

WHEREAS, staff determined, in the course of the review, that the application contained a Material Deficiency, as defined in 10 TAC §10.3(a)(78) of the 2014 Uniform Multifamily Rules ("Rule");

WHEREAS, pursuant to §10.201(7) of the Rules, the application was terminated; and

WHEREAS, the Applicant has timely appealed the termination;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the termination of Residences at Rodd Field (#14097) is hereby denied.

BACKGROUND

A 2014 competitive 9% housing tax credit application was submitted for Residences at Rodd Field, located in Corpus Christi, urban region 10. The Application was submitted to the Department by the deadline of February 28, 2014 and, as originally submitted, indicated that the Applicant was requesting not only Housing Tax Credits but also HOME funds administered by the Department. Applications for developments located within an existing Participating Jurisdiction are ineligible to receive HOME funds unless participating in the Persons with Disabilities ("PWD") set-aside. The above referenced Application proposes a site located in Corpus Christi, which is a Participating Jurisdiction. The application is also not participating under the PWD set-aside.

On April 24, 2014, staff issued an Administrative Deficiency to the Applicant which identified 33 separate issues that required clarification or correction. Among these were corrections needed to several exhibits regarding the ineligibility for Department administered HOME funds and clarifications regarding site control documentation, financing requirements, organizational structure, and third party reports. The Applicant responded timely to the deficiency, but the response included over 20 separate

exhibits. Among these exhibits were some most crucial to evaluating the proposed financing for the development, including a withdrawal of the application for HOME funds and a revised rent schedule, development cost schedule, summary of sources & uses, development narrative, and financing narrative. In addition, the revised exhibits indicated a reduction in total development costs by more than \$1,000,000. This revision was submitted by the Applicant presumably to account for the financing gap created by the withdrawal of the application for HOME funds; however, supporting documentation to substantiate the reduction in costs was not submitted.

Section 10.201(7) of the Rules states that review of a response provided by the Applicant may reveal that issues initially identified as an Administrative Deficiency are actually determined to be beyond the scope of the Administrative Deficiency process, meaning that they in fact implicated matters of a material nature not susceptible to being resolved. Staff has made such a determination in this case and terminated the application pursuant to §10.202(2)(B) of the Rule, which states that an Application shall be ineligible if it has Material Deficiency, which is defined in §10.3(a)(78) of the Rules as a group of Administrative Deficiencies that, taken together, create the need for a substantial re-assessment or reevaluation of the Application.

The applicant, in their appeal, states that the Rule does not call for termination of applications solely because of failure to meet a HOME program requirement, that being that participation in the HOME program is dependent upon the site being located outside of a Participating Jurisdiction. In addition, the applicant contends that the deficiency can be resolved administratively. Staff disagrees. First, staff does not contend that the application was terminated because of the error in the request for HOME funds. Rather, staff found that the response contained so many significant revisions as to cause staff to stop and start the review again. This was undoubtedly a “substantial re-assessment” of the application and was the reason for the termination. To date, even with the previous responses to two separate sets of deficiencies and two separate appeals (one to the Executive Director and one to the Board), staff still would require correction and clarification of exhibits in order to continue and complete the review.

Staff recommends denial of the appeal.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

BOARD MEMBERS

J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
Tom H. Gann
J. Mark McWatters
Robert D. Thomas

Rick Perry
GOVERNOR

May 20, 2014

Writer's direct phone # 512-475-1676
Email: jean.latsha@tdhca.state.tx.us

Dan Allgeier
Rodd Field Housing Partners, Ltd.
4925 Greenville Ave., Suite 1305
Dallas, Texas 75206

RE: TERMINATION OF HTC APPLICATION #14097 RESIDENCES AT RODD FIELD, CORPUS CHRISTI,
TEXAS

Dear Mr. Allgeier:

Pursuant to §10.202(2)(B) of the 2014 Uniform Multifamily Rules (the "Rules"), an Application shall be ineligible if it has Material Deficiency, which is defined in §10.3(a)(78) of the Rules as a group of Administrative Deficiencies that, taken together, create the need for a substantial re-assessment or reevaluation of the Application. The Application for Residences at Rodd Field was submitted to the Texas Department of Housing and Community Affairs (the "Department") by the deadline of February 28, 2014 and, as originally submitted, indicated that the Applicant was requesting not only Housing Tax Credits but also HOME funds administered by the Department. Applications for developments located within an existing Participating Jurisdiction are ineligible to receive HOME funds unless participating in the Persons with Disabilities ("PWD") set-aside. The above referenced Application proposes a site located in Corpus Christi, which is a Participating Jurisdiction, and it is not participating in the PWD set-aside.

On April 24, 2014, staff issued an Administrative Deficiency to the Applicant which identified 33 separate issues that required clarification or correction. Among these were corrections needed to several exhibits regarding the ineligibility for Department administered HOME funds and clarifications regarding site control documentation, financing requirements, organizational structure, and third party reports. The Applicant responded timely to the deficiency, but the response included over 20 separate exhibits. Among these exhibits were some most crucial to evaluating the proposed financing for the development, including a withdrawal of the application for HOME funds and a revised rent schedule, development cost schedule, summary of sources & uses, development narrative, and financing narrative. In addition, the revised exhibits indicated a reduction in total development costs by more than \$1,000,000. This revision was submitted by the Applicant presumably to account for the financing gap



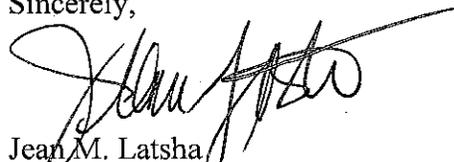
created by the withdrawal of the application for HOME funds; however, supporting documentation to substantiate the reduction in costs was not submitted.

Section 10.201(7) of the Rules states that review of a response provided by the Applicant may reveal that issues initially identified as an Administrative Deficiency are actually determined to be beyond the scope of the Administrative Deficiency process, meaning that they in fact implicated matters of a material nature not susceptible to being resolved. Staff has made such a determination, and therefore the application for residences at Rodd Field is hereby terminated.

An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the 2014 Uniform Multifamily Rules. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2014 Uniform Multifamily Rules for full instructions on the appeals process.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at jean.latsha@tdhca.state.tx.us.

Sincerely,



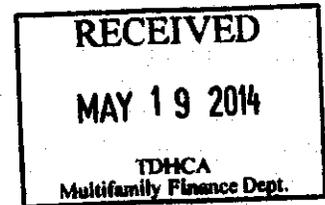
Jean M. Latsha
Director of Multifamily Finance

NuRock Companies

4925 Greenville Avenue, Suite 1305
Dallas, Texas 75206
Phone 972-573-3411 ♦ Fax 972-573-3401

May 16, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701-2410
Via Federal Express 7700 0752 6130



Re: Residences at Rodd Field
TDHCA HTC application 14097

Dear Ms. Latsha:

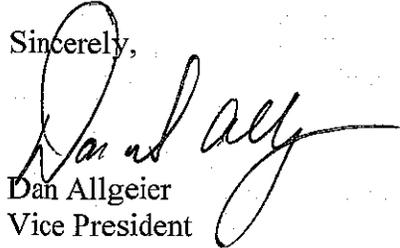
Rodd Field Housing Partners, Ltd. wishes to appeal the termination of our application for an allocation of housing tax credits for the Residences at Rodd Field, HTC application 14097. Staff's determination was that issues initially identified as an Administrative Deficiency have been determined to be beyond the scope of the Administrative Deficiencies process and are of a material nature not susceptible to being resolved. Specifically the issue in question is that we also made an application for HOME funding. As the project is located within the boundaries of a participating jurisdiction and would be eligible for HOME funding from the City of Corpus Christi the project is not eligible for TDHCA HOME funds in this round of funding according to the 2014 HOME Multifamily Development (MFD) Program Application Acceptance and Processing Guidelines prior to Executed Grant Agreement with HUD.

The Administrative Deficiencies noted by the Agency in emails on April 22 and April 24, 2014 included this deficiency. Our response acknowledged this error and provided revised documentation which eliminated the HOME funds and provided for a corresponding reduction in the land cost. The applicant is purchasing a tract with 2 lots of which only Lot 2 will be used for this development. The initial application included the cost of the whole tract while the response to the deficiencies only included the cost of Lot 2. That was noted on the Development Cost Schedule on the line Site Acquisition Costs. The requested HOME funds are not required in order for this to be an economically feasible project under TDHCA's underwriting requirements in this circumstance. All other deficiencies were successfully addressed.

The 2014 Qualified Allocation Plan or Uniform Multifamily Rules have no reference to this HOME fund application restriction. The only reference to this restriction is in the 2014 HOME Multifamily Development (MFD) Program Application Acceptance and Processing Guidelines prior to Executed Grant Agreement with HUD. A housing tax credit application should not be terminated solely because of failure to meet a HOME Program Application Guideline.

We request that this application be reinstated and review and underwriting be continued.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Allgeier", written in a cursive style.

Dan Allgeier
Vice President
NuRock Companies
dallgeier@nurock.com

NuRock Companies

4925 Greenville Avenue, Suite 1305
Dallas, Texas 75206
Phone 972-573-3411 ♦ Fax 972-573-3401

June 12, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701-2410
Via email jean.latsha@tdhca.state.tx.us

Re: Residences at Rodd Field
TDHCA HTC application 14097

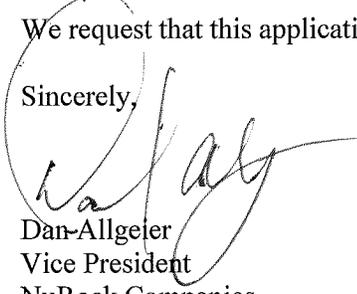
Dear Ms. Latsha:

Rodd Field Housing Partners, Ltd. wishes to appeal the termination of our application for an allocation of housing tax credits for the Residences at Rodd Field, HTC application 14097. Staff's determination was that issues initially identified as an Administrative Deficiency have been determined to be beyond the scope of the Administrative Deficiencies process and are of a material nature not susceptible to being resolved. Initially the issue in question is that we also made an application for HOME funding. Review of the application resulted in Administrative Deficiencies noted by the Agency in emails to the applicant on April 22 and April 24, 2014. Our responses provided revised documentation which addressed all deficiencies, eliminated the HOME funds as a source of funds and provided for a corresponding reduction in the land cost. The applicant is purchasing a large tract with 2 lots of which only Lot 2 will be used for this development. The initial application included the cost of the whole tract while the response to the deficiencies only included the cost of Lot 2 thus the HOME funds are not required in order for this to be an economically feasible project due to the reduced land cost attributed to this project. All other deficiencies were addressed in a timely fashion.

Staff has indicated that a large number of documents were submitted in the two responses to deficiencies. Over 1/3 of these documents were required to reflect the removal of the HOME funds. The balance of the responses to deficiencies were minor revisions to forms, clarification of information in the application or in third party reports. All deficiencies were adequately addressed.

We request that this application be reinstated.

Sincerely,



Dan Allgeier
Vice President
NuRock Companies
dallgeier@nurock.com

14100

Savannah Park

Abernathy, Lexington, Karnes City

Pulled from agenda

14102

Stoneleaf at Glen Rose

Glen Rose

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and requests for preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 competitive housing tax credit scoring notice was provided to the Applicant for StoneLeaf at Glen Rose (#14102);

WHEREAS, staff identified 2 points that the Applicant elected but that the Application did not qualify to receive under 10 TAC §11.9(c)(6) of the 2014 Qualified Allocation Plan ("QAP") related to Underserved Area;

WHEREAS, the Applicant submitted the Appeal Election form by the required deadline, but failed to include any additional information for the Executive Director to consider; and

WHEREAS, the Executive Director denied the appeal request;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the scoring notice for StoneLeaf at Glen Rose (#14102) is hereby denied.

BACKGROUND

The Applicant elected two points under §11.9(c)(6)(D) of the Qualified Allocation Plan ("QAP") related to an Underserved Area. During the review process, staff identified that the Application was submitted with the wrong census tract information and when the new census tract information was reviewed, staff discovered that another tax credit Development serving the same target population is located in the same census tract as the Applicant's proposed development site, thereby making the Application ineligible for points under this scoring item. A scoring notice was issued on June 10, 2014, in which these points were not awarded; the deadline to appeal the scoring notice was 5:00 pm on Tuesday, June 17, 2014.

On June 17, 2014, the Applicant submitted an Appeal Election Form, indicating the Applicant's intent to appeal to the Board of Directors in the event that the appeal is denied by the Executive Director. However, no documentation was submitted with the appeal to the Executive Director, nor was

an explanation provided as to the grounds for the appeal. As such, an immediate denial was issued by the Executive Director on Wednesday, June 18, 2014.

The procedure for filing appeals is governed by §10.902(c) of the Uniform Multifamily Rules, which states “an Applicant or Development Owner must file its appeal in writing with the Department not later than seven (7) calendar days after the date the Department publishes the results of any stage of the Application evaluation or otherwise notifies the Applicant or Development Owner of a decision subject to appeal. The appeal must be signed by the person designated to act on behalf of the Applicant or an attorney that represents the Applicant. For Application related appeals, the Applicant must specifically identify the Applicant’s grounds for appeal, based on the original Application and additional documentation filed with the original Application as supplemented in accordance with the limitations and requirements of this chapter.” By signing and submitting the Appeal Election form on June 17, 2014, the Applicant’s appeal conforms to the first two provision of this subsection. However, the final provision has not been met. Further, the Appeal Election Form itself specifically states “My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.” Since no such documentation was submitted, the Applicant did not follow the prescribed appeal process and any further information and documentation cannot be considered as having been received timely.

Staff recommends denial of the appeal.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Ben Dempsey

Phone #: (903) 887-4344

Email: Ben@stoneleafcompanies.com

Second Email: Victoria@stoneleafcompanies.com

Date: June 10, 2014

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for StoneLeaf at Glen Rose, TDHCA
Number: 14102**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14102, StoneLeaf at Glen Rose

Section 1:

Score Requested by Applicant (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	134
Score Awarded by Department staff (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	132
Difference between Requested and Awarded:	2

Section 2:

Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	0
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Section 4:

Final Score Awarded to Application by Department staff:	165
--	------------

Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

§11.9(c)(6) Underserved Area. The Development is not located in a census tract that has never received a tax credit allocation for a Development that remains a tax credit Development serving the same target population. (Requested 2, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Tuesday, June 17, 2014. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha

Jean Latsha
 Director of Multifamily Finance

From: MIKE@stoneleafcompanies.com
To: [Kathryn Saar](#)
Cc: [Victoria Sugrue](#); [Ben Dempsey](#)
Subject: 14102 Glen Rose
Date: Tuesday, June 17, 2014 2:33:30 PM
Attachments: [file.PDF](#)

Kathryn:

Attached is our intent to appeal.

I have spoken with Cameron today and we are still doing some research to see what kind of case we can present. However, since today is the deadline for appeals, we felt it best to send the reply.

Thanks, we will keep you posted.

Mike Sugrue
StoneLeaf Companies
1920 S 3rd St.
Mabank, TX 75147
O-903-887-4344
F903-713-4366
M-903-340-1766

We have moved - Please note new address

14106

Manor Lane Senior Apartments

Hondo

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 Competitive Housing Tax Credit Application was submitted for Manor Lane Senior Apartments (#14106) on February 28, 2014;

WHEREAS, staff identified that the Application file was submitted without a full set of functioning bookmarks as required pursuant to 10 TAC §10.201(a)(1) of the 2014 Uniform Multifamily Rules ("Rules"), making the Application ineligible;

WHEREAS, the Application was terminated on June 4, 2014; and

WHEREAS, the Applicant has timely appealed the termination;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the termination of Manor Lane (#14106) is hereby denied.

BACKGROUND

A 2014 competitive housing tax credit application was submitted for Manor Lane Senior Apartments, located in Hondo, rural region 9. Pursuant to §10.201(1)(C) of the Rules, the Applicant must deliver one (1) CD-R containing a PDF copy and Excel copy of the complete Application to the Department. Each copy must be in a single file and individually bookmarked in the order as prescribed by the Multifamily Programs Procedures Manual.

The Application for Manor Lane was delivered to the Department on the Full Application Delivery Date, February 28, 2014, and did include a CD-R containing a PDF copy and Excel copy of the complete application. However, upon further review, staff found that while the PDF copy appears at first glance to contain bookmarks (which, when properly formatted would enable staff or the public to find specific information presented in the application), there are 15 different sets of apparent bookmarks, not one of which is fully functioning. Because the Application submitted did not meet the requirements of §10.201(1)(C) of the Rules, the Application was terminated.

These nonfunctioning bookmarks make the Application wholly unreviewable. The bookmarks are required because Competitive Housing Tax Credit Applications are very lengthy documents, often several hundred pages of information. This does not include hundreds of pages of required third party reports. The Department received 161 Applications in this cycle, which equates to tens of thousands pages of information that staff must thoroughly review within a four to five month timeframe. At this volume, the bookmarks are absolutely critical, not just for staff, but for State Representatives, Neighborhood Organizations, and other Applicants, all of whom review these applications for various reasons.

The appeal to the Executive Director provided a newly submitted CD-R and states that the bookmarks have been correctly formatted. Staff contends that this is not an appropriate remedy for two reasons. First, the Applicant has, in effect, submitted an entire new Application file after the Application submission deadline, which is subject to termination. (For this reason, staff has also not reviewed the new submission for compliance with the Rules.) Second, should the Department ignore the rule with respect to the application acceptance deadline and accept a new Application file, it would be virtually impossible for staff to ensure that the Application was identical to the originally submitted file, but for the bookmarks. This could give such an applicant a distinct advantage over the other 160 Applicants who submitted files in the prescribed format because they would have the opportunity to revise exhibits after not only having additional time to review any potential errors in their own application but also to review competitor's applications. While staff has no specific reason to believe this Applicant would take advantage of such an allowance, opening the door to this kind of remedy would be highly problematic and would disruptive to the orderly and transparent administration of the program.

Staff recommends denial of the appeal.



THE PACES FOUNDATION

Sustainable Affordable Housing Developers

June 10, 2014

Mr. Tim Irvine
Executive Director
Texas Department of Housing &
Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: HTC Application #14106
Manor Lane Senior Apartments
Hondo, Texas

Dear Mr. Irvine:

The Paces Foundation, Inc., in accordance with §10.902 of the 2014 Uniform Multifamily Rules, is appealing the termination of the above referenced application.

The letter received on June 4, 2014 indicates that the application was terminated as a result of non-functioning bookmarks. The bookmarks have been corrected and a CD-R containing the correctly formatted PDF copy of the application is enclosed.

We respectfully request that you direct staff to accept the corrected version and review this application.

Sincerely,

Mark M. du Mas
President

Enclosure

14114

Waters at Granbury

Granbury

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 Competitive Housing Tax Credit Application was submitted for The Waters at Granbury (#14114) on February 28, 2014;

WHEREAS, staff identified that the Application file was submitted without bookmarks as required pursuant to 10 TAC §10.201(a)(1) of the 2014 Uniform Multifamily Rules ("Rules"), making the Application ineligible;

WHEREAS, the Application was terminated on June 4, 2014; and

WHEREAS, the Applicant has timely requested an appeal of the termination;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the termination of Waters at Granbury (#14114) is hereby denied.

BACKGROUND

A 2014 competitive housing tax credit application was submitted for The Waters at Granbury, located in Granbury, rural region 3. Pursuant to §10.201(1)(C) of the Rules, the Applicant must deliver one (1) CD-R containing a PDF copy and Excel copy of the complete Application to the Department. Each copy must be in a single file and individually bookmarked in the order as prescribed by the Multifamily Programs Procedures Manual.

The Application for The Waters at Granbury was delivered to the Department on the Full Application Delivery Date, February 28, 2014, and did include a CD-R containing a PDF copy and Excel copy of the complete application. However, upon further review, staff found that the PDF copy was not individually bookmarked. Because the Application submitted did not meet the requirements of §10.201(1)(C) of the Rules, the Application was terminated.

The Applicant argues that the lack of bookmarks is merely an unintentional, administrative oversight, something the Applicant should be allowed to correct through the Administrative Deficiency process. Staff disagrees with this assessment. The missing bookmarks make the Application

functionally unreviewable. The bookmarks are required because Competitive Housing Tax Credit Applications are very lengthy documents, often several hundred pages of information. (This does not include hundreds of pages of required third party reports.) The Department received 161 Applications in this cycle, which equates to tens of thousands pages of information that staff must thoroughly review within a four to five month timeframe. At this volume, the bookmarks are absolutely critical, not just for staff, but for State Representatives, Neighborhood Organizations, and other Applicants, all of whom review these applications for various reasons.

The Applicant suggests that they should be allowed to simply provide a new CD containing the required bookmarks. However, staff contends that this is not an appropriate remedy for two reasons. First, the Applicant would be submitting an entirely new Application file after the application submission deadline, which would, again, be subject to termination. Second, should the Department ignore the rule with respect to the application submission deadline and accept a new Application file, it would be virtually impossible for staff to ensure that the Application was identical to the originally submitted file, but for the bookmarks. This could give such an applicant a distinct advantage over the other 160 Applicants who submitted files in the prescribed format because they would have the opportunity to revise exhibits after not only having additional time to review any potential errors in their own application but also to review competitor's applications. While staff has no specific reason to believe this Applicant would take advantage of such an allowance, opening the door to this kind of remedy would be highly problematic and would disruptive to the orderly and transparent administration of the program.

The appeal further states that the plain language of the rule does not call for staff to terminate an application for not meeting requirements of §10.201(1) of the Rules; rather the applicant claims that only violations of §10.202(2) are subject to termination. Staff again disagrees. While §10.202(2) of the Rules lists a number of reasons that an application may be found ineligible, the fact that the lack of bookmarks is not mentioned in this section does not preclude staff from enforcing another section (§10.201(1)) of the Rules. Section 10.202(1) not only requires that application be bookmarked but also that they are submitted on one CD-R containing a single PDF file of the complete application. The applicant's argument suggests that staff could not terminate an application that was submitted in hard copy, or in several separate files, or in a number of other formats.

Staff recommends denial of the appeal.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
Tom H. Gann
J. Mark McWatters
Robert D. Thomas

May 16, 2014

Writer's direct phone # 512-475-1676
Email: jean.latsha@tdhca.state.tx.us

Mr. Michael Nguyen
Waters at Granbury, LP
5910 N. Central Expressway, Ste. 1310
Dallas, TX 75206

RE: TERMINATION OF HTC APPLICATION #14114, THE WATERS AT GRANBURY, GRANBURY, TEXAS

Dear Mr. Nguyen:

Pursuant to §10.201(1)(C) of the 2014 Uniform Multifamily Rules, the Applicant must deliver one (1) CD-R containing a PDF copy and Excel copy of the complete Application to the Department. Each copy must be in a single file and individually bookmarked in the order as required by the Multifamily Programs Procedures Manual.

The Application for The Waters at Granbury was delivered to the Department on the Full Application Delivery Date, February 28, 2014 and did include a CD-R containing a PDF copy and Excel copy of the complete application. However, upon further review, staff found that the PDF copy was not individually bookmarked. Because the Application submitted does not meet the requirements of §10.201(1)(C) of the 2014 Uniform Multifamily Rules, the Application is hereby terminated.

An appeals process exists for the Housing Tax Credit Program. The restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the 2014 Uniform Multifamily Rules. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §10.902 of the 2014 Uniform Multifamily Rules for full instruction on the appeals process.

If you have any questions or concerns, please contact me at 512-475-1676 or by email at jean.latsha@tdhca.state.tx.us.

Sincerely,


Jean M. Latsha
Director of Multifamily Finance





May 23, 2014

Via Email Delivery

Ms. Kathryn Saar
Competitive Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, Texas 78711

RE: Appeal of Termination of HTC Application #14114, The Waters at Granbury, Granbury Texas

Dear Ms. Saar:

This letter is to formally appeal the Department's termination of HTC Application #14114, for The Waters at Granbury. Capitalized terms used in this letter but not otherwise defined will have the meanings given them in the 2014 Uniform Multifamily Rules.

The Applicant admits that the Application CD submitted lacked bookmarks. The omission was not intentional and was an administrative oversight. However, the Applicant avers that such omission should be treated as an Administrative Deficiency and not a Material Deficiency by which the Application can be terminated.

The letter of termination states:

Because the Application submitted does not meet the requirements of § 10.201(1)(C) of the 2014 Uniform Multifamily Rules, the Application is hereby terminated.

In fact, nothing § 10.201(1)(C) says that an Application can be terminated for failure to use bookmarks. Indeed, an Application is deemed ineligible (and therefore subject to termination) only if one of the conditions in § 10.202(2) is present. Of those conditions, the only one that might cause termination of an Application for failure to provide bookmarks is found in subsection (B):

(B) the Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency;

The Application was submitted on time and with all of its parts in fact. Thus, it can be terminated only if the omission of the bookmarks is deemed a Material Deficiency. A Material Deficiency is defined as:

Any deficiency in an Application or other documentation that **exceeds the scope of an Administrative Deficiency**. May include a **group of Administrative Deficiencies** that, taken together, create the need for a substantial re-assessment or reevaluation of the Application. (emphasis added)

Looking at the definition of “Administrative Deficiency,” it is clear that the omission of bookmarks does not “exceed the scope of an Administrative Deficiency” and rise to the level of a Material Deficiency. An Administrative Deficiency is:

Information requested by Department staff that is required to clarify or **correct one or more inconsistencies** or to provide **non-material missing information** in the original Application or to **assist staff in evaluation the Application** that, in the Department staff’s reasonable judgment, may be cured by supplemental information or explanation which **will not necessitate a substantial reassessment** or re-evaluation of the Application. (emphasis added)

Staff has alleged only one flaw with this Application – the lack of bookmarks. This can be considered an “inconsistency” with the requirements that can be easily corrected. Or, it can be considered “non-material missing information.” The addition of the bookmarks will “assist the staff in evaluation of the Application.” Finally, and most importantly, the lack of bookmarks will not “necessitate a substantial reassessment” of the Application.

Let’s think about what happens when a CD is submitted without bookmarks. A staff member opens the CD, notices the lack of bookmarks, closes it up, and notifies the Applicant. A new CD could be provided within 24 hours or less. The staff has not been significantly deterred in its review of the Application and, in fact, is not required to reassess the Application.

Yet, in other circumstances, a staff member may find ten items missing or unclear in the Application. The staff member must then write up an Administrative Deficiency and receive and evaluate additional information to clear those deficiencies. Overall, a staff member performs far more work with the ten missing items than would be performed to ask an Applicant to re-submit a CD with bookmarks. Nevertheless, the Application with

the missing bookmarks is terminated while the Application with the ten deficiencies can carry on.

TDHCA's position in terminating this Application for a lack of bookmarks is not consistent with the plain language of the Rules. While Section 10.201(1) contains mandates for the submission of an Application, it does not authorize termination of an Application for failure to strictly comply, except for failure to submit the Application by the deadline. On all other elements, the Rule is silent. Further, if the Rule were strictly interpreted for every Application, then Administrative Deficiencies would not be allowed for anyone.

Based upon a plain language reading of the Rules, the Applicant asks the Executive Director to grant its appeal. If the Executive Director denies this appeal, the Applicant asks to be heard at the next available Board meeting.

Sincerely,



Michael N. Nguyen
President & CEO

June 4, 2014

Via Email Delivery & Certified Mail

Texas Department of Housing
and Community Affairs
221 E 11th St,
Austin, Texas 78711

**RE: Appeal of Termination of HTC Application #14114, The Waters at Granbury,
Granbury Texas**

Dear Members of the Board:

This letter is to formally appeal the Department's termination of HTC Application #14114, for The Waters at Granbury. Capitalized terms used in this letter but not otherwise defined will have the meanings given them in the 2014 Uniform Multifamily Rules.

The Applicant admits that the Application CD submitted lacked bookmarks. The omission was not intentional and was an administrative oversight. However, the Applicant avers that such omission should be treated as an Administrative Deficiency and not a Material Deficiency by which the Application can be terminated.

The letter of termination states:

Because the Application submitted does not meet the requirements of § 10.201(1)(C) of the 2014 Uniform Multifamily Rules, the Application is hereby terminated.

In fact, nothing § 10.201(1)(C) says that an Application can be terminated for failure to use bookmarks. Indeed, an Application is deemed ineligible (and therefore subject to termination) only if one of the conditions in § 10.202(2) is present. Of those conditions, the only one that might cause termination of an Application for failure to provide bookmarks is found in subsection (B):

(B) the Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency;

The Application was submitted on time and with all of its parts in tact. Thus, it can be terminated only if the omission of the bookmarks is deemed a Material Deficiency. A Material Deficiency is defined as:

Any deficiency in an Application or other documentation that **exceeds the scope of an Administrative Deficiency**. May include a **group of Administrative Deficiencies** that, taken together, create the need for a substantial re-assessment or reevaluation of the Application. (emphasis added)

Looking at the definition of "Administrative Deficiency," it is clear that the omission of bookmarks does not "exceed the scope of an Administrative Deficiency" and rise to the level of a Material Deficiency. An Administrative Deficiency is:

Information requested by Department staff that is required to clarify or **correct one or more inconsistencies** or to provide **non-material missing information** in the original Application or to **assist staff in evaluation the Application** that, in the Department staff's reasonable judgment, may be cured by supplemental information or explanation which **will not necessitate a substantial reassessment** or re-evaluation of the Application. (emphasis added)

Staff has alleged only one flaw with this Application – the lack of bookmarks. This can be considered an "inconsistency" with the requirements that can be easily corrected. Or, it can be considered "non-material missing information." The addition of the bookmarks will "assist the staff in evaluation of the Application." Finally, and most importantly, the lack of bookmarks will not "necessitate a substantial reassessment" of the Application.

Let's think about what happens when a CD is submitted without bookmarks. A staff member opens the CD, notices the lack of bookmarks, closes it up, and notifies the Applicant. A new CD could be provided within 24 hours or less. The staff has not been significantly deterred in its review of the Application and, in fact, is not required to reassess the Application.

Yet, in other circumstances, a staff member may find ten items missing or unclear in the Application. The staff member must then write up an Administrative Deficiency and receive and evaluate additional information to clear those deficiencies. Overall, a staff member performs far more work with the ten missing items than would be performed to ask an Applicant to re-submit a CD with bookmarks. Nevertheless, the Application with the missing bookmarks is terminated while the Application with the ten deficiencies can carry on. For example on May 29th, the applicant was informed that the application was incomplete, failing to complete tab 49, "Credit Limit Docs". The applicant cured the

AH
ATLANTIC HOUSING
A Not For Profit Affordable Housing Corporation

deficiency in less than hour. Obviously the applicant can quickly address errors if afforded the opportunity. This also shows an obvious double standard where a procedural deficiency, for no clear reason, is given greater weight than an actual deficiency that directly affects the application.

On June 4th, the applicant's appeal of termination was rejected on the grounds that no procedural rule or precedent for allowing applicants to cure such deficiency exists. In fact, as mentioned above, the applicant was allowed to address a deficiency on this very application. Both deficiencies were immaterial and both easily cured but treated differently by TDHCA.

TDHCA's position in terminating this Application for a lack of bookmarks is not consistent with the plain language of the Rules. While Section 10.201(1) contains mandates for the submission of an Application, it does not authorize termination of an Application for failure to strictly comply, except for failure to submit the Application by the deadline. On all other elements, the Rule is silent. Further, if the Rule were strictly interpreted for every Application, then Administrative Deficiencies would not be allowed for anyone. Based upon a plain language reading of the Rules, the Applicant asks the Executive Director to grant its appeal. If the Executive Director denies this appeal, the Applicant asks to be heard at the next available Board meeting.

Sincerely,



Elizabeth Snyder
Controller

14130

Tays

El Paso

Pulled from agenda

14175

Liberty Square and Liberty Village

Groesbeck

Appeal withdrawn

14182

Prairie Gardens

Abilene

Appeal withdrawn

14191

Wheatley Courts

San Antonio

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 Competitive Housing Tax Credit Application was submitted for Wheatley Courts (#14191);

WHEREAS, the Development Site is located within 1,000 feet of a significant presence of blighted structures and significant criminal activity, which, pursuant to 10 TAC §10.101(a)(4) of the 2014 Uniform Multifamily Rules ("Rules"), related to Undesirable Area Features, would cause the site to be deemed ineligible unless preclearance is granted; and

WHEREAS, the Applicant has timely requested preclearance of the site and presented information that early stage revitalization efforts are underway in this area;

NOW, therefore, it is hereby,

RESOLVED, preclearance for the site for Wheatley Courts (#14191) is hereby _____.

BACKGROUND

A 2014 Competitive Housing Tax Credit application was submitted for Wheatley Courts, located in San Antonio, urban region 9. The overall plan presented in the application involves the reconstruction of a 246-unit public housing site into a 423-unit mixed income community. The first phase of that redevelopment, which is what is specifically contemplated through this application, proposes 215 mixed income units serving the general population. This application is currently under review, and this action pertains solely to the eligibility of the site and does not address any other aspect of the application.

The site is located just east of downtown San Antonio in what is known as the Eastside Neighborhood. Staff reviewed the documentation submitted by the applicant in the request for preclearance and also visited the site and surrounding area on May 9, 2014. The attached pictures were taken on that site visit and confirmed the presence of a significant amount of blight. There were a large number of boarded up and/or vacant structures observed, both residential and commercial, in the area immediately surrounding the development and within 1,000 feet of the site. In addition, staff researched crime in the area using primarily the raidsonline.com website, to which people are directed from the City

of San Antonio's website. Staff found that just in the first few weeks of June this year, within 1,000 feet of the site there were one murder, an assault with a deadly weapon, and two burglaries with intent to commit a felony, as well as other minor offenses. In April there were a number of incidents including one sexual assault and in May one aggravated robbery and a theft. Online searches also lead to anecdotal evidence of crime in the area, with news articles posted as recently as June 6, 2014. Staff did find evidence of a high number of incidents of crime in other parts of the city; however, the presence of criminal activity in the immediate area surrounding the site seemed to be established. However, the San Antonio Housing Authority ("SAHA") has presented information that the Byrne Criminal Justice grants and the beneficial effects of other significant revitalization efforts should mitigate this issue.

Similar online searches also reveal a significant effort to revitalize this part of the city, and this effort is well documented in the application as well as in supplemental information submitted at the request of staff during this review. According to the applicant, "EastPoint," a 4 square mile neighborhood defined by the City of San Antonio which includes the development site, is the "only area in the United States to receive awards from three separate federal programs under the White House neighborhood Revitalization Initiative; it is a HUD Choice neighborhood, a Department of Education Promise neighborhood, and a Department of Justice Byrne grantee." In addition, the development site is located in the Eastside Promise Zone, and partnerships with the United Way, San Antonio for Growth on the Eastside ("SAGE"), Goodwill, Trinity University, and St. Philips College contribute to the revitalization effort. Some of the public sector investments in the community include:

- \$23.7 million grant from the Department of Education
- Nearly \$1 million in two Byrne Criminal Justice grants
- \$312,000 Promise neighborhood planning grant
- \$250,000 Choice neighborhoods planning grant
- \$29.75 million HUD Choice Neighborhood Implementation grant to SAHA

Staff met with the applicant, along with representatives of SAHA, the City of San Antonio, and the United Way, to discuss the revitalization plans for the area, and the applicant indicated that an additional \$21 million in gap financing (to go towards single family acquisition, 3 new construction multifamily developments, and improvements to streets, sidewalk, lighting, etc.) and \$30 million in bonds from the City of San Antonio were also being committed to the area. The applicant indicated that, although significant funding had been committed to the redevelopment of the east side, these investments had been made only recently. This was referenced by the applicant to explain why the impact of the revitalization effort was not apparent during staff's site visit. Staff does have concern about the current condition of the surrounding area; however, there is a significant amount of evidence that a truly concerted effort for revitalization of the area has begun utilizing a variety of significant funding sources.

Staff does believe that deliberation over this request takes into consideration several matters of interpretation of the current QAP and Rule. First, although not expressly articulated, it is staff's view that undesirable site and areas features may be considered in the context of appropriate mitigation, taking into account such things as current and ongoing revitalization efforts resulting in undesirable

features that may be viewed as in transition. This is wholly consistent with the statutory purposes conferring preferences on revitalization (*cf.* Internal Revenue Code §42(m)(1)(B)(ii)(III)) and TEX. GOV'T CODE, §2306.001(3). Therefore, should the Board agree with staff's assessment that the revitalization efforts in this area are underway, albeit early in the process, staff would recommend granting the request for preclearance.



January 16, 2014

Ms. Jean Latsha
Competitive Housing Tax Credit Program Manager, TDHCA
221 East 11th Street
Austin, TX 78701

RE: Preclearance for Undesirable Area Feature

Dear Ms. Latsha

Wheatley Courts is a 248-unit property built in 1941 and owned by the San Antonio Housing Authority (SAHA). Under a Master Development Agreement with McCormack Baron Salazar, the property will be demolished and redeveloped into a mixed-income community. Wheatley Courts is the focus of a Choice Neighborhoods Planning Grant and a full Transformation Plan has been developed for the site through a partnership between SAHA, the City of San Antonio, and community stakeholders.

As one would expect in an area within a revitalization zone, the neighborhood surrounding Wheatley Courts has undesirable area features as described in Section 10.101 (a)(4)(B) and (D) of the Multifamily Rules:

- (B) Significant presence of blighted structures, blighted being the visible and physical decline of a property or properties due to a combination of economic downturns, residents and businesses leaving the area, and the cost of maintaining the quality of older structures;
- (D) Locally known presence of gang activity, prostitution, drug trafficking, or other significant criminal activity that rises to the level of frequent police reports;

While we cannot verify that Wheatley Courts has a higher incidence of blight or crime than other parts of San Antonio, we do know that incidents of crime are reported widely in the news and are part of the collective "consciousness" for the area. An Internet search for "Wheatley Courts" easily brings up sensationalist articles related to crime and blight. While we do not believe these to be a deterrent to redevelopment, we thought it prudent to bring them to your attention at this time.

Despite these features, we believe that Wheatley Courts is a good candidate for an investment of LIHTC funds. It is part of a comprehensive reinvestment plan for the area and has neighborhood, city and federal government support in the form of infrastructure investment and housing funds. I would be happy to provide you with any and all of these documents.

We respectfully request pre clearance for the site on these issues and will await your response. In the meantime, please contact me at 512/698-3369 or sarah@structuredevelopment.com should you have questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah H. Andre", with a long horizontal stroke extending to the right.

Sarah H. Andre
Consultant to the Project



Burnet @Mittman





326 Gabriel



1536 Lamar



1536 Lamar



1315 N Gevers



Geevers @ Arthur



1551 Hays



Gevers @ Lamar



OBJECTS IN MIRROR ARE
CLOSER THAN THEY APPEAR



533 Blaine







650 N Gevers









137 Orphan Street



May 23, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
211 East 11th Street
Austin, TX 78701

*RE: 2014 Competitive HTC Application Pre Clearance Request
#14191, Wheatley Courts*

Ms. Latsha:

On behalf of the Applicant, Wheatley Family 1, L.P., please accept this letter including additional information on the comprehensive revitalization efforts underway in the eastside neighborhood of San Antonio. This serves as a supplement to our original pre clearance request submitted in January of this year and addresses crime and blight, the obvious targets of redevelopment efforts. No negative site features such as railroad tracks or heavy industrial uses are present.

Eastside Background

The eastside of San Antonio was racially mixed until the early 1900s, when the area became identified as the “black” section of town. African-American families migrated to the area and purchased property to live close to jobs. Due to segregation and the inability to access services, the African-American community developed its own business district with grocery stores, barber shops, restaurants, cemeteries, and funeral homes tailored to the needs of the African-American residents. Despite an era of disinvestment and deterioration, many of these businesses are still in existence.

The neighborhood today is predominantly Hispanic. The community changed drastically with integration and the disbursement of people and resources in the ‘50s and ‘60s, at which point many eastside residents moved to follow the City’s northward growth. The City’s focus on this northward growth eventually led to decline in East San Antonio. Despite its past however, residents have great pride and hope for positive change. Aside from a prime location near downtown, the area boasts an established community and affordable market-rate housing.

The eastside’s rich history is evident in its many landmark institutions, including: St. Philips College, Carver Cultural Center, Ella Austin Community Center, and Phyllis Wheatley Middle School. Sutton Homes and Wheatley Courts, two PHA projects built in the 1940s, were some of the oldest public housing developments in San Antonio. The 28.5 acre site of the deteriorating Sutton Homes underwent a dramatic transformation beginning in 2009 with the demolition of the 242 Public Housing units and then three phases of mixed-use, mixed-income reconstruction. The proposed development, Wheatley Courts, is now primed for a similar revival.

Eastside Investment

The proposed project, Wheatley Courts, is located in San Antonio's eastside neighborhood. There are several revitalization efforts underway in this area. Collectively, these initiatives are coordinated by the EastPoint Coordinating Coordinating, chaired by Mayor Julian Castro and referred to as the "EastPoint Initiative." EastPoint encompasses three program areas: 1) the Wheatley Courts Choice Neighborhood, 2) the EastPoint Promise Zone, and 3) the "Eastside Transformation Neighborhood." A map attached to this letter shows the location of these efforts within San Antonio and how the geographic area for each initiative overlaps. A timeline shows the evolution of these programs.

EastPoint is the *only* area in the United States to receive awards for three separate Federal programs under the White House Neighborhood Revitalization Initiative (NRI): it is a HUD Choice Neighborhood, a Department of Education Promise Neighborhood, *and* a Department of Justice Byrne grantee. The Choice Neighborhoods Initiative is a central part of the NRI, an interagency partnership between HUD and the Departments of Education, Health and Human Services, Justice, and Treasury to support locally driven solutions for transforming distressed neighborhoods. The NRI acknowledges the interconnectedness of many factors in revitalization, including housing, education, adequate infrastructure, economic development, and safety, and promotes breaking the Federal government "red tape" to coordinate revitalization efforts locally. While the Wheatley Courts Choice Neighborhoods plan serves as the Community Revitalization Plan for the neighborhood surrounding Wheatley Courts, it was developed with the hope of receiving HUD CNI funds as one of the initial investments in the area and an early step toward revitalization.

By coupling the many NRI initiatives with local support, the City of San Antonio is orchestrating a collaborative effort aimed at de-concentrating poverty and improving the opportunities for individuals living in the eastside of San Antonio. Highlights from each initiative are provided below. A funding timeline and matrix is also provided in Exhibit B.

Choice Neighborhoods Initiative

The Choice Neighborhoods Initiative (CNI) is a national HUD program that supports locally driven strategies to address struggling neighborhoods with distressed public housing through a comprehensive approach to neighborhood transformation. The program is designed to catalyze critical investment and improvements in neighborhood assets, including vacant property, housing, services and schools. Choice Neighborhoods grantees are selected in part because of the redevelopment efforts and investments already underway in their neighborhoods. In order to be designated a Choice Neighborhood however, Housing Authority applicants must demonstrate that the targeted community needs assistance in multiple arenas, including housing, education and social services, and develop a community-driven "Transformation Plan" that addresses those needs.

CNI requires a robust partnership of stakeholders. For its CNI "planning" and "implementation" grants, the San Antonio Housing Authority (SAHA) partnered with the City of San Antonio, United Way, San Antonio Independent School District, St. Philip's College, Trinity University, San Antonio for Growth on the eastside, VIA Metropolitan Transit Authority, local leaders, area businesses, community stakeholders, and area residents, to create and implement the Transformation Plan. The plan was developed over a 20-month period from April 2011 through December 2012 in more

than 30 community meetings and planning sessions. The plan serves as the foundation for multiple initiatives to transform the distressed Wheatley Courts public housing and surrounding neighborhood into a new master planned, safe, sustainable, energy-efficient, mixed-income community, with high quality schools, healthcare, transportation and access to jobs.

The Wheatley Courts Choice Neighborhoods plan is focused on three core goals:

- 1. Housing:** Replace distressed public housing with high-quality, mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood. Specifically, the Housing plan is to redevelop Wheatley Courts into a 417-unit energy efficient, mixed-income community, and to expand the supply of quality housing with 208 new housing units at The Park at Sutton Oaks, another SAHA property. The current tax credit application for Wheatley Courts is only one part of this plan.
- 2. People:** The People outcomes focus on families' health, education, safety, and employment, through efforts to encourage and support self-sufficiency and job readiness, and to facilitate access to early childhood and adult education. The educational aspect of the People component is in close partnership with the Promise Neighborhood Initiative that United Way oversees.
- 3. Neighborhood:** The Neighborhood component will transform the neighborhood of poverty into a safe, pedestrian-oriented neighborhood, with homeownership opportunities; develop a plan to grow business and retail opportunities; and improve access to health and wellness activities and resources. Abatement of dilapidated structures and development of infill housing are deliverables under this goal.

The Choice program was designed to transform distressed communities into mixed-income areas of opportunity. One obvious way the Program achieves this result is by spurring redevelopment in a predominantly low-income community which has had limited commercial investment. The new community that is created will be mixed-income, with public housing, tax credit and market rate residents, and will be more economically diverse through related programs that incentivize commercial investment. This will bring new residents and economic resources into the neighborhood. As represented in the CNI Application to HUD however, tax credit development is essential to implement the family housing component of this comprehensive neighborhood revitalization. Quality mixed-income housing and the families that would occupy those units are vital to support the myriad other planned and committed improvements.

Another important component of Choice is utilizing the relocation period of the neighborhood's distressed PHA property. During the relocation and reconstruction period, existing residents are given an opportunity to move to – and if they choose, stay in – housing in other areas of the City. This promotes mobility for the area's residents. Under Choice, the San Antonio Housing Authority is also required to track and provide case management and supportive services to existing residents, even those who decide not to return to Wheatley Courts after reconstruction. SAHA developed and implemented an extensive relocation plan that was approved by HUD and, as of March 2014, all Wheatley Courts residents were relocated to their choice of available public housing or voucher-assisted housing, within the CNI footprint as well as to other San Antonio neighborhoods. Not all residents will return. Those who do wish to return must be in good standing with the Housing Authority and meet all credit and background screening criteria

stipulated by the Applicant's property management affiliate. Implementing these new standards is one way to ensure that the new Wheatley Courts will be a safe and well-managed environment for returning residents.

The Choice Neighborhood Initiative will also combat years of deterioration in the eastside with a strategic infill housing and rehabilitation plan involving land acquisition and investment, owner-occupied home repair, and property improvement by landlords. SAHA and the City of San Antonio recently prepared an Action Plan for the CNI program which identified 84 vacant lots and 20 abandoned structures to be targeted between February 2014 and February 2015. The target areas were selected based on proximity to the Wheatley Courts redevelopment and the Wheatley Middle and Washington Elementary Schools, as well as the number of vacant lots and abandoned structures on each block. The purpose is to target a critical mass and provide opportunity for investment that will create a significant impact on a specific block or street.

Promise Neighborhood Initiative

The Promise Neighborhood Initiative program (PNI) is modeled on the successful Harlem Children's Zone program and pairs education with wrap-around services, such as early childhood education. The purpose of Promise Neighborhoods is to significantly improve the educational and developmental outcomes of children and youth in our most distressed communities. The vision is that, through the Promise Neighborhood program, all children and youth have access to great schools and strong systems of family and community support that will prepare them to attain an excellent education and successfully transition to college and a career.

San Antonio was awarded both "planning" and "implementation" PNI grants. In 2010, United Way San Antonio was awarded a one-year "planning" grant to fund an assessment of needs and a continuum of solutions to significantly improve results for children in the EastPoint community. In 2011, United Way San Antonio was awarded one of five implementation grants nationally to carry out the plan they had developed.

The key strategies of San Antonio's Promise program include:

- Focusing on job creation and training, including through a partnership with St. Philip's College, in key growth areas including energy, health care, business support, aerospace/advanced manufacturing, and construction;
- Empowering every child with the skills they need by increasing enrollment in high quality pre-K programs; installing a STEM focus in the local school district; expanding enrollment in Early College Programs; and improving adult education opportunities; and
- Expanding public safety activities to facilitate neighborhood revitalization; improving street lighting and demolishing abandoned buildings; and integrating public safety activities with social resources.

The EastPoint Promise Neighborhood plan includes the following 10 "promises:"

1. Children enter Kindergarten ready to succeed in school
2. Students improve academic performance and are proficient in core subjects
3. Students successfully transition from Elementary to Middle to High school
4. Students graduate from High School

5. Students earn a college or job training certification
6. Students are healthy and access aligned learning and enrichment activities
7. Students feel safe in their school and community
8. Students live in stable communities
9. Families and community members support learning in Promise Neighborhood schools
10. Students have access to 21st Century learning tools

The education reform efforts presently underway at Wheatley Middle School have already resulted in measurable improvements to student outcomes. Student academic achievement has improved in 30 out of 35 measures, with an average of 19 percentage points over the previous year. Specifically, in 2013 the STAAR passing rates improved over the previous year by 15 percent for reading, 15 percent for math, and 24 percent for science. In addition, attendance (96.1%) is so improved that the campus is now ranked number 2 in the San Antonio Independent School District. Wheatley Middle School also now has the lowest percent in the District of students going to the alternative education program.

Byrne Criminal Justice Innovation program and Planning and Enhancement grant

The Byrne Criminal Justice Innovation (BCJI) launched in 2012 and was created to develop and implement place-based, community-oriented strategies to transform distressed communities into communities of opportunity. That same year the San Antonio Housing Authority (SAHA) received a Planning and Enhancement grant from the U.S. Department of Justice to assist the Eastside Choice Neighborhood community carry out core BCJI initiatives. The San Antonio BCJI effort targets the Wheatley Courts area of the Eastside Choice Neighborhood.

Drawing upon the community engagement begun under the Choice and Promise efforts, the San Antonio Byrne Criminal Justice Initiative is being used to determine and understand the leading causes of crime and need for improved security in the Eastside Choice Neighborhood footprint. By utilizing resources available not only through BCJI but through other NRI programs awarded to San Antonio, SAHA and its partners hope to develop a long-term multi-faceted approach to reducing crime in the target area and improve the EastPoint community in coordination with the San Antonio Police Department (SAPD).

The strategic implementation of the safety improvement effort includes addressing street lighting, increasing code enforcement, stabilizing abandoned structures, and implementing a crime data-sharing program between SAHA and SAPD. Specific crime efforts included filing a gang injunction in 2012 and using special units to target specific crimes such as drug-related offenses. Hot Spot policing is being used around the elementary and middle schools in the neighborhood as well.

As a result, there has been a significant reduction in crime. The San Antonio Police Department's Strategic Intelligence and Analytics office reported that from 2012 to 2013 combined violent crimes in the area declined by 6.6% and combined property crimes declined by 11.2%. For the same period, all robberies within the area declined by 17.9%, all assaults declined by 11.6%, all sexual assaults declined by 56.3%, burglary of habitation declined by 18.2%, and burglary of vehicle declined by 37.5%. These positive trends are continuing. Through the use of a POP or Problem Oriented Policing Unit in 2013, SAPD increased arrests and reduced crime enough to

move this special unit to another part of San Antonio. A report for the first quarter of 2014 shows a 60% decline in crime for the same period in 2013. A table detailing these statistics is attached.

Stakeholders and Local Investment

A wide variety of stakeholders has been involved in, and committed resources to, the EastPoint Initiative area. The City of San Antonio, with the permission of HUD, has committed \$19.6 million of the City's HOME, CDBG and other funds to go toward the redevelopment of Wheatley Courts and the surrounding neighborhood, including infrastructure improvements to streets and water and energy utilities. In its entirety, the redevelopment of SAHA's Wheatley Courts will be a three-phase development project. \$12 million has been committed to the first phase – which is the phase under consideration by TDHCA as application #14191. A funding matrix and additional support letters are attached.

The City of San Antonio will play a major role in the EastPoint Initiative by targeting manpower and investment in focused neighborhoods in the Wheatley Courts area. These include:

- Conveyance of City-owned lots;
- Coordination of Transportation and Capital Improvement Projects;
- Coordination of Existing Planning and Community Development Programs (Grants Monitoring and Administration, City Design, Community Reinvestment, Housing and Comprehensive Planning);
- Inner City Reinvestment Infill Policy (ICRIP) Generated Fee Waivers;
- Neighborhood Stabilization Program(NSP)Funds; and
- Code and City Sustainment Services (Animal Care, Solid Waste, Law Enforcement).

Bexar County has committed \$4 million, in addition to the City's \$6.5 million, to improve Menger Creek, which is adjacent to the Wheatley Courts area, to create a natural destination park for the EastPoint community.

San Antonio for Growth on the Eastside (SAGE) has established a \$2 million low-interest local program to encourage small businesses to expand or relocate within EastPoint and the surrounding area. SAGE has led the creation of an economic development plan for the eastside to provide assistance to existing businesses; attract a diversity of new businesses; create a vibrant commercial corridor that accommodates business activity and supports local residents; re-brand the community's image to attract the interest of the greater San Antonio community; and promote income diversity.

San Antonio Independent School District (SAISD) is overseeing the area's school reform initiatives and the implementation of Wheatley Middle School as a community school.

St. Philip's College is the site of the new early college high school, as part of the EastPoint Promise Neighborhood Plan.

Trinity University has contributed the research and data collection necessary for program funding requests, as well as student volunteers for community engagement activities.

The San Antonio Spurs organization has launched a financial incentive program to provide homeownership assistance to encourage their 350 employees to live in the EastPoint and surrounding area.

MetroHealth has conducted an assessment of neighborhood health conditions, with recommendations that include community access to safe and adequate spaces for physical activity, developing cultural competency for area healthcare staff, and coordinating with local partners to provide healthy nutrition options in accessible locations and at affordable prices.

The San Antonio Police Department (SAPD) is working with area stakeholders to implement the following area strategies: hot spot policing along key streets; address root causes of crime (substance abuse); increase workforce development activities; establish resident empowerment activities; and focus on solutions courts and working with restitution participants.

Conclusions

The EastPoint initiative is unique on a national level. There is a high level of coordination between public and private organizations and an unprecedented three White House Neighborhood Revitalization Initiative efforts focused on one geographic area. The EastPoint Initiative is breaking the cycle of poverty in the east side of San Antonio by systematically addressing the historic challenges that resulted from years of underinvestment. HUD's CNI program will focus on developing a vibrant, livable neighborhood with mixed-income housing; the Promise program will focus on educational achievement and creating supportive communities; and the DOJ Byrne grants will create and maintain the safe environment necessary for revitalization. The City of San Antonio has also played a crucial role not only in prompting a collaborative effort that resulted in the EastPoint Initiative, but also in committing funding and policy efforts like property infill and business incentive programs that buttress SAHA's efforts and act as catalysts for redevelopment on a larger scale.

To date, SAHA has spent \$1.5 million in Choice Neighborhood funding for housing predevelopment, relocation of residents, resident supportive services, and the establishment of Choice-Promise co-located offices in the EastPoint community. SAHA is executing a contract for \$3.6 million to initiate site preparation, (which includes remediation, abatement and demolition of existing Wheatley Courts buildings and soils preparation). In addition, the Promise Community grant was awarded in 2012 and is more than one year into implementation. Should Wheatley Courts not be redeveloped into a mixed-income community using 9% credits, our obligations under RHF and HOME contracts would be in jeopardy.

With Wheatley Courts, TDHCA has the opportunity to join a partnership focused on preserving existing affordable housing in an area that, at the same time, is primed for dramatic transformation into a mixed-income, high-investment, high-achieving neighborhood.

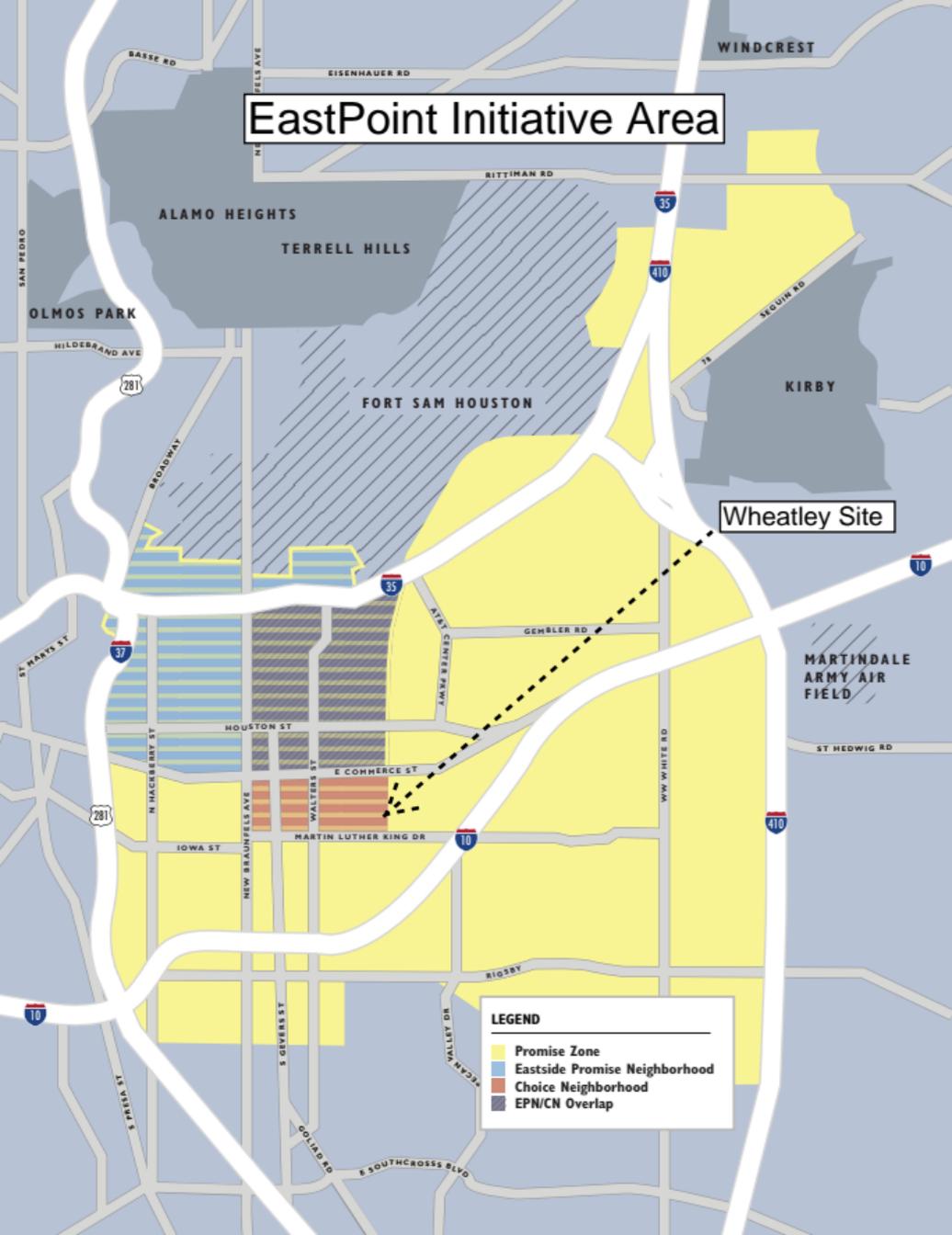
I hope you will find this information helpful in making your decision to provide pre clearance to the Wheatley Courts site. We would welcome the opportunity to meet in person and discuss these matters further.

Thank you,

A handwritten signature in blue ink, appearing to read "M. Duffy", with a large, stylized flourish at the end.

Michael C. Duffy
Senior Vice President
McCormack Baron Salazar, Inc.

EastPoint Initiative Area

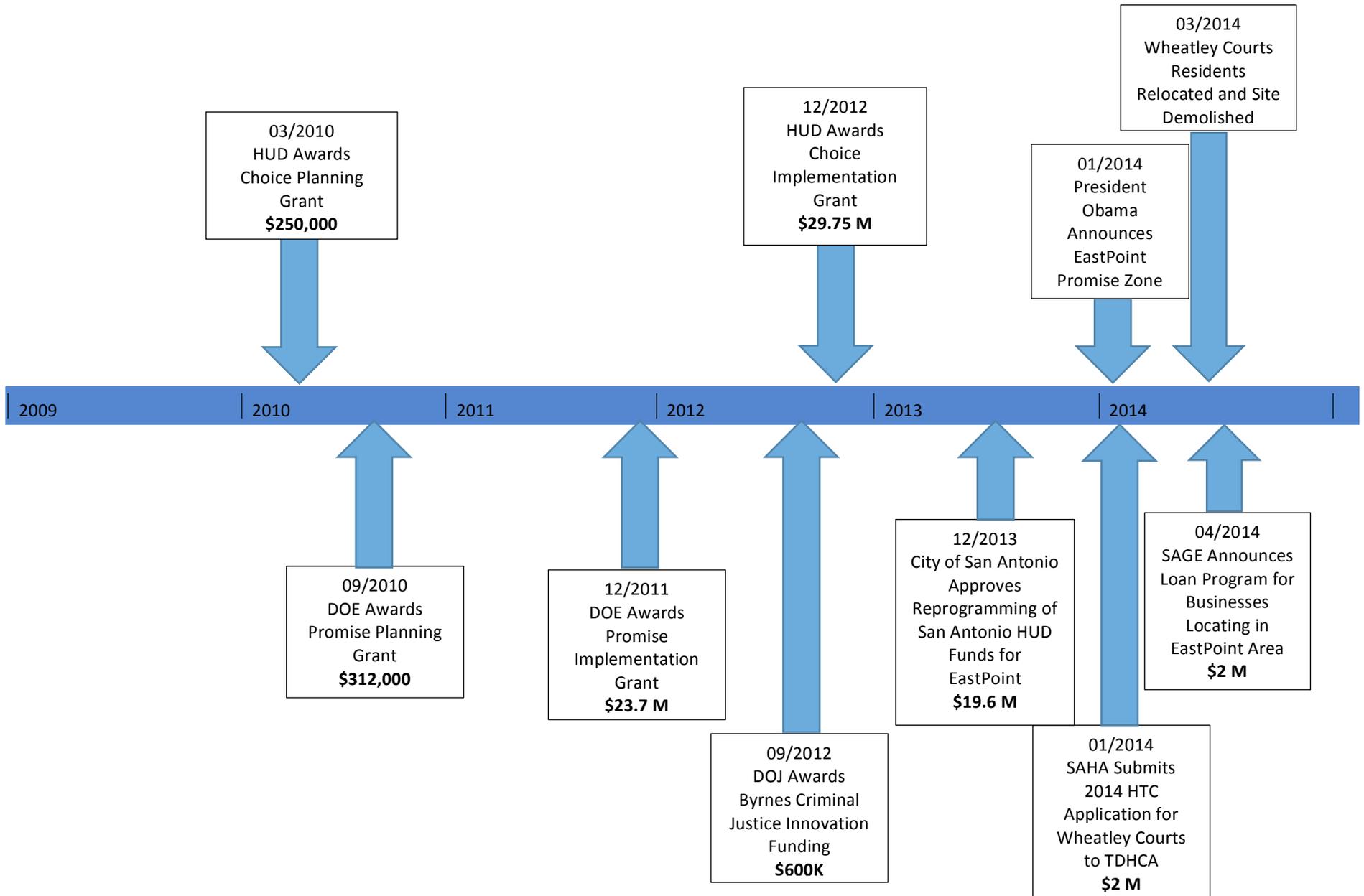


Wheatley Site

LEGEND

- Promise Zone
- Eastside Promise Neighborhood
- Choice Neighborhood
- EPN/CN Overlap

EastPoint Initiative Timeline



EastPoint Promise Zone Funding Overview

SOURCE	RECIPIENT OR COORDINATING AGENCY	FOCUS	AMOUNT COMMITTED	USES	EXPENDED TO DATE
DEPT. OF EDUCATION – PROMISE NEIGHBORHOOD PROGRAM	United Way of San Antonio	Education	\$312,000 <i>Planning</i> \$23.7 M <i>Implementation</i>	Coordinating wrap-around social services and creating a cradle-to-college plan that: <ul style="list-style-type: none"> - Focuses on job creation and training in key industry areas through a partnership with St. Philip’s College - Increases enrollment in high-quality pre-K programs; installs a STEM subjects focus; expands enrollment in Early College Programs; and improves adult education opportunities - Expands public safety activities to facilitate neighborhood revitalization; integrates public safety activities with social resources 	\$312,000
DEPT. OF HUD – CHOICE NEIGHBORHOOD PROGRAM	San Antonio Housing Authority	Housing & Neighborhood Recovery	\$250,000 <i>Planning</i> \$29.75 M <i>Implementation</i>	<ol style="list-style-type: none"> 1. Housing: Redevelop Wheatley Courts Public Housing into high-quality, mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood; expand the supply of quality housing; encourage investment in surrounding single-family structures 2. People: Promoting health, education, safety, and employment through efforts to encourage and support self-sufficiency and job readiness, and facilitating early childhood and adult education in coordination with the Promise Neighborhoods Initiative 3. Neighborhood: Coordinate public and private investment commitments in the neighborhood to provide amenities and assets, including safety, good schools, and commercial activity 	\$1.5 M – predevelopment, resident relocation and supportive services, establishing Choice-Promise co-located offices in the EastPoint community \$3.6 M – Wheatley Courts site preparation (remediation, abatement, demolition, soils preparation)

DEPT. OF JUSTICE – BYRNE GRANT FUNDS	San Antonio Housing Authority	Safety	\$1 M	Studying data to understand drivers of crime and insecurity in the Eastside Choice Neighborhood footprint. Identifying the characteristics of offenders and victims in the target area, including those involved in gang-related offending. Creating strategies to lessen these impact on youth. Developing a long-term multi-faceted approach to reducing crime in the target area.	
CITY OF SAN ANTONIO – REPROGRAMMED HUD FUNDING	San Antonio Housing Authority	Infrastructure Improvements	\$19.6 M	Infrastructure improvements to streets, and water and energy utilities, as well as gap funding for the first housing phase of the Wheatley Courts redevelopment	
SAN ANTONIO FOR GROWTH ON THE EASTSIDE (SAGE) – LOCAL FUNDING	San Antonio for Growth on the Eastside (SAGE)	Economic Development	\$2 M	Offering low-interest local loan program to encourage small businesses to expand or relocate within EastPoint.	
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS – 9% TAX CREDIT AWARD	Wheatley Family 1, L.P. (Limited Partnership Owner of Phase I of Wheatley Courts)	Replacement of Public Housing with a mixed- income residential development	\$2 M <i>*Pending HTC Award</i>	215 mixed-income rental unit development on a portion of the existing Wheatley Courts site.	N/A – pending award
BEXAR COUNTY CITY OF SAN ANTONIO	Bexar County City of San Antonio	Environmental Improvements	\$4 M \$6.5M	Drainage improvements to Menger Creek, such as removing properties from the floodplain and creating a natural destination park	

**SAPD Reported Crimes January - April 2013 v 2014
In Wheatley Area (N - Sherman, S - Burnet, E - Walters & W - Lockhart)**

Crimes	2013				2014					
	JANUARY	FEBRUARY	MARCH	APRIL	JANUARY	FEBRUARY	MARCH	APRIL		
Aggravated Assault		1				1				
Aggravated Family Violence	1									
Aggravated Robbery Individual			2							
Aggravated Sexual Assault				1						
Assault	3	1	2				1			
Burglary Building		1	1	1				1		
Burglary Habitation	1	5	1	3	5		1	2		
Burglary Vehicle										
Deadly Conduct				2						
Drug Arrest	1		7	5		1		6		
Family Violence	2	1	1	5						
Fraud				1			1			
Graffiti										
Larceny	1	1	3	1	1	3	2			
Obstruction of Justice		1	1	3				4		
Robbery Individual	1									
Sexual Assault			1							
TABC-Liquor Law Violation	1	1	1	2						
Theft of Vehicle		1		1						
Threats	1					1				
Trespassing				1						
Vandalism	5	1	6	2						
Weapon Violation	1					1	2	1		
Totals	18	14	26	28	6	7	7	14		
	January - April Totals 2013				86	January - April Totals 2014				34

Developed by SAPD Strategic Intelligence & Analytics, May 2014





TEXAS HOUSE OF REPRESENTATIVES

RUTH JONES McCLENDON

State Representative, District 120

COMMITTEES:

Rules and Resolutions - Chair
Appropriations
Transportation

TEXAS LEGISLATIVE ORGANIZATIONS:

Mexican American Legislative Caucus
Texas Legislative Sportsman's Caucus
Texas Tourism Caucus
Texas Legislative Black Caucus

May 23, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, Texas 78711

RE: Wheatley Courts, TDHCA #14191
906 N. Mittman Street, San Antonio, Bexar County, Texas 78202

Dear Ms. Latsha:

I am writing to reiterate my support for the Wheatley Courts TDHCA tax credit application #14191, located at the above address in San Antonio. I understand the Applicant requested pre-clearance from your office for undesirable site features near the proposed development, specifically crime and blight. It is also my understanding that your office has requested additional information regarding these issues and what is being done to mitigate them.

Since 2010, the City of San Antonio has joined forces with a wide variety of stakeholders and partners to address these exact issues in the Wheatley Courts area. In fact, it is because of these issues that we have decided to pursue a strong course of redevelopment for the area. In addition to rebuilding housing, our partners are working to improve educational outcomes, reduce crime, improve the facades of businesses in the area, and develop new infill housing on vacant lots.

The community stakeholders are committed to fundamental change for San Antonio's East Side. As a "Choice Neighborhood", more than \$29 million has been committed to these and other efforts aimed at improving the Wheatley Courts area. Additionally, the City of San Antonio has designated \$19.6 million to Wheatley Courts in HOME, CDBG, and other City funding sources for infrastructure improvements to streets, water and energy utilities.

These efforts are paying off. Since 2010, crime is down significantly, educational outcomes have improved, 137 blighted structures have been removed and we are making progress towards our infill development goals.



New, mixed-income housing is a vital next piece of this redevelopment solution. I hope you will consider these collaborative and comprehensive efforts as you make a determination regarding this site.

Sincerely,

A handwritten signature in black ink, reading "Ruth Jones McClendon". The signature is written in a cursive style with a large initial "R" and "M".

Ruth Jones McClendon
State Representative, District 120



CITY OF SAN ANTONIO
JULIÁN CASTRO
MAYOR

May 23, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711

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906 N. Mittman Street, San Antonio, Bexar County, TX 78202

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The City of San Antonio is committed to fundamental change for San Antonio's East Side. As a Choice Neighborhood, more than \$29 million has been committed to these and other efforts aimed at improving the Wheatley Courts area. Additionally, the City of San Antonio has designated \$19.6 Million to Wheatley Courts in HOME, CDBG and other City funding sources for infrastructure improvements to streets, and water and energy utilities.

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Sincerely,

A handwritten signature in blue ink, appearing to read 'Julian Castro', written over a light blue background.

JULIÁN CASTRO
MAYOR



CITY OF SAN ANTONIO

IVY R. TAYLOR
OFFICE OF CITY COUNCILWOMAN
DISTRICT 2

May 23, 2014

Ms. Jean Latsha
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78202

*Re: Wheatley Courts, TDHCA #14191
906 N. Mittman Street, San Antonio, Bexar County, TX 79915*

Dear Ms. Latsha:

I am writing to reiterate my support for the Wheatley Courts TDHCA tax credit application #14191, located at the above address in San Antonio. I understand the Applicant requested pre-clearance from your office for undesirable site features near the proposed development, specifically crime and blight. It is also my understanding that your office has requested additional information regarding these issues and what is being done to mitigate them.

Since 2010, the City of San Antonio has joined forces with a wide variety of stakeholders and partners to address these exact issues in the Wheatley Courts area. In fact, it is because of these issues that we have decided to pursue a strong course of redevelopment for the area. In addition to rebuilding housing, our partners are working to improve educational outcomes, reduce crime, improve the facades of businesses in the area, and develop new infill housing on vacant lots.

The City of San Antonio is committed to fundamental change for San Antonio's East Side. As a Choice Neighborhood, more than \$29 million has been committed to these and other efforts aimed at improving the Wheatley Courts area. Additionally, the City of San Antonio has designated \$19.6 Million to Wheatley Courts in HOME, CDBG and other City funding sources for infrastructure improvements to streets, and water and energy utilities.

Our efforts are paying off. Since 2010, crime is down significantly, educational outcomes have improved, 137 blighted structures have been removed, and we are making progress towards our infill development goals.

New, mixed-income housing is a vital next piece of this redevelopment solution. I hope you will consider these collaborative and comprehensive efforts as you make a determination regarding the site.

Sincerely,

A handwritten signature in blue ink that reads 'Ivy R. Taylor'.

Ivy R. Taylor
Councilmember, District 2

Eastpoint Infill and Rehab Housing Strategy

EXECUTIVE SUMMARY

The Wheatley neighborhood suffered significant urban blight, comparable to that of other inner city neighborhoods across the country. Approximately 120 vacant lots, abandoned structures, owner-occupied and rental properties in varying states of disrepair surround the Wheatley Public Housing property. This number represents one of the highest concentrations of vacant lots in the county and these conditions contribute to the pervasive deterioration of the neighborhood. Unlike similar neighborhoods with rapidly escalating land values, parcels bordering the Wheatley neighborhood have a median land value of \$5,700.00 according to the Bexar County Appraisal District (BCAD) records and through windshield surveys, conducted by CoSA staff. Many of these parcels are owned by the City of San Antonio (COSA), the San Antonio Housing Authority (SAHA), Bexar County and other taxing authorities such as SAISD.

The Eastpoint Infill and Rehab Housing Initiative provides an ideal opportunity to address the pervasive neighborhood deterioration through a strategic infill housing and rehabilitation strategy involving land acquisition and investment, owner-occupied home repair, and property improvement by landlords. This strategy will be implemented in partnership with the COSA and Bexar County.

This ideal opportunity is bolstered by funding from the San Antonio Housing Authority Choice Neighborhood Initiative and the City of San Antonio Neighborhood Stabilization Program. This funding support serves as a key factor to transforming the Wheatley neighborhood into EastPoint, a mixed income area that is home to over 18,000 residents and is diverse, culturally rich, easily accessible, and bordered by downtown and Pearl on the west, AT&T Center on the east, Fort Sam Houston on the north and the Alamodome on the south.

GOAL

The goal for the in-fill and rehabilitation housing Strategy and Action Plan is to create homeownership opportunities.

Homeownership Still Matters



Homeownership matters and continues to be the single best long-term investment for most Americans and remains the primary source of wealth and financial security for families. The initial phases of the Infill and Rehab Initiative will begin in the Choice Neighborhood target area because the percentage of homeowners in this target area is 17% compared to 57% in the remainder of the City of San Antonio. The benefits of homeownership are unparalleled and include the following tangible advantages:

- Appreciation of Home Value - homeowners spend more time and money maintaining their home than landlords, contributing to the overall quality of a community.
- Increased Civic Involvement – Homeowners tend to be more involved in their communities thereby adding to the stability of a neighborhood.
- Increased Tax Base – Homeowners contribute to the neighborhood’s tax base which supports services and schools.
- Long Term financial support – Home equity serves as a source for collateral, access to credit and support for families enduring economic hardship.

APPROACH

SAHA and CoSA propose targeted acquisition of parcels and properties with block by block execution. Factors contributing to the selection of the initial targeted blocks include proximity to the Wheatley development and Wheatley Middle and Washington Elementary Schools as well as the number of vacant lots and abandoned structures on each block representing a unique critical mass and opportunity for investment and significant impact. These targets are also aligned with problem areas identified in the Metropolitan Planning Organization’s Walkability Workshop.

This approach will create an appealing gateway to the Wheatley development from New Braunfels Street, a corridor complimenting conceptual design work being proposed by Mark Brodeur, CoSA Dept. of Planning and Community Development. The New Braunfels and Walters corridors offer potentially vital economic strips to the EastPoint community. New Braunfels serves as the commercial corridor on the western side of the Wheatley development and the Walters corridor provides access to the eastern side of the Wheatley development and directly connects to the main gate at Ft. Sam Houston from Interstate 35 providing easy access to the transforming EastPoint community.



The initial targeted area from February 2014 – February 2015 will include Arthur, Logan, Lamar and Gabriel streets, from Gevers to New Braunfels and Bluebonnet to Nolan (Washington to Nolan (Washington Elementary) and Hays Street – 84 vacant lots, 20 abandoned structures.



COSA INVESTMENTS

The City of San Antonio will play a major role in the Eastpoint transformation by targeting investments and other support which includes:

- Conveyance of City owned lots
- Coordination of Transportation and Capital Improvement Projects
- Coordination of Existing Planning and Community Development Programs (Grants Monitoring and Administration, City Design, Community Reinvestment, Housing and Comprehensive Planning)
- Inner City Reinvestment Infill Policy (ICRIP) Generated Fee Waivers
- Neighborhood Stabilization Program(NSP)Funds
- Code and City Sustainment Services (Animal Care, Solid Waste, Law Enforcement)

SAHA INVESTMENTS AND BUDGET

Sources as of (1-23-2014)		Expenditures	
CNI In-fill housing build project	\$500,000	Establish clear title and ownership of lands	\$100,000
CoSA Neighborhood Stabilization Program Fund for In-fill housing	\$363,000	Provide funding to Non-profit housing Developers	\$863,000
CNI Establishment of clear title and ownership of lands	\$100,000	Provide funding for improvements to Owner-occupied housing	\$300,000
CNI Owner-Occupied project	\$300,000	Provide funding for improvements to Landlord housing through match grant	\$300,000
CNI Provide match funding for improvements to Landlord-Owned property	\$300,000	Conduct Neighborhood Housing Fair	\$20,000
CNI Neighborhood Housing Fair	\$20,000	Conduct Parade of Homes	\$30,000
CNI Parade of Homes	\$30,000	Marketing of Neighborhood Housing Program	\$50,500
CNI Marketing of Neighborhood Housing Program	\$50,500	Architectural and urban design services	\$30,000
CitiBank	\$30,000		
Total	\$1,693,500	Total	\$1,693,500



Infill and Rehab Housing Action Plan

The Choice Neighborhood Initiative in partnership with the City of San Antonio (CoSA) has developed a strategic infill housing and rehabilitation Action Plan to accomplish the goals of the Eastpoint Infill and Rehab Housing Strategy. This Action Plan details the steps, timelines and responsible parties to execute the strategy. The major focus areas of the Action Plan include the following:

1) Acquiring vacant lots for new development of homes

Section 1 – Secure Land for In-fill Housing

Section 2 – Secure Housing Developers

Section 3 – Secure Financing Partners

2) Increasing homeownership

Section 4 – Implement Effective Homeownership Strategies

Section 5 – Develop and Implement Marketing Campaign

Section 6 – Attract Private Investment

Section 7 – Secure Homeowners/Buyers

3) Supporting existing homeownership

Section 8 – Support owner-occupied rehab

Section 8 – Work with owner-occupied vacant lots for development



INFILL AND REHAB HOUSING ACTION PLAN

Action Step	Timeframe	Responsible Party(ies)	Completed
Presentation to PACT on Infill and Rehab Housing Action Plan strategy to increase quality housing stock in EastPoint	February 2014	SAHA (Beverly Watts Davis, Arrie Porter, Deborah Bell)	
Secure land for In-fill Housing			
Establish joint working task force between SAHA, CoSA, and Bexar County to finalize in-fill strategy for implementation	Jan -Feb 2014	CoSA (Mike Etienne, Bobby Hamilton, , Marcia Orlandi, Mark Brodeur, Barbara Ankamah Burford, Tim Alcott, Beverly Watts Davis, Arrie Porter, Deborah Bell, Tim Roth, Dwayne Robinson, Jennifer Richardson, Military Family Relocation Services)	
Update vacant lot map in the Choice and EastPoint areas	Apr-May 2014	CoSA ()	
Identify lots to be purchased	Apr-June 2014	SAHA (Arrie Porter, Deborah Bell) CoSA (MarciaOrlandi)	
Develop infrastructure and Environmental Analysis of properties to be purchased	Apr-Nov 2014	COSA ()	
Work with SAWS and CPS to complete infrastructure improvements	Apr-Mar 2015	SAHA (Arrie Porter) CoSA (, Marcia Orlandi)	
Identify homes for Owner-Occupied Rehab, Repair, and Demolition through windshield survey	May-Dec 2014	CoSA and Code Enforcement (Barbara Ankamah Burford)	
Develop cost analysis for purchase of lots	July 2014	SAHA (Arrie Porter, Deborah Bell) CoSA (Marcia Orlandi)	
Complete transfer of COSA and County-owned lots to SAHA	August 2014	SAHA (Arrie Porter, Deborah Bell) CoSA (Marcia Orlandi)	
Implement process to eliminate liens on all properties to establish clear title	May-Dec 2014	SAHA (Arrie Porter, Deborah Bell)	
Select lots to be purchased and utilize NSP funds to purchase lots	July- Dec 2014	SAHA (Arrie Porter, Deborah Bell) CoSA (MarciaOrlandi)	
Catalogue, hold, and maintain these lands until there is an impact from Promise and Choice activities that will support home ownership	May-Aug 2014	COSA ()	



Action Step	Timeframe	Responsible Party(ies)	Completed
Support Existing Homeownership			
Begin Marketing Plan for banks and other financial organizations to support homeownership	May-Oct 2014	PACT (Promise & Choice Together)	
Public meeting to describe existing homeownership programs	Oct 2014	SAHA (Arrie Porter, Deborah Bell) CoSA and Task Force	
Support owner-occupied rehab	Oct 2014-Oct 2015	SAHA (Arrie Porter, Deborah Bell) CoSA	
Work with owner-occupied vacant lots for development	Oct 2014-Oct 2015	SAHA (Arrie Porter, Deborah Bell) CoSA	
Secure Housing Developers			
Meet with housing development organizations to understand needs and challenges and solicit ideas on what is needed to make project work	Aug-Nov 2015	Task Force and SAHA(Arrie Porter) Urban Strategies (Dwayne Robinson)	
Develop standards and options for urban design guidelines that includes landscaping	July -Nov 2015	Task Force and Architect (David Sprinkle of Sprinkle & Co.)	
Develop Request for Proposal (RFP) for response by housing development organizations	Dec 2015	SAHA (Beverly Watts Davis, Arrie Porter) and CoSA	
Grand response period for agencies who have financial capacity propose to build mixed-income housing	Dec 2015-Mar 2016	SAHA (Beverly Watts Davis, Arrie Porter)	
Award Grants	March 2016	SAHA (Beverly Watts Davis, Arrie Porter)	
Bus Tour to show builders sites and conduct lottery of sites	March 2016	SAHA (Beverly Watts Davis, Arrie Porter)	
Home Builders begin construction (180 calendar days for completion)	March 2015- July 2016	Non-profit Home Builders	
Conduct Parade of Homes	Oct-Nov 2016	SAHA (Beverly Watts Davis, Arrie Porter, Lori Hall, Deborah Bell)	



Action Step	Timeframe	Responsible Party(ies)	Completed
Secure financing partners			
Develop lending partners (CitiBank, Select Federal Credit Union, BBT, Wells Fargo, CoAmerica, Frost Bank, IMortgage, Generations Federal Credit Union, Randolph Brooks Credit Union, and Bank of America)	Apr-Dec 2014	SAHA (Beverly Watts Davis, Lori Hall)	
Develop loan products based on FHA standards for homeowners and building contractors	Apr-Dec 2014	Financial Institutions	
Engage Dennis Noe from the Area Foundation on how to develop the “appropriate ask” from the financial institutions and Philanthropic Organizations.	Mar 2014	San Antonio Area Foundation (SAAF-Dennis Noe)	
Councilwoman Taylor hosts Financial Institutions to facilitate “the ask”	May 2014	The Honorable Councilwoman Ivy Taylor	
Develop and partner with public and private sector down-payment assistance programs city-wide with CoSA, Spurs Organization, major employers	Feb-Jul 2014	SAHA, CoSA, Spurs, Major Employers	
Implement Effective Homeownership Strategies			
Develop partnerships with FSS and other organizations from SAHA properties and homeownership through home readiness training (AVANCE and Habitat) and credit improvement that provide a pipeline of ready buyers.	Mar-Dec 2014	SAHA (Adrian Lopez, Lori Hall, Deborah Bell)	
Provide Down Payment and closing cost assistance to eligible homebuyers who complete homebuyer readiness program and pre-purchase homebuyer classes.	Mar-Dec 2014	SAHA(Lori Hall, Deborah Bell)	
Conduct Housing Fair with a focus on Home Repair	Mar-Dec 2014	Task Force	
Establish Community Tool Shed with non-profit organizations or neighborhood association	March 2014	SAHA (Matt Cosby) , Dwayne Robinson (Urban Strategies)	



Action Step	Timeframe	Responsible Party(ies)	Completed
Develop and Implement Marketing Campaign			
Develop RFP for marketing services to include a marketing strategy for 1) military members, 2) federal contractors, 3) young professionals, 4) greater SA community; and 5) builders	March 2014	SAHA (Beverly Watts Davis, Angela Johnson, Ramiro Maldonado) with input from Task Force	
Develop extensive list of organizations and stakeholders in the Choice area and present our housing programs and products;	Apr-Dec 2014	SAHA(Lori Hall, Deborah Bell, Arrie Porter)	
Place new homes on SAHA and partnering websites	Apr – Dec 2014	SAHA(Lori Hall, Deborah Bell, Angela Johnson)	
Partner with local affordable housing to identify potential homebuyers	Apr -Dec 2014	SAHA(Lori Hall, Deborah Bell)	
Work with SAHA contracted broker/realtor to market the properties city-wide.	Apr -Dec 2014	SAHA (Lori Hall, Deborah Bell)	
Select and Contract with Marketing Firm to develop Marketing Plan	May 2014	SAHA (Beverly Watts Davis)	
Roll-out and begin Marketing Campaign	June-Dec 2014	Marketing Contractor	
Attract Private Investment			
Recruit private investors to “build off” current city projects and leverage positive momentum (i.e. Bowden clinic)	July-Dec 2014	Marketing Firm and Task Force	
Build momentum in the community (i.e. revitalize HEB)	Mar-Dec 2014	Task Force and community stakeholders	
Sponsor “big events” that bring people continuously into EastPoint	Mar 2014-Jan 2015	Task Force and community stakeholders	
Infrastructure Improvements	June 2014 - June 2016	SAHA, MBS, CoSA	
Redevelopment of Wheatley Public Housing Property	June 2014 - June 2017	MBS	
Build single family energy efficient dwellings that meet design standards	June 2015 - June 2016	Private and Non-Profit Developers (see list above)	



Action Step	Timeframe	Responsible Party(ies)	Completed
Secure Homeowners/Buyers			
Public meeting to describe project and proposed home designs	April 2014	SAHA (Arrie Porter, Deborah Bell)	
Begin Marketing Plan for banks and potential homebuyers	Feb-Jul 2014	PACT (Promise & Choice Together)	
Market to pipeline of qualified home buyers developed through partnerships with FSS and home readiness training (AVANCE and Habitat)	Mar-May 2015	SAHA (Adrian Lopez, Lori Hall, Deborah Bell)	
Combine Financial Empowerment Centers/Counselors with Homebuyer Readiness classes	Apr-Dec 2014	SAHA(Lori Hall, Deborah , Adrian Lopez, Arrie Porter)	
Develop pipeline of ready buyers for upcoming SAHA built properties and others;	Apr-Dec 2014	SAHA (Lori Hall, Deborah Bell, Adrian Lopez)	
Develop partnerships with local lending institutions to prepare and process homebuyers	Apr-Dec 2014	SAHA (Lori Hall, Deborah Bell, Beverly Watts Davis)	
Develop extensive partnerships and marketing to stakeholders to identify potential homebuyers	Apr -Dec 2014	SAHA(Lori Hall, Deborah Bell)	
Conduct annual community housing fair and “parade of homes”.	November 2014	SAHA (Beverly Watts Davis, Adrian Lopez), CoSA-SIMS Real Estate Development, Urban Strategies, Spurs, Financial Institutions, SAGE, Housing Developers	



14209

Riverside Village

Rio Hondo

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action on Timely Filed Appeals and Waivers under of the Department's Program Rules and Requests for Preclearance from Undesirable Area Features

RECOMMENDED ACTION

WHEREAS, a 2014 competitive housing tax credit scoring notice was provided to the Applicant for Riverside Village (#14209);

WHEREAS, staff identified 8.5 points that the Applicant elected but that the Application did not qualify to receive under §11.9(d)(1) of the 2014 Qualified Allocation Plan ("QAP") related to Local Government Support;

WHEREAS, the Applicant submitted the Appeal Election form by the required deadline, but failed to include any additional information for the Executive Director to consider; and

WHEREAS, the Executive Director denied the appeal;

NOW, therefore, it is hereby,

RESOLVED, the Applicant's appeal of the scoring notice for Riverside Village (#14209) is hereby denied.

BACKGROUND

A 2014 competitive housing tax credit application was submitted for Riverside Village (#14209), located in Rio Hondo, rural region 11. The Applicant elected 17 points under §11.9(d)(1) of the Qualified Allocation Plan ("QAP") related to Local Government Support. During the review process, staff identified that the Development Site is located in the Extraterritorial Jurisdiction ("ETJ") of the City of Rio Hondo, and the Application would need a letter of support from both the City of Rio Hondo and Cameron County in order to qualify for the full 17 points under this scoring item. However, the Application only included a letter from the City of Rio Hondo. A scoring notice was issued on June 10, 2014, in which 8.5 points were awarded for this scoring item; the deadline to appeal the scoring notice was 5:00pm on Wednesday, June 18, 2014.

On June 18, 2014, the Applicant submitted an Appeal Election Form, indicating the Applicant's intent to appeal to the Board of Directors in the event that the appeal is denied by the Executive Director. However, no documentation was submitted with the appeal to the Executive Director, nor was

an explanation provided as to the grounds for the appeal. Absent any new information or argument, a denial was issued by the Executive Director on Thursday, June 19, 2014.

The procedure for filing appeals is governed by 10 TAC §10.902(c) of the Uniform Multifamily Rules, which states “an Applicant or Development Owner must file its appeal in writing with the Department not later than seven (7) calendar days after the date the Department publishes the results of any stage of the Application evaluation or otherwise notifies the Applicant or Development Owner of a decision subject to appeal. The appeal must be signed by the person designated to act on behalf of the Applicant or an attorney that represents the Applicant. For Application related appeals, the Applicant must specifically identify the Applicant’s grounds for appeal, based on the original Application and additional documentation filed with the original Application as supplemented in accordance with the limitations and requirements of this chapter.” By signing and submitting the Appeal Election form on June 18, 2014, the Applicant’s appeal conforms to the first two provision of this subsection. However, the final provision has not been met. Further, the Appeal Election Form itself specifically states “My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.” Since no such documentation was submitted, the Applicant did not follow the prescribed appeal process and any further information and documentation cannot be considered as having been received timely.

Staff recommends denial of the appeal.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Tim Lang
Phone #: (512) 249-6240
Email: tlang@tejashousing.com
Second Email: emitejas@austin.rr.com

Date: June 11, 2014

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for Riverside Village Apartments, TDHCA
Number: 14209**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14209, Riverside Village Apartments

Section 1:

Score Requested by Applicant (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	131
Score Awarded by Department staff (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	131
Difference between Requested and Awarded:	0

Section 2:

Points Awarded for §11.9(d)(1) Local Government Support:	8.5
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	0
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Section 4:

Final Score Awarded to Application by Department staff:	155.5
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Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

§11.9(d)(1) Local Government Support. The development site is located in the ETJ of the City of Rio Hondo and therefore would need to provide letters of support from both the City and the County. Only a letter from the City was provided. (Requested 17, Awarded 8.5)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 18, 2014. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha

Jean Latsha
 Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 14209, Riverside Village Apartments

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2014 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 18, 2014.

If my appeal is denied by the Executive Director:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Signed 
Title G.P.
Date 6/18/14

Please email to Kathryn Saar:
<mailto:kathryn.saar@tdhca.state.tx.us>

From: [Timothy Lang](#)
To: [Kathryn Saar](#)
Subject: Appeal form - Riverside Village Apts #14209
Date: Wednesday, June 18, 2014 4:18:03 PM
Attachments: [14209 Appeal Form.pdf](#)
[ATT819498.htm](#)

Katherine,

Please find attached the appeal form for 14209 Riverside Village Apartments.

Thank you.

Timothy Lang
Tejas Housing Group
8455 Lyndon Lane
Austin, TX 78729
(512) 249-6240

14215

Village on Harvest Time

Houston



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Miranda Ashline

Phone #: (409) 724-0020

Email: Miranda.Ashline@itexgrp.com

Second Email: tdula@coatsrose.com

Date: June 11, 2014

**THIS NOTICE WILL ONLY BE
TRANSMITTED VIA EMAIL**

**RE: 2014 Competitive Housing Tax Credit (HTC) Application for Village on Harvest Time, TDHCA
Number: 14215**

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2014 Qualified Allocation Plan ("QAP"). This scoring notice provides a summary of staff's assessment of the application's score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that three scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the three scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, and §11.9(d)(6) Input from Community Organizations.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(2) "Cost of Development per Square Foot" and §11.9(e)(4) "Leveraging of Private, State, and Federal Resources" may be adjusted should the underwriting review result in changes to the Application that would affect these scores. Likewise, if an Application was awarded points under §11.9(d)(2) "Commitment of Development Funding by Local Political Subdivision" and should that Application receive an award of tax credits, the Applicant must provide a firm commitment of funds as a condition of the Commitment Notice. Applicants may substitute qualifying sources only if no points were elected under §11.9(d)(2)(C). If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department's rules.

This preliminary scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department's Governing Board.



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Page 2 of Final Scoring Notice: 14215, Village on Harvest Time

Section 1:

Score Requested by Applicant (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	124
Score Awarded by Department staff (Does not include points for §11.9(d)(1)(4), (5), or (6) of the 2014 QAP):	118
Difference between Requested and Awarded:	6

Section 2:

Points Awarded for §11.9(d)(1) Local Government Support:	17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation:	4
Points Awarded for §11.9(d)(5) Community Support from State Representative:	8
Points Awarded for §11.9(d)(6) Input from Community Organizations:	4

Section 3:

Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules:	0
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Section 4:

Final Score Awarded to Application by Department staff:	151
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Section 5:

Explanation for Difference between Points Requested and Points Awarded by the Department as well as penalties assessed:

§11.9(d)(7) Community Revitalization Plan. There is no evidence that the City of Houston, in the creation of the Tax Increment Reinvestment Zone 1998, performed an assessment of at least five of the eight factors listed in §11.9(d)(7)(A)(II) of the QAP or that any such assessment was performed in a process that allowed for public input. (Requested 6, Awarded 0)

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. (CST), Wednesday, June 18, 2014. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Kathryn Saar at (512) 936-7834 or by email at <mailto:kathryn.saar@tdhca.state.tx.us>.

Sincerely,

Jean Latsha

Jean Latsha
 Director of Multifamily Finance



MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2014 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 14215, Village on Harvest Time

Note: If you do not wish to appeal this notice, you do not need to submit this form.

I am in receipt of my 2014 scoring notice and am filing a formal appeal to the Executive Director on or before Wednesday, June 18, 2014.

If my appeal is denied by the Executive Director:

I do wish to appeal to the Board of Directors and request that my application be added to the Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

I do not wish to appeal to the Board of Directors.

Signed 

Title Authorized Representative

Date 6-16-14

Please email to Kathryn Saar:
<mailto:kathryn.saar@tdhca.state.tx.us>

COATS | ROSE

A Professional Corporation

TAMEIA A. DULA
OF COUNSEL

tdula@coatsrose.com
Direct Dial
(713) 653-7322
Direct Fax
(713) 890-3918

June 18, 2014

Filed Electronically

Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410
Attention: Tim Irvine, Executive Director

RE: #14215 – Village on Harvest Time, Houston, Harris County, Texas;
Appeal of Scoring Notice – Points Denied for Community Revitalization Plan.

Dear Mr. Irvine:

This letter appeals the denial of 6 points claimed for having a Community Revitalization Plan (§11.9(d)(7) of the 2014 Qualified Allocation Plan). In the event that you do not grant this appeal, then we request that it go to the TDHCA Board for consideration at the earliest possible Board Meeting.

The Scoring Notice dated June 11, 2014, indicates the reason for denial of the points is “*There is no evidence that the City of Houston, in the creation of the Tax Increment Reinvestment Zone 1998, performed an assessment of at least five of the eight factors listed in §11.9(d)(7)(A)(11) of the QAP or that any such assessment was performed in a process that allowed for public input.*” By this reference, the TDHCA is referring to Reinvestment Zone Number Eleven (the “TIRZ”), which was established by City of Houston, Texas, Ordinance No. 98-713, which was adopted on August 26, 1998, effective September 1, 1998 (the “1998 Ordinance,” attached as **Exhibit A**). The TIRZ is administered by the Greater Greenspoint Redevelopment Authority (the “Authority”), a public non-profit local government corporation which was established by City of Houston, Texas, Ordinance No. 1999-40, adopted July 7, 1999, and effective July 13, 1999 (the “1999 Ordinance,” attached as **Exhibit B**). The Authority was created concurrent with the accrual of the first tax increment funding for the TIRZ (1999 tax year compared to a 1998 Tax Increment Base).

A. Assessment of requisite factors.

We would like to point out that the TIRZ and its Authority were created nearly 20 years ago for the purpose of revitalizing and sparking new growth in the Greenspoint area. Unlike a “community revitalization plan” adopted specifically to aid an applicant for 9% Housing Tax Credits, the TIRZ and the Authority organizational documents were not written with the QAP in

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Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

hand, checking off the desired factors to make sure that at least five out of eight are considered. Notwithstanding this, it is clear that at least five of the requisite factors listed in the QAP were under consideration in connection with the creation of this revitalization plan. Please see the following:

1. Section 1(c) of the 1998 Ordinance contains City Council findings that the area in question contains substantial open and underdeveloped areas that lack public water distribution, wastewater collection and storm drainage facilities and also contains a substantial number of substandard, slum, deteriorated, or deteriorating structures or other improvements, and that these conditions substantially impair and arrest the sound growth of the City. These findings speak to (i) natural or manmade adverse environmental conditions; (ii) the presence of blight, which may include excessive vacancy, obsolete land use significant decline in property value, or other similar conditions that impede growth.; (iii) the presence of inadequate infrastructure; and (iv) the lack of local businesses providing employment opportunities.

2. Section 1(d)(4) of the 1998 Ordinance contains a finding that the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future. This finding speaks to the lack of local businesses providing employment opportunities.

3. Section 2 of the 1999 Ordinance authorizes the Authority to act on behalf of the City in promoting the common good and general welfare of the Greenspoint Area of Houston and neighboring areas, as more particularly described in the 1998 Ordinance, and empowers the Authority to change the boundaries of the TIRZ from time to time to “*promote, develop, encourage and maintain employment, commerce and economic development in Houston...*” This authorization speaks to the intent to use the TIRZ to address the lack of local businesses providing employment opportunities.

4. Section 3 of the 1999 Ordinance approves the Authority’s Articles of Incorporation (the “Articles,” attached as Exhibit A to the 1999 Ordinance and also provided as filed with the Secretary of State of Texas as **Exhibit C**) which contains the purpose provisions addressing (i) promoting the common good and general welfare of the area in the TIRZ to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City. This speaks to blight, lack of public facilities, availability of public education, employment opportunities and diversity of the area’s mixture of housing and commercial development. In particular, in Article IV of the Articles of Incorporation, Subsection (b) provides authorization to develop a policy to finance development and redevelopment of residential, educational facilities, and commercial properties in the Greenspoint Area.

5. The Authority’s Bylaws (attached as Exhibit B to the 1999 Ordinance and approved in Section 4 of the 1999 Ordinance) contain as Article VI – Provision Relating to Minority Contracting. This provision states: “*The Authority shall attempt to stimulate the growth of disadvantaged businesses inside the City by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those*

Tim Irvine, Executive Director

June 18, 2014

Page 3

disadvantaged businesses a full and fair opportunity to compete for Authority contracts.” This provision reflects the intent to promote economic diversity through the administration of the TIRZ.

So in summary, in establishing the TIRZ and its administrative Authority, the City of Houston addressed each and every one of the requisite factors that the QAP lists, save and except the presence of significant crime. The manner of addressing the factors may not be as “head on” as we see in revitalization plans tailored to the QAP, but for documents that predate the QAP by more than 15 years, they are clearly addressing the factors considered essential by the QAP. Seven of the eight named factors have been identified as being within the purview of the City Council at the time the TIRZ and its administrative Authority were created, thus meeting the requirements of §11.9(d)(7)(A)(i)(II) of the QAP.

B. Evidence of process permitting public input.

Enclosed is a copy of the Request for Council Action (**Exhibit D**) that presented the 1998 Ordinance to the City Council. Under the Specific Explanation, it states:

Consistent with legal requirements, City Council conducted a public hearing regarding the designation of a reinvestment zone known as the Greenspoint Reinvestment Zone for tax increment financing purposes on August 5, 1998.

In the recitals of the 1998 Ordinance it is stated that at the public hearing held on August 5, 1998, evidence was received and presented in favor of the creation of the TIRZ and that no one appeared or presented evidence in opposition to the creation of the TIRZ. These recitals were found and declared to be true and correct by the City Council in Section 1(a) of the 1998 Ordinance. Additionally, Section 9 of the 1998 Ordinance evidences the public nature of the City Council meeting at which the 1998 Ordinance was considered and passed. Combined, these documents provide evidence that public comment was sought prior to the creation of the TIRZ (as is required by Section 311.003(c) of the Texas Tax Code, both in 1998 and currently), and that the requirement of §11.9(d)(7)(A)(i)(VI)(-a-) of the QAP was met.

C. Conclusion.

The City of Houston created the TIRZ and its administering Authority for the purpose of revitalizing the Greenspoint area of Houston. In so doing, the City Council held a public hearing on August 5, 1998, at which the public had the opportunity to discuss and either support or oppose the creation of the TIRZ. Additionally, the City Council meetings at which the 1998 and the 1999 Ordinances were passed were open to the public and were preceded by public comment Council sessions, as is the customary practice at the City of Houston. In considering and passing the 1998 Ordinance and the 1999 Ordinance, the City Council addressed seven of the eight factors included within the requirements for creation of a Community Revitalization Plan under Section 11.9(d) of the QAP. Accordingly, we request that the six points denied be reinstated to the Village on Harvest Time application for 2014 9% Housing Tax Credits.

Tim Irvine, Executive Director

June 18, 2014

Page 4

Thank you for the opportunity to provide this response to the Scoring Notice. If you have any questions, please do not hesitate to call.

Very truly yours,



Tamea A. Dula

Enclosures

cc: Jean Latsha
Kathryn Saar
K. T. (Ike) Akbari
Christopher A. Akbari
Clark Colvin
Miranda Ashline
Barry J. Palmer

EXHIBIT A

1998 Ordinance

City of Houston, Texas, Ordinance No. 98-713

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN CITY OF HOUSTON (GREATER GREENSPPOINT AREA) AS REINVESTMENT ZONE NUMBER ELEVEN, CITY OF HOUSTON, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan, which provides that City of Houston ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS, the City provided written notice of the public hearing on the creation of the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing body of all taxing units levying taxes on property in the proposed zone; and

WHEREAS, a notice of the August 5, 1998, public hearing on the creation of the proposed zone was published on July 28, 1998, in the Houston Chronicle, a newspaper of general circulation in the City; and

WHEREAS, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive sixty (60) days notice of the public hearing on the creation of the proposed zone; and

WHEREAS, the Aldine Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive sixty (60) days notice of the public hearing on the creation of the proposed zone; and

WHEREAS, at the public hearing on August 5, 1998, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code, and no one appeared or presented evidence in opposition to the creation of the proposed zone; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of their property in the proposed zone; and

WHEREAS, the City has provided all information, and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, the total appraised value of taxable real property in the proposed zone and all other reinvestment zones previously created by the City is approximately \$1,298,670,222; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City exceeds \$55,657,015,880; and

WHEREAS, the total appraised value of taxable real property taxable by Harris County, in which the proposed zone is located, is approximately \$95,985,043,000; and

WHEREAS, the total appraised value of real property taxable by the Aldine Independent School District, in which the proposed zone is located, is \$3,719,610,000; and

WHEREAS, the total area within the proposed zone is approximately 2,683 acres, excluding property that is publicly owned; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. Findings.

- (a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.
- (b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.
- (c) That the City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone contains (i) substantial areas that are predominantly open and underdeveloped, and lack public water distribution, wastewater collection and storm drainage facilities and, (ii) a substantial number of substandard, slum, deteriorated, or deteriorating structures or other improvements, both of which conditions substantially impair and arrest the sound growth of the City.

(d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

- (1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;
- (2) That the total appraised value of taxable real property in the proposed zone, and in the City's existing reinvestment zones, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City;
- (3) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County or the Aldine Independent School District; and
- (4) That the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. Exception to Guidelines

That the City hereby excepts the proposed zone from compliance with any City tax increment reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.

Section 3. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment

zone over, the area described in Exhibit "A" and depicted in the map attached hereto as Exhibit "B" to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Eleven, City of Houston, Texas, (the "Zone"). The City Council specifically declares that the Zone is designated pursuant to Section 311.005(a)(5) of the Texas Tax Code.

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by January 1, 2000, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board; provided, if more than four taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position unfilled on January 1, 2000, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The directors appointed to odd-numbered positions shall be appointed for two year terms, beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed to a one year term, beginning on the effective date of this Ordinance. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position Three is hereby designated to serve as the chair of the Board of Directors for a one-year term beginning on the effective date of this Ordinance. Thereafter the Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning on the anniversary of the effective date of this Ordinance. The City Council authorizes the Board of Directors to elect from its members a vice chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to the City Council for its approval. The City hereby delegates to the Board of Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by the City Council, including the power to employ any consultants or enter into any reimbursement agreements payable solely from the Tax

Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the Director of the Finance and Administration Department, that may be reasonably necessary or convenient to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

Section 5. Duration of the Zone

That the Zone shall take effect on January 1, 1999, for the deposit of tax increments into the Tax Increment Fund established pursuant to Section 7 of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2028, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone for the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 1998, the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base").

Section 7. Tax Increment Fund

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed

by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied by the City and any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by Chapter 311 of the Texas Tax Code, of real property located in Zone that is taxable by the City or any other taxing unit participating in the Zone, less any amounts that are to be allocated from the Tax Increment pursuant to Chapter 311 of the Texas Tax Code. All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

Section 8. Severability

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become

inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 9. Open Meetings

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the Time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, ch. 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 10. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on August 5, 1998, and the publication of said notice, are hereby ratified, approved and confirmed.

Section 11. Emergency

There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days of its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 26th day of August, 1998.

APPROVED this _____ day of _____, 1998.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 01 1998.

[Signature]
City Secretary

(Prepared by Legal Dep't
(MAM/mam 08/24/98

[Signature]
Assistant City Attorney)

(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 34-98051-01

AYE	NO	
<input checked="" type="checkbox"/>		MAYOR BROWN
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	COUNCIL MEMBERS
<input checked="" type="checkbox"/>		TATRO
<input checked="" type="checkbox"/>		YARBROUGH
<input checked="" type="checkbox"/>		WONG
<input checked="" type="checkbox"/>		BONEY
<input checked="" type="checkbox"/>		TODD
<input checked="" type="checkbox"/>		DRISCOLL
		Absent due to illness in family
		KELLEY
		FRAGA
<input checked="" type="checkbox"/>		CASTILLO
<input checked="" type="checkbox"/>		PARKER
<input checked="" type="checkbox"/>		ROACH
<input checked="" type="checkbox"/>		SANCHEZ
<input checked="" type="checkbox"/>		BELL
<input checked="" type="checkbox"/>		ROBINSON

CAPTION ADOPTED

**DESCRIPTION OF BOUNDARY
PROPOSED GREENSPPOINT TIRZ**

August, 1998

Beginning at the intersection of the Houston city limit line and the east right-of-way line of I-45 (North Freeway), said point of beginning being also on the projection of the property line common to the METRO Kuykendahl Park and Ride and the apartment complex immediately to the north of METRO;

Thence, south 2400 along the east right-of-way line of I-45 and said city limit line to a property line to the east;

Thence, east 300 feet along said property line to a property line to the south;

Thence, south along said property line to the south right-of-way line of Rankin Road;

Thence, west along said right-of-way line to the west right-of-way line of I-45;

Thence, south 8500 feet along said right-of-way line and said city limit line to a property line to the west;

Thence, leaving said city limit line, west 500 feet along said property line to a property line to the south;

Thence, south 370 feet along said property line to a property line to the west;

Thence, west along said property line to the east right-of-way line of Northborough Drive;

Thence, south along said right-of-way line to the south right-of-way line of Glenborough Road;

Thence, east 700 feet along said right-of-way line to the projection of a property line to the north;

Thence, north 600 feet along said property line to a property line to the east;

Thence, east along said property line to the west right-of-way line of I-45, said right-of-way line being also the Houston city limit line;

Thence, south along said right-of-way line and said city limit line to the projection of the north right-of-way line of Greens Road;

Thence, along said projected line to the north right-of-way of Greens Road;

Thence, east 5400 feet with said city limit line, along said right-of-way line across Greens Bayou to a property line to the north said property line also being the Houston city limit line;

Thence, north 930 feet along said property line to the projection of a property line to the east;

Thence, east 2150 feet along said line projection to a property line to the south;

Thence, south along said property line with the Houston city limit line, to the north right-of-way line of Briar Willow Road;

Thence, east along said north right-of-way line to the east right-of-way line of Wayforest Drive;

Thence, south along said right-of-way line to the north right-of-way line of Langwick Road;

Thence, east along said north right-of-way line and said city limit line to the west right-of-way line of the Missouri Pacific Railroad;

Thence, south continuing along said right-of-way line to the north right-of-way line of North Belt East;

Thence, west 3450 feet along said right-of-way line and leaving said city limit line to a projection of a property line to the north;

Thence, north along said projected line crossing an H.L.&P. Fee Strip and continuing to the north right-of-way line of Benmar Street;

Thence, west 330 feet along said north right-of-way line to a property line to the north;

Thence, north along said property line to the south right-of-way line of Greens Bayou;

Thence, west along said south right-of-way to the east right-of-way line of Imperial Valley Drive;

Thence, south 1150 feet along said east right-of-way line, crossing Benmar Street, to a property line to the west;

Thence, west along said property line projected to the east right-of-way line of Ronan Road;

Thence, south along said right-of-way line to the north right-of-way line of North Belt East;

Thence, west 400 feet along said line to a property line to the north;

Thence, north 150 feet along said line to a property line to the west;

Thence, west along said line to the centerline of a drainage channel;

Thence, north 500 feet along said centerline to a property line to the west;

Thence, west along said line to the east right-of-way line of Northchase Drive;

Thence, north along said right-of-way line to the north right-of-way line of Benmar Drive;

Thence, east along said north right-of-way line to the centerline of a drainage channel;

Thence, north along said centerline to a property line common with a City of Houston Wastewater Treatment Facility to the north;

Thence, west along said common line to the west right-of-way line of Northchase Drive;

Thence, north along said right-of-way line to south right-of-way line of Greens Road;

Thence, west along said south line to the west right-of-way line of Greenspoint Drive;

Thence, south along said right-of-way line to the north right-of-way line North Belt East;

Thence, east along said right-of-way line to the west right-of-way line of Northchase Drive;

Thence, south along the projection of the aforementioned west right-of-way line crossing North Belt east and continuing along the west right-of-way line of Northchase Drive to the north right-of-way line of a drainage channel (H.C.F.C.D. P-144-00-00);

Thence, east along said right-of-way line to the west property line of the site for a City of Houston Water Facility (Formerly Greens P.U.D. #1);

Thence, north along said west line to the north property line of the aforementioned site;

Thence, east along said property line to the east property line of the aforementioned site;

Thence, south along said property line to the north right-of-way line of the aforementioned drainage channel (H.C.F.C.D. P-144-00-00);

Thence, east 4600 feet along said right-of-way line crossing Imperial Valley Drive and Spence Road and continuing to a property line to the north;

Thence, north along said property line to the south right-of-way line of North Belt East;

Thence, east along said right-of-way line to the west right-of-way line of the Missouri Pacific Railroad, said line being also the Houston city limit line ;

Thence, south along said right-of-way line to the south right-of-way line of Aldine Bender (F.M. 525);

Thence, west along said right-of-way line and continuing with the Houston city limit line to the east right-of-way line of Wagon Road;

Thence, south along said east right-of-way line to the centerline of a drainage channel;

Thence, east along said centerline to the east right-of-way line of Imperial Valley Drive;

Thence, south along said right-of-way line to the south right-of-way line of Goodson Road;

Thence, west along said right-of-way line to the east right-of-way line of Chipman Street;

Thence, south along said right-of-way line to the south right-of-way line of Hardwicke Street;

Thence, west along said south right-of-way line to the west property line of Green Ridge North subdivision, said line being also the east property line of a commercial center fronting Airline Drive;

Thence, south along said property line to the north right-of-way line of West Road;

Thence, west along said right-of-way line to the west right-of-way line of I-45 (North Freeway), said line being also the Houston city limit line;

Thence, north 4900 feet along said right-of-way line and continuing with the Houston city limit line to the south property line of the Metro Fallbrook Bus Operating Facility site;

Thence, west 1650 feet along said property line and the Houston city limit line to the west property line of the aforementioned site;

Thence, north 3700 feet along said property line, with the Houston city limit line, crossing Fallbrook Drive to a point on the south right-of-way line of a H.L.&P. Fee Strip;

Thence, west following the Houston city limit line, and said south right-of-way line, to the south right-of-way line of North Belt West;

Thence, west along said south right-of-way line crossing Ella Boulevard to the intersection of the southern projection of the west property line of a City of Houston water facility;

Thence, north 1150 feet along said line crossing North Belt West, continuing with the Houston city limit line, to the northwest property corner of said site;

Thence, west, continuing with said city limit line, along the projection of the south property line of a series of apartment complexes;

Thence, continuing along said south property line, and the projection of said line, following the Houston city limit line, crossing Greens Bayou 400 feet to the east property line of a series of homes fronting on Lilleaux Road;

Thence, north along said east property line, following the Houston city limit line, to a turn to the west;

Thence, west following said city limit line to the east right-of-way line of Lilleaux Road;

Thence, north along said right-of-way line and said city limit line to a turn to the east;

Thence, east, leaving said right-of-way line and following said city limit line to the east property line of a series of homes fronting on Lilleaux Road;

Thence, north along said east property line, with said city limit line, to the south right-of-way line of Gears Road;

Thence, east along said right-of-way line and continuing with the Houston city limit line, to the north right-of-way line of Greens Bayou;

Thence, northerly along said right-of-way line to the north right-of-way line of West Greens Loop Road;

Thence, east along said right-of-way line and said city limit line to the north right-of-way line of Greens Road;

Thence, east 100 feet along said right-of-way line to a property line to the north;

Thence, north along said line and with the Houston city limit line to a point approximately 800 feet north of Greens Road;

Thence, west continuing with the said city limit line to the westerly right-of-way line of Greens Bayou;

Thence, northeasterly 2000 feet along said right-of-way line and continuing with said city limit line to the projection of a property line to the south;

Thence, south down said property line to the north right-of-way line of Greens Road;

Thence, east 500 feet along said right-of-way line to a property line the north;

Thence, north along said property line, continuing with said city limit line to a point in the south right-of-way line of Meadow Fern Road, then crossing Meadow Fern Road, continuing with said city limit line to a point in the south right-of-way line of Greens Bayou;

Thence, north crossing Greens Bayou 1200 feet to a property line to the west;

Thence, west 2080 feet along said property line to a property line to the north;

Thence, north along said property line and continuing with said city limit line to the south right-of-way line of Rush Creek Road;

Thence, west along said right-of-way line to the east right-of-way line of Spears-Gears Road;

Thence, north 2900 feet along said right-of-way line, crossing West Rankin Road to the south property line of Cranbrook subdivision;

Thence, east 2000 feet along said property line and a projection of said line, crossing Ella Boulevard to a property line to the north;

Thence, north 750 feet following said city limit line and said property line to a property line to the east;

Thence, east continuing along the Houston city limit line and said property line to a point in the southwesterly right-of-way line of the North Fork of Greens Bayou;

Thence, southeasterly 250 feet along said right-of-way line to a property line to the south;

Thence, south 600 feet along said property line to a property line to the east said line being the Houston city limit line;

Thence, east along the Houston city limit line to the westerly right-of-way line of Kuykendahl Road;

Thence, northerly along said right-of-way line to the Houston city of limit line as it leaves Kuykendahl Road;

Thence, north along said city limit to the north line of the METRO Kuykendahl Park and Ride;

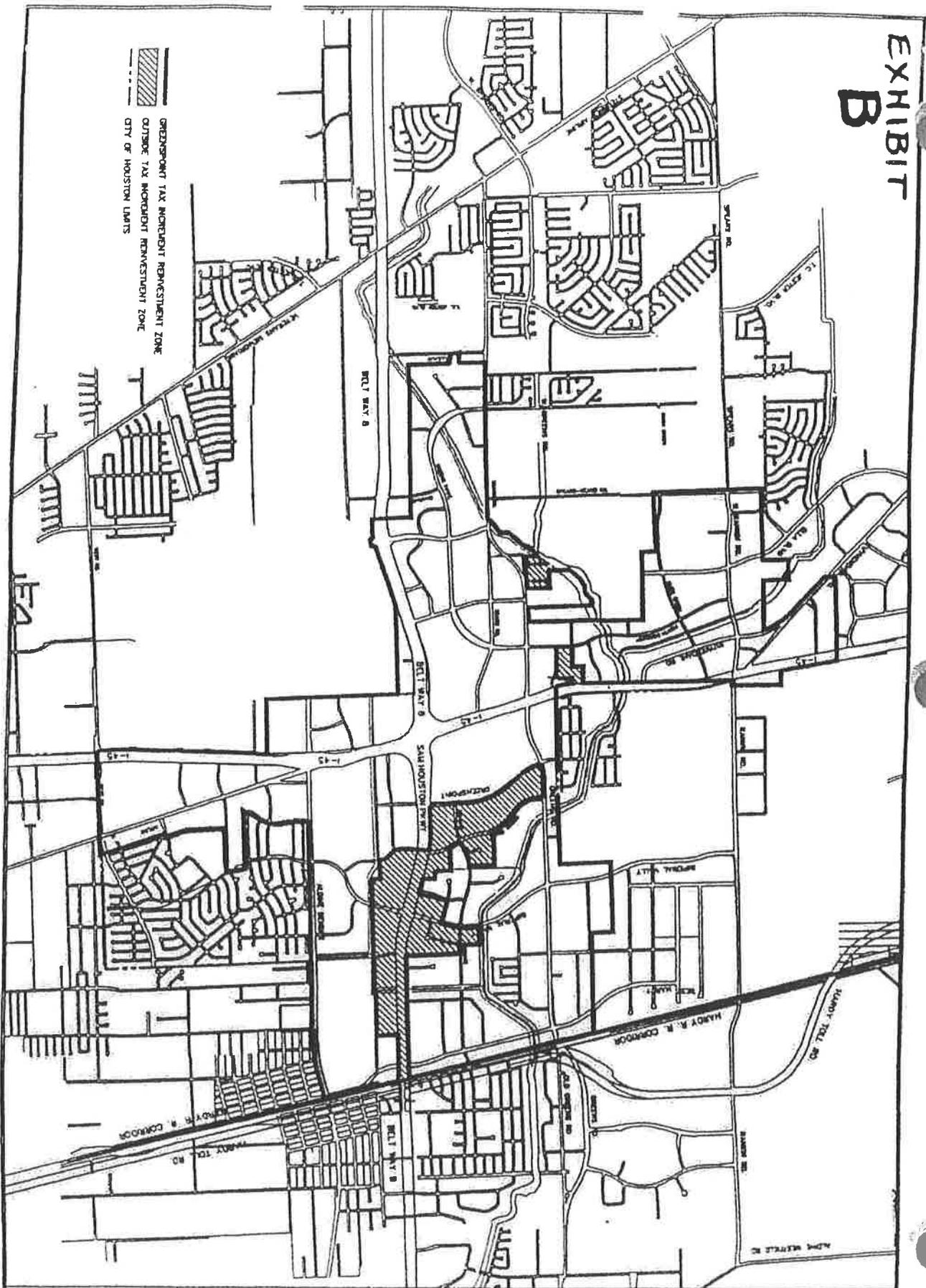
Thence, east along said north line, continuing with said city limit line, crossing I-45 (North Freeway) to a point in the east right-of-way line of said I-45, said point being THE POINT OF BEGINNING of the herein described boundary;

The foregoing description of the boundary of the Greater Greenspoint Tax Increment Reinvestment Zone (TIRZ) was prepared by Montgomery & Associates (Houston, Texas) in August, 1998, under the supervision of R. Gary Montgomery, P.E. Whereas it is not a metes and bounds description, it is a general description that can be followed on the ground to define the boundary of the TIRZ.


R. Gary Montgomery, P.E. 8/25/98
August 25, 1998



EXHIBIT B



 GREENPOINT TAX INCREMENT REINVESTMENT ZONE
 OUTSIDE TAX INCREMENT REINVESTMENT ZONE
 CITY OF HOUSTON LIMITS

F:\PROJECTS\1544\BIRDMOUNT\1987 - 01/25/1988 @ 9:50 - A:\ARCAD 11.cad

K&A
 Kenneth Bell & Associates, Inc.
 Architects • Engineers • Surveyors
 144 North Loop West, Suite 1000
 Houston, Texas 77002-4222
 713 865-8888



**Greenpoint
 Tax Increment Reinvestment Zone
 Boundary Map**

Exhibit 'B'
 0 2500' 5000'
 Date: 08/30/88

EXHIBIT B

1999 Ordinance

A RESOLUTION APPROVING THE CREATION OF THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY; APPROVING THE ARTICLES OF INCORPORATION AND THE BYLAWS THEREOF; CONFIRMING THE APPOINTMENT OF THE INITIAL DIRECTORS AND CHAIRPERSON; AND CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE SUBJECT.

* * * * *

WHEREAS, Subchapter D of Chapter 431, Texas Transportation Code (the "Act") authorizes the creation and organization of public non-profit local government corporations to act as a duly constituted authority of a city to aid and assist the city in the performance of one or more governmental functions; and

WHEREAS, the Act requires a local government corporation to be created pursuant to the provisions of Chapter 394 of the Texas Local Government Code ("Chapter 394"), and requires the local government corporation's articles of incorporation and bylaws to be in the form, and to be executed, approved, and filed in the manner prescribed by Chapter 394; and

WHEREAS, a local government corporation may have and exercise all of the powers prescribed by the Act and the Texas Non-Profit Corporation Act, Article 1396 of Texas Revised Civil Statutes Annotated (collectively, the "Acts"); and

WHEREAS, Chapter 394 requires as a condition to the creation of a local government corporation that at least three (3) residents of the city who are citizens of the state and at least eighteen (18) years of age submit a written application for the

incorporation of the local government corporation; and

WHEREAS, there has been presented to and filed with the City an application executed by three (3) residents of the City who meet the requirements of Chapter 394 requesting the incorporation of the Greater Greenspoint Redevelopment Authority (the "Authority"); and

WHEREAS, City Council desires to grant the application for incorporation of the Authority, authorize its Articles of Incorporation, approve its Bylaws, appoint the board of directors of the Authority, and take other action with respect to the Authority; **NOW, THEREFORE:**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the City Council hereby finds, determines, and declares that the application for the incorporation of the Authority is executed and filed in the manner required by Chapter 394 and the City Council therefore has authority to consider and act on the application for incorporation of the Authority.

Section 2. That the City Council hereby finds, determines, recites and declares that it is wise, expedient, necessary, and advisable that the Authority be formed, the creation and organization of the Authority under the provisions of the Acts and Chapter 394 as a duly constituted authority of the City is hereby approved, and the Authority is hereby authorized to aid, assist, and act on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the

Greenspoint Area of Houston and neighboring areas, as more particularly described in City Ordinance No. 98-713, and as the boundaries of Reinvestment Zone Number Eleven, City of Houston, Texas, may be changed from time to time; to promote, develop, encourage and maintain employment, commerce and economic development in Houston; and to perform the other purposes described in the Articles of Incorporation.

Section 3. The City Council hereby approves the Articles of Incorporation of the Authority in substantially the form attached hereto as Exhibit "A" and authorizes the incorporators of the Authority to file such Articles of Incorporation with the Secretary of State of the State of Texas in the manner provided by law.

Section 4. The City Council hereby approves the Bylaws of the Authority in substantially the form attached hereto as Exhibit "B".

Section 5. The City Council hereby confirms the appointment of the directors listed in the Articles of Incorporation attached hereto. The City Council hereby confirms the appointment of William B. Deane as the initial Chairperson of the Board of Directors. Subsequent chairpersons shall be designated as provided by the Bylaws.

Section 6. The City Council hereby finds, determines, recites, and declares that any notes, bonds, loans, debts or other obligations of the Authority shall not be deemed an indebtedness, liability, general or moral obligation or pledge of the faith or credit of the State of Texas, the City of Houston, or any other political subdivision or governmental unit, nor shall any such notes, bonds, loans, debts or other obligations constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or

restriction or an agreement, obligation, or indebtedness of the City or of the State of Texas within the meaning of the City Charter or of any constitutional or statutory provision whatsoever.

Section 7. The City Council hereby finds, determines, recites, and declares that it is the purpose, intent, and desire of the city in approving the creation of the Authority and its Article of Incorporation and Bylaws, that such actions and the Authority hereby authorized comply with the requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and Internal Revenue Service rulings promulgated thereunder and the rulings issued pursuant thereto, such that the Authority shall be deemed to be a constituted authority acting on behalf of the City pursuant to the provisions of the Acts of Chapter 394, Local Government Code.

Section 8. This Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 7th day of July, 1999.

APPROVED this _____ day of _____, 1999.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is JUL 13 1999.


 City Secretary

Prepared by Legal Dep't

DFM:dfm 7/6/99

Requested by Robert M. Litke, Director of Planning and Development Department

L.D. File No. _____


 Senior Assistant City Attorney

AYE	NO	
ABSENT-VACATION		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
✓		TATRO
✓		YARBROUGH
✓		WONG
MAYOR PRO TEM PRESIDING		BONEY
✓		TODD
✓		DRISCOLL
✓		KELLEY
✓		FRAGA
✓		CASTILLO
✓		PARKER
ABSENT		ROACH
✓		SANCHEZ
✓		BELL
✓		ROBINSON
CAPTION	ADOPTED	

EXHIBIT A

ARTICLES OF INCORPORATION
OF
THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY

We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the City of Houston, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Vernon's Texas Codes Annotated, Texas Local Government Code (the "Local Government Code"), do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

The name of the corporation is THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY (the "Authority").

ARTICLE II

The Authority is a public non-profit corporation.

ARTICLE III

The period of duration of the Authority shall be perpetual.

ARTICLE IV

The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Eleven, City of Houston, Texas (the "Greenspoint TIRZ") and neighboring areas, as more particularly described in City Ordinance No. 98-713, and as the boundaries may be amended from time to time (the "Greenspoint Area"); to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Greenspoint TIRZ:

(a) in the implementation of the Project Plan and a Financing Plan for the Greenspoint TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development and redevelopment of residential, educational facilities, and commercial properties in the Greenspoint Area; and

(c) in the development and implementation of a redevelopment policy for the Greenspoint Area, including the acquisition of land for redevelopment purposes.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE V

The Authority shall have no members and shall have no stock.

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting initially consist of nine (9) persons. Additional persons may be added to the Board by the Authority in accordance with the provisions of the Bylaws. The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII. Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws. Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws. Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws. Any Director may be removed from office at any time, with or without cause, by the City Council.

The initial Chairperson shall be William B. Deane, and the Mayor of the City shall designate each subsequent Chairperson of the Board.

If any of the following persons is not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board:

- (1) Chief of Staff, Mayor's Office;
- (2) Director of the Department of Public Works and Engineering;
- (3) City Attorney;
- (4) Director of the Planning and Development Department;
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County; and
- (6) Chair of City Council Business and Tourism Committee.

In addition, the Board of Directors of the Authority may designate one or more representatives of the Aldine Independent School District, Spring Independent School District, Harris County, North Harris Montgomery Community College District or other political subdivisions as ex officio, non-voting members of the Board of Directors.

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas.

ARTICLE VII

The street address of the initial registered office of the Authority is 16825 Northchase Drive, Suite 720, Houston, Texas, 77060 and the name of its initial registered agent at such address is Jack Drake.

ARTICLE VIII

The number of Directors initially constituting the Board is nine (9). The names, addresses, and positions of the nine (9) initial Directors, each of whom resides within the City, are:

<u>POS.</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Willie High Coleman, Jr.	1010 Lamar, #1200, Houston, Texas, 77002
2	Michael Frazier, Sr.	P.O. Box 23518, Houston, Texas, 77228
3	William B. Deane	208 Greenspoint Mall, Houston, Texas 77060
4	Eileen Subinsky	4801 Woodway, #102W, Houston, Texas 77056
5	Richard Aguirre	230 Coach Road, Houston, Texas 77060
6	Elvin Franklin, Jr.	3838 N. Sam Houston Pky E., #190, Houston, Texas 77032
7	Allyn Skelton, II	1806 Hamlin Valley, Houston, Texas 77090
8	Sandra McMullan	250 N. Sam Houston Pky E., Houston, Texas 77060
9	Dale E. Bowman	P.O. Box 2567, Houston, Texas 77252-2567

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City, are:

<u>NAME</u>	<u>ADDRESS</u>
Robert R. Randolph	1001 Fannin, Suite 2300, Houston, Texas 77002-6760
Susan M. Edwards	1001 Fannin, Suite 2300, Houston, Texas 77002-6760
Stephen M. Robinson	1001 Fannin, Suite 2300, Houston, Texas 77002-6760

ARTICLE X

Resolution No. _____ approving the form of these Articles of Incorporation has been adopted by the City Council of the City on _____, 1999.

ARTICLE XI

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute. Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment. In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director.

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority: (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes); (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office; and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives. Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City.

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities. Unless otherwise directed by the City, any income of the Authority received by the City shall be deposited into the Reinvestment Zone Number Eleven, City of Houston, Texas, Tax Increment Fund, or its successor. No part of the Authority's income shall inure to the benefit of any private interests.

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394.026 of Vernon's Texas Codes Annotated, Local Government Code, or with applicable law then in existence. In the event of dissolution or liquidation of the Authority, all assets will be turned over to the Finance and Administration Department of the City, or its successor, for deposit into the Reinvestment Zone Number Eleven, City of Houston, Texas, Tax Increment Fund unless the City Council shall otherwise direct.

Any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Engineering of the City.

ARTICLE XIII

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority: (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code; (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code; (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code; (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE XIV

The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law. The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation.

ARTICLE XV

These Articles may not be changed or amended unless approved by the City Council of the City.

IN WITNESS WHEREOF, we have hereunto set our hands this ____ day of _____, 1999.

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 1999.

Notary Public in and for
The State of Texas

(SEAL)

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 1999.

Notary Public in and for
The State of Texas

(SEAL)

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 1999.

Notary Public in and for
The State of Texas

(SEAL)

EXHIBIT B

BYLAWS
OF
THE GREATER
GREENSPPOINT REDEVELOPMENT AUTHORITY

A Texas Local Government Corporation
(Created on behalf of the City of Houston)

Date of Adoption: _____, 1999

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BYLAWS
OF THE GREATER
GREENSPPOINT REDEVELOPMENT AUTHORITY

ARTICLE I

PURPOSES

The Greater Greenspoint Redevelopment Authority (the "Authority") is organized for the purpose of aiding, assisting, and acting on behalf of the City of Houston, Texas (the "City") in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Eleven, City of Houston, Texas (the "Greenspoint TIRZ") and neighboring areas in Houston (the "Greenspoint Area"); to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City.

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Greenspoint TIRZ:

(a) in the implementation of the Project Plan and a Reinvestment Zone Financing Plan for the Greenspoint TIRZ and the preparation and implementation of amendments thereto;

(b) in the development of a policy to finance development and redevelopment of residential, educational facilities, and commercial properties in the Greenspoint Area; and

(c) in the development and implementation of a redevelopment policy for the Greenspoint Area, including the acquisition of land for redevelopment purposes.

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments.

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes.

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City.

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Authority shall have the power to acquire land in accordance with the Act as amended from time to time.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Appointment, Classes, Powers, Number, and Term of Office. All powers of the Authority shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of nine (9) persons. Appointment of a director to the Greenspoint TIRZ shall constitute an appoint to serve as Director of the Authority ("Director" or Directors"), which appointments shall be made by position to the Board by the Mayor of the City with the consent and approval of City Council. Positions (1) through (5) on the Board will be appointed solely by the City. Position (6) shall be reserved for a nominee of Aldine Independent School District ("AISD"); Position (7) shall be reserved for a nominee of Harris County, Texas ("Harris County"); and Position (8) shall be reserved for a nominee of North Harris Montgomery Community College District ("NHMCCD"), and Position (9) shall be reserved for a nominee of Spring Independent School District ("SISD"). If AISD, Harris County, NHMCCD or SISD do not nominate a person for Position (6), Position (7), Position (8) and Position (9), respectively, on the Board, the Mayor of the City, with the consent of City Council, shall appoint the person for that position without receiving a nominee. If there are taxing units participating in the Greenspoint TIRZ ("Participating Taxing Units"), other than SISD, AISD, Harris County, and NHMCCD, the number of positions on the Board shall be increased by one for each Participating Taxing Unit nominating a person to the Board. Each Participating Taxing Unit that nominates a director to the Greenspoint TIRZ shall be assigned a position number on the Board for the Authority comparable to the position number of that taxing unit nominee on the board of the Greenspoint TIRZ. After a Participating Taxing Unit nominates a person to the Board, the Mayor will then appoint that person to the Board, subject to confirmation by the City Council. If there are more than four (4) Participating Taxing Units (other than the City) levying taxes within the Greenspoint TIRZ, the number of Directors on the Board shall be increased by two (2) for each Participating Taxing Unit above four (4); provided that the maximum number of Directors shall not exceed fifteen (15). The City shall appoint a person to each odd numbered position above nine (9) for each of the positions so created without receiving a nominee. The Chairman of the Board shall always be appointed by the Mayor of the City.

Each Director shall serve for a term which expires on the date set forth below for the position to which such person was appointed, or until his or her successor is appointed by the City unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. Any Director may be removed from office at any time, with or without cause, by the City Council. The number of Directors may only be increased or decreased by an amendment to the Bylaws with the consent of the City Council of the City.

The of each position shall be coterminous with the term of the corresponding position on the board of the Greenspoint TIRZ as established by City Ordinance No. 98-713, as may be amended from time to time.

If any of the following persons are not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board:

- (1) Chief of Staff, Mayor's Office;
- (2) Director of the City Department of Public Works and Engineering;
- (3) City Attorney;
- (4) Director of the City Planning and Development Department;
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County; and
- (6) Chair of City Council Business and Tourism Committee.

Any person designated as an ex-officio member of the Board is entitled to notice of and to attend meetings of the Board.

In addition, the Board of Directors of the Authority may designate one or more representatives of the Aldine Independent School District, Spring Independent School District, Harris County, North Harris Montgomery Community College or other political subdivisions as ex officio, non-voting members of the Board of Directors.

Section 2. Meetings of Directors. The Directors may hold their meetings and may have an office and keep the books of the Authority at such place or places within the City as the Board may from time to time determine; provided, however, in the absence of any such determination, such place shall be the registered office of the Authority in the State of Texas.

The Board shall meet in accordance with and file notice of each meeting of the Board for the same length of time and in the same manner and location as is required of a City under Chapter 551, Government Code (the "Open Meetings Act").

The Authority, the Board, and any committee of the Board exercising the powers of the Board are subject to Chapter 552, Government Code (the "Open Records Act").

Section 3. Annual Meetings. The annual meeting of the Board shall be held at the time and at the location in the City designated by the resolution of the Board for the purposes of transacting such business as may be brought before the meeting.

Section 4. Regular Meetings. Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

Section 5. Special and Emergency Meetings. Special and emergency meetings of the Board shall be held whenever called by the Chairperson of the Board or the Secretary or by a majority of the Directors who are serving duly appointed terms of office at the time the meeting is called.

The Secretary shall give notice of each special meeting in person, by telephone, FAX, mail or telegraph at least three (3) days before the meeting to each Director and to the public in compliance with the Open Meetings Act. Notice of each emergency meeting shall also be given in the manner required of the City under Section 551.045 of the Open Meetings Act. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting. At any meeting at which every Director shall be present, even though without any notice, any matter pertaining to the purposes of the Authority may be considered and acted upon to the extent allowed by the Open Meetings Act.

Section 6. Quorum. A majority of the Board shall constitute a quorum for the consideration of matters pertaining to the purposes of the Authority. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. The act of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the act of a greater number is required by law, by the Articles of Incorporation, or by these Bylaws.

A Director who is present at a meeting of the Board at which any corporate action is taken shall be presumed to have assented to such action unless his dissent or abstention shall be entered in the minutes of the meeting or unless he shall file his written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent or abstention by registered mail to the Secretary of the Authority immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of the action.

Section 7. Conduct of Business. At the meetings of the Board, matters pertaining to the purposes of the Authority shall be considered in such order as from time to time the Board may determine.

At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, a chairperson shall be chosen by the Board from among the Directors present.

The Secretary of the Authority shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 8. Executive Committee, Other Committees. The Board may, by resolution passed by a majority of the Directors, designate three (3) or more Directors to constitute an executive committee or other type of committee. To the extent provided in the authorizing resolution, a committee shall have and may exercise all of the authority of the Board in the management of the Authority, except where action of the Board is specified by statute. A committee shall act in the manner provided in the authorizing resolution. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the office of the Authority, and shall report the same to the Board from time to time. Committees authorized to exercise the powers of the Board shall give notice of any meeting in the manner required for a meeting of the Board.

Section 9. Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors; provided, that nothing contained herein shall be construed to preclude any Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than a "Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

Section 10. Board of Advisory Directors. The Board may establish a Board of Advisory Directors composed of members who are, in the judgment of the Board, qualified to advise with respect to the activities of the Authority. Members of the Board of Advisory Directors shall serve for a term of one (1) year or such longer term as may be fixed by the Board, not to exceed four (4) years. Advisory Directors may be removed by the Board at any time with or without cause. The number of members of the Board of Advisory Directors shall be fixed from time to time by the Board. The officers and Directors of the Authority may consult with the Board of Advisory Directors from time to time with respect to the activities of the Authority but the Board of Advisory Directors shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Board of Advisory Directors shall have no responsibility for the management of the affairs of the Authority. Advisory Directors shall not receive any salary or compensation for their services as Advisory Directors; provided, that nothing contained herein shall be construed to preclude any Advisory Director from receiving compensation which is not excessive and which is at commercially reasonable rates for personal services (rendered in other than an "Advisory Director" capacity) which are reasonable and necessary in carrying out the Authority's purposes.

Section 11. Director's Reliance on Consultant Information. A Director shall not be liable if while acting in good faith and with ordinary care, he relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

- (a) one or more other officers or employees of the Authority;
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or
- (c) a committee of the Board of which the Director is not a member.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Authority shall be a chairperson of the Board, one or more vice chairpersons of the Board, a president, one or more vice presidents, a secretary, a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that neither the Chairperson of the Board nor the President shall hold the office of Secretary. The term of office for each officer (other than the Chairperson) shall be two (2) years commencing with the date of the annual meeting of the Board at which each such officer is elected. The Chairperson shall serve for the term designated by the Mayor of the City.

All officers (other than the Chairperson) shall be subject to removal, with or without cause, at any time by a vote of a majority of the whole Board.

A vacancy in the office of any officer (other than the Chairperson) shall be filled by the Board.

Section 2. Powers and Duties of the Chairperson. The Chairperson shall be a member of the Board and shall preside at all meetings of the Board. The Chairperson shall be designated by the Mayor of the City. He or she shall have such duties as are assigned by the Board. The Chairperson may call special or emergency meetings of the Board.

Section 3. Powers and Duties of the Vice Chairperson. The Vice Chairperson shall be a member of the Board. The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

Section 4. Powers and Duties of the President. The President shall be the principal executive officer of the Authority and, subject to the Board, he or she shall be in general charge of the properties and affairs of the Authority. In furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, the President, Chairperson, or Vice Chairperson may sign and execute all bonds, notes, deeds, conveyances, franchises, assignments, mortgages, notes, contracts and other obligations in the name of the Authority.

Section 5. Vice Presidents. A Vice President shall have such powers and duties as may be assigned to him or her by the Board or the President, including the performance of the duties of the President upon the death, absence, disability, or resignation of the President, or upon the President's inability to perform the duties of his or her office. Any action taken by the Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken.

Section 6. Treasurer. The Treasurer shall have custody of all the funds and securities of the Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Authority in such bank or banks or depositories as shall be designated in the manner prescribed by the Board; he or she may sign all receipts and vouchers for payments made to the Authority, either alone or jointly with such other officer as is designated by the Board; whenever required by the Board, he or she shall render a statement of his or her case account; he or she shall enter or cause to be entered regularly in the books of the Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; in furtherance of the purposes of the Authority and subject to the limitations contained in the Articles of Incorporation, he or she may sign with the President in the name of the Authority and/or attest the signatures thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority; he or she shall have charge of the Authority's books, records, documents and instruments, except the books of account and financial records and securities of which the Treasurer shall have custody and charge, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director upon application at the office of the Authority during business hours; and, he or she shall in general perform all duties incident to the office of Secretary subject to the control of the Board.

Section 8. Compensation. Officers may be entitled to receive such salary or compensation for personal services which are necessary and reasonable in carrying out the Authority's purposes as the Board may from time to time determine, provided, that in no event shall the salary or compensation be excessive. Board members, even in their capacity as officers, are not entitled to compensation except as otherwise provided in Article II, Section 9.

Section 9. Officer's Reliance on Consultant Information. In the discharge of a duty imposed or power conferred on an officer of the Authority, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person, that were prepared or presented by:

- (a) one or more other officers or employees of the Authority, including members of the Board; or
- (b) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Authority shall begin July 1 of each year.

Section 2. Seal. The seal of the Authority shall be such as from time to time may be approved by the Board.

Section 3. Notice and Waiver of Notice. Whenever any notice whatever, other than public notice of a meeting given to comply with the Open Meetings Act, is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Authority, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 4. Resignations. Any Director, officer or Advisory Director may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Gender. References herein to the masculine gender shall also refer to the feminine in all appropriate cases and vice versa.

Section 6. Appropriations and Grants. The Authority shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Subject to the limitations and conditions as provided in this Article V and the Articles of Incorporation, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Authority or while a Director or officer of the Authority is or was serving at the request of the Authority as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Authority to the fullest extent permitted by the Texas Non-Profit Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Authority to provide broader indemnification rights than said law permitted the Authority to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article V shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. The rights granted pursuant to this Article V shall be deemed contract rights, and no amendment, modification or repeal of this Article V shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article V could involve indemnification for negligence or under theories of strict liability.

Section 2. Advance Payment. The right to indemnification conferred in this Article V shall include the right to be paid in advance or reimbursed by the Authority the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 1 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Authority of a written affirmation by such Director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article V and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article V or otherwise.

Section 3. Indemnification of Employees and Agents. The Authority, by adoption of a resolution of the Board, may indemnify and advance expenses to an employee or agent of the Authority to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article V; and the Authority may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Authority but who are or were serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article V.

Section 4. Appearance as a Witness. Notwithstanding any other provision of this Article V, the Authority may pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding involving the Authority or its business at a time when he or she is not a named defendant or respondent in the proceeding.

Section 5. Non-exclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article V shall not be exclusive of any other right which a Director or

officer or other person indemnified pursuant to Section 3 of this Article V may have or hereafter acquire under any law (common or statutory), provision of the Articles of Incorporation of the Authority or these Bylaws, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 6. Insurance. The Authority may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Authority or is or was serving at the request of the Authority as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article V.

Section 7. Notification. Any indemnification of or advance of expenses to a Director or officer in accordance with this Article V shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12-month period immediately following the date of the indemnification or advance.

Section 8. Savings Clause. If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Authority shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article V as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE VI

PROVISIONS RELATING TO MINORITY CONTRACTING

The Authority shall attempt to stimulate the growth of disadvantaged businesses inside the City by encouraging the full participation of disadvantaged businesses in all phases of its procurement activities and affording those disadvantaged businesses a full and fair opportunity to compete for Authority contracts. The Authority shall establish one or more programs designed to increase participation by disadvantaged businesses in contract awards which will conform to City approved programs. Any program established by the Authority shall provide that disadvantaged businesses certified by the City shall be the disadvantaged businesses certified for Authority contracts.

ARTICLE VII

CODE OF ETHICS

Section 1. Policy and Purposes.

(a) It is the policy of the Authority that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Authority; and that the Board establish policies to control and manage the affairs of the Authority fairly, impartially, and without discrimination.

(b) This Code of Ethics has been adopted as part of the Authority's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.

Section 2. Conflicts of Interest.

(a) Except as provided in subsection (c), a Director or officer is prohibited from participating in a vote, decision, or award of a contract involving a business entity or real property in which the Director or the officer has a substantial interest, if it is foreseeable that the business entity or real property will be economically benefited by the action. A person has a substantial interest in a business (i) if his or her ownership interest is ten percent or more of the voting stock or shares of the business entity or ownership of \$15,000 or more of the fair market value of the business entity, or (ii) if the business entity provides more than ten percent of the person's gross income. A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more. An interest of a person related in the second degree by affinity or the third degree by consanguinity to a Director or officer is considered a substantial interest.

(b) If a Director or a person related to a Director in the first or second degree by affinity or the first, second, or third degree by consanguinity has a substantial interest in a business entity or real property that would be pecuniarily affected by any official action taken by the Board, such Director, before a vote or decision on the matter, shall file an affidavit stating the nature and extent of the interest. The affidavit shall be filed with the Secretary of the Board.

(c) A Director who has a substantial interest in a business entity that will receive a pecuniary benefit from an action of the Board may vote on that action if a majority of the Board has a similar interest in the same action or if all other similar business entities in the Authority will receive a similar pecuniary benefit.

(d) An employee of a public entity may serve on the Board.

Section 3. Acceptance of Gifts. No Director or officer shall accept any benefit as consideration for any decision, opinion, recommendation, vote or other exercise of discretion in carrying out official acts for the Authority. No Director or officer shall solicit, accept, or agree to accept any benefit from a person known to be interested in or likely to become interested in any contract, purchase, payment, claim or transaction involving the exercise of the Director's or officer's discretion. As used here, "benefit" does not include:

(a) a fee prescribed by law to be received by a Director or officer or any other benefit to which the Director or officer is lawfully entitled or for which he gives legitimate consideration in a capacity other than as a Director or officer;

(b) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the Director or officer;

(c) an honorarium in consideration for legitimate services rendered above and beyond official duties and responsibilities if:

- (1) not more than one honorarium is received from the same person in a calendar year;
- (2) not more than one honorarium is received for the same service; and
- (3) the value of the honorarium does not exceed \$250 exclusive of reimbursement for travel, food, and lodging expenses incurred by the Director or officer in performance of the services;

(d) a benefit consisting of food, lodging, transportation, or entertainment accepted as a guest is reported as may be required by law.

Section 4. Bribery. A Director or officer shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another:

(a) any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;

(b) any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or

(c) any benefit as consideration for a violation of a duty imposed by law on the Director or officer.

Section 5. Nepotism. No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.

ARTICLE VIII

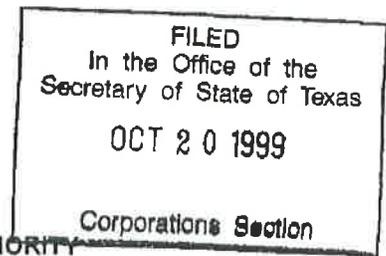
AMENDMENTS

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of a majority of the full Board at any annual or regular meeting, or at any special meeting if notice of the proposed amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by the City Council of the City to be effective.

EXHIBIT C

Articles of Incorporation

ARTICLES OF INCORPORATION
OF
THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY



We, the undersigned natural persons, each of whom is at least eighteen (18) years of age or more, and a resident and a qualified voter of the City of Houston, Texas (the "City") and a citizen of the State of Texas, acting as incorporators of a corporation under the provisions of Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and Chapter 394, Vernon's Texas Codes Annotated, Texas Local Government Code (the "Local Government Code"), do hereby adopt the following Articles of Incorporation for such corporation

ARTICLE I

The name of the corporation is THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY (the "Authority")

ARTICLE II

The Authority is a public non-profit corporation

ARTICLE III

The period of duration of the Authority shall be perpetual

ARTICLE IV

The Authority is organized for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental functions to promote the common good and general welfare of the area included in Reinvestment Zone Number Eleven, City of Houston, Texas (the "Greenspoint TIRZ") and neighboring areas, as more particularly described in City Ordinance No 98-713, and as the boundaries may be amended from time to time (the "Greenspoint Area"), to promote, develop, encourage and maintain housing, educational facilities, employment, commerce and economic development in the City

The Authority is further organized to aid, assist and act on behalf of the City and the Board of Directors of the Greenspoint TIRZ

(a) in the implementation of the Project Plan and a Financing Plan for the Greenspoint TIRZ and the preparation and implementation of amendments thereto,

(b) in the development of a policy to finance development and redevelopment of residential, educational facilities, and commercial properties in the Greenspoint Area, and

(c) in the development and implementation of a redevelopment policy for the Greenspoint Area, including the acquisition of land for redevelopment purposes

The Authority is formed pursuant to the provisions of the Act as it now or may hereafter be amended, and Chapter 394, Texas Local Government Code, which authorizes the Authority to assist and act on behalf of the City and to engage in activities in the furtherance of the purposes for its creation, provided that the Authority shall not be authorized to make or acquire home mortgages, or to make loans to lending institutions, the proceeds of which are to be used to make home mortgages or to make loans on residential developments

The Authority shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act including, without limitation, Article 1396, Vernon's Texas Civil Statutes

The Authority shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Authority to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Authority shall not issue bonds without the consent of the City Council of the City

The Authority is created as a local government corporation pursuant to the Act and shall be a governmental unit within the meaning of Subdivision (2), Section 101 001, Texas Civil Practice and Remedies Code The operations of the Authority are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101 001 et seq , Texas Civil Practice and Remedies Code The Authority shall have the power to acquire land in accordance with the Act as amended from time to time

ARTICLE V

The Authority shall have no members and shall have no stock

ARTICLE VI

All powers of the Authority shall be vested in a Board consisting initially consist of nine (9) persons Additional persons may be added to the Board by the Authority in accordance with the provisions of the Bylaws The initial directors of the Authority ("Director" or "Directors") shall be those persons named in Article VIII Each initial Director named in Article VIII hereof shall serve for the term prescribed in the Bylaws Subsequent Directors shall be appointed by position to the Board as prescribed in the Bylaws Except as provided in the Articles of Incorporation, each Director shall serve for the term provided in the Bylaws Any Director may be removed from office at any time, with or without cause, by the City Council

The initial Chairperson shall be William B Deane, and the Mayor of the City shall designate each subsequent Chairperson of the Board

If any of the following persons is not serving as a member of the Board, he or she shall serve as an ex-officio, non-voting member of the Board

- (1) Chief of Staff, Mayor's Office,
- (2) Director of the Department of Public Works and Engineering,
- (3) City Attorney,
- (4) Director of the Planning and Development Department,
- (5) Chairman of the Board of the Metropolitan Transit Authority of Harris County, and
- (6) Chair of City Council Business and Tourism Committee

In addition, the Board of Directors of the Authority may designate one or more representatives of the Aldine Independent School District, Spring Independent School District, Harris County, North Harris Montgomery Community College District or other political subdivisions as ex officio, non-voting members of the Board of Directors

All other matters pertaining to the internal affairs of the Authority shall be governed by the Bylaws of the Authority, so long as such Bylaws are not inconsistent with these Articles of Incorporation, or the laws of the State of Texas

ARTICLE VII

The street address of the initial registered office of the Authority is 16825 Northchase Drive, Suite 720, Houston, Texas, 77060 and the name of its initial registered agent at such address is Jack Drake

ARTICLE VIII

The number of Directors initially constituting the Board is nine (9) The names, addresses, and positions of the nine (9) initial Directors, each of whom resides within the City, are

<u>POS</u>	<u>NAME</u>	<u>ADDRESS</u>
1	Willie High Coleman, Jr	1010 Lamar, #1200, Houston, Texas, 77002
2	Michael Frazier, Sr	P O Box 23518, Houston, Texas, 77228
3	William B Deane	208 Greenspoint Mall, Houston, Texas 77060
4	Eileen Subinsky	4801 Woodway, #102W, Houston, Texas 77056
5	Richard Aguirre	230 Coach Road, Houston, Texas 77060
6	Elvin Franklin, Jr	3838 N Sam Houston Pky E , #190, Houston, Texas 77032
7	Allyn Skelton, II	1806 Hamlin Valley, Houston, Texas 77090
8	Sandra McMullan	250 N Sam Houston Pky E , Houston, Texas 77060
9	Dale E Bowman	P O Bqx 2567, Houston, Texas 77252-2567

ARTICLE IX

The names and street addresses of the incorporators, each of whom resides within the City, are

<u>NAME</u>	<u>ADDRESS</u>
Robert R Randolph	1001 Fannin, Suite 2300, Houston, Texas 77002-6760
Susan M Edwards	1001 Fannin, Suite 2300, Houston, Texas 77002-6760
Stephen M Robinson	1001 Fannin, Suite 2300, Houston, Texas 77002-6760

ARTICLE X

Resolution No 1999-40 approving the form of these Articles of Incorporation has been adopted by the City Council of the City on July 7, 1999

ARTICLE XI

No Director shall be liable to the Authority for monetary damages for an act or omission in the Director's capacity as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the Authority, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for any transaction from which the Director received an improper benefit, whether or not the benefit resulted from an act taken within the scope of the Director's office, or (iv) for acts or omissions for which the liability of a Director is expressly provided by statute Any repeal or amendment of this Article by the Directors shall be prospective only, and shall not adversely affect any limitation on the personal liability of a Director existing at the time of such repeal or amendment In addition to the circumstances in which a Director is not personally liable as set forth in the preceding sentences, a Director shall not be liable to the

fullest extent permitted by any amendment to the Texas statutes hereafter enacted that further limits the liability of a Director

ARTICLE XII

In accordance with the provisions of Section 501(c)(3) of the U S Internal Revenue Code of 1986, as amended (the "Code"), and regardless of any other provisions of these Articles of Incorporation or the laws of the State of Texas, the Authority (a) shall not permit any part of the net earnings of the Authority to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Authority in effecting one or more of its purposes), (b) shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propoganda or otherwise, (c) shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office, and (d) shall not attempt to influence the outcome of any election for public office or to carry on, directly or indirectly, any voter registration drives Any income earned by the Authority after payment of reasonable expenses, debt and establishing a reserve shall accrue to the City

The City shall, at all times, have an unrestricted right to receive any income earned by the Authority, exclusive of amounts needed to cover reasonable expenditures and reasonable reserves for future activities Unless otherwise directed by the City, any income of the Authority received by the City shall be deposited into the Reinvestment Zone Number Eleven, City of Houston, Texas, Tax Increment Fund, or its successor No part of the Authority's income shall inure to the benefit of any private interests

If the Board of Directors determines by resolution that the purposes for which the Authority was formed have been substantially met and all bonds issued by and all obligations incurred by the Authority have been fully paid, the Board shall execute a certificate of dissolution which states those facts and declares the Authority dissolved in accordance with the requirements of Section 394 026 of Vernon's Texas Codes Annotated, Local Government Code, or with applicable law then in existence In the event of dissolution or liquidation of the Authority, all assets will be turned over to the Finance and Administration Department of the City, or its successor, for deposit into the Reinvestment Zone Number Eleven, City of Houston, Texas, Tax Increment Fund unless the City Council shall otherwise direct

Any capital project(s) of the Authority as well as all plans and specifications of any improvement to be made by the Authority shall be approved by the Director of the Department of Public Works and Engineering of the City

ARTICLE XIII

If the Authority is a private foundation within the meaning of Section 509(a) of the Code, the Authority (a) shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code, (b) shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code, (c) shall not retain any excess business holdings as defined in Section 4943(c) of the Code, (d) shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code, and (e) shall not make any taxable expenditures as defined in Section 4945(d) of the Code

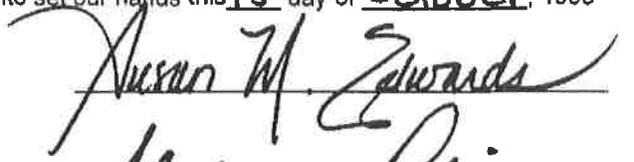
ARTICLE XIV

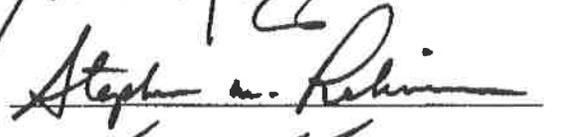
The City Council may at any time consider and approve an ordinance directing the Board to proceed with the dissolution of the Authority, at which time the Board shall proceed with the dissolution of the Authority in accordance with applicable state law The failure of the Board to proceed with the dissolution of the Authority in accordance with this Section shall be deemed a cause for the removal from office of any or all of the Directors as permitted by Article VI of these Articles of Incorporation

ARTICLE XV

These Articles may not be changed or amended unless approved by the City Council of the City

IN WITNESS WHEREOF, we have hereunto set our hands this 15 day of October, 1999





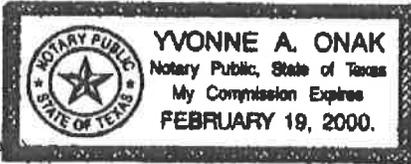


THE STATE OF TEXAS
COUNTY OF HARRIS

§
§
§

BEFORE ME, the undersigned authority, on this day personally appeared Susan M. Edwards known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of October, 1999



(SEAL)

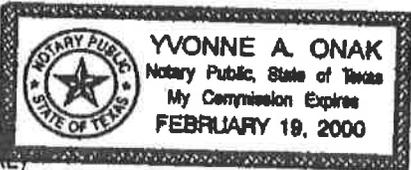
Yvonne A. Onak
Notary Public in and for
The State of Texas

THE STATE OF TEXAS
COUNTY OF HARRIS

§
§
§

BEFORE ME, the undersigned authority, on this day personally appeared Stephen W. Robinson known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of October, 1999



(SEAL)

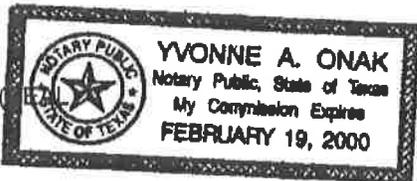
Yvonne A. Onak
Notary Public in and for
The State of Texas

THE STATE OF TEXAS
COUNTY OF HARRIS

§
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§

BEFORE ME, the undersigned authority, on this day personally appeared Robert R. Randolph known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of October, 1999



Yvonne A. Onak
Notary Public in and for
The State of Texas

EXHIBIT D

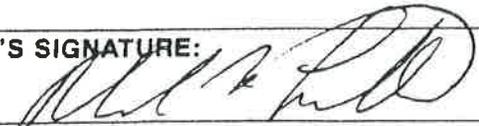
1998 Request for Council Action

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: Ordinance Designating Reinvestment Zone Number 11, Eleven, City of Houston (the Greenspoint Reinvestment Zone)	Category #	Page 1 of _____	Agenda Item #
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FROM (Department or other point of origin): Planning and Development Department	Origination Date 8/6/98	Agenda Date
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DIRECTOR'S SIGNATURE: 	Council District affected: District. B - Yarborough
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For additional information contact: Phone: Robert M. Litke 754-0008	Date and identification of prior authorizing Council action:
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RECOMMENDATION: (Summary)

Recommend that Council approve an ordinance designating Reinvestment Zone Number Eleven, City of Houston, Texas, also known as the Greenspoint Reinvestment Zone, and establishing a reinvestment zone Board of Directors.

Amount of Funding:	F&A Budget:
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SOURCE OF FUNDING: General Fund Grant Fund Enterprise Fund

Other (Specify)

SPECIFIC EXPLANATION:

Consistent with legal requirements, City Council conducted a public hearing regarding the designation of a reinvestment zone known as the Greenspoint Reinvestment Zone for tax increment financing purposes on August 5, 1998. The proposed zone is approximately 3,000 acres of land. The area includes blighted retail and multi-family residential corridors, and more than 2,000 acres of undeveloped property.

The ordinance establishes a thirty-year zone effective January 1, 1999; creates a board of directors for the zone; provides for the zone to expire December 31, 2028; establishes a tax increment fund for the zone; finds the zone's projected improvements to be of general benefit to the City; and, finds the proposed zone meets the statutory criteria for a reinvestment zone.

RML:pp

cc: Al Haines
Dan Jones
Jorge Cruz-Aedo
Anthony Hall
Anna Russell

REQUIRED AUTHORIZATION		
F&A Director:	Other Authorization:	Other Authorization:

5b

BOARD ACTION REQUEST
MULTIFAMILY FINANCE DIVISION
JUNE 26, 2014

Presentation, Discussion, and Possible Action to Issue a list of Approved Applications for Housing Tax Credits (“HTC”) in accordance with §2306.6724(e) of the Texas Government Code

RECOMMENDED ACTION

WHEREAS, the Department must approve a list of approved competitive (9%) HTC applications each year by June 30, in accordance with §2306.6724(e) of the Texas Government Code, from which final commitments may be made prior to July 31, 2014, in accordance with §2306.6724(f) and

WHEREAS, not all applications on the approved list have completed the review process and not all will ultimately receive an award of housing tax credits; however this list will satisfy the statutory requirements;

NOW, therefore, it is hereby

RESOLVED, the attached list of active applications for the 2014 competitive HTC application round, modified to reflect prior actions relating to appeals on today’s agenda, is approved in accordance with §2306.6724(e) of the Texas Government Code, subject to meeting the requirements of the Qualified Allocation Plan and associated rules.

BACKGROUND

The Department’s Board is required by §2306.6724(e) of the Texas Government Code to “review the recommendations of department staff regarding applications and shall issue a list of approved applications each year in accordance with the qualified allocation plan not later than June 30.” Moreover, as required by §2306.6724(f) of the Texas Government Code, the Board “shall issue final commitments for allocations of housing tax credits each year in accordance with the qualified allocation plan not later than July 31.” At the Board meeting of July 31, 2014, the list presented to the Board will clearly identify those applications being recommended for a Commitment.

One-hundred sixty-one (161) competitive (9%) HTC applications were submitted prior to the application deadline of February 28, 2014. To date, nine applications have been withdrawn or terminated, excluding those terminated but with appeal rights remaining. Of the 152 applications remaining, many have not been fully reviewed and may be determined to be ineligible at a later date, including several applications appealing a staff termination on today’s agenda.

This is the “list of approved applications” required by Tex. Gov’t Code, §2306.6724(e). They are approved in the sense that they have not been identified as having any material deficiency or

other defect that would cause them to be ineligible, or if such matters have been identified they are still within the period where such matters may be appealed. Because the Department does not have the resources to perform a detailed review of all applications, it reviews priority applications, those being applications which appear most likely to be competitive. Priority applications are identified based on self-score, a limited preliminary review, and other relevant factors, such as projected operation of collapses. As staff continues the review process, applications remain subject to the identification of material and/or administrative deficiencies, revised scoring, and/or applications may be found to be ineligible applications or to involve ineligible applicants.

The attached list includes the current score for each active application as well as relevant application information. Those applications that have received a final scoring notice are identified in the "Review Status" column with a "C," indicating that a complete program review has been completed. Those applications that are currently under review are identified with a "UR" and those with an "N" have not been prioritized for review.

At this time, applications remain subject to underwriting, completion of any remaining program review, and a previous participation review. Further, the credit amount reflected on this list is the requested credit amount and may change to reflect a recommended credit amount and/or may have conditions placed on the allocation in July. In addition to applications that may be removed from the list for issues of financial feasibility, applications may also be removed from the list of approved applications as determinations are made on appeals.

14215	Village on Harvest Time	SE Quadrant of Imperial Valley Drive & Harvest Time Lane	Houston	Harris	77060	6	Urban	New Construction	100	20	120	General	\$	1,335,244	Miranda Ashline	118	17	4	8	4	151	C	scoring pending appeal	48201240501	4th	35.0%									
14057	Tidwell Lakes Ranch	The Approximate 14500 block of Tidwell just west of the app 9000 block of E Sam Houston Parkway North	Houston ETJ	Harris	77044	6	Urban	New Construction	79	10	89	General	\$	1,499,946	Marcialeto Voller	118	17	4	8	4	151	N		48201232302	3rd	15.8%									
14042	East End Lofts	NWC of Harrisburg Blvd and Sampson St	Houston	Harris	77003	6	Urban	New Construction	110	7	117	General	\$	1,500,000	David Mark Koogler	120	14	8	8	0	150	N		48201310100	4th	41.5%									
14167	Paddock at the Bayou	N side of Beltway 8, E of Old Choc Bayou	Houston	Harris	77048	6	Urban	New Construction	120	0	120	General	\$	1,500,000	Justin Hartz	120	14	4	8	4	150	N		48201330800	2nd	9.7%									
14044	Auden Village	NW Corner of FM 529 and Greenhouse Rd.	Houston	Harris	77433	6	Urban	New Construction	141	15	156	General	\$	1,500,000	David Mark Koogler	128	0	4	8	4	144	N		48201543003	2nd	10.5%									
14015	The Monarch	8500 block S. Sam Houston Pkwy E	Houston	Harris	77075	6	Urban	New Construction	130	26	156	General	\$	1,500,000	Mark Musemeche	126	0	4	8	4	142	N		48201333901	1st	4.1%									
14032	Reserve at Compton Road	North of Compton Street & East of FM 521	Arcola	Fort Bend	77583	6	Urban	New Construction	120	0	120	General	\$	1,500,000	Brian McGeady	125	0	4	8	4	141	N		48157670800	2nd	11.2%									
14019	Tuscany Park at Arcola	Post Oak Road (350' south of Hwy 6)	Arcola	Fort Bend	77583	6	Urban	New Construction	120	16	136	General	\$	1,500,000	Mark Musemeche	130	0	4	0	4	138	N		48157674501	1st	3.5%									
14166	Hurstbourne Crossing	NW Quadrant of Oates Rd and IH 10	Houston	Harris	77013	6	Urban	New Construction	120	0	120	General	\$	1,500,000	Justin Hartz	120	0	4	-8	4	120	N		48201232600	2nd	4.8%									
14108	Cleme Manor Apartments	5300 Coke Street	Houston	Harris	77020	6	Urban	X Acquisition/Rehab	284	0	284	General			Thomas G. Vaccaro							N	withdrawn	48201211400	4th	34.8%									
14084	PALM PARQUE	0 Griggs Rd., 5915 Schroeder Rd., and 0 Schroeder Rd.	Houston	Harris	77021	6	Urban	X New Construction	30	0	30	Supp. Hsng.			L. David Punch							N	terminated - pending appeal	48201313400	4th	20.8%									
14083	Selinsky Street Supportive Housing	6013 Selinsky Rd	Houston	Harris	77048	6	Urban	X New Construction	30	0	30	Supp. Hsng.			L. David Punch							N	terminated - pending appeal	48201313300	3rd	24.4%									
14146	Greens at Bamore	Klauke Rd. west of Bamore Rd.	Rosenberg	Fort Bend	77471	6	Urban	New Construction	130	24	154	General			Les Kilday							N	withdrawn	48157675300	3rd	12.9%									
													Estimated Amount Available to Allocate	\$9,570,462														Total HTCs Requested	\$	32,717,442					
Region 7/Rural																																			
14007	Liberty Manor	Bailey Lane, approx. 500' north of Hwy 29 W	Liberty Hill	Williamson	78642	7	Rural	New Construction	65	3	68	Elderly	\$	740,851	Kenneth G. Blankenship	131	17	4	8	4	164	C		48491020202	1st	9.9%									
14157	Pecan Pointe	SWG Agnes and Childers Dr	Bastrop	Bastrop	78602	7	Rural	New Construction	62	18	80	General	\$	749,925	X Stacy Kaplowitz	130	17	4	8	4	163	N		48021950400	3rd	7.3%									
14006	Oak Grove Village	1101 Broadway	Marble Falls	Burnet	78654	7	Rural	X New Construction	38	4	42	Elderly	\$	500,000	X Mark Mayfield	131	17	4	8	4	-5	159	C		48053960700	4th	19.7%								
													Estimated Amount Available to Allocate	\$500,000														Total HTCs Requested	\$	1,990,776					
Region 7/Urban																																			
14069	Southwest Trails Phase II	8500 Highway 71	Austin	Travis	78735	7	Urban	X New Construction	58	0	58	Supp. Hsng.	\$	900,000	Walter Moreau	135	17	8	8	0	168	C	Additional Phase	48453001908	1st	11.9%									
14068	Bluebonnet Studios	2301 South Lamar Blvd.	Austin	Travis	78704	7	Urban	X New Construction	107	0	107	Supp. Hsng.	\$	845,500	Walter Moreau	133	17	8	8	0	166	C		48453001304	2nd	10.5%									
14226	Art at Bratton's Edge	SEC Long Vista Dr and Bratton Ln	Austin	Travis	78728	7	Urban	New Construction	68	8	76	General	\$	1,056,000	Louis Wolfson III	132	17	4	8	4	165	C		48453001853	1st	4.2%									
14070	Rutledge Spur Apartments	NEC of Rutledge Spur and FM 620	Austin	Williamson	78717	7	Urban	X New Construction	128	0	128	General	\$	1,254,485	Walter Moreau	130	17	4	8	4	163	C		48491020311	2nd	4.7%									
14107	Villas at Buda	FM 967 and Robert S. Light Blvd.	Buda	Hays	78610	7	Urban	New Construction	128	32	160	General	\$	1,500,000	Kecia Boulware	132	17	4	0	4	157	N		48209010902	1st	3.8%									
14203	Longhorn's Landing	14.127 acres at S. Loop 4 and Robert S. Light Blvd.	Buda	Hays	78610	7	Urban	New Construction	115	22	137	General	\$	1,500,000	Jorge A. Aguirre	130	17	4	0	4	155	N		48209010902	1st	3.8%									
14243	Merritt Lakeline Station	southeast quadrant of Lakeline Mall Drive and N. Lake Creek Parkway	Austin	Williamson	78717	7	Urban	X New Construction	110	90	200	General	\$	1,500,000	Colby Denison	130	0	4	8	4	146	N		48491020311	2nd	4.7%									
14071	Cardinal Point	11108 & 11300 Zimmerman Lane	Austin	Travis	78726	7	Urban	X New Construction	124	0	124	General			Walter Moreau							N		48453001714	1st	2.3%									
													Estimated Amount Available to Allocate	\$3,704,140														Total HTCs Requested	\$	9,810,470					
Region 8/Rural																																			
14109	Hidden Glen	Northeast of the intersection of Mary Ln & Vanessa St.	Salado	Bell	76571	8	Rural	New Construction	50	0	50	Elderly	\$	514,453	Will Markel	132	17	4	8	0	161	C		48027023403	1st	5.0%									
14099	Belle Towers	0 Cottonwood	Brenham	Washington	77833	8	Rural	New Construction	70	6	76	Elderly	\$	750,000	Marvalette Hunter	125	17	4	8	4	158	C		484771710100	4th	14.5%									
14126	Shadow Hills Apartments	1800 Block of Old Brandon Road	Hillsboro	Hill	76645	8	Rural	New Construction	60	0	60	General	\$	645,000	Vaughn C. Zimmerman	54	17	4	8	4	87	N		48217961100	1st	11.4%									
													Estimated Amount Available to Allocate	\$599,719														Total HTCs Requested	\$	1,909,453					
Region 8/Urban																																			
14229	Barron's Branch II	N 9th St and Indiana Ave as well as N 9th St and West Ave	Waco	McLennan	76707	8	Urban	New Construction	76	0	76	General	\$	1,104,000	David O. Deutch	127	17	8	8	0	160	C		48309001200	4th	51.4%									
14200	Constitution Court Phase II	722 Constitution Drive	Copperas Cove	Coryell	76522	8	Urban	New Construction	69	3	72	General	\$	923,821	Emmanuel H. Glockzin, Jr.	121	17	8	8	0	154	C		48099010504	4th	27.1%									
													Estimated Amount Available to Allocate	\$1,446,456														Total HTCs Requested	\$	2,027,821					
Region 9/Rural																																			
14106	Manor Lane Senior Apartments	Avenue G and 29th Street (Garden Park Subdivision)	Hondo	Medina	78861	9	Rural	X New Construction	48	0	48	Elderly	\$	685,745	Renée Sandell							UR	terminated - pending appeal	48325000500	3rd	21.4%									
14013	Cibolo Park	48 & 48A Old San Antonio Road	Boerne	Kendall	78006	9	Rural	New Construction	68	4	72	General	\$	730,182	Kenneth G. Blankenship							C	withdrawn	48259970401	1st	3.6%									
													Estimated Amount Available to Allocate	\$500,000														Total HTCs Requested	\$	1,415,927					
Region 9/Urban																																			
14227	Liberty Pass	N Side of Lookout Rd, E of Jordan Rd	Selma	Comal	78154	9	Urban	New Construction	96	8	104	General	\$	1,500,000	X Michael D. Wohl	134	17	4	8	4	167	C		48091310801	1st	2.0%									
14150	EAGLES REST	8401 N. FM 1560 and a portion of 8445 N. FM 1560	San Antonio (ETJ)	Bexar	78254	9	Urban	X New Construction	102	6	108	General	\$	1,378,181	Meghan Garza-Oswald	132	17	4	8	4	165	C		48029181729	1st	2.7%									
14285	The Arbor at Centerbrook	13.13 acres on Centerbrook; NWQ of Centerbrook and Athenian Drive	Live Oak	Bexar	78148	9	Urban	New Construction	80	0	80	General	\$	1,062,039	Dan Wilson	132	17	4	8	4	165	C		48029121702	1st	8.9%									
14300	Vista Pointe at Wild Pine	11.169 acres on Wild Pine; SEQ of Wild Pine and Lone Star Parkway	San Antonio	Bexar	78253	9	Urban	New Construction	120	0	120	General	\$	1,464,051	Dan Wilson	130	17	4	8	4	163	N		48029172005	1st	0.6%									
14254	Silver Oaks Village	NEC of Reed Road and Loop 1604	San Antonio	Bexar	78251	9	Urban	New Construction	152	0	152	General	\$	1,500,000	Manish Verma	132	17	4	4	4	161	N	Site in two State Rep districts	48029171918	1st	3.5%									
14011	Artisan at Remigio	3760 Remigio Street	San Antonio	Bexar	78211	9	Urban	X New Construction	140	0	140	General	\$	1,500,000	Edgar Sandoval	128	17	8	8	0	161	N		48029161100	4th	16.2%									
14151	ECKHERT VILLAGE	NEC of Bandera Road & Eckhert Road	San Antonio	Bexar	78238	9	Urban	X New Construction	80	0	80	General	\$	1,040,049	Meghan Garza-Oswald	128	17	4	8	4	161	N		48029181704	2nd	14.5%									
14118	WESTPOINTE APARTMENTS	Westpointe Subdivision at termination of Hunters Ridge	New Braunfels	Comal	78132	9	Urban	X New Construction	82	0	82	General	\$	1,097,351	X Meghan Garza-Oswald	128	0	4	0	4	136	N		48091310802	1st	11.4%									
14241	Bandera Flats	8130 West Hausman Road	San Antonio	Bexar	78249	9	Urban	New Construction	114	22	136	General			Audrey Martin							N	withdrawn	48029181824	1st	5.4%									
													Estimated Amount Available to Allocate	\$4,091,587														Total HTCs Requested	\$	10,541,671					
Region 10/Rural																																			
14306	Live Oak Villas	West side of Highway 281 approx 350' north of Chapelle Drive	George West	Live Oak	787022	10	Rural	New Construction	41	7	48	General	\$	527,200	Kyndel Bennett	127	17	4	8	0	156	C		48297950300	3rd	3.4%									
14303	The Cottages at Bailey Square	Southeast Corner of N. Valley Street and E. Bailey Street	Cuero	DeWitt	77954	10	Rural	New Construction	42	6	48	Elderly	\$	583,252	X Audrey Martin	122	17	4	8	4	155	N		48123970300	1st	10.3%									
													Estimated Amount Available to Allocate	\$534,929														Total HTCs Requested	\$	1,110,452					
Region 10/Urban																																			
14282	Riverstone Apartments	3501 Airline Road	Corpus Christi	Neuces	74141	10	Urban	New Construction	60	0	60	General	\$	813,778	Michael Gardner	130	17	4	8	4	163	C		48355005414	1st	4.0%									
14097	Residences at Rodd Field	3301 Rodd Field Road	Corpus Christi	Neuces	78414	10	Urban	New Construction	100	0	100	General	\$	1,197,000	Dan Allgeier	162					162	N	terminated - pending appeal	48355005404	1st	0.4%									
													Estimated Amount Available to Allocate	\$1,215,810														Total HTCs Requested	\$	2,010,778					
Region 11/Rural																																			
14297	Casitas Los Olmos	380 Farm to Market Road 3168	Raymondville	Willacy	78526	11	Rural	X New Construction	80	0	80	General	\$	897,613	Nick Mitchell-Bennett	131	17	4	8	4	164	C		48489950400	1st	33.8%									
14209	Riverside Village Apartments	Intersection of Robertson Rd. and Bates Rd.	Rio Hondo	Cameron	78																														

14207	Alamo Vista	Duranta Avenue	Alamo	Hidalgo	78516	11	Urban		New Construction	120	0	120	General	\$	1,359,000	X	Jay Collins	130	17	4	8	4	163	N	48215021903	3rd	14.5%	
14093	Auburn Village	NW Corner of N. 23rd Street and Auburn Avenue	McAllen	Hidalgo	78504	11	Urban	X	New Construction	143	17	160	General	\$	1,500,000		Virginia Chavez	131	17	4	0	4	156	N	48215023509	1st	13.4%	
		Estimated Amount Available to Allocate			\$5,228,015										10,540,390													
Region 12/Rural																												
14132	Mission Village of Monahans	SEQ of E Sealy Ave and S James Ave	Monahans	Ward	78756	12	Rural		New Construction	44	5	49	General	\$	615,000	X	Michael P. Ash	129	17	4	8	4	162	C	48475950200	2nd	5.6%	
		Estimated Amount Available to Allocate			\$500,000										615,000													
Region 12/Urban																												
14154	The Grove	NEC W 4th St and N Elliot Ave	Odessa	Ector	79763	12	Urban	X	New Construction	55	13	68	General	\$	747,000		Stacy Kaplowitz	128	17	4	8	4	161	C	48135003100	4th	22.9%	
14244	Merritt Estates	northeast quadrant of Leisure Drive and TX Loop 250	Midland	Midland	79703	12	Urban	X	New Construction	106	86	192	General	\$	1,130,958	X	Colby Denison	127	17	4	8	4	160	N	48329001300	2nd	8.7%	
14112	San Angelo Townhomes	NE corner Roosevelt St. & South Buchanan St.	San Angelo	Tom Green	76903	12	Urban	X	New Construction	48	0	48	General	\$	595,519		Terry Shaner	124	17	4	8	4	157	N	48451000700	4th	30.5%	
14040	Progress Senior Living	3500 West 8th Street	Odessa	Ector	79763	12	Urban	X	New Construction	80	20	100	Elderly	\$	753,971		Bernadine Spears	121	17	4	8	4	154	N	48135001100	3rd	20.6%	
14081	Grand Court Residences	NWC of Summer Crest Dr & Grand Court Rd	San Angelo	Tom Green	76901	12	Urban		New Construction	80	0	80	General	\$	1,056,063		Jay Milam	124	17	4	0	4	149	N	48451001704	1st	11.2%	
14080	L38 Residences	NEC of Hwy 338 and Arroyo Rd	Odessa	Ector	79762	12	Urban		New Construction	60	0	60	General	\$	782,529		Jay Milam							N	withdrawn	48135003000	1st	13.4%
		Estimated Amount Available to Allocate			\$765,445										5,066,040													
Region 13/Rural																												
14073	Homestead Palms	14597 Santiesteban	Homestead Palms South	El Paso	79938	13	Rural		New Construction	48	0	48	General	\$	467,000		R.L. "Bobby" Bowling, IV	117	0	4	8	4	133	C	48141010341	2nd	19.3%	
14194	Laureles del Este	SWQ Fabens St & Citizen Transfer Station Rd	Fabens	El Paso	79838	13	Rural		New Construction	40	0	40	General	\$	407,447		Ike J. Monty	110	0	4	8	4	126	N	48141010505	4th	50.6%	
		Estimated Amount Available to Allocate			\$500,000										874,447													
Region 13/Urban																												
14037	Artspace El Paso Lofts	601 N. Oregon Street	El Paso	El Paso	79901	13	Urban		New Construction	51	0	51	General	\$	929,693		Sarah White	126	17	4	8	4	159	C	48141001600	4th	46.6%	
14128	Sherman Plaza	4528 Blanco Ave.	El Paso	El Paso	79905	13	Urban	X	New Construction	198	0	198	General	\$	1,500,000		Juan A. Olvera	120	17	8	8	0	153	C	48141003000	4th	41.6%	
14302	Socorro Palms	Located in Northwest quadrant of Passmore and Socorro Rd. Intersection	Socorro	El Paso	79927	13	Urban		New Construction	110	42	152	General	\$	1,266,077		R.L. "Bobby" Bowling, IV	115	17	4	8	4	148	N	48141010401	2nd	20.7%	
14075	Pellicano Palms	Corner of Aviation Way off of Pellicano Drive	El Paso	El Paso	79928	13	Urban		New Construction	110	42	152	General	\$	1,266,077		R.L. "Bobby" Bowling, IV	130	0	4	8	4	146	N	48141010342	1st	8.9%	
14074	Dyer Palms	Between Dyer St. and Palomino St. off of Ameen Dr	El Paso	El Paso	79924	13	Urban		New Construction	110	42	152	General	\$	1,266,077		R.L. "Bobby" Bowling, IV	118	0	4	8	4	134	N	48141000108	3rd	25.8%	
14193	Villas at West Mountain	NWQ Helen of Troy & New Harvest	El Paso	El Paso	79912	13	Urban		New Construction	66	10	76	General	\$	745,065		Ike J. Monty	118	0	4	8	4	134	N	48141010215	1st	5.3%	
		Estimated Amount Available to Allocate			\$2,605,124										6,972,989													

TOTALS

Total Estimated 2014 Credit Ceiling		\$61,597,018	Total Applications Received		161	Total HTCs Requested		\$155,417,666
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n the Application Log. This information is
while application reviews are under way.
ation Log.

n those items included in the self score
nts verified by staff for those items in the
different from an applicant's requested self

ormation on this score can be found in the
§11.9(d)(5) of the 2014 Qualified

§11.9(d)(4)). Additional information on
able on the website.

) (5)). Additional information on this score
ler §11.9(d)(1) and §11.9(d)(5) of the 2014

§11.9(d)(6)). Letters for this scoring item
red or are under review, staff assumed the

education under §11.9(f) or §10.207(A)

Tiebreakers

Application #	Points Requested under §11.9(c)(4) Opportunity Index	Distance to nearest HTC-assisted Development	TDHCA # of nearest HTC-assisted Development	Review completed and staff confirmed points requested under §11.9(c)(4) Opportunity Index
14066	0	2470 feet	02107	yes
14276	6			yes
14279	7			yes
14129	5	4848 feet	95028	yes
14105	7	2.3 miles	97011	
14122	7	3.2 miles	05185	yes
14102	7	1050 feet	91112	yes
14266	7	6.75 miles	05168	yes
14114	7	3.55 miles	92045	
14039	7	1.37 miles	70009	
14092	7	13.63 miles	91139	yes
14133	7	2.48 miles	91184	yes
14271	7	11.24 miles	93021	yes
14054	0	1.01 miles	06105/07093	yes
14063	5	3785 feet	10279	yes
14043	7	1.01 miles	03254	
14274	7	11.99 miles	04002	yes
14035	7	2.97 miles	97026	yes
14256	7	4.34 miles	97026	yes
14283	7	2.15 miles	060095	yes
14209	7	2792 feet	91155	yes
14297	7	1861 feet	01069	yes
14036	7	1.08 miles	01140	yes
14177	7	1.28 miles	01140	yes
14283	7	2.05 miles	01140	yes