BOARD BOOK OF
FEBRUARY 20, 2020

Leslie Bingham Escareño, Vice-Chair

Paul Braden, Member

Sharon Thomason, Member

Leo Vasquez, III, Member

Texas Department of Housing and Community Affairs

PROGRAMMATIC IMPACT

Fiscal Year 2019 (September 1, 2018, through August 31, 2019)

Owner Financing and Down Payment

- 30-year, fixed interest rate mortgage loans
- Mortgage credit certificates
- Down payment, closing cost assistance
- Homebuyer education

Programs:

- Homebuyer Assistance Program (HBA)*
- Single Family Homeownership

Expended Funds: $1,693,834,604
Total Households Served: 9,605

Multifamily New Construction

- Affordable rental units financed and developed

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds
- Multifamily Direct Loan Program*

Expended Funds: $108,945,178
Total Households Served: 7,062

Multifamily Rehab Construction

- Affordable rental units financed and rehabilitated

Programs:

- 9% Housing Tax Credits (HTC)
- 4% Housing Tax Credits (HTC)
- Multifamily Bonds

Expended Funds: $56,792,063
Total Households Served: 2,503

Owner Rehabilitation Assistance

- Home rehabilitation, reconstruction
- Manufactured housing unit replacement
- Accessibility modifications e.g., ramp, grab bar installation

Programs:

- Homeowner Rehabilitation Assistance Program (HRA)*
- Amy Young Barrier Removal Program

Expended Funds: $11,384,025
Total Households Served: 251

Single Family Development

- Single family development, reconstruction, rehabilitation
- Do-it-yourself, “sweat equity” construction, rehabilitation
- Contract for Deed refinance

Programs:

- Single Family Development Program (SFD)*
- Contract for Deed (CFD)

Expended Funds: $3,769,888
Total Households Served: 85

Energy Related Assistance

- Utility bill payment assistance
- Energy consumption education
- Weatherization for energy efficiency

Programs:

- Comprehensive Energy Assistance Program (CEAP)
- Weatherization Assistance Program (WAP)

Expended Funds: $147,270,662
Total Households Served: 162,668

Homelessness Services

- Shelter building rehabilitation, conversion, operations
- Essential services e.g., health services, transportation, job training, employment services

Programs:

- Emergency Solutions Grant Program (ESG)
- Homeless Housing and Services Program (HHSP)

Expended Funds: $12,162,959
Total Individuals Served: 71,350

Supportive Services

Provides administrative support for essential services for low income individuals through Community Action Agencies

Program:

- Community Services Block Grant Program (CSBG)

Expended Funds: $31,103,729
Total Individuals Served: 561,906

Rental Assistance

- Short, long term rent payment help
- Assistance linked with services
- Transitional assistance
- Security, utility deposits

Programs:

- Tenant-Based Rental Assistance (TBRA)*
- Section 8 Housing Choice Vouchers
- Section 811

Expended Funds: $11,021,909
Total Households Served: 1,932

Total Expended Funds: $2,076,285,016
Total Households Served: 817,362

All FY2019 data as reported in TDHCA's 2020 State Low Income Housing Plan and Annual Report (SLIHP).

Note: Some households may have been served by more than one TDHCA program.

* Administered through the federally funded HOME Investment Partnerships Program

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
GOVERNING BOARD MEETING

A G E N D A
9:00 AM
February 20, 2020

City of Weslaco Legislative Chamber
255 South Kansas Avenue
Weslaco, Texas 78596

CALL TO ORDER
ROLL CALL **Leslie Bingham Escareño, Vice Chair**
CERTIFICATION OF QUORUM

Pledge of Allegiance - ***I pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.***

Texas Allegiance - ***Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible.***

Resolution celebrating the 20th Anniversary of the Texas Bootstrap Loan Program

CONSENT AGENDA
Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements under Chapter 551 of the Tex. Gov't Code, Texas Open Meetings Act. Action may be taken on any item on this agenda, regardless of how designated.

ITEM 1: APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS:

ASSET MANAGEMENT

Homero Cabello
Director of Program
Controls and Oversight

a) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application

03134	Cien Palmas	El Paso
16422	Pathways at Shadowbend Ridge	Austin
17736/19707	Providence at Ted Trout Drive	Hudson
19133	Alazan Lofts	San Antonio

b) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement

00010	El Patrimonio Apartments	McAllen
01031	La Estancia Apartments	Weslaco
10035	HomeWood at Zion	Houston

c) Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement

00056	The Woodlands of Beaumont	Beaumont
03134	Cien Palmas	El Paso

COMMUNITY AFFAIRS

d) Presentation, discussion, and possible action on approval of the draft 2020 Department of Energy Weatherization Assistance Program state plan for public comment — **Brooke Boston**, Director of Programs

FINANCIAL ADMINISTRATION

e) Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions — **Ernie Palacios**, Director of Financial Administration

LEGAL

f) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Plainview II Triplex (HOME 532315 / CMTS 2658) — **Jeff Pender**, Deputy General Counsel

g) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Southeast Texas CDC (HOME 537606 / CMTS 2680)

h) Presentation, discussion, and possible action regarding the adoption of an Agreed Final Order concerning Maryland I (HTC 91122 / CMTS 990)

RULES

i) Presentation, discussion, and possible action on the adoption of the 2020 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 10 TAC §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their submission to the *Texas Register* — **Brooke Boston**, Director of Programs

SINGLE FAMILY AND HOMELESS PROGRAMS

j) Presentation, discussion, and possible action on awards for the 2019 HOME Investment Partnerships Program Single Family Development Open Cycle Notice of Funding Availability — **Abigail Versyp**, Director of Single Family and Homeless Programs

BOND FINANCE

k) Presentation, discussion, and possible action on Resolution No. 20-011 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject — **Monica Galuski**, Director of Bond Finance

l) Presentation, discussion, and possible action on Inducement Resolution No. 20-010 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority — **Teresa Morales**, Director of Multifamily Bonds

20602	Vermillion Apartments	Houston
20604	The Walzem	San Antonio ETJ

MULTIFAMILY FINANCE

m) Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications — **Teresa Morales**, Director of Multifamily Bonds

20407	New Hope Housing Avenue J	Houston

n) Presentation, discussion, and possible action regarding the re-issuance of the Determination Notice for Scharbauer Flats (#20448)

CONSENT AGENDA REPORT ITEMS

ITEM 2: THE BOARD ACCEPTS THE FOLLOWING REPORTS:

a) Outreach and Activities Report (Jan-Feb) — **Michael Lyttle**, Director of External Affairs

b) Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act — **Ernie Palacios**, Director of Financial Administration

c) Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures — **Monica Galuski**, Director of Bond Finance

ACTION ITEMS

ITEM 3: TEXAS HOMEOWNERSHIP

Housing Finance Activity Report

Cathy Gutierrez
Director of Texas Homeownership

ITEM 4: ASSET MANAGEMENT

Presentation, discussion, and possible action regarding approval of a Multifamily Direct Loan assumption

Homero Cabello
Director of Program Controls and Oversight

1001800	The Lakeshore Apartments Homes	Lake Dallas

ITEM 5: MULTIFAMILY FINANCE

Marni Holloway
Director of Multifamily Finance

a) Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.204(15) regarding the requirements for a Feasibility Report for proposed Rehabilitation Development Applications

b) Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed

19070	South Rice Apartments	Houston
19074	900 Winston	Houston
19077	Telephone Road Elderly	Houston
19085	Gala at McGregor	Houston
19242	The Tramonti	Houston
19245	Huntington Chimney Rock	Houston
19296	McKee City Living	Houston

Andrew Sinnott
Multifamily Loan Programs Administrator

c) Presentation, discussion, and possible action on the First Amendment to the 2020-1 Multifamily Direct Loan Notice of Funding Availability

d) Presentation, discussion, and possible action regarding the cancellation of the 2020-2 Multifamily Direct Loan Special Purpose Notice of Funding Availability and approval of the 2020-2B Multifamily Direct Loan Special Purpose Notice of Funding Availability

e) Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2020-4 Multifamily Direct Loan Special Purpose Notice of Funding Availability (NOFA)

ITEM 6: RULES

Abigail Versyp
Director of Single Family and Homeless Programs

Presentation, discussion, and possible action on the proposed repeal and proposed new 10 TAC Chapter 7, Subchapter A, General Policies and Procedures, and Subchapter B, Homeless Housing and Services Program; 10 TAC §7.31, §7.34, §7.36, §§7.41-44, Emergency Solutions Grants; and 10 TAC §7.62 and §7.65, Ending Homelessness Fund, and directing publication for public comment in the *Texas Register*

PUBLIC COMMENT ON MATTERS OTHER THAN ITEMS FOR WHICH THERE WERE POSTED AGENDA ITEMS

EXECUTIVE SESSION

The Board may go into Executive Session (close its meeting to the public):

Leslie Bingham Escareño
Vice Chair

The Board may go into Executive Session Pursuant to Tex. Gov't Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

Pursuant to Tex. Gov't Code §551.071(1) to seek the advice of its attorney about pending or contemplated litigation or a settlement offer;

Pursuant to Tex. Gov't Code §551.071(2) for the purpose of seeking the advice of its attorney about a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Tex. Gov't Code Chapter 551; including seeking legal advice in connection with a posted agenda item;

Pursuant to Tex. Gov't Code §551.072 to deliberate the possible purchase, sale, exchange, or lease of real estate because it would have a material detrimental effect on the Department's ability to negotiate with a third person; and/or

Pursuant to Tex. Gov't Code §2306.039(c) the Department's internal auditor, fraud prevention coordinator or ethics advisor may meet in an executive session of the Board to discuss issues related to fraud, waste or abuse.

OPEN SESSION

If there is an Executive Session, the Board will reconvene in Open Session. Except as specifically authorized by applicable law, the Board may not take any actions in Executive Session.

ADJOURN

To access this agenda and details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Michael Lyttle, 512-475-4542, TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. If you would like to follow actions taken by the Governing Board during this meeting, please follow TDHCA account (@tdhca) on Twitter.

Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact MeLissa Nemecek, ADA Responsible Employee, at 512-475-3959 or Relay Texas at 1-800-735-2989, at least five days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Elena Peinado, 512-475-3814, at least five days before the meeting so that appropriate arrangements can be made.
Personas que hablan español y requieren un intérprete, favor de llamar a Elena Peinado, al siguiente número 512-475-3814 por lo menos cinco días antes de la junta para hacer los preparativos apropiados.

NOTICE AS TO HANDGUN PROHIBITION DURING THE OPEN MEETING OF A GOVERNMENTAL ENTITY IN THIS ROOM ON THIS DATE:

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.
De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista.

THIS RESTRICTION IS APPLICABLE TO THE IDENTIFIED MEETING ROOM ON THIS DATE AND DURING THE MEETING OF THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Texas Department of Housing and Community Affairs

RESOLUTION

WHEREAS, the Owner-Builder Loan Program commonly known as the Texas Bootstrap Loan Program was established by Senate Bill 1287, authored by Senator Eddie Lucio, Jr., during the 76th Legislative Session in 1999;

WHEREAS, the Texas Bootstrap Loan Program is funded through the state's Housing Trust Fund and appropriated biennially by the Texas Legislature;

WHEREAS, the Texas Department of Housing and Community Affairs (TDHCA) administers the Texas Bootstrap Loan Program, and operates with a network of state-certified owner-builder housing nonprofits and local governments;

WHEREAS, the Texas Bootstrap Loan Program is one of the state's most successful, cost effective programs helping very low-income residents achieve homeownership, and has become a national model for self-help affordable housing initiatives;

WHEREAS, in the last 20 years, the Texas Bootstrap Loan Program has awarded more than $61 million in Bootstrap home loans to help more than 1,800 Texas households improve upon or rebuild their existing homes through "sweat equity;" and;

WHEREAS, on February 20, 2020, TDHCA celebrates the 20th anniversary of the Texas Bootstrap Loan Program and expresses its gratitude to Senator Lucio for his leadership and support of the program, and thanks all administrators both past and present who have helped participating households achieve the American Dream of homeownership;

NOW, therefore, it is hereby

RESOLVED, that the Governing Board of the Texas Department of Housing and Community Affairs does hereby mark February 20, 2020, as a celebration of the Texas Bootstrap Loan Program in Texas and recognizes the positive effects the program has made on the State of Texas and its residents.

Signed this Twentieth Day of February 2020.

Leslie Bingham Escareño, Vice Chair

Paul Braden, Member

Sharon Thomason, Member

Leo Vasquez, Member

Bobby Wilkinson, Executive Director

Consent Agenda

1a

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Cien Palmas (HTC #03134)

RECOMMENDED ACTION

WHEREAS, Cien Palmas (the Development) received a 9% Housing Tax Credit (HTC) award in 2003 for the acquisition and rehabilitation of 150 multifamily units in El Paso, El Paso County;

WHEREAS, Lilac Way, L.P. (the Development Owner or Owner) requests approval for a change in unit mix at the property by changing 16 of the three-bedroom units with a den to 16 four-bedroom units;

WHEREAS, the additional room meets the 2003 and current QAP requirements for a bedroom designation;

WHEREAS, Board approval is required for a modification of the number of units or bedroom mix of units, as directed in Tex. Gov't Code §2306.6712(d)(2) and 10 TAC §10.405(a)(4)(B), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not negatively affect the Development, impact the viability of the transaction, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, within 30 days after this meeting the Development Owner will individually notify all households in the 16 three bedroom with a den units, and households on the Development's three bedroom with a den waitlist (as of February 20, 2020), that the household will be charged no more than the 60% low income housing tax credit for a three-bedroom unit (as adjusted annually) during the term of the lease and subsequent lease renewals. The Owner will also provide information on how to file a complaint with the Department. This letter will be on a form approved by the Department. Also, a copy of the letters sent to the impacted households must be submitted to the Department; and

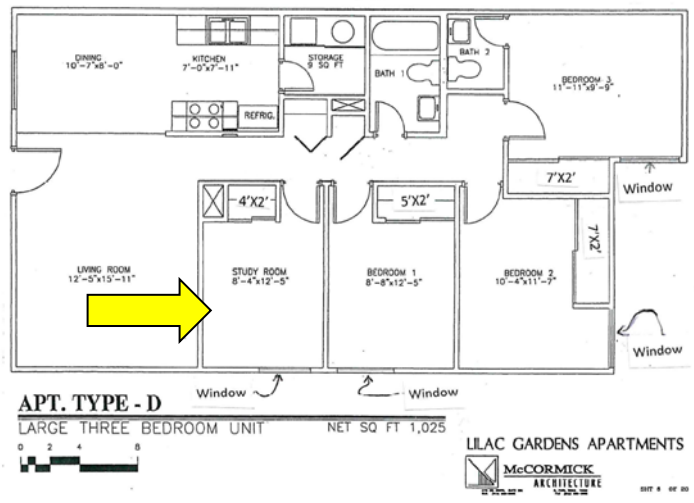
FURTHER RESOLVED, that the material Application amendment for Cien Palmas is approved as presented to this meeting, and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Cien Palmas received a 9% HTC award in 2003 for the acquisition and rehabilitation of 150 multifamily units in El Paso, El Paso County. In a letter dated January 7, 2020, the Development Owner, Lilac Way, L.P. (W. Douglas Gurkin), requested approval to amend the HTC Application related to the unit mix.

The Development was built in 1971, and within its unit mix, offered 16 four-bedroom units, in addition to 14 one-bedroom, 56 two-bedroom, and 64 three-bedroom units. The developer applied for tax credits to rehabilitate the Development in 2003 with all units reserved for households with rents and incomes at 60% of Area Median Income and 55 of the units covered under a Housing Assistance Payment (HAP) contract. However, in 2003, the Ineligible Building Types defined in the Qualified Allocation Plan (QAP) included any Development, other than a Development composed entirely of single-family dwellings, having any Units with four or more bedrooms. In order to receive an HTC award, the developer had to treat the four-bedroom units as three-bedroom units, with the existing fourth bedroom marketed as additional space for a study or play area. The Owner now seeks to change the approved unit mix by converting 16 of the three-bedroom units with den to four-bedroom units. The QAPs for subsequent years allow four-bedroom units, and this is still the case under the 2020 QAP.

As reflected in the architectural drawing below, the "den" in the three-bedroom units with a den meets the definition of Bedroom in 10 TAC §11.1(d)(10). However, the fourth bedroom is currently noted as a study room. The room is approximately 103 square feet, has exterior access window, and offers a closet 4' wide x 2' deep.



The Owner seeks this change in the unit mix of the Development for two primary reasons. The first reason is that there is a demand for four-bedroom units in the market area. A demand analysis performed by Affordable Housing Analysts in August 2019 shows a capture rate of 0.50% for four-bedroom units in the market area. Secondly, the increase in rent will help the property maintain financial feasibility in the long-term.

The project-based HAP contract, which covers a total of 55 units at the Development, allows the three-bedroom unit with a den to receive an additional $105 per month compared to the three-bedroom HAP unit, due to the larger size. However, HUD still considers these larger units as three-bedroom units and not four-bedroom units. The currently achieved monthly rental rate for the HTC three-bedroom unit with a den is on average $662, almost identical to the HTC three-bedroom unit. According to the Owner, the reason the rental rate on the largest unit is only slightly higher than the next smaller unit was that HUD regulated the rental rates on those units until January 1, 2019. Since then, the Owner is slowly raising the rental rates as leases expire and residents move out. It is worth noting that new leases are garnering $690/month. The Owner stated they believe the four-bedroom units could rent for as much as $800 to $825, if marketed as four-bedroom units. This rent is still significantly lower than the current $1,054 HTC rent limit for a 60% four-bedroom unit.

If the Owner is granted permission to market and treat the units as four-bedroom units, the two project based HAP units will still be classified by HUD as three-bedroom units; however, the 14 remaining non-HAP four-bedroom units allow for rental increases. The Owner estimates that the four-bedroom units can attain an increase in rent by $105 when marketed as such. This estimate equates to the same increase that HUD permitted between the HAP three-bedroom unit and the HAP three bedroom with den ($1,035 and $1,140). This results in an annual Potential Gross Income of $1,343,712, an increase of 1.3% compared to the current pro forma annual gross potential rent of $1,326,072. The net cash flow is estimated to increase $15,577 annually. Below is a comparison of the property's operating figures based on the current unit mix and the unit mix with the 14 non-HAP four-bedroom HTC units.

Proposed Operating Figures		
	Current Unit Mix	**Proposed Units Mix**
Potential Rental Income	$1,326,072	$1,343,712
Effective Gross Income	$1,235,620	$1,251,937
Expenses	$964,330	$965,070
Net Operating Income	$271,290	$286,867
Debt Service	$216,236	$216,236
Cash Flow	**$55,054**	**$70,631**

According to the Owner, the increase in rent is critical for the viability of the property. As of October 31, 2019, there were $139,680 in replacement reserves and $156,694 in renovation reserves. A Property Condition Assessment preformed in September 2018 indicated $21,500 in immediate needs and $1,192,750 in future needs over the next 10 years. The reserve balance and annual replacement reserve amount of $49,200 is enough to meet critical needs but not enough for to replace and repair all necessary long-term items.

The property also battles the ever rising costs of utilities. As an "all bills paid" property, the high cost of utilities are not always mitigated with higher rental rates.

According to the Owner, "If it had not been for the increases afforded to the Property by the 55 HAP Contract units, the Property would have been unable to pay debt service starting in 2012. The estimated $105/unit/month increase estimated for 14 of the 16 units (with a smaller potential adjustment for the two HAP units – to be determined and based on available HUD budget authority), while only a small annual sum, will provide just enough additional revenue to increase the debt service coverage ratio from 1.25 to 1.33 initially and provide just enough time to allow the Property to more reasonably increase the LIHTC rents to more normal affordable market rent levels without placing an undue burden on the existing residents."

The Owner also stated "If TDHCA should grant the Owner permission to re-classify the 16 units from 3-bedroom-with-den to four-bedroom units, implementation of the conversion will only occur as each of the affected units become vacant through normal turnover. No existing renters will be displaced, and under no circumstances will any resident be required to pay a higher four-bedroom rental rate unless the resident requests the larger unit classification. All existing residents will be given the opportunity to lease the affected unit at renewal at the four-bedroom rates if their household needs change and warrant representation of the larger unit size, but will be offered, in all cases and under standard leasing practices, to continue to lease the unit as a three-bedroom-with-den unit for as long as they intend to occupy the unit and abide by the standard rental practices of the Property. If an existing renter household would like to relocate prior to the end of their existing lease because the unit will become re-classified after their vacancy, Owner will reimburse the resident household for all relocation costs. Any potential residents on the 3-bedroom-with-den waiting list, should TDHCA approve the re-classification, will be given the opportunity to change their unit type request or continue to lease the unit as a 3-bedroom-with-den."

Changing the 16 three-bedroom units with a den to four-bedroom units has no negative impact on the property, and given that the 2003 QAP did not allow this type of development to have four-bedroom units, this change was not preventable at application. This re-classification of the 16 three-bedroom units with a den allows larger households in the market another viable rental option. This change also provides the Owner additional cash flow to keep up with the ever-rising utilities and on-going maintenance issues. Additionally, as indicated by the Owner, no residents or applicants on the waitlist (as of February 20, 2020) will pay more than the three bedroom HTC rent (as adjusted annually). Therefore, staff recommends approval of the material application amendment as presented herein.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Asset Management Division

Amendment Request Form

Completed forms and supporting materials can be emailed to asset.management@tdhca.state.tx.us

TYPE OF AMENDMENT REQUESTED

Date Submitted: 1/6/2020

Amendment Requested: *Material Application Amendment,*

Has the change been implemented? *No*

Award Stage: *Compliance Period (After 8609s)*

NOTE: *Material Application or LURA Amendment requests must be received* ***45 days before the Board Meeting****.*

Contact your Asset Manager if you are unsure what type of Amendment to request. Amendment submission requirements and Board dates pertaining to Material Amendments are located on the Post Award Activities Manual page.

DEVELOPMENT INFORMATION

Dev. Name: Cien Palmas

File No. / CMTS No.: 03134 /819

CONTACT INFORMATION

Request Submitted By: George Schmidt

Phone #/Email: (512) 680-1600 /george@edgewatertexas.com

SECTION 1: COVER LETTER

A cover letter ***MUST*** be submitted with your request. Review your cover letter to ensure it includes:

☒ The change(s) requested ☒ The reason the change is necessary ☒ The good cause for the change

☒ An explanation of whether the change was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

Entering an Amendment conveys to the Department that representations in the Application have changed. You ***MUST*** provide information about any changes made from the time of Application (or as last approved by the Department) in your request, including items that will be impacted by the requested change. Failure to represent or properly document all changes may result in delays, denials, or a request for re-submission. The following is attached:

☒ Revised Application Exhibits/Documents Reflecting and Verifying All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, agreements and org charts reflecting changes in Developers or Guarantors, etc.

☐ Revised Development Financing Exhibits or a Signed Statement of No Financial Impact – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets may be necessary (generally Material Amendments only)

☒ Amendment fee of $2,500 for first amendments, $3,000 for second amendments, increase of $500 for each successive amendment (Applicable only to Material Amendments and Non-Material Amendments if changes have already been implemented) *– N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

Check all items that have been modified from the original application (see ***Post Award Rules, §10.405(a)(3)***):

- ☐ Site plan
- ☐ Number of units*
- ☒ Bedroom mix
- ☐ Architectural design
- ☐ Scope of tenant services
- ☐ Reduction of 3%+ in unit sq ft
- ☐ Reduction of 3%+ common area
- ☐ Residential density (5%+ change)
- ☐ Exclusion of reqs in §11.101 or §11.201.
- ☐ Req. to implement a revised set aside election
- ☐ Other

If "Number of units" is selected above and the total LI units or LI units at any rent or income level will be reduced, also:

- ☐ Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units
- ☐ Evidence supporting the need for the adjustment in units

If "Request to implement a revised set aside" is selected above, also:

- ☐ Revised financial exhibits to the Application
- ☐ Written acknowledgement from all lenders and the syndicator that they are aware of the changes being requested and confirm any changes in terms as a result of the new election

NOTE: **The approved amendment may carry a penalty in accordance with* ***§10.405(a)(6)(b).***

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

Check all items that require a material LURA amendment (see Subchapter E, ***§10.405(b)(2)***):

- ☐ Reductions to the number of LI units
- ☐ Changes to income or rent restrictions
- ☐ Change in ROFR period/provisions
- ☐ Changes to Target Population
- ☐ Removal of Non-profit
- ☐ Request to implement a revised set aside election
- ☐ Affecting Rights of Tenant/3rd Parties
- ☐ Other

The following additional items are attached for consideration or will be forthcoming:

- ☒ Draft Notice of Public Hearing*
- ☐ Evidence of public hearing*

NOTE: **Draft Notices of Public Hearing must be provided with the Amendment materials 45 days prior to the Board meeting. *The Public Hearing must be held at least 15 business days prior to the Board meeting and evidence in the form of attendance sheets and a summary of comments made must be submitted to TDHCA within 3 days of the hearing.*

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

Check or explain items that require a non-material Application amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

- ☐ Amendment is requesting a change in Developer(s) or Guarantor(s) and pre and post change org charts, agreements to the change, and Previous Participation forms are attached.
- ☐ Changes in natural person(s) used to meet the experience requirement.
- ☐ Representations made in the Application that exceed the scope of a notification item: Describe items needed

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Check or explain items that require a non-material LURA amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

☐ HUB participation removal (request must also include documentation showing that a) the HUB is requesting removal of its own volition or is being removed as a result of default, b) the participation has been substantive or meaningful, and c) where the HUB will be replaced as a GP or SLP that is not a HUB and will sell its ownership interest, an ownership transfer request has also been submitted). HUB removal requests will only be considered after the issuance of 8609s.

☐ A change resulting from a Department work out arrangement as recommended by TDHCA.

☐ A correction of error (Amendments to Applicable Fractions, BIN lists, Accessible Units, etc.)

☐ Changes in amenities or supportive services that are referenced in the LURA (Requests to change amenities should address whether an amenity will be replaced by an item of equal benefit or point value).

☐ Other Representations made in the LURA not identified above: Describe items needed

SECTION 4C: NOTIFICATION ITEM SUMMARY

Check or explain items that require a notification to the Department:

☐ Change to the Development Site acreage required by the City or other local governmental authority, or changes resulting from survey discrepancies (less than 5% change in density)

☐ Minor modifications to the site plan that will not significantly impact costs (relocation or rearrangement of buildings, changes in ingress/egress, etc.)

☐ Increases or decreases in net rentable square footage or common areas (less than 3% change)

☐ Changes in amenities not requiring a change to the LURA or negatively impacting scoring

☐ Changes in Developers or Guarantors with no new Principals

☐ Other: Describe items needed

Lilac Way, L.P.

January 7, 2020

Mr. Mitch Bowman
Asset Manager, Region 13
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Delivered via: asset.management@tdhca.state.tx.us

RE: Material Application Request
Cien Palmas (fka Lilac Garden), El Paso, TX
TDHCA # 03134 CMTS ID: 819

Dear Mr. Bowman:

As President of Lilac Way, L.P. ("**Owner**") of Cien Palmas Apartments (fka Lilac Garden), El Paso, TX ("**Property**"), I respectfully submit a request for a Material Amendment to the Application to re-classify 16 units from 3-bedroom-with-den to 4-bedroom units. The 2003 Qualified Allocation Plan for the LIHTC program prohibited developments having units with four or more bedrooms. This prohibition applied to newly constructed and existing property. Cien Palmas was originally constructed in 1971 with 150 apartment units, 16 of which were built and leased as four-bedroom apartment units. When Cien Palmas became available for purchase by Lilac Way, L.P. in 2002, the Property was in imminent danger of becoming market rate housing because the project-based Housing Assistance Program ("**HAP**") funding had only one year remaining and the 236 Regulatory Agreement under which the Property had originally been built was eligible for prepayment and termination. In order to qualify under the 2003 QAP to enable Owner to utilize LIHTC financing to acquire and preserve the Property as affordable housing and provide significant renovations (over $31,800/unit), Owner had no choice but to artificially "downgrade" and re-classify the 16 existing four-bedroom units as "three-bedroom-with-den" units. The effects of the unit bedroom downgrades have been:

1. **Over-housing three-bedroom eligible households while denying qualified four-bedroom households**. Market data is provided (Tab 02) demonstrating a significant shortfall of four-bedroom units with an estimated 5,943 low income households requiring four-bedroom units and only 30 units currently newly available low-income units to be absorbed in the market. Re-classifying these 16 units as four-bedroom units would more appropriately target larger low-income households that are currently unable to find large enough units in the market.

2. **Significant Threat to the Property's long-term financial viability**. The Owner has successfully preserved the Property as affordable housing by obtaining LIHTCs and by decoupling the 236 interest reduction payments to provide the greatest amount of financing needed to rehabilitate the Property. Doing so required Owner to enter into a 236(e)(2) Use Agreement extending the HUD 236 Regulatory compliance requirements through January 1, 2019. This required that all 95 non-HAP units be leased at Basic and Fair Market Rents regulations pursuant to 24 CFR 236(f) of the NHA. ***Under this requirement, rents have been set for these 95 units at the rent levels established as of March 12, 2004 and have remained in effect at that same level, without increase, for over 14 years, including the lost revenue of 14 of the 16 four-bedroom units that were required to be classified as three-bedroom units***. The incremental HAP subsidy revenue applicable to two of the 16 units over the 20 years of the HAP contract, while accounted for by square footage of the comparable property in the Rent Comp Study, also suffers a discount due to the lower bedroom count. This has created a significantly increasing threat to the long-term financial viability of the Property which is reflected in the Property's operating history. While the 55 HAP unit rents have been able to be adjusted by OCAF from year-to-year, the increases have not been able to keep up with the demands of an all-utility-bills

paid Property that has experienced significant increases to property taxes and mounting replacement costs.

Two Profomas included show the projected operations without re-classifying the 16 units as four-bedroom (Tab 07) and with a re-classification (Tab 08). The rents provided are reflected in the Rent Comp Study (Tab 03) and the rent roll attached (Tab 04) shows the average rents of the 95 LIHTC units. Projections made of the operating expenses are based on the prior three year's audited financial statements (2015-2018) available. The property's actual operating costs vary significantly from the 2017 Region 13 TDHCA Operating Dataset for the following reasons:

1) The Property's maintenance costs have significantly exceeded TDHCA's database costs due to larger family use and the fact that the property, while receiving significant updates with the LITHC renovation in 2004-05, was still originally built in 1971 and is incurring replacement costs for items that were not needed to be addressed in 2004-05 (such as breaker boxes and certain underground and in-wall/foundation plumbing replacements). The replacement reserves have not been adequate to cover the replacement needs and this will continue to be an issue going forward. The Property also suffered a significant hail loss in November 2016 that the Owner has since been in negotiation and pending arbitration with Lloyds to recover.

2) The Property's utilities are "all bills paid" by Owner. Utility costs have been more than double the typical property in the TDHCA database. We have made every opportunity to secure long-term, low-rate contracts for utilities whenever possible and we have utilized water and energy savings Weatherization programs over the years.

3) The Property's real estate taxes exceed the TDHCA 2017 database costs by a third reflecting the overall economic downward cap rates of real estate over the last few years and the trends by local government to raise local appraisals. We engage Property Tax Advocates annually to aggressively fight property tax assessment increases. These have been generally successful, with little increase since 2015, but this also increases the administrative professional fees. Still, the property taxes did double between 2012 and 2015 and another large increase is more likely with each passing year so long as the current real estate trends continue.

4) The Property's overall expense ratio of 78% far exceeds the near 60% of Region 13's database costs for all the reasons listed above, plus the fact that rents on almost two-thirds of the Property's units were held at 2004 rent levels under the 236 Program. If it had not been for the increases afforded to the Property by the 55 HAP Contract units, the Property would have been unable to pay debt service starting in 2012. The estimated $105/unit/month increase estimated for 14 of the 16 units (with a smaller potential adjustment for the two HAP units – to be determined and based on available HUD budget authority), while only a small annual sum, will provide just enough additional revenue to increase the debt service coverage ratio from 1.25 to 1.33 initially and provide just enough time to allow the Property to more reasonably increase the LIHTC rents to more normal affordable market rent levels without placing an undo burden on the existing residents.

If TDHCA should grant the Owner permission to re-classify the 16 units from 3-bedroom-with-den to four-bedroom units, implementation of the conversion will only occur as each of the affected units become vacant through normal turnover. ***No existing renters will be displaced and under no circumstances will any resident be required to pay a higher four-bedroom rental rate unless the resident requests the larger unit classification***. All existing residents will be given the opportunity to lease the affected unit at renewal at the four-bedroom rates if their household needs change and warrant representation of the larger unit size, but will be offered, in all cases and under standard leasing practices, to continue to lease the unit as a three-bedroom-with-den unit for as long as they intend to occupy the unit and abide by the standard rental practices of the Property. If an existing renter household would like to relocate prior to the end of their existing lease because

the unit will become re-classified after their vacancy, Owner will reimburse the resident household for all relocation costs. Any potential residents on the 3-bedroom-with-den waiting list, should TDHCA approve the re-classification, will be given the opportunity to change their unit type request or continue to lease the unit as a 3-bedroom-with-den. The existing waiting list is attached as Tab 09 and will be updated as of the date of the TDHCA Board Meeting.

It is understood that full conversion could take many months or potentially a few years. There are no physical costs to be incurred in the conversion of the units to four-bedroom as the units have not been physically reconfigured since acquisition into three-bedroom units. Owner will also make a request to HUD for the re-classification of the two units that are currently covered under the HAP Contract so that once those units become available for occupancy by new residents, they will be able to be re-classified.

The following attachments are made part of this request:

Tab 1. Letter of Explanation
Tab 2. Demand Analysis
Tab 3. Rent Comparable Study (5/31/2019)
Tab 4. Rent Roll (10/1/2019)
Tab 5. Original LIHTC Application Exhibits for Rent Schedule
Tab 6. Original LIHTC Application Exhibits for Building and Unit Plans
Tab 7. Proforma without Conversion to Four Bedroom
Tab 8. Proforma with Conversion to Four Bedroom
Tab 9. Existing Waiting List
Tab 10. Certification of Tenant Notification
Tab 11. Notice to Lender and Investor
Tab 12. Public Hearing Notice

We appreciate working with your office and please feel free to contact me at (512) 264-1020 or doug@edgewatertexas.com if you have any questions or concerns.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

CIEN PALMAS FOUR-BEDROOM DEMAND ANALYSIS

HISTA DEMOGRAPHICS CAPTURE ANALYSIS

The TDHCA defines the Gross Capture Rate as "the Relevant Supply divided by the Gross Demand." Relevant Supply is defined as "The Relevant Supply of proposed and unstabilized Comparable Units includes: (a) The proposed subject Units; (b) Comparable Units with priority over the subject, based on the Department's evaluation process…"; (c) Comparable Units in previously approved but Unstabilized Developments in the Primary Market Area (PMA). Gross Demand is defined as "The sum of Potential Demand from the PMA, demand from other sources, and External Demand." In this analysis, the PMA is defined as the City of El Paso. Due to the relatively small number of four-bedroom units, it is reasonable to assume tenants would be willing to relocate within the city to find a rental unit larger enough to accommodate their family size.

Per TDHCA guidelines, all of the subjects restricted units are included in the capture calculations. The subject contains 16 four-bedroom units. Approved TDHCA application #17189 and application #17334 include an additional 14 proposed four-bedroom units at the 60% income level. Therefore, a total of 30 units require absorption. The following tables depict the present and projected gross demand based on income and household count.

ALL HOUSEHOLDS							2019	
2019	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total	**Min**	**Max**
							$31,620	$48,000
							% /Income Band	**Demand**
<$10K	0	0	0	991	1,209	2,200	0.00%	0
$10K-$20K	0	0	0	2,169	2,223	4,392	0.00%	0
$20K-$30K	0	0	0	2,289	1,977	4,266	0.00%	0
$30K-$40K	0	0	0	1,803	2,058	3,861	83.80%	3,236
$40K-$50K	0	0	0	1,503	1,160	2,663	80.00%	2,130
$50K-$60K	0	0	0	816	1,109	1,925	0.00%	0
$60K-$75K	0	0	0	1,023	1,039	2,062	0.00%	0
TOTAL	0	0	0	10,594	10,775	21,369	Total	5,366

ALL HOUSEHOLDS							2024	
2024	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total	**Min**	**Max**
							$31,620	$48,000
							% /Income Band	**Demand**
<$10K	0	0	0	969	1,128	2,097	0.00%	0
$10K-$20K	0	0	0	2,077	2,078	4,155	0.00%	0
$20K-$30K	0	0	0	2,259	1,923	4,182	0.00%	0
$30K-$40K	0	0	0	1,815	2,056	3,871	83.80%	4
$40K-$50K	0	0	0	1,531	1,214	2,745	80.00%	33
$50K-$60K	0	0	0	848	1,131	1,979	0.00%	0
$60K-$75K	0	0	0	1,166	1,182	2,348	0.00%	0
TOTAL	0	0	0	10,665	10,712	21,377	Growth to P.I.S.	37

The following table depicts the results of my gross capture analysis utilizing HISTA data.

Potential Demand	5,403
Add Demand	540
Gross Demand	5,943
Supply	30
Gross Capture	0.50%

I have calculated the capture rate per bedroom type, utilizing HISTA data. HISTA takes Environics Claritas Analytics demographics, and with the aid of some custom Census tables, calculates the renter numbers on a per-person household within the different income bands. HISTA does not provide population; therefore, both HISTA and an additional demographic source must be used.

The following table details the subject property unit-mix in regard to the HISTA calculation.

SUBJECT UNIT MIX (RESTRICTED)							
Type		No. Units	Net Rent	Utility	Gross Rent	Income Required	Max Income
4BR	60%	16	$1,054	$0	$1,054	$31,620	$48,000
		16					

The following tables depict the present and projected demand based on income and household count.

ALL HOUSEHOLDS							
2019		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total
<$10K		0	0	0	991	1,209	2,200
$10K-$20K		0	0	0	2,169	2,223	4,392
$20K-$30K		0	0	0	2,289	1,977	4,266
$30K-$40K		0	0	0	1,803	2,058	3,861
$40K-$50K		0	0	0	1,503	1,160	2,663
$50K-$60K		0	0	0	816	1,109	1,925
$60K-$75K		0	0	0	1,023	1,039	2,062
TOTAL		0	0	0	10,594	10,775	21,369

ALL HOUSEHOLDS							
2024		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5+ PERSON	Total
<$10K		0	0	0	969	1,128	2,097
$10K-$20K		0	0	0	2,077	2,078	4,155
$20K-$30K		0	0	0	2,259	1,923	4,182
$30K-$40K		0	0	0	1,815	2,056	3,871
$40K-$50K		0	0	0	1,531	1,214	2,745
$50K-$60K		0	0	0	848	1,131	1,979
$60K-$75K		0	0	0	1,166	1,182	2,348
TOTAL		0	0	0	10,665	10,712	21,377

SUBJECT DEMAND							
		2019 HH	2024 HH	(x)	2019 Qual. HH	2024 Qual. HH	Forecast Growth
<$10K		2,200	2,097	0.00%	0	0	0
$10K-$20K		4,392	4,155	0.00%	0	0	0
$20K-$30K		4,266	4,182	0.00%	0	0	0
$30K-$40K		3,861	3,871	83.80%	3,236	3,244	8
$40K-$50K		2,663	2,745	80.00%	2,130	2,196	66
$50K-$60K		1,925	1,979	0.00%	0	0	0
$60K-$75K		2,062	2,348	0.00%	0	0	0
TOTAL		21,369	21,377	25.1%	5,366	5,440	74

The table below depict the income bands for the subject's four-bedroom unit mix/AMI levels.

Income Ranges				
			Min	Max
4BR		60%	$31,620	$48,000

The next step is to project the bedroom type which various renter households would likely choose to rent, which was based on surveys of existing complexes in the area. The following table depicts the occupancy conclusions used in my HISTA capture analysis.

OCCUPANCY ASSUMPTIONS							
HH Size			1	2	3	4	5+
3 BR			0%	0%	0%	80%	70%
4 BR			0.00%	0.00%	0%	20%	30%

The next step is to project the percentage of income qualified households within each income band. The following table depicts the percentage of qualified income household conclusions used in my HISTA capture analysis.

Percentage of Income Qualified Households				$10K	$10K-$20K	$20K-$30K	$30K-$40K	$40K-$50K	$50K-$60K	$60K-$75K
4BR 60%	$31,620		$48,000	0.00%	0.00%	0.00%	83.80%	80.00%	0.00%	0.00%

The next step in the analysis is to multiply the demand by the appropriate occupancy assumptions and percentage of income qualified households to arrive at a final demand count for each unit type. The following table depicts the concluded demand.

CAPTURE (4BR UNITS)								
Type		No. Units	Demand	Growth	Section 8	Additional Demand	Total Demand	Capture Rate
4BR	60%	30	1,338	10		135	**1,483**	**2.0%**
HISTA		30	1,338	10		135	**1,483**	**2.02%**

CAPTURE (AMGI)								
Type		No. Units	Demand	Growth	Section 8	Additional Demand	Total Demand	AMGI Capture Rate
	60%	30	5,366	37		540	**5,943**	**0.50%**

Capture Rate Conclusion

The TDHCA defines Capture Rate as "the sum of the proposed units for a given project plus any previously approved but not yet stabilized new units in the submarket divided by the total income-eligible targeted renter demand identified by the market analysis for the specific project's primary market or submarket."

The subject contains 16 four-bedroom units. Based on my research there an additional 14 four-bedroom units approved but not yet in-service. Therefore, a total of 30 units will require absorption. There are approximately 5,403 (HISTA) potential households (relevant to the rent restricted units) based on income eligibility, housing preference in the subject's primary market.

HISTA Gross Capture Rate for 30 Affordable General Population Units - 0.50%

Appraisal Report

Rent Comparability Study

C19-AHA-157

"Cien Palmas Apartments"

Located at:

7845 Lilac Way
El Paso, Texas 79915

HAP contract NO. # TX16L000045 & TX16M000114

Prepared for:

Cien Palmas Apartments
c/o Edgewater Group, LLC
Mr. George Schmidt
8705 Whispering Trail
Austin, Texas 78737

Affordable Housing Analysts
3912 Avenue O
Galveston, Texas 77550

Report Date: May 31, 2019

AFFORDABLE HOUSING ANALYSTS

Appraisers/Market Analysts/Consultants

May 31, 2019

Cien Palmas Apartments
c/o Edgewater Group, LLC
Mr. George Schmidt
8705 Whispering Trail
Austin, Texas 78737

Reference: *Rent Comparability Study* of the "Cien Palmas Apartments," located at 7845 Lilac Way, El Paso, El Paso County, Texas 79915. (HAP Contract #TX16L000045 & TX16M000114)

Dear Mr. Schmidt:

Per HUD instructions, we have performed a rent comparability study utilizing Form HUD-92273-S8 detail sheets and summarized our findings with respect to the projected market rents for the subject property. This information is provided for each unit type and is illustrated in the following pages.

The problem to be considered is to determine the market rental rates for the subject property after consideration of the current rents at comparable area properties. The effective date of the appraisal service is May 23, 2019, which is the date we surveyed the rent comparables used in this report. The date of the site visit to the subject property was May 23, 2019.

We have visited the subject property and have prepared an appraisal of the property within this report. Elements of this study, such as determination of Market Rent, classify this document as an appraisal report. However, we have not determined Market Value for the property. The conclusions herein are based on research and interviews conducted by the undersigned. All information obtained in the interviews was gathered from individuals directly affiliated with the properties, and is assumed to be correct; however, the information is not guaranteed.

The purpose of the study was to determine the market rents for the units at the subject property that are assisted under the renewed Section 8 contract. Market rent is the rent that a knowledgeable tenant would most probably pay for the Section 8 units as of the date of this report, if the tenants were not receiving rental subsidies and rents were not restricted by HUD or other government agencies.

Cien Palmas Apartments
c/o Edgewater Group, LLC
May 31, 2019

The following table should assist guiding the reader through the report:

(1) TRANSMITTAL LETTER *1*

(2) SCOPE OF WORK *5*

(3) DESCRIPTION OF THE SUBJECT PROPERTY *6*

(4) IDENTIFICATION OF THE SUBJECT'S MARKET AREA *22*

(5) DESCRIPTION OF NEIGHBORHOOD *24*

(6) NARRATIVE DESCRIBING SELECTION OF COMPARABLES *32*

(7) LOCATOR MAP FOR SUBJECT AND COMPARABLES *33*

(8) RENT COMPARABILITY GRID FOR EACH PRIMARY UNIT *34*

(9) NARRATIVE EXPLANING ADJUSTMENTS AND MARKET RENT CONCLUSIONS *38*

(10) COMPARABLE PROPERTY PROFILES *59*

(11) APPRAISER CERTIFICATION *69*

(12) COPY OF APPRAISERS' LICENSES *71*

The table below lists the concluded market rent for each subject Section 8 unit type.

CONCLUDED MARKET RENT						
Unit Type	**Units**	**NRA (SF)**	**Sect. 8 Units**	**Mkt Rent**	**Mkt Rent per SF**	**Prepared in Grid**
1 BR/ 1 BA	14	579	14	$810	$1.40	Y
2 BR / 1 BA	56	757	20	$915	$1.21	Y
3 BR / 1.5 BA	64	923	19	$1,035	$1.12	Y
3 BR / 1.5 BA + den	16	1,025	2	$1,140	$1.11	Y
Total	**150**		61			

The concluded rents in the above tables result in a median unit rent of $915 per month/per unit, which is above the 140% median gross rent of $833 for zip code 79915. However, it should be noted that the subject is an "All Bills Paid" property which includes the cost of all utilities in the monthly rent.

The Rent Comparability Study (RCS) was prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the supplemental standards of Chapter 9 of the Section 8 Renewal Policy. Market rents were defined and determined in accordance with Sections 9-7 through 9-13 of this Chapter and the report was prepared in accordance with Sections 9-14 through 9-16 of this chapter. We understand that HUD/the Section 8 Contract Administrator (CA) and the project owner will use our market rents to determine: (1) the owner's options for renewing the project's Section 8 contracts; and (2) the maximum rents allowed under any renewal contract.

Should you have any questions or require more information, please do not hesitate to contact our office at the phone number listed below.

Respectfully submitted,

Affordable Housing Analysts

Sharon P. Welshimer	Robert O. (Bob) Coe, II, MAI
TX-1335711-G	TX-1333157-G
State Certified General Real Estate Appraiser	State Certified General Real Estate Appraiser

(2) SCOPE OF WORK

This Rent Comparability Study was completed in accordance with Chapter 9 of the Section 8 Renewal Policy.

- Robert O. (Bob) Coe, II, MAI and Sharon P. Welshimer are State Certified General Real Estate Appraisers in Texas. Sharon P. Welshimer performed all data analysis. Sharon P. Welshimer visited the subject site and the comparables. The following actions were taken to complete this RCS:

- On May 23, 2019, Sharon P. Welshimer visited the subject site and viewed the exterior of the subject buildings and the interior of a sampling of the subject units (one of each unit type) to determine the property's physical and functional characteristics. Sharon P. Welshimer also viewed the interior of the common areas (leasing office, community room, business center, and laundry rooms) and viewed the exterior grounds and the surrounding development. Sharon P. Welshimer spoke with the on-site manager, Joel Martinez (915) 591-7300, responsible for the subject property, and he provided the appraiser with the current information and documentation regarding the subject property and accompanied Sharon P. Welshimer during the viewing of the property. Sharon P. Welshimer interviewed the property representative to determine the rental rates, services, and amenities offered to tenants of the subject property. **Unit sizes were based on the appraiser's measurements.**

- Sharon P. Welshimer researched comparable apartment rental activity in the subject's area. The research included obtaining data from internet sites, a review of rental publications, on-site visit to the rental comparables, and conversations with managers/ leasing agents of local apartment properties in the area.

- On May 23, 2019, Sharon P. Welshimer visited the exterior of each comparable property. The appraiser did not view the interior of any of the comparable properties.

- During the site visit and/or in separate phone interviews, Sharon P. Welshimer talked with the owners/managers/leasing agents of the comparable properties to confirm all data and to collect additional information about each comparable, including size, age, and amenities, occupancy rates and general market information. Where available, the property owners/managers/leasing agents provided floor plans or other information describing the size of the interior of the comparable units. Sharon P. Welshimer also interviewed property owners, managers, and leasing agents in the area for opinions of appropriate adjustments for different characteristics, amenities and features of multifamily properties in the area. No significant portion of the report was performed solely by any of the assistants or representatives of *Affordable Housing Analysts* who did not sign this report.

- Sharon P. Welshimer completed the data and adjustment columns of the Rent Comparability Grids using the instructions in HUD's Section 8 Renewal Policy, Chapter 9, and derived an estimated market rent for each unit type.

(3) DESCRIPTION OF THE SUBJECT PROPERTY

The Cien Palmas Apartments is a 150-unit existing affordable housing project which is subsidized by HUD. There are a total of 150 units contained in the subject property with 61 of the units subsidized by HUD. The remainder of the units are subsidized under other federal programs. Additionally, all of the units are restricted under the Housing Tax Credit program. The property has a physical address of 7845 Lilac Way, El Paso, El Paso County, Texas 79915. The subject property is located on the east line of Lilac Way, south of Rancho Allegre Way. The project consists of 11 two-story residential buildings, and one 1-story leasing office/community building. All buildings feature stucco exterior walls, and flat built-up roofs. The subject property's non-residential building includes a leasing office/community building.

This project is master-metered for gas, electric, trash, and water/sewer (the owner is responsible for these utilities), and the tenant is responsible for cable, phone, and/or internet, if they choose to have those services. The subject units feature individual gas furnace heating and central air conditioning. The complex provides an office/community building, swimming pool, playground, community garden, basketball court, laundry rooms, and landscaping.

The subject property is located in the lower valley portion of El Paso, south of Interstate Highway 10. Property usage surrounding the subject property includes a church (Islegia Santa Lucia Catholic Church) and Good Samaritan Tower (a retirement complex) to the west, single-family residential development to the south, east, and north. The subject's location provides adequate visibility for apartment use and is adequately located with respect to access to major transportation routes and area infrastructure.

The table below describes the unit mix for the 150 units at the subject property. This RCS will apply to 61 of the subject units which are under the HAP Contracts.

CONCLUDED MARKET RENT						
Unit Type	**Units**	**NRA (SF)**	**Sect. 8 Units**	**Mkt Rent**	**Mkt Rent per SF**	**Prepared in Grid**
1 BR/ 1 BA	14	579	14	$810	$1.40	Y
2 BR / 1 BA	56	757	20	$915	$1.21	Y
3 BR / 1.5 BA	64	923	19	$1,035	$1.12	Y
3 BR / 1.5 BA + den	16	1,025	2	$1,140	$1.11	Y
Total	**150**		61			

The subject improvements were reportedly constructed in 1971 and renovated in 2004 and 2005. At the time of renovation, the pool and carports were added, windows and roofs were replaced, and units were renovated with new cabinets, appliances, flooring, and fixtures. On-going maintenance appears to have been performed as needed. Overall, the project appears to be in good condition for a property of its age and classification.

Each unit contains a kitchen with laminate counter-tops, refrigerator, gas range/oven with vent hood, dishwasher, and stainless steel sink. The units are one-bedroom units with one bath, two-bedroom units with one bath, three-bedroom units with one and a half baths, or three-bedroom units plus a den with one and a half baths. Units have vinyl tile and carpet, individually-controlled central heat, central air conditioning, and miniblinds. The fuel source for the heat, water heating, and cooking is gas. The landlord pays for electricity, gas, water/sewer, and trash. Each unit has one assigned covered parking space as well as adequate open parking spaces and numerous designated handicap parking spaces. There are no amenities that require a charge in addition to rent.

Currently, the 3 BR/1.5 BA units + Den are under consideration to be converted to 4BR/1.5 BA units. Presently, tenants in the 3BR/1.5BA + Den units generally utilize the den as a bedroom. Based on the March 2019 *Apartment MarketData* report, there are 163 4BR-units in the subject's submarket which are currently 100% occupied with waiting lists. There are a total of 362 4BR-units in the El Paso overall apartment market which are currently 99.7% occupied. It appears that demand for 4BR units in the El Paso market and the submarket support the conversion of the 3BR+Den units to dedicated 4BR units.

The project primarily targets the general family population. Information regarding the subject property was obtained from the property manager, Joel Martinez (915) 591-7300.

Subject Property Profile

SUBJECT PROPERTY

Name:	Cien Palmas Apartments		
Location:	7845 Lilac Way		El Paso, Texas
Year Built:	1971	Year Renovated:	2004/2005
Construction:	Gdn/2		
Date Surveyed:	May 2019		
Contact:	Joel Martinez (915) 591-7300		
Total No. of Units:	150		
Average Unit Size (SF):	840		
Average Month Rent (PSF):	$1.11		
Occupancy:	99%		

Units	Grid	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
14	Y	1 BR / 1 BA	579	$719	$1.24	$10,066	8,106
56	Y	2 BR / 1 BA	757	$864	$1.14	$48,384	42,392
64	Y	3 BR / 1.5 BA	923	$1,000	$1.08	$64,000	59,072
16	Y	3 BR / 1.5 BA + den	1,025	$1,108	$1.08	$17,728	16,400
150			840	$935	$1.11	$140,178	125,970

Amenities/Comments: The units feature vinyl tile flooring and carpet. The units have individually controlled thermostats for heat, refrigerators, gas ovens/ranges with exhaust hoods, dishwashers, and individual gas water heaters. Each unit is assigned one covered parking space. Site amenities include a leasing office, community room, business center/computer lab, playground, pool, community garden, and centrally located laundry rooms. The owner pays for all utilities - gas heating, cooking, and water heating, electric, cold water/sewer, and trash.

Unit Amenities				Utilities	
Balcony/Patio	N	Parking ($ Fee)	CP/$0	Heat (in rent?/type)	Y/G
AC: Central/Wall	C	Extra Storage	N	Cooling (in rent?/type)	Y/E
Range/Refrigerator	R/F	Security	N	Cooking (in rent?/type)	Y/G
Microwave/Dishwasher	N/D	Clubhouse/Mtg Room	Y	Hot Water (in rent?/type)	Y/G
Washer/Dryer	LR	Pool/Rec. Area	P/R/N	Other Electric	Y
Floor Coverings	C/VT	Business Center	Y	Cold Water/Sewer (in rent?)	Y/Y
Window Coverings	B	Service Coordination	N	Trash/Recycling	Y
Cable/Satellite/Internet	N/N/N	Non-shelter Services	N		
Special Features	N				
Supportive Services	N				

Subject Property

Subject Property

Subject Property -Typical Building

Leasing Office

Subject Property

Leasing Office

Community Room

Computer Lab/Business Center

Playground

Swimming Pool

Covered Parking Area

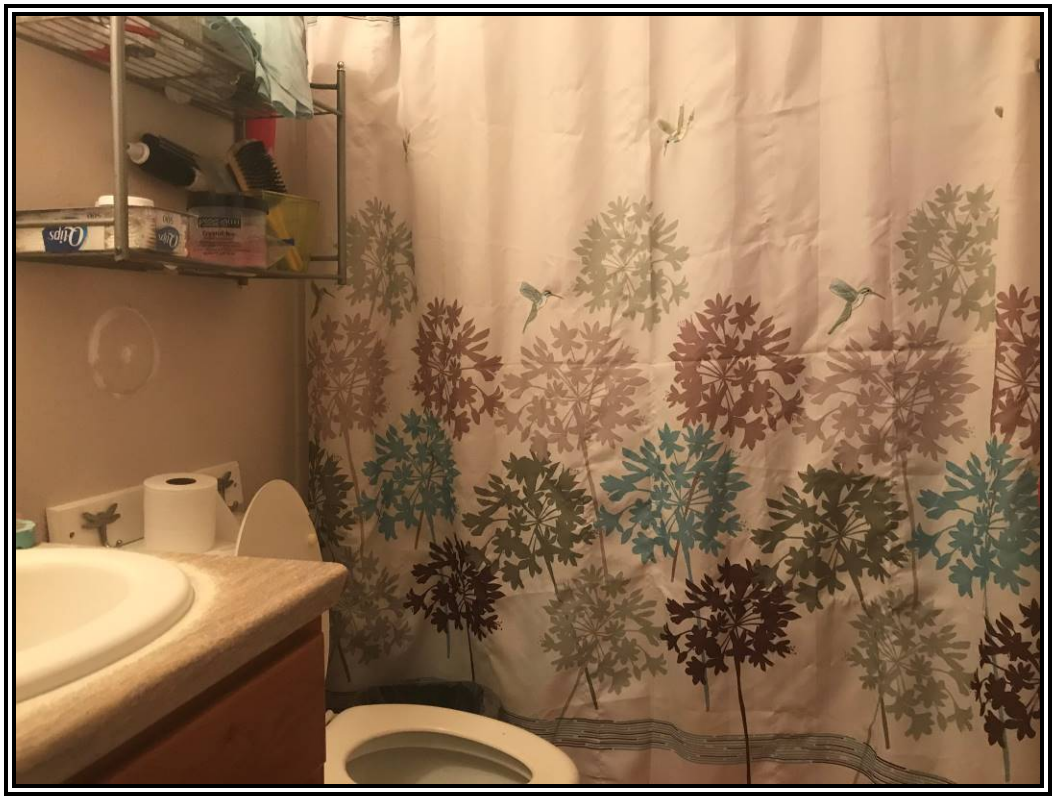
Basketball Court

Community Garden

Laundry Room

Living Room

Kitchen



Bathroom

Bedroom

Kitchen

Dining Room

Living Room

Half Bathroom

Bedroom

Bathroom

View of Lilac Way Facing South

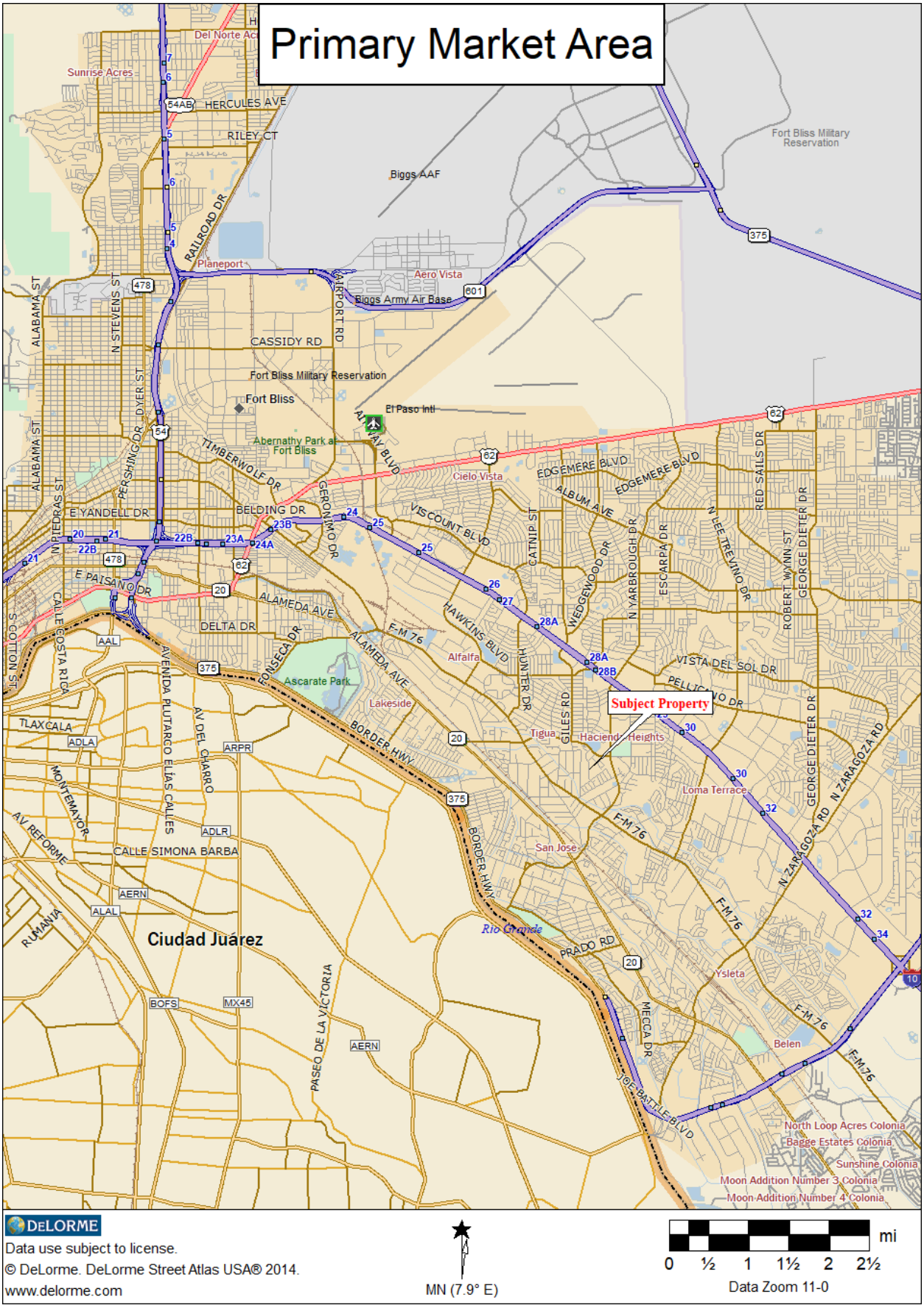
View of Lilac Way Facing North

(4) IDENTIFICATION OF THE SUBJECT'S MARKET AREA

Market Area

The Apartment MarketData, LLC Multi-Housing Market Condition Report, dated March 2019, segments the El Paso market into Data report individual submarkets, and delineates between apartment complexes with one-, two-, three-, and four-bedrooms and by the age of the apartments. The subject property is located in the East Lower Valley (E-LV) submarket, as designated by Apartment MarketData.

The subject's primary market area is generally defined by Apartment MarketData as that area located within the E-LV submarket. For the purpose of this analysis, the subject's primary market area is defined as those areas located within Zip Codes 79905, 79907, and 79915, with general boundaries of the Franklin Canal and South Piedras Street to the west, Interstate Highway 10 to the north, Highway 375 to the east, and the Rio Grande River to the south. This is the area from which the subject property would normally draw its applicants and is defined as the subject's "primary market area."


Primary Market Area
Subject Property
Ciudad Juárez
Fort Bliss
Biggs AAF
Fort Bliss Military Reservation
Biggs Army Air Base
El Paso Intl
Planeport
Aero Vista
Cielo Vista
Abernathy Park at Fort Bliss
Ascarate Park
Lakeside
Alfalfa
Tigua
Hacienda Heights
Loma Terrace
San Jose
Ysleta
Belen
Rio Grande
North Loop Acres Colonia
Bagge Estates Colonia
Sunshine Colonia
Moon Addition Number 3 Colonia
Moon Addition Number 4 Colonia
Sunrise Acres
HERCULES AVE
RILEY CT
RAILROAD DR
ALABAMA ST
N STEVENS ST
DYER ST
PERSHING DR
CASSIDY RD
AIRPORT RD
TIMBERWOLF DR
BELDING DR
E YANDELL DR
E PAISANO DR
ALAMEDA AVE
DELTA DR
AV DEL CHARRO
AVENIDA PLUTARCO ELÍAS CALLES
CALLE SIMONA BARBA
TLAXCALA
MONTEMAYOR
AV REFORME
RUMANIA
PASEO DE LA VICTORIA
BORDER HWY
PRADO RD
MECCA DR
JOE BATTLE BLVD
F-M 76
N ZARAGOZA RD
GEORGE DIETER DR
VISTA DEL SOL DR
HAWKINS BLVD
HUNTER DR
GILES RD
WEDGEWOOD DR
N YARBROUGH DR
ESCARPA DR
N LEE TREVIÑO DR
ROBERT WYNN ST
RED SAILS DR
ALBUM AVE
EDGEMERE BLVD
VISCOUNT BLVD
GERONIMO DR
CATNIP ST
LONSECA DR
CALLE COSTA RICA
S SOLEDAD ST
N PIEDRAS ST
ALABAMA ST
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(5) DESCRIPTION OF NEIGHBORHOOD

The subject property is located in the southern portion of the City of El Paso, El Paso County, Texas. The subject's primary market area is defined as those areas located within Zip Codes 79905, 79907, and 79915, with general boundaries of the Franklin Canal and South Piedras Street to the west, Interstate Highway 10 to the north, Highway 375 to the east, and the Rio Grande River to the south. These boundaries have been defined because the properties within them tend to exhibit similar characteristics, physical features, price desirability, and they are affected by similar physical, economic, governmental and social forces.

Accessibility/Transportation
A network of highways and primary thoroughfares provides adequate accessibility within the neighborhood, and to/from other towns. Interstate Highway 10 extends along the northern boundary of the neighborhood and is the east/west principal traffic route. The subject neighborhood is served by Sun Metro, which provides public bus service to El Paso. The area is served by the El Paso International airport, located just a few miles northwest of the subject neighborhood.

Neighborhood Major Thoroughfares

North/South Arteries:	Joe Battle Loop, Lee Trevino Boulevard, George Dietter Road
East/West Arteries:	Interstate Highway 10, State Highway 375/Border Highway, State Highway 20, North Loop Drive

Land Use Patterns
Land uses in the neighborhood consist of a variety of commercial and residential land uses, including, but not limited to, single-family residential subdivisions, multifamily, retail, and service. Residential development is located in various low to middle-income subdivisions throughout the neighborhood, with commercial development located along the aforementioned thoroughfares. The majority of housing in the area was constructed during the mid 20th century, with 1967 being the median year built. However, a moderate amount of both new residential and commercial construction has taken place in the subject's neighborhood over the past few years. The general consensus among real estate professionals is that growth in the near future will be nominal. Home maintenance in these subdivisions ranges from poor to excellent.

Commercial developments are found primarily along the major thoroughfares. Prevalent forms of commercial use include small neighborhood shopping centers, free-standing retail facilities, and service facilities. The subject neighborhood is located in the southeastern portion of El Paso. As such, most amenities, such as shopping, medical, and supportive services, are available by public transportation.

Schools
The subject site is located in the Ysleta Independent School District. Schools located closest to the subject include North Loop Elementary School, Hillcrest Middle and Junior High School, and Riverside High School.

Shopping Centers
Numerous single-tenant and small neighborhood retail centers are scattered throughout the neighborhood. Major stores located within a three-mile radius include H-E-B, Wal-Mart, Home Depot, and Target. The Cielo Vista Mall is a regional shopping center located approximately three miles from the subject near the intersection of Interstate 10 and Hawkins Boulevard.

Recreational Centers
Recreational facilities in the El Paso area include Franklin Mountains State Park, Socorro Athletic Complex, and the Keystone Heritage Park. Yucca Park is the closest park to the subject property on North Yarborough Drive.

Library
The Judge Edward S. Marquez Public Library is located north of the subject on North Yarborough Drive.

Public Services
Police protection for the subject area is provided through the City of El Paso. Fire protection services for the subject area is provided by the City of El Paso fire department. The El Paso County Sheriff's Office, the Fire Department and EMS are connected to the Emergency Enhanced 911 System and can respond to an emergency within minutes. Medical services are are available at the Del Sol Medical Center, located 1.8 miles north of the subject property on the westbound frontage road of Interstate 10 and Caper Road.

Religious Facilities
Churches of numerous denominations are located nearby. Many of the primary religious facilities are located in the immediate subject area. Among the local denominations in the immediate area are St. Lucia Catholic Church, Grace Methodist Church, San Juan Lutheran Church, and Tiqua Baptist Church.

Nuisances
There do not appear to be any nuisances adjacent to the subject site. No adverse easements or encroachments were noted, either on the subject or nearby properties. Based on annual crime data from the FBI Report of Offenses Known to Law Enforcement, the subject PMA has a violent crime index of 3.79, which is lower than the state average of 4.39, and lower than the national average of 4.49.

Area Development and Growth Trends
The neighborhood is experiencing stable property values. The real estate market in the El Paso area, including the subject's neighborhood, has enjoyed stability over the past few years. The stability of the neighborhood had been primarily attributable to a moderate local economy, fueled by low inflation and moderate unemployment. In most instances, rental rates and occupancy levels have moderately increased over the past decade, near future projections are for continued moderate growth.

Given the characteristics of the subject's neighborhood (including its development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes), the outlook for the area is stable.

Neighborhood Demographic Profile
The primary market area's population (segmented by age) is depicted in the following table.

Market Area Population By Age (2019)	
Age Group	**Primary (%)**
Under Age 5	7.77%
Age 5-14	14.60%
Age 15-24	14.73%
Age 25-34	14.57%
Age 35-44	10.66%
Age 45-54	9.97%
Age 55-64	10.66%
Age 65-74	8.94%
Age 75-84	5.73%
Age 85 +	2.36%
Total (may not add to 100% due to rounding)	**99.99%**
Median Age of Total Population	33.74

Households
Environics Analytics estimates 38,874 households in the primary market area for 2019, and a projected 40,250 households for the year 2024.

Tenure (Number of Persons by Household)
Data on the number of persons per household in the primary market area is presented in the following table.

Market Area # of Persons Per Household (2019)	
No. of Persons	**Primary (%)**
With 1 Person	19.97%
With 2 Persons	26.15%
With 3 Persons	19.34%
With 4 Persons	15.71%
With 5 Persons	10.00%
With 6 Persons	5.33%
With 7+ Persons	3.51%
Total (may not add to 100% due to rounding)	**100.01%**
Average Household Size	3.01

Tenure (Owner-Occupied vs. Rental Units)
In 2019, the primary market area had ±22,434 owner-occupied housing units and ±16,440 renter-occupied units, according to Spotlight estimates.

Market Area Income per Household
The primary market area had an estimated 2019 *average* household income of $41,707 with a *median* household income of $31,506. The following table delineates income per household in the subject's market areas.

Market Area Income/Household (2019)	
Income Bracket	**Primary (%)**
Under $15,000	23.36%
$15,000 - $24,999	16.87%
$25,000 - $34,999	14.57%
$35,000 - $49,999	16.75%
$50,000 - $74,999	15.02%
$75,000 - $99,999	6.76%
$100,000 - $149,999	4.97%
$150,000 +	1.71%
Total (may not add to 100% due to rounding)	**100.01%**
2019 Average Household Income	$41,707
2019 Median Household Income	$31,506

As illustrated in the preceding chart, ±71.55% of the households living in the primary market area earn less than $50,000 per year, with ±54.80% earning less than $35,000 per year, and ±40.23% earning less than $25,000 per year. Approximately 23.36% of the primary market area households earn less than $15,000 per year.

Demographic Profile

The primary market area has an estimated 2019 population of 117,591. The following table displays historical and projected population growth based on Environics Analytics data (which is based on census data).

Population	2000	2010	2019	2024
Primary Market Area	125,090	120,445	117,591	120,096
Overall Growth	-	-3.71%	-2.37%	2.13%
Annual Growth		-0.37%	-0.26%	0.43%

Market Area Employment

The 2019 workforce by occupation data, as estimated by Environics Analytics, is presented in the table below.

Market Area Workforce by Occupation (2019)	
Occupation	**Primary (%)**
Private For-Profit Worker	71.04%
Private Non-Profit Worker	5.32%
Federal Government Worker	3.08%
State Government Worker	4.74%
Local Government Worker	7.78%
Self-Employed Worker, Incorporated and Not Incorporated Business	7.77%
Unpaid Family Worker	0.26%
	99.99%
2019 Employed Civilian Population by Class of Worker (16+)	42,272

Given the characteristics of the subject's neighborhood (including its employment base, occupational distribution, as well as development composition, adequate recreational, educational, and cultural facilities, and access to major transportation routes), the outlook for the area is stable.

APARTMENT MARKET ANALYSIS

The Apartment Market Analysis was based on our personal surveys and upon *Apartment MarketData's Multi-housing Market Conditions Report for El Paso,* dated March 2019.

According to the March 2019 *Apartment MarketData's* apartment data program, there were 33,929 units in the El Paso market area. The overall occupancy rate for projects in this market area was 98.5% as of March 2019. The average rental rate for projects (overall) in this market area was $0.903 per square foot, according to the March 2019 survey. The following tables segment the market by unit type (number of bedrooms) and project age.

EL PASO - RENTAL RATES					
Age Group	**One Bed**	**Two Bed**	**Three Bed**	**Four Bed**	**Total**
< 1970	$0.944	$0.835	$0.802	$0.851	$0.861
1970's	$1.007	$0.811	$0.762	$0.920	$0.871
1980's	$1.144	$0.882	$0.805	$0.685	$0.971
1990's	$1.159	$0.893	$0.825	$0.646	$0.937
2000's	$1.041	$0.861	$0.722	$0.531	$0.854
2010's	$1.157	$0.875	$0.819	$0.739	$0.915
TOTAL	$1.070	$0.852	$0.784	$0.767	$0.903

EL PASO - OCCUPANCIES					
Age Group	**One Bed**	**Two Bed**	**Three Bed**	**Four Bed**	**Total**
< 1970	99.2%	98.6%	99.1%	100.0%	98.9%
1970's	98.6%	99.0%	98.3%	99.0%	98.8%
1980's	98.8%	98.4%	97.8%	100.0%	98.6%
1990's	96.6%	95.9%	98.8%	100.0%	96.7%
2000's	98.4%	98.8%	99.3%	100.0%	98.8%
2010's	97.7%	98.4%	98.8%	100.0%	98.3%
TOTAL	98.5%	98.5%	98.7%	99.7%	98.5%

The subject is within the East Lower Valley (E-LV) submarket, and according to the March 2019 *Apartment MarketData's* apartment data program, the East Lower Valley (E-LV) submarket has a total of 5,038 units. The overall occupancy rate for apartment projects in the submarket was reported to be 99.2% (as of March 2019). The average rental rate for projects in this submarket was $0.850 per square foot. The complexes primarily offer one- and two- bedroom floor plans, with some complexes within the submarket offering three and four-bedroom floor plans. The bulk of the rental market in the neighborhood is garden-style projects with average amenities.

EAST LOWER VALLEY SUBMARKET - RENTAL RATES					
Age Group	**One Bed**	**Two Bed**	**Three Bed**	**Four Bed**	**Total**
< 1970	$1.056	$0.977	$0.884	$0.851	$0.962
1970's	$0.987	$0.834	$0.920	$1.042	$0.902
1980's	$1.093	$0.911	$0.898	$0.685	$0.945
1990's	$0.896	$0.749	$0.738	$0.000	$0.750
2000's	$0.874	$0.836	$0.602	$0.507	$0.725
2010's	$0.748	$0.753	$0.665	$0.674	$0.720
TOTAL	$0.982	$0.854	$0.757	$0.822	$0.850

EAST LOWER VALLEY SUBMARKET - OCCUPANCIES					
Age Group	**One Bed**	**Two Bed**	**Three Bed**	**Four Bed**	**Total**
< 1970	100.0%	99.1%	100.0%	100.0%	99.4%
1970's	99.4%	99.4%	100.0%	100.0%	99.5%
1980's	98.3%	98.2%	99.3%	100.0%	98.4%
1990's	100.0%	100.0%	100.0%	0.0%	100.0%
2000's	100.0%	100.0%	100.0%	100.0%	100.0%
2010'S	99.2%	98.9%	99.7%	100.0%	99.2%
TOTAL	99.1%	99.0%	99.8%	100.0%	99.2%

The subject's PMA has performed lower in rental rates and higher in occupancy as compared to the overall El Paso market.

It should be noted that occupancy for 4BR units in the subject's submarket is 100% and 99.7% in the El Paso market overall, which supports the conversion of the 3BR/1.5BA+Den units to 4BR units.

The chart on the following page shows the existing low-income housing developments in the PMA (in addition to the subject).

Property Name	Type	City	# of Units	# Restricted Units
Western Yarbrough Apartments	Family	El Paso	32	32
Western Gallagher I & II	Family	El Paso	76	76
Western Carolina	Elderly	El Paso	56	56
Tigua Village Apartments	Family	El Paso	186	186
Gateway East Apartments	Family	El Paso	104	104
Desert Villas	Family	El Paso	94	94
Rafael Marmolejo Jr. Memorial Apartments	Family	El Paso	292	292
Good Samaritan Towers	Elderly	El Paso	100	100
Western Burgundy	Family	El Paso	144	144
Prado Apartments	Family	El Paso	64	64
Burgundy Palms	Family	El Paso	100	100
Capistrano Palms	Family	El Paso	112	95
Linda Vista Apartments	Family	El Paso	36	36
Spanish Creek Townhomes	Family	El Paso	136	130
Woodchase Senior Community	Elderly	El Paso	128	128
Canyon Square Village	Family	El Paso	104	104
Raymond Telles Manor	Family	El Paso	68	68
J.E. Anderson Apartments	Family	El Paso	58	58
George Webber Memorial Apartments	Family	El Paso	98	98
Everett Alvarez Apartments	Family	El Paso	96	96
Harry S. Truman Apartments	Family	El Paso	90	90
Kennedy Brothers Communities	Family	El Paso	364	364
Aloysius A. Ochoa Apartments	Elderly	El Paso	70	70
Chas. E. Graham Apartments	Family	El Paso	63	63
MLK Memorial Apartments	Family	El Paso	152	152
Fonseca Apartments	Family	El Paso	14	14
El Nido Apartments	Family	El Paso	104	104
Jose Antonio Escajeda Apartments	Family	El Paso	88	88
Sherman Plaza	Family	El Paso	178	178
Rio Grande Apartments	Family	El Paso	66	66
Valle Verde	Family	El Paso	50	49
Sherman Plaza South Apartments	Family	El Paso	194	194
DeWetter Apartments	Family	El Paso	98	98
Paisano Green Community	Section 202	El Paso	73	73
Valle Hermoso Apartments	Section 202	El Paso	60	60
Harry S. Truman Apartments	Section 202	El Paso	90	90
Casa Bievivir	Section 202	El Paso	41	41
Jaycom Apartments	Section 8	El Paso	100	100
Columbia Apartments	Section 8	El Paso	200	200

All the above properties report near 100% occupancies with waiting lists.

(6) NARRATIVE DESCRIBING SELECTION OF COMPARABLES

The subject property is located in the southeastern portion of El Paso, Texas. The subject's market area is characterized by older apartment complexes similar to the subject. However, since the property owner has renovated and maintained the property (see Description of Subject Property section of this report), the subject is superior to many of the older, non-renovated complexes in the area. The comparable rentals incorporated in the following analysis represent the most direct competition for the subject property. The appraiser performed extensive research within a reasonable distance of the subject property for market rental housing and identified five apartment complexes that are considered the most comparable properties with which to compare to the subject property. Most of the complexes in the PMA are rent restricted. Therefore, we have utilized some complexes located just outside the PMA.

The landlord pays electric, gas, water/sewer, and trash. In our search for comparables, we attempted to concentrate on those complexes with utilities as similar as possible to the subject. However, few, if any, conventional properties are "All Bills Paid." The subject is a garden-style development containing 1BR, 2BR, 3BR and 3BR+Den units. As most tenants utilize the 3BR+Den units as 4BR units, an adjustment was made for a fourth bedroom. Unit size was a limiting factor in our search for comparables. Due to nature of the primary market area, it was difficult to locate properties containing 1BR, 2BR, 3BR, and 4BR units. There are few 3BR or 4BR comparables which are not rent restricted.

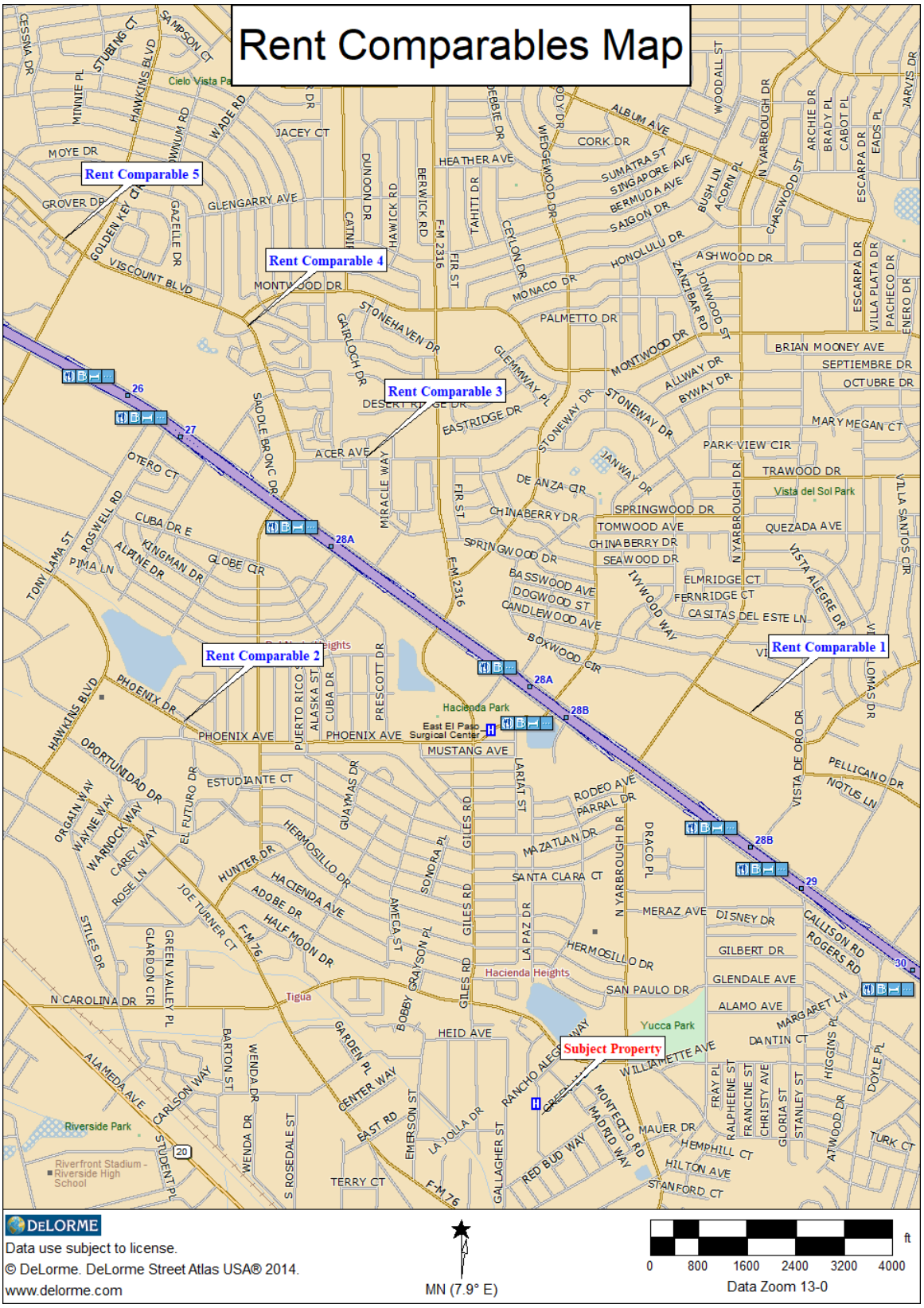
The subject property's floor plan consists of 1BR/1BA, 2BR/1BA, 3BR/1.5BA, and 3BR/1.5BA +Den units. Units in the rent comparables with similar floor plans were utilized in the rental adjustment grids. Not all comparable floor plans feature the same number of bedrooms or bathrooms as the subject; therefore, a matched pair analysis was performed to determine necessary adjustments.

The comparable developments surveyed reflect the most optimum combination of factors (e.g. utility metering, bedroom/bathroom count, unit size, age, amenities, and income restrictions) to compare to the subject. All of the projects exhibited slight differences in construction quality and appeal, age/condition, and level of common area amenities. All of the rental rates included in these comparables reflect market-rate units at the properties and have been confirmed as representing market rent levels by the property managers, leasing agents, or owners.

Although numerous apartments were researched, some were excluded for being rent-restricted, significantly inferior or superior to the subject in age, condition, quality/appeal, and/or level of amenities. Appraisers, property managers, and owners were consulted, as well as staff at the subject property. Overall, the comparables included in this study provide a good unit of comparison and provide a good indication of prevailing area market rents. As all of the rentals meet the target criteria in Chapter 9 of the Section 8 Renewal Policy Handbook, all comparables are reasonably similar to the subject and the appraiser is confident that the adjustments applied adequately value the differences.

Based on information provided to the appraiser, none of the selected comparables are owned or managed by the entities having an interest with the owner or management of the subject property.

(7) LOCATOR MAP FOR SUBJECT AND COMPARABLES



(8) RENT COMPARABILITY GRID FOR EACH PRIMARY UNIT

OMB Approval # 2502-0507 (exp. 01/31/18)

Rent Comparability Grid ***Unit Type*** → **1BR \ 1BA** ***Subject's FHA #:*** **TX16L000045 & TX16M000114**

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Cien Palmas Apartments	Data	Ridgemar		The Phoenix of El Paso		Spring Park Apartments		San Mateo		Celina Plaza	
	7845 Lilac Way	on	10701 Vista Del Sol		7401 Phoenix Avenue		9535 Acer Avenue		9300 Viscount		8500 Viscount	
	El Paso, El Paso County	bject	El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso	
A.	**Rents Charged**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$840**	N	**$650**	N	**$789**	N	**$600**	N	**$640**	N
2	**Date Last Leased** (mo/yr)		May-19		May-19		May-19		May-19		May-19	
3	**Rent Concessions**		None		None		None		None		None	
4	**Occupancy for Unit Type**		99%		96%		97%		97%		98%	
5	**Effective Rent & Rent/ sq. ft**		**$840**	1.14	**$650**	1.11	**$789**	1.33	**$600**	1.14	**$640**	0.94
		In Parts B thru E, adjust only for differences the subject's market values.										
B.	**Design, Location, Condition**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	**Gdn/2**	Gdn/2		Gdn/2		Gdn/2		Gdn/2		Gdn/2	
7	**Yr. Built/Yr. Renovated**	**1971/2004**	1973/2002		1992		1990		1971/2008		1972/2004	
8	**Condition /Street Appeal**	**G/G**	G/G		G/G		G/G		G/G		G/G	
9	**Neighborhood**	**G**	G		G		G		G		G	
10	**Same Market? Miles to Subj**		Y<2.5		Y<3		Y<3		Y<3		Y<3	
C.	**Unit Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	**1**	1		1		1		1		1	
12	**# Baths**	**1**	1		1		1		1		1	
13	**Unit Interior Sq. Ft.**	**579**	734	($54)	588		593		525	$19	678	($35)
14	**Balcony/Patio**	**N**	Y		Y		Y		N		N	
15	**AC: Central/ Wall**	**C**	C		C		C		C		C	
16	**Range/Refrigerator**	**R/F**	R/F		R/F		R/F		R/F		R/F	
17	**Microwave/Dishwasher**	**N/D**	N/D		M/D	($5)	M/D	($5)	N/D		N/D	
18	**Washer/Dryer**	**LR**	LR		LR		HU/LR	($15)	LR		LR	
19	**Floor Coverings**	**C/VT**	C/VT		C/VT		C/VT		C/VT		C/VT	
20	**Window Coverings**	**B**	B		B		B		B		B	
21	**Cable/Satellite/Internet**	**N/N/N**	Y/N/N	($65)	N/N/N		N/N/N		Y/N/N	($65)	Y/N/N	($65)
22	**Special Features**	**N**	N		N		N		N		N	
23												
D	**Site Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking** ($ Fee)	**CP/$0**	O/$0	$20	O/$0	$20	O/$0;CP/+$	$20	O/$0; CP/+$	$20	O/$0	$20
25	**Extra Storage**	**N**	Y	($5)	N		Y	($5)	N		N	
26	**Security**	**N**	N		Y	($5)	N		N		N	
27	**Clubhouse/Meeting Rooms**	**C**	C		C		C		C		C	
28	**Pool/Recreation/Exercise**	**P/R/N**	P/R/N		P/R/E	($5)	P/R/E	($5)	P/R/E	($5)	P/R/E	($5)
29	**Business Ctr /Nbhd Netwk**	**Y**	N	$5	Y		Y		N	$5	N	$5
30	**Service Coordination**	**N**	N		N		N		N		N	
31	**Non-shelter Services**	**N**	N		N		N		N		N	
32												
E.	**Utilities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat** (in rent?/ type)	**Y/G**	N/G	$10	N/E	$13	N/E	$13	N/E	$13	N/E	$13
34	**Cooling** (in rent?/ type)	**Y/E**	N/E	$14	N/E	$14	N/E	$14	N/E	$14	N/E	$14
35	**Cooking** (in rent?/ type)	**Y/G**	N/E	$6	N/E	$6	N/E	$6	N/E	$6	N/E	$6
36	**Hot Water** (in rent?/ type)	**Y/G**	N/G	$4	N/E	$13	N/E	$13	N/G	$4	N/G	$4
37	**Other Electric**	**Y**	N	$22	N	$22	N	$22	N	$22	N	$22
38	**Cold Water/ Sewer**	**Y/Y**	N/N	$38	N/N	$38	N/N	$38	N/N	$38	N/N	$38
39	**Trash /Recycling**	**Y**	Y		N	$25	N	$25	N	$25	Y	
F.	**Adjustments Recap**		**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**		2	3	1	3	1	4	3	2	2	3
41	**Sum Adjustments B to D**		$25	($124)	$20	($15)	$20	($30)	$44	($70)	$25	($105)
42	**Sum Utility Adjustments**		$94		$131		$131		$122		$97	
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	***Net/ Gross Adjmts B to E***		*($5)*	*$243*	*$136*	*$166*	*$121*	*$181*	*$96*	*$236*	*$17*	*$227*
G.	**Adjusted & Market Rents**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent** (5+ 43)		**$835**		**$786**		**$910**		**$696**		**$657**	
45	Adj Rent/Last rent			99%		121%		115%		116%		103%
46	**Estimated Market Rent**	**$810**	**$1.40**	← **Estimated Market Rent/ Sq. Ft**								

Sharon P. Wetshireen — 5/31/2019

Appraiser's Signature **Date**

Attached are explanations *a. why & how each adjustment was made b. how market rent was derived from adjusted rents c. how*

Grid was prepared: **Manually** **Using HUD's Excel form** **HUD 92273 - S8**

OMB Approval # 2502-0507 (exp. 01/31/18)

Rent Comparability Grid ***Unit Type*** → **2BR \ 1BA** ***Subject's FHA #:*** **TX16L000045 & TX16M000114**

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Cien Palmas Apartments	Data	Ridgemar		The Phoenix of El Paso		Spring Park Apartments		San Mateo		Celina Plaza	
	7845 Lilac Way	on	10701 Vista Del Sol		7401 Phoenix Avenue		9535 Acer Avenue		9300 Viscount		8500 Viscount	
	El Paso, El Paso County	bject	El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso	
A.	**Rents Charged**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
1	$ Last Rent / Restricted?		$879	N	$805	N	$911	N	$765	N	$725	N
2	Date Last Leased (mo/yr)		May-19		May-19		May-19		May-19		May-19	
3	Rent Concessions		None		None		None		None		None	
4	Occupancy for Unit Type		99%		96%		97%		97%		98%	
5	Effective Rent & Rent/ sq. ft		$879	0.92	$805	1.05	$911	1.12	$765	0.78	$725	0.87
		In Parts B thru E, adjust only for differences the subject's market values.										
B.	**Design, Location, Condition**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
6	Structure / Stories	Gdn/2	Gdn/2		Gdn/2		Gdn/2		Gdn/2		Gdn/2	
7	Yr. Built/Yr. Renovated	1971/2004	1973/2002		1992		1990		1971/2008		1972/2004	
8	Condition /Street Appeal	G/G	G/G		G/G		G/G		G/G		G/G	
9	Neighborhood	G	G		G		G		G		G	
10	Same Market? Miles to Subj		Y<2.5		Y<3		Y<3		Y<3		Y<3	
C.	**Unit Equipment/ Amenities**		Data	$ Adj	Data	Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
11	# Bedrooms	2	2		2		2		2		2	
12	# Baths	1	1		1		1		1		1	
13	Unit Interior Sq. Ft.	757	956	($70)	767		812	($19)	979	($78)	829	($25)
14	Balcony/Patio	N	Y		Y		Y		N		N	
15	AC: Central/ Wall	C	C		C		C		C		C	
16	Range/Refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/D	N/D		M/D	($5)	M/D	($5)	N/D		N/D	
18	Washer/Dryer	L	LR		HU/LR	($15)	HU/LR	($15)	LR		LR	
19	Floor Coverings	C/VT	C/VT		C/VT		C/VT		C/VT		C/VT	
20	Window Coverings	B	B		B		B		B		B	
21	Cable/Satellite/Internet	N/N/N	Y/N/N	($65)	N/N/N		N/N/N		Y/N/N	($65)	Y/N/N	($65)
22	Special Features	N	N		N		N		N		N	
23												
D	**Site Equipment/ Amenities**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
24	Parking ($ Fee)	CP/$0	O/$0	$20	O/$0	$20	O/$0;CP/+$	$20	O/$0; CP/+$	$20	O/$0	$20
25	Extra Storage	N	Y	($5)	N		Y	($5)	N		N	
26	Security	N	N		Y	($5)	N		N		N	
27	Clubhouse/Meeting Rooms	C	C		C		C		C		C	
28	Pool/Recreation/Exercise	P/R/N	P/R/N		P/R/E	($5)	P/R/E	($5)	P/R/E	($5)	P/R/E	($5)
29	Business Ctr /Nbhd Netwk	Y	N	$5	Y		Y		N	$5	N	$5
30	Service Coordination	N	N		N		N		N		N	
31	Non-shelter Services	N	N		N		N		N		N	
32												
E.	**Utilities**		Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj	Data	$ Adj
33	Heat (in rent?/ type)	Y/G	N/G	$12	N/E	$16	N/E	$16	N/E	$16	N/E	$16
34	Cooling (in rent?/ type)	Y/E	N/E	$19	N/E	$19	N/E	$19	N/E	$19	N/E	$19
35	Cooking (in rent?/ type)	Y/G	N/E	$8	N/E	$8	N/E	$8	N/E	$8	N/E	$8
36	Hot Water (in rent?/ type)	Y/G	N/G	$6	N/E	$17	N/E	$17	N/G	$6	N/G	$6
37	Other Electric	Y	N	$30	N	$30	N	$30	N	$30	N	$30
38	Cold Water/ Sewer	Y/Y	N/N	$45	N/N	$45	N/N	$45	N/N	$45	N/N	$45
39	Trash /Recycling	Y	Y		N	$25	N	$25	N	$25	Y	
F.	**Adjustments Recap**		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		2	3	1	4	1	5	2	3	2	3
41	Sum Adjustments B to D		$25	($140)	$20	($30)	$20	($49)	$25	($148)	$25	($95)
42	Sum Utility Adjustments		$120		$160		$160		$149		$124	
			Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	*Net/ Gross Adjmts B to E*		*$5*	*$285*	*$150*	*$210*	*$131*	*$229*	*$26*	*$322*	*$54*	*$244*
G.	**Adjusted & Market Rents**		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	**Adjusted Rent** (5+ 43)		$884		$955		$1,042		$791		$779	
45	Adj Rent/Last rent			101%		119%		114%		103%		107%
46	**Estimated Market Rent**	$915	$1.21	← Estimated Market Rent/ Sq. Ft								

Sharon P. Watkins 5/31/2019

Appraiser's Signature **Date**

Attached are explanations

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents *c. how*

Grid was prepared: **Manually** **Using HUD's Excel form** **HUD 92273 - S8**

OMB Approval # 2502-0507 (exp. 01/31/18)

Rent Comparability Grid — **Unit Type** → **3BR \ 1.5BA** — **Subject's FHA #:** **TX16L000045 & TX16M000114**

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #6	
	Cien Palmas Apartments	Data	Ridgemar		The Phoenix of El Paso		Spring Park Apartments		San Mateo		Celina Plaza	
	7845 Lilac Way	on	10701 Vista Del Sol		7401 Phoenix Avenue		9535 Acer Avenue		9300 Viscount		8500 Viscount	
	El Paso, El Paso County	bject	El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso	
A.	**Rents Charged**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$1,040**	N	**$845**	N	**$1,049**	N	**$940**	N	**$840**	N
2	**Date Last Leased** (mo/yr)		May-19		May-19		May-19		May-19		May-19	
3	**Rent Concessions**		None		None		None		None		None	
4	**Occupancy for Unit Type**		99%		96%		97%		97%		98%	
5	**Effective Rent & Rent/ sq. ft**		**$1,040**	0.87	**$845**	0.88	**$1,049**	1.01	**$940**	0.70	**$840**	0.76
		In Parts B thru E, adjust only for differences the subject's market values.										
B.	**Design, Location, Condition**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	**Gdn/2**	Gdn/2		Gdn/2		Gdn/2		Gdn/2		Gdn/2	
7	**Yr. Built/Yr. Renovated**	**1971/2004**	1973/2002		1992		1990		1971/2008		1972/2004	
8	**Condition /Street Appeal**	**G/G**	G/G		G/G		G/G		G/G		G/G	
9	**Neighborhood**	**G**	G		G		G		G		G	
10	**Same Market? Miles to Subj**		Y<2.5		Y<3		Y<3		Y<3		Y<3	
C.	**Unit Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	**3**	3		3		3		3		3	
12	**# Baths**	**1.5**	2	($10)	2	($10)	2	($10)	2	($10)	2	($10)
13	**Unit Interior Sq. Ft.**	**923**	1,193	($95)	959	($13)	1,036	($40)	1,350	($149)	1,105	($64)
14	**Balcony/Patio**	**N**	Y		Y		Y		N		N	
15	**AC: Central/ Wall**	**C**	C		C		C		C		C	
16	**Range/Refrigerator**	**R/F**	R/F		R/F		R/F		R/F		R/F	
17	**Microwave/Dishwasher**	**N/D**	N/D		M/D	($5)	M/D	($5)	N/D		N/D	($5)
18	**Washer/Dryer**	**LR**	LR		HU/LR	($15)	HU/LR	($15)	LR		LR	
19	**Floor Coverings**	**C/VT**	C/VT		C/VT		C/VT		C/VT		C/VT	
20	**Window Coverings**	**B**	B		B		B		B		B	
21	**Cable/Satellite/Internet**	**N/N/N**	Y/N/N	($65)	N/N/N		N/N/N		Y/N/N	($65)	Y/N/N	($65)
22	**Special Features**	**N**	N		N		N		N		N	
23												
D	**Site Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking** ($ Fee)	**CP/$0**	O/$0	$20	O/$0	$20	O/$0;CP/+$	$20	O/$0; CP/+$	$20	O/$0	$20
25	**Extra Storage**	**N**	Y	($5)	N		Y	($5)	N		N	
26	**Security**	**N**	N		Y	($5)	N		N		N	
27	**Clubhouse/Meeting Rooms**	**C**	C		C		C		C		C	
28	**Pool/Recreation/Exercise**	**P/R/N**	P/R/N		P/R/E	($5)	P/R/E	($5)	P/R/E	($5)	P/R/E	($5)
29	**Business Ctr /Nbhd Netwk**	**Y**	N	$5	Y		Y		N	$5	N	$5
30	**Service Coordination**	**N**	N		N		N		N		N	
31	**Non-shelter Services**	**N**	N		N		N		N		N	
32												
E.	**Utilities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat** (in rent?/ type)	**Y/G**	N/G	$13	N/E	$19	N/E	$19	N/E	$19	N/E	$19
34	**Cooling** (in rent?/ type)	**Y/E**	N/E	$24	N/E	$24	N/E	$24	N/E	$24	N/E	$24
35	**Cooking** (in rent?/ type)	**Y/G**	N/E	$11	N/E	$11	N/E	$11	N/E	$11	N/E	$11
36	**Hot Water** (in rent?/ type)	**Y/G**	N/G	$9	N/E	$21	N/E	$21	N/G	$9	N/G	$9
37	**Other Electric**	**Y**	N	$39	N	$39	N	$39	N	$39	N	$39
38	**Cold Water/ Sewer**	**Y/Y**	N/N	$52	N/N	$52	N/N	$52	N/N	$52	N/N	$52
39	**Trash /Recycling**	**Y**	Y		N	$25	N	$25	N	$25	Y	
F.	**Adjustments Recap**		**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**		2	4	1	6	1	6	2	4	2	5
41	**Sum Adjustments B to D**		$25	($175)	$20	($53)	$20	($80)	$25	($229)	$25	($149)
42	**Sum Utility Adjustments**		$148		$191		$191		$179		$154	
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	***Net/ Gross Adjmts B to E***		*($2)*	*$348*	*$158*	*$264*	*$131*	*$291*	*($25)*	*$433*	*$30*	*$328*
G.	**Adjusted & Market Rents**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent** (5+ 43)		**$1,038**		**$1,003**		**$1,180**		**$915**		**$870**	
45	Adj Rent/Last rent			100%		119%		112%		97%		104%
46	**Estimated Market Rent**	**$1,035**	**$1.12**	← **Estimated Market Rent/ Sq. Ft**								

Sharon P. Watkins — 5/31/2019

Appraiser's Signature **Date**

Attached are

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents *c.*

Grid was prepared: **Manually** **Using HUD's Excel form** **HUD 92273 - S8**

OMB Approval # 2502-0507 (exp. 01/31/18)

Rent Comparability Grid

Unit Type → **3BR \ 1.5BA +Den**

Subject's FHA #: **TX16L000045 & TX16M000114**

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #6	
	Cien Palmas Apartments	Data	Ridgemar		The Phoenix of El Paso		Spring Park Apartments		San Mateo		Celina Plaza	
	7845 Lilac Way	on	10701 Vista Del Sol		7401 Phoenix Avenue		9535 Acer Avenue		9300 Viscount		8500 Viscount	
	El Paso, El Paso County	ubject	El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso		El Paso, El Paso	
A.	**Rents Charged**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
1	**$ Last Rent / Restricted?**		**$1,040**	N	**$845**	N	**$1,049**	N	**$940**	N	**$840**	N
2	**Date Last Leased** (mo/yr)		May-19		Apr-02		May-19		May-19		May-19	
3	**Rent Concessions**		None		None		None		None		None	
4	**Occupancy for Unit Type**		99%		96%		97%		97%		98%	
5	**Effective Rent & Rent/ sq. ft**		**$1,040**	0.87	**$845**	0.88	**$1,049**	1.01	**$940**	0.70	**$840**	0.76
		In Parts B thru E, adjust only for differences the subject's market values.										
B.	**Design, Location, Condition**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
6	**Structure / Stories**	**Gdn/2**	Gdn/2		Gdn/2		Gdn/2		Gdn/2		Gdn/2	
7	**Yr. Built/Yr. Renovated**	**1971/2004**	1973/2002		1992		1990		1971/2008		1972/2004	
8	**Condition /Street Appeal**	**G/G**	G/G		G/G		G/G		G/G		G/G	
9	**Neighborhood**	**G**	G		G		G		G		G	
10	**Same Market? Miles to Subj**		Y<2.5		Y<3		Y<3		Y<3		Y<3	
C.	**Unit Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
11	**# Bedrooms**	**3**	3	$50	3	$50	3	$50	3	$50	3	$50
12	**# Baths**	**1.5**	2	($10)	2	($10)	2	($10)	2	($10)	2	($10)
13	**Unit Interior Sq. Ft.**	**1,025**	1,193	($59)	959	$23	1,036		1,350	($114)	1,105	($28)
14	**Balcony/Patio**	**N**	Y		Y		Y		N		N	
15	**AC: Central/ Wall**	**C**	C		C		C		C		C	
16	**Range/Refrigerator**	**R/F**	R/F		R/F		R/F		R/F		R/F	
17	**Microwave/Dishwasher**	**N/D**	N/D		M/D	($5)	M/D	($5)	N/D		N/D	($5)
18	**Washer/Dryer**	**LR**	LR		HU/LR	($15)	HU/LR	($15)	LR		LR	
19	**Floor Coverings**	**C/VT**	C/VT		C/VT		C/VT		C/VT		C/VT	
20	**Window Coverings**	**B**	B		B		B		B		B	
21	**Cable/Satellite/Internet**	**N/N/N**	Y/N/N	($65)	N/N/N		N/N/N		Y/N/N	($65)	Y/N/N	($65)
22	**Special Features**	**N**	N		N		N		N		N	
23												
D	**Site Equipment/ Amenities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
24	**Parking** ($ Fee)	**CP/$0**	O/$0	$20	O/$0	$20	O/$0;CP/+$	$20	O/$0; CP/+$	$20	O/$0	$20
25	**Extra Storage**	**N**	Y	($5)	N		Y	($5)	N		N	
26	**Security**	**N**	N		Y	($5)	N		N		N	
27	**Clubhouse/Meeting Rooms**	**C**	C		C		C		C		C	
28	**Pool/Recreation Areas**	**P/R/N**	P/R/N		P/R/E	($5)	P/R/E	($5)	P/R/E	($5)	P/R/E	($5)
29	**Business Ctr /Nbhd Netwk**	**Y**	N	$5	Y		Y		N	$5	N	$5
30	**Service Coordination**	**N**	N		N		N		N		N	
31	**Non-shelter Services**	**N**	N		N		N		N		N	
32	**Supportive Services**											
E.	**Utilities**		**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**	**Data**	**$ Adj**
33	**Heat** (in rent?/ type)	**Y/G**	N/G	$14	N/E	$23	N/E	$23	N/E	$23	N/E	$23
34	**Cooling** (in rent?/ type)	**Y/E**	N/E	$29	N/E	$29	N/E	$29	N/E	$29	N/E	$29
35	**Cooking** (in rent?/ type)	**Y/G**	N/E	$14	N/E	$14	N/E	$14	N/E	$14	N/E	$14
36	**Hot Water** (in rent?/ type)	**Y/G**	N/G	$10	N/E	$25	N/E	$25	N/G	$10	N/G	$10
37	**Other Electric**	**Y**	N	$47	N	$47	N	$47	N	$47	N	$47
38	**Cold Water/ Sewer**	**Y/Y**	N/N	$60	N/N	$60	N/N	$60	N/N	$60	N/N	$60
39	**Trash /Recycling**	**Y**	Y		N	$25	N	$25	N	$25	Y	
F.	**Adjustments Recap**		**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**	**Pos**	**Neg**
40	**# Adjustments B to D**		3	4	3	5	2	5	3	4	3	5
41	**Sum Adjustments B to D**		$75	($139)	$93	($40)	$70	($40)	$75	($194)	$75	($113)
42	**Sum Utility Adjustments**		$174		$223		$223		$208		$183	
			Net	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**
43	***Net/ Gross Adjmts B to E***		*$110*	*$388*	*$276*	*$356*	*$253*	*$333*	*$89*	*$477*	*$145*	*$371*
G.	**Adjusted & Market Rents**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
44	**Adjusted Rent** (5+ 43)		**$1,150**		**$1,121**		**$1,302**		**$1,029**		**$985**	
45	Adj Rent/Last rent			111%		133%		124%		109%		117%
46	**Estimated Market Rent**	**$1,140**	**$1.11**	← **Estimated Market Rent/ Sq. Ft**								

Sharon P. Watkins — 5/31/2019

Appraiser's Signature **Date**

Attached are

a. why & how each adjustment was made
b. how market rent was derived from adjusted rents *c.*

Grid was prepared: **Manually** **Using HUD's Excel form** **HUD 92273 - S8**

(9) NARRATIVE EXPLAINING ADJUSTMENTS AND MARKET RENT CONCLUSIONS

Explanation of Adjustments and Market Rent Conclusions – 1BR

A Rent Comparability Grid was prepared for the subject's 1BR floor plan. Whenever sufficient data was available, adjustments were based on a matched-pair analysis of the comparables. Adjustments were also based on conversations with leasing agents and real estate professionals in the area, information in our files, as well as personal observation and experience of the appraisers in the subject's market area.

Line 1. Last Rented/Restricted. All of the rents utilized in this analysis represent market rents currently quoted at the comparable properties. No unit used in the analysis has any rent restrictions.

Line 2. Date Last Leased. As all rents used in this analysis reflect current rates, no adjustments were necessary for this line item.

Line 3. Rent Concessions. None of the comparables are currently offering rental concessions. No adjustments were necessary for this line item.

Line 4. Occupancy for Unit Type. According to data collected, the market area has historically maintained an occupancy level of 90%+ for all units over the past few years. The occupancy of the comparables currently ranges from 96% to 99%. Occupancy by unit type was not available. Therefore, no adjustments were necessary for this line item.

Line 6. Structures/Stories. The subject improvements are composed of two-story garden-style apartment buildings. The comparables are all two-story garden-style apartment buildings. No adjustment was necessary.

Line 7. Yr. Built/Yr. Renovated. The subject property was reported to have been built in 1971 and renovated in 2004/2005. The comparable properties have years of construction ranging from 1971 to 1992. Also included in this category would be any allowances for functional utility. All of the comparables have been renovated or have a similar effective age as the subject. No adjustment was necessary.

Line 8. Condition/Street Appeal. The subject property appears in good condition and has good street appeal. All of the comparables were considered generally similar to the subject in this regard and required no adjustment for this item.

Line 9. Neighborhood. The subject property is in a "Good" neighborhood, as are all the comparables. No adjustments were necessary for this line item.

Line 10. Same Market? Miles to Subject. The subject property and all of the comparables are located within the same market area. No adjustment for this item was required.

Line 11. Bedrooms. Adjustments were not necessary in the 1BR analysis.

Line 12. Bathrooms. Adjustments were not necessary in the 1 BR analysis.

Line 13. Unit Square Footage. To determine the appropriate adjustment for differences in size, a matched-pair analysis was attempted.

Size Diff	Complex	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent Adj.
	Rental 2	2b/1b	767		$805			
		2b/1b	727	40	$765	$40	$1.00	
	Rental 3	1b/1b	627		$793			
		1b/1b	593	34	$789	$4	$0.12	
	Rental 3	2b/1b	887		$911			
		2b/1b	812	75	$911	$0	$0.00	
	Rental 4	1b/1b	754		$680			
		1b/1b	525	229	$600	$80	$0.35	
	Rental 5	1b/1b	736		$665			
		1b/1b	678	58	$640	$25	$0.43	
	Rental 5	2b/2b	996		$830			
		2b/2b	965	31	$775	$55	$1.77	
								$0.63

Based on interviews with area property managers, tenants show minimal sensitivity to the size of the units (within a reasonable range). The matched pair analysis was inconclusive. However, leasing agents in the area indicated an adjustment for size differences typically ranges from $0.15 PSF to $0.50+ PSF. For the purposes of this analysis, we will utilize an adjustment of $0.35 PSF of size difference greater than 25 square feet, which is considered to be reasonable.

Line 14. Balcony/Patio. The subject property does not feature a patio/balcony for each unit. Based on the opinions of local leasing agents, although an amenity, the presence of a balcony/patio does not typically correlate into an increase in the rental rate, thus no adjustment was required.

Line 15. AC: Central/Wall. The subject apartment units feature central HVAC systems. All of the comparables offer central HVAC systems. Thus, no adjustment was applicable for this line item.

Line 16. Range/Refrigerator. The subject, as well as all of the comparables, is equipped with a range and refrigerator. Thus, no adjustment was applicable for this line item.

Line 17. Microwave/Dishwasher. The subject does provide a dishwasher, but not a microwave. All of the comparables provide a dishwasher in each unit. Leasing agents active in the subject's neighborhood indicated a nominal premium for a microwave averages $5 per month. Comparables with a microwave in the unit were adjusted downward $5 for this amenity.

Line 18. Washer/Dryer. The subject has on-site laundry rooms, but does not feature washer/dryer connections or washers and dryers in the units. Leasing agents active in the market indicate a $15 per month premium for W/D connections, and $25 to $50 per month premium for units which have washer/dryers in the units, dependent upon quality and type. Comparables which offer washer and dryer connections were adjusted downward $15 per month. *Note: Comparable 2 has washer/dryer connections in all unit types EXCEPT one-bedroom units.* None of the comparables feature washers and dryers in the units.

Line 19. Floor Covering. The subject units have vinyl and carpet floor coverings. The comparables are similar and no adjustment was necessary.

Line 20. Window Coverings. The subject property and all of the comparables provide window coverings. Thus, no adjustment was applicable for this line item.

Line 21. Cable/Satellite/Internet. The subject property is cable ready, but cable/satellite/internet is a tenant expense. The following chart indicates the quoted charges for basic cable in the subject market area, inclusive of taxes and broadcast fees for a new contract.

Cable Adjustment	
Provider	Cost
AT&T/DirecTV	$54.89
Dish TV	$75.88
Spectrum	$64.88
Average Cost:	$65.22

Comparables 1, 4 and 5 include basic cable in the rent and were adjusted downward $65 for this line item.

Line 22. Special Features. The subject does not have any special features. None of the comparables have special features and no adjustment was required.

Line 23. Daily Activities. **N/A**

Line 24. Parking. The subject complex provides one covered parking space per unit. None of the comparables include covered parking in the rent. Covered parking is available at some of the comparables for an additional charge of $15 to $25 per month. All of the comparables were adjusted upward $20 for this line item.

Line 25. Extra Storage. The subject does not provide additional storage. Comparables 1 and 3 have extra storage and were adjusted downward a nominal $5.

Line 26. Security. The subject property does not provide security or limited access gates and perimeter fencing. Comparable 2 provides access gates and was adjusted downward a nominal $5 for this amenity based on the opinions of local leasing agents.

Line 27. Clubhouse/Meeting Rooms. The subject property features a community room. All of the comparables have a clubhouse and no adjustment was necessary.

Line 28. Pool/Recreation Areas/Exercise Room. The subject property features a pool and other recreational amenities including a playground and basketball court. The subject property does not have a fitness center. Based on the opinions of local leasing agents, a $5 adjustment would be applied for having a fitness center. Comparables 2, 3, 4, and 5 were adjusted downward $5 for this line item.

Line 29. Business Center/Neighborhood Network. The subject property offers a business center/computer lab to their tenants. Based on the opinions of local leasing agents, a nominal upward adjustment of $5 was applied to Comparables 1, 4, and 5 for lack of this amenity.

Line 30, 31. **Service Coordination/Non-shelter Services.** The subject, nor any of the comparables provide service coordination or non-shelter services to tenants. No adjustment was required.

Line 33. Heat. The subject has an individual heating unit installed in each unit which utilizes gas as the heat source. Gas is the responsibility of the landlord. All of the comparables feature gas or electric heat with the tenant paying for the energy cost for heating. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 34. Cooling. The subject has a central HVAC system for each unit that provides controlled cooling to each unit, which is the responsibility of the landlord. All of the comparables have central HVAC systems with the tenant paying the utility cost. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 35. Cooking. The subject has gas cooking, which is included in the rent. All of the Comparables feature electric cooking, which is a tenant expense. None of the comparables

include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 36. Hot Water. The subject features a gas water heater for water heating with the landlord responsible for the energy cost. All of the comparables have gas or electric water heating, which is at the tenant's expense. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 37. Other Electric. The landlord is responsible for the Other Electric cost at the subject. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 38. Cold Water/Sewer. The subject property includes water and sewer service as part of the rent. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 39. Trash/Recycling. The subject property includes trash service as part of the rent. Comparables 2, 3, and 4 do not include trash in the rent and were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item. Comparables 1 and 5 include trash service as part of the rent and no adjustment was required.

Line 46. Conclusion of Market Rent – *1BR / 1BA Units*

The adjusted rents for the subject's 579 square foot 1BR / 1BA unit range from $657 to $910 per month. All of the comparables required considerable adjustment which is primarily attributable to the subject being "All Bills Paid." Giving consideration to all of the comparables, a concluded market rent for the subject's 579 SF 1BR / 1BA units of $810 per month is reasonable and well supported by the market data. It is noted that the concluded rent is higher than the Comparables unadjusted rents. This is attributable to the subject property being an "All Bills Paid" property.

Explanation of Adjustments and Market Rent Conclusions – 2BR

A Rent Comparability Grid was prepared for the subject's 2BR floor plan. Whenever sufficient data was available, adjustments were based on a matched-pair analysis of the comparables. Adjustments were also based on conversations with leasing agents and real estate professionals in the area, information in our files, as well as personal observation and experience of the appraisers in the subject's market area.

Line 1. Last Rented/Restricted. All of the rents utilized in this analysis represent market rents currently quoted at the comparable properties. No unit used in the analysis has any rent restrictions.

Line 2. Date Last Leased. As all rents used in this analysis reflect current rates, no adjustments were necessary for this line item.

Line 3. Rent Concessions. None of the comparables are currently offering rental concessions. No adjustments were necessary for this line item.

Line 4. Occupancy for Unit Type. According to data collected, the market area has historically maintained an occupancy level of 90%+ for all units over the past few years. The occupancy of the comparables currently ranges from 96% to 99%. Occupancy by unit type was not available. Therefore, no adjustments were necessary for this line item.

Line 6. Structures/Stories. The subject improvements are composed of two-story garden-style apartment buildings. The comparables are all two-story garden-style apartment buildings. No adjustment was necessary.

Line 7. Yr. Built/Yr. Renovated. The subject property was reported to have been built in 1971 and renovated in 2004/2005. The comparable properties have years of construction ranging from 1971 to 1992. Also included in this category would be any allowances for functional utility. All of the comparables have been renovated or have a similar effective age as the subject. No adjustment was necessary.

Line 8. Condition/Street Appeal. The subject property appears in good condition and has good street appeal. All of the comparables were considered generally similar to the subject in this regard and required no adjustment for this item.

Line 9. Neighborhood. The subject property is in a "Good" neighborhood, as are all the comparables. No adjustments were necessary for this line item.

Line 10. Same Market? Miles to Subject. The subject property and all of the comparables are located within the same market area. No adjustment for this item was required.

Line 11. Bedrooms. Adjustments were not necessary in the 2BR analysis.

Line 12. Bathrooms. Adjustments were not necessary in the 2 BR analysis

Line 13. Unit Square Footage. To determine the appropriate adjustment for differences in size, a matched-pair analysis was attempted.

Size Diff	Complex	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent Adj.
	Rental 2	2b/1b	767		$805			
		2b/1b	727	40	$765	$40	$1.00	
	Rental 3	1b/1b	627		$793			
		1b/1b	593	34	$789	$4	$0.12	
	Rental 3	2b/1b	887		$911			
		2b/1b	812	75	$911	$0	$0.00	
	Rental 4	1b/1b	754		$680			
		1b/1b	525	229	$600	$80	$0.35	
	Rental 5	1b/1b	736		$665			
		1b/1b	678	58	$640	$25	$0.43	
	Rental 5	2b/2b	996		$830			
		2b/2b	965	31	$775	$55	$1.77	
								$0.63

Based on interviews with area property managers, tenants show minimal sensitivity to the size of the units (within a reasonable range). The matched pair analysis was inconclusive. However, leasing agents in the area indicated an adjustment for size differences typically ranges from $0.15 PSF to $0.50+ PSF. For the purposes of this analysis, we will utilize an adjustment of $0.35 PSF of size difference greater than 25 square feet, which is considered to be reasonable.

Line 14. Balcony/Patio. The subject property does not feature a patio/balcony for each unit. Based on the opinions of local leasing agents, although an amenity, the presence of a balcony/patio does not typically correlate into an increase in the rental rate, thus no adjustment was required.

Line 15. AC: Central/Wall. The subject apartment units feature central HVAC systems. All of the comparables offer central HVAC systems. Thus, no adjustment was applicable for this line item.

Line 16. Range/Refrigerator. The subject, as well as all of the comparables, is equipped with a range and refrigerator. Thus, no adjustment was applicable for this line item.

Line 17. Microwave/Dishwasher. The subject does provide a dishwasher, but not a microwave. All of the comparables provide a dishwasher in each unit. Leasing agents active in the subject's neighborhood indicated a nominal premium for a microwave averages $5 per month. Comparables with a microwave in the unit were adjusted downward $5 for this amenity.

Line 18. Washer/Dryer. The subject has on-site laundry rooms, but does not feature washer/dryer connections or washers and dryers in the units. Leasing agents active in the market

indicate a $15 per month premium for W/D connections, and $25 to $50 per month premium for units which have washer/dryers in the units, dependent upon quality and type. Comparables which offer washer and dryer connections were adjusted downward $15 per month. None of the comparables feature washers and dryers in the units.

Line 19. Floor Covering. The subject units have vinyl and carpet floor coverings. The comparables are similar and no adjustment was necessary.

Line 20. Window Coverings. The subject property and all of the comparables provide window coverings. Thus, no adjustment was applicable for this line item.

Line 21. Cable/Satellite/Internet. The subject property is cable ready, but cable/satellite/internet is a tenant expense. The following chart indicates the quoted charges for basic cable in the subject market area, inclusive of taxes and broadcast fees for a new contract.

Cable Adjustment	
Provider	Cost
AT&T/DirecTV	$54.89
Dish TV	$75.88
Spectrum	$64.88
Average Cost:	$65.22

Comparables 1, 4, and 5 include basic cable in the rent and were adjusted downward $65 for this line item.

Line 22. Special Features. The subject does not have any special features. None of the comparables have special features and no adjustment was required.

Line 23. Daily Activities. **N/A**

Line 24. Parking. The subject complex provides one covered parking space per unit. None of the comparables include covered parking in the rent. Covered parking is available at some of the comparables for an additional charge of $15 to $25 per month. All of the comparables were adjusted upward $20 for this line item.

Line 25. Extra Storage. The subject does not provide additional storage. Comparables 1 and 3 have extra storage and were adjusted downward a nominal $5.

Line 26. Security. The subject property does not provide security or limited access gates and perimeter fencing. Comparable 2 provides access gates and was adjusted downward a nominal $5 for this amenity based on the opinions of local leasing agents.

Line 27. Clubhouse/Meeting Rooms. The subject property features a community room. All of the comparables have a clubhouse and no adjustment was necessary.

Line 28. Pool/Recreation Areas/Exercise Room. The subject property features a pool and other recreational amenities including a playground and basketball court. The subject property

does not have a fitness center. Based on the opinions of local leasing agents, a $5 adjustment would be applied for having a fitness center. Comparables 2, 3, 4, and 5 were adjusted downward $5 for this line item.

Line 29. Business Center/Neighborhood Network. The subject property offers a business center/computer lab to their tenants. Based on the opinions of local leasing agents, a nominal upward adjustment of $5 was applied to Comparables 1, 4, and 5 for lack of this amenity.

Line 30, 31. **Service Coordination/Non-shelter Services.** The subject, nor any of the comparables provide service coordination or non-shelter services to tenants. No adjustment was required.

Line 33. Heat. The subject has an individual heating unit installed in each unit which utilizes gas as the heat source. Gas is the responsibility of the landlord. All of the comparables feature gas or electric heat with the tenant paying for the energy cost for heating. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 34. Cooling. The subject has a central HVAC system for each unit that provides controlled cooling to each unit, which is the responsibility of the landlord. All of the comparables have central HVAC systems with the tenant paying the utility cost. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 35. Cooking. The subject has gas cooking, which is included in the rent. All of the Comparables feature electric cooking, which is a tenant expense. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 36. Hot Water. The subject features a gas water heater for water heating with the landlord responsible for the energy cost. All of the comparables have gas or electric water heating, which is at the tenant's expense. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 37. Other Electric. The landlord is responsible for the Other Electric cost at the subject. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 38. Cold Water/Sewer. The subject property includes water and sewer service as part of the rent. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 39. Trash/Recycling. The subject property includes trash service as part of the rent. Comparables 2, 3, and 4 do not include trash in the rent and were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item. Comparables 1 and 5 include trash service as part of the rent and no adjustment was required.

Line 46. Conclusion of Market Rent – *2BR / 1BA Units*

The adjusted rents for the subject's 757 square foot 2BR / 1BA units range from $779 to $1,042 per month. All of the comparables required considerable adjustment which is primarily attributable to the subject being "All Bills Paid." Giving consideration to all of the comparables, a concluded market rent for the subject's 757 SF 2BR / 1BA units of $915 per month is reasonable and well supported by the market data. It is noted that the concluded rent is higher than the Comparables unadjusted rents. This is attributable to the subject property being an "All Bills Paid" property.

Explanation of Adjustments and Market Rent Conclusions – 3BR

A Rent Comparability Grid was prepared for the subject's 3BR floor plan. Whenever sufficient data was available, adjustments were based on a matched-pair analysis of the comparables. Adjustments were also based on conversations with leasing agents and real estate professionals in the area, information in our files, as well as personal observation and experience of the appraisers in the subject's market area.

Line 1. Last Rented/Restricted. All of the rents utilized in this analysis represent market rents currently quoted at the comparable properties. No unit used in the analysis has any rent restrictions.

Line 2. Date Last Leased. As all rents used in this analysis reflect current rates, no adjustments were necessary for this line item.

Line 3. Rent Concessions. None of the comparables are currently offering rental concessions. No adjustments were necessary for this line item.

Line 4. Occupancy for Unit Type. According to data collected, the market area has historically maintained an occupancy level of 90%+ for all units over the past few years. The occupancy of the comparables currently ranges from 96% to 99%. Occupancy by unit type was not available. Therefore, no adjustments were necessary for this line item.

Line 6. Structures/Stories. The subject improvements are composed of two-story garden-style apartment buildings. The comparables are all two-story garden-style apartment buildings. No adjustment was necessary.

Line 7. Yr. Built/Yr. Renovated. The subject property was reported to have been built in 1971 and renovated in 2004/2005. The comparable properties have years of construction ranging from 1971 to 1992. Also included in this category would be any allowances for functional utility. All of the comparables have been renovated or have a similar effective age as the subject. No adjustment was necessary.

Line 8. Condition/Street Appeal. The subject property appears in good condition and has good street appeal. All of the comparables were considered generally similar to the subject in this regard and required no adjustment for this item.

Line 9. Neighborhood. The subject property is in a "Good" neighborhood, as are all the comparables. No adjustments were necessary for this line item.

Line 10. Same Market? Miles to Subject. The subject property and all of the comparables are located within the same market area. No adjustment for this item was required.

Line 11. Bedrooms. Adjustments were not necessary in the 3BR analysis.

Line 12. Bathrooms. Adjustments were necessary in the 3 BR analysis for the comparables which did not feature a 1.5BA unit. The following tables depict the analysis performed in determining a reasonable adjustment for differences in bathroom count.

Bath Diff	Complex Name	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent	Size Diff Adj	2x2 Adjusted	Bath Adj
	Rental 1	2b/2b	956		$879						
		2b/1b	775	181	$1,006	-127	-0.70		$63.35	$1,069.35	-$190.35
	Rental 4	2b/2b	1,028		$795						
		2b/1b	979	49	$765	30	0.61		$17.15	$782.15	$12.85
	Rental 5	2b/2b	965		$775						
		2b/1b	829	136	$725	50	0.37		$47.60	$772.60	$2.40
								$0.14	Average Bath Adj		-$58.37

The matched pair analysis is inconclusive. Therefore, we surveyed local leasing agents/managers, who indicated premiums for an additional full bath averaging $20, and $10 for a half bath. These adjustments were considered reasonable and were applied in our analysis.

Line 13. Unit Square Footage. To determine the appropriate adjustment for differences in size, a matched-pair analysis was attempted.

Size Diff	Complex	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent Adj.
	Rental 2	2b/1b	767		$805			
		2b/1b	727	40	$765	$40	$1.00	
	Rental 3	1b/1b	627		$793			
		1b/1b	593	34	$789	$4	$0.12	
	Rental 3	2b/1b	887		$911			
		2b/1b	812	75	$911	$0	$0.00	
	Rental 4	1b/1b	754		$680			
		1b/1b	525	229	$600	$80	$0.35	
	Rental 5	1b/1b	736		$665			
		1b/1b	678	58	$640	$25	$0.43	
	Rental 5	2b/2b	996		$830			
		2b/2b	965	31	$775	$55	$1.77	
								$0.63

Based on interviews with area property managers, tenants show minimal sensitivity to the size of the units (within a reasonable range). The matched pair analysis was inconclusive. Only two of the comparables had multiple floor plans of the same unit type for consideration. However, leasing agents in the area indicated an adjustment for size differences typically ranges from

$0.15 PSF to $0.50+ PSF. For the purposes of this analysis, we will utilize an adjustment of $0.35 PSF of size difference greater than 25 square feet, which is considered to be reasonable.

Line 14. Balcony/Patio. The subject property does not feature a patio/balcony for each unit. Based on the opinions of local leasing agents, although an amenity, the presence of a balcony/patio does not typically correlate into an increase in the rental rate, thus no adjustment was required.

Line 15. AC: Central/Wall. The subject apartment units feature central HVAC systems. All of the comparables offer central HVAC systems. Thus, no adjustment was applicable for this line item.

Line 16. Range/Refrigerator. The subject, as well as all of the comparables, is equipped with a range and refrigerator. Thus, no adjustment was applicable for this line item.

Line 17. Microwave/Dishwasher. The subject does provide a dishwasher, but not a microwave. All of the comparables provide a dishwasher in each unit. Leasing agents active in the subject's neighborhood indicated a nominal premium for a microwave averages $5 per month. Comparables with a microwave in the unit were adjusted downward $5 for this amenity.

Line 18. Washer/Dryer. The subject has on-site laundry rooms, but does not feature washer/dryer connections or washers and dryers in the units. Leasing agents active in the market indicate a $15 per month premium for W/D connections, and $25 to $50 per month premium for units which have washer/dryers in the units, dependent upon quality and type. Comparables which offer washer and dryer connections were adjusted downward $15 per month. None of the comparables feature washers and dryers in the units.

Line 19. Floor Covering. The subject units have vinyl and carpet floor coverings. The comparables are similar and no adjustment was necessary.

Line 20. Window Coverings. The subject property and all of the comparables provide window coverings. Thus, no adjustment was applicable for this line item.

Line 21. Cable/Satellite/Internet. The subject property is cable ready, but cable/satellite/internet is a tenant expense. The following chart indicates the quoted charges for basic cable in the subject market area, inclusive of taxes and broadcast fees for a new contract.

Cable Adjustment	
Provider	Cost
AT&T/DirecTV	$54.89
Dish TV	$75.88
Spectrum	$64.88
Average Cost:	$65.22

Comparables 1, 4, and 5 include basic cable in the rent and were adjusted downward $65 for this line item.

Line 22. Special Features. The subject does not have any special features. None of the comparables have special features and no adjustment was required.

Line 23. Daily Activities. **N/A**

Line 24. Parking. The subject complex provides one covered parking space per unit. None of the comparables include covered parking in the rent. Covered parking is available at some of the comparables for an additional charge of $15 to $25 per month. All of the comparables were adjusted upward $20 for this line item.

Line 25. Extra Storage. The subject does not provide additional storage. Comparables 1 and 3 have extra storage and were adjusted downward a nominal $5.

Line 26. Security. The subject property does not provide security or limited access gates and perimeter fencing. Comparable 2 provides access gates and was adjusted downward a nominal $5 for this amenity based on the opinions of local leasing agents.

Line 27. Clubhouse/Meeting Rooms. The subject property features a community room. All of the comparables have a clubhouse and no adjustment was necessary.

Line 28. Pool/Recreation Areas/Exercise Room. The subject property features a pool and other recreational amenities including a playground and basketball court. The subject property does not have a fitness center. Based on the opinions of local leasing agents, a $5 adjustment would be applied for having a fitness center. Comparables 2, 3, 4, and 5 were adjusted downward $5 for this line item.

Line 29. Business Center/Neighborhood Network. The subject property offers a business center/computer lab to their tenants. Based on the opinions of local leasing agents, a nominal upward adjustment of $5 was applied to Comparables 1, 4, and 5 for lack of this amenity.

Line 30, 31. **Service Coordination/Non-shelter Services.** The subject, nor any of the comparables provide service coordination or non-shelter services to tenants. No adjustment was required.

Line 33. Heat. The subject has an individual heating unit installed in each unit which utilizes gas as the heat source. Gas is the responsibility of the landlord. All of the comparables feature gas or electric heat with the tenant paying for the energy cost for heating. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 34. Cooling. The subject has a central HVAC system for each unit that provides controlled cooling to each unit, which is the responsibility of the landlord. All of the comparables have central HVAC systems with the tenant paying the utility cost. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 35. Cooking. The subject has gas cooking, which is included in the rent. All of the Comparables feature electric cooking, which is a tenant expense. None of the comparables

include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 36. Hot Water. The subject features a gas water heater for water heating with the landlord responsible for the energy cost. All of the comparables have gas or electric water heating, which is at the tenant's expense. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 37. Other Electric. The landlord is responsible for the Other Electric cost at the subject. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 38. Cold Water/Sewer. The subject property includes water and sewer service as part of the rent. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 39. Trash/Recycling. The subject property includes trash service as part of the rent. Comparables 2, 3, and 4 do not include trash in the rent and were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item. Comparables 1 and 5 include trash service as part of the rent and no adjustment was required.

Line 46. Conclusion of Market Rent – *3BR / 1.5BA Units*

The adjusted rents for the subject 923 square foot 3BR / 1.5BA unit range from $870 to $1,180 per month. All of the comparables required considerable adjustment which is primarily attributable to the subject being "All Bills Paid." Giving consideration to all of the comparables, a concluded market rent for the subject's 923 SF 3BR / 1.5BA units of $1,035 per month is reasonable and well supported by the market data. It is noted that the concluded rent is higher than the Comparables unadjusted rents. This is attributable to the subject property being an "All Bills Paid" property.

Explanation of Adjustments and Market Rent Conclusions – 3BR + Den

A Rent Comparability Grid was prepared for the subject's 3BR+Den floor plan. Whenever sufficient data was available, adjustments were based on a matched-pair analysis of the comparables. Adjustments were also based on conversations with leasing agents and real estate professionals in the area, information in our files, as well as personal observation and experience of the appraisers in the subject's market area.

Line 1. Last Rented/Restricted. All of the rents utilized in this analysis represent market rents currently quoted at the comparable properties. No unit used in the analysis has any rent restrictions.

Line 2. Date Last Leased. As all rents used in this analysis reflect current rates, no adjustments were necessary for this line item.

Line 3. Rent Concessions. None of the comparables are currently offering rental concessions. No adjustments were necessary for this line item.

Line 4. Occupancy for Unit Type. According to data collected, the market area has historically maintained an occupancy level of 90%+ for all units over the past few years. The occupancy of the comparables currently ranges from 96% to 99%. Occupancy by unit type was not available. Therefore, no adjustments were necessary for this line item.

Line 6. Structures/Stories. The subject improvements are composed of two-story garden-style apartment buildings. The comparables are all two-story garden-style apartment buildings. No adjustment was necessary.

Line 7. Yr. Built/Yr. Renovated. The subject property was reported to have been built in 1971 and renovated in 2004/2005. The comparable properties have years of construction ranging from 1971 to 1992. Also included in this category would be any allowances for functional utility. All of the comparables have been renovated or have a similar effective age as the subject. No adjustment was necessary.

Line 8. Condition/Street Appeal. The subject property appears in good condition and has good street appeal. All of the comparables were considered generally similar to the subject in this regard and required no adjustment for this item.

Line 9. Neighborhood. The subject property is in a "Good" neighborhood, as are all the comparables. No adjustments were necessary for this line item.

Line 10. Same Market? Miles to Subject. The subject property and all of the comparables are located within the same market area. No adjustment for this item was required.

Line 11. Bedrooms. Adjustments were necessary in the 3BR+Den analysis for comparables which do not feature a 3BR+ Den or 4BR unit. As indicated, previously, the majority of the tenants utilize the den at the subject property as a fourth bedroom. In order to determine the appropriate adjustment for an additional bedroom/den, we compared the comparables similar units with differing number of bedrooms, after adjusting for other differences. The following table depicts that analysis.

Bdr Diff	Complex Name	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent	Size Diff Adj	2x2 Adjusted	Bdr Adj
	Rental 1	2b/1b	956		$879						
		1b/1b	734	222	$840	39	0.18		$77.70	$917.70	-$38.70
	Rental 1	3b/2b	1,193		$1,040						
		2b/2b	775	418	$1,006	34	0.08		$146.30	$1,152.30	-$112.30
	Rental 2	2b/1b	727		$765						
		1b/1b	588	139	$650	115	0.83		$48.65	$698.65	$66.35
	Rental 3	2b/1b	812		$911						
		1b/1b	627	185	$793	118	0.64		$64.75	$857.75	$53.25
	Rental 4	1b/1b	525		$600						
		0b/1b	492	33	$555	45	1.36		$11.55	$566.55	$33.45
	Rental 4	2b/1b	979		$765						
		1b/1b	754	225	$680	85	0.38		$78.75	$758.75	-$3.75
	Rental 4	2b/1.5b TH	1,200		$830						
		1b/1.5b TH	878	322	$700	130	0.40		$112.70	$812.70	$17.30
	Rental 4	3b/2b	1,350		$940						
		2b/2b	1,028	322	$795	145	0.45		$112.70	$907.70	$32.30
	Rental 5	1b/1b	678		$640						
		0b/1b	520	158	$620	20	0.13		$55.30	$675.30	-$35.30
	Rental 5	2b/1b	829		$725						
		1b/1b	736	93	$665	60	0.65		$32.55	$697.55	$27.45
	Rental 5	3b/2b	1,105		$840						
		2b/2b	996	109	$830	10	0.09		$38.15	$868.15	-$38.15

The results of our matched pair analysis were inconclusive. Therefore, we also asked local leasing agents/managers who indicated a premium for an additional bedroom ranging from $25 to $75. An adjustment of $50 was considered reasonable and was applied in our analysis.

Line 12. Bathrooms. Adjustments were necessary in the 3BR+ Den analysis for the comparables, which did not feature a 1.5BA unit. The following tables depict the analysis performed in determining a reasonable adjustment for differences in bathroom count.

Bath Diff	Complex Name	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent	Size Diff Adj	2x2 Adjusted	Bath Adj
	Rental 1	2b/2b	956		$879						
		2b/1b	775	181	$1,006	-127	-0.70		$63.35	$1,069.35	-$190.35
	Rental 4	2b/2b	1,028		$795						
		2b/1b	979	49	$765	30	0.61		$17.15	$782.15	$12.85
	Rental 5	2b/2b	965		$775						
		2b/1b	829	136	$725	50	0.37		$47.60	$772.60	$2.40
								$0.14	Average Bath Adj		-$58.37

The matched pair analysis is inconclusive. Therefore, we surveyed local leasing agents/managers, who indicated premiums for an additional full bath averaging $20, and $10 for a half bath. These adjustments were considered reasonable and were applied in our analysis.

Line 13. Unit Square Footage. To determine the appropriate adjustment for differences in size, a matched-pair analysis was attempted.

Size Diff	Complex	Unit Type	Square Footage	SF Diff	Rent	$ Diff	$/SF	Avg Rent Adj.
	Rental 2	2b/1b	767		$805			
		2b/1b	727	40	$765	$40	$1.00	
	Rental 3	1b/1b	627		$793			
		1b/1b	593	34	$789	$4	$0.12	
	Rental 3	2b/1b	887		$911			
		2b/1b	812	75	$911	$0	$0.00	
	Rental 4	1b/1b	754		$680			
		1b/1b	525	229	$600	$80	$0.35	
	Rental 5	1b/1b	736		$665			
		1b/1b	678	58	$640	$25	$0.43	
	Rental 5	2b/2b	996		$830			
		2b/2b	965	31	$775	$55	$1.77	
								$0.63

Based on interviews with area property managers, tenants show minimal sensitivity to the size of the units (within a reasonable range). The matched pair analysis was inconclusive. Only two of the comparables had multiple floor plans of the same unit type for consideration. However, leasing agents in the area indicated an adjustment for size differences typically ranges from

$0.15 PSF to $0.50+ PSF. For the purposes of this analysis, we will utilize an adjustment of $0.35 PSF of size difference greater than 25 square feet, which is considered to be reasonable.

Line 14. Balcony/Patio. The subject property does not feature a patio/balcony for each unit. Based on the opinions of local leasing agents, although an amenity, the presence of a balcony/patio does not typically correlate into an increase in the rental rate, thus no adjustment was required.

Line 15. AC: Central/Wall. The subject apartment units feature central HVAC systems. All of the comparables offer central HVAC systems. Thus, no adjustment was applicable for this line item.

Line 16. Range/Refrigerator. The subject, as well as all of the comparables, is equipped with a range and refrigerator. Thus, no adjustment was applicable for this line item.

Line 17. Microwave/Dishwasher. The subject does provide a dishwasher, but not a microwave. All of the comparables provide a dishwasher in each unit. Leasing agents active in the subject's neighborhood indicated a nominal premium for a microwave averages $5 per month. Comparables with a microwave in the unit were adjusted downward $5 for this amenity.

Line 18. Washer/Dryer. The subject has on-site laundry rooms, but does not feature washer/dryer connections or washers and dryers in the units. Leasing agents active in the market indicate a $15 per month premium for W/D connections, and $25 to $50 per month premium for units which have washer/dryers in the units, dependent upon quality and type. Comparables which offer washer and dryer connections were adjusted downward $15 per month. None of the comparables feature washers and dryers in the units.

Line 19. Floor Covering. The subject units have vinyl and carpet floor coverings. The comparables are similar and no adjustment was necessary.

Line 20. Window Coverings. The subject property and all of the comparables provide window coverings. Thus, no adjustment was applicable for this line item.

Line 21. Cable/Satellite/Internet. The subject property is cable ready, but cable/satellite/internet is a tenant expense. The following chart indicates the quoted charges for basic cable in the subject market area, inclusive of taxes and broadcast fees for a new contract.

Cable Adjustment	
Provider	Cost
AT&T/DirecTV	$54.89
Dish TV	$75.88
Spectrum	$64.88
Average Cost:	$65.22

Comparables 1, 4, and 5 include basic cable in the rent and were adjusted downward $65 for this line item.

Line 22. Special Features. The subject does not have any special features. None of the comparables have special features and no adjustment was required.

Line 23. Daily Activities. **N/A**

Line 24. Parking. The subject complex provides one covered parking space per unit. None of the comparables include covered parking in the rent. Covered parking is available at some of the comparables for an additional charge of $15 to $25 per month. All of the comparables were adjusted upward $20 for this line item.

Line 25. Extra Storage. The subject does not provide additional storage. Comparables 1 and 3 have extra storage and were adjusted downward a nominal $5.

Line 26. Security. The subject property does not provide security or limited access gates and perimeter fencing. Comparable 2 provides access gates and was adjusted downward a nominal $5 for this amenity based on the opinions of local leasing agents.

Line 27. Clubhouse/Meeting Rooms. The subject property features a community room. All of the comparables have a clubhouse and no adjustment was necessary.

Line 28. Pool/Recreation Areas/Exercise Room. The subject property features a pool and other recreational amenities including a playground and basketball court. The subject property does not have a fitness center. Based on the opinions of local leasing agents, a $5 adjustment would be applied for having a fitness center. Comparables 2, 3, 4, and 5 were adjusted downward $5 for this line item.

Line 29. Business Center/Neighborhood Network. The subject property offers a business center/computer lab to their tenants. Based on the opinions of local leasing agents, a nominal upward adjustment of $5 was applied to Comparables 1, 4, and 5 for lack of this amenity.

Line 30, 31. **Service Coordination/Non-shelter Services.** The subject, nor any of the comparables provide service coordination or non-shelter services to tenants. No adjustment was required.

Line 33. Heat. The subject has an individual heating unit installed in each unit which utilizes gas as the heat source. Gas is the responsibility of the landlord. All of the comparables feature gas or electric heat with the tenant paying for the energy cost for heating. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 34. Cooling. The subject has a central HVAC system for each unit that provides controlled cooling to each unit, which is the responsibility of the landlord. All of the comparables have central HVAC systems with the tenant paying the utility cost. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 35. Cooking. The subject has gas cooking, which is included in the rent. All of the Comparables feature electric cooking, which is a tenant expense. None of the comparables

include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 36. Hot Water. The subject features a gas water heater for water heating with the landlord responsible for the energy cost. All of the comparables have gas or electric water heating, which is at the tenant's expense. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 37. Other Electric. The landlord is responsible for the Other Electric cost at the subject. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 38. Cold Water/Sewer. The subject property includes water and sewer service as part of the rent. None of the comparables include the cost of this utility in the rent and all comparables were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item.

Line 39. Trash/Recycling. The subject property includes trash service as part of the rent. Comparables 2, 3, and 4 do not include trash in the rent and were adjusted upward based on the El Paso Housing Authority HUD utility allowance for this item. Comparables 1 and 5 include trash service as part of the rent and no adjustment was required.

Line 46. Conclusion of Market Rent – *3BR / 1.5BA+ Den Units*

The adjusted rents for the subject 1,025 square foot 3BR / 1.5BA+Den unit range from $985 to $1,302 per month. All of the comparables required considerable adjustment which is primarily attributable to the subject being "All Bills Paid." Giving consideration to all of the comparables, a concluded market rent for the subject's 1,025 SF 3BR / 1.5BA+Den units of $1,140 per month is reasonable and well supported by the market data. It is noted that the concluded rent is higher than the Comparables unadjusted rents. This is attributable to the subject property being an "All Bills Paid" property.

(10) COMPARABLE PROPERTY PROFILES

APARTMENT RENT COMPARABLE ONE

Name:	Ridgemar
Location:	10701 Vista Del Sol, El Paso
Year Built:	1973
Construction:	Gdn/2
Date Surveyed:	May 2019
Contact:	(915) 591-8105 Annette
Total No. of Units:	264
Average Unit Size (SF):	931
Average Month Rent (PSF):	$1.00
Occupancy:	99%

Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
72	1 BR / 1 BA	734	$840	$1.14	$60,480	52,848
96	2 BR / 1 BA	956	$879	$0.92	$84,384	91,776
32	2 BR / 2 BA	775	$1,006	$1.30	$32,192	24,800
32	2 BR / 2 BA+Den	1,193	$1,145	$0.96	$36,640	38,176
32	3 BR / 2 BA	1,193	$1,040	$0.87	$33,280	38,176
264		931	$936	$1.00	$246,976	245,776

Amenities/Comments: This property is a market rate property with no restricted units. The property was renovated in 2002. The units have dishwasher, fireplace, and a patio/balcony. Some units feature washer/dryer connections for an additional charge per month. We have not used units with washer/dryer connections in our analysis. Project amenities include a swimming pool, BBQ/picnic area, clubhouse, and laundry rooms. Tenant pays for all utilities except basic cable and trash - gas is allocated. No current concessions.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	Y	Parking ($ Fee)	O/$0	Heat (in rent?/type)	N/G
AC: Central/Wall	C	Extra Storage	Y	Cooling (in rent?/type)	N/E
Range/Refrigerator	R/F	Security	N	Cooking (in rent?/type)	N/E
Microwave/Dishwasher	N/D	Clubhouse/Mtg Room	C	Hot Water (in rent?/type)	N/G
Washer/Dryer	HU/LR	Pool/Rec. Area/Exercise	P/R/N	Other Electric	N
Floor Coverings	C/VT	Business Center	N	Cold Water/Sewer (in rent?)	N/N
Window Coverings	B	Service Coordination	N	Trash/Recycling	Y
Cable/Satellite/Internet	Y/N/N	Non-shelter Services	N		
Special Features	N				

RENT COMPARABLE 1

APARTMENT RENT COMPARABLE TWO	
Name:	The Phoenix of El Paso
Location:	7401 Phoenix Avenue, El Paso
Year Built/Renovated:	1992
Construction:	Gdn/2
Date Surveyed:	May 2019
Contact:	Alexis (844) 720-1709
Total No. of Units:	336
Average Unit Size (SF):	760
Average Month Rent (PSF):	$766
Occupancy:	96%

Units	Type	Size (SF)	Monthly Rent	Rent PSF
N/A	1 BR/1 BA	588	$650	$1.11
N/A	2 BR /1 BA	727	$765	$1.05
N/A	2 BR /1 BA	767	$805	$1.05
N/A	3 BR /2 BA	959	$845	$0.88
336		760	$766	$1.02

Amenities/Comments: This property is a market rate property with no restricted units. The units have dishwasher, microwave, washer/dryer connections except in the 1BR units, and a patio/balcony. Project amenities include a swimming pool, BBQ/picnic area, clubhouse, limited access gates, basketball court, fitness center, and laundry rooms. Tenant pays for all utilities. No current concessions.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	Y	Parking ($ Fee)	O/$0	Heat (in rent?/type)	N/E
AC: Central/Wall	C	Extra Storage	N	Cooling (in rent?/type)	N/E
Range/Refrigerator	R/F	Security	Y	Cooking (in rent?/type)	N/E
Microwave/Dishwasher	M/D	Clubhouse/Mtg Room	C	Hot Water (in rent?/type)	N/E
Washer/Dryer	HU/LR	Pool/Rec. Area/Exercise	P/R/E	Other Electric	N
Floor Coverings	C/VT	Business Center	Y	Cold Water/Sewer (in rent?)	N/N
Window Coverings	B	Service Coordination	N	Trash/Recycling	N
Cable/Satellite/Internet	N/N/N	Non-shelter Services	N		
Special Features	N				

RENT COMPARABLE 2

APARTMENT RENT COMPARABLE THREE				
Name:	Spring Park Apartments			
Location:	9535 Acer Avenue, El Paso			
Year Built:	1990			
Construction:	Gdn/2			
Date Surveyed:	May 2019			
Contact:	(915) 594-7411 Allie			
Total No. of Units:	180			
Average Unit Size (SF):	791			
Average Month Rent (PSF):	$1.15			
Occupancy:	97%			
Units	**Type**	**Size (SF)**	**Monthly Rent**	**Rent PSF**
N/A	1 BR / 1 BA	593	$789	$1.33
N/A	1 BR / 1 BA	627	$793	$1.26
N/A	2 BR/ 1 BA	812	$911	$1.12
N/A	2BR/ 1 BA	887	$911	$1.03
8	3 BR/ 2 BA	1,036	$1,049	$1.01
180		791	$891	$1.15
Amenities/Comments:	This property is a market rate property with no restricted units. The units have dishwasher, microwave, washer/dryer connections, fireplace, extra storage, and a patio/balcony. Project amenities include 2 swimming pools, BBQ/picnic area, clubhouse, dog park, basketball court, volleyball court, fitness center, dog park, business center, and laundry room. Covered parking is available for $20 to $25 per month. Tenant pays for all utilities. No current concessions.			

Unit Amenities		**Site Amenities**		**Utilities**	
Balcony/Patio	Y	Parking ($ Fee)	O/$0;CP/+$	Heat (in rent?/type)	N/E
AC: Central/Wall	C	Extra Storage	Y	Cooling (in rent?/type)	N/E
Range/Refrigerator	R/F	Security	N	Cooking (in rent?/type)	N/E
Microwave/Dishwasher	M/D	Clubhouse/Mtg Room	C	Hot Water (in rent?/type)	N/E
Washer/Dryer	HU/LR	Pool/Rec. Area/Exercise	P/R/E	Other Electric	N
Floor Coverings	C/VT	Business Center	Y	Cold Water/Sewer (in rent?)	N/N
Window Coverings	B	Service Coordination	N	Trash/Recycling	N
Cable/Satellite/Internet	N/N/N	Non-shelter Services	N		
Special Features	N				

RENT COMPARABLE THREE

APARTMENT RENT COMPARABLE FOUR

Name:	San Mateo
Location:	9300 Viscount, El Paso
Year Built:	1971
Construction:	Gdn/2
Date Surveyed:	May 2019
Contact:	(915) 591-6626 Claudia
Total No. of Units:	248
Average Unit Size (SF):	798
Average Month Rent (PSF):	$0.87
Occupancy:	97%

Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
20	0 BR / 1BA	492	$555	$1.13	$11,100	9,840
34	1 BR / 1 BA	525	$600	$1.14	$20,400	17,850
34	1 BR / 1 BA	684	$645	$0.94	$21,930	23,256
68	1 BR / 1 BA	754	$680	$0.90	$46,240	51,272
8	1 BR / 1.5 BA TH	878	$700	$0.80	$5,600	7,024
34	2 BR / 1 BA	979	$765	$0.78	$26,010	33,286
12	2 BR / 1.5 BA TH	1,200	$830	$0.69	$9,960	14,400
32	2 BR / 2 BA	1,028	$795	$0.77	$25,440	32,896
6	3 BR / 2 BA	1,350	$940	$0.70	$5,640	8,100
248		798	$695	$0.87	$172,320	197,924

Amenities/Comments: This property is a market rate property with no restricted units. The property was renovated in 2008. The units have dishwasher, fireplace, and a patio/balcony. Project amenities include swimming pool, BBQ/picnic area, clubhouse, and laundry room. Covered parking is available for $15 per month. Tenant pays for all utilities (gas water heating is allocated). Landlord pays for cable. No current concessions.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	N	Parking ($ Fee)	O/$0; CP/+$	Heat (in rent?/type)	N/E
AC: Central/Wall	C	Extra Storage	N	Cooling (in rent?/type)	N/E
Range/Refrigerator	R/F	Security	N	Cooking (in rent?/type)	N/E
Microwave/Dishwasher	N/D	Clubhouse/Mtg Room	C	Hot Water (in rent?/type)	N/G
Washer/Dryer	LR	Pool/Rec. Area	P/R/E	Other Electric	N
Floor Coverings	C/VT	Business Center	N	Cold Water/Sewer (in rent?)	N/N
Window Coverings	B	Service Coordination	N	Trash/Recycling	N
Cable/Satellite/Internet	Y/N/N	Non-shelter Services	N		
Special Features	N				

RENT COMPARABLE FOUR

APARTMENT RENT COMPARABLE FIVE	
Name:	Celina Plaza
Location:	8500 Viscount, El Paso
Year Built:	1972
Construction:	Gdn/2
Date Surveyed:	May 2019
Contact:	(915) 779-3741 Imelda
Total No. of Units:	289
Average Unit Size (SF):	863
Average Month Rent (PSF):	$735
Occupancy:	98%

Units	Type	Size (SF)	Monthly Rent	Rent PSF	Potential Rent	Total SF
16	0 BR/ 1 BA	520	$620	$1.19	$9,920	8,320
96	1 BR/ 1 BA	678	$640	$0.94	$61,440	65,088
16	1 BR/ 1 BA	736	$665	$0.90	$10,640	11,776
41	2 BR/ 1 BA	829	$725	$0.87	$29,725	33,989
36	2 BR/ 2 BA	965	$775	$0.80	$27,900	34,740
24	2 BR/ 2 BA	996	$830	$0.83	$19,920	23,904
12	2 BR/ 2 BA WD	1,215	$910	$0.75	$10,920	14,580
24	3 BR/2 BA	1,105	$840	$0.76	$20,160	26,520
24	3 BR/2 BA WD	1,275	$910	$0.71	$21,840	30,600
289		863	$735	$0.85	$212,465	249,517

Amenities/Comments: This market rate property was renovated in 2004. Units have dishwasher, washer/dryer connections in some units, and ceiling fans. Project features pool, clubhouse, fitness center, playground, and laundry room. The landlord pays for cable. Tenant is responsible for all utilities (gas for water heating is allocated). No current concessions.

Unit Amenities		Site Amenities		Utilities	
Balcony/Patio	N	Parking ($ Fee)	O/$0	Heat (in rent?/type)	N/E
AC: Central/Wall	C	Extra Storage	N	Cooling (in rent?/type)	N/E
Range/Refrigerator	R/F	Security	N	Cooking (in rent?/type)	N/E
Microwave/Dishwasher	N/D	Clubhouse/Mtg Room	C	Hot Water (in rent?/type)	N/G
Washer/Dryer	LR	Pool/Rec. Area	P/R/E	Other Electric	N
Floor Coverings	C/VT	Business Center	N	Cold Water/Sewer (in rent?)	N/N
Window Coverings	B	Service Coordination	N	Trash/Recycling	Y
Cable/Satellite/Internet	Y/N/N	Non-shelter Services	N		
Special Features	N				

RENT COMPARABLE FIVE

(11) APPRAISER CERTIFICATION

Project Name: Cien Palmas Apartments ***HAP No.:*** TX16L000045 & TX16M000114

By my signatures below, I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective financial interest in the above property, its ownership or management agent entity, or the principals of those entities. I am not an employee of those principals or entities and I have no business or close personal/family interest with those parties that commonly would be perceived to create bias or a conflict of interest.
4. I have no bias with respect to the property that is the subject of this report or to the ownership or management parties involved with this assignment.
5. My engagement in and compensation for this assignment were and are not contingent upon the reporting of a predetermined rent or direction in rent. My fee is my only compensation for this rent study assignment. There are no other side agreements or considerations.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and all applicable HUD procedures for performing Rent Comparability Studies for Section 8 contracts.
7. Sharon P. Welshimer visited the subject site and viewed a sampling of the interiors and viewed the exterior of the subject buildings. Sharon P. Welshimer visited the exteriors of the properties used as comparables in this report. No one provided significant real property appraisal assistance to the person signing this report.
8. Sharon P. Welshimer is a Certified General Real Estate Appraiser, licensed and in good standing with the state appraiser regulatory agency where the subject property is located and meets all of the appraiser qualifications required in HUD's rent comparability procedures.
9. I am not debarred or suspended from doing business with the Federal Government. I am also not under a Limited Denial of Participation (LDP) imposed by the HUD Multifamily HUB or Program Center having jurisdiction over the Section 8 project. Any LDPs in effect now or in the past three years were imposed by the following HUD offices. None

Warning: If you knowingly make a false statement on this form, you may be subject to civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed $10,000.00 for each violation.

Appraiser's Name: Sharon P. Welshimer Signature: Sharon P. Welshimer Date: May 31, 2019

License No: TX-1335711-G Issuing State: TX Expires: 1/31/2020

Did you prepare the RCS under a temporary license? No If so, attach a copy of the temporary license.

Project Name: Cien Palmas Apartments ***HAP No.:*** TX16L000045 & TX16M000114

By my signatures below, I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective financial interest in the above property, its ownership or management agent entity, or the principals of those entities. I am not an employee of those principals or entities and I have no business or close personal/family interest with those parties that commonly would be perceived to create bias or a conflict of interest.
4. I have no bias with respect to the property that is the subject of this report or to the ownership or management parties involved with this assignment.
5. My engagement in and compensation for this assignment were and are not contingent upon the reporting of a predetermined rent or direction in rent. My fee is my only compensation for this rent study assignment. There are no other side agreements or considerations.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and all applicable HUD procedures for performing Rent Comparability Studies for Section 8 contracts.
7. Robert O. (Bob) Coe, II, MAI has not visited the subject site. Sharon P. Welshimer visited the subject site and viewed a sampling of the interiors and viewed the exterior of the subject buildings. Sharon P. Welshimer visited the exteriors of the properties used as comparables in this report. No one provided significant real property appraisal assistance to the persons signing this report.
8. Robert O. (Bob) Coe, II, MAI is a Certified General Real Estate Appraiser, licensed and in good standing with the state appraiser regulatory agency where the subject property is located and meets all of the appraiser qualifications required in HUD's rent comparability procedures.
9. I am not debarred or suspended from doing business with the Federal Government. I am also not under a Limited Denial of Participation (LDP) imposed by the HUD Multifamily HUB or Program Center having jurisdiction over the Section 8 project. Any LDPs in effect now or in the past three years were imposed by the following HUD offices. None

Warning: If you knowingly make a false statement on this form, you may be subject to civil penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosure of information, including intentional non-disclosure, is subject to civil money penalty not to exceed $10,000.00 for each violation.

Appraiser's Name: Robert O. (Bob) Coe, II, MAI Signature: R.O. Coe Date: May 31, 2019

License No: TX-1333157-G Issuing State TX Expires: 12/31/2019

Did you prepare the RCS under a temporary license? No If so, attach a copy of the temporary license.

(12) COPY OF APPRAISERS' LICENSES

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1335711 G
Issued: 03/15/2018 Expires: 01/31/2020
Appraiser: SHARON PATRICIA WELSHIMER

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

Number: TX 1333157 G
Issued: 03/15/2018 Expires: 12/31/2019
Appraiser: ROBERT O COE II

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Commissioner

ADDENDA

ENGAGEMENT LETTER

Affordable Housing Analysts

Appraisers/Analysts/Consultants

April 4, 2019

Mr. George Schmidt
Cien Palmas Apartments
c/o Edgewater Group, LLC
8705 Whispering Trail
Austin, TX 78737

Greetings:

This agreement confirms the terms and objectives of the Appraisal assignment (rent comparability study) and the nature and limitations of services to be provided by *Affordable Housing Analysts*. My firm will review, analyze, and determine my opinion of the market rent for an existing affordable housing complex known as Cien Palmas Apartments located at 7845 Lilac Way, El Paso, El Paso County, Texas. Additionally, 16 of the 3 bedroom with den units will be analyzed as 4 bedroom units. The purpose of the Rent Comparability Study is to document the market rent for the subject property for a potential HUD Section 8 contract renewal.

This agreement is between *Affordable Housing Analysts* and:

Client: Cien Palmas Apartments c/o Edgewater Group, LLC

Intended User/Use: The client, TDHCA, and HUD are the users of this report. The Rent Comparability Study will be utilized in association with a potential HUD Section 8 contract renewal. *Affordable Housing Analysts'* work file will contain the information necessary to support such a report/assignment.

Scope of Work

Type of Report: HUD Rent Comparability Study

Subject Property: An existing affordable housing complex known as Cien Palmas Apartments located at 7845 Lilac Way, El Paso, El Paso County, Texas.

Delivery of the Report: By execution of this engagement letter, the report has been ordered, and my engagement shall begin on the day of receipt of the required information and this signed agreement. The completed report will be delivered in 4 to 6 weeks assuming timely return of the signed engagement letter and requested information.

Fee: My fee for the assignment is the sum of $5,500.00, which is due upon completion of the assignment.

The contract fee for this assignment does not include time spent in negotiation, mediation, arbitration, depositions, testifying before any regulation or judicial forum, preparation for such hearing, or any other services other than the work described in the Scope of Work. The contract fee has been quoted on an estimate of the time it will take to complete the assignment described in the Scope of Work, at an hourly rate of $250 per hour. The fee for this report is inclusive of the report only. Any changes to this agreement must be agreed to in writing, by the undersigned and the client. Any changes in the project specifications, or for services beyond the scope of the assignment, shall be priced based upon the scope of the request at that time, and may cause a delay in the delivery of the report if requested after engagement. Any follow up reports or letters will also require additional billings to the client. Any additional services required beyond the scope of the original assignment will be billed at $250.00 per hour. Estimates prior to engagement for a particular request will be available to the client.

To complete the final reports, it will be necessary for you to supply the following information:

- Current Rent Roll/HAP Contract/Current Rent Schedule
- Copy of current HUD Utility Allowance
- Property contact information (to arrange site visit)

If possible, the following information should also be provided:

- Floor Plans/Site Plan

Your signature on a copy of this letter confirms your acceptance of this assignment. Thank you for considering us for this assignment. I look forward to working with you on this project.

Sincerely,

R.O. Coe

Robert O. (Bob) Coe, II

April 4, 2019
Date

Accepted:

Client Mr. George Schmidt
Cien Palmas Apartments c/o Edgewater Group, LLC

4/4/2019
Date

By acceptance of this agreement, the client agrees to the payment terms and limiting conditions listed above. **All reports remain the property of *Affordable Housing Analysts* until paid in full.** Furthermore, if payment is not received, the client agrees to pay any and all collection and legal expenses incurred by *Affordable Housing Analysts* to secure full payment. Any and all litigation for payment of services is agreed by all parties to be conducted in Galveston County, Texas.

HAP CONTRACT RENT SCHEDULE

Rent Schedule
Low Rent Housing

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

RECEIVED
5/29/2018
SHCC

OMB Approval No. 2502-0012
(exp. 07/31/2017)

See Page 3 for Instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Dates Rents Will Be Effective (mm/dd/yyyy)
Cien Palmas aka Lilac Gardens	TX16L000045/TX16M000114	10/1/2018

Part A - Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential..

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents: Col. 3 Rent Per Unit	Contract Rents: Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)	Col. 5 Utility Allowances (Effective Date) N/A	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Sec. 236 Projects Only): Col. 7 Rent Per Unit	Market Rents (Sec. 236 Projects Only): Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
TX16L000045				N/A			
1 BR	2	$719	$1,438		$719	$510	$1,020
2 BR	6	$864	$5,184		$864	$578	$3,468
3 BR	15	$1,000	$15,000		$1,000	$690	$10,350
3 BR w/den	2	$1,108	$2,216		$1,108	$690	$1,380
TX16M000114							
1 BR	12	$719	$8,628		$719	$510	$6,120
2 BR	14	$864	$12,096		$864	$578	$8,092
3 BR	4	$1,000	$4,000		$1,000	$690	$2,760
Non-Section8							
2 BR	36	$522	$18,792		$522	$578	$20,808
3 BR	45	$623	$28,035		$623	$690	$31,050
3 BR w/ Den	14	$623	$8,722		$623	$690	$9,660
Total Units	150	Monthly Contract Rent Potential (Add Col. 4)* $104,111				Monthly Market Rent Potential (Add Col. 8)* $94,708	
		Yearly Contract Rent Potential (Col. 4 Sum x 12)* $1,249,332				Yearly Market Rent Potential (Col. 8 Sum x 12)* $1,136,496	

*These amounts may not exceed the Maximum Allowable Rent Potential on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies to Section 236 Projects.

Part B - Items Included in Rent Part

Equipment/Furnishings in Unit (Check those inlcluded in rent.)

☑ Range	☑ Dishw asher	☑ Kitchen Exhaust Fan
☑ Refrigerator	☑ Carpet	☐
☑ Air Conditioner	☐ Drapes	☐
☑ Disposal	☑ Mini Blinds	☐

Utilities (Check those included in rent. For each item, (even those notincluded in rent), enter E, F, or G on line beside that item)E=electric; G=gas; F=fuel oil or coal.

☑ Heating G	☑ Hot Water G	☑ Lights, etc. E
☑ Cooling E	☑ Cooking G	☑ Water/Sew er

Services/Facilities (check those included in rent)

☑ Parking	☑ Trash Removal	☐ Nursing Care
☑ Laundry Facilities	☑ Playground	☐ Linen/Maid Service
☐ Sw imming Pool	☐	☐
☐ Tennis Courts	☐	☐

Part C - Charges In Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
N/A	

Part D - Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
Office Staff	3 BR	$623
Maintenance	3 BR	$623
(Non-Section 8)		
Total Rent Loss Due to Non-Revenue Units		$1,246

Part E - Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 Divided By Col. 3)
N/A			
	$0	Total Commercial Rent Potential	$0

Part F - Maximum Allowable Rent Potential

Enter Maximum Allowable Rent Potential From Rent Computation Worksheet (to be completed by HUD or Lender)	**$104,111**

Part G - Information on Mortgagor Entity

Name of Entity
Lilac Way, L.P.

Type of Entity			
☐ Individual	☐ General Partnership	☐ Joint Tenancy/Tenants In Common	☐ Other (Specify)
☐ Corporation	☑ Limited Partnership	☐ Trust	

List all Principals Comprising Mortgagor Entity: provide name and title of each principal. Use extra sheets, if needed. If mortgagor is a:
- corporation, list: (1) all officers; (2) all directors; and (3) each stockholder having a 10% or more interest.
- partnership, list: (1) all general partners; and (2) limited partners having a 25% or more interest in the partnership.
- trust, list: (1) all managers, directors or trustees and (2) each beneficiary having at least a 10% beneficial interest in the trust.

Name and Title
Cien Palmas, LP, its gp

Name and Title
Edgewater Group of El Paso, Inc., its gp

Name and Title
Wm Douglas Gurkin, Manager

Name and Title
Wooten Epes, Member

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Name and Title

Part H - Owner Certification

To the best of my knowledge, all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name and Title	Authorized Official's Signature	Date (mm/dd/yyy)
Deborah Welchel, Authorized Representative	Deborah Welchel	5-28-2018

Part I - HUD/Lender Approval

Addendum Number	Branch Chief/Lender Official Signature	Date (mm/dd/yyy)
HAP Contract Number TX16L000045/TX16M000114		
Exhibit Number	Director, Housing Management Division Signature	
Loan Servicer Signature		Date (mm/dd/yyy) 6/21/18

APARTMENT MARKETDATA REPORT

EL PASO
MULTI-HOUSING MARKET CONDITION REPORT
March 2019

DISCLAIMER

Apartment MarketData, LLC. strives to provide the most accurate, current and complete information on the multi-family markets suveyed. However, please note that the core data which comprises our reports is provided by the property owners and their representatives. While Apartment MarketData, LLC. is continually reviewing its reports for accuracy and clerical errors, we are not able to physically check and verify the source information independent of what is provided by the owner.

It is our target to survey 90% of the multi-family projects over 100 units in size in the subject market each quarter, and the infomation is deemed accurate as of the date of survey. However, due to call-backs, unavailability of the data at the time of survey, or other causes, it is estimated that approximately 85% of those projects reflect data current to the survey period.

When surveying apartment projects, it is our intent to report occupancy figures excluding preleased units. Nevertheless, management personnel may be instructed by the owner to report all occupancy figures including leased but not occupied units.

Further, it is recognized that owners and management companies often institute temporary discounts or specials, so that changes in street rents, discounts, occupancy, and other data may occur subsequent to that time. Also, descriptions of amenities may or may not include features that are only available in a select number of units, depending on how they were reported to us by the owners.

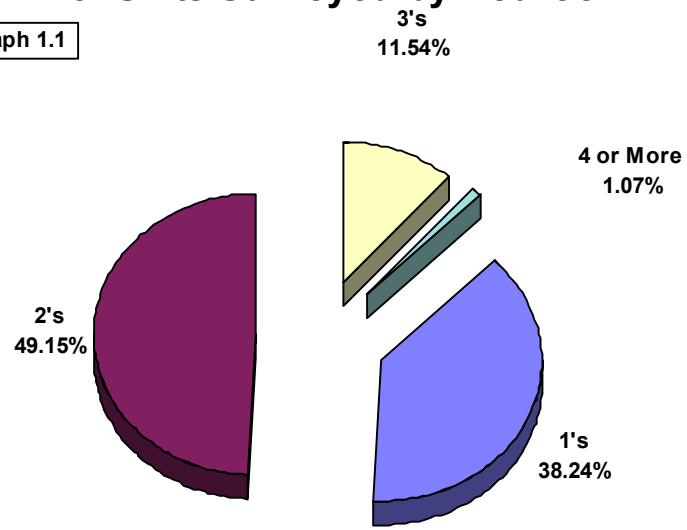
The summary information herein is supplied by the apartment communities from surveys done by Apartment MarketData, LLC. and is deemed reliable for its purpose. However, because of the dynamic nature of this data and the fact that we have no control over information supplied to us, Apartment MarketData Research Services, LLC. shall not be held responsible for any loss or damage suffered in reliance thereon. The materials in this report are not all inclusive, and numerical analyses are provided for general reference purposes only. There are no warranties of any kind, either expressed or implied.

INTRODUCTION

The Multi-Housing Market Condition Report is a city wide summary of apartment occupancies and rental rates by unit type and overall market. The intent is to provide an on-going record of occupancy and rental rate summary data with the highest degree of accuracy possible. It should be used to give a general idea of market conditions. More detailed information can be obtained for specific property cases through Apartment MarketData, LLC. This report is published every month by Apartment MarketData, LLC. It divides Greater EL PASO into geographical sectors. Maps of these sectors are available upon request. All information is further divided by the number of bedrooms and grouped into four primary age categories: built before 1970, built during the 1970's, built during the 1980's, built during the 1990's, built during the 2000's, and built during the 2010's. Table 1.1 contains estimated calculations on average occupancy, rental rate, and size for each category. A glossary of terms is provided at the end of this report for your reference. Also, this report provides an on-going historical record of overall occupancy and rental rate data on Graphs 1.4 and 1.5.

# of Units Surveyed by Bedroom

Graph 1.1



Because of the dynamic nature of this data, all data contained in this report is obtained by an active gathering method. This means that each of the properties that represent the 33929 units in this month's report have been contacted by Apartment MarketData, LLC. Our database is updated accordingly. This is the best method to assure an acceptable degree of accuracy. All property averages are calculated from, aggregated, and weighted by individual unit rates and occupancy to produce more reliable data. For example, to calculate the overall rental rate per square foot for a property, estimated total income is divided by the total estimated rentable square footage.

This concludes the type of information contained in this report. If any other data is needed, please contact Apartment MarketData, LLC. (210)530-0040.

Copyright, 2019 Apartment MarketData, LLC.

EL PASO

MULTI-HOUSING MARKET CONDITION REPORT

March 2019

Table 1.1

CITY SECTOR	AGE GROUP	ONE BEDROOM				TWO BEDROOM				THREE BEDROOM				FOUR BEDROOM				TOTAL REPORTING			
		UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE
	< 1970	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	1970's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	1980's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	1990's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2000's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2010's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
TOTALS		0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
C	< 1970	241	97.9%	$0.869	769	99	99.0%	$0.797	1055	59	100.0%	$0.754	1423	0	0.0%	$0.000	0	399	98.5%	$0.823	937
	1970's	242	99.2%	$0.937	656	466	97.4%	$0.811	879	8	100.0%	$0.768	1250	0	0.0%	$0.000	0	716	98.0%	$0.845	808
	1980's	24	100.0%	$1.048	620	44	100.0%	$0.969	825	0	0.0%	$0.000	0	0	0.0%	$0.000	0	68	100.0%	$0.992	753
	1990's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2000's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2010's	336	98.2%	$1.302	640	270	98.5%	$1.116	931	113	99.1%	$1.392	808	21	100.0%	$1.274	1060	740	98.5%	$1.235	784
TOTALS		843	98.5%	$1.055	681	879	98.1%	$0.912	912	180	99.4%	$1.069	1029	21	100.0%	$1.274	1060	1923	98.4%	$0.987	823
E	< 1970	471	99.2%	$0.955	636	625	98.6%	$0.747	978	16	100.0%	$0.683	1383	0	0.0%	$0.000	0	1112	98.8%	$0.812	839
	1970's	1806	98.9%	$0.977	649	1884	99.2%	$0.803	941	301	97.3%	$0.717	1284	13	100.0%	$0.605	1513	4004	98.9%	$0.853	837
	1980's	1576	98.9%	$1.203	535	1323	98.9%	$0.895	903	135	98.5%	$0.742	1146	0	0.0%	$0.000	0	3034	98.8%	$1.003	723
	1990's	242	98.8%	$1.171	655	254	98.4%	$1.015	915	48	100.0%	$0.876	1245	0	0.0%	$0.000	0	544	98.7%	$1.052	829
	2000's	232	97.0%	$0.919	711	459	96.5%	$0.836	956	221	99.5%	$0.639	1058	0	0.0%	$0.000	0	912	97.4%	$0.798	918
	2010's	558	97.0%	$1.090	735	835	98.0%	$0.860	1001	403	98.3%	$0.787	1125	81	100.0%	$0.692	1323	1877	97.8%	$0.884	963
TOTALS		4885	98.6%	$1.059	624	5380	98.6%	$0.840	946	1124	98.4%	$0.737	1166	94	100.0%	$0.679	1349	11483	98.6%	$0.894	834
E-LV	< 1970	129	100.0%	$1.056	604	582	99.1%	$0.977	642	120	100.0%	$0.884	921	36	100.0%	$0.851	1070	867	99.4%	$0.962	693
	1970's	314	99.4%	$0.987	581	509	99.4%	$0.834	763	139	100.0%	$0.920	945	60	100.0%	$1.042	1058	1022	99.5%	$0.902	749
	1980's	345	98.3%	$1.093	560	905	98.2%	$0.911	699	143	99.3%	$0.898	983	2	100.0%	$0.685	1350	1395	98.4%	$0.945	695
	1990's	10	100.0%	$0.896	558	150	100.0%	$0.749	793	50	100.0%	$0.738	1000	0	0.0%	$0.000	0	210	100.0%	$0.750	831
	2000's	88	100.0%	$0.874	631	170	100.0%	$0.836	758	140	100.0%	$0.602	1064	16	100.0%	$0.507	1200	414	100.0%	$0.725	851
	2010's	122	99.2%	$0.748	756	642	98.9%	$0.753	895	317	99.7%	$0.665	1079	49	100.0%	$0.674	1194	1130	99.2%	$0.720	944
TOTALS		1008	99.1%	$0.982	602	2958	99.0%	$0.854	749	909	99.8%	$0.757	1016	163	100.0%	$0.822	1119	5038	99.2%	$0.850	780

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EL PASO

MULTI-HOUSING MARKET CONDITION REPORT

March 2019

Table 1.1

CITY SECTOR	AGE GROUP	ONE BEDROOM				TWO BEDROOM				THREE BEDROOM				FOUR BEDROOM				TOTAL REPORTING			
		UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE	UNITS	OCC.	RATE	SIZE
NE	< 1970	215	100.0%	$1.024	582	442	97.1%	$0.838	796	91	97.8%	$0.695	1187	0	0.0%	$0.000	0	748	98.0%	$0.851	782
	1970's	483	99.4%	$0.998	659	533	99.8%	$0.850	898	144	97.9%	$0.741	1271	0	0.0%	$0.000	0	1160	99.4%	$0.878	845
	1980's	357	98.6%	$1.377	428	173	100.0%	$0.935	719	32	100.0%	$0.784	995	0	0.0%	$0.000	0	562	99.1%	$1.138	550
	1990's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2000's	340	99.1%	$0.962	665	594	99.5%	$0.817	894	310	99.4%	$0.746	1060	24	100.0%	$0.547	1200	1268	99.4%	$0.818	879
	2010's	251	100.0%	$1.315	736	791	98.5%	$0.825	1000	56	100.0%	$1.136	1450	0	0.0%	$0.000	0	1098	98.9%	$0.934	963
TOTALS		1646	99.3%	$1.109	612	2533	98.9%	$0.836	899	633	98.9%	$0.782	1157	24	100.0%	$0.547	1200	4836	99.0%	$0.892	837
NW-UV	< 1970	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	1970's	35	100.0%	$1.163	520	42	100.0%	$0.944	720	0	0.0%	$0.000	0	0	0.0%	$0.000	0	77	100.0%	$1.027	629
	1980's	26	100.0%	$0.834	758	134	98.5%	$0.699	1098	36	97.2%	$0.744	900	0	0.0%	$0.000	0	196	98.5%	$0.719	1017
	1990's	0	0.0%	$0.000	0	50	100.0%	$0.696	815	40	100.0%	$0.673	969	10	100.0%	$0.666	1250	100	100.0%	$0.682	920
	2000's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
	2010's	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0	0	0.0%	$0.000	0
TOTALS		61	100.0%	$0.992	621	226	99.1%	$0.732	965	76	98.7%	$0.705	936	10	100.0%	$0.666	1250	373	99.2%	$0.753	911
NW-W	< 1970	178	100.0%	$0.938	685	347	99.7%	$0.855	915	66	98.5%	$0.899	1465	0	0.0%	$0.000	0	591	99.7%	$0.882	907
	1970's	1696	97.6%	$1.057	588	1540	98.9%	$0.797	941	315	98.7%	$0.763	1280	26	96.2%	$0.861	1015	3577	98.3%	$0.883	804
	1980's	1656	98.8%	$1.079	621	1355	97.9%	$0.868	962	114	94.7%	$0.800	1180	0	0.0%	$0.000	0	3125	98.2%	$0.952	789
	1990's	444	95.3%	$1.158	694	660	93.6%	$0.888	934	276	98.2%	$0.847	1188	8	100.0%	$0.620	1245	1388	95.1%	$0.941	910
	2000's	260	98.1%	$1.307	678	300	100.0%	$0.973	1104	85	97.6%	$0.968	1396	0	0.0%	$0.000	0	645	98.9%	$1.066	971
	2010's	229	95.6%	$1.188	679	431	98.1%	$1.019	1006	138	97.8%	$0.749	1098	16	100.0%	$0.582	1216	814	97.4%	$0.989	934
TOTALS		4463	97.8%	$1.094	624	4633	97.9%	$0.869	961	994	97.9%	$0.818	1240	50	98.0%	$0.721	1116	10140	97.9%	$0.935	841
TOTAL	< 1970	1304	99.2%	$0.944	662	2161	98.6%	$0.835	842	352	99.1%	$0.802	1197	36	100.0%	$0.851	1070	3853	98.9%	$0.861	816
	1970's	4576	98.6%	$1.007	622	4974	99.0%	$0.811	910	907	98.3%	$0.762	1228	99	99.0%	$0.920	1106	10556	98.8%	$0.871	815
	1980's	3984	98.8%	$1.144	565	3934	98.4%	$0.882	874	460	97.8%	$0.805	1074	2	100.0%	$0.685	1350	8380	98.6%	$0.971	738
	1990's	696	96.6%	$1.159	679	1114	95.9%	$0.893	905	414	98.8%	$0.825	1151	18	100.0%	$0.646	1248	2242	96.7%	$0.937	883
	2000's	920	98.4%	$1.041	677	1523	98.8%	$0.861	939	756	99.3%	$0.722	1098	40	100.0%	$0.531	1200	3239	98.8%	$0.854	905
	2010's	1496	97.7%	$1.157	707	2969	98.4%	$0.875	972	1027	98.8%	$0.819	1090	167	100.0%	$0.739	1242	5659	98.3%	$0.915	932
TOTALS		12976	98.5%	$1.070	625	16675	98.5%	$0.852	906	3916	98.7%	$0.784	1138	362	99.7%	$0.767	1184	33929	98.5%	$0.903	829

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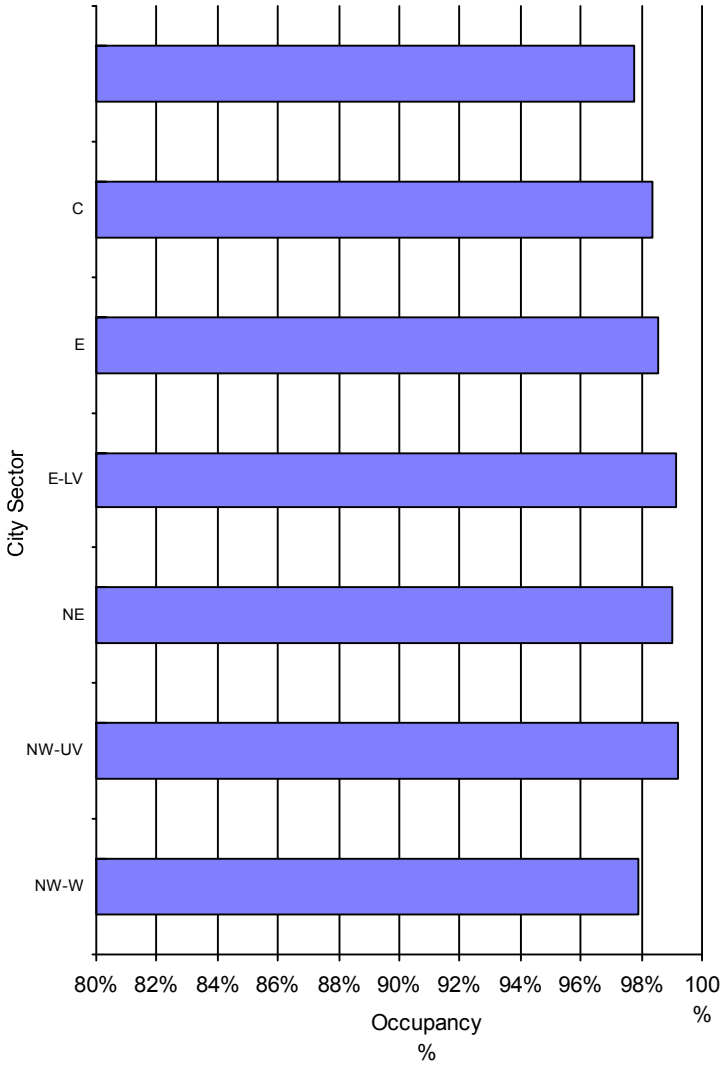
EL PASO

MULTI-HOUSING MARKET CONDITION REPORT

March 2019

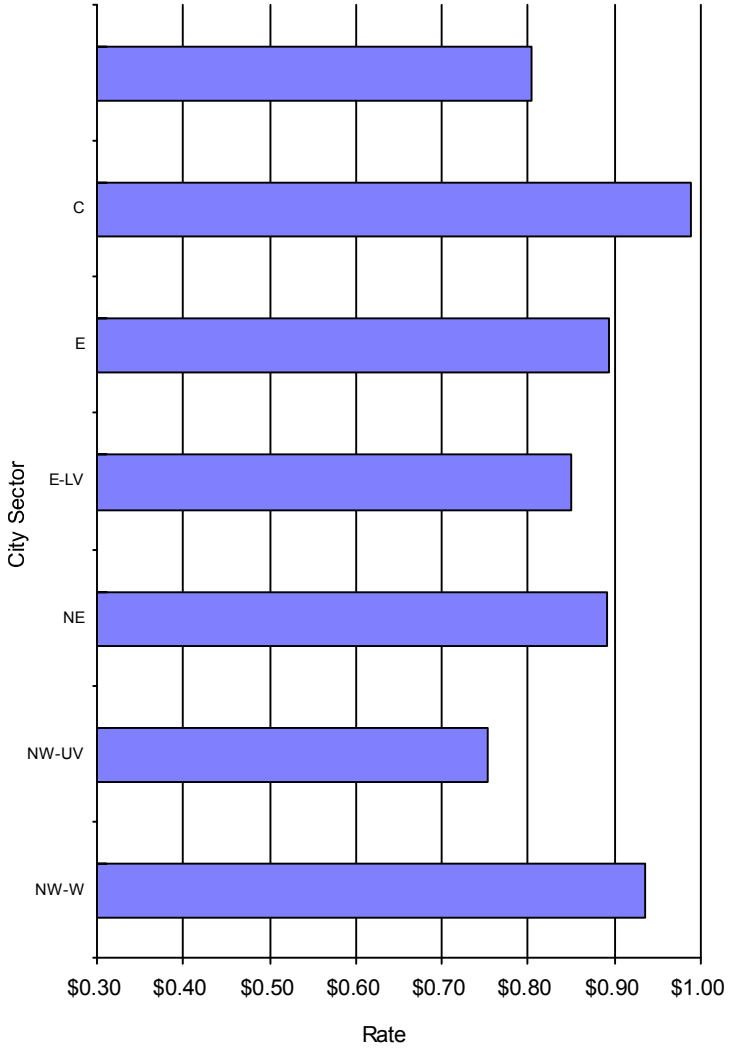
Occupancy by Sector

Graph 1.2



Rental Rate by Sector

Graph 1.3



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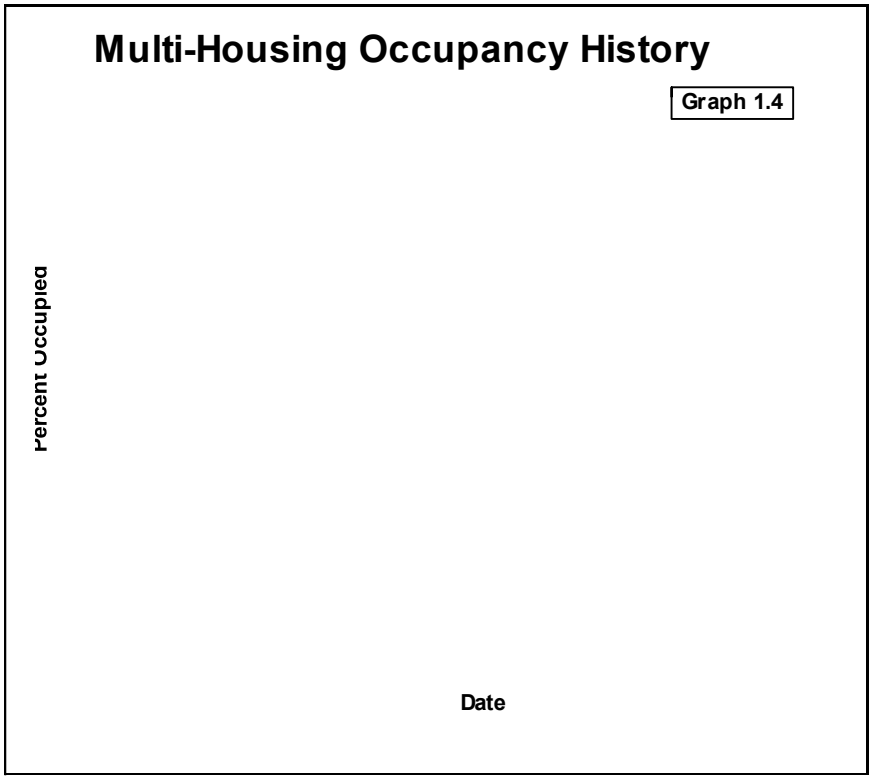
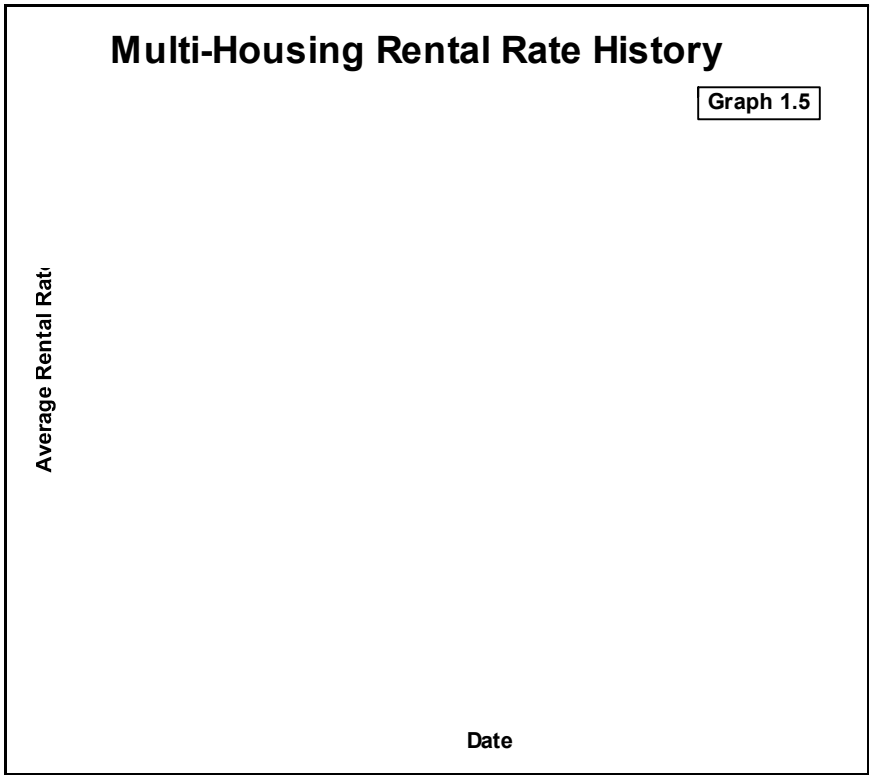
EL PASO
MULTI-HOUSING HISTORICAL DATA REPORT

The following graphs depict historical data on occupancy and rental rates for the apartment market. Graph 1.4 is a historical representation of apartment occupancy based on information gathered from sources deemed reliable. Graph 1.5 is a monthly rental rate (cents/sq. ft./month) survey. These graphs are now updated monthly by Apartment MarketData Research Services, LLC. to record any changes as timely and accurately as possible.





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GLOSSARY

Age Group:

All information is grouped into four age categories. Properties built before 1970, properties built in the 1970's, properties built in the 1980's, properties built in the 1990's, and properties built in the 2000's.

City Sector:

A geographical grouping of information, based on natural or man-made barriers.

Occ (Average Occupancy %):

The average occupancy is total units occupied divided by total units.

Rate (Rental Rate Average):

Rental Rate Average is the average market rate expressed as ($/sq.ft./month).

Size (Average):

The average size of each unit expressed as (sq.ft./unit).

HUD UTILITY ALLOWANCE

Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0169
(exp. 04/30/2018)

Locality: **Housing Authority of the City of El Paso, TX**	Unit Type: **Apartment**	Date (mm/dd/yyyy) 9-1-18

Utility or Service: **Standard Schedules**		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	$9.00	$10.00	$12.00	$13.00	$14.00	$15.00
	b. Bottle Gas/Propane						
	c. Electric	$11.00	$13.00	$16.00	$19.00	$23.00	$26.00
	d. Electric Heat Pump	$9.00	$11.00	$13.00	$15.00	$16.00	$18.00
	e. Oil / Other						
Cooking	a. Natural Gas	$2.00	$2.00	$3.00	$4.00	$5.00	$5.00
	b. Bottle Gas/Propane						
	c. Electric	$5.00	$6.00	$8.00	$11.00	$14.00	$16.00
Other Electric (Lights & Appliances)		$18.00	$22.00	$30.00	$39.00	$47.00	$56.00
Air Conditioning		$12.00	$14.00	$19.00	$24.00	$29.00	$35.00
Evaporative Cooling		$4.00	$5.00	$6.00	$8.00	$10.00	$12.00
Water Heating	a. Natural Gas	$4.00	$4.00	$6.00	$9.00	$10.00	$12.00
	b. Bottle Gas/Propane						
	c. Electric	$11.00	$13.00	$17.00	$21.00	$25.00	$28.00
	d. Oil / Other						
Water		$19.00	$19.00	$23.00	$27.00	$31.00	$35.00
Sewer		$19.00	$19.00	$22.00	$25.00	$29.00	$32.00
Trash Collection		$25.00	$25.00	$25.00	$25.00	$25.00	$25.00
Range / Microwave Tenant-supplied		$11.00	$11.00	$11.00	$11.00	$11.00	$11.00
Refrigerator Tenant-supplied		$12.00	$12.00	$12.00	$12.00	$12.00	$12.00
Other-- Electric Charge $8.56		$9.00	$9.00	$9.00	$9.00	$9.00	$9.00
specify: Gas Charge $18.23		$18.00	$18.00	$18.00	$18.00	$18.00	$18.00

Actual Family Allowances

To be used by the family to compute allowance. *Complete below for the actual unit rented.*

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	$
Cooking	$
Other Electric	$
Air Conditioning	$
Water Heating	$
Water	$
Sewer	$
Trash Collection	$
Range / Microwave	$
Refrigerator	$
Other	$
Other	$
Total	$

PROPERTY TAX PRINT-OUTS

EPCAD - Print View for Property 295912

Property

Account

Type:	R		
Prop ID:	295912	**Geo ID:**	L276999000A0100
Agent Code:	502	**Legal Description:**	A LILAC GARDENS LOT 1 431527.00 SQ FT
Property Use Code:	-	**Property Use Description:**	-

Location

Address:	7845 LILAC WAY EL PASO, TX
Neighborhood:	EASTSIDE---URBAN SOUTH OF I-10
Neighborhood CD:	520
Mapsco:	769E
Map ID:	NEA156

Owners

Name:	LILAC WAY L P
Mailing Address:	21518 PATTON AVE LAGO VISTA TX 78645-6770
Owner ID:	102260
Ownership (%):	100.00
Exemptions	-

Values (2019)

(+) Improvement Homesite Value:	$0.00
(+) Improvement Non Homesite Value:	$3,084,196.00
(+) Land Homesite Value:	$0.00
(+) Land Non Homesite Value:	$863,054.00
(+) Agricultural Market Valuation:	$0.00
(+) Timber Market Valuation:	$0.00
(=) Market Value:	$3,947,250.00
(-) Agricultural Or Timber Use Value Reduction:	$0.00
(=) Appraised Value:	$3,947,250.00
(-) HS Cap:	$0.00
(=) Assessed Value:	$3,947,250.00

Taxing Jurisdiction (2019)

Owner:	LILAC WAY L P
Ownership (%):	100.00
Total Value:	$3,947,250.00

Entity:	Description:	Tax Rate:	Freeze Ceiling:	Appraised Value:	Taxable Value:	Estimated Tax:
CAD	CENTRAL APPRAISAL DISTRICT	0.000000	$-.--	$3,947,250.00	$3,947,250.00	$0.00
CEP	CITY OF EL PASO	0.843332	$-.--	$3,947,250.00	$3,947,250.00	$33,288.42
G01	EL PASO COUNTY	0.447819	$-.--	$3,947,250.00	$3,947,250.00	$17,676.54
IYS	YSLETA I.S.D.	1.455000	$-.--	$3,947,250.00	$3,947,250.00	$57,432.49
SCC	EPCC	0.140273	$-.--	$3,947,250.00	$3,947,250.00	$5,536.93

Entity:	Description:	Tax Rate:	Freeze Ceiling:	Appraised Value:	Taxable Value:	Estimated Tax:
SHO	UNIV MED CTR	0.251943	$-.--	$3,947,250.00	$3,947,250.00	$9,944.82
	Total Tax Rate:	3.138367				
	Taxes With Current Exemptions:					$123879.20
	Taxes Without Exemptions:					$123879.20

The El Paso Central Appraisal District makes no claims, promises or guarantees about the accuracy, completeness, or adequacy of this information an expressly disclaims liability for any errors and omissions. Data relating to tax rates and tax values is being provided as unofficial data. Please visit the Cit El Paso Consolidated Tax Office website for official values.

Improvements/Building (2019)

Type: Commercial
State Code: B2
Living Area: 3840.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1920.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1920.00

Type: Commercial
State Code: B2
Living Area: 3200.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1600.00
MA	MAIN AREA	QRDA	892	1971	1600.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 3136.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1568.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1568.00

Type: Commercial
State Code: B2
Living Area: 3136.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1568.00
MA	MAIN AREA	QRDA	892	1971	1568.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00
MA	MAIN AREA	QRDA	892	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 3200.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
60P	PEDESTRIAN CANOPY	*	-	1971	3960.00
60P	PEDESTRIAN CANOPY	*	-	1971	3400.00
48M	LIGHT STANDARDS--MEDIUM	*	-	1971	15.00
60P	PEDESTRIAN CANOPY	*	-	1971	1496.00
60P	PEDESTRIAN CANOPY	*	-	1971	972.00
45B	YARD PAVING--ASPHALT	*	-	1971	16585.00

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
60P	PEDESTRIAN CANOPY	*	-	1971	2304.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1600.00
MA	MAIN AREA	QRDA	892	1971	1600.00
49C	SECURITY FENCING--CHAIN LINK	*	-	1971	924.00
60P	PEDESTRIAN CANOPY	*	-	1971	1862.00
60P	PEDESTRIAN CANOPY	*	-	1971	5005.00
45C	YARD PAVING--CONCRETE	*	-	1971	6610.00
60P	PEDESTRIAN CANOPY	*	-	1971	3420.00
49M	SECURITY FENCING--CONCRETE BLOCK	*	-	1971	1809.00
50C	STAIRWAY--CONCRETE	*	-	1971	806.00
37	OUTDOOR POOL	*	-	1971	1444.00
60P	PEDESTRIAN CANOPY	*	-	1971	1836.00
49W	SECURITY FENCING--WROUGHT IRON	*	-	1971	1848.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00
MA	MAIN AREA	QRDA	892	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 3136.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1568.00
MA	MAIN AREA	QRDA	892	1971	1568.00

Type: Commercial
State Code: B2
Living Area: 4284.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	3800.00
MA1	UPPER FLOOR AREA	*	-	0	484.00

Type: Commercial
State Code: B2
Living Area: 6272.00 sqft

Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	3136.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	3136.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00
MA	MAIN AREA	QRDA	892	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 8520.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	4260.00
MA	MAIN AREA	QRDA	892	1971	4260.00

Type: Commercial
State Code: B2
Living Area: 4276.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	2138.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	2138.00

Type: Commercial
State Code: B2
Living Area: 4284.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	2142.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	2142.00

Type: Commercial
State Code: B2
Living Area: 322.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	322.00

Type: Commercial
State Code: B2
Living Area: 6400.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	3200.00
MA	MAIN AREA	QRDA	892	1971	3200.00

Type: Commercial
State Code: B2
Living Area: 4284.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	2142.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	2142.00

Type: Commercial
State Code: B2
Living Area: 1650.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
60P	PEDESTRIAN CANOPY	*	-	1971	760.00
54S	STORAGE	*	-	1971	250.00
MA	MAIN AREA	PFDA	892	1971	1650.00

Type: Commercial
State Code: B2
Living Area: 6400.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	3200.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	3200.00

Type: Commercial
State Code: B2
Living Area: 3696.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1848.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1848.00

Type: Commercial
State Code: B2

Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 6272.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	*	-	0	4704.00
MA	MAIN AREA	QRDA	892	1971	1568.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 2400.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1200.00
MA	MAIN AREA	QRDA	892	1971	1200.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 2400.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1200.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1200.00

Type: Commercial
State Code: B2
Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00
MA	MAIN AREA	QRDA	892	1971	1952.00

Type: Commercial
State Code: B2
Living Area: 299.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	MLDA	892	1971	299.00

Type: Commercial
State Code: B2
Living Area: 6272.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	QRDA	-	1971	3136.00
MA	MAIN AREA	QRDA	892	1971	3136.00

Type: Commercial
State Code: B2
Living Area: 3136.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA1	UPPER FLOOR AREA	MLDA	-	1971	1568.00
MA	MAIN AREA	MLDA	892	1971	1568.00

Type: Commercial
State Code: B2
Living Area: 2004.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	2004.00

Type: Commercial
State Code: B2

Living Area: 3904.00 sqft
Value: ($1.00)

Type CD:	Description:	Class CD:	Exterior Wall:	Year Built:	Square Footage:
MA	MAIN AREA	QRDA	892	1971	1952.00
MA1	UPPER FLOOR AREA	QRDA	-	1971	1952.00

Land (2019)

#	Type:	Description:	Acres:	Square Footage:	Eff Front:	Eff Depth:	Market Value:	Prod Value
1	520814	APARTMENT ABOVE AVG DISTRICT	9.91	431527.00	0.00	0.00	$0.00	$0

Roll Value History

Year:	Improvements:	Land Market:	Ag Valuation:	Appraised:	HS Cap:	Assesse
2019	$3,084,196.00	$863,054.00	$0.00	$3,947,250.00	$0.00	$3,947,250
2018	$3,092,836.00	$863,054.00	$0.00	$3,955,890.00	$0.00	$3,955,890
2017	$3,108,886.00	$863,054.00	$0.00	$3,971,940.00	$0.00	$3,971,940
2016	$3,158,106.00	$863,054.00	$0.00	$4,021,160.00	$0.00	$4,021,160
2015	$3,256,458.00	$863,054.00	$0.00	$4,119,512.00	$0.00	$4,119,512
2014	$2,138,976.00	$863,054.00	$0.00	$3,002,030.00	$0.00	$3,002,030

Deed History

#	Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Numbe
1	3/20/2004	L	CAD/Other	LILAC GARDENS APARTMENTS	LILAC WAY L P	4865	0409	-
2	1/1/2000	UNK	UNKNOWN	PABLANO, ERNESTO	LILAC GARDENS APARTMENTS			-

Executive Director/Chief Appraiser
Dinah L. Kilgore, R.P.A.
Location:
5801 Trowbridge Dr.
El Paso, TX 79925
P: (915) 780-2000
F: (915) 780-2130

General Information:
(915) 780-2131
Email us: admin@epcad.org
Webmaster: webmaster@epcad.org

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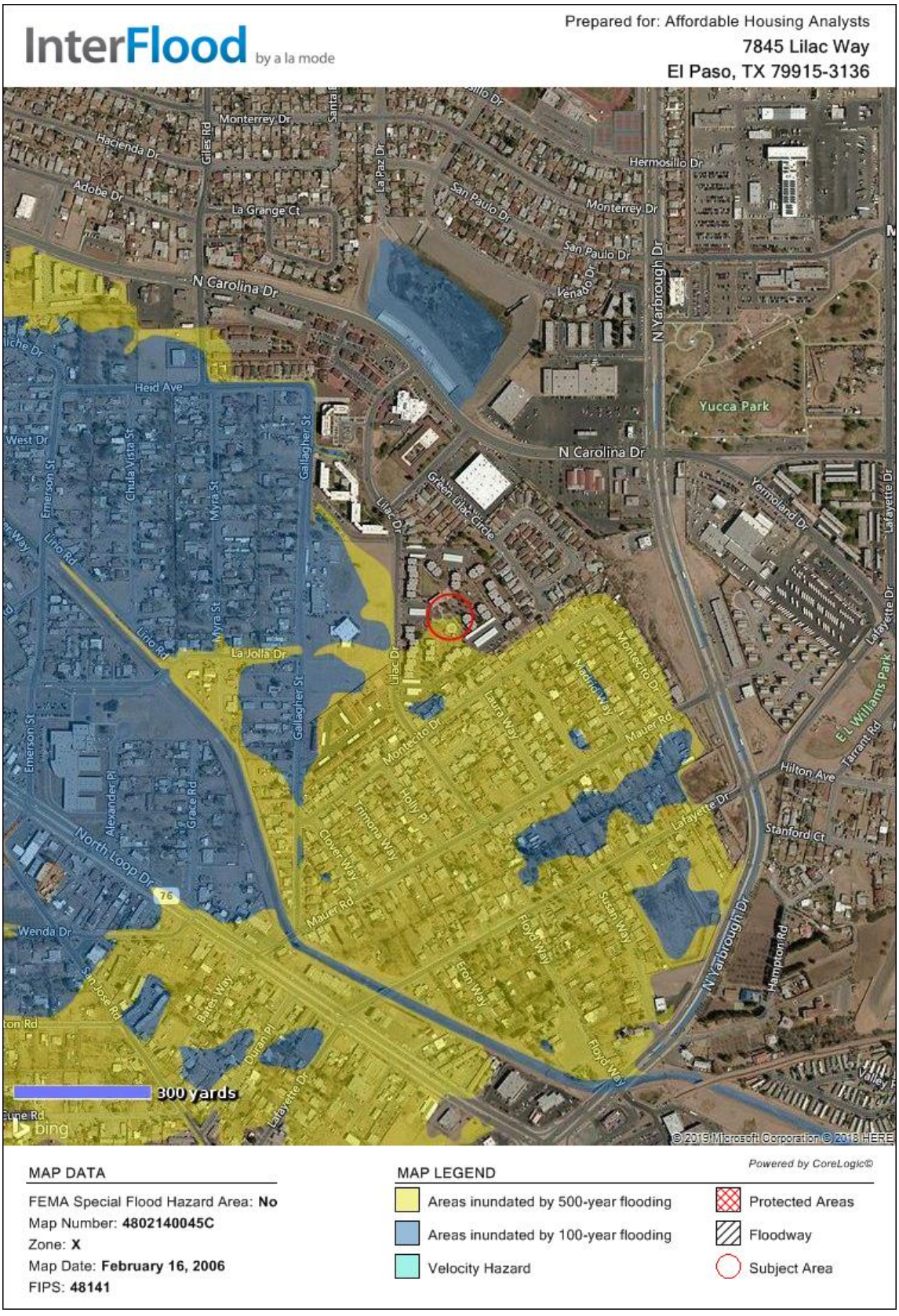
FLOOD PLAIN MAP


InterFlood by a la mode
Prepared for: Affordable Housing Analysts
7845 Lilac Way
El Paso, TX 79915-3136
Monterrey Dr
Hacienda Dr
Giles Rd
La Paz Dr
Hermosillo Dr
Adobe Dr
La Grange Ct
San Paulo Dr
N Carolina Dr
Venado Dr
N Yarbrough Dr
Yucca Park
Hesd Ave
West Dr
Emerson St
Cinda Vista St
Myra St
Gallagher St
Green Lilac Circle
Lilac Dr
Vermoland Dr
Lafayette Dr
Lino Rd
La Jolla Dr
Montecito Dr
Madeira Way
Laura Way
Mauer Rd
E L Williams Park
Tarrant Rd
Hilton Ave
Alexander Pl
Grace Rd
Holly Pl
Primona Way
Clover Way
Stanford Ct
North Loop Dr
76
Wenda Dr
Susan Way
Floyd Way
Eton Way
Hampton Rd
San Jose Rd
Bates Way
Duren Pl
Valley F
300 yards
bing
© 2019 Microsoft Corporation © 2018 HERE
Powered by CoreLogic®
MAP DATA
FEMA Special Flood Hazard Area: No
Map Number: 4802140045C
Zone: X
Map Date: February 16, 2006
FIPS: 48141
MAP LEGEND
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Protected Areas
Floodway
Subject Area

DEMOGRAPHICS

Pop-Facts® DemographicSnapshot | Summary

Trade Area: Cien Palmas Upload

	Cien Palmas Upload
Population	
2000 Census	125,090
2010 Census	120,445
2019 Estimate	117,591
2024 Projection	120,096
Population Growth	
Percent Change: 2000 to 2010	-3.71
Percent Change: 2010 to 2019	-2.37
Percent Change: 2019 to 2024	2.13

	Cien Palmas Upload
Households	
2000 Census	36,391
2010 Census	38,249
2019 Estimate	38,874
2024 Projection	40,250
Household Growth	
Percent Change: 2000 to 2010	5.11
Percent Change: 2010 to 2019	1.63
Percent Change: 2019 to 2024	3.54

	Cien Palmas Upload
Family Households	
2000 Census	30,438
2010 Census	30,062
2019 Estimate	30,556
2024 Projection	31,644
Family Household Growth	
Percent Change: 2000 to 2010	-1.24
Percent Change: 2010 to 2019	1.64
Percent Change: 2019 to 2024	3.56

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Population & Race

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Population by Single-Classification Race		
White Alone	96,447	82.02
Black/African American Alone	1,489	1.27
American Indian/Alaskan Native Alone	1,224	1.04
Asian Alone	232	0.20
Native Hawaiian/Pacific Islander Alone	78	0.07
Some Other Race Alone	15,702	13.35
Two or More Races	2,419	2.06
2019 Est. Population by Hispanic or Latino Origin		
Not Hispanic or Latino	5,133	4.37
Hispanic or Latino	112,458	95.64
Mexican Origin	105,550	93.86
Puerto Rican Origin	281	0.25
Cuban Origin	51	0.04
All Other Hispanic or Latino	6,576	5.85
2019 Est. Pop by Race, Asian Alone, by Category		
Chinese, except Taiwanese	69	29.74
Filipino	37	15.95
Japanese	9	3.88
Asian Indian	30	12.93
Korean	58	25.00
Vietnamese	8	3.45
Cambodian	1	0.43
Hmong	0	0.00
Laotian	0	0.00
Thai	0	0.00
All Other Asian Races Including 2+ Category	20	8.62
2019 Est. Population by Ancestry		
Arab	18	0.01
Czech	0	0.00
Danish	47	0.04
Dutch	9	0.01
English	131	0.11
French (Excluding Basque)	200	0.17
French Canadian	15	0.01
German	562	0.48
Greek	0	0.00
Hungarian	1	0.00
Irish	303	0.26
Italian	351	0.30
Lithuanian	1	0.00
Norwegian	29	0.03
Polish	39	0.03
Portuguese	5	0.00
Russian	39	0.03
Scotch-Irish	40	0.03
Scottish	67	0.06
Slovak	9	0.01
Sub-Saharan African	75	0.06
Swedish	19	0.02
Swiss	9	0.01
Ukrainian	2	0.00
United States or American	1,500	1.28
Welsh	6	0.01
West Indian (Excluding Hispanic groups)	10	0.01
Other ancestries	105,656	89.85
Ancestries Unclassified	8,448	7.18
2019 Est. Pop Age 5+ by Language Spoken At Home		
Speak Only English at Home	14,178	13.07
Speak Asian/Pacific Isl. Lang. at Home	48	0.04
Speak Indo-European Language at Home	85	0.08
Speak Spanish at Home	94,071	86.74
Speak Other Language at Home	75	0.07
2019 Est. Hisp. or Latino Pop by Single-Class. Race		
White Alone	93,247	82.92
Black/African American Alone	510	0.45
American Indian/Alaskan Native Alone	809	0.72
Asian Alone	80	0.07
Native Hawaiian/Pacific Islander Alone	15	0.01
Some Other Race Alone	15,609	13.88
Two or More Races	2,188	1.95

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Population & Race

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Population by Sex		
Male	55,959	47.59
Female	61,632	52.41
2019 Est. Population by Age		
Age 0 - 4	9,134	7.77
Age 5 - 9	8,708	7.41
Age 10 - 14	8,464	7.20
Age 15 - 17	5,276	4.49
Age 18 - 20	4,960	4.22
Age 21 - 24	7,086	6.03
Age 25 - 34	17,133	14.57
Age 35 - 44	12,538	10.66
Age 45 - 54	11,728	9.97
Age 55 - 64	12,537	10.66
Age 65 - 74	10,512	8.94
Age 75 - 84	6,738	5.73
Age 85 and over	2,777	2.36
Age 16 and over	89,548	76.15
Age 18 and over	86,009	73.14
Age 21 and over	81,049	68.92
Age 65 and over	20,027	17.03
Median Age	--	33.74
Average Age	--	37.48
2019 Est. Pop Age 15+ by Marital Status		
Total, Never Married	33,781	37.01
Male, Never Married	17,617	19.30
Female, Never Married	16,164	17.71
Married, Spouse Present	33,213	36.38
Married, Spouse Absent	7,037	7.71
Widowed	8,155	8.93
Male, Widowed	1,802	1.97
Female, Widowed	6,353	6.96
Divorced	9,099	9.97
Male, Divorced	3,445	3.77
Female, Divorced	5,654	6.19
2019 Est. Male Population by Age		
Male: Age 0 - 4	4,651	8.31
Male: Age 5 - 9	4,467	7.98
Male: Age 10 - 14	4,270	7.63
Male: Age 15 - 17	2,677	4.78
Male: Age 18 - 20	2,557	4.57
Male: Age 21 - 24	3,644	6.51
Male: Age 25 - 34	8,762	15.66
Male: Age 35 - 44	6,020	10.76
Male: Age 45 - 54	5,341	9.54
Male: Age 55 - 64	5,548	9.91
Male: Age 65 - 74	4,411	7.88
Male: Age 75 - 84	2,617	4.68
Male: Age 85 and over	994	1.78
Median Age, Male	--	31.27
Average Age, Male	--	35.44
2019 Est. Female Population by Age		
Female: Age 0 - 4	4,483	7.27
Female: Age 5 - 9	4,241	6.88
Female: Age 10 - 14	4,194	6.80
Female: Age 15 - 17	2,599	4.22
Female: Age 18 - 20	2,403	3.90
Female: Age 21 - 24	3,442	5.58
Female: Age 25 - 34	8,371	13.58
Female: Age 35 - 44	6,518	10.58
Female: Age 45 - 54	6,387	10.36
Female: Age 55 - 64	6,989	11.34
Female: Age 65 - 74	6,101	9.90
Female: Age 75 - 84	4,121	6.69
Female: Age 85 and over	1,783	2.89
Median Age, Female	--	36.53
Average Age, Female	--	39.36

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Housing & Households

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Households by Household Type		
Family Households	30,556	78.60
NonFamily Households	8,318	21.40
2019 Est. Group Quarters Population		
2019 Est. Group Quarters Population	674	0.57
2019 HHs By Ethnicity, Hispanic/Latino		
2019 HHs By Ethnicity, Hispanic/Latino	36,583	94.11
2019 Est. Family HH Type by Presence of Own Child.		
Married Couple Family, own children	6,889	22.55
Married Couple Family, no own children	10,073	32.97
Male Householder, own children	923	3.02
Male Householder, no own children	1,778	5.82
Female Householder, own children	5,241	17.15
Female Householder, no own children	5,652	18.50
2019 Est. Households by Household Size		
1-Person Household	7,763	19.97
2-Person Household	10,164	26.15
3-Person Household	7,519	19.34
4-Person Household	6,107	15.71
5-Person Household	3,887	10.00
6-Person Household	2,070	5.33
7-or-more-person	1,364	3.51
2019 Est. Average Household Size	--	3.01
2019 Est. Households by Number of Vehicles		
No Vehicles	4,710	12.12
1 Vehicle	15,496	39.86
2 Vehicles	11,038	28.39
3 Vehicles	5,163	13.28
4 Vehicles	1,871	4.81
5 or more Vehicles	596	1.53
2019 Est. Average Number of Vehicles	--	1.65
2019 Est. Occupied Housing Units by Tenure		
Housing Units, Owner-Occupied	22,434	57.71
Housing Units, Renter-Occupied	16,440	42.29
2019 Owner Occ. HUs: Avg. Length of Residence		
2019 Owner Occ. HUs: Avg. Length of Residence	--	25.20
2019 Renter Occ. HUs: Avg. Length of Residence		
2019 Renter Occ. HUs: Avg. Length of Residence	--	7.48
2019 Est. Owner-Occupied Housing Units by Value		
Value Less Than $20,000	812	3.62
Value $20,000 - $39,999	744	3.32
Value $40,000 - $59,999	1,348	6.01
Value $60,000 - $79,999	3,326	14.83
Value $80,000 - $99,999	6,505	29.00
Value $100,000 - $149,999	6,466	28.82
Value $150,000 - $199,999	1,744	7.77
Value $200,000 - $299,999	837	3.73
Value $300,000 - $399,999	290	1.29
Value $400,000 - $499,999	112	0.50
Value $500,000 - $749,999	100	0.45
Value $750,000 - $999,999	72	0.32
Value $1,000,000 - $1,499,999	37	0.17
Value $1,500,000 - $1,999,999	4	0.02
Value $2,000,000 or more	37	0.17
2019 Est. Median All Owner-Occupied Housing Value	--	95,189.98

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Housing & Households

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Housing Units by Units in Structure		
1 Unit Attached	989	2.42
1 Unit Detached	26,288	64.19
2 Units	1,492	3.64
3 to 4 Units	2,444	5.97
5 to 19 Units	5,170	12.62
20 to 49 Units	930	2.27
50 or More Units	1,387	3.39
Mobile Home or Trailer	2,227	5.44
Boat, RV, Van, etc.	26	0.06
2019 Est. Housing Units by Year Structure Built		
Built 2014 or Later	1,025	2.50
Built 2010 to 2013	974	2.38
Built 2000 to 2009	2,294	5.60
Built 1990 to 1999	2,866	7.00
Built 1980 to 1989	4,502	10.99
Built 1970 to 1979	7,055	17.23
Built 1960 to 1969	7,107	17.35
Built 1950 to 1959	9,954	24.31
Built 1940 to 1949	3,248	7.93
Built 1939 or Earlier	1,928	4.71
2019 Housing Units by Year Structure Built		
2019 Est. Median Year Structure Built	–	1,967.39
2019 Est. Households by Presence of People Under 18		
2019 Est. Households by Presence of People Under 18	17,200	44.25
Households with 1 or More People under Age 18		
Married Couple Family	8,802	51.17
Other Family, Male Householder	1,390	8.08
Other Family, Female Householder	6,936	40.33
NonFamily Household, Male Householder	53	0.31
NonFamily Household, Female Householder	19	0.11
2019 Est. Households with No People under Age 18		
Households with No People under Age 18	21,674	55.75
Households with No People under Age 18		
Married Couple Family	8,153	37.62
Other Family, Male Householder	1,321	6.09
Other Family, Female Householder	3,958	18.26
NonFamily, Male Householder	3,578	16.51
NonFamily, Female Householder	4,664	21.52

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Affluence & Education

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Pop Age 25+ by Edu. Attainment		
Less than 9th Grade	17,538	23.71
Some High School, No Diploma	9,367	12.66
High School Graduate (or GED)	21,319	28.82
Some College, No Degree	14,235	19.25
Associate's Degree	4,516	6.11
Bachelor's Degree	5,071	6.86
Master's Degree	1,489	2.01
Professional Degree	329	0.45
Doctorate Degree	99	0.13
2019 Est. Pop Age 25+ by Edu. Attain., Hisp./Lat.		
High School Diploma	26,522	37.70
High School Graduate	20,239	28.77
Some College or Associate's Degree	17,591	25.01
Bachelor's Degree or Higher	5,988	8.51
2019 Est. Households by HH Income		
Income < $15,000	9,082	23.36
Income $15,000 - $24,999	6,558	16.87
Income $25,000 - $34,999	5,662	14.56
Income $35,000 - $49,999	6,510	16.75
Income $50,000 - $74,999	5,837	15.02
Income $75,000 - $99,999	2,628	6.76
Income $100,000 - $124,999	1,398	3.60
Income $125,000 - $149,999	534	1.37
Income $150,000 - $199,999	382	0.98
Income $200,000 - $249,999	154	0.40
Income $250,000 - $499,999	88	0.23
Income $500,000+	41	0.11
2019 Est. Average Household Income	--	41,707.11
2019 Est. Median Household Income	--	31,505.54
2019 Median HH Inc. by Single-Class. Race or Eth.		
White Alone	--	31,433.94
Black or African American Alone	--	43,197.85
American Indian and Alaskan Native Alone	--	33,562.40
Asian Alone	--	60,436.59
Native Hawaiian and Other Pacific Islander Alone	--	81,250.00
Some Other Race Alone	--	28,138.47
Two or More Races	--	38,789.43
Hispanic or Latino	--	31,028.80
Not Hispanic or Latino	--	40,888.48
2019 Est. Families by Poverty Status		
2019 Families at or Above Poverty	22,135	72.44
2019 Families at or Above Poverty with children	8,970	29.36
2019 Families Below Poverty	8,421	27.56
2019 Families Below Poverty with children	6,211	20.33

Benchmark: USA

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Pop-Facts® Demographic Snapshot | Education & Occupation

ENVIRONICS ANALYTICS

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874

	Cien Palmas Upload Count	%
2019 Est. Employed Civilian Population 16+ by Occupation Classification		
White Collar	20,547	48.61
Blue Collar	10,344	24.47
Service and Farming	11,381	26.92
2019 Est. Workers Age 16+ by Travel Time to Work		
Less than 15 Minutes	10,378	25.67
15 - 29 Minutes	21,184	52.40
30 - 44 Minutes	5,701	14.10
45 - 59 Minutes	1,376	3.40
60 or more Minutes	1,791	4.43
2019 Est. Avg Travel Time to Work in Minutes	–	23.97
2019 Est. Workers Age 16+ by Transp. to Work		
2019 Est. Workers Age 16+ by Transp. to Work	41,681	100.00
Drove Alone	33,024	79.23
Carpooled	4,799	11.51
Public Transport	1,212	2.91
Walked	612	1.47
Bicycle	276	0.66
Other Means	424	1.02
Worked at Home	1,334	3.20
2019 Est. Civ. Employed Pop 16+ by Class of Worker		
2019 Est. Civ. Employed Pop 16+ by Class of Worker	42,272	100.00
For-Profit Private Workers	30,031	71.04
Non-Profit Private Workers)	2,249	5.32
Local Government Workers	3,290	7.78
State Government Workers	2,005	4.74
Federal Government Workers	1,302	3.08
Self-Employed Workers	3,286	7.77
Unpaid Family Workers	109	0.26
2019 Est. Civ. Employed Pop 16+ by Occupation		
Architecture/Engineering	267	0.63
Arts/Design/Entertainment/Sports/Media	420	0.99
Building/Grounds Cleaning/Maintenance	2,946	6.97
Business/Financial Operations	932	2.21
Community/Social Services	590	1.40
Computer/Mathematical	324	0.77
Construction/Extraction	2,372	5.61
Education/Training/Library	2,243	5.31
Farming/Fishing/Forestry	123	0.29
Food Preparation/Serving Related	3,718	8.79
Healthcare Practitioner/Technician	1,276	3.02
Healthcare Support	1,362	3.22
Installation/Maintenance/Repair	1,680	3.97
Legal	127	0.30
Life/Physical/Social Science	91	0.21
Management	1,982	4.69
Office/Administrative Support	7,368	17.43
Production	2,557	6.05
Protective Services	1,331	3.15
Sales/Related	4,927	11.66
Personal Care/Service	1,901	4.50
Transportation/Material Moving	3,735	8.84
2019 Est. Pop Age 16+ by Employment Status		
In Armed Forces	320	0.36
Civilian - Employed	43,131	48.16
Civilian - Unemployed	4,299	4.80
Not in Labor Force	41,798	46.68

Benchmark: USA

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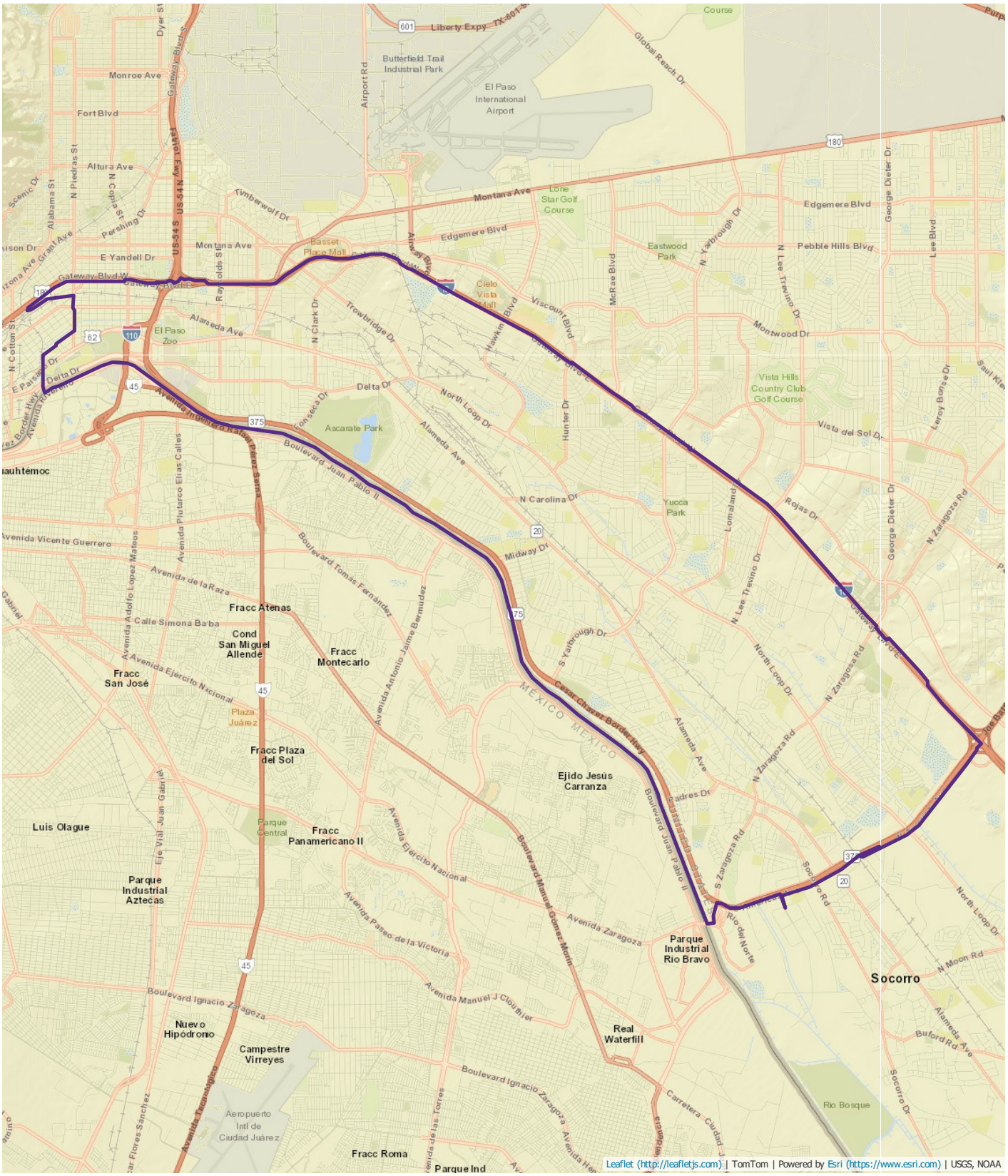
Pop-Facts® DemographicSnapshot | Map

Trade Area: Cien Palmas Upload

Total Population: 117,591 | **Total Households:** 38,874



Benchmark: USA

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Report Details

Name: Pop-Facts® Demographic Snapshot 2019
Date / Time: 5/29/2019 3:39:09 PM
Workspace Vintage: 2019

Trade Area

Name	Level	Geographies
Cien Palmas Upload	ZIP Code	79905 (El Paso, TX); 79907 (El Paso, TX); 79915 (El Paso, TX)

Benchmark:

Name	Level	Geographies
USA	Entire US	United States

DataSource:

Product	Provider	Copyright
Claritas Pop-Facts® Pop-Facts Premier - 2000 US Census	Claritas	©Claritas, LLC 2019
Claritas Pop-Facts® Premier - 2010 US Census	Claritas	©Claritas, LLC 2019
Claritas Pop-Facts® Premier - 2019 - Current Year Estimate	Claritas	©Claritas, LLC 2019 (https://en.environicsanalytics.ca/Envision/About/3/2019#289)
Claritas Pop-Facts® Premier - 2024 - Five Year Projection	Claritas	©Claritas, LLC 2019 (https://en.environicsanalytics.ca/Envision/About/3/2019#289)
SPOTLIGHT Pop-Facts® Premier - 2019 - Current Year Estimate	Claritas	©Claritas, LLC 2019 (https://en.environicsanalytics.ca/Envision/About/3/2019#289)

SITE PLAN

Green Lilac Circle
Montecito Road
BLDG. 6 (79-86)
BLDG. 7 (87-102)
BLDG. 5 (71-78)
BLDG. 8 (103-110)
BLDG. 9 (111-118)
BLDG. 4 (63-70)
BLDG. 3 (47-62)
Play Area
Pool
Basket Ball Court
Laundry
Office
Rec. Hall
BLDG. 12
BLDG. 10 (119-126)
BLDG. 2 (33-46)
BLDG. 11 (127-150)
BLDG. 1 (1-32)
Cien Palmas // 7845 Lilac Way, El Paso, TX 79915 // (915) 591-7300
Google

RENT ROLL

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
Cien Palmas Apartments (cnpl)															
Current/Notice Residents															
1	B1B_C10B	757	Occupied No Notice	t0006640	[redacted]	522.00	subsidy	161.00	0.00	400.00			07/17/2015		-443.00
							rent	522.00							
							haprnt	0.00							
							Total	**683.00**							
10	B1B_C10B	757	Occupied No Notice	t0006504		522.00	rent	578.00	0.00	400.00			09/12/2014		-578.00
							haprnt	0.00							
							Total	**578.00**							
100	CHD_C10B	1,023	Occupied No Notice	t0017794		623.00	rent	690.00	0.00	400.00	03/01/2017	02/28/2018	03/01/2017		6.00
							haprnt	0.00							
							Total	**690.00**							
101	CHD_C10B	1,023	Occupied No Notice	t0027330		623.00	subsidy	467.00	0.00	200.00	04/17/2018	04/16/2019	04/17/2018		0.00
							rent	634.00							
							haprnt	0.00							
							Total	**1,101.00**							
102	CHD_C10B	1,023	Occupied No Notice	t0031656		623.00	rent	690.00	0.00	200.00	10/12/2018	09/30/2019	10/12/2018		0.00
							haprnt	0.00							
							Total	**690.00**							
103	CHC_C10B	923	Occupied No Notice	t0007387		623.00	rent	690.00	0.00	400.00	05/01/2012	04/30/2013	05/01/2012		0.00
							haprnt	0.00							
							Total	**690.00**							
104	CHC_C10B	923	Occupied No Notice	t0006590		623.00	rent	690.00	0.00	400.00			08/12/2011		0.00
							haprnt	0.00							
							Total	**690.00**							
105	CHC_C10B	923	Occupied No Notice	t0007407		623.00	rent	690.00	0.00	100.00	03/30/2007	03/29/2008	03/30/2007		0.00
							haprnt	0.00							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							Total	**690.00**							
106	CHC_C10A	923	Occupied No Notice	t0006501	[redacted]	1,000.00	rent	657.00	0.00	99.00			05/23/2005		0.00
							haprnt	343.00							
							Total	**1,000.00**							
107	CHC_C10A	923	Occupied No Notice	t0032167		1,000.00	rent	230.00	0.00	230.00	10/30/2018	09/30/2019	10/30/2018		0.00
							haprnt	770.00							
							Total	**1,000.00**							
108	CHC_C10B	923	Occupied No Notice	t0029912		623.00	rent	628.00	0.00	200.00	07/30/2018	07/29/2019	07/30/2018		0.00
							haprnt	0.00							
							Total	**628.00**							
109	CHC_C10B	923	Occupied No Notice	t0007393		623.00	rent	623.00	0.00	400.00	02/01/2008	12/31/2011	02/01/2008		0.00
							emprent	-623.00							
							Total	**0.00**							
11	B1B_C10A	757	Occupied No Notice	t0006505		864.00	rent	409.00	0.00	276.00			06/01/1987		0.00
							haprnt	455.00							
							Total	**864.00**							
110	CHC_C10B	923	Occupied No Notice	t0030069		623.00	subsidy	640.00	0.00	200.00	08/15/2018	08/14/2019	08/15/2018		0.00
							rent	690.00							
							haprnt	0.00							
							Total	**1,330.00**							
111	CHC_C10B	923	Occupied No Notice	t0028143		623.00	rent	690.00	0.00	200.00	05/16/2018	05/15/2019	05/16/2018		-136.00
							haprnt	0.00							
							Total	**690.00**							
112	CHC_C10B	923	Occupied No Notice	t0026153		623.00	rent	623.00	0.00	200.00	03/02/2018	02/28/2019	03/02/2018		0.00
							haprnt	0.00							
							Total	**623.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
113	CHC_C10A	923	Occupied No Notice	t0006512	[redacted]	1,000.00	rent	667.00	0.00	410.00			07/28/2014		0.00
							haprnt	333.00							
							Total	**1,000.00**							
114	CHC_C10A	923	Occupied No Notice	t0006566		1,000.00	rent	447.00	0.00	300.00			11/27/2013		-1.00
							haprnt	553.00							
							Total	**1,000.00**							
115	CHC_C10A	923	Occupied No Notice	t0019490		1,000.00	rent	161.00	0.00	212.00	06/23/2017	06/22/2018	06/23/2017		0.00
							haprnt	839.00							
							Total	**1,000.00**							
116	CHC_C10A	923	Occupied No Notice	t0018076		1,000.00	rent	487.00	0.00	123.00	03/16/2017	03/15/2018	03/16/2017		-66.00
							haprnt	513.00							
							Total	**1,000.00**							
117	CHC_C10B	923	Occupied No Notice	t0006609		623.00	rent	690.00	0.00	400.00			07/29/2016		-10.00
							haprnt	0.00							
							Total	**690.00**							
118	CHC_C10A	923	Occupied No Notice	t0028851		1,000.00	rent	416.00	0.00	416.00	06/13/2018	06/12/2019	06/13/2018		0.00
							haprnt	584.00							
							Total	**1,000.00**							
119	CHC_C10B	923	Occupied No Notice	t0018039		623.00	rent	623.00	0.00	400.00	03/14/2017	03/13/2018	03/14/2017		-9.00
							haprnt	0.00							
							Total	**623.00**							
12	B1B_C10A	757	Occupied No Notice	t0006558		864.00	rent	353.00	0.00	107.00			04/02/2014		-1.00
							haprnt	511.00							
							Total	**864.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
120	CHC_C10B	923	Occupied No Notice	t0006620	[redacted]	623.00	rent	623.00	0.00	99.00			03/11/2005		0.00
							haprnt	0.00							
							Total	**623.00**							
121	CHC_C10B	923	Occupied No Notice	t0007400		623.00	rent	690.00	0.00	100.00	11/15/2008	11/14/2009	11/15/2008		0.00
							haprnt	0.00							
							Total	**690.00**							
122	CHC_C10A	923	Occupied No Notice	t0006514		1,000.00	rent	201.00	0.00	406.00			06/29/2013		0.00
							haprnt	799.00							
							Total	**1,000.00**							
123	CHC_C10B	923	Occupied No Notice	t0007396		623.00	rent	690.00	0.00	100.00	07/29/2010	07/28/2011	07/29/2010		0.00
							haprnt	0.00							
							Total	**690.00**							
124	CHC_C10B	923	Occupied No Notice	t0006603		623.00	rent	690.00	0.00	400.00			05/02/2014		0.00
							haprnt	0.00							
							Total	**690.00**							
125	CHC_C10B	923	Occupied No Notice	t0007398		623.00	rent	690.00	0.00	100.00	08/22/2009	08/21/2010	08/22/2009		0.00
							haprnt	0.00							
							Total	**690.00**							
126	CHC_C10B	923	Occupied No Notice	t0024046		623.00	rent	690.00	0.00	200.00	12/05/2017	12/04/2018	12/05/2017		0.00
							haprnt	0.00							
							Total	**690.00**							
127	B1B_C10A	757	Occupied No Notice	t0030830		864.00	rent	68.00	0.00	68.00	08/28/2018	07/31/2019	08/28/2018		-1.00
							haprnt	796.00							
							Total	**864.00**							
128	B1B_C10B	757	Occupied No Notice	t0006625		522.00	subsidy	339.00	0.00	400.00			05/21/2012		-10.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							rent	522.00							
							haprnt	0.00							
							Total	**861.00**							
129	B1B_C10B	757	Occupied No Notice	t0006634	[redacted]	522.00	rent	578.00	0.00	400.00			07/10/2014		0.00
							haprnt	0.00							
							Total	**578.00**							
13	B1B_C10A	757	Occupied No Notice	t0006500		864.00	rent	219.00	0.00	200.00			10/30/2013		229.00
							haprnt	645.00							
							Total	**864.00**							
130	B1B_C10B	757	Occupied No Notice	t0006607		522.00	rent	522.00	0.00	100.00			07/30/2006		0.00
							haprnt	0.00							
							Total	**522.00**							
131	B1B_C10B	757	Occupied No Notice	t0006605		522.00	subsidy	115.00	0.00	400.00			06/01/2015		-36.00
							rent	522.00							
							haprnt	0.00							
							Total	**637.00**							
132	B1B_C10A	757	Occupied No Notice	t0006520		864.00	rent	440.00	0.00	100.00			11/26/2007		0.00
							haprnt	424.00							
							Total	**864.00**							
133	B1B_C10A	757	Occupied No Notice	t0006502		864.00	rent	113.00	0.00	82.00			12/17/2013		0.00
							haprnt	751.00							
							Total	**864.00**							
134	B1B_C10B	757	Occupied No Notice	t0027279		522.00	rent	522.00	0.00	200.00	04/27/2018	04/26/2019	04/27/2018		-1.00
							haprnt	0.00							
							Total	**522.00**							
135	B1B_C10B	757	Occupied No Notice	t0006606		522.00	rent	555.00	0.00	400.00			09/12/2013		-32.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							haprnt	0.00							
							Total	**555.00**							
136	B1B_C10B	757	Occupied No Notice	t0028124	[redacted]	522.00	rent	522.00	0.00	200.00	06/15/2018	06/14/2019	06/15/2018		-132.00
							haprnt	0.00							
							Total	**522.00**							
137	B1B_C10A	757	Occupied No Notice	t0017149		864.00	rent	337.00	0.00	400.00	02/03/2017	02/02/2018	02/03/2017		0.00
							haprnt	527.00							
							Total	**864.00**							
138	B1B_C10B	757	Occupied No Notice	t0031226		522.00	subsidy	362.00	0.00	200.00	09/28/2018	08/31/2019	09/28/2018		0.00
							rent	578.00							
							haprnt	0.00							
							Total	**940.00**							
139	B1B_C10B	757	Occupied No Notice	t0015666		522.00	rent	578.00	0.00	400.00	11/29/2016	11/28/2017	11/29/2016		0.00
							haprnt	0.00							
							Total	**578.00**							
14	B1B_C10A	757	Occupied No Notice	t0028613		864.00	rent	267.00	0.00	267.00	06/06/2018	06/05/2019	06/06/2018		-44.00
							haprnt	597.00							
							Total	**864.00**							
140	B1B_C10B	757	Occupied No Notice	t0006615		522.00	subsidy	472.00	0.00	400.00			10/24/2014		-338.00
							rent	522.00							
							haprnt	0.00							
							Total	**994.00**							
141	B1B_C10B	757	Occupied No Notice	t0006621		522.00	subsidy	301.00	0.00	400.00			03/05/2015		-16.00
							rent	522.00							
							haprnt	0.00							
							Total	**823.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
142	B1B_C10B	757	Occupied No Notice	t0028953	[redacted]	522.00	subsidy	-369.00	0.00	400.00	08/21/2018	07/31/2019	08/21/2018		0.00
							rent	578.00							
							haprnt	0.00							
							Total	**209.00**							
143	B1B_C10B	757	Occupied No Notice	t0024226		522.00	rent	577.00	0.00	200.00	01/12/2018	01/11/2019	01/12/2018		0.00
							haprnt	0.00							
							Total	**577.00**							
144	B1B_C10B	757	Occupied No Notice	t0019376		522.00	rent	522.00	0.00	400.00	05/26/2017	05/25/2018	05/26/2017		-3.00
							haprnt	0.00							
							Total	**522.00**							
145	B1B_C10B	757	Occupied No Notice	t0025190		522.00	subsidy	113.00	0.00	200.00	02/28/2018	02/27/2019	02/28/2018		0.00
							rent	578.00							
							haprnt	0.00							
							Total	**691.00**							
146	B1B_C10A	757	Occupied No Notice	t0006572		864.00	rent	349.00	0.00	400.00			05/10/2012		0.00
							haprnt	515.00							
							Total	**864.00**							
147	B1B_C10B	757	Occupied No Notice	t0007385		522.00	rent	578.00	0.00	400.00	02/01/2013	01/31/2014	02/01/2013		0.00
							haprnt	0.00							
							Total	**578.00**							
148	B1B_C10B	757	Occupied No Notice	t0014167		522.00	rent	578.00	0.00	400.00	11/11/2016	11/10/2017	11/11/2016		0.00
							haprnt	0.00							
							Total	**578.00**							
149	B1B_C10B	757	Occupied No Notice	t0006635		522.00	rent	522.00	0.00	400.00			07/31/2015		0.00
							haprnt	0.00							
							Total	**522.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
15	B1B_C10A	757	Occupied No Notice	t0006571	[redacted]	864.00	rent	63.00	0.00	50.00			06/10/2016		-70.00
							haprnt	801.00							
							Total	**864.00**							
150	B1B_C10A	757	Occupied No Notice	t0006519		864.00	rent	25.00	0.00	25.00			07/22/2016		0.00
							haprnt	839.00							
							Total	**864.00**							
16	B1B_C10B	757	Occupied No Notice	t0006610		522.00	rent	522.00	0.00	200.00			08/11/2001		0.00
							haprnt	0.00							
							Total	**522.00**							
17	B1B_C10A	757	Occupied No Notice	t0029058		864.00	rent	148.00	0.00	380.00	06/22/2018	06/21/2019	06/22/2018		-9.00
							haprnt	716.00							
							Total	**864.00**							
18	B1B_C10B	757	Occupied No Notice	t0006616		522.00	rent	522.00	0.00	400.00			10/13/2014		0.00
							haprnt	0.00							
							Total	**522.00**							
19	B1B_C10A	757	Occupied No Notice	t0006555		864.00	rent	440.00	0.00	100.00			04/15/2005		-3.00
							haprnt	424.00							
							Total	**864.00**							
2	B1B_C10B	757	Occupied No Notice	t0007384		522.00	rent	578.00	0.00	400.00	08/07/2013	08/06/2014	08/07/2013		0.00
							haprnt	0.00							
							Total	**578.00**							
20	B1B_C10B	757	Occupied No Notice	t0020012		522.00	rent	578.00	0.00	400.00	06/30/2017	06/29/2018	06/30/2017		0.00
							haprnt	0.00							
							Total	**578.00**							
21	B1B_C10A	757	Occupied No Notice	t0006557		864.00	rent	238.00	0.00	100.00			03/31/2009		-18.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							haprnt	626.00							
							Total	**864.00**							
22	B1B_C10B	757	Occupied No Notice	t0021249	[redacted]	522.00	rent	522.00	0.00	400.00	08/31/2017	08/30/2018	08/31/2017		0.00
							haprnt	0.00							
							Total	**522.00**							
23	B1B_C10B	757	Occupied No Notice	t0007379		522.00	rent	578.00	0.00	400.00	06/17/2015	06/16/2016	06/17/2015		0.00
							haprnt	0.00							
							Total	**578.00**							
24	B1B_C10B	757	Occupied No Notice	t0023147		522.00	rent	522.00	0.00	200.00	11/17/2017	11/16/2018	11/17/2017		0.00
							haprnt	0.00							
							Total	**522.00**							
25	B1B_C10B	757	Occupied No Notice	t0031885		522.00	rent	522.00	0.00	200.00	10/12/2018	09/30/2019	10/12/2018		0.00
							haprnt	0.00							
							Total	**522.00**							
26	B1B_C10B	757	Occupied No Notice	t0007403		522.00	rent	578.00	0.00	100.00	05/31/2008	05/30/2009	05/31/2008		0.00
							haprnt	0.00							
							Total	**578.00**							
27	B1B_C10A	757	Occupied No Notice	t0018790		864.00	rent	614.00	0.00	225.00	05/24/2017	05/23/2018	05/24/2017		-204.00
							haprnt	250.00							
							Total	**864.00**							
28	B1B_C10B	757	Occupied No Notice	t0006639		522.00	subsidy	271.00	0.00	400.00			08/15/2014		-15.00
							rent	522.00							
							haprnt	0.00							
							Total	**793.00**							
29	B1B_C10A	757	Occupied No Notice	t0029654		864.00	rent	25.00	0.00	304.00	07/20/2018	06/30/2019	07/20/2018		-25.00
							haprnt	839.00							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							Total	**864.00**							
3	B1B_C10B	757	Occupied No Notice	t0027134	[redacted]	522.00	rent	522.00	0.00	200.00	04/05/2018	04/04/2019	04/05/2018		0.00
							haprnt	0.00							
							Total	**522.00**							
30	B1B_C10A	757	Occupied No Notice	t0006554		864.00	rent	137.00	0.00	122.00			11/24/2015		0.00
							haprnt	727.00							
							Total	**864.00**							
31	B1B_C10B	757	Occupied No Notice	t0006626		522.00	rent	578.00	0.00	400.00			10/01/2012		0.00
							haprnt	0.00							
							Total	**578.00**							
32	B1B_C10A	757	Occupied No Notice	t0006569		864.00	rent	476.00	0.00	368.00			06/21/2013		0.00
							haprnt	388.00							
							Total	**864.00**							
33	A1A_C10A	579	Occupied No Notice	t0006574		719.00	rent	221.00	0.00	183.00			10/01/2002		0.00
							haprnt	498.00							
							Total	**719.00**							
34	A1A_C10A	579	Occupied No Notice	t0006551		719.00	rent	229.00	0.00	200.00			10/01/1991		0.00
							haprnt	490.00							
							Total	**719.00**							
35	A1A_C10A	579	Occupied No Notice	t0006570		719.00	rent	215.00	0.00	200.00			06/21/1997		0.00
							haprnt	504.00							
							Total	**719.00**							
36	A1A_C10A	579	Occupied No Notice	t0017500		719.00	rent	193.00	0.00	168.00	03/01/2017	02/28/2018	03/01/2017	03/04/2019	0.00
							haprnt	526.00							
							Total	**719.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
37	A1A_C10A	579	Occupied No Notice	t0006549	[redacted]	719.00	rent	390.00	0.00	228.00			09/19/2011		-2.00
							haprnt	329.00							
							Total	**719.00**							
38	A1A_C10A	579	Occupied No Notice	t0006577		719.00	rent	215.00	0.00	199.00			08/06/2012		-29.00
							haprnt	504.00							
							Total	**719.00**							
39	A1A_C10A	579	Occupied No Notice	t0022151		719.00	rent	221.00	0.00	217.00	10/06/2017	10/05/2018	10/06/2017		0.00
							haprnt	498.00							
							Total	**719.00**							
4	B1B_C10B	757	Occupied No Notice	t0006627		522.00	rent	522.00	0.00	350.00			01/27/2012		-2.00
							haprnt	0.00							
							Total	**522.00**							
40	A1A_C10A	579	Occupied No Notice	t0006563		719.00	rent	202.00	0.00	200.00			10/09/1999		0.00
							haprnt	517.00							
							Total	**719.00**							
41	A1A_C10A	579	Occupied No Notice	t0030226		719.00	rent	160.00	0.00	160.00	08/17/2018	08/16/2019	08/17/2018		0.00
							haprnt	559.00							
							Total	**719.00**							
42	A1A_C10A	579	Occupied No Notice	t0016975		719.00	rent	355.00	0.00	285.00	01/20/2017	01/19/2018	01/20/2017		0.00
							haprnt	364.00							
							Total	**719.00**							
43	A1A_C10A	579	Occupied No Notice	t0006550		719.00	rent	221.00	0.00	216.00			09/01/2006		-4.00
							haprnt	498.00							
							Total	**719.00**							
44	A1A_C10A	579	Occupied No Notice	t0006552		719.00	rent	269.00	0.00	106.00			10/22/2010		-20.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							haprnt	450.00							
							Total	**719.00**							
45	A1A_C10A	579	Occupied No Notice	t0006564	[redacted]	719.00	rent	221.00	0.00	216.00			11/04/2009		0.00
							haprnt	498.00							
							Total	**719.00**							
46	A1A_C10A	579	Occupied No Notice	t0006503		719.00	rent	227.00	0.00	210.00			06/03/2005		-10.00
							haprnt	492.00							
							Total	**719.00**							
47	CHC_C10A	923	Occupied No Notice	t0006560		1,000.00	rent	109.00	0.00	400.00			08/15/2014		-65.70
							haprnt	891.00							
							Total	**1,000.00**							
48	CHC_C10B	923	Occupied No Notice	t0007486		623.00	rent	690.00	0.00	1,434.00	08/26/2016	08/25/2017	08/26/2016		-52.00
							haprnt	0.00							
							Total	**690.00**							
49	CHC_C10A	923	Occupied No Notice	t0024994		1,000.00	rent	473.00	0.00	551.00	01/19/2018	01/18/2019	01/19/2018		0.00
							haprnt	527.00							
							Total	**1,000.00**							
5	B1B_C10A	757	Occupied No Notice	t0006565		864.00	rent	293.00	0.00	400.00			05/23/2015		-3.00
							haprnt	571.00							
							Total	**864.00**							
50	CHC_C10A	923	Occupied No Notice	t0006507		1,000.00	rent	268.00	0.00	200.00			09/01/1999		0.00
							haprnt	732.00							
							Total	**1,000.00**							
51	CHC_C10B	923	Occupied No Notice	t0026391		623.00	rent	623.00	0.00	200.00	03/09/2018	02/28/2019	03/09/2018		-37.00
							haprnt	0.00							
							Total	**623.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
52	CHC_C10A	923	Occupied No Notice	t0006516	[redacted]	1,000.00	rent	654.00	0.00	400.00			09/07/2012		0.00
							haprnt	346.00							
							Total	**1,000.00**							
53	CHC_C10B	923	Occupied No Notice	t0014014		623.00	rent	690.00	0.00	400.00	10/25/2016	10/24/2017	10/25/2016		-4.00
							haprnt	0.00							
							Total	**690.00**							
54	CHC_C10B	923	Occupied No Notice	t0019337		623.00	rent	623.00	0.00	400.00	05/26/2017	05/25/2018	05/26/2017		0.00
							haprnt	0.00							
							Total	**623.00**							
55	CHC_C10B	923	Occupied No Notice	t0027750		623.00	rent	690.00	0.00	200.00	05/04/2018	05/03/2019	05/04/2018		-67.00
							haprnt	0.00							
							Total	**690.00**							
56	CHC_C10B	923	Occupied No Notice	t0026142		623.00	rent	623.00	0.00	200.00	02/28/2018	02/27/2019	03/01/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
57	CHC_C10B	923	Occupied No Notice	t0018852		623.00	rent	623.00	0.00	400.00	05/05/2017	05/04/2018	05/05/2017		0.00
							haprnt	0.00							
							Total	**623.00**							
58	CHC_C10B	923	Occupied No Notice	t0026496		623.00	rent	623.00	0.00	200.00	03/19/2018	03/18/2019	03/19/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
59	CHC_C10A	923	Occupied No Notice	t0027813		1,000.00	rent	324.00	0.00	75.00	05/11/2018	05/10/2019	05/11/2018		-249.00
							haprnt	676.00							
							Total	**1,000.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
6	B1B_C10B	757	Occupied No Notice	t0020008	[redacted]	522.00	rent	578.00	0.00	400.00	07/12/2017	07/11/2018	07/12/2017		-19.00
							haprnt	0.00							
							Total	**578.00**							
60	CHC_C10B	923	Occupied No Notice	t0006599		623.00	rent	623.00	0.00	400.00			03/11/2015		0.00
							haprnt	0.00							
							Total	**623.00**							
61	CHC_C10B	923	Occupied No Notice	t0035182		623.00	rent	623.00	0.00	200.00	02/14/2019	02/13/2020	02/14/2019		0.00
							haprnt	0.00							
							Total	**623.00**							
62	CHC_C10A	923	Occupied No Notice	t0026489		1,000.00	rent	25.00	0.00	155.00	03/17/2018	03/16/2019	03/17/2018		0.00
							haprnt	975.00							
							Total	**1,000.00**							
63	CHC_C10B	923	Occupied No Notice	t0006624		623.00	rent	623.00	0.00	400.00			04/14/2016		0.00
							haprnt	0.00							
							Total	**623.00**							
64	CHC_C10B	923	Occupied No Notice	t0033536		623.00	rent	623.00	0.00	200.00	12/28/2018	11/30/2019	12/28/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
65	CHC_C10B	923	Occupied No Notice	t0006622		623.00	rent	623.00	0.00	400.00			03/18/2011		0.00
							haprnt	0.00							
							Total	**623.00**							
66	CHC_C10B	923	Occupied No Notice	t0022622		623.00	rent	623.00	0.00	200.00	10/23/2017	10/22/2018	10/23/2017		0.00
							haprnt	0.00							
							Total	**623.00**							
67	CHC_C10B	923	Occupied No Notice	t0006629		623.00	subsidy	365.00	0.00	558.50			05/01/2014		-1.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							rent	623.00							
							haprnt	0.00							
							Total	**988.00**							
68	CHC_C10A	923	Occupied No Notice	t0006518	[redacted]	1,000.00	rent	95.00	0.00	268.00			07/15/2016		-10.00
							haprnt	905.00							
							Total	**1,000.00**							
69	CHC_C10A	923	Occupied No Notice	t0006522		1,000.00	rent	213.00	0.00	300.00			10/24/2013		0.00
							haprnt	787.00							
							Total	**1,000.00**							
7	B1B_C10B	757	Occupied No Notice	t0007409		522.00	rent	578.00	0.00	200.00	03/20/2006	03/19/2007	03/20/2006		0.00
							haprnt	0.00							
							Total	**578.00**							
70	CHC_C10B	923	Occupied No Notice	t0032660		623.00	rent	623.00	0.00	200.00	11/16/2018	10/31/2019	11/16/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
71	CHC_C10B	923	Occupied No Notice	t0006592		623.00	rent	623.00	0.00	400.00			12/11/2015		-4.00
							haprnt	0.00							
							Total	**623.00**							
72	CHC_C10B	923	Occupied No Notice	t0006604		623.00	rent	623.00	0.00	100.00			05/24/2010		-24.00
							haprnt	0.00							
							Total	**623.00**							
73	CHC_C10B	923	Occupied No Notice	t0028516		623.00	subsidy	640.00	0.00	200.00	06/08/2018	06/07/2019	06/08/2018		-1.00
							rent	690.00							
							haprnt	0.00							
							Total	**1,330.00**							
74	CHC_C10B	923	Occupied No Notice	t0007408		623.00	rent	690.00	0.00	100.00	09/11/2006	09/10/2007	09/11/2006		0.00

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
							haprnt	0.00							
							Total	**690.00**							
75	CHC_C10B	923	Occupied No Notice	t0007397	[redacted]	623.00	rent	690.00	0.00	500.00	05/01/2010	04/30/2011	05/01/2010		0.00
							haprnt	0.00							
							Total	**690.00**							
76	CHC_C10B	923	Occupied No Notice	t0030224		623.00	rent	623.00	0.00	200.00	08/03/2018	07/31/2019	08/03/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
77	CHC_C10A	923	Occupied No Notice	t0007214		1,000.00	rent	447.00	0.00	423.00			11/11/2014		-213.00
							haprnt	553.00							
							Total	**1,000.00**							
78	CHC_C10B	923	Occupied No Notice	t0007395		623.00	rent	690.00	0.00	400.00	09/02/2010	09/01/2011	09/02/2010		0.00
							haprnt	0.00							
							Total	**690.00**							
79	CHC_C10B	923	Occupied No Notice	t0035029		623.00	rent	623.00	0.00	200.00	02/01/2019	01/31/2020	02/01/2019		0.00
							haprnt	0.00							
							Total	**623.00**							
8	B1B_C10B	757	Occupied No Notice	t0028416		522.00	rent	550.00	0.00	200.00	05/30/2018	05/29/2019	05/30/2018		-52.00
							haprnt	0.00							
							Total	**550.00**							
80	CHC_C10B	923	Occupied No Notice	t0007406		623.00	rent	690.00	0.00	100.00	02/01/2008	01/31/2009	02/01/2008		0.00
							haprnt	0.00							
							Total	**690.00**							
81	CHC_C10B	923	Occupied No Notice	t0034681		623.00	rent	623.00	0.00	200.00	01/25/2019	12/31/2019	01/25/2019		0.00
							haprnt	0.00							
							Total	**623.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
82	CHC_C10B	923	Occupied No Notice	t0023042	[redacted]	623.00	rent	690.00	0.00	200.00	10/30/2017	10/29/2018	10/31/2017		-4.00
							haprnt	0.00							
							Total	**690.00**							
83	CHC_C10A	923	Occupied No Notice	t0006511		1,000.00	rent	731.00	0.00	341.00			03/29/2013		-14.00
							haprnt	269.00							
							Total	**1,000.00**							
84	CHC_C10B	923	Occupied No Notice	t0033778		623.00	rent	640.00	0.00	200.00	12/31/2018	12/31/2019	12/31/2018		0.00
							haprnt	0.00							
							Total	**640.00**							
85	CHC_C10B	923	Occupied No Notice	t0023262		623.00	rent	623.00	0.00	200.00	11/09/2017	11/08/2018	11/09/2017		0.00
							haprnt	0.00							
							Total	**623.00**							
86	CHC_C10A	923	Occupied No Notice	t0026505		1,000.00	rent	42.00	0.00	42.00	03/22/2018	03/21/2019	03/22/2018		-47.00
							haprnt	958.00							
							Total	**1,000.00**							
87	CHD_C10B	1,023	Occupied No Notice	t0035563		623.00	rent	623.00	0.00	200.00	02/26/2019	01/31/2020	02/26/2019		0.00
							haprnt	0.00							
							Total	**623.00**							
88	CHD_C10A	1,023	Occupied No Notice	t0006523		1,108.00	rent	401.00	0.00	229.00			07/26/2011		-161.00
							haprnt	707.00							
							Total	**1,108.00**							
89	CHD_C10B	1,023	Occupied No Notice	t0017523		623.00	rent	690.00	0.00	400.00	02/17/2017	02/16/2018	02/17/2017		0.00
							haprnt	0.00							
							Total	**690.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
9	B1B_C10A	757	Occupied No Notice	t0006553	[redacted]	864.00	rent	621.00	0.00	100.00			11/09/2007		0.00
							haprnt	243.00							
							Total	**864.00**							
90	CHD_C10B	1,023	Vacant Unrented Ready	VACANT		623.00		0.00	0.00	0.00					0.00
							Total	**0.00**							
91	CHD_C10B	1,023	Occupied No Notice	t0007405		623.00	rent	690.00	0.00	100.00	05/28/2008	05/27/2009	05/28/2008		0.00
							haprnt	0.00							
							Total	**690.00**							
92	CHD_C10B	1,023	Occupied No Notice	t0006636		623.00	subsidy	165.00	0.00	400.00			07/02/2014		0.00
							rent	623.00							
							haprnt	0.00							
							Total	**788.00**							
93	CHD_C10A	1,023	Occupied No Notice	t0006506		1,108.00	rent	188.00	0.00	99.00	11/17/2017	11/16/2018	11/17/2017		-109.05
							haprnt	920.00							
							Total	**1,108.00**							
94	CHD_C10B	1,023	Occupied No Notice	t0006618		623.00	subsidy	445.00	0.00	400.00			12/10/2014		-24.00
							rent	623.00							
							haprnt	0.00							
							Total	**1,068.00**							
95	CHD_C10B	1,023	Occupied No Notice	t0020724		623.00	rent	623.00	0.00	400.00	08/18/2017	08/17/2018	08/18/2017		-62.00
							haprnt	0.00							
							Total	**623.00**							
96	CHD_C10B	1,023	Occupied No Notice	t0007399		623.00	rent	690.00	0.00	100.00	01/31/2009	01/30/2010	01/31/2009		0.00
							haprnt	0.00							
							Total	**690.00**							

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance
97	CHD_C10B	1,023	Occupied No Notice	t0029263	[redacted]	623.00	rent	623.00	0.00	200.00	07/03/2018	07/02/2019	07/03/2018		0.00
							haprnt	0.00							
							Total	**623.00**							
98	CHD_C10B	1,023	Occupied No Notice	t0007402		623.00	rent	690.00	0.00	100.00	10/31/2008	10/30/2009	10/31/2008		0.00
							haprnt	0.00							
							Total	**690.00**							
99	CHD_C10B	1,023	Occupied No Notice	t0032680		623.00	subsidy	640.00	0.00	200.00	12/17/2018	12/15/2019	12/17/2018		0.00
							rent	690.00							
							haprnt	0.00							
							Total	**1,330.00**							
(cnpl)	**Total**					**104,111.00**		**110,790.00**	**0.00**	**40,282.50**					**-3,255.75**

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% SqFt Occupancy	Balance
Current/Notice Residents			110,790.00	40,282.50	0.00				-3,255.75
Future Residents/Applicants			0.00	0.00	0.00				0.00
Occupied Units	124,915.00	103,488.00				149	99.33	99.18	
Vacant Units	1,023.00	623.00				1	0.66	0.81	
Totals	**125,938.00**	**104,111.00**	**110,790.00**	**40,282.50**	**0.00**	**150**	**100.00**	**100.00**	**-3,255.75**

Summary of Charges by Charge Code
(Current/Notice residents only)
Note: 50059 Tenants only.

Charge Code	Amount
haprnt	32,352.00
rent	73,311.00
Total	**105,663.00**

Summary of Charges by Charge Code

Unit	Unit Type	Unit Sq Ft	Unit/ Lease Status	Resident	Name	Market Rent	Charge Code	Amount	U.R. Amount	Resident Deposit	Lease From	Lease Expiration	Move In Date	Move Out Date	Balance

(Current/Notice residents only)

Note: This table does not include rent and hap charges for 50059 tenants.

Charge Code	Amount
emprent	-623.00
rent	623.00
subsidy	5,127.00
Total	**5,127.00**

APPRAISER'S QUALIFICATIONS

Sharon Patricia Welshimer

EMPLOYMENT

COMMERCIAL REAL ESTATE APPRAISER (OWNER) 2014 – Present
RNS Commercial Appraisal (pending dba)

Appraisal of commercial real estate, specializing in multifamily residential properties. Appraisal assignments include: rent comparability studies for affordable housing, appraisal of conventional and low-income multifamily properties, market studies for proposed multifamily development, and vacant land appraisals for proposed development.

SENIOR APPRAISER 2006 – 2014
O'Connor & Associates Houston, Texas

Appraisal of a wide variety of commercial property types including: office, retail, multifamily, gas station/convenience stores, auto repair facilities, restaurants, subdivisions, and industrial properties. Specialized appraisal assignments include: rent comparability studies, market studies, appraisal of historic preservation easements, and appraisal of properties for estate tax purposes.

APPRAISER TRAINEE 2001 -2006
O'Connor & Associates Houston, Texas

Field work, research and report preparation for commercial real estate appraisals. Completion of over 4,100 hours of appraisal experience under a licensed state certified real estate appraiser and completed 195 hours of Appraisal Institute courses prior to passing the state general real estate appraiser exam and obtaining state certification.

APPRAISER ASSISTANT 1994-2001
Ross P. Welshimer Cypress, Texas

Assisted in the preparation of commercial real estate appraisals. Responsibilities included research and administrative support.

EDUCATION

Western Illinois University (1980-1982) Macomb, Illinois
University of Houston (1990-1991) Houston, Texas

PROFESSIONAL DESIGNATIONS

State Certified Real Estate Appraiser TX-1335711-G (2006 – Present)
State Certified Appraiser Trainee (2001 – 2006)
General Associate Member of the Appraisal Institute (2001 – 2013)
Practicing Affiliate Member of the Appraisal Institute (2013 – 2015)

ROBERT O. COE, II, MAI
AFFORDABLE HOUSING ANALYSTS
3912 AVENUE O
GALVESTON, TEXAS 77550
281-387-7552
Email: robertocoe2@gmail.com

State Certified Real Estate Appraiser

TX-1333157-G

Work Experience

10/2010-to-Present – Affordable Housing Analyst – I formed the company to assist clients with their appraisal and consulting needs in complex real estate transactions. Although the firm specializes in affordable housing transactions, we have the experience and training to handle all commercial property types.

1/2002-9/2010 – O'Connor & Associates. Staff appraiser and managed marketing and a team of appraisers/analysts in performing assignments relating to affordable housing. Additionally, personally handled a significant portion of the most complex appraisal/consulting assignments.

8/1994-7/2001 – National Realty Consultants. Staff appraiser

1-1994-7/1994 – Carley, Gage & Associates. Staff appraiser

10/1989-11/1994 – First-City, Texas Bank, N.A. Assistant Vice President in Corporate Lending. Responsible for a portfolio of over $2 Billion in loans/commitments to Fortune 500 clients.

10/1987-10/1989 – First City, Texas Bank, N.A. Credit Supervisor/Senior Analyst. Responsible for training and supervision of a staff of credit analysts.

Education

MBA (Finance) – Southern Methodist University, Dallas, Texas 1987
BBA (Finance) _University of Oklahoma, Norman, Oklahoma 1976

Appraisal/Business Appraisal Courses

Appraisal Institute – All courses necessary for educational requirement of MAI designation
Institute of Business Appraisal – Mastering Business Appraisal Skills course
HUD MAP certified

Professional Associations:

Designated Member of Appraisal Institute (MAI)
Member of the Texas Affiliation of Affordable Housing Providers

Assignments:

I have appraiser/consulted on a wide variety of commercial properties ranging from over 500 Housing Tax Credit assignments, to a golf course and residential subdivision, to water/sewer utility facilities, to mixed use developments including residential/retail/office/structured parking uses. I have also prepared appraisal and/or market studies for proposed or existing residential subdivisions, hotels, shopping centers, industrial facilities, apartments complexes, and numerous other commercial property types.

RENT ROLL DETAIL

As of 09/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
1	2B	N/A	757	Occupied	[redacted]	07/17/2015	07/17/2015	07/16/2016	622.00	RESIDENT	RENT	221.00	0.00	221.00	400.00	(1,064.00)
										HOUSING	HOUSING	301.00	0.00	301.00	0.00	1,064.00
2	2B	N/A	757	Occupied		08/07/2013	08/07/2013	08/06/2014	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
3	2B	N/A	757	Occupied		04/05/2018	04/05/2018	04/04/2019	525.00	RESIDENT	RENT	525.00	0.00	525.00	200.00	(15.00)
4	2B	N/A	757	Occupied		01/27/2012	01/27/2012	01/26/2013	578.00	RESIDENT	RENT	578.00	0.00	578.00	350.00	(8.00)
5	2A	N/A	757	Occupied		05/23/2015	05/23/2015	05/22/2016	864.00	RESIDENT	RENT	308.00	0.00	308.00	400.00	0.00
										SUBSIDY	SUBRENT	556.00	0.00	556.00	0.00	0.00
6	2B	N/A	757	Occupied		07/12/2017	07/12/2017	07/11/2018	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(19.00)
7	2B	N/A	757	Occupied		03/20/2006	03/20/2006	03/19/2007	578.00	RESIDENT	RENT	578.00	0.00	578.00	200.00	0.00
8	2B	N/A	757	Occupied		05/30/2018	05/29/2018	05/28/2019	550.00	RESIDENT	RENT	550.00	0.00	550.00	200.00	(46.00)
9	2A	N/A	757	Occupied		11/09/2007	11/09/2007	11/08/2008	864.00	RESIDENT	RENT	621.00	0.00	621.00	100.00	0.00
										SUBSIDY	SUBRENT	243.00	0.00	243.00	0.00	0.00
10	2B	N/A	757	Occupied		09/12/2014	09/12/2014	09/11/2015	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(7.00)
11	2A	N/A	757	Occupied		06/01/1987	06/01/1987	05/31/1988	864.00	RESIDENT	RENT	409.00	0.00	409.00	276.00	0.00
										SUBSIDY	SUBRENT	455.00	0.00	455.00	0.00	0.00
12	2A	N/A	757	Occupied		04/02/2014	04/02/2014	04/01/2015	864.00	RESIDENT	RENT	416.00	0.00	416.00	107.00	(1.00)
										SUBSIDY	SUBRENT	448.00	0.00	448.00	0.00	0.00
13	2A	N/A	757	Occupied		10/30/2013	10/30/2013	10/29/2014	864.00	RESIDENT	RENT	219.00	0.00	219.00	200.00	(229.00)
										SUBSIDY	SUBRENT	645.00	0.00	645.00	0.00	0.00
14	2A	N/A	757	Occupied		06/06/2018	06/06/2018	06/05/2019	864.00	RESIDENT	RENT	304.00	0.00	304.00	417.00	(114.00)
										SUBSIDY	SUBRENT	560.00	0.00	560.00	0.00	150.00
										REPAY		0.00	0.00		0.00	43.00
15	2A	N/A	757	Occupied		06/10/2016	06/10/2016	06/09/2017	864.00	RESIDENT	RENT	65.00	0.00	65.00	50.00	(111.00)
										SUBSIDY	SUBRENT	799.00	0.00	799.00	0.00	0.00
16	2B	N/A	757	Occupied		08/11/2001	08/11/2001	08/10/2002	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
17	2A	N/A	757	Occupied		06/22/2018	06/22/2018	06/21/2019	864.00	RESIDENT	RENT	153.00	0.00	153.00	380.00	(14.00)
										SUBSIDY	SUBRENT	711.00	0.00	711.00	0.00	0.00
18	2B	N/A	757	Occupied		05/03/2019	05/03/2019	05/02/2020	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	(1.00)
19	2A	N/A	757	Occupied		04/15/2005	04/15/2005	04/14/2006	864.00	RESIDENT	RENT	440.00	0.00	440.00	100.00	(10.00)
										SUBSIDY	SUBRENT	424.00	0.00	424.00	0.00	0.00

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RENT ROLL DETAIL

As of 09/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
20	2B	N/A	757	Occupied	[redacted]	07/12/2019	07/12/2019	07/31/2020	578.00	RESIDENT	RENT	578.00	0.00	578.00	200.00	0.00
21	2A	N/A	757	Occupied		03/31/2009	03/31/2009	03/30/2010	864.00	RESIDENT	RENT	238.00	0.00	238.00	100.00	(18.00)
										SUBSIDY	SUBRENT	626.00	0.00	626.00	0.00	0.00
22	2B	N/A	757	Occupied		08/31/2017	08/31/2017	08/30/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	(87.00)
23	2B	N/A	757	Occupied		06/17/2015	06/17/2015	06/16/2016	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(30.00)
24	2B	N/A	757	Occupied		11/17/2017	11/17/2017	11/16/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
25	2B	N/A	757	Occupied		10/12/2018	10/12/2018	09/30/2019	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
26	2B	N/A	757	Occupied		05/31/2008	05/31/2008	05/30/2009	578.00	RESIDENT	RENT	578.00	0.00	578.00	100.00	0.00
27	2A	N/A	757	Occupied		05/24/2017	05/24/2017	05/23/2018	864.00	RESIDENT	RENT	216.00	0.00	216.00	225.00	(859.00)
										SUBSIDY	SUBRENT	648.00	0.00	648.00	0.00	0.00
										REPAY		0.00	0.00		0.00	231.00
28	2B	N/A	757	Occupied		08/15/2014	08/15/2014	08/14/2015	522.00	RESIDENT	RENT	309.00	0.00	309.00	400.00	(983.00)
										HOUSING	HOUSING	213.00	0.00	213.00	0.00	968.00
29	2A	N/A	757	Occupied		07/20/2018	07/20/2018	06/30/2019	864.00	RESIDENT	RENT	25.00	0.00	25.00	304.00	41.00
										SUBSIDY	SUBRENT	839.00	0.00	839.00	0.00	0.00
										REPAY		0.00	0.00		0.00	(60.00)
30	2A	N/A	757	Occupied		11/24/2015	11/24/2015	11/23/2016	864.00	RESIDENT	RENT	137.00	0.00	137.00	122.00	166.00
										SUBSIDY	SUBRENT	727.00	0.00	727.00	0.00	0.00
31	2B	N/A	757	Occupied		10/01/2012	10/01/2012	09/30/2013	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
32	2A	N/A	757	Occupied		06/21/2013	06/21/2013	06/20/2014	864.00	RESIDENT	RENT	496.00	0.00	496.00	368.00	0.00
										SUBSIDY	SUBRENT	368.00	0.00	368.00	0.00	0.00
33	1A	N/A	579	Occupied		10/01/2002	10/01/2002	09/30/2003	719.00	RESIDENT	RENT	227.00	0.00	227.00	183.00	0.00
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
34	1A	N/A	579	Occupied		10/01/1991	10/01/1991	09/30/1992	719.00	RESIDENT	RENT	229.00	0.00	229.00	200.00	0.00
										SUBSIDY	SUBRENT	490.00	0.00	490.00	0.00	0.00
35	1A	N/A	579	Occupied		06/21/1997	06/21/1997	06/20/1998	719.00	RESIDENT	RENT	221.00	0.00	221.00	200.00	0.00
										SUBSIDY	SUBRENT	498.00	0.00	498.00	0.00	0.00
36	1A	N/A	579	Occupied		03/15/2019	03/15/2019	02/28/2020	719.00	RESIDENT	RENT	262.00	0.00	262.00	262.00	0.00
										SUBSIDY	SUBRENT	457.00	0.00	457.00	0.00	0.00

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RENT ROLL DETAIL

As of 09/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
37	1A	N/A	579	Occupied	[redacted]	09/19/2011	09/19/2011	09/18/2012	719.00	RESIDENT	RENT	164.00	0.00	164.00	228.00	(2.00)
										SUBSIDY	SUBRENT	555.00	0.00	555.00	0.00	0.00
38	1A	N/A	579	Occupied		08/06/2012	08/06/2012	08/05/2013	719.00	RESIDENT	RENT	221.00	0.00	221.00	199.00	(42.00)
										SUBSIDY	SUBRENT	498.00	0.00	498.00	0.00	0.00
39	1A	N/A	579	Occupied		10/06/2017	10/06/2017	10/05/2018	719.00	RESIDENT	RENT	221.00	0.00	221.00	217.00	0.00
										SUBSIDY	SUBRENT	498.00	0.00	498.00	0.00	0.00
40	1A	N/A	579	Occupied		10/09/1999	10/09/1999	10/08/2000	719.00	RESIDENT	RENT	193.00	0.00	193.00	200.00	0.00
										SUBSIDY	SUBRENT	526.00	0.00	526.00	0.00	(176.00)
41	1A	N/A	579	Occupied		08/17/2018	08/17/2018	08/16/2019	719.00	RESIDENT	RENT	164.00	0.00	164.00	160.00	0.00
										SUBSIDY	SUBRENT	555.00	0.00	555.00	0.00	0.00
42	1A	N/A	579	Occupied		01/20/2017	01/20/2017	01/19/2018	719.00	RESIDENT	RENT	355.00	0.00	355.00	285.00	(5.00)
										SUBSIDY	SUBRENT	364.00	0.00	364.00	0.00	0.00
43	1A	N/A	579	Occupied		09/01/2006	09/01/2006	08/31/2007	719.00	RESIDENT	RENT	227.00	0.00	227.00	216.00	(7.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
44	1A	N/A	579	Occupied		10/22/2010	10/22/2010	10/21/2011	719.00	RESIDENT	RENT	269.00	0.00	269.00	106.00	(26.00)
										SUBSIDY	SUBRENT	450.00	0.00	450.00	0.00	0.00
45	1A	N/A	579	Occupied		11/04/2009	11/04/2009	11/03/2010	719.00	RESIDENT	RENT	227.00	0.00	227.00	216.00	(8.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
46	1A	N/A	579	Occupied		06/03/2005	06/03/2005	06/02/2006	719.00	RESIDENT	RENT	227.00	0.00	227.00	210.00	(10.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
47	3A	N/A	923	Occupied		08/15/2014	08/15/2014	08/14/2015	1,000.00	RESIDENT	RENT	245.00	0.00	245.00	400.00	0.00
										SUBSIDY	SUBRENT	755.00	0.00	755.00	0.00	0.00
48	3B	N/A	923	Occupied		08/26/2016	08/26/2016	08/25/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(51.00)
49	3A	N/A	923	Occupied		01/19/2018	01/19/2018	01/18/2019	1,000.00	RESIDENT	RENT	473.00	0.00	473.00	551.00	(8.00)
										SUBSIDY	SUBRENT	527.00	0.00	527.00	0.00	0.00
50	3A	N/A	923	Occupied		09/01/1999	09/01/1999	08/31/2000	1,000.00	RESIDENT	RENT	268.00	0.00	268.00	200.00	0.00
										SUBSIDY	SUBRENT	732.00	0.00	732.00	0.00	0.00
51	3B	N/A	923	Occupied		03/09/2018	03/09/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(52.00)
52	3A	N/A	923	Occupied		09/07/2012	09/07/2012	09/06/2013	1,000.00	RESIDENT	RENT	736.00	0.00	736.00	400.00	0.00
										SUBSIDY	SUBRENT	264.00	0.00	264.00	0.00	(82.00)
53	3B	N/A	923	Occupied		10/25/2016	10/25/2016	10/24/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(4.00)
54	3B	N/A	923	Vacant					623.00			0.00 *	0.00 *			

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RENT ROLL DETAIL

As of 09/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
55	3B	N/A	923	Occupied	[redacted]	05/04/2018	05/04/2018	05/03/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(60.00)
56	3B	N/A	923	Occupied		03/01/2018	03/01/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(4.00)
57	3B	N/A	923	Occupied		05/05/2017	05/05/2017	05/04/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	0.00
58	3B	N/A	923	Occupied		03/19/2018	03/19/2018	03/18/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
59	3A	N/A	923	Occupied		05/11/2018	05/11/2018	05/10/2019	1,000.00	RESIDENT	RENT	323.00	0.00	323.00	75.00	(1.00)
										SUBSIDY	SUBRENT	677.00	0.00	677.00	0.00	0.00
60	3B	N/A	923	Occupied		03/11/2015	03/11/2015	03/10/2016	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	0.00
61	3B	N/A	923	Occupied		02/14/2019	02/14/2019	02/13/2020	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	3.00
62	3A	N/A	923	Occupied		03/17/2018	03/17/2018	03/16/2019	1,000.00	RESIDENT	RENT	25.00	0.00	25.00	155.00	0.00
										SUBSIDY	SUBRENT	975.00	0.00	975.00	0.00	0.00
63	3B	N/A	923	Occupied		04/14/2016	04/14/2016	04/13/2017	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	0.00
64	3B	N/A	923	Occupied		12/28/2018	12/28/2018	11/30/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
65	3B	N/A	923	Occupied		07/31/2019	07/31/2019	07/31/2020	659.00	RESIDENT	RENT	750.00	0.00	750.00	0.00	(200.00)
66	3B	N/A	923	Occupied		10/23/2017	10/23/2017	10/22/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(14.00)
67	3B	N/A	923	Occupied		05/01/2014	05/01/2014	04/30/2015	623.00	RESIDENT	RENT	266.00	0.00	266.00	558.50	(1,429.00)
										HOUSING	HOUSING	357.00	0.00	357.00	0.00	1,428.00
68	3A	N/A	923	Occupied		07/15/2016	07/15/2016	07/14/2017	1,000.00	RESIDENT	RENT	725.00	0.00	725.00	268.00	(1.00)
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	0.00
69	3A	N/A	923	Occupied		10/24/2013	10/24/2013	10/23/2014	1,000.00	RESIDENT	RENT	219.00	0.00	219.00	300.00	0.00
										SUBSIDY	SUBRENT	781.00	0.00	781.00	0.00	0.00
70	3B	N/A	923	Occupied		11/16/2018	11/16/2018	10/31/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(1.00)
71	3B	N/A	923	Occupied		12/11/2015	12/11/2015	12/10/2016	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	(10.00)
72	3B	N/A	923	Occupied		05/24/2010	05/24/2010	05/23/2011	623.00	RESIDENT	RENT	623.00	0.00	623.00	100.00	(18.00)
73	3B	N/A	923	Occupied		08/08/2019	08/08/2019	08/08/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
74	3B	N/A	923	Occupied		09/11/2006	09/11/2006	09/10/2007	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
75	3B	N/A	923	Occupied		05/01/2010	05/01/2010	04/30/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	500.00	0.00
76	3B	N/A	923	Occupied		09/20/2019	09/20/2019	08/31/2020	623.00	RESIDENT	RENT	750.00	0.00	750.00	200.00	0.00
77	3A	N/A	923	Occupied		11/11/2014	11/11/2014	11/10/2015	1,000.00	RESIDENT	RENT	447.00	0.00	447.00	423.00	(213.00)
										SUBSIDY	SUBRENT	553.00	0.00	553.00	0.00	0.00
78	3B	N/A	923	Occupied		09/02/2010	09/02/2010	09/01/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
79	3B	N/A	923	Occupied		02/01/2019	02/01/2019	01/31/2020	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 09/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
80	3B	N/A	923	Occupied	[redacted]	02/01/2008	02/01/2008	01/31/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	(5.00)
81	3B	N/A	923	Occupied		01/25/2019	01/25/2019	12/31/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(14.00)
82	3B	N/A	923	Occupied		10/31/2017	10/30/2017	10/29/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(5.00)
83	3A	N/A	923	Occupied		03/29/2013	03/29/2013	03/28/2014	1,000.00	RESIDENT	RENT	382.00	0.00	382.00	341.00	(16.00)
										SUBSIDY	SUBRENT	618.00	0.00	618.00	0.00	0.00
84	3B	N/A	923	Occupied		12/31/2018	12/31/2018	12/31/2019	640.00	RESIDENT	RENT	640.00	0.00	640.00	200.00	0.00
85	3B	N/A	923	Occupied		11/09/2017	11/09/2017	11/08/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
86	3A	N/A	923	Occupied		03/22/2018	03/22/2018	03/21/2019	1,000.00	RESIDENT	RENT	343.00	0.00	343.00	42.00	(362.00)
										SUBSIDY	SUBRENT	657.00	0.00	657.00	0.00	0.00
87	3D	N/A	1025	Occupied		02/26/2019	02/26/2019	01/31/2020	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(2.00)
88	3C	N/A	1025	Occupied		07/26/2011	07/26/2011	07/25/2012	1,108.00	RESIDENT	RENT	379.00	0.00	379.00	229.00	(231.00)
										SUBSIDY	SUBRENT	729.00	0.00	729.00	0.00	0.00
										REPAY		0.00	0.00		0.00	848.00
89	3D	N/A	1025	Occupied		02/17/2017	02/17/2017	02/16/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
90	3D	N/A	1025	Occupied		04/03/2019	04/03/2019	04/02/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
91	3D	N/A	1025	Occupied		05/28/2008	05/28/2008	05/27/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
92	3D	N/A	1025	Occupied		07/02/2014	07/02/2014	07/01/2015	623.00	RESIDENT	RENT	457.00	0.00	457.00	400.00	(663.00)
										HOUSING	HOUSING	166.00	0.00	166.00	0.00	663.00
93	3C	N/A	1025	Occupied		06/11/2005	11/17/2017	11/16/2018	1,108.00	RESIDENT	RENT	188.00	0.00	188.00	99.00	(111.05)
										SUBSIDY	SUBRENT	920.00	0.00	920.00	0.00	0.00
94	3D	N/A	1025	Occupied		12/10/2014	12/10/2014	12/09/2015	623.00	RESIDENT	RENT	178.00	0.00	178.00	400.00	(1,804.00)
										HOUSING	HOUSING	445.00	0.00	445.00	0.00	1,780.00
95	3D	N/A	1025	Occupied		08/18/2017	08/08/2017	08/07/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	(56.00)
96	3D	N/A	1025	Occupied		01/31/2009	01/31/2009	01/30/2010	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
97	3D	N/A	1025	Occupied		07/03/2018	07/03/2018	07/02/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(10.00)
98	3D	N/A	1025	Occupied		10/31/2008	10/31/2008	10/30/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
99	3D	N/A	1025	Occupied		12/17/2018	12/17/2018	12/15/2019	690.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	(2,560.00)
										HOUSING	HOUSING	640.00	0.00	640.00	0.00	2,560.00
100	3D	N/A	1025	Occupied		03/01/2017	03/01/2017	02/28/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(3.00)
101	3D	N/A	1025	Occupied		04/17/2018	04/17/2018	04/16/2019	634.00	RESIDENT	RENT	149.00	0.00	149.00	200.00	(1,704.00)
										HOUSING	HOUSING	485.00	0.00	485.00	0.00	1,704.00
102	3D	N/A	1025	Occupied		10/12/2018	10/12/2018	09/30/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00

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RENT ROLL DETAIL

As of 09/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
103	3B	N/A	923	Occupied	[redacted]	05/01/2012	05/01/2012	04/30/2013	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
104	3B	N/A	923	Occupied		08/12/2011	08/12/2011	08/11/2012	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(4.00)
105	3B	N/A	923	Occupied		03/30/2007	03/30/2007	03/29/2008	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
106	3A	N/A	923	Occupied		05/23/2005	05/23/2005	05/22/2006	1,000.00	RESIDENT	RENT	969.00	0.00	969.00	99.00	(2.00)
										SUBSIDY	SUBRENT	31.00	0.00	31.00	0.00	0.00
107	3A	N/A	923	Occupied		10/30/2018	10/30/2018	09/30/2019	1,000.00	RESIDENT	RENT	230.00	0.00	230.00	230.00	0.00
										SUBSIDY	SUBRENT	770.00	0.00	770.00	0.00	0.00
108	3B	N/A	923	Occupied		07/30/2018	07/30/2018	07/29/2019	628.00	RESIDENT	RENT	628.00	0.00	628.00	200.00	(186.00)
109	3B	N/A	923	Occupied		02/01/2008	02/01/2008	12/31/2011	623.00	RESIDENT	EMPLCRED	0.00	(623.00)	0.00	400.00	0.00
										RESIDENT	RENT	623.00	0.00			
110	3B	N/A	923	Occupied		08/15/2018	08/15/2018	08/14/2019	690.00	RESIDENT	HOUSING	335.00	0.00	335.00	200.00	(1,635.00)
										SUBSIDY	SUBRENT	355.00	0.00	355.00	0.00	355.00
										HOUSING		0.00	0.00		0.00	1,280.00
111	3B	N/A	923	Occupied		05/16/2018	05/16/2018	05/15/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(178.00)
112	3B	N/A	923	Occupied		03/02/2018	03/02/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
113	3A	N/A	923	Occupied		09/03/2019	09/03/2019	09/30/2020	1,000.00	RESIDENT	RENT	351.00	0.00	351.00	351.00	(23.00)
										SUBSIDY	SUBRENT	649.00	0.00	649.00	0.00	606.00
										REPAY		0.00	0.00		0.00	178.00
114	3A	N/A	923	Occupied		08/16/2019	08/16/2019	08/31/2020	1,000.00	RESIDENT	RENT	198.00	0.00	198.00	198.00	0.00
										SUBSIDY	SUBRENT	802.00	0.00	802.00	0.00	1,216.00
115	3A	N/A	923	Occupied		06/23/2017	06/23/2017	06/22/2018	1,000.00	RESIDENT	RENT	501.00	0.00	501.00	212.00	(14.00)
										SUBSIDY	SUBRENT	499.00	0.00	499.00	0.00	0.00
116	3A	N/A	923	Occupied		03/16/2017	03/16/2017	03/15/2018	1,000.00	RESIDENT	RENT	209.00	0.00	209.00	123.00	(67.00)
										SUBSIDY	SUBRENT	791.00	0.00	791.00	0.00	0.00
117	3B	N/A	923	Occupied		07/29/2016	07/29/2016	07/28/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(31.00)
118	3A	N/A	923	Occupied		06/13/2018	06/13/2018	06/12/2019	1,000.00	RESIDENT	RENT	441.00	0.00	441.00	416.00	(11.00)
										SUBSIDY	SUBRENT	559.00	0.00	559.00	0.00	0.00
119	3B	N/A	923	Occupied		07/31/2019	07/31/2019	07/31/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	0.00	(201.00)
120	3B	N/A	923	Occupied		03/11/2005	03/11/2005	03/10/2006	623.00	RESIDENT	RENT	623.00	0.00	623.00	99.00	0.00
121	3B	N/A	923	Occupied		11/15/2008	11/15/2008	11/14/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
122	3A	N/A	923	Occupied		06/29/2013	06/29/2013	06/28/2014	1,000.00	RESIDENT	RENT	25.00	0.00	25.00	406.00	0.00
										SUBSIDY	SUBRENT	975.00	0.00	975.00	0.00	0.00
123	3B	N/A	923	Occupied		07/29/2010	07/29/2010	07/28/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00

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RENT ROLL DETAIL

As of 09/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
124	3B	N/A	923	Occupied	[redacted]	05/02/2014	05/02/2014	05/01/2015	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
125	3B	N/A	923	Occupied		08/22/2009	08/22/2009	08/21/2010	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
126	3B	N/A	923	Occupied		12/05/2017	12/05/2017	12/04/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
127	2A	N/A	757	Occupied		08/28/2018	08/28/2018	07/31/2019	864.00	RESIDENT	RENT	39.00	0.00	39.00	68.00	(30.00)
										SUBSIDY	SUBRENT	825.00	0.00	825.00	0.00	0.00
128	2B	N/A	757	Occupied		05/21/2012	05/21/2012	05/20/2013	522.00	RESIDENT	RENT	187.00	0.00	187.00	400.00	(1,350.00)
										HOUSING	HOUSING	335.00	0.00	335.00	0.00	1,340.00
129	2B	N/A	757	Occupied		07/10/2014	07/10/2014	07/09/2015	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(5.00)
130	2B	N/A	757	Occupied		07/30/2006	07/30/2006	07/29/2007	522.00	RESIDENT	RENT	522.00	0.00	522.00	100.00	0.00
131	2B	N/A	757	Occupied		06/01/2015	06/01/2015	05/31/2016	522.00	RESIDENT	RENT	257.00	0.00	257.00	400.00	(1,101.00)
										HOUSING	HOUSING	265.00	0.00	265.00	0.00	1,060.00
132	2A	N/A	757	Occupied		11/26/2007	11/26/2007	11/25/2008	864.00	RESIDENT	RENT	302.00	0.00	302.00	100.00	(6.00)
										SUBSIDY	SUBRENT	562.00	0.00	562.00	0.00	0.00
133	2A	N/A	757	Occupied		12/17/2013	12/17/2013	12/16/2014	864.00	RESIDENT	RENT	204.00	0.00	204.00	82.00	0.00
										SUBSIDY	SUBRENT	660.00	0.00	660.00	0.00	0.00
134	2B	N/A	757	Occupied		09/27/2019	09/27/2019	09/30/2020	522.00	RESIDENT	RENT	600.00	0.00	600.00	200.00	0.00
135	2B	N/A	757	Occupied		09/12/2013	09/12/2013	09/11/2014	555.00	RESIDENT	RENT	555.00	0.00	555.00	400.00	(26.00)
136	2B	N/A	757	Occupied		06/15/2018	06/15/2018	06/14/2019	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	(150.00)
137	2A	N/A	757	Occupied		09/27/2019	09/27/2019	09/30/2020	864.00	RESIDENT	RENT	181.00	0.00	181.00	181.00	0.00
										SUBSIDY	SUBRENT	683.00	0.00	683.00	0.00	91.00
138	2B	N/A	757	Occupied		09/28/2018	09/28/2018	08/31/2019	578.00	RESIDENT	RENT	268.00	0.00	268.00	200.00	(1,396.00)
										HOUSING	HOUSING	310.00	0.00	310.00	0.00	1,396.00
139	2B	N/A	757	Occupied		11/29/2016	11/29/2016	11/28/2017	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
140	2B	N/A	757	Occupied		10/24/2014	10/24/2014	10/23/2015	522.00	RESIDENT	RENT	321.00	0.00	321.00	400.00	(1,139.00)
										HOUSING	HOUSING	201.00	0.00	201.00	0.00	804.00
141	2B	N/A	757	Occupied		03/05/2015	03/05/2015	03/04/2016	522.00	RESIDENT	RENT	227.00	0.00	227.00	400.00	(1,196.00)
										HOUSING	HOUSING	295.00	0.00	295.00	0.00	1,180.00
142	2B	N/A	757	Occupied		08/21/2018	08/21/2018	07/31/2019	578.00	RESIDENT	RENT	183.00	0.00	183.00	400.00	(18.00)
										HOUSING	HOUSING	395.00	0.00	395.00	0.00	26.00
143	2B	N/A	757	Occupied		01/12/2018	01/12/2018	01/11/2019	577.00	RESIDENT	RENT	577.00	0.00	577.00	200.00	0.00
144	2B	N/A	757	Occupied		05/26/2017	05/26/2017	05/25/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	(3.00)
145	2B	N/A	757	Occupied		08/16/2019	08/16/2019	08/15/2020	578.00	RESIDENT	RENT	600.00	0.00	600.00	200.00	(628.00)

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RENT ROLL DETAIL

As of 09/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
146	2A	N/A	757	Occupied	[redacted]	05/10/2012	05/10/2012	05/09/2013	864.00	RESIDENT	RENT	437.00	0.00	437.00	400.00	0.00
										SUBSIDY	SUBRENT	427.00	0.00	427.00	0.00	(91.00)
147	2B	N/A	757	Occupied		02/01/2013	02/01/2013	01/31/2014	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(6.00)
148	2B	N/A	757	Occupied		11/11/2016	11/11/2016	11/10/2017	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
149	2B	N/A	757	Occupied		07/31/2015	07/31/2015	07/30/2016	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	0.00
150	2A	N/A	757	Occupied		07/22/2016	07/22/2016	07/21/2017	864.00	RESIDENT	RENT	568.00	0.00	568.00	25.00	0.00
										SUBSIDY	SUBRENT	296.00	0.00	296.00	0.00	(543.00)
totals:									**107,238.00**			**106,833.00**	**(623.00)**	**106,210.00**	**37,712.50**	

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Amt / SQFT: Market = 125,970 SQFT; Leased = 125,047 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market + Addl. Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1A	14	579	719.00	1.24	719.00	1.24	14	100.00	0
2A	20	757	864.00	1.14	864.00	1.14	20	100.00	0
2B	36	757	552.97	0.73	552.97	0.73	36	100.00	0
3A	19	923	1,000.00	1.08	1,000.00	1.08	19	100.00	0
3B	45	923	655.56	0.71	661.25	0.72	44	97.78	1
3C	2	1,025	1,108.00	1.08	1,108.00	1.08	2	100.00	0
3D	14	1,025	662.07	0.65	662.07	0.65	14	100.00	0
totals / averages:	**150**	**840**	**714.92**	**0.85**	**717.00**	**0.85**	**149**	**99.33**	**1**

occupancy and rents summary for current date

unit status	Market + Addl.	# units	potential rent
Occupied, no NTV	106,615.00	149	106,833.00
Occupied, NTV		0	-
Occupied NTV Leased		0	-
Vacant Leased		0	-
Admin/Down		0	-
Vacant Not Leased	623.00	1	623.00
totals:	**107,238.00**	**150**	**107,456.00**

summary billing by sub journal for current date

sub journal	amount
HOUSING	4,408.00
RESIDENT	69,547.00
SUBSIDY	32,255.00
total:	**106,210.00**

summary billing by transaction code for current date

code	amount
EMPLCRED	(623.00)

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

summary billing by transaction code for current date

code	amount
HOUSING	4,743.00
RENT	69,835.00
SUBRENT	32,255.00
total:	**106,210.00**

Exhibit 5: Populations Served

Part A. Rent Schedule (Required for All Rental Developments)

The rent and utility limits available at the time the application is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits. The unit mix and net rentable square footages should be consistant with the: "Populations Served" section of the application, site plan and architectural drawings. Unit types should be entered from smallest to largest based on "# of Bedrooms", then within the same "# of Bedrooms" from lowest to highest "Tenant Paid Rent/Unit".

*"Type of Unit" designation should be one or more of the following based on the unit's rent restrictions: Tax Credit **(TC30%)**, **(TC40%)**, **(TC50%)** or **(TC60%)**, HOME High **(HH)** or Low **(LH)**, Housing Trust Fund **(HTF)**, 501 (c) (3) Mortgage Revenue Bond **(MRB)**, Community Developement Block Grant **(CDBG)**, Other **(OT)** (describe any "Other" restrictions on an attached sheet). For units funded under more than one program, the "Income Level Served" should be the most restrictive - for example a LH and TC50% would be "50%".*

Type of Unit	Income Level Served	# of Units (A)	# of Bed rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Gross Rent (C)	Tenant Paid Utility Allow. (D)	Tenant Paid Rent/ Unit (C) - (D) = (E)	Total Monthly Rent (A) x (E)
TC60% (S8)	60	14	1	1	579	8,106	425	0	425	5,950
TC60% (S8)	60	20	2	1	757	15,140	500	0	500	10,000
TC60% (S8)	60	19	3	1.5	923	17,537	579	0	579	11,001
TC60% (S8)	60	2	3	1.5	1,025	2,050	579	0	579	1,158
TC 60%	60	36	2	1	757	27,252	500	0	500	18,000
TC 60%	60	45	3	1.5	923	41,535	575	0	575	25,875
TC 60%	60	14	3	1.5	1,025	14,350	595	0	595	8,330
						0			0	-
						0			0	-
						0			0	-
						0			0	-
						0			0	-
						0			0	-
Rent Restricted Total		150				125,970				80,314
Market Rate						0				-
Market Rate						0				-
Market Rate						0				-
Market Rate						0				-
Market Rate						0				-
Market Rate						0				-
Market Rate Total		0				0				-
Employee/Owner Occupied[1]										
Total Units		150				0				80,314
+ Non Rental Income Source #1			15	per unit/month for:		*describe source here: Laundry/late fees/etc.*				2,250
+ Non Rental Income Source #2				per unit/month for:		*describe source here: Reserve Interest*				345
+ Non Rental Income Source #3				per unit/month for:		*describe source here*				-
= POTENTIAL GROSS MONTHLY INCOME										82,909
- Provision for Vacancy & Collection Loss							% of Potential Gross Income:		0.075	6,218
- Rental Concessions										1,425
= EFFECTIVE GROSS MONTHLY INCOME										75,265
x 12 = EFFECTIVE GROSS ANNUAL INCOME										903,185

1) Only enter Employee Occupied Units if not included in rent restricted units shown above.

Exhibit 5 Populations Served

Part B. Utility Allowances

Applicant must attach to this form documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate.

NOTE:
- If more than one entity (Sec. 8 administrator, public housing authority) is responsible for setting the utility allowance(s) in the area of the development location, then the selected utility allowance must be the one which most closely reflects the actual utility costs in that development area. In this case, documentation from the local utility provided supporting the selection must be provided.
- If an independent utility cost evaluation is conducted it must include confirming documentation from all the relevant utility providers.
- If other reductions to the tenant rent is required such as the cost of flood insurance for the tenants contents, documentation for these reductions to gross rent should also be attached

Utility(1)	Energy Source (2)	Source of Utility Allowance	Effective Date
☐ Heating	N	Housing Authority of the City of El Paso	11/1/2002
☐ Cooling	E	Housing Authority of the City of El Paso	11/1/2002
☐ Water Heater	N	Housing Authority of the City of El Paso	11/1/2002
☐ Cooking	N	Housing Authority of the City of El Paso	11/1/2002
☐ Water			
☐ Sewer			
☐ Trash			
☐ General Electricity			
Other (Describe)			

(1) Check the box if the TENANT will have to pay for this utility directly or will have to pay an extra fee for the appliances listed.
(2) Indicate the type of energy source used where applicable as follows: N= Natural Gas, P= Propane, E= Electric, L= Oil, O=

REHABILITATION TO EXISTING:

LILAC GARDENS APARTMENTS

7845 LILAC DR.
EL PASO, TEXAS 79915

)WNER:

)GE WATER GROUP, LLC.
)05 LAKE HURST ROAD
)ICE WOOD, TEXAS 78669

ARCHITECT:

McCORMICK
ARCHITECTURE

4110 RIO BRAVO, SUITE 206
BUS. (915) 833-1200

EL PASO, TEXAS 79902
FAX (915) 833-1260

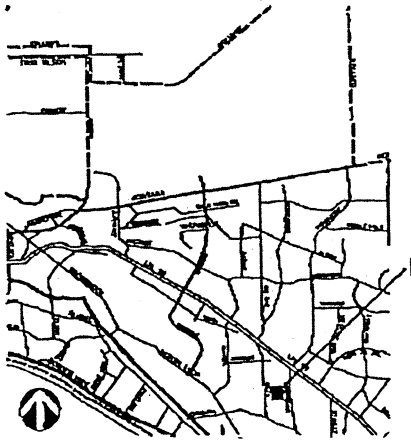
M.E.P. ENGINEER:

ACOSTA ENGINEERING
(915) 565-5451

INDEX OF DRAWINGS

1-COVER
2-SITE
3-TYPE A
4-TYPE B
5-TYPE C
6-TYPE D
7-BUILDING 1 FLOOR PLANS
8-BUILDING 1 ELEVATIONS
9-BUILDING 2 FLOOR PLANS
10-BUILDING 2 ELEVATIONS
11-BUILDING 3 FLOOR PLANS
12-BUILDING 3 ELEVATIONS
13-BUILDING 4 FLOOR PLANS
14-BUILDING 4 ELEVATIONS
15-BUILDING 5 FLOOR PLANS
16-BUILDING 5 ELEVATIONS
17-BUILDING 6 FLOOR PLANS
18-BUILDING 6 ELEVATIONS
19-BUILDING 7 FLOOR PLANS
20-BUILDING 7 ELEVATIONS

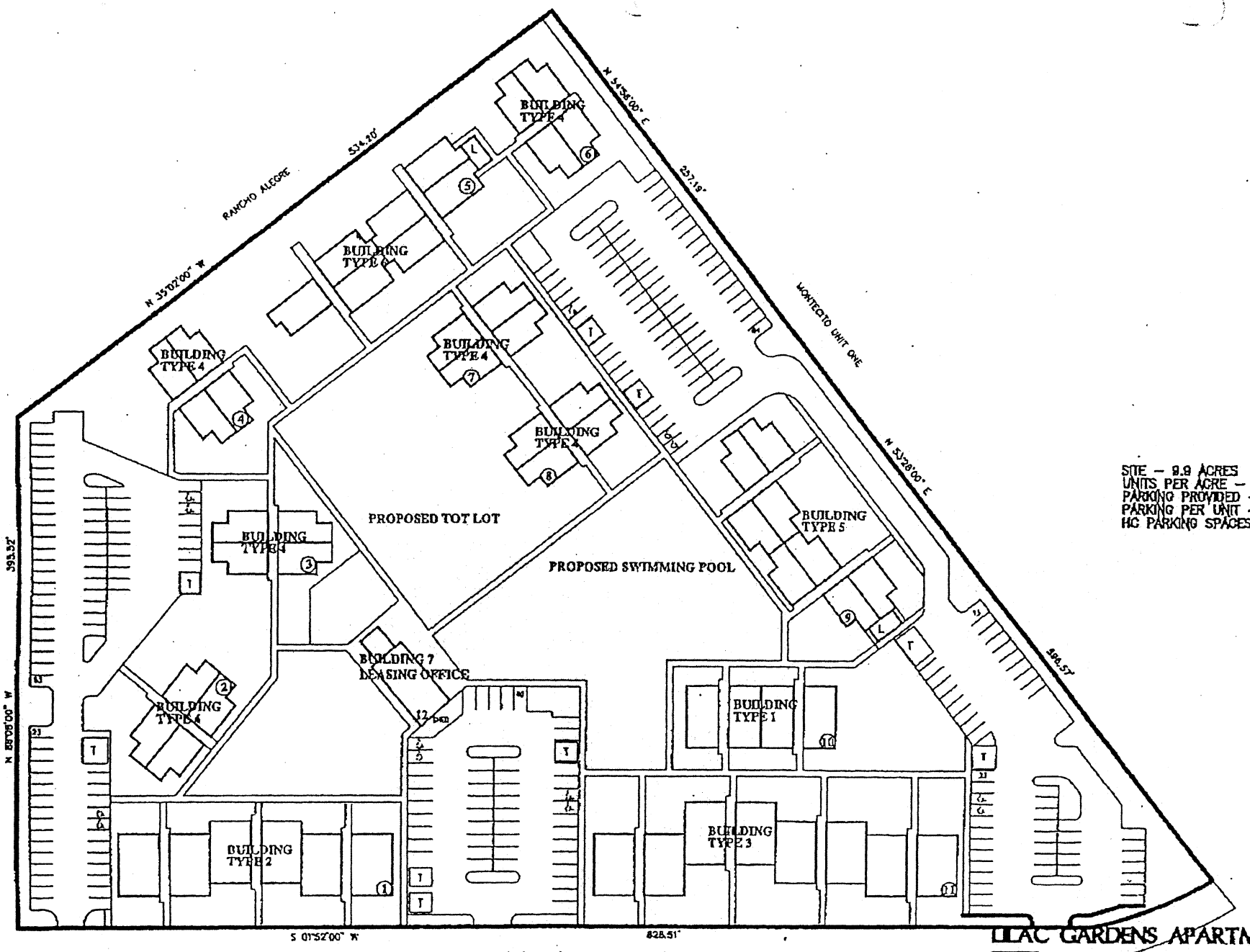
LOCATION MAP



UNITS	NET SQ FT	GROSS SQ FT	TOTAL #	TOTAL GROSS SQ FT
1 BEDROOM	579	612	14	8,568
2 BEDROOMS	757	803	56	44,968
3 BEDROOMS-SMALL	923	954	64	61,056
3 BEDROOMS-LARGE	1,025	1080	16	17,280
SUBTOTAL			150	131,872
LAUNDRY	598			598
LEASING OFFICE/LAUNDRY/ ACTIVITY ROOM/ MAINTENANCE SHOP	2,325			2,325
COVERED BREEZEWAYS	3,510			3,510
EXPOSED BREEZEWAYS	4,613			4,613
APROX TOTAL SQUARE FOOTAGE				142,918

BUILDING TYPES
BUILDING TYPE 1 = 1 BEDROOM, 1 BATHROOM
BUILDING TYPE 2 = 2 BEDROOMS, 1 BATHROOM
BUILDING TYPE 3 = 2 BEDROOMS, 1 BATHROOM
BUILDING TYPE 4 = 3 BEDROOMS, 1.5 BATHROOM
BUILDING TYPE 5 = 3 BEDROOMS, 1.5 BATHROOM, LAUNDRY ROOM ATTACHED
BUILDING TYPE 6 = 3 BEDROOM, 1 STYDY ROOM,1.5 BATHROOM, LAUNDRY ROOM ATTACHED
BUILDING TYPE 7 = LEASING/ACTIVITY/LAUNDRY BUILDING

NO. OF BUILDINGS
1 - BUILDING TYPE 1
1 - BUILDING TYPE 2
1 - BUILDING TYPE 3
6 - BUILDING TYPE 4
1 - BUILDING TYPE 5
1 - BUILDING TYPE 6
1 - BUILDING TYPE 7
12 TOTAL



SITE – 9.9 ACRES
UNITS PER ACRE – 15
PARKING PROVIDED – 22
PARKING PER UNIT – 1.1
HC PARKING SPACES – 1

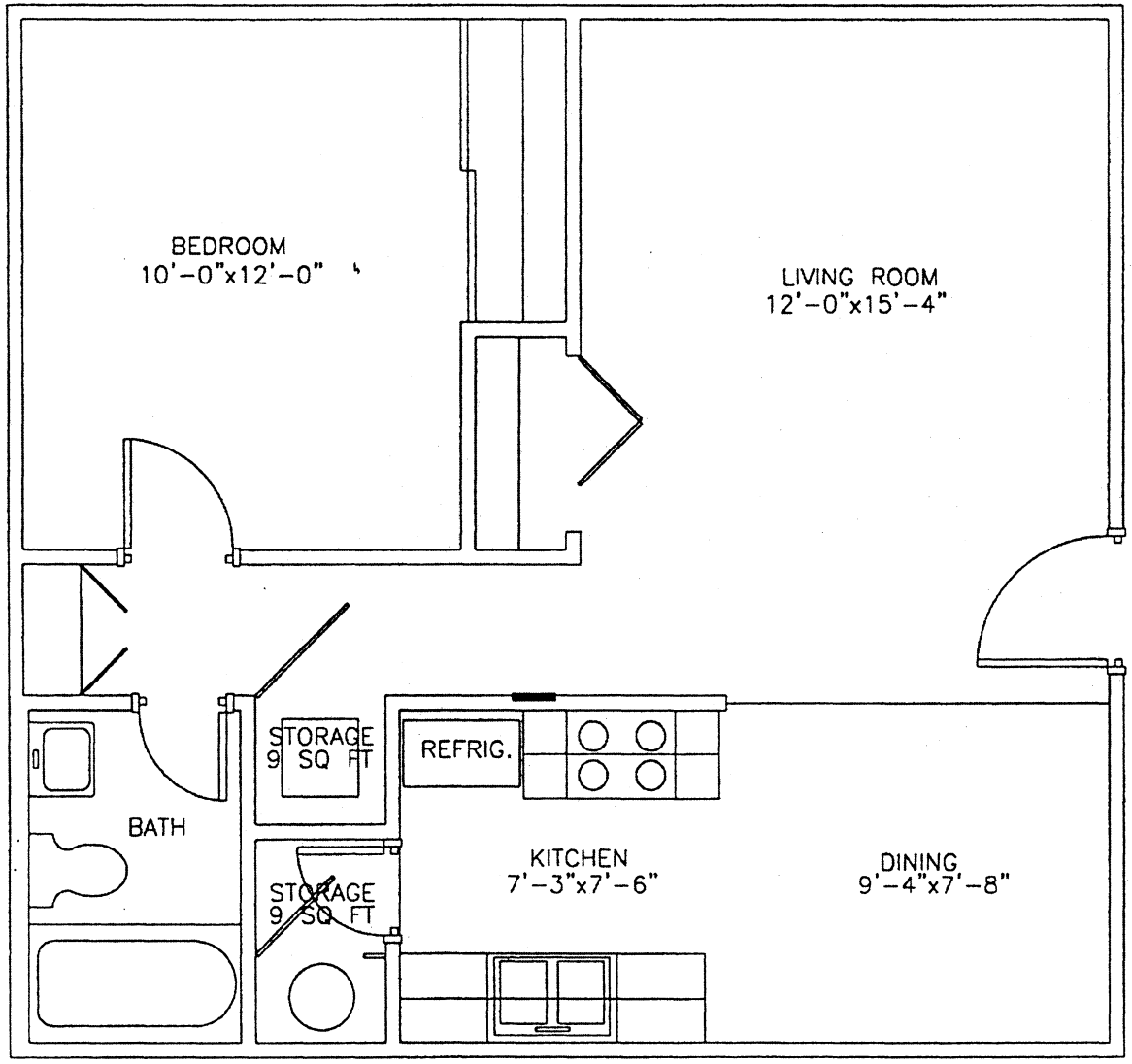
LILAC GARDENS APARTMENT

McCORMICK ARCHITECTURE

SHT 2 OF 2

SITE PLAN

SCALE: 1"=100'-0"



APT. TYPE - A

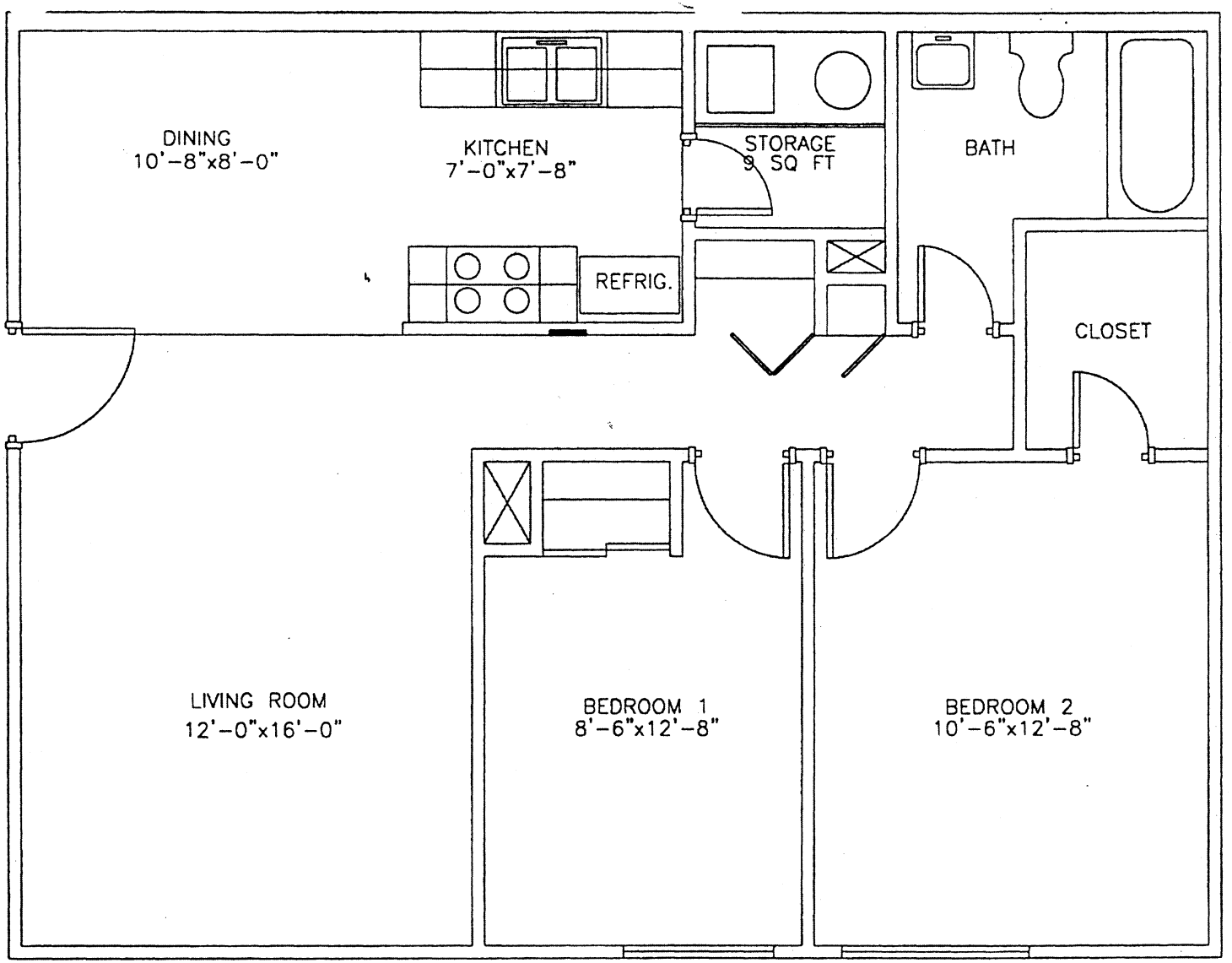
ONE BEDROOM UNIT

NET SQ FT 579

0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



APT. TYPE - B

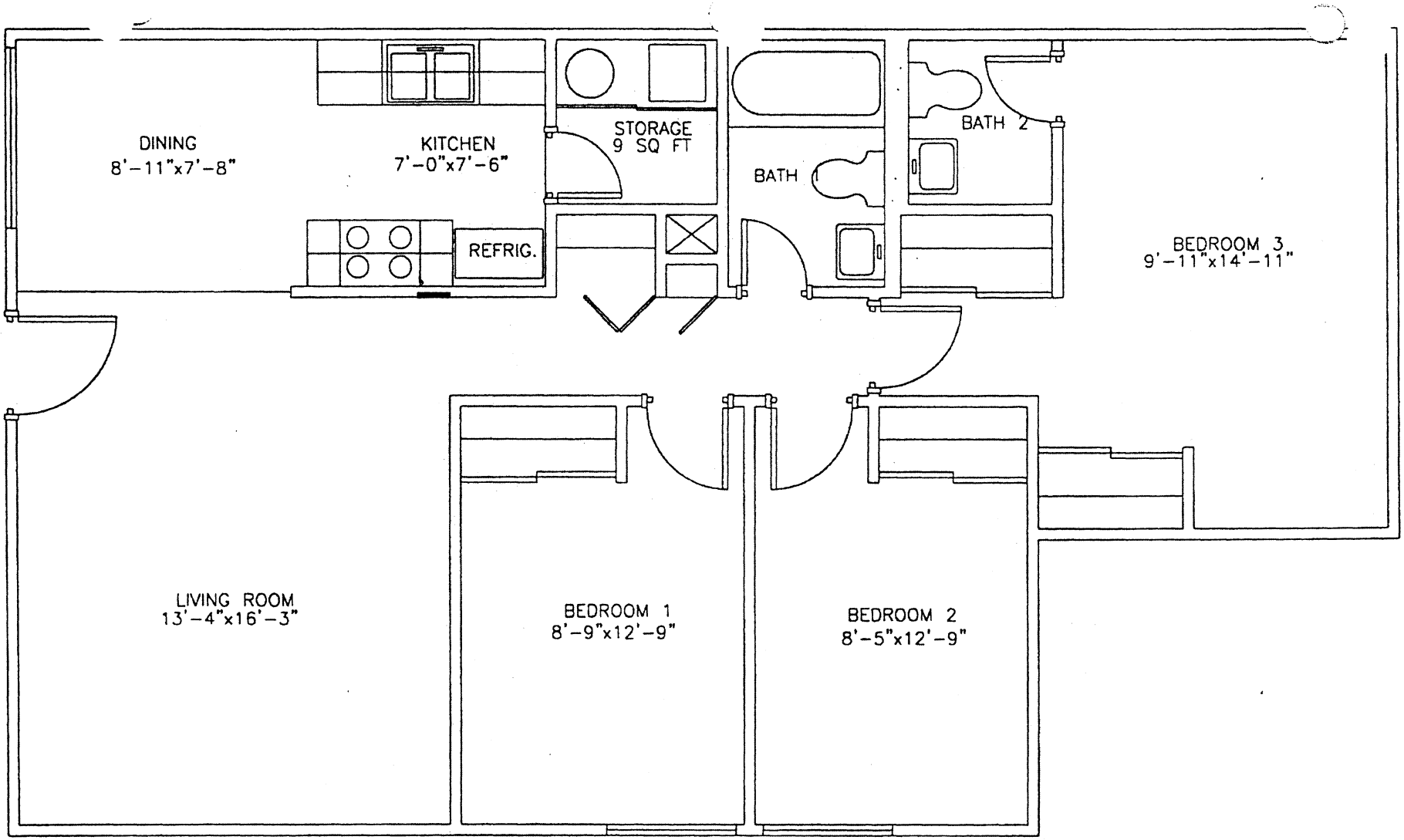
TWO BEDROOM UNIT

NET SQ FT 757

0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



APT. TYPE - C

SMALL THREE BEDROOM UNIT

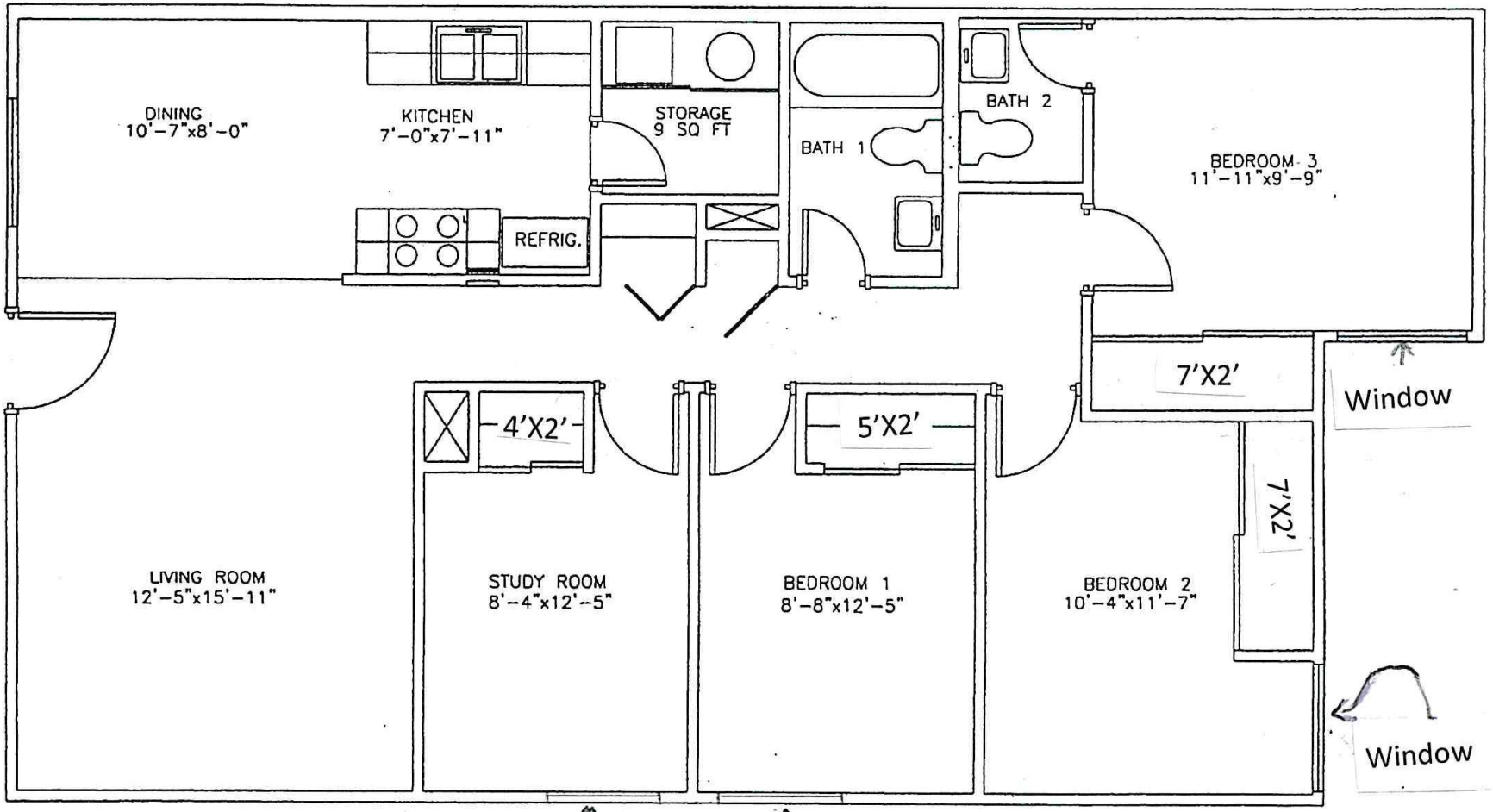
NET SQ FT 923

0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

4110 RED BRANCH, SUITE 330
ILLINOIS [redacted]
ST. PAUL, [redacted]
FAX [redacted]



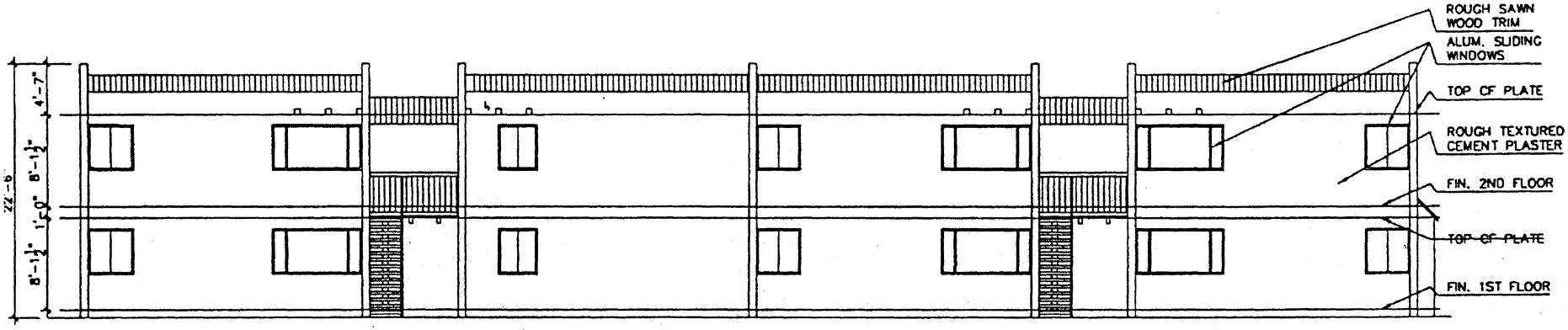
APT. TYPE - D

LARGE THREE BEDROOM UNIT NET SQ FT 1,025

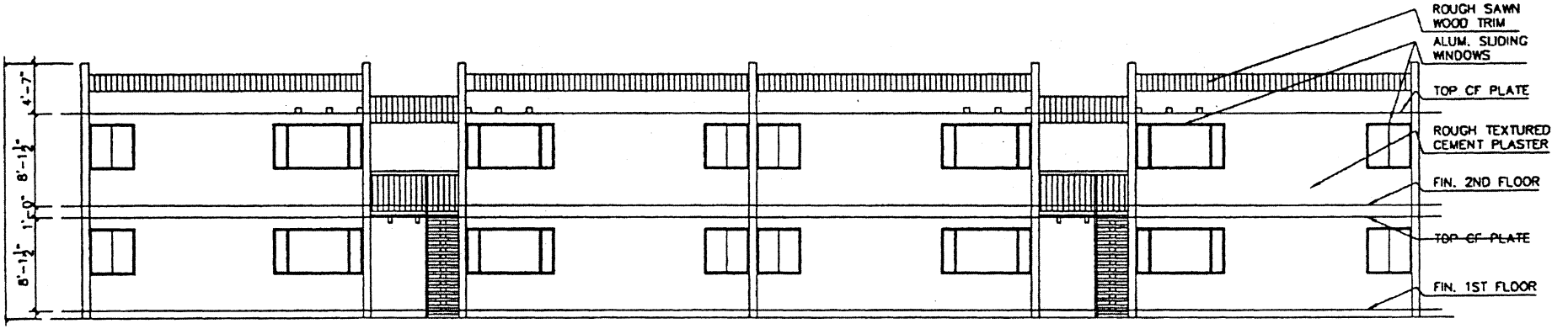
0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



BUILDING TYPE 1 - EAST ELEVATION



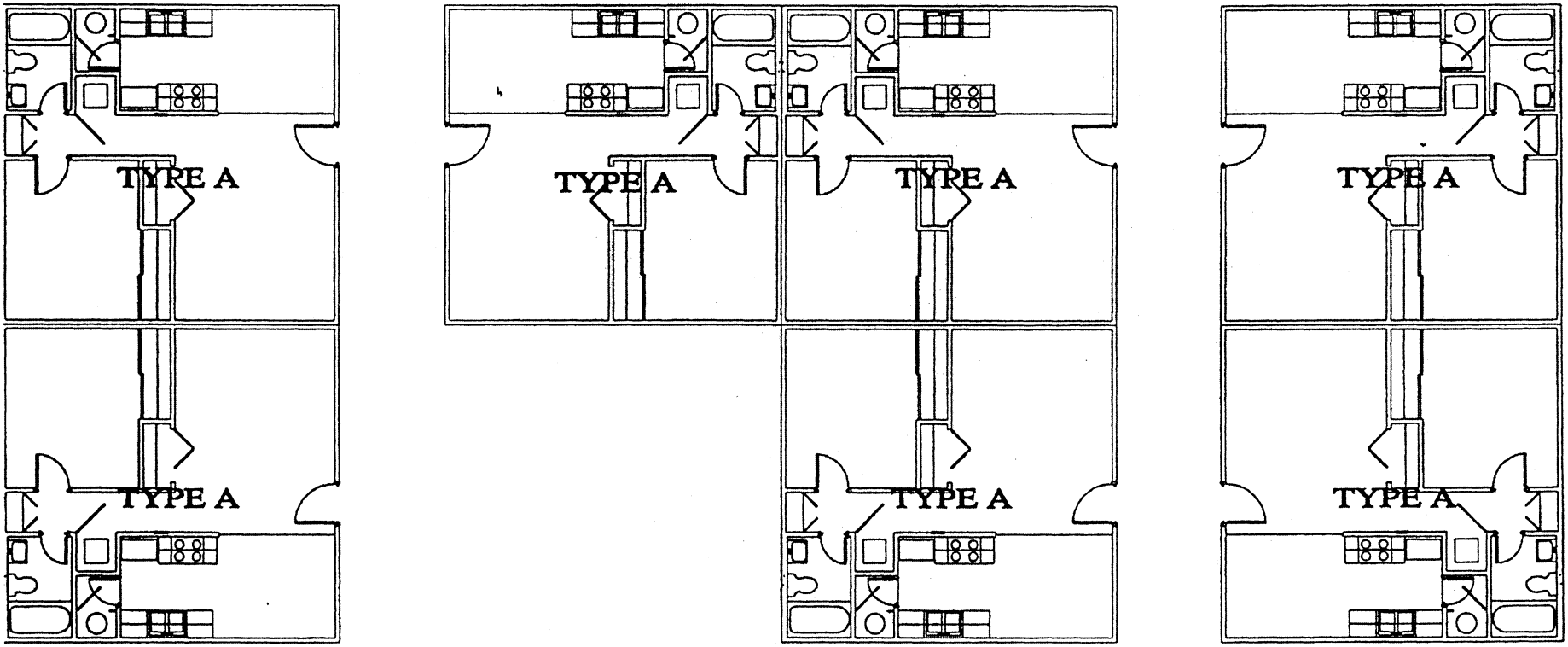
BUILDING TYPE 1 - WEST ELEVATION

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

4170 DAD BOARD, SUITE 100
BUS. (915) 533-0000

EL PASO, TEXAS 79902
FAX (915) 533-0000



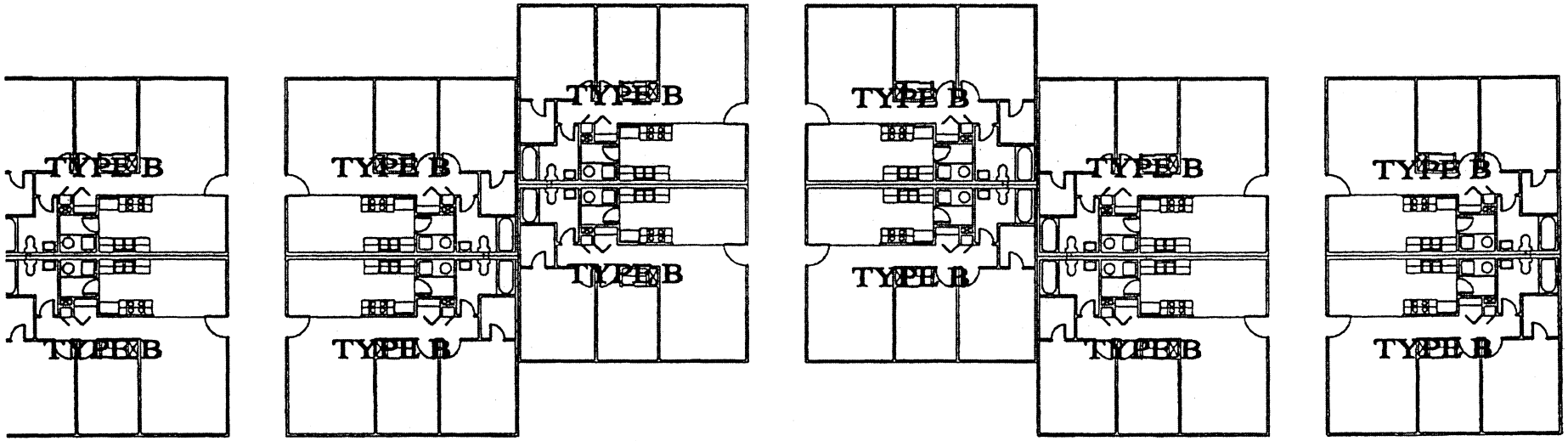
BUILDING TYPE 1 - FLOOR PLANS

0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

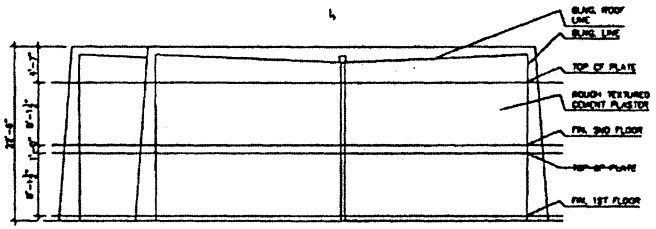
[illegible]
[illegible]



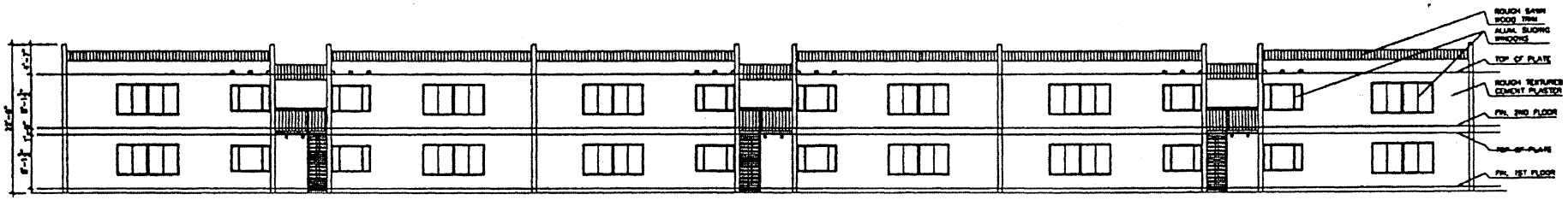
UILDING TYPE 2 - FLOOR PLANS

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



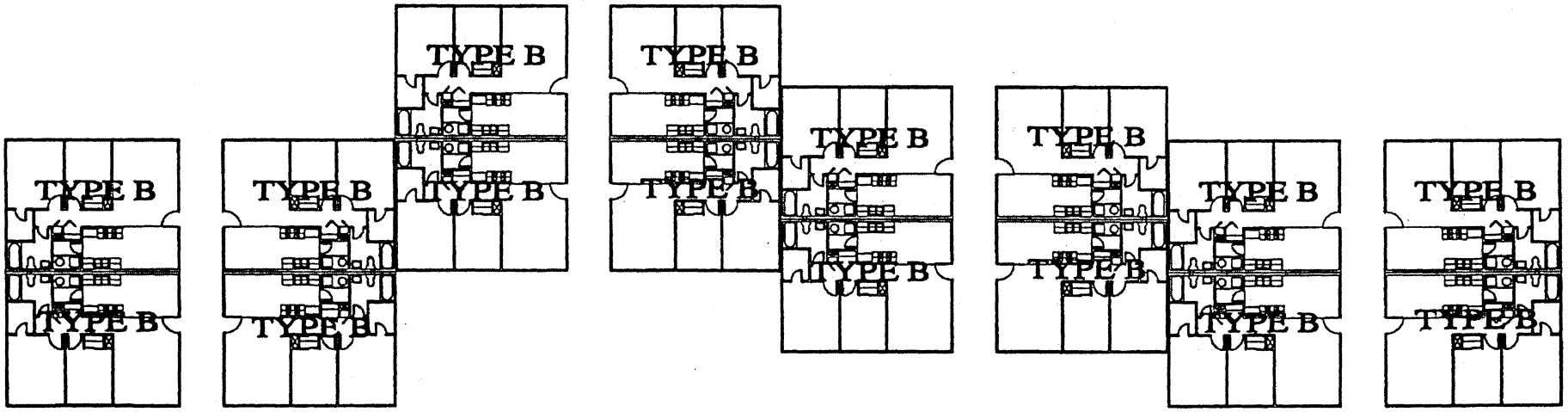
BUILDING TYPE 2 - END ELEVATION



BUILDING TYPE 2 - FRONT ELEVATION

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



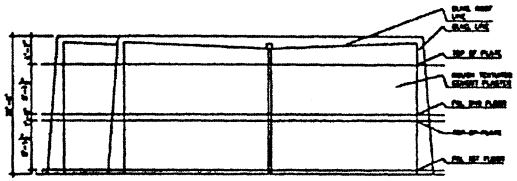
BUILDING TYPE 3 - FLOOR PLANS

LILAC GARDENS APARTMENTS

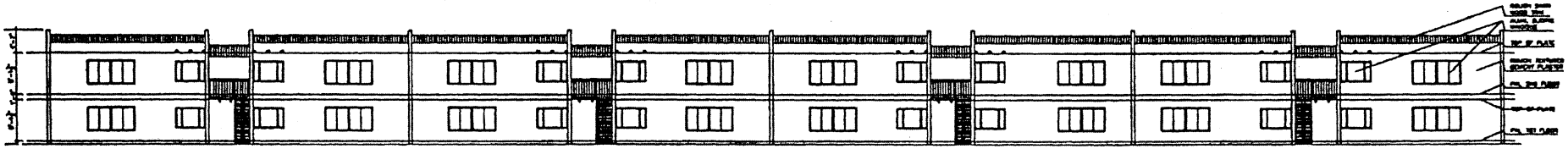
McCORMICK ARCHITECTURE

4110 NO. SCOTTS, SUITE 300
DAL. (214) 520-0000

N. PARK, TEXAS 75000
FAX (214) 520-0000



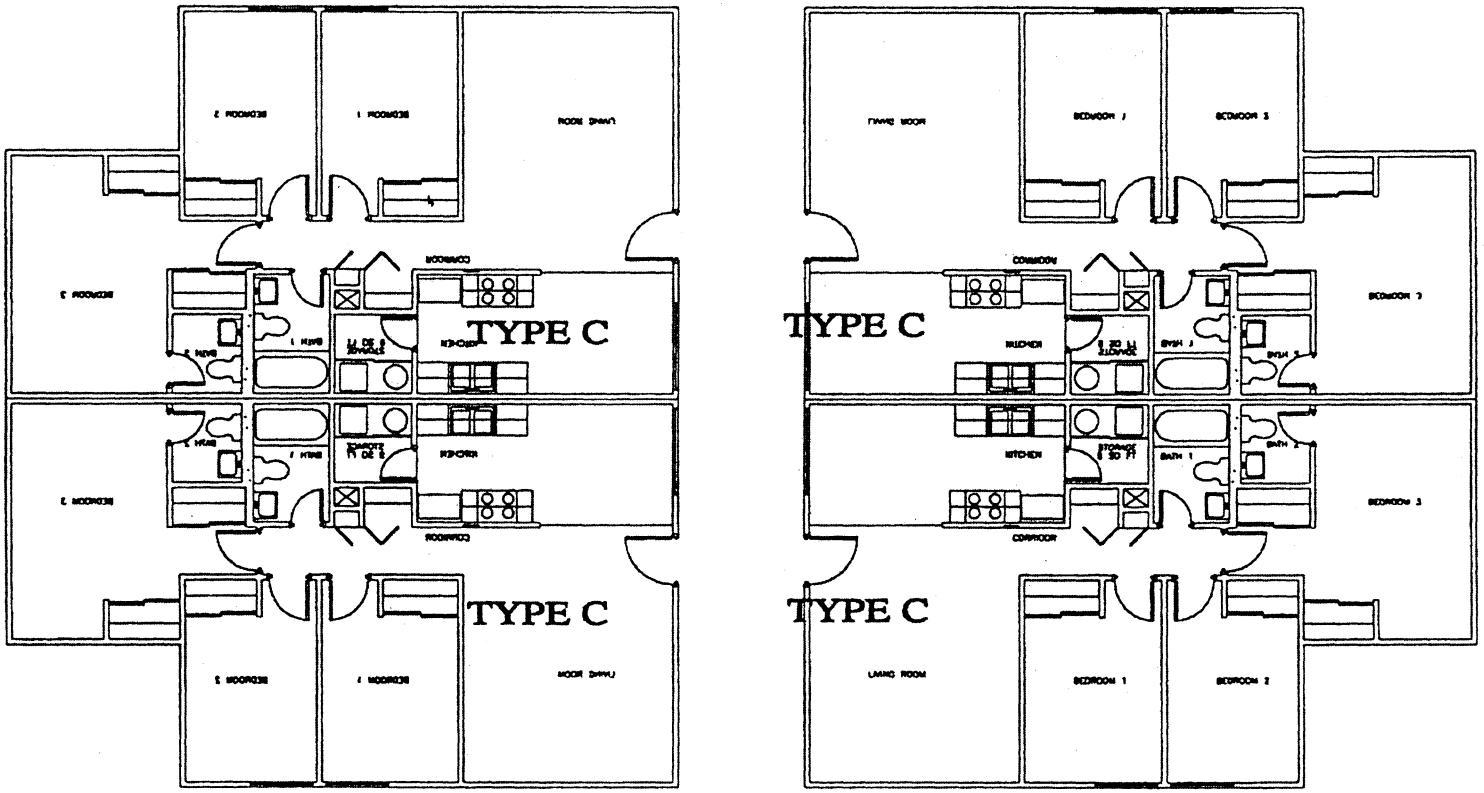
BUILDING TYPE 3 - END ELEVATION



BUILDING TYPE 3 - FRONT ELEVATION

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

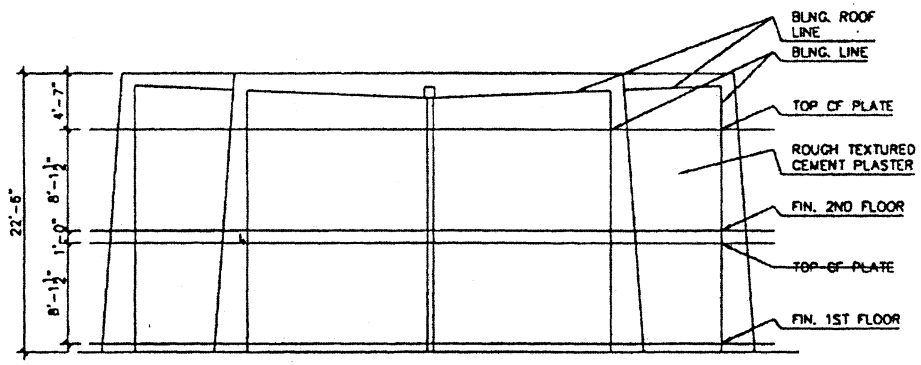


BUILDING TYPE 4 - FLOOR PLANS

0 2 4 8

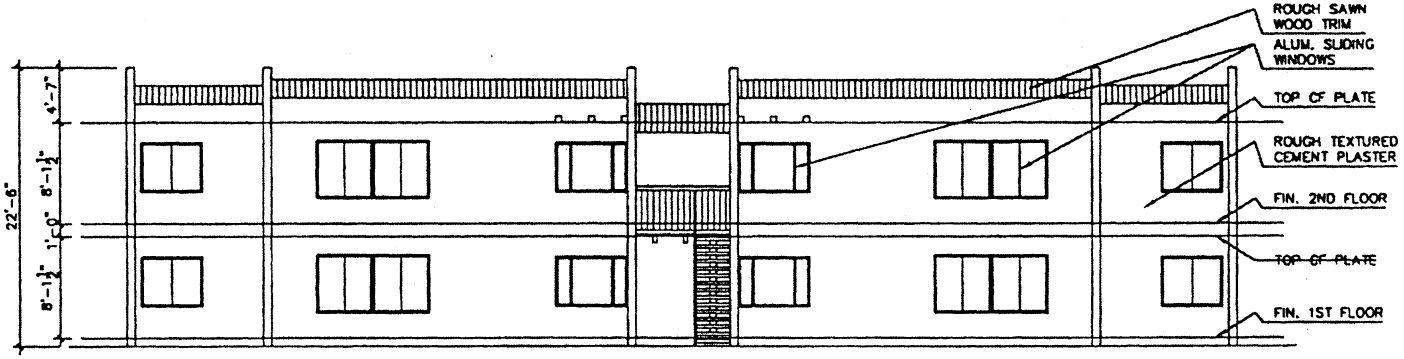
LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



BUILDING TYPE 4 - END ELEVATION

0 2 4 8

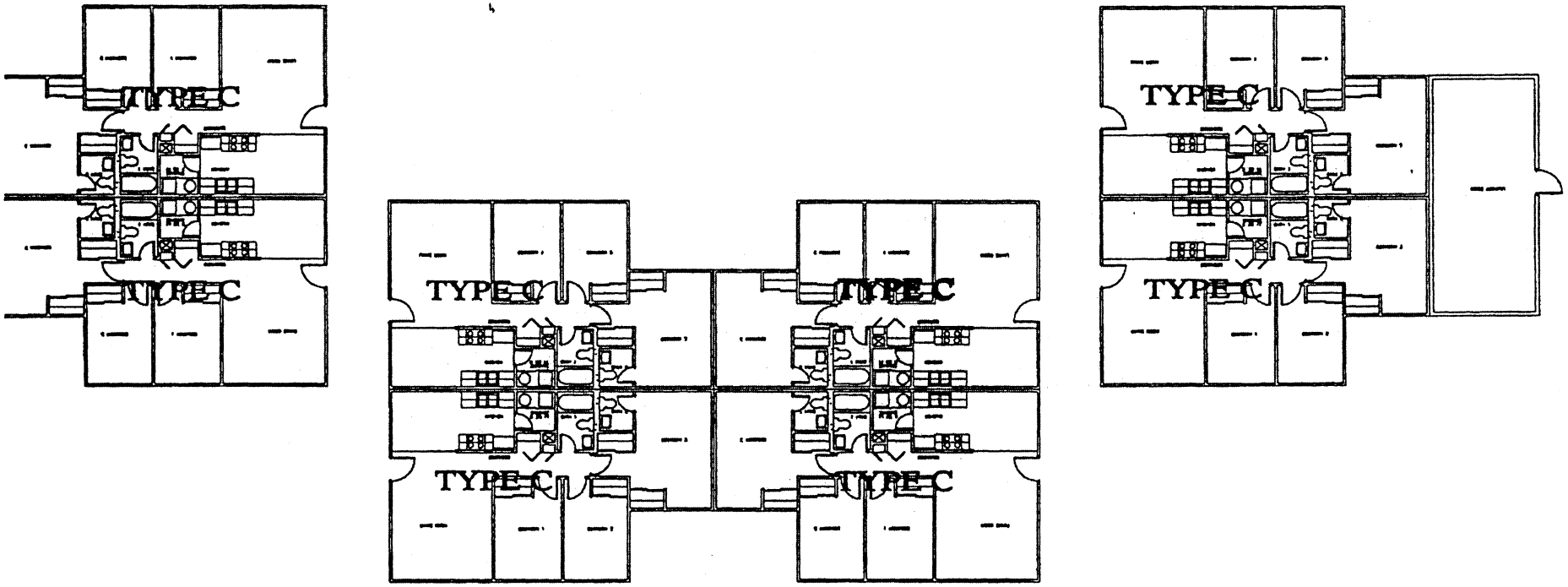


BUILDING TYPE 4 - FRONT ELEVATION

0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



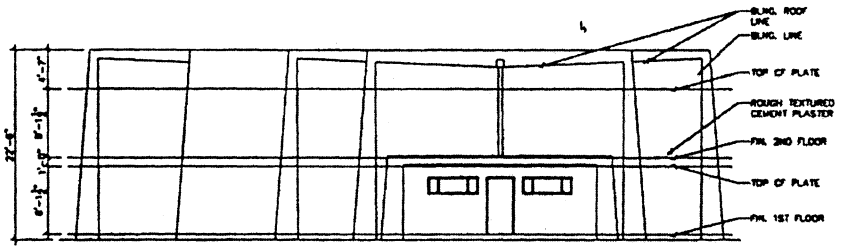
BUILDING TYPE 5 - FLOOR PLANS

0 2 4 8

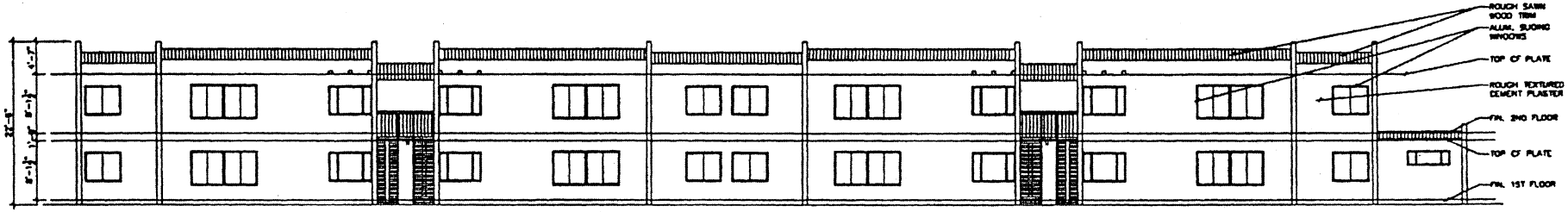
LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

4110 RED RIVER, SUITE 300
AUS. (512) 320-0888
EL PASO, TEXAS 79902
FAX (915) 320-0898



BUILDING TYPE 5 - END ELEVATION

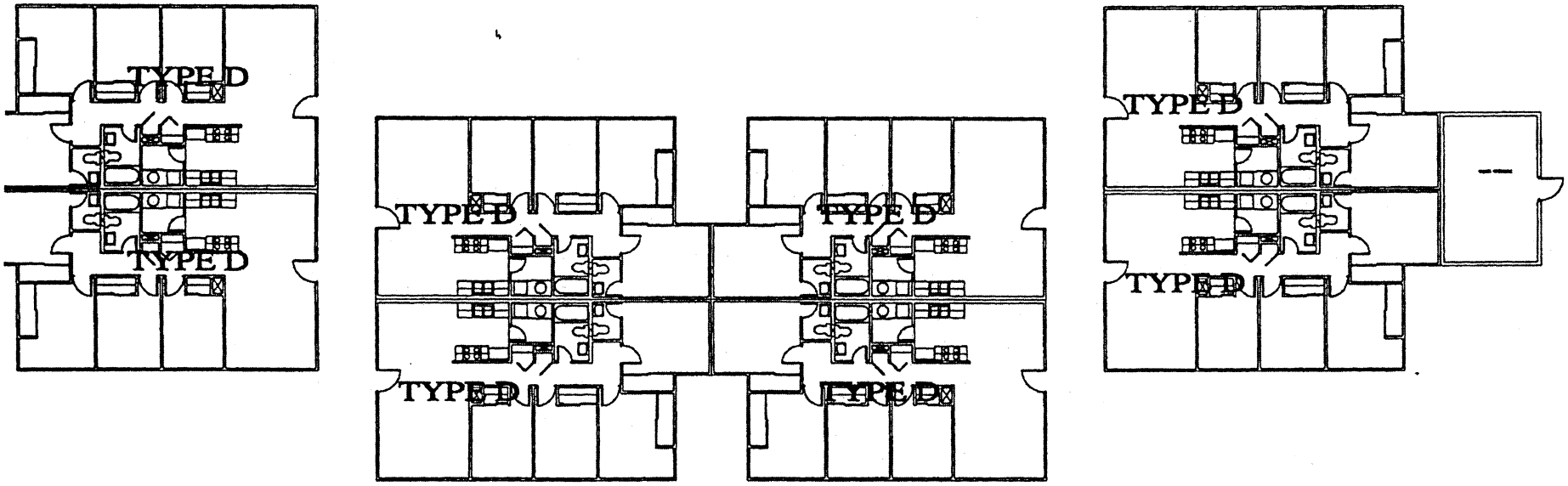


BUILDING TYPE 5 - FRONT ELEVATION

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

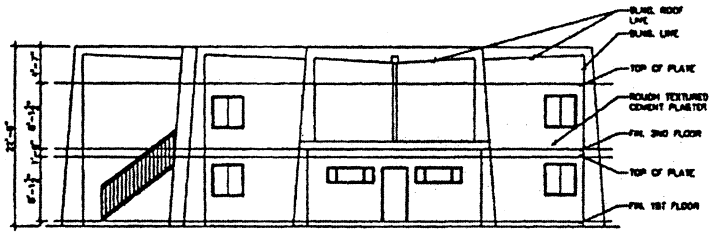
4110 SW 52nd Street, Suite 200
Bartlesville, Oklahoma 74006
(918) 333-0000
St. Pete Beach, Florida 33706
FAX (813) 333-0000



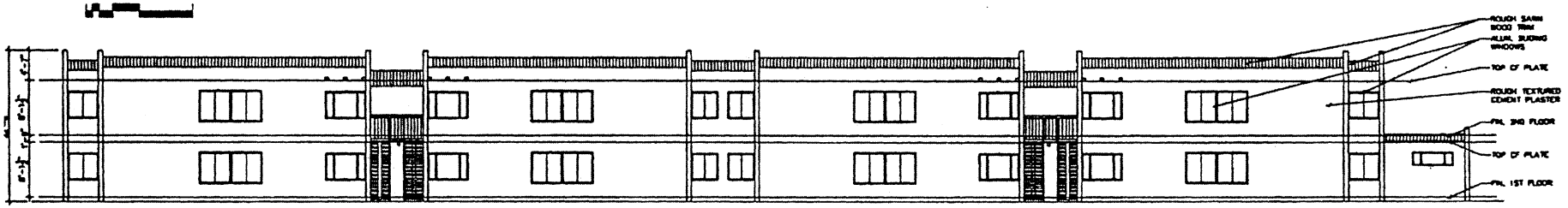
BUILDING TYPE 6 - FLOOR PLANS

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE



BUILDING TYPE 6 - END ELEVATION

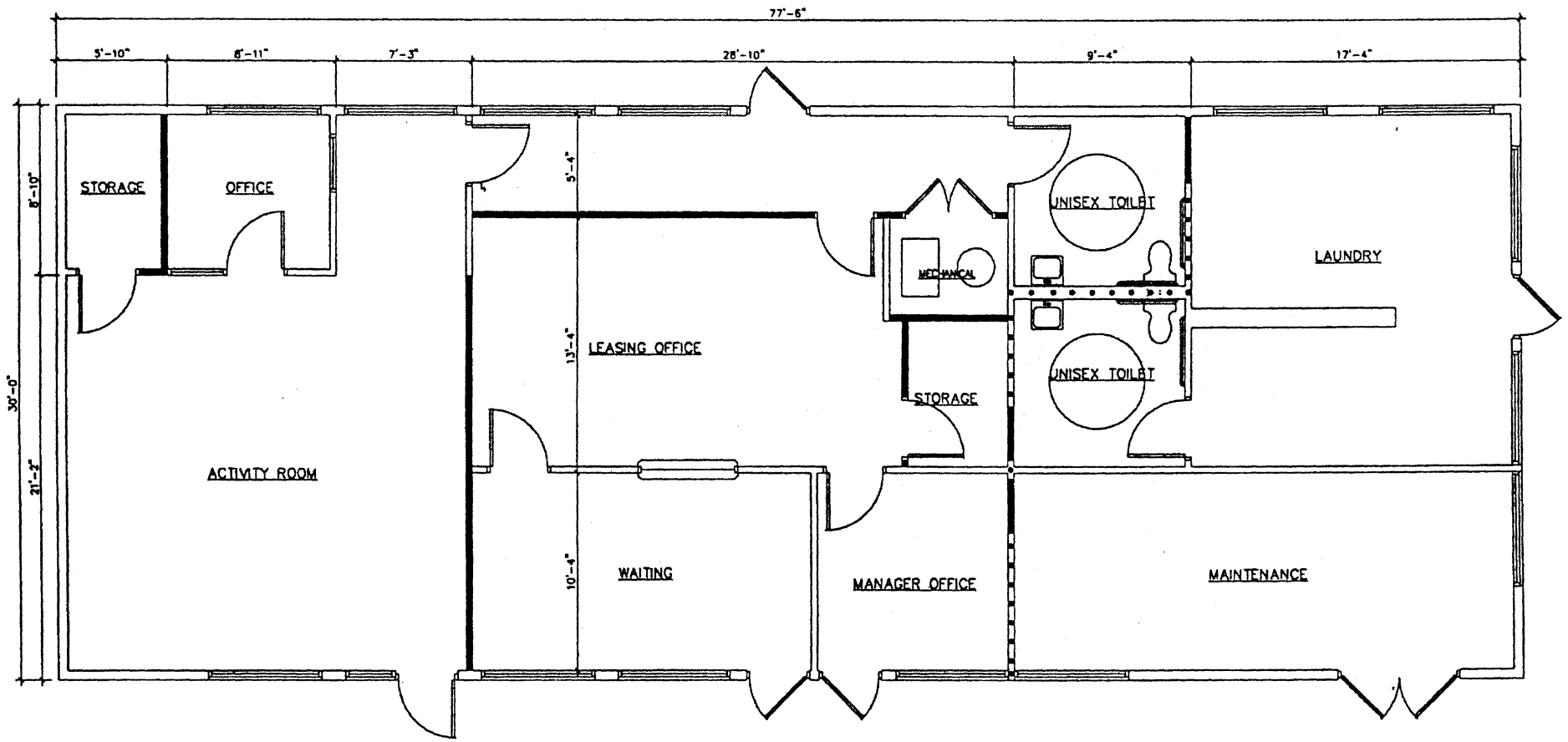


BUILDING TYPE 6 - FRONT ELEVATION

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

4119 BRE BRAVEL, SUITE 200
BAIL, [916] 920-0000
EL PASO, TEXAS 79902
FAX [916] 000-0000



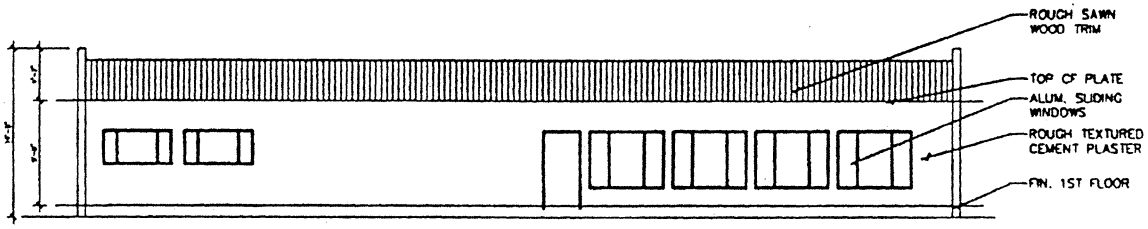
BUILDING TYPE 7 - PROPOSED FLOOR PLAN

0 2 4 8

LILAC GARDENS APARTMENTS

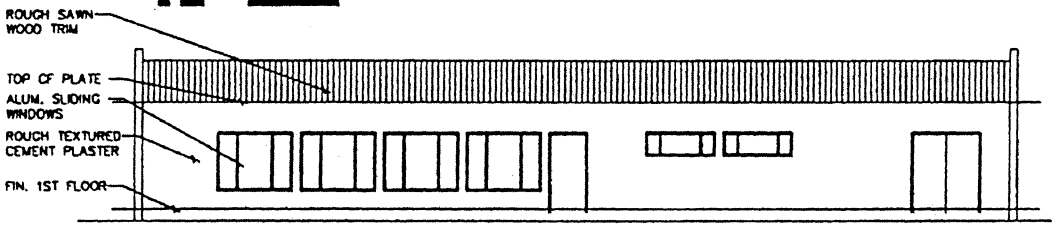
McCORMICK ARCHITECTURE

410 3RD AVENUE, SUITE 200
SUE, [illegible] 555-5555
[illegible], TEXAS 75555
FAX (214) 555-5555



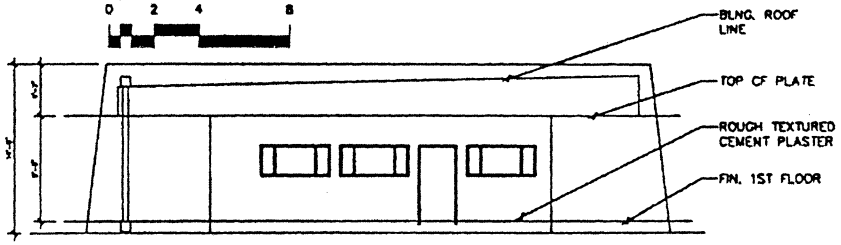
BUILDING TYPE 7 - NORTH ELEVATION

0 2 4 8



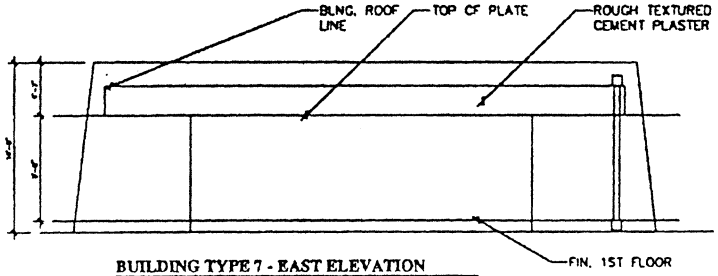
BUILDING TYPE 7 - SOUTH ELEVATION

0 2 4 8



BUILDING TYPE 7 - WEST ELEVATION

0 2 4 8



BUILDING TYPE 7 - EAST ELEVATION

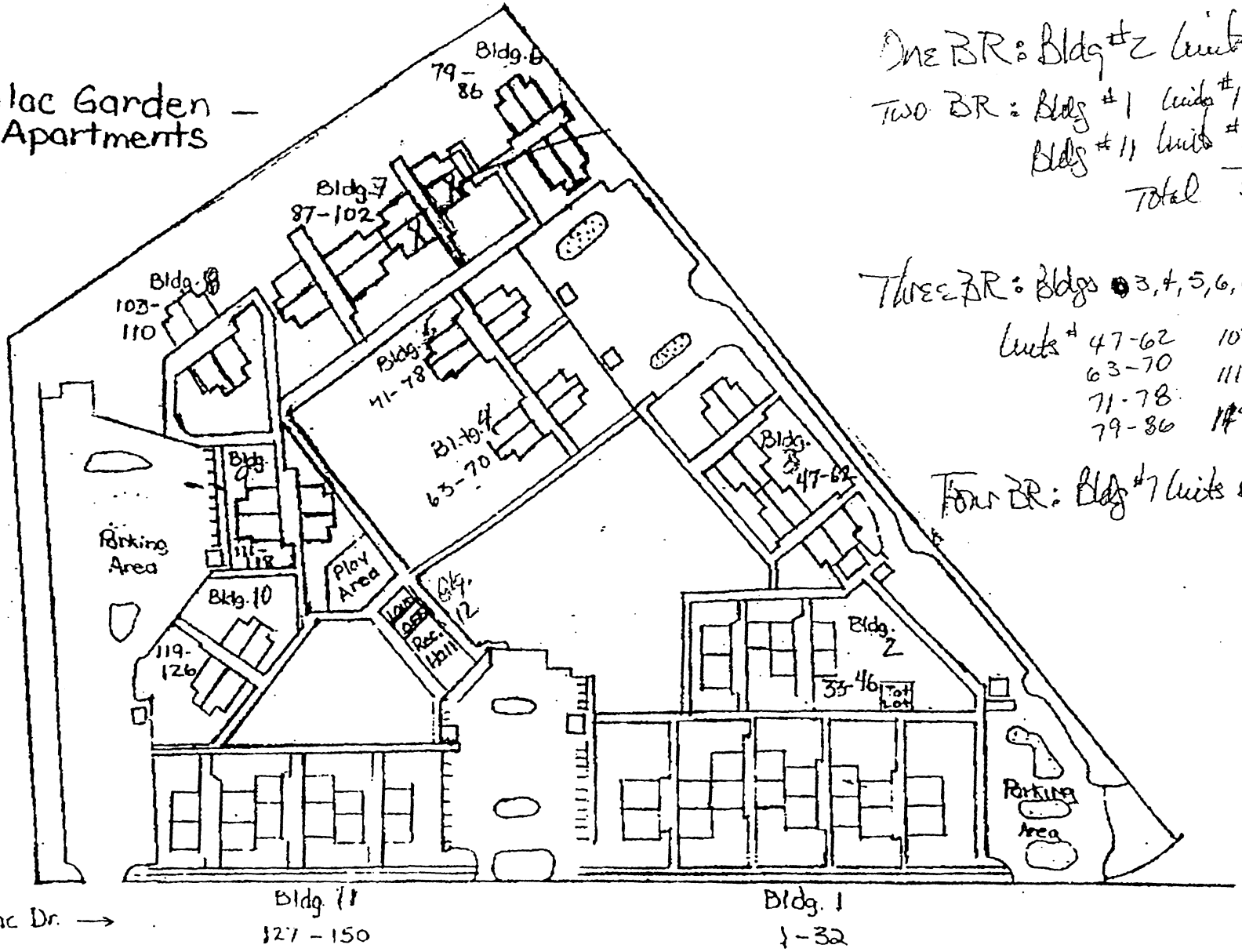
0 2 4 8

LILAC GARDENS APARTMENTS

McCORMICK ARCHITECTURE

[illegible]
[illegible]

- Lilac Garden - Apartments



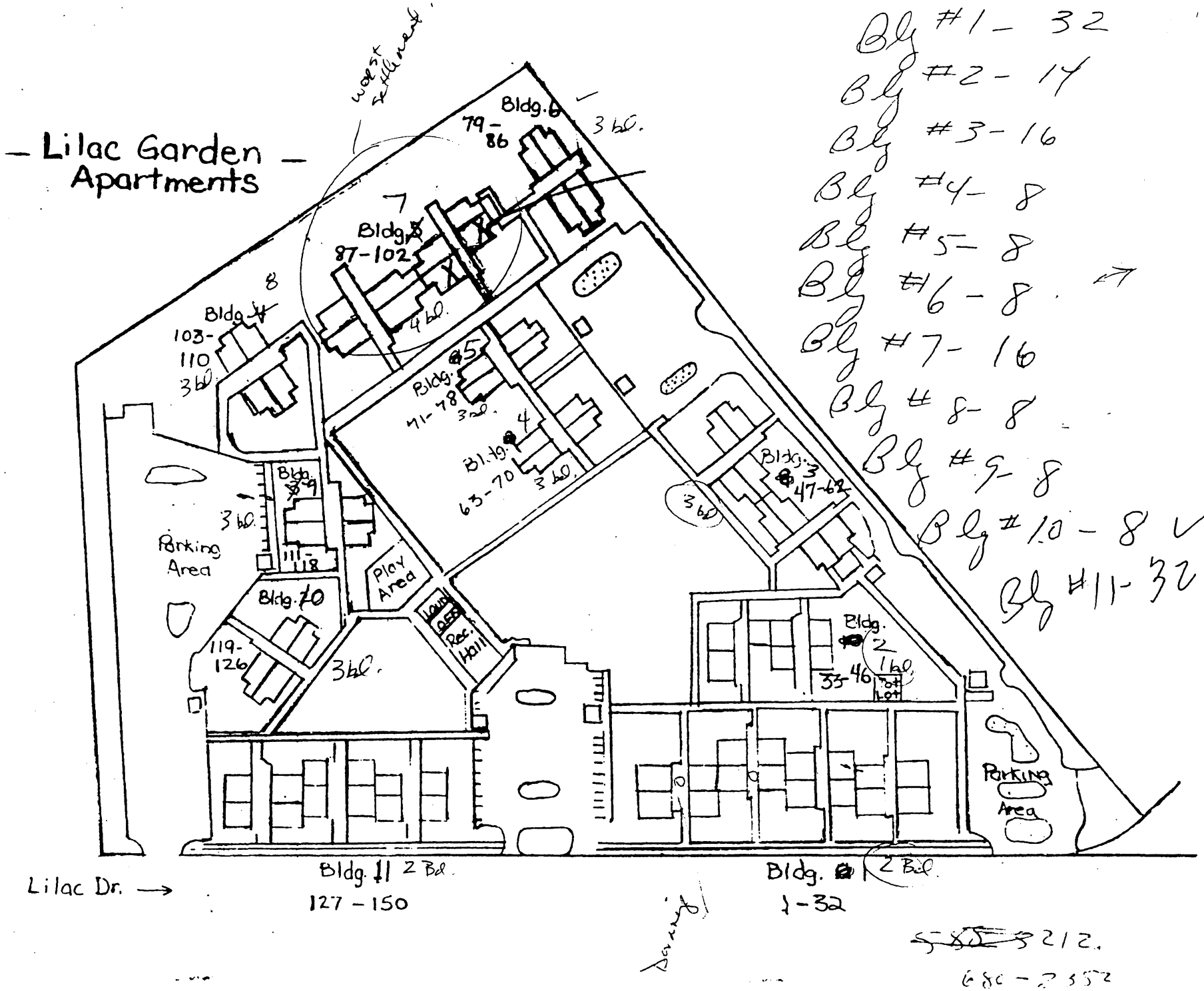
One BR: Bldg #2 Units #33-46

Two BR: Bldg #1 Units #1-32
Bldgs #11 Units #127-150
Total 56 units

Three BR: Bldgs #3, 4, 5, 6, 8, 9, 10

Units #		
	47-62	103-110
	63-70	111-118
	71-78	119-126
	79-86	

Four BR: Bldg #7 Units 87-102


– Lilac Garden –
Apartments
West Hillcrest
Bldg. 6
79–86
3 bd.
Bldg. 7
87–102
4 bd.
Bldg. 8
103–110
3 bd.
Bldg. 5
71–78
3 bd.
Bldg. 4
63–70
3 bd.
Bldg. 3
47–62
3 bd.
Bldg. 9
111–118
3 bd.
Parking Area
Play Area
Bldg. 10
119–126
3 bd.
Laundry
Rec. Hall
Bldg. 2
35–46
1 bd.
Tot Lot
Parking Area
Bldg. 11 2 Bd.
127–150
Bldg. 1 2 Bd.
1–32
Lilac Dr. →
Bldg #1 – 32
Bldg #2 – 14
Bldg #3 – 16
Bldg #4 – 8
Bldg #5 – 8
Bldg #6 – 8
Bldg #7 – 16
Bldg #8 – 8
Bldg #9 – 8
Bldg #10 – 8
Bldg #11 – 32
~~$325~~ $212.
680 – 2552

E.1.- Proforma Rent Schedule

Development Name: Cien Palmas **TDHCA #:** 3134

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

HTC Unit Designation	HOME Unit Designation (Rent/Inc)	HTF Unit Designation	MRB Unit Designation	Other Designation/ Subsidy	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Gross Rent (C)	Tenant Paid Utility Allow. (D)	Tenant Paid Rent (E)	Total Monthly Rent (A) x (E)
TC60%				HAP	14	1	1.0	579	8,106	810	0	810	11,340
TC60%				HAP	20	2	1.0	757	15,140	915	0	915	18,300
TC60%				HAP	19	3	1.5	923	17,537	1,035	0	1,035	19,665
TC60%				HAP	2	3	1.5	1,025	2,050	1,140	0	1,140	2,280
TC60%					36	2	1.0	757	27,252	553	0	553	19,908
TC60%					45	3	1.5	923	41,535	661	0	661	29,745
TC60%					14	3	1.5	1,025	14,350	662	0	662	9,268
									0				-
									0				-
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TOTAL					150				125,970				110,506

Non Rental Income	$5.00	per unit/month for:	***Laundry and Vending***	750
Non Rental Income	5.20	per unit/month for:	***Tenant Charges***	780
Non Rental Income	0.00	per unit/month for:		
+ TOTAL NONRENTAL INCOME	**$10.20**	per unit/month		1,530
= POTENTIAL GROSS MONTHLY INCOME				112,036
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 7.50%	8,403
- Rental Concessions				665
= EFFECTIVE GROSS MONTHLY INCOME				102,968
x 12 = EFFECTIVE GROSS ANNUAL INCOME				1,235,620

		% of LI	% of Total	
	TC30%			0
	TC40%			0
HOUSING	TC50%			0
	TC60%	100%	100%	150
TAX	HTC LI Total			150
	TCEO			0
CREDITS	MR			0
	MR Total			0
	TC Total			150
	MRB30%			0
	MRB40%			0
MORTGAGE	MRB50%			0
	MRB60%			0
	MRB LI Total			0
REVENUE	MRBMR			0
	MRBMR Total			0
BOND	MRB Total			0

		% of LI	% of Total	
	HTF30%			0
HOUSING	HTF40%			0
	HTF50%			0
	HTF60%			0
TRUST	HTF80%			0
	HTF LI Total			0
	MR			0
FUND	MR Total			0
	HTF Total			0
	30%			0
	LH/50%			0
	HH/60%			0
HOME	HH/80%			0
	HOME LI Total			0
	EO			0
	MR			0
	MR Total			0
	HOME Total			0
OTHER	Total OT Units			55

E.2. - Proforma Utility Allowance Information

Applicant must attach to this form documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application Packet. This exhibit must clearly indicate which utility costs are included in the estimate.

NOTE:

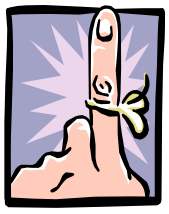
If more than one entity (Sec. 8 administrator, public housing authority) is responsible for setting the utility allowance(s) in the area of the development location, then the selected utility allowance must be the one which most closely reflects the actual expenses.

If an independent utility cost evaluation is conducted it must include confirming documentation from all the relevant utility providers. If other reductions to the tenant rent is required such as the cost of flood insurance for the tenant's contents, documentation for these reductions to gross rent should also be attached.

Development Name: Cien Palmas **TDHCA:** 3134

Utility	Who Pays	*Energy Source*	0BR	1BR	2BR	3BR	4BR	*Source of Utility Allowance & Effective Date*
Heating	landlord	natural gas						
Cooking	landlord	natural gas						
Other Electric								
Air Conditioning	landlord	electric						
Water Heater	landlord	natural gas						
Water								
Sewer								
Trash								
flat fee								
other								

Other (Describe)



Don't forget to add your utility allowance documentation behind this exhibit!

E.3. - Proforma Annual Operating Expenses

Development Name: Cien Palmas **TDHCA #:** 3134

General & Administrative Expenses				
Accounting		$	18,240	
Advertising		$	1,550	
Legal fees		$	1,200	
Leased equipment		$	2,700	
Postage & office supplies		$	4,030	
Telephone		$	15,820	
Other	*Credit Services, Dues, Memberships &*	$	9,260	
Other	*Inspections, Property Tax Consultants,*	$	4,540	
Total General & Administrative Expenses:				$ 57,340
Management Fee:	Percent of Effective Gross Income:		4.50%	$ 55,600
Payroll, Payroll Tax & Employee Benefits				
Management		$	90,710	
Maintenance		$	68,730	
Other	*Payroll Taxes, Benefits and Worker's Comp*	$	34,460	
Other	*Payroll Administration*		9,620	
Total Payroll, Payroll Tax & Employee Benefits:				$ 203,520
Repairs & Maintenance				
Elevator		$	0	
Exterminating		$	6,430	
Grounds		$	18,800	
Repairs & Make Ready		$	58,730	
Supplies		$	3,100	
Pool		$	2,630	
Other	*Building Exterior & Interiors, HVAC, Electrical and*	$	85,650	
Other	*Plumbing*	$	35,670	
Total Repairs & Maintenance:				$ 211,010
Utilities (Enter development owner expense)				
Electric		$	69,610	
Natural gas		$	22,950	
Trash		$	16,950	
Water & sewer		$	93,320	
Other	*Describe*	$		
Other	*Describe*	$		
Total Utilities:				$ 202,830
Annual Property Insurance:	Rate per net rentable square foot:	$	0.35	$ 44,330
Property Taxes:				
Published Capitalization Rate:		Source:		
Annual Property Taxes:		$	127,870	
Payments in Lieu of Taxes:		$	0	
Other Taxes	*Franchise Taxes*	$	2,340	
Other Taxes	*Describe*	$		
Total Property Taxes:				$ 130,210
Reserve for Replacements:	Annual reserves per unit:	$	328	$ 49,200
Other Expenses				
Cable TV		$	0	
Supportive service contract fees		$	6,000	
TDHCA Compliance fees		$	3,750	
Security		$	540	
Other	*Describe*	$		
Other	*Describe*	$		

Total Other Expenses:				$ 10,290
TOTAL ANNUAL EXPENSES	Expense per unit:	$	6,429	$ 964,330
	Expense to Income Ratio:		**78.04%**	
NET OPERATING INCOME (before debt service)				$ 271,290
Annual Debt Service				
Community Development Trust		$	216,236	
Describe Source		$		
Describe Source		$		
Describe Source		$		
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		1.25	$ 216,236
NET CASH FLOW				$ 55,054

E.4. - 30 YEAR RENTAL HOUSING OPERATING PRO FORMA

*The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of rental income and expenses), and principal and interest debt service. The Department currently considers an annual growth rate of **2%** for income and **3%** for expenses to be reasonably conservative estimates. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the pro forma period should be attached to this exhibit.*

Development Name: Cien Palmas **TDHCA #:** 3134

INCOME	LEASE-UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30
POTENTIAL GROSS ANNUAL RENTAL INCOME		$1,326,072	$1,352,593	$1,379,645	$1,407,238	$1,435,383	$1,584,779	$1,749,724	$1,931,837	$2,132,904	$2,354,898
Secondary Income		18,360	18,727	19,102	19,484	19,873	21,942	24,226	26,747	29,531	32,605
POTENTIAL GROSS ANNUAL INCOME	$0	$1,344,432	$1,371,321	$1,398,747	$1,426,722	$1,455,256	$1,606,721	$1,773,949	$1,958,584	$2,162,435	$2,387,502
Provision for Vacancy & Collection Loss		100,832	102,849	104,906	107,004	109,144	120,504	133,046	146,894	162,183	179,063
Rental Concessions		7,980	8,140	8,302	8,468	8,638	9,537	10,529	11,625	12,835	14,171
EFFECTIVE GROSS ANNUAL INCOME	$0	$1,235,620	$1,260,332	$1,285,539	$1,311,249	$1,337,474	$1,476,680	$1,630,374	$1,800,064	$1,987,417	$2,194,269
EXPENSES											
General & Administrative Expenses		$57,340	$59,060	$60,832	$62,657	$64,537	$74,816	$86,732	$100,546	$116,560	$135,125
Management Fee		55,600	57,268	58,986	60,756	62,578	72,545	84,100	97,495	113,023	131,025
Payroll, Payroll Tax & Employee Benefits		203,520	209,626	215,914	222,392	229,064	265,547	307,842	356,874	413,714	479,608
Repairs & Maintenance		211,010	217,340	223,861	230,576	237,494	275,320	319,172	370,007	428,940	497,259
Electric & Gas Utilities		92,560	95,337	98,197	101,143	104,177	120,770	140,005	162,305	188,155	218,124
Water, Sewer & Trash Utilities		110,270	113,578	116,985	120,495	124,110	143,877	166,793	193,359	224,156	259,858
Annual Property Insurance Premiums		44,330	45,660	47,030	48,441	49,894	57,841	67,053	77,733	90,114	104,467
Property Tax		130,210	134,116	138,140	142,284	146,553	169,895	196,954	228,324	264,690	306,848
Reserve for Replacements		49,200	50,676	52,196	53,762	55,375	64,195	74,419	86,272	100,013	115,943
Other Expenses:		10,290	10,599	10,917	11,244	11,581	13,426	15,565	18,044	20,917	24,249
TOTAL ANNUAL EXPENSES	$0	$964,330	$993,260	$1,023,058	$1,053,749	$1,085,362	$1,258,232	$1,458,636	$1,690,958	$1,960,284	$2,272,507
NET OPERATING INCOME	$0	$271,290	$267,072	$262,481	$257,500	$252,112	$218,448	$171,738	$109,106	$27,132	($78,238)
DEBT SERVICE											
First Deed of Trust Annual Loan Payment		$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236
Second Deed of Trust Annual Loan Payment											
Third Deed of Trust Annual Loan Payment											
Other Annual Required Payment:											
Other Annual Required Payment:											
NET CASH FLOW	$0	$55,054	$50,837	$46,245	$41,264	$35,877	$2,212	($44,497)	($107,130)	($189,103)	($294,474)
Debt Coverage Ratio	#DIV/0!	1.25	1.24	1.21	1.19	1.17	1.01	0.79	0.50	0.13	-0.36
Other (Describe)											
Other (Describe)											

E.1.- Proforma Rent Schedule

Development Name: Cien Palmas **TDHCA #:** 3134

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

HTC Unit Designation	HOME Unit Designation (Rent/Inc)	HTF Unit Designation	MRB Unit Designation	Other Designation/ Subsidy	# of Units (A)	# of Bedrooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Gross Rent (C)	Tenant Paid Utility Allow. (D)	Tenant Paid Rent (E)	Total Monthly Rent (A) x (E)
TC60%				HAP	14	1	1.0	579	8,106	810	0	810	11,340
TC60%				HAP	20	2	1.0	757	15,140	915	0	915	18,300
TC60%				HAP	19	3	1.5	923	17,537	1,035	0	1,035	19,665
TC60%				HAP	2	3	1.5	1,025	2,050	1,140	0	1,140	2,280
TC60%					36	2	1.0	757	27,252	553	0	553	19,908
TC60%					45	3	1.5	923	41,535	661	0	661	29,745
TC60%					14	3	1.5	1,025	14,350	767	0	767	10,738
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TOTAL					150				125,970				111,976

Non Rental Income	$5.00	per unit/month for:	***Laundry and Vending***	750
Non Rental Income	5.20	per unit/month for:	***Tenant Charges***	780
Non Rental Income	0.00	per unit/month for:		
+ TOTAL NONRENTAL INCOME	**$10.20**	per unit/month		1,530
= POTENTIAL GROSS MONTHLY INCOME				113,506
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 7.50%	8,513
- Rental Concessions				665
= EFFECTIVE GROSS MONTHLY INCOME				104,328
x 12 = EFFECTIVE GROSS ANNUAL INCOME				1,251,937

		% of LI	% of Total	
	TC30%			0
	TC40%			0
HOUSING	TC50%			0
	TC60%	100%	100%	150
TAX	HTC LI Total			150
	TCEO			0
CREDITS	MR			0
	MR Total			0
	TC Total			150
	MRB30%			0
	MRB40%			0
MORTGAGE	MRB50%			0
	MRB60%			0
	MRB LI Total			0
REVENUE	MRBMR			0
	MRBMR Total			0
BOND	MRB Total			0

		% of LI	% of Total	
	HTF30%			0
HOUSING	HTF40%			0
	HTF50%			0
	HTF60%			0
TRUST	HTF80%			0
	HTF LI Total			0
	MR			0
FUND	MR Total			0
	HTF Total			0
	30%			0
	LH/50%			0
	HH/60%			0
HOME	HH/80%			0
	HOME LI Total			0
	EO			0
	MR			0
	MR Total			0
	HOME Total			0
OTHER	Total OT Units			55

E.2. - Proforma Utility Allowance Information

Applicant must attach to this form documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application Packet. This exhibit must clearly indicate which utility costs are included in the estimate.

NOTE:

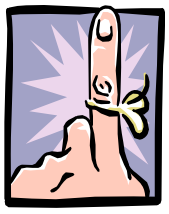
If more than one entity (Sec. 8 administrator, public housing authority) is responsible for setting the utility allowance(s) in the area of the development location, then the selected utility allowance must be the one which most closely reflects the actual expenses.

If an independent utility cost evaluation is conducted it must include confirming documentation from all the relevant utility providers. If other reductions to the tenant rent is required such as the cost of flood insurance for the tenant's contents, documentation for these reductions to gross rent should also be attached.

Development Name: Cien Palmas **TDHCA:** 3134

Utility	Who Pays	*Energy Source*	0BR	1BR	2BR	3BR	4BR	*Source of Utility Allowance & Effective Date*
Heating	landlord	natural gas						
Cooking	landlord	natural gas						
Other Electric								
Air Conditioning	landlord	electric						
Water Heater	landlord	natural gas						
Water								
Sewer								
Trash								
flat fee								
other								

Other (Describe)



Don't forget to add your utility allowance documentation behind this exhibit!

E.3. - Proforma Annual Operating Expenses

Development Name: Cien Palmas **TDHCA #:** 3134

General & Administrative Expenses				
Accounting		$	18,240	
Advertising		$	1,550	
Legal fees		$	1,200	
Leased equipment		$	2,700	
Postage & office supplies		$	4,030	
Telephone		$	15,820	
Other	*Credit Services, Dues, Memberships &*	$	9,260	
Other	*Inspections, Property Tax Consultants,*	$	4,540	
Total General & Administrative Expenses:				$ 57,340
Management Fee:	Percent of Effective Gross Income:		4.50%	$ 56,340
Payroll, Payroll Tax & Employee Benefits				
Management		$	90,710	
Maintenance		$	68,730	
Other	*Payroll Taxes, Benefits and Worker's Comp*	$	34,460	
Other	*Payroll Administration*		9,620	
Total Payroll, Payroll Tax & Employee Benefits:				$ 203,520
Repairs & Maintenance				
Elevator		$	0	
Exterminating		$	6,430	
Grounds		$	18,800	
Repairs & Make Ready		$	58,730	
Supplies		$	3,100	
Pool		$	2,630	
Other	*Building Exterior & Interiors, HVAC, Electrical and*	$	85,650	
Other	*Plumbing*	$	35,670	
Total Repairs & Maintenance:				$ 211,010
Utilities (Enter development owner expense)				
Electric		$	69,610	
Natural gas		$	22,950	
Trash		$	16,950	
Water & sewer		$	93,320	
Other	*Describe*	$		
Other	*Describe*	$		
Total Utilities:				$ 202,830
Annual Property Insurance:	Rate per net rentable square foot:	$	0.35	$ 44,330
Property Taxes:				
Published Capitalization Rate:		Source:		
Annual Property Taxes:		$	127,870	
Payments in Lieu of Taxes:		$	0	
Other Taxes	*Franchise Taxes*	$	2,340	
Other Taxes	*Describe*	$		
Total Property Taxes:				$ 130,210
Reserve for Replacements:	Annual reserves per unit:	$	328	$ 49,200
Other Expenses				
Cable TV		$	0	
Supportive service contract fees		$	6,000	
TDHCA Compliance fees		$	3,750	
Security		$	540	
Other	*Describe*	$		
Other	*Describe*	$		

Total Other Expenses:				$ 10,290
TOTAL ANNUAL EXPENSES	Expense per unit:	$	6,434	$ 965,070
	Expense to Income Ratio:		**77.09%**	
NET OPERATING INCOME (before debt service)				$ 286,867
Annual Debt Service				
Community Development Trust		$	216,236	
Describe Source		$		
Describe Source		$		
Describe Source		$		
TOTAL ANNUAL DEBT SERVICE	Debt Coverage Ratio:		1.33	$ 216,236
NET CASH FLOW				$ 70,631

E.4. - 30 YEAR RENTAL HOUSING OPERATING PRO FORMA

*The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of rental income and expenses), and principal and interest debt service. The Department currently considers an annual growth rate of **2%** for income and **3%** for expenses to be reasonably conservative estimates. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the pro forma period should be attached to this exhibit.*

Development Name: Cien Palmas **TDHCA #:** 3134

INCOME	LEASE-UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 25	YEAR 30
POTENTIAL GROSS ANNUAL RENTAL INCOME		$1,343,712	$1,370,586	$1,397,998	$1,425,958	$1,454,477	$1,605,860	$1,772,999	$1,957,535	$2,161,276	$2,386,224
Secondary Income		18,360	18,727	19,102	19,484	19,873	21,942	24,226	26,747	29,531	32,605
POTENTIAL GROSS ANNUAL INCOME	$0	$1,362,072	$1,389,313	$1,417,100	$1,445,442	$1,474,351	$1,627,802	$1,797,225	$1,984,282	$2,190,807	$2,418,828
Provision for Vacancy & Collection Loss		102,155	104,199	106,282	108,408	110,576	122,085	134,792	148,821	164,311	181,412
Rental Concessions		7,980	8,140	8,302	8,468	8,638	9,537	10,529	11,625	12,835	14,171
EFFECTIVE GROSS ANNUAL INCOME	$0	$1,251,937	$1,276,975	$1,302,515	$1,328,565	$1,355,136	$1,496,180	$1,651,904	$1,823,835	$2,013,661	$2,223,245
EXPENSES											
General & Administrative Expenses		$57,340	$59,060	$60,832	$62,657	$64,537	$74,816	$86,732	$100,546	$116,560	$135,125
Management Fee		56,340	58,030	59,771	61,564	63,411	73,511	85,219	98,793	114,528	132,769
Payroll, Payroll Tax & Employee Benefits		203,520	209,626	215,914	222,392	229,064	265,547	307,842	356,874	413,714	479,608
Repairs & Maintenance		211,010	217,340	223,861	230,576	237,494	275,320	319,172	370,007	428,940	497,259
Electric & Gas Utilities		92,560	95,337	98,197	101,143	104,177	120,770	140,005	162,305	188,155	218,124
Water, Sewer & Trash Utilities		110,270	113,578	116,985	120,495	124,110	143,877	166,793	193,359	224,156	259,858
Annual Property Insurance Premiums		44,330	45,660	47,030	48,441	49,894	57,841	67,053	77,733	90,114	104,467
Property Tax		130,210	134,116	138,140	142,284	146,553	169,895	196,954	228,324	264,690	306,848
Reserve for Replacements		49,200	50,676	52,196	53,762	55,375	64,195	74,419	86,272	100,013	115,943
Other Expenses:		10,290	10,599	10,917	11,244	11,581	13,426	15,565	18,044	20,917	24,249
TOTAL ANNUAL EXPENSES	$0	$965,070	$994,022	$1,023,843	$1,054,558	$1,086,195	$1,259,197	$1,459,755	$1,692,256	$1,961,789	$2,274,251
NET OPERATING INCOME	$0	$286,867	$282,953	$278,672	$274,007	$268,942	$236,983	$192,149	$131,579	$51,873	($51,006)
DEBT SERVICE											
First Deed of Trust Annual Loan Payment		$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236	$216,236
Second Deed of Trust Annual Loan Payment											
Third Deed of Trust Annual Loan Payment											
Other Annual Required Payment:											
Other Annual Required Payment:											
NET CASH FLOW	$0	$70,631	$66,718	$62,437	$57,772	$52,706	$20,747	($24,087)	($84,656)	($164,363)	($267,241)
Debt Coverage Ratio	#DIV/0!	1.33	1.31	1.29	1.27	1.24	1.10	0.89	0.61	0.24	-0.24
Other (Describe)											
Other (Describe)											

Waiting List

Property Name Here

Section 8

Bedroom Size 1

REV: 07/2015

Number	Date and Time of Application	Head of Household, Address, & Phone Number	Unit Size	Income Level	Need for Accessible Unit	Preferences	Race	Removed / Rejected Date	Move-In Date/Unit Number	Program Type	All Correspondance between the Office Staff and Applicant
1001	5/20/2015	[redacted]	1	x	Y		A	9/14/17	didnt update	Y	
1002	9/4/2015		1	x	Y		A	9/14/17	" "	Y	[redacted]
1003	9/16/2015		1	x	Y		A		#39 2-3-17	Y	Needs downstairs
1004	12-6-16 9:30A		1	ELI	Y		A	9/15/17	didnt update		
1005	12:28-16 1:30P		1	VL	No		A		#42		
1006	1-31-17 11:30A		1	ELI	NO		A		#36 3-1-17		
1007	2-1-17 11:00A		1	L	Y-D		A	9/15/17	didn't update		
1008	2-20-17 1:45p		1	ELI	NO		A	9/15/17	" "		
1009	7-6-17 10:00A		1	L	NO		A	9-15-17	9-15-17 offered unit, didnot want unit		
1010	8-7-17 9:00A		1	ELI	Y		A		leased apt #39 10/6/17		
1011	9-8-17 8:30A		1	ELI	NO		A		5-8-18 offered apt. did not want unit		
1012	9-11-17 10:45A		1	ELI	Y-D		A		6-22-18 offered apt 6-28-18 never came in		
1013	9-14-17 11:00A		1	VL	Y-D		A		7-11-18 Sent letter/call 7-16-18 ... could not locate		
1014	Juanita Va										
1015	Carmen V										
1016	Francisco										
1017	Cecilia										

on computer w-List

Waiting List

Cien Palmas Apartments Section 8 Bedroom Size ____2____

REV: 07/2015

Number	Date and Time of Application	Head of Household, Address, & Phone Number	Unit Size	Income Level	Preferences	Race	Removed / Rejected Date	Move-in Date/Unit Number	Program Type	*All Correspondence between the Office Staff and Applicant*
2023	10/26/2015	[redacted]	2	X		A		11/24/2015	X	Ph#: 247-9199 Apt. 30 offer unit 11/9/15 leased #30
2024	12/1/2015		2	x		A				In sect 8 now
2025	12/4/2015		2							In sect 8 now
2026	2/19/2016		2					5		leased #5
2027	4/7/2016		2	X		A		7/22/2016	X	Move in Apt#150 5/23/16 9:00 AM unit offer paperwork not availble
2028	5/20/2016		2	X		A		6/10/2016	X	Move in Apt#15 5/23/16 10:00AM offer unit will come in
2029	11-14-16							12-7-16		leased #127
	1:00p		2	EL1		A		127		
2030	1-23-17		2			A		3-1-17		Leased #137
	10:45 A			EL1				137		
2031	2-21-17		2			A		3-6-17		Leased #14
	2:00 p			EL1				14		
2032	3-7-17		2			A		5-24-17		leased apt # 27
	9:30 A			EL1				27		
2033	3-24-17		2							offered unit. did not come in
	1:30 p			EL1						
2034	4-6-17		2			A				offered unit. did not want it
	10:00 A			EL1						
2035	2-1-18		2							offered unit no longer needed
	10:00 A			EL1		A				

6/6/18 Esther Gon
6/22/18 Olga Mora
7/20/18 ana Urib
2039 - 7/24/18 Jessica
2040 - 12/6/18 Mara

Waiting List

Property Name Here Section 8 Bedroom Size 3

REV: 07/2015

Number	Date and Time of Application	Head of Household, Address, & Phone Number	Unit Size	Income Level	Need for Accessible Unit	Preferences	Race	Removed / Rejected Date	Move-in Date/Unit Number	Program Type	*All Correspondence between the Office Staff and Applicant*
3028	10/5/2015	[redacted]	3	X	Y		A		11/1/2015	Y	Ph#: [redacted]
3029	10/19/2015		3	X	Y		A			Y	05/23/16-05/24/16 Bring income verif. Over income
3030	6/23/2016		3	X	N		A		7/15/2016		Move in Apt 68
3031	3-1-17		3	X	N		A		3-16-17		Moved #116
3032	5-17-17 4:50 pm		3	X	N		A				Moved #115

no waiting list when they applied

9/29/17 [redacted]
1/19/18
1/18/18
3/17/18
3/22/18
5/11/18
6/13/18

no yardi 3040 6/22/18
3041 7/24/18

Tax Credit Cien Palmas Apartments Waiting List BR Size 1

Number	Date / Time	Name Address / Phone #	Unit Size	Accesible Unit	Approved / Denided	Notes
1	8/27/2019	[redacted]	1	NO	Pending	No Vacancy
2	9/19/2019	[redacted]	1	No	Pending Screening	No Vacancy

Cien Palmas Apartments Waiting List BR Size ____2_____

Number	Date	Name Address / Phone #	Unit Size	Accesible Unit	Approved / Denided	App Date
1	8/2/2019	[redacted]	2	No	Pending screening	8/2/2019

Tax Credit Cien Palmas Apartments Waiting List BR Size ____3/4_

Number	Date	Name Address / Phone #	Unit Size	Accesible Unit	Approved / Denied	App Date
1	8/5/2019	[redacted]	3	no	Pending	8/5/2019
2	8/30/2019	[redacted]	3	NO	Applicant Declined	8/30/2019

Certification of Tenant Notification

Development Name: Cien Palmas **Property ID Number:** 3134

Section 2306.6713, Texas Government Code, requires development owners to certify that tenants in the Development have been notified in writing of any proposed transfer of ownership. Tenants must be notified at least 30 days before the transfer request is submitted to the Department. A copy of the form letter used as the notification must be attached to this certification for review.

I, the undersigned, being duly sworn, hereby represent and certify under penalty of perjury that tenants in the Development were notified in writing of the proposed transfer on:

Date of Notification: 12/9/2019

The information contained in this statement, including any attachments hereto, is true, correct and complete to the best of my knowledge.

Lilac Way, L.P.
Current or Proposed Development Owner Name

By: _____
Signature of Authorized Representative

W. Douglas Gurkin
Printed Name

Manager
Title

1/3/2020
Date

Sworn to and subscribed before me on the 3rd day of January, 2020

by W. Douglas Gurkin.

(Personalized Seal)

GEORGE C SCHMIDT
My Notary ID # 128021059
Expires August 24, 2021

_____
Notary Public Signature

George C Schmidt
Notary Public, State of

Texas
County of

Travis
My Commission Expires:

8/24/2021
Date

Lilac Way, L.P.

NOTICE TO RESIDENTS

Cien Palmas (fka Lilac Garden) Apartments

7845 Lilac Way, El Paso, TX 79915
(915) 591-7300

December 9, 2019

Dear Resident:

Lilac Way, L.P., Owner of **Cien Palmas (fka Lilac Garden) Apartments**, intends to submit the following three (3) amendment requests to the Texas Department of Housing and Community Affairs (**TDHCA**) on or before **January 6, 2020**. TDHCA requires us to notify you of these changes in writing at least **forty-five (45)** days prior to any changes taking place. TDHCA's decision whether to approve any, or all, of Lilac Way's requests below are made with the consideration of the opinions and views of the residents of Cien Palmas. A public hearing will be held at the Cien Palmas community office on **February 1, 2020 at 1:00 p.m.** The public hearing is your opportunity to discuss the amendment requests and voice any concerns. Any additional information for this meeting will be submitted to TDHCA and posted to TDHCA's website for its scheduled board meeting. Review and final determination for approval of these amendment requests by TDHCA is scheduled for its **February 20, 2020** board meeting date.

These requests will not affect your current lease agreement, your rent payment, or your security deposit. You will not be required to move out of your home or take any other action because of these changes.

First Amendment Request

Lilac Way, L.P., was awarded (award #03134) Low Income Housing Tax Credits (LIHTC) in 2003 to finance the acquisition and improvement of the property. The 2003 Qualified Allocation Plan (**QAP**) for the LIHTC program requires that if, after 12/31/2020, Lilac Way decides to sell Cien Palmas, it will be offered first for sale to a non-profit or tenant organization for a period of up to two years and permit Lilac Way to transfer Cien Palmas to certain kinds of buyers in a right of first refusal process. Texas law changed in 2015 to allow for a 180-day right of first refusal period. Lilac Way is filing a request with TDHCA for approval to change Lilac Way's requirements to conform with the 2015 change in the law. This would allow Lilac Way to change the two-year period to a 180-day period.

Second Amendment Request

The 2003 QAP for the LIHTC program prohibited developments having units with four or more bedrooms. This restriction applied both to newly built property as well as existing property like Cien Palmas. Cien Palmas was built in 1971 with 150 apartment units, 16 of which were built

and leased as four-bedroom apartment units. Lilac Way elected to downgrade the bedroom count of those 16 units to thereafter be known as "three-bedroom-with-den" units in 2003 as a compromise to enable Lilac Way to qualify for the LIHTCs necessary to acquire Cien Palmas and spend more than $4.7 million in improvements. Improvements made included new sidewalks and curbing, landscaping, adding a swimming pool and new playground equipment, removal and replacement of roofing and decking, adding gutters and downspouts, new exterior lighting and signage, new HVAC units and ductwork, replacement of cabinetry, sinks and faucets in all kitchens and baths, installing energy star rated appliances (refrigerator, dishwasher, range and disposal), renovation of the community building and correcting health and safety concerns while improving accessibility throughout the property.

In 2004, TDHCA recognized the need to support properties that already serve larger families and changed the Texas law to allow existing properties having four-bedroom units to qualify for LITHC. Although Lilac Way could have requested a change in the designation of those units back to four-bedroom units at that time, the owners felt that it was important to adhere to the rules established of the LIHTC award for the required 15-year initial compliance period of the program. While compliance with this rule has since enabled smaller families to enjoy the larger units at lower rents, there are many larger families in the El Paso community that have been unable to find four-bedroom affordable housing that Cien Palmas would otherwise be able to provide.

Lilac Way will request that TDHCA allow Cien Palmas to lease those 16 "three-bedroom-with-den" units as four-bedroom units. **As stated above, the re-designation of these units as four-bedroom units will not affect your current lease agreement, your rent payment, or your security deposit**. Conversion of the apartment units to four-bedroom will not require alteration of the apartments and will only be done as each unit becomes vacant and available to lease to new residents. Existing residents will be allowed to continue to reside in these units as a three-bedroom-with-den for as long as they choose and abide by the standard current community leasing policies. All lease renewals will continue as three-bedroom-with-den unless the resident opts for the re-designation of the unit as a four-bedroom unit, which option would be available to the resident at any time. Provided that TDHCA grants approval for the re-designation of the units to four-bedroom status, that status would not be reversible, and the applicable four-bedroom rent would be charged at that point forward. The additional rent collected by re-designating these units would help ensure that the Cien Palmas is able to continue to make improvements to the quality of life for all residents while allowing larger families to find housing that is in short supply in El Paso.

Third Amendment Request

Wooten Epes is a 49.995% limited partner of **Cien Palmas, L.P.**, a 0.01% general partner of Lilac Way, L.P. Wooten Epes is also a 50% shareholder of **Edgewater Group of El Paso, Inc.**, a 0.01% general partner of Cien Palmas, L.P.

Effective on **January 1, 2020**, subject to review and approval by TDHCA, Wooten Epes intends to transfer 50% of each of his interests to the **Shade Wooten Epes Trust** and 50% of each of his interests to the **Carol Condon Epes Revocable Trust**. Wooten is the sole trustee of the Shade

December 12, 2019

Wooten Epes Trust and would continue in his capacity as part owner and managing member. **Carol Epes** is the sole trustee of the Carol Condon Epes Revocable Trust.

Ownership of Cien Palmas Apartments will continue to be held by Lilac Way, L.P. The property itself is **not** being sold. **Arnold-Grounds Apartment Management & Affordable Housing Specialists, LLC** will continue to manage the property.

This letter is formal notice of the intended transfer of the partnership interests. **The transfer of the interests described above will not affect your lease or the conditions of your unit or apartment building**. Future rent payments and all current inquiries and communications should continue to be addressed to the property management office onsite. If you have any questions, please call the onsite management office.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701
512-475-3800
www.tdhca.state.tx.us

Thank you for being a caring and committed resident of Cien Palmas and for choosing our community for your home.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

Notice of Public Hearing

Cien Palmas Apartments
January 28th, 2020
7:00 pm

A public hearing to obtain public comment on Amendment Requests submitted to the Texas Department of Housing and Community Affairs (TDHCA) will be held in the community room at Cien Palmas at 7:00 pm on January 28th, 2020.

Anyone may submit comments in written form or oral testimony at the public hearing.

In addition, written comments may also be submitted to Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: info@tdhca.state.tx.us, or by fax to (512) 482-8851.

Lilac Way, L.P.

January 14, 2020

Mr. Mitch Bowman
Asset Manager, Region 13
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Delivered via: Mark Fugina mark.fugina@tdhca.state.tx.us

RE: Material Application Request
Cien Palmas (fka Lilac Garden), El Paso, TX
TDHCA # 03134 CMTS ID: 819

Dear Mr. Bowman:

As President of Lilac Way, L.P. ("**Owner**") of Cien Palmas Apartments (fka Lilac Garden), El Paso, TX ("**Property**"), I respectfully submit the following supplemental information to the Material Application Amendment Request submitted on January 6, 2020.

Tab 1. Operating Statements (11/30/2019)
Tab 2. Property Condition Assessment Excerpt – D3G Dominion (4/1/2016)
Tab 3. Property Condition Assessment Excerpt – Aestimo (9/17/2018)
Tab 4. Adjuster's Claim Estimate Summary from 11/4/2016 Hail Loss

The Operating Statements reflect maintenance costs of $49,039 and Capital Expenditures of $55,879 for a total of only $104,918 for the prior 12 months, well under the $240,000 budgeted for larger capital projects that have been deferred. Those include $128,500 for breaker box replacements, which have only been partially replaced since 1971 and $41,500 for pool decking and resurfacing which must be done before May of 2020. We focused on a property management transition in 2019 and have deferred some of the larger costs until new management can make an updated priority assessment of the most immediate large project cost needs and we have accumulated sufficient operating funds to address those needs. We also experienced changes in maintenance staffing onsite (noted by a dip in payroll costs due to the transition). Replacement reserves at just over $139,000 are funded at $4,100/m and have not been inflation adjusted since 2004. The lender requires a $75,000 minimum balance, so large capital replacements have had to be parceled out. In the past four years those replacement costs have well exceeded what would have been allowed to be drawn. As a result, cash flow has been used to fund the excess in replacements over allowable withdrawals.

We obtained two separate property condition assessments, one in 2016 and one in 2018. Excerpts are provided for both, but the full reports are available if desired. D3G Dominion (4/1/2016) estimated the 10-year Term Costs at $1,081,269. Aestimo (9/17/2018) estimated the 10-year Term Costs at $1,345,764. Those are in-line with the expenditures experienced and shown in the audits with exception of the prior 12-months due to our focus on the management change (and changes in maintenance staff during that time). Average annual costs for capital replacements for the lesser of two assessments are $108,127. Add the normal annual maintenance and capital expenditures of $105,000 and it is very close to the $211,010 annual expenses in the proforma.

Finally, there was a hail storm on 11/4/2016 which has since been in dispute with Lloyds to recover from. The adjuster's claim estimate was nearly $1.3M, of which we received only $100,000 to date. The approximately $40,000 balance remaining of those funds, which have been used to date to proceed with the claim against Lloyds, are reserved in the operating and security deposit accounts until the remaining proceeds can be decided. The parties have been to mediation and arbitration is pending, but we have only been provided with an offer of less than 20% of the claim estimate to date.

Cien Palmas, L.P.
1805 Lakehurst Road, Spicewood, Texas 78669
(512) 264-1020 Fax (512) 681-7977 email: doug@edgewatertexas.com

We appreciate working with your office and please feel free to contact me at (512) 264-1020 or doug@edgewatertexas.com if you have any questions or concerns.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

ARNOLD GROUNDS
Apartment Management & Affordable Housing Specialists

December 17, 2019

George Schmidt
Edgewater Group
8705 Whispering Trail
Austin, TX 78737

RE: Cien Palmas – November 2019 Owner Report

Dear Mr. Schmidt,

Attached is your financial reporting package for the month of November 2019.

Here are some highlights for the month of November 2019:

1. Occupancy remains the focus. We had 2 move-ins. There were also 4 move-outs: (3) tenant initiated, and (1) abandoned the unit.
2. We closed the month of November 2019 at 97% occupancy.
3. We have 2 units pre-leased for December move-ins.
4. The GED classes are going well, more people have shown up for this class
5. Maintenance continues to complete repairs in house.

Meanwhile, should you have additional questions, please don't hesitate to reach out.

Thank you again for the opportunity to represent your interest at Cien Palmas.

Kindest Regards,

Stewart Grounds

920 S. Main St., Suite 200 • Grapevine, TX 76051
Office 817.488.2011 • Fax 817.488.2055 • ArnoldGrounds.com

Cien Palmas Apartments
Balance Sheet

	Month Ending 10/31/2019 Actual	As Of 11/30/2019 Actual	Month Ending 11/30/2019 Period Diff
ASSETS			
Cash Accounts			
112010 - Operating Account	98,907	122,475	23,568
112015 - Depository Account	4,536	4,536	0
112025 - Security Deposit Account	122,691	122,692	0
112045 - Petty Cash	500	500	0
Cash Balance	226,634	250,203	23,568
Current Assets			
113000 - Accounts Receivable - Tenant	9	0	(9)
113500 - Accounts Receivable - HAP	27,129	30,555	3,426
120000 - Prepaid Expenses	137	45	(92)
120010 - Prepaid Insurance	22,762	19,259	(3,501)
120020 - Prepaid Payroll Expenses	5,582	7,282	1,700
131010 - Tax Escrow - Lender Held	118,356	129,117	10,759
131020 - Insurance Escrow - Lender Held	22,746	26,596	3,851
132020 - Replacement Reserve - Lender	139,680	139,688	8
132020-DE - Replacement Reserve - Lender Deposits	20,500	24,600	4,100
132030 - Renovation Reserve	156,694	156,701	7
132035 - Interest Reserve	17,045	17,046	0
Total Current Assets	530,640	550,889	20,249
Real Estate Assets			
Capital Turn Costs			
142017 - Door/Lock Replacement	759	759	0
142024 - Plumbing Fixtures	1,020	1,019	0
142026 - Window Treatments	259	509	249
142028 - Other Appliances	1,248	1,248	0
144003 - Dishwashers	317	632	316
144007 - Refrigerators	529	1,059	530
146001 - Flooring	7,068	8,718	1,650
146003 - Carpet Replacement	934	933	0
Total Capital Turn Costs	12,134	14,877	2,745
Capital Projects			
141000 - Land	358,576	358,576	0
142010 - Building	6,976,586	6,976,587	0
142016 - Contract Labor - Rehab	16,765	16,764	0
142020 - HVAC Replacement	6,418	7,519	1,100
142027 - Windows	942	942	0
142030 - Exterior Paint	1,462	1,461	0
142031 - Plumbing Replacements	1,855	2,974	1,118
144001 - Boilers & Water Heaters	10,389	11,069	680
146000 - Furnishings	456,213	456,213	0
146500 - Computer Software	3,422	3,422	0
147001 - Tools & Equipment	583	583	0
149002 - Landscaping	3,383	3,383	0
149500 - Accumulated Depr-Bldg	(4,323,624)	(4,323,624)	0
Total Capital Projects	3,512,970	3,515,869	2,898
Total Real Estate Assets	3,525,104	3,530,746	5,643
Development Costs			
Other Financing Costs			
141260 - Tax Credit Fees	30,924	30,924	0
151501 - Tax Credit Fees Amortization	(27,494)	(27,494)	0
Total Other Financing Costs	3,430	3,430	0
Total Development Costs	3,430	3,430	0
Other Assets			
159000 - Miscellaneous Other Assets	7,375	7,375	0

Cien Palmas Apartments
Balance Sheet

	Month Ending 10/31/2019 Actual	As Of 11/30/2019 Actual	Month Ending 11/30/2019 Period Diff
Total Other Assets	7,375	7,375	0
Total Assets	**4,293,183**	**4,342,643**	**49,460**

Cien Palmas Apartments
Balance Sheet

	Month Ending 10/31/2019 Actual	As Of 11/30/2019 Actual	Month Ending 11/30/2019 Period Diff
LIABILITIES & SHAREHOLDERS' CAPITAL			
LIABILITIES			
Current Liabilities			
211000 - Accounts Payable - Operations	16,467	15,067	(1,400)
211900 - Accrued Operating Expenses	220	260	40
212000 - Accrued Wages	2,720	4,080	1,360
212300 - Accrued Management Fee	0	4,829	4,829
212310 - Accrued Asset Management Fee	4,168	4,585	417
213000 - Accrued Interest Expense	12,378	12,378	0
215000 - Accrued Property Taxes	103,291	113,982	10,691
219100 - Tenant Deposits	37,512	36,939	(573)
221000 - Prepaid Rents	29,357	34,894	5,537
Total Current Liabilities	206,113	227,014	20,901
Long Term Liabilities			
232000 - First Mortgage Note	2,133,969	2,128,131	(5,838)
232002 - Deferred Financing Costs	(67,056)	(67,056)	0
232003 - Accumulated Amortization Financing Costs	46,740	46,740	0
Total Long Term Liabilities	2,113,653	2,107,815	(5,838)
Total Liabilities	2,319,766	2,334,829	15,063
Shareholder's Capital			
Prior Year Earnings	(678,424)	(678,424)	0
Retained Earnings	377,140	431,535	54,395
Current Month Net Income	54,395	34,397	(19,998)
Equity			
320010 - Contributions - Limited Partner 1	2,284,863	2,284,863	0
330020 - Distributions - General Partner	(64,557)	(64,557)	0
Total Equity	2,220,306	2,220,306	0
Total Shareholders' Capital	1,973,417	2,007,814	34,397
Total Liabilities & Shareholders' Capital	**4,293,183**	**4,342,643**	**49,460**
Net Operating Income	**77,192**	**51,624**	**(25,568)**

Cien Palmas Apartments
Taxable Income & Rolling Net Cash Flow YTD

	Month Ending 01/31/2019 Actual	Month Ending 02/28/2019 Actual	Month Ending 03/31/2019 Actual	Month Ending 04/30/2019 Actual	Month Ending 05/31/2019 Actual	Month Ending 06/30/2019 Actual	Month Ending 07/31/2019 Actual	Month Ending 08/31/2019 Actual	Month Ending 09/30/2019 Actual	Month Ending 10/31/2019 Actual	Month Ending 11/30/2019 Actual	Year To Date Actual
Income												
Net Rental Income												
Gross Potential Rent	104,871	104,111	104,111	104,111	105,285	107,238	107,238	107,238	107,238	107,238	107,238	1,165,917
Rental Losses												
637100 - Bad Debts	1	1,318	0	134	106	338	0	(3)	195	0	440	2,529
637101 - Bad Debts - Resident Ledger Cleanup	0	0	0	0	0	0	0	(865)	0	0	0	(865)
529002 - Loss To Old Lease	0	0	0	0	0	469	469	0	452	100	100	1,590
529011 - LTOL Compliance	(29)	(6)	(6)	(47)	(46)	0	0	0	0	0	0	(134)
522000 - Vacancy Loss	990	(5,232)	798	4,345	(1,336)	1,971	3,034	676	1,727	1,451	1,844	10,268
633100 - Employee Rent Free Units	623	623	623	623	623	623	623	623	623	623	623	6,853
Total Rental Losses	1,585	(3,297)	1,415	5,055	(653)	3,401	4,126	431	2,997	2,174	3,007	20,241
Total Net Rental Income	103,286	107,408	102,696	99,056	105,938	103,837	103,112	106,807	104,241	105,064	104,231	1,145,676
Other Income												
599012 - Cable TV Contract Commission	0	0	0	0	0	0	0	0	0	30,000	1,695	31,695
599001 - Cleaning Charges	395	888	258	656	55	805	364	649	0	492	125	4,687
599002 - Damages	0	0	0	0	0	8	235	255	10	151	0	659
529000 - Interest Income	20	21	18	21	20	6	13	53	15	16	16	219
519003 - Late Charge	111	(21)	126	97	165	166	425	(288)	87	62	54	984
591000 - Laundry & Vending Revenue	776	565	1,086	1,090	885	1,295	0	592	1,161	0	1,521	8,972
599000 - Miscellaneous Income	0	0	66	56	0	0	5	0	35	0	0	162
519007 - Reletting Fee	0	0	0	0	0	110	0	152	0	0	66	328
Total Other Income	1,302	1,453	1,554	1,920	1,125	2,390	1,042	1,413	1,308	30,721	3,477	47,706
Total Income	104,588	108,861	104,250	100,976	107,063	106,227	104,154	108,220	105,549	135,785	107,708	1,193,382
Operating Expenses												
Administrative Expenses												
639001 - Answering Service	94	94	94	94	94	0	0	0	0	0	0	470
635100 - Accounting / Bookkeeping Services	0	0	0	0	1,500	132	144	208	176	178	183	2,519
635000 - Audit Expense	3,000	0	0	3,000	8,000	0	0	0	0	0	0	14,000
639002 - Bank Charges	7	5	6	3	5	69	0	15	0	0	0	112
639015 - Cable/Internet Service	0	0	0	0	0	125	125	125	125	125	125	750
639016 - Cell Phones	0	0	0	0	0	146	45	45	45	47	51	379
639003 - Computer Expense	750	750	750	750	750	0	191	369	369	370	369	5,418
639004 - Credit Report Service	300	476	24	496	268	0	55	249	245	245	301	2,660
639005 - Dues & Subscriptions	0	0	0	0	0	111	0	0	0	0	0	111
639006 - Furniture & Equipment Rental	145	145	145	145	145	18	215	225	251	251	261	1,946
631104 - Legal Fees / Court Fees	0	0	0	0	146	0	0	0	438	(292)	0	292
620400 - Management Consultants	0	0	0	0	0	0	81	0	0	0	0	81
631109 - Office Supplies	344	385	284	350	216	182	193	300	322	96	263	2,935
639010 - Postage & Shipping	23	60	22	217	54	58	0	18	0	0	28	480
718050 - Tax Credit Compliance Fees	0	0	0	0	3,750	0	0	0	0	0	0	3,750
639011 - Telephone Expense	539	442	679	449	446	183	414	184	184	414	185	4,120
639012 - Travel Expense	0	0	0	0	0	1,632	0	0	0	0	515	2,147
621001 - Social Services	0	6,000	0	0	0	0	0	0	0	0	0	6,000
631102 - Employee Training	97	98	98	97	98	0	0	0	0	0	0	488
Total Administrative Expenses	5,299	8,455	2,102	5,601	15,472	2,656	1,463	1,738	2,155	1,434	2,281	48,658
Insurance												
672100 - Fidelity Bond Insurance	0	0	525	525	(525)	0	0	0	0	0	0	525
672000 - Property & Liability Insurance	3,716	3,715	3,715	3,715	3,715	5,252	3,502	3,502	3,502	3,502	3,502	41,338
Total Insurance	3,716	3,715	4,240	4,240	3,190	5,252	3,502	3,502	3,502	3,502	3,502	41,863
Management Fees												
632000 - Management Fee	6,750	5,954	5,906	5,694	5,815	4,324	4,524	5,073	4,735	4,684	4,829	58,287
Total Management Fees	6,750	5,954	5,906	5,694	5,815	4,324	4,524	5,073	4,735	4,684	4,829	58,287
Marketing Expenses												
621011 - Marketing Online/Internet	49	320	49	49	49	49	49	49	49	49	49	811
621010 - Personnel Ads	0	0	0	0	0	277	584	0	0	0	0	859
621004 - Resident Parties & Promotions	0	0	0	0	0	0	0	5	11	16	0	32
Total Marketing Expenses	49	320	49	49	49	326	633	54	60	65	49	1,702
Payroll & Benefits												
651002 - Asst Maintenance Salary	0	0	0	0	0	0	1,956	3,123	2,057	2,028	2,090	11,253
633002 - Asst Manager Salary	0	0	0	0	0	2,911	3,150	4,722	3,180	3,204	3,154	20,323
651010 - Health Insurance/Benefits & Disability Ins	1,354	1,350	1,247	1,869	831	634	0	1,372	1,826	1,911	1,910	14,303
651001 - Maintenance Supervisor Salary	3,854	3,571	3,164	5,761	3,291	2,738	2,648	4,018	2,619	2,689	2,545	36,899
633001 - Manager Salary	6,950	6,992	6,966	10,539	7,038	4,567	3,846	5,818	3,889	3,957	4,056	64,618
633006 - Payroll Fees	653	643	631	964	488	235	279	440	241	241	255	5,072
631000 - Payroll Smoothing	0	0	0	0	0	0	0	0	1,360	1,360	1,360	4,080
671100 - Payroll Taxes	1,280	1,248	1,049	1,373	760	1,210	1,748	2,366	1,092	1,036	906	14,068
672200 - Worker's Compensation	340	340	340	340	340	114	269	415	273	276	272	3,317
Total Payroll & Benefits	14,431	14,144	13,397	20,846	12,748	12,409	13,896	22,274	16,537	16,702	16,548	173,933
Repairs & Maintenance												
Repairs & Maintenance												
659001 - Appliance Repairs	0	0	0	0	0	0	453	0	0	0	0	452
651501 - Appliance Supplies	124	0	0	243	386	0	364	323	230	0	263	1,934
659002 - Electrical Repairs	105	176	114	0	192	0	0	0	542	0	0	1,128
651502 - Electrical Supplies	0	0	0	0	0	0	166	187	254	0	63	670
659003 - Exterior Repairs	137	547	269	152	641	41	0	97	325	475	0	2,685
652002 - Grounds/Landscaping Contract	2,598	1,299	1,299	1,299	1,299	1,299	1,299	1,357	1,357	1,357	1,357	15,821
654600 - Heating/Cooling Rprs & Maint	0	59	0	2,636	161	0	0	0	0	0	1,950	4,806
651507 - HVAC Supplies	0	0	0	0	0	215	1,003	749	138	429	24	2,558

Cien Palmas Apartments
Taxable Income & Rolling Net Cash Flow YTD

	Month Ending 01/31/2019	Month Ending 02/28/2019	Month Ending 03/31/2019	Month Ending 04/30/2019	Month Ending 05/31/2019	Month Ending 06/30/2019	Month Ending 07/31/2019	Month Ending 08/31/2019	Month Ending 09/30/2019	Month Ending 10/31/2019	Month Ending 11/30/2019	Year To Date
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
659004 - Interior Repairs	0	119	0	0	0	327	40	415	801	0	0	1,703
651503 - Lightbulb Supplies	0	0	69	0	0	0	0	114	0	0	108	292
652001 - Pest Control	417	767	547	417	417	207	415	416	416	416	416	4,847
659011 - Pest Control non-contract services	0	0	0	0	0	0	0	514	0	0	0	515
659006 - Plumbing Repairs	258	1,091	795	1,272	0	0	0	0	219	0	0	3,635
651504 - Plumbing Supplies	0	0	0	0	0	111	78	294	1,003	566	(239)	1,812
659007 - Roof Repairs - Minor	0	0	0	0	0	0	0	0	0	128	0	128
659010 - Swimming pool supplies/repairs/permits	0	0	0	366	35	0	214	270	0	0	239	1,123
659009 - Tools & Equipment	0	151	0	(98)	0	0	29	44	78	279	213	698
652003 - Other Contract Services	0	0	0	900	0	0	0	0	0	0	0	900
631107 - Security / Monitoring	256	0	0	127	0	0	0	137	0	0	137	656
Subtotal Repairs & Maintenance	3,895	4,209	3,093	7,314	3,131	2,200	4,061	4,917	5,363	3,650	4,531	46,363
Unit Preparation												
647001 - Carpet & Carpet Pad Repairs	557	267	159	196	54	0	152	0	0	0	76	1,461
647002 - Carpet Cleaners	0	0	0	0	0	141	189	59	309	59	438	1,196
647003 - Cleaning Contractors	0	0	0	0	0	0	290	0	0	1,061	0	1,351
647004 - Cleaning Supplies	0	96	0	140	0	0	0	151	112	145	0	644
647007 - Doors/Locks/Keys	0	145	0	18	0	0	0	176	0	78	98	514
647010 - Misc Parts & Supplies	183	508	0	0	0	0	0	177	0	0	0	867
647009 - Paint	0	500	0	135	0	763	86	261	413	86	951	3,198
647012 - Tile / Vinyl Flooring	0	0	0	0	0	0	0	0	0	59	0	58
Subtotal Unit Preparation	740	1,516	159	489	54	904	717	824	834	1,488	1,563	9,289
Total Repairs & Maintenance	4,635	5,725	3,252	7,803	3,185	3,104	4,778	5,741	6,197	5,138	6,094	55,652
Taxes												
718000 - Franchise Tax Expense	0	0	0	0	1,973	0	0	0	0	0	0	1,973
671000 - Real Estate Taxes	10,200	10,200	10,200	10,200	10,200	10,400	10,400	10,400	10,400	10,691	10,691	113,982
Total Taxes	10,200	10,200	10,200	10,200	12,173	10,400	10,400	10,400	10,400	10,691	10,691	115,955
Utilities												
645000 - Electricity - Common	7,761	3,601	3,374	3,455	5,762	6,111	6,429	7,052	7,617	7,104	3,426	61,692
652500 - Garbage & Trash Removal	1,337	1,403	1,403	1,404	1,403	1,404	1,403	1,404	1,403	1,403	1,403	15,369
645200 - Gas	1,524	548	500	64	1,510	126	123	118	1,425	855	1,642	8,437
645300 - Sewer	0	0	0	0	0	3,853	3,852	3,852	3,853	3,852	3,577	22,840
645100 - Water	13,828	6,606	8,151	6,020	7,263	3,629	4,429	4,146	4,731	3,583	2,995	65,380
Total Utilities	24,450	12,158	13,428	10,943	15,938	15,123	16,236	16,572	19,029	16,797	13,043	173,718
Total Operating Expenses	69,530	60,671	52,574	65,376	68,570	53,594	55,432	65,354	62,615	59,013	57,037	669,768
Total Net Operating Income	35,058	48,190	51,676	35,600	38,493	52,633	48,722	42,866	42,934	76,772	50,671	523,614
Debt Service												
682000 - Interest on Mortgage	12,473	12,441	12,410	12,378	12,377	12,473	12,313	12,280	12,248	12,214	12,182	135,787
689000 - Miscellaneous Financial Expenses	0	0	0	0	0	0	0	0	0	1,500	0	1,500
Total Debt Service	12,473	12,441	12,410	12,378	12,377	12,473	12,313	12,280	12,248	13,714	12,182	137,287
Partnership Expenses												
719010 - Accounting Expense	0	0	0	0	500	0	0	0	0	0	3,000	3,500
719005 - Asset Management Fee	417	417	417	417	417	417	417	417	417	417	417	4,587
719020 - Consultants - 3rd Party	750	500	625	625	625	314	0	5,500	4,250	8,370	675	22,234
712000 - Legal Expenses - Entity	0	0	0	3,072	0	0	0	0	0	0	0	3,073
634000 - Legal Expense -- Property Operations	0	0	0	0	734	2,973	2,050	75	50	150	0	6,031
719006 - Partnership Management Fee	0	0	0	0	0	0	0	0	29,848	0	0	29,848
719050 - Prior Period Expense	0	0	0	0	581	(51,951)	0	44,805	286	(274)	0	(6,551)
Total Partnership Expenses	1,167	917	1,042	4,114	2,857	(48,247)	2,467	50,797	34,851	8,663	4,092	62,722
Taxable Income	21,418	34,832	38,224	19,108	23,259	88,407	33,942	(20,211)	(4,165)	54,395	34,397	323,605
Net Operating Income	35,058	48,190	51,676	35,600	38,493	52,633	48,722	42,866	42,934	76,772	50,671	523,614
Other Changes to Cash Position												
Other Changes in Assets	(135,821)	(14,950)	(9,556)	(12,731)	(26,002)	(43,251)	47,080	(211,518)	97,588	(18,129)	(16,134)	(343,421)
AP & Accrued Operating Expenses	25,112	(3,416)	3,137	(11,382)	3,442	40,484	(29,785)	(16,964)	13,420	(7,358)	(1,360)	15,327
Other Changes in Liabilities	109,526	12,504	11,852	14,674	23,862	(51,058)	11,658	19,296	16,531	16,413	21,844	207,102
Total Other Changes to Cash Position	(1,183)	(5,862)	5,433	(9,439)	1,302	(53,825)	28,953	(209,186)	127,539	(9,074)	4,350	(120,992)
Cash Position After Other Changes	33,875	42,328	57,109	26,161	39,795	(1,192)	77,675	(166,320)	170,473	67,698	55,021	402,622
Debt Service												
Principal												
232000 - First Mortgage Note	(2,185,044)	5,547	5,578	5,611	5,642	5,674	5,707	5,740	5,772	5,805	5,838	(2,128,131)
232002 - Deferred Financing Costs	67,056	0	0	0	0	0	0	0	0	0	0	67,056
232003 - Accumulated Amortization Financing Costs	(46,740)	0	0	0	0	0	0	0	0	0	0	(46,740)
Total Principal	(2,164,728)	5,547	5,578	5,611	5,642	5,674	5,707	5,740	5,772	5,805	5,838	(2,107,815)
Debt Service												
682000 - Interest on Mortgage	12,473	12,441	12,410	12,377	12,377	12,472	12,313	12,280	12,248	12,215	12,181	135,787
689000 - Miscellaneous Financial Expenses	0	0	0	0	0	0	0	0	0	1,500	0	1,500
Total Debt Service	12,473	12,441	12,410	12,377	12,377	12,472	12,313	12,280	12,248	13,715	12,181	137,287
Total Debt Service	(2,152,255)	17,988	17,988	17,988	18,019	18,146	18,020	18,020	18,020	19,520	18,019	(1,970,528)
Cash Position After Debt Service	2,186,130	24,340	39,121	8,173	21,776	(19,338)	59,655	(184,340)	152,453	48,178	37,002	2,373,150

Cien Palmas Apartments
Taxable Income & Rolling Net Cash Flow YTD

	Month Ending 01/31/2019 Actual	Month Ending 02/28/2019 Actual	Month Ending 03/31/2019 Actual	Month Ending 04/30/2019 Actual	Month Ending 05/31/2019 Actual	Month Ending 06/30/2019 Actual	Month Ending 07/31/2019 Actual	Month Ending 08/31/2019 Actual	Month Ending 09/30/2019 Actual	Month Ending 10/31/2019 Actual	Month Ending 11/30/2019 Actual	Year To Date Actual
Change in Reserves												
132020 - Replacement Reserve - Lender	123,210	4,107	4,106	4,115	4,115	0	8	6	8	8	8	139,689
132020-DE - Replacement Reserve - Lender Deposits	0	0	0	0	0	4,100	4,100	4,100	4,100	4,100	4,100	24,600
132030 - Renovation Reserve	156,615	8	7	0	0	0	0	48	7	8	8	156,701
132035 - Interest Reserve	17,045	0	0	0	0	0	0	0	0	0	0	17,045
133010 - Contingent Restricted Insurance Proceeds	37,622	1	1	(2,109)	1	2	(35,520)	0	0	0	0	0
Total Change in Reserves	334,492	4,116	4,114	2,006	4,116	4,102	(31,412)	4,154	4,115	4,116	4,116	338,035
Capital Expenditures												
Capital Turn Costs												
142017 - Door/Lock Replacement	0	0	0	0	0	409	350	0	0	0	0	760
142024 - Plumbing Fixtures	0	0	0	0	0	0	690	0	0	329	0	1,019
142026 - Window Treatments	0	0	0	0	0	0	260	0	0	0	249	508
142028 - Other Appliances	0	0	0	0	0	0	1,248	0	0	0	0	1,249
144003 - Dishwashers	0	0	0	0	0	0	0	0	0	316	316	632
144007 - Refrigerators	0	0	0	0	530	0	0	0	0	0	530	1,058
146001 - Flooring	0	1,819	0	0	660	0	0	0	2,779	1,811	1,650	8,719
146003 - Carpet Replacement	0	0	0	0	0	0	0	933	0	0	0	933
Total Capital Turn Costs	0	1,819	0	0	1,190	409	2,548	933	2,779	2,456	2,745	14,878
Capital Projects												
141000 - Land	358,576	0	0	0	0	0	0	0	0	0	0	358,576
141260 - Tax Credit Fees	30,924	0	0	0	0	0	0	0	0	0	0	30,924
142010 - Building	6,976,587	0	0	0	0	0	0	0	0	0	0	6,976,587
142016 - Contract Labor - Rehab	0	0	0	0	0	16,764	0	0	0	0	0	16,764
142020 - HVAC Replacement	0	1,028	0	0	1,628	0	968	683	2,111	0	1,100	7,518
142027 - Windows	578	0	0	0	0	245	119	0	0	0	0	943
142030 - Exterior Paint	0	0	0	0	0	1,462	0	0	0	0	0	1,461
142031 - Plumbing Replacements	0	0	0	0	0	0	1,580	0	275	0	1,118	2,974
144001 - Boilers & Water Heaters	895	1,143	680	1,836	0	0	680	680	1,755	2,720	680	11,069
146000 - Furnishings	456,213	0	0	0	0	0	0	0	0	0	0	456,213
146500 - Computer Software	0	0	0	0	533	2,889	0	0	0	0	0	3,422
147001 - Tools & Equipment	0	0	335	0	0	0	0	248	0	0	0	583
149002 - Landscaping	0	0	0	0	0	1,353	2,030	0	0	0	0	3,382
149500 - Accumulated Depr-Bldg	(4,323,624)	0	0	0	0	0	0	0	0	0	0	(4,323,624)
Total Capital Projects	3,500,149	2,171	1,015	1,836	2,161	22,713	5,377	1,611	4,141	2,720	2,898	3,546,792
Total Capital Expenditures	3,500,149	3,990	1,015	1,836	3,351	23,122	7,925	2,544	6,920	5,176	5,643	3,561,670
Net Cash Flow	(1,648,511)	16,234	33,992	4,331	14,309	(46,562)	83,142	(191,038)	141,418	38,886	27,243	(1,526,555)
Reconciled Cash Balance	244,893	260,211	293,162	293,379	175,729	177,831	241,259	51,896	72,803	103,443	127,011	127,011
Accounts Payable Balance	13,168	7,153	3,874	525	16,892	57,376	27,590	10,626	24,046	16,687	15,327	15,327
Partnership Expenses	1,167	917	1,042	4,115	2,856	(48,247)	2,467	50,797	34,852	8,663	4,092	62,721
Change in Shareholder's Capital/Related Party Balances	1,707,084	0	0	0	(79,125)	0	0	0	(86,077)	0	0	1,541,882

Cien Palmas Apartments
Budget Variance Report
Month To Date & Year To Date

	Month Ending 11/30/2019			Year Ending 11/30/2019		
	MTD Actual	Budget 2019	MTD Fav/(Unfav)	YTD Actual	Budget 2019	YTD Fav/(Unfav)
Net Operating Income						
Income						
Net Rental Income						
Gross Potential Rent	107,238	105,152	2,086	1,165,917	1,147,303	18,614
Rental Losses						
637100 - Bad Debts	440	522	82	2,529	5,740	3,211
637101 - Bad Debts - Resident Ledger Cleanup	0	0	0	(865)	0	865
529002 - Loss To Old Lease	100	0	(100)	1,590	0	(1,590)
529011 - LTOL Compliance	0	0	0	(134)	0	134
522000 - Vacancy Loss	1,844	5,218	3,374	10,268	57,404	47,136
529006 - Employee Units	0	578	578	0	6,353	6,353
633100 - Employee Rent Free Units	623	0	(623)	6,853	0	(6,853)
Total Rental Losses	3,007	6,318	3,311	20,241	69,497	49,256
Total Net Rental Income	104,231	98,834	5,397	1,145,676	1,077,806	67,870
Other Income						
599012 - Cable TV Contract Commission	1,695	0	1,695	31,695	0	31,695
599001 - Cleaning Charges	125	300	(175)	4,687	3,300	1,387
599002 - Damages	0	300	(300)	659	3,300	(2,641)
599100 - Deposit Forfeit	0	75	(75)	0	825	(825)
529000 - Interest Income	16	20	(4)	219	220	(1)
519003 - Late Charge	54	125	(71)	984	1,375	(390)
591000 - Laundry & Vending Revenue	1,521	750	771	8,972	8,250	721
599000 - Miscellaneous Income	0	50	(50)	162	550	(388)
519007 - Reletting Fee	66	100	(34)	328	1,100	(772)
Total Other Income	3,477	1,720	1,757	47,706	18,920	28,786
Total Income	107,708	100,554	7,154	1,193,382	1,096,726	96,656
Operating Expenses						
Administrative Expenses						
639001 - Answering Service	0	94	94	470	1,034	564
635100 - Accounting / Bookkeeping Services	183	0	(183)	2,519	0	(2,519)
635000 - Audit Expense	0	2,500	2,500	14,000	14,000	0
639002 - Bank Charges	0	0	0	112	0	(112)
639015 - Cable/Internet Service	125	0	(125)	750	0	(750)
639016 - Cell Phones	51	0	(51)	379	0	(379)
639003 - Computer Expense	369	750	381	5,418	8,250	2,832
639004 - Credit Report Service	301	345	43	2,660	3,795	1,135
639005 - Dues & Subscriptions	0	300	300	111	1,500	1,389
639006 - Furniture & Equipment Rental	261	145	(115)	1,946	1,595	(351)
719040 - Inspections	0	0	0	0	3,000	3,000
631104 - Legal Fees / Court Fees	0	50	50	292	550	258
620400 - Management Consultants	0	625	625	81	6,875	6,794
631109 - Office Supplies	263	250	(13)	2,935	2,750	(185)
639010 - Postage & Shipping	28	75	47	480	825	345
718050 - Tax Credit Compliance Fees	0	0	0	3,750	0	(3,750)
639011 - Telephone Expense	185	500	315	4,120	5,500	1,380
639012 - Travel Expense	515	25	(490)	2,147	275	(1,872)
631108 - Uniforms	0	800	800	0	1,600	1,600
639000 - Miscellaneous Administrative	0	45	45	0	495	495
621001 - Social Services	0	500	500	6,000	5,500	(500)
631102 - Employee Training	0	138	138	488	1,518	1,030
Total Administrative Expenses	2,281	7,142	4,861	48,658	59,062	10,404
Insurance						
672100 - Fidelity Bond Insurance	0	0	0	525	525	0
672000 - Property & Liability Insurance	3,502	3,500	(2)	41,338	38,501	(2,837)
Total Insurance	3,502	3,500	(2)	41,863	39,026	(2,837)
Management Fees						
632000 - Management Fee	4,829	5,488	659	58,287	60,368	2,081
Total Management Fees	4,829	5,488	659	58,287	60,368	2,081
Marketing Expenses						
621011 - Marketing Online/Internet	49	0	(49)	811	0	(810)

Cien Palmas Apartments
Budget Variance Report
Month To Date & Year To Date

	Month Ending 11/30/2019			Year Ending 11/30/2019		
	MTD Actual	Budget 2019	MTD Fav/(Unfav)	YTD Actual	Budget 2019	YTD Fav/(Unfav)
621009 - Newspaper / Magazine Ads	0	100	100	0	1,100	1,100
621010 - Personnel Ads	0	0	0	859	0	(860)
621004 - Resident Parties & Promotions	0	50	50	32	550	519
Total Marketing Expenses	49	150	101	1,702	1,650	(51)
Payroll & Benefits						
651002 - Asst Maintenance Salary	2,090	1,983	(107)	11,253	23,797	12,543
633002 - Asst Manager Salary	3,154	3,266	112	20,323	39,192	18,870
651010 - Health Insurance/Benefits & Disability Ins	1,910	1,412	(498)	14,303	16,948	2,644
651001 - Maintenance Supervisor Salary	2,545	2,693	148	36,899	32,313	(4,586)
633001 - Manager Salary	4,056	3,846	(209)	64,618	46,152	(18,466)
633006 - Payroll Fees	255	563	306	5,072	6,751	1,679
631000 - Payroll Smoothing	1,360	0	(1,360)	4,080	0	(4,080)
671100 - Payroll Taxes	906	1,414	509	14,068	16,974	2,907
672200 - Worker's Compensation	272	341	68	3,317	4,082	765
Total Payroll & Benefits	16,548	15,518	(1,031)	173,933	186,209	12,276
Repairs & Maintenance						
Repairs & Maintenance						
659001 - Appliance Repairs	0	0	0	452	0	(453)
651501 - Appliance Supplies	263	200	(62)	1,934	2,200	267
633005 - Contract Labor Maint	0	0	0	0	2,400	2,400
659002 - Electrical Repairs	0	200	200	1,128	2,200	1,071
651502 - Electrical Supplies	63	0	(64)	670	0	(669)
659003 - Exterior Repairs	0	600	600	2,685	6,600	3,914
652002 - Grounds/Landscaping Contract	1,357	1,400	43	15,821	15,400	(421)
654600 - Heating/Cooling Rprs & Maint	1,950	0	(1,950)	4,806	0	(4,806)
651507 - HVAC Supplies	24	0	(23)	2,558	0	(2,558)
659004 - Interior Repairs	0	525	525	1,703	5,775	4,072
651503 - Lightbulb Supplies	108	50	(59)	292	550	258
652001 - Pest Control	416	625	210	4,847	6,875	2,028
659011 - Pest Control non-contract services	0	0	0	515	0	(514)
659006 - Plumbing Repairs	0	400	400	3,635	4,400	765
651504 - Plumbing Supplies	(239)	400	639	1,812	4,400	2,587
652004 - HVAC Contract	0	650	650	0	7,150	7,150
659007 - Roof Repairs - Minor	0	0	0	128	0	(128)
659010 - Swimming pool supplies/repairs/permits	239	175	(64)	1,123	1,925	802
659009 - Tools & Equipment	213	0	(214)	698	0	(697)
659000 - Misc Parts / Supplies	0	200	200	0	2,200	2,200
652003 - Other Contract Services	0	0	0	900	0	(900)
631107 - Security / Monitoring	137	0	(136)	656	512	(145)
Subtotal Repairs & Maintenance	4,531	5,425	895	46,363	62,587	16,223
Unit Preparation						
647001 - Carpet & Carpet Pad Repairs	76	200	124	1,461	2,200	739
647002 - Carpet Cleaners	438	0	(439)	1,196	0	(1,196)
647003 - Cleaning Contractors	0	350	350	1,351	3,850	2,499
647004 - Cleaning Supplies	0	150	150	644	1,650	1,006
647007 - Doors/Locks/Keys	98	150	53	514	1,650	1,136
647010 - Misc Parts & Supplies	0	100	100	867	1,100	233
647009 - Paint	951	450	(501)	3,198	4,950	1,752
647011 - Painting Contractors	0	650	650	0	7,150	7,150
647012 - Tile / Vinyl Flooring	0	0	0	58	0	(58)
Subtotal Unit Preparation	1,563	2,050	487	9,289	22,550	13,261
Total Repairs & Maintenance	6,094	7,475	1,382	55,652	85,137	29,484
Taxes						
718000 - Franchise Tax Expense	0	0	0	1,973	0	(1,973)
671000 - Real Estate Taxes	10,691	10,200	(491)	113,982	112,200	(1,782)
679000 - Misc Tax, License, Permit & Insurance	0	0	0	0	2,754	2,754
Total Taxes	10,691	10,200	(491)	115,955	114,954	(1,001)
Utilities						
645000 - Electricity - Common	3,426	4,750	1,324	61,692	67,960	6,268

Cien Palmas Apartments
Budget Variance Report
Month To Date & Year To Date

	Month Ending 11/30/2019			Year Ending 11/30/2019		
	MTD Actual	Budget 2019	MTD Fav/(Unfav)	YTD Actual	Budget 2019	YTD Fav/(Unfav)
652500 - Garbage & Trash Removal	1,403	1,350	(53)	15,369	14,850	(519)
645200 - Gas	1,642	2,532	890	8,437	27,859	19,422
645300 - Sewer	3,577	4,500	923	22,840	52,200	29,360
645100 - Water	2,995	3,000	5	65,380	34,800	(30,580)
Total Utilities	13,043	16,132	3,089	173,718	197,669	23,951
Total Operating Expenses	57,037	65,605	8,568	669,768	744,075	74,307
Total Net Operating Income	50,671	34,949	15,722	523,614	352,651	170,963
Capital Turn Costs						
142017 - Door/Lock Replacement	0	0	0	759	600	159
142024 - Plumbing Fixtures	0	0	0	1,019	0	1,019
142026 - Window Treatments	249	0	249	509	0	509
142028 - Other Appliances	0	0	0	1,248	0	1,248
144003 - Dishwashers	316	0	316	632	0	632
144007 - Refrigerators	529	750	(221)	1,059	8,250	(7,191)
146001 - Flooring	1,650	0	1,650	8,718	0	8,718
146003 - Carpet Replacement	0	2,250	(2,250)	934	24,750	(23,816)
Total Capital Turn Costs	2,744	3,000	(256)	14,878	33,600	(18,722)
Capital Projects						
141000 - Land	0	0	0	358,576	3,000	355,576
141260 - Tax Credit Fees	0	0	0	30,924	0	30,924
142010 - Building	0	0	0	6,976,587	0	6,976,587
142013 - Exterior Improvements	0	0	0	0	16,000	(16,000)
142016 - Contract Labor - Rehab	0	0	0	16,764	0	16,764
142018 - Electrical Replacement	0	0	0	0	128,500	(128,500)
142020 - HVAC Replacement	1,100	975	125	7,518	10,725	(3,207)
142027 - Windows	0	0	0	943	0	943
142030 - Exterior Paint	0	0	0	1,461	2,000	(539)
142031 - Plumbing Replacements	1,118	0	1,118	2,973	0	2,973
144001 - Boilers & Water Heaters	680	1,000	(320)	11,070	11,000	70
146000 - Furnishings	0	0	0	456,212	0	456,212
146500 - Computer Software	0	0	0	3,423	600	2,823
147001 - Tools & Equipment	0	0	0	583	1,050	(467)
149002 - Landscaping	0	0	0	3,382	12,600	(9,218)
149003 - Drives/Parking Lots	0	0	0	0	15,000	(15,000)
149008 - Swimming Pools	0	0	0	0	41,500	(41,500)
149500 - Accumulated Depr-Bldg	0	0	0	(4,323,624)	0	(4,323,624)
Total Capital Projects	2,898	1,975	923	3,546,792	241,975	3,304,817

RENT ROLL DETAIL

As of 11/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
1	2B	N/A	757	Occupied	[redacted]	07/17/2015	07/17/2015	07/16/2016	622.00	RESIDENT	RENT	221.00	0.00	221.00	400.00	(1,666.00)
										HOUSING	HOUSING	301.00	0.00	301.00	0.00	1,666.00
2	2B	N/A	757	Occupied		11/15/2019	11/15/2019	11/30/2020	578.00	RESIDENT	RENT	600.00	0.00	600.00	200.00	0.00
3	2B	N/A	757	Occupied		04/05/2018	04/05/2018	04/04/2019	525.00	RESIDENT	RENT	525.00	0.00	525.00	200.00	(25.00)
4	2B	N/A	757	Occupied		01/27/2012	01/27/2012	01/26/2013	578.00	RESIDENT	RENT	578.00	0.00	578.00	350.00	(8.00)
5	2A	N/A	757	Occupied		05/23/2015	05/23/2015	05/22/2016	864.00	RESIDENT	RENT	308.00	0.00	308.00	400.00	0.00
										SUBSIDY	SUBRENT	556.00	0.00	556.00	0.00	0.00
6	2B	N/A	757	Occupied		07/12/2017	07/12/2017	07/11/2018	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(19.00)
7	2B	N/A	757	Occupied		03/20/2006	03/20/2006	03/19/2007	578.00	RESIDENT	RENT	578.00	0.00	578.00	200.00	0.00
8	2B	N/A	757	Occupied		05/30/2018	05/29/2018	05/28/2019	550.00	RESIDENT	RENT	550.00	0.00	550.00	200.00	(46.00)
9	2A	N/A	757	Occupied		11/09/2007	11/09/2007	11/08/2008	864.00	RESIDENT	RENT	638.00	0.00	638.00	100.00	0.00
										SUBSIDY	SUBRENT	226.00	0.00	226.00	0.00	0.00
10	2B	N/A	757	Occupied		09/12/2014	09/12/2014	09/11/2015	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(7.00)
11	2A	N/A	757	Occupied		06/01/1987	06/01/1987	05/31/1988	864.00	RESIDENT	RENT	409.00	0.00	409.00	276.00	0.00
										SUBSIDY	SUBRENT	455.00	0.00	455.00	0.00	0.00
12	2A	N/A	757	Occupied		04/02/2014	04/02/2014	04/01/2015	864.00	RESIDENT	RENT	416.00	0.00	416.00	107.00	(1.00)
										SUBSIDY	SUBRENT	448.00	0.00	448.00	0.00	0.00
13	2A	N/A	757	Occupied		10/30/2013	10/30/2013	10/29/2014	864.00	RESIDENT	RENT	209.00	0.00	209.00	200.00	(234.00)
										SUBSIDY	SUBRENT	655.00	0.00	655.00	0.00	0.00
14	2A	N/A	757	Occupied		06/06/2018	06/06/2018	06/05/2019	864.00	RESIDENT	RENT	304.00	0.00	304.00	417.00	(185.00)
										SUBSIDY	SUBRENT	560.00	0.00	560.00	0.00	0.00
										REPAY		0.00	0.00		0.00	(28.00)
15	2A	N/A	757	Occupied		06/10/2016	06/10/2016	06/09/2017	864.00	RESIDENT	RENT	65.00	0.00	65.00	50.00	(121.00)
										SUBSIDY	SUBRENT	799.00	0.00	799.00	0.00	0.00
16	2B	N/A	757	Occupied		08/11/2001	08/11/2001	08/10/2002	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
17	2A	N/A	757	Occupied		06/22/2018	06/22/2018	06/21/2019	864.00	RESIDENT	RENT	153.00	0.00	153.00	380.00	(14.00)
										SUBSIDY	SUBRENT	711.00	0.00	711.00	0.00	0.00
18	2B	N/A	757	Occupied		05/03/2019	05/03/2019	05/02/2020	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	(1.00)
19	2A	N/A	757	Occupied		04/15/2005	04/15/2005	04/14/2006	864.00	RESIDENT	RENT	440.00	0.00	440.00	100.00	(12.00)
										SUBSIDY	SUBRENT	424.00	0.00	424.00	0.00	0.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 11/30/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
20	2B	N/A	757	Occupied	[redacted]	07/12/2019	07/12/2019	07/31/2020	578.00	RESIDENT	RENT	578.00	0.00	578.00	200.00	(1.00)
21	2A	N/A	757	Occupied		03/31/2009	03/31/2009	03/30/2010	864.00	RESIDENT	RENT	238.00	0.00	238.00	100.00	(18.00)
										SUBSIDY	SUBRENT	626.00	0.00	626.00	0.00	0.00
22	2B	N/A	757	Occupied		08/31/2017	08/31/2017	08/30/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	(171.00)
23	2B	N/A	757	Occupied		06/17/2015	06/17/2015	06/16/2016	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(30.00)
24	2B	N/A	757	Occupied		11/17/2017	11/17/2017	11/16/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
25	2B	N/A	757	Occupied		10/12/2018	10/12/2018	09/30/2019	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	0.00
26	2B	N/A	757	Occupied		05/31/2008	05/31/2008	05/30/2009	578.00	RESIDENT	RENT	578.00	0.00	578.00	100.00	0.00
27	2A	N/A	757	Occupied		05/24/2017	05/24/2017	05/23/2018	864.00	RESIDENT	RENT	216.00	0.00	216.00	225.00	(865.00)
										SUBSIDY	SUBRENT	648.00	0.00	648.00	0.00	0.00
										REPAY		0.00	0.00		0.00	231.00
28	2B	N/A	757	Occupied		08/15/2014	08/15/2014	08/14/2015	522.00	RESIDENT	RENT	309.00	0.00	309.00	400.00	(1,409.00)
										HOUSING	HOUSING	213.00	0.00	213.00	0.00	1,394.00
29	2A	N/A	757	Occupied		10/25/2019	10/25/2019	10/31/2020	864.00	RESIDENT	RENT	426.00	0.00	426.00	426.00	0.00
										SUBSIDY	SUBRENT	438.00	0.00	438.00	0.00	537.00
30	2A	N/A	757	Vacant					864.00			0.00 *	0.00 *			
31	2B	N/A	757	Occupied		10/01/2012	10/01/2012	09/30/2013	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
32	2A	N/A	757	Occupied		06/21/2013	06/21/2013	06/20/2014	864.00	RESIDENT	RENT	496.00	0.00	496.00	368.00	0.00
										SUBSIDY	SUBRENT	368.00	0.00	368.00	0.00	0.00
33	1A	N/A	579	Occupied		10/01/2002	10/01/2002	09/30/2003	719.00	RESIDENT	RENT	227.00	0.00	227.00	183.00	0.00
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
34	1A	N/A	579	Occupied		10/01/1991	10/01/1991	09/30/1992	719.00	RESIDENT	RENT	236.00	0.00	236.00	200.00	0.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
35	1A	N/A	579	Occupied		06/21/1997	06/21/1997	06/20/1998	719.00	RESIDENT	RENT	221.00	0.00	221.00	200.00	0.00
										SUBSIDY	SUBRENT	498.00	0.00	498.00	0.00	0.00
36	1A	N/A	579	Occupied		03/15/2019	03/15/2019	02/28/2020	719.00	RESIDENT	RENT	262.00	0.00	262.00	262.00	0.00
										SUBSIDY	SUBRENT	457.00	0.00	457.00	0.00	0.00
37	1A	N/A	579	Occupied		09/19/2011	09/19/2011	09/18/2012	719.00	RESIDENT	RENT	164.00	0.00	164.00	228.00	(2.00)
										SUBSIDY	SUBRENT	555.00	0.00	555.00	0.00	0.00

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RENT ROLL DETAIL

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
38	1A	N/A	579	Occupied	[redacted]	08/06/2012	08/06/2012	08/05/2013	719.00	RESIDENT	RENT	221.00	0.00	221.00	199.00	(42.00)
										SUBSIDY	SUBRENT	498.00	0.00	498.00	0.00	0.00
39	1A	N/A	579	Occupied		10/06/2017	10/06/2017	10/05/2018	719.00	RESIDENT	RENT	227.00	0.00	227.00	217.00	0.00
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
40	1A	N/A	579	Occupied		10/09/1999	10/09/1999	10/08/2000	719.00	RESIDENT	RENT	193.00	0.00	193.00	200.00	0.00
										SUBSIDY	SUBRENT	526.00	0.00	526.00	0.00	(176.00)
41	1A	N/A	579	Occupied		08/17/2018	08/17/2018	08/16/2019	719.00	RESIDENT	RENT	164.00	0.00	164.00	160.00	0.00
										SUBSIDY	SUBRENT	555.00	0.00	555.00	0.00	0.00
42	1A	N/A	579	Occupied		01/20/2017	01/20/2017	01/19/2018	719.00	RESIDENT	RENT	355.00	0.00	355.00	285.00	(10.00)
										SUBSIDY	SUBRENT	364.00	0.00	364.00	0.00	0.00
43	1A	N/A	579	Occupied		09/01/2006	09/01/2006	08/31/2007	719.00	RESIDENT	RENT	227.00	0.00	227.00	216.00	(8.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
44	1A	N/A	579	Occupied		10/22/2010	10/22/2010	10/21/2011	719.00	RESIDENT	RENT	277.00	0.00	277.00	106.00	(26.00)
										SUBSIDY	SUBRENT	442.00	0.00	442.00	0.00	0.00
45	1A	N/A	579	Occupied		11/04/2009	11/04/2009	11/03/2010	719.00	RESIDENT	RENT	227.00	0.00	227.00	216.00	(10.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
46	1A	N/A	579	Occupied		06/03/2005	06/03/2005	06/02/2006	719.00	RESIDENT	RENT	227.00	0.00	227.00	210.00	(10.00)
										SUBSIDY	SUBRENT	492.00	0.00	492.00	0.00	0.00
47	3A	N/A	923	Occupied		08/15/2014	08/15/2014	08/14/2015	1,000.00	RESIDENT	RENT	432.00	0.00	432.00	400.00	0.00
										SUBSIDY	SUBRENT	568.00	0.00	568.00	0.00	0.00
48	3B	N/A	923	Occupied		08/26/2016	08/26/2016	08/25/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(65.00)
49	3A	N/A	923	Occupied		01/19/2018	01/19/2018	01/18/2019	1,000.00	RESIDENT	RENT	473.00	0.00	473.00	551.00	(9.00)
										SUBSIDY	SUBRENT	527.00	0.00	527.00	0.00	0.00
50	3A	N/A	923	Occupied		09/01/1999	09/01/1999	08/31/2000	1,000.00	RESIDENT	RENT	275.00	0.00	275.00	200.00	0.00
										SUBSIDY	SUBRENT	725.00	0.00	725.00	0.00	0.00
51	3B	N/A	923	Occupied		03/09/2018	03/09/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(58.00)
52	3A	N/A	923	Occupied		09/07/2012	09/07/2012	09/06/2013	1,000.00	RESIDENT	RENT	736.00	0.00	736.00	400.00	0.00
										SUBSIDY	SUBRENT	264.00	0.00	264.00	0.00	0.00
53	3B	N/A	923	Occupied		10/25/2016	10/25/2016	10/24/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(4.00)
54	3B	N/A	923	Occupied		10/25/2019	10/25/2019	10/31/2020	750.00	RESIDENT	RENT	750.00	0.00	750.00	200.00	0.00
55	3B	N/A	923	Occupied		05/04/2018	05/04/2018	05/03/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(60.00)
56	3B	N/A	923	Occupied		03/01/2018	03/01/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(6.00)

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RENT ROLL DETAIL

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
57	3B	N/A	923	Occupied	[redacted]	05/05/2017	05/05/2017	05/04/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	0.00
58	3B	N/A	923	Occupied		03/19/2018	03/19/2018	03/18/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
59	3A	N/A	923	Occupied		05/11/2018	05/11/2018	05/10/2019	1,000.00	RESIDENT	RENT	323.00	0.00	323.00	75.00	(4.00)
										SUBSIDY	SUBRENT	677.00	0.00	677.00	0.00	0.00
60	3B	N/A	923	Occupied		03/11/2015	03/11/2015	03/10/2016	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	0.00
61	3B	N/A	923	Occupied		02/14/2019	02/14/2019	02/13/2020	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(1.00)
62	3A	N/A	923	Occupied		03/17/2018	03/17/2018	03/16/2019	1,000.00	RESIDENT	RENT	57.00	0.00	57.00	155.00	0.00
										SUBSIDY	SUBRENT	943.00	0.00	943.00	0.00	0.00
63	3B	N/A	923	Occupied		04/14/2016	04/14/2016	04/13/2017	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	(1.00)
64	3B	N/A	923	Occupied		12/28/2018	12/28/2018	11/30/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
65	3B	N/A	923	Occupied		07/31/2019	07/31/2019	07/31/2020	659.00	RESIDENT	RENT	750.00	0.00	750.00	0.00	(200.00)
66	3B	N/A	923	Occupied		10/23/2017	10/23/2017	10/22/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(14.00)
67	3B	N/A	923	Occupied		05/01/2014	05/01/2014	04/30/2015	623.00	RESIDENT	RENT	266.00	0.00	266.00	558.50	(2,143.00)
										HOUSING	HOUSING	357.00	0.00	357.00	0.00	2,142.00
68	3A	N/A	923	Occupied		07/15/2016	07/15/2016	07/14/2017	1,000.00	RESIDENT	RENT	725.00	0.00	725.00	268.00	(10.00)
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	0.00
69	3A	N/A	923	Occupied		10/24/2013	10/24/2013	10/23/2014	1,000.00	RESIDENT	RENT	219.00	0.00	219.00	300.00	0.00
										SUBSIDY	SUBRENT	781.00	0.00	781.00	0.00	0.00
70	3B	N/A	923	Vacant-Leased					623.00			0.00 *	0.00 *			
		N/A		Applicant		12/06/2019	12/06/2019	12/31/2020		RESIDENT	RENT	623.00 *	0.00 *	623.00 *	0.00	0.00
71	3B	N/A	923	Occupied		12/11/2015	12/11/2015	12/10/2016	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	(10.00)
72	3B	N/A	923	Occupied		05/24/2010	05/24/2010	05/23/2011	623.00	RESIDENT	RENT	623.00	0.00	623.00	100.00	(18.00)
73	3B	N/A	923	Occupied		08/08/2019	08/08/2019	08/08/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
74	3B	N/A	923	Occupied		09/11/2006	09/11/2006	09/10/2007	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
75	3B	N/A	923	Occupied		05/01/2010	05/01/2010	04/30/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	500.00	0.00
76	3B	N/A	923	Occupied		09/20/2019	09/20/2019	08/31/2020	623.00	RESIDENT	RENT	467.00	0.00	467.00	200.00	(2.00)
										HOUSING	HOUSING	283.00	0.00	283.00	0.00	566.00
77	3A	N/A	923	Occupied		11/11/2014	11/11/2014	11/10/2015	1,000.00	RESIDENT	RENT	465.00	0.00	465.00	423.00	(213.00)
										SUBSIDY	SUBRENT	535.00	0.00	535.00	0.00	0.00
78	3B	N/A	923	Occupied		09/02/2010	09/02/2010	09/01/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
79	3B	N/A	923	Occupied	[redacted]	02/01/2019	02/01/2019	01/31/2020	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
80	3B	N/A	923	Occupied		02/01/2008	02/01/2008	01/31/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	(5.00)
81	3B	N/A	923	Occupied		01/25/2019	01/25/2019	12/31/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(14.00)
82	3B	N/A	923	Occupied		10/31/2017	10/30/2017	10/29/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(8.00)
83	3A	N/A	923	Occupied		03/29/2013	03/29/2013	03/28/2014	1,000.00	RESIDENT	RENT	294.00	0.00	294.00	341.00	(16.00)
										SUBSIDY	SUBRENT	706.00	0.00	706.00	0.00	0.00
84	3B	N/A	923	Occupied		12/31/2018	12/31/2018	12/31/2019	640.00	RESIDENT	RENT	640.00	0.00	640.00	200.00	0.00
85	3B	N/A	923	Vacant-Leased					623.00			0.00 *	0.00 *			
		N/A		Applicant		12/20/2019	12/20/2019	12/31/2020		RESIDENT	RENT	623.00 *	0.00 *	623.00 *	0.00	0.00
86	3A	N/A	923	Occupied		03/22/2018	03/22/2018	03/21/2019	1,000.00	RESIDENT	RENT	343.00	0.00	343.00	42.00	(362.00)
										SUBSIDY	SUBRENT	657.00	0.00	657.00	0.00	0.00
87	3D	N/A	1025	Vacant					623.00			0.00 *	0.00 *			
88	3C	N/A	1025	Occupied		07/26/2011	07/26/2011	07/25/2012	1,108.00	RESIDENT	RENT	499.00	0.00	499.00	229.00	(281.00)
										SUBSIDY	SUBRENT	609.00	0.00	609.00	0.00	0.00
										REPAY		0.00	0.00		0.00	818.00
89	3D	N/A	1025	Occupied		02/17/2017	02/17/2017	02/16/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
90	3D	N/A	1025	Occupied		04/03/2019	04/03/2019	04/02/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
91	3D	N/A	1025	Occupied		05/28/2008	05/28/2008	05/27/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
92	3D	N/A	1025	Occupied		07/02/2014	07/02/2014	07/01/2015	623.00	RESIDENT	RENT	457.00	0.00	457.00	400.00	(995.00)
										HOUSING	HOUSING	166.00	0.00	166.00	0.00	995.00
93	3C	N/A	1025	Occupied		06/11/2005	11/17/2017	11/16/2018	1,108.00	RESIDENT	RENT	188.00	0.00	188.00	99.00	(111.05)
										SUBSIDY	SUBRENT	920.00	0.00	920.00	0.00	0.00
94	3D	N/A	1025	Occupied		12/10/2014	12/10/2014	12/09/2015	623.00	RESIDENT	RENT	178.00	0.00	178.00	400.00	(2,854.00)
										HOUSING	HOUSING	445.00	0.00	445.00	0.00	2,670.00
95	3D	N/A	1025	Occupied		08/18/2017	08/08/2017	08/07/2018	623.00	RESIDENT	RENT	623.00	0.00	623.00	400.00	(56.00)
96	3D	N/A	1025	Occupied		01/31/2009	01/31/2009	01/30/2010	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
97	3D	N/A	1025	Occupied		07/03/2018	07/03/2018	07/02/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	(8.00)
98	3D	N/A	1025	Occupied		10/31/2008	10/31/2008	10/30/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
99	3D	N/A	1025	Occupied		12/17/2018	12/17/2018	12/15/2019	690.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	(3,842.00)
										HOUSING	HOUSING	640.00	0.00	640.00	0.00	3,840.00
100	3D	N/A	1025	Occupied		03/01/2017	03/01/2017	02/28/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(6.00)
101	3D	N/A	1025	Occupied		04/17/2018	04/17/2018	04/16/2019	634.00	RESIDENT	RENT	149.00	0.00	149.00	200.00	(2,674.00)

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
										HOUSING	HOUSING	485.00	0.00	485.00	0.00	2,674.00
102	3D	N/A	1025	Occupied		10/12/2018	10/12/2018	09/30/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
103	3B	N/A	923	Occupied		05/01/2012	05/01/2012	04/30/2013	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
104	3B	N/A	923	Occupied		08/12/2011	08/12/2011	08/11/2012	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(6.00)
105	3B	N/A	923	Occupied		03/30/2007	03/30/2007	03/29/2008	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
106	3A	N/A	923	Occupied		05/23/2005	05/23/2005	05/22/2006	1,000.00	RESIDENT	RENT	633.00	0.00	633.00	99.00	(2.00)
										SUBSIDY	SUBRENT	367.00	0.00	367.00	0.00	0.00
107	3A	N/A	923	Occupied		10/30/2018	10/30/2018	09/30/2019	1,000.00	RESIDENT	RENT	236.00	0.00	236.00	230.00	0.00
										SUBSIDY	SUBRENT	764.00	0.00	764.00	0.00	0.00
108	3B	N/A	923	Occupied		07/30/2018	07/30/2018	07/29/2019	628.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
109	3B	N/A	923	Occupied		02/01/2008	02/01/2008	12/31/2011	623.00	RESIDENT	EMPLCRED	0.00	(623.00)	0.00	400.00	0.00
										RESIDENT	RENT	623.00	0.00			
110	3B	N/A	923	Occupied		08/15/2018	08/15/2018	08/14/2019	690.00	RESIDENT	HOUSING	335.00	0.00	335.00	200.00	(2,345.00)
										SUBSIDY	SUBRENT	355.00	0.00	355.00	0.00	1,065.00
										HOUSING		0.00	0.00		0.00	1,280.00
111	3B	N/A	923	Occupied		05/16/2018	05/16/2018	05/15/2019	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	(178.00)
112	3B	N/A	923	Occupied		03/02/2018	03/02/2018	02/28/2019	623.00	RESIDENT	RENT	623.00	0.00	623.00	200.00	0.00
113	3A	N/A	923	Occupied		09/03/2019	09/03/2019	09/30/2020	1,000.00	RESIDENT	RENT	351.00	0.00	351.00	351.00	0.00
										SUBSIDY	SUBRENT	649.00	0.00	649.00	0.00	0.00
										REPAY		0.00	0.00		0.00	178.00
114	3A	N/A	923	Occupied		11/14/2019	11/14/2019	11/30/2020	1,000.00	RESIDENT	RENT	25.00	0.00	25.00	25.00	(11.00)
										SUBSIDY	SUBRENT	975.00	0.00	975.00	0.00	553.00
115	3A	N/A	923	Occupied		06/23/2017	06/23/2017	06/22/2018	1,000.00	RESIDENT	RENT	501.00	0.00	501.00	212.00	(38.00)
										SUBSIDY	SUBRENT	499.00	0.00	499.00	0.00	0.00
116	3A	N/A	923	Occupied		03/16/2017	03/16/2017	03/15/2018	1,000.00	RESIDENT	RENT	209.00	0.00	209.00	123.00	(67.00)
										SUBSIDY	SUBRENT	791.00	0.00	791.00	0.00	0.00
117	3B	N/A	923	Occupied		07/29/2016	07/29/2016	07/28/2017	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	(37.00)
118	3A	N/A	923	Occupied		06/13/2018	06/13/2018	06/12/2019	1,000.00	RESIDENT	RENT	653.00	0.00	653.00	416.00	(11.00)
										SUBSIDY	SUBRENT	347.00	0.00	347.00	0.00	0.00
119	3B	N/A	923	Occupied		07/31/2019	07/31/2019	07/31/2020	690.00	RESIDENT	RENT	690.00	0.00	690.00	0.00	(201.00)
120	3B	N/A	923	Occupied		03/11/2005	03/11/2005	03/10/2006	623.00	RESIDENT	RENT	623.00	0.00	623.00	99.00	0.00
121	3B	N/A	923	Occupied		11/15/2008	11/15/2008	11/14/2009	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
122	3A	N/A	923	Occupied		06/29/2013	06/29/2013	06/28/2014	1,000.00	RESIDENT	RENT	741.00	0.00	741.00	406.00	0.00

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details

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										SUBSIDY	SUBRENT	259.00	0.00	259.00	0.00	0.00
123	3B	N/A	923	Occupied	[redacted]	07/29/2010	07/29/2010	07/28/2011	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
124	3B	N/A	923	Occupied		05/02/2014	05/02/2014	05/01/2015	690.00	RESIDENT	RENT	690.00	0.00	690.00	400.00	0.00
125	3B	N/A	923	Occupied		08/22/2009	08/22/2009	08/21/2010	690.00	RESIDENT	RENT	690.00	0.00	690.00	100.00	0.00
126	3B	N/A	923	Occupied		12/05/2017	12/05/2017	12/04/2018	690.00	RESIDENT	RENT	690.00	0.00	690.00	200.00	0.00
127	2A	N/A	757	Occupied		08/28/2018	08/28/2018	07/31/2019	864.00	RESIDENT	RENT	39.00	0.00	39.00	68.00	(30.00)
										SUBSIDY	SUBRENT	825.00	0.00	825.00	0.00	0.00
128	2B	N/A	757	Occupied		05/21/2012	05/21/2012	05/20/2013	522.00	RESIDENT	RENT	187.00	0.00	187.00	400.00	(2,020.00)
										HOUSING	HOUSING	335.00	0.00	335.00	0.00	2,010.00
129	2B	N/A	757	Occupied		07/10/2014	07/10/2014	07/09/2015	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(5.00)
130	2B	N/A	757	Occupied		07/30/2006	07/30/2006	07/29/2007	522.00	RESIDENT	RENT	522.00	0.00	522.00	100.00	0.00
131	2B	N/A	757	Occupied		06/01/2015	06/01/2015	05/31/2016	522.00	RESIDENT	RENT	257.00	0.00	257.00	400.00	(1,631.00)
										HOUSING	HOUSING	265.00	0.00	265.00	0.00	1,590.00
132	2A	N/A	757	Occupied		11/26/2007	11/26/2007	11/25/2008	864.00	RESIDENT	RENT	302.00	0.00	302.00	100.00	(6.00)
										SUBSIDY	SUBRENT	562.00	0.00	562.00	0.00	0.00
133	2A	N/A	757	Occupied		12/17/2013	12/17/2013	12/16/2014	864.00	RESIDENT	RENT	204.00	0.00	204.00	82.00	0.00
										SUBSIDY	SUBRENT	660.00	0.00	660.00	0.00	0.00
134	2B	N/A	757	Occupied		09/27/2019	09/27/2019	09/30/2020	522.00	RESIDENT	RENT	600.00	0.00	600.00	200.00	0.00
135	2B	N/A	757	Occupied		09/12/2013	09/12/2013	09/11/2014	555.00	RESIDENT	RENT	555.00	0.00	555.00	400.00	(26.00)
136	2B	N/A	757	Occupied		06/15/2018	06/15/2018	06/14/2019	522.00	RESIDENT	RENT	522.00	0.00	522.00	200.00	(158.00)
137	2A	N/A	757	Occupied		09/27/2019	09/27/2019	09/30/2020	864.00	RESIDENT	RENT	181.00	0.00	181.00	181.00	0.00
										SUBSIDY	SUBRENT	683.00	0.00	683.00	0.00	0.00
138	2B	N/A	757	Occupied		09/28/2018	09/28/2018	08/31/2019	578.00	RESIDENT	RENT	268.00	0.00	268.00	200.00	(2,016.00)
										HOUSING	HOUSING	310.00	0.00	310.00	0.00	2,016.00
139	2B	N/A	757	Occupied		11/29/2016	11/29/2016	11/28/2017	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
140	2B	N/A	757	Occupied		10/24/2014	10/24/2014	10/23/2015	522.00	RESIDENT	RENT	321.00	0.00	321.00	400.00	(1,593.00)
										HOUSING	HOUSING	201.00	0.00	201.00	0.00	1,206.00
141	2B	N/A	757	Occupied		03/05/2015	03/05/2015	03/04/2016	522.00	RESIDENT	RENT	227.00	0.00	227.00	400.00	(1,786.00)
										HOUSING	HOUSING	295.00	0.00	295.00	0.00	1,770.00
142	2B	N/A	757	Occupied		08/21/2018	08/21/2018	07/31/2019	578.00	RESIDENT	RENT	183.00	0.00	183.00	400.00	(808.00)
										HOUSING	HOUSING	395.00	0.00	395.00	0.00	816.00
143	2B	N/A	757	Occupied		01/12/2018	01/12/2018	01/11/2019	577.00	RESIDENT	RENT	577.00	0.00	577.00	200.00	0.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 11/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
144	2B	N/A	757	Occupied	[redacted]	05/26/2017	05/26/2017	05/25/2018	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	(3.00)
145	2B	N/A	757	Occupied		08/16/2019	08/16/2019	08/15/2020	578.00	RESIDENT	RENT	600.00	0.00	600.00	200.00	(942.00)
146	2A	N/A	757	Occupied		05/10/2012	05/10/2012	05/09/2013	864.00	RESIDENT	RENT	437.00	0.00	437.00	400.00	0.00
										SUBSIDY	SUBRENT	427.00	0.00	427.00	0.00	0.00
147	2B	N/A	757	Occupied		02/01/2013	02/01/2013	01/31/2014	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	(6.00)
148	2B	N/A	757	Occupied		11/11/2016	11/11/2016	11/10/2017	578.00	RESIDENT	RENT	578.00	0.00	578.00	400.00	0.00
149	2B	N/A	757	Occupied		07/31/2015	07/31/2015	07/30/2016	522.00	RESIDENT	RENT	522.00	0.00	522.00	400.00	0.00
150	2A	N/A	757	Occupied		07/22/2016	07/22/2016	07/21/2017	864.00	RESIDENT	RENT	74.00	0.00	74.00	25.00	0.00
										SUBSIDY	SUBRENT	790.00	0.00	790.00	0.00	0.00
totals:									**107,365.00**			**104,934.00**	**(623.00)**	**104,311.00**	**36,939.50**	

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 11/30/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

Amt / SQFT: Market = 125,970 SQFT; Leased = 122,342 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market + Addl. Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
3A	19	923	1,000.00	1.08	1,000.00	1.08	19	100.00	0
3B	45	923	658.38	0.71	666.53	0.72	43	95.56	0
3C	2	1,025	1,108.00	1.08	1,108.00	1.08	2	100.00	0
3D	14	1,025	662.07	0.65	665.08	0.65	13	92.86	1
1A	14	579	719.00	1.24	719.00	1.24	14	100.00	0
2A	20	757	864.00	1.14	864.00	1.14	19	95.00	1
2B	36	757	552.97	0.73	553.58	0.73	36	100.00	0
totals / averages:	**150**	**840**	**715.77**	**0.85**	**718.73**	**0.86**	**146**	**97.33**	**2**

occupancy and rents summary for current date

unit status	Market + Addl.	# units	potential rent
Occupied, no NTV	104,632.00	146	104,934.00
Occupied, NTV		0	-
Occupied NTV Leased		0	-
Vacant Leased	1,246.00	2	1,246.00
Admin/Down		0	-
Vacant Not Leased	1,487.00	2	1,487.00
totals:	**107,365.00**	**150**	**107,667.00**

summary billing by sub journal for current date

sub journal	amount
HOUSING	4,691.00
RESIDENT	68,728.00
SUBSIDY	30,892.00
total:	**104,311.00**

summary billing by transaction code for current date

code	amount
EMPLCRED	(623.00)

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

summary billing by transaction code for current date

code	amount
HOUSING	5,026.00
RENT	69,016.00
SUBRENT	30,892.00
total:	**104,311.00**

PNC REAL ESTATE

Midland Loan Services, a PNC Real Estate Business
PO Box 25965
Shawnee Mission, KS 66225-5965

For address changes, please contact our Customer Service Representatives at (800) 327-8083.

Loan Number	[redacted]
Payment Due Date	11/01/2019
Current Amounts Due	$36,729.51
Past Due Payment	$0.00
Total Payment Due	$36,729.51

Regular Payment: _____
Add'l Principal: _____
Add'l Escrow: _____
Late Charge: _____
TOTAL: _____

Please Complete the Above Information

RETURN SERVICE REQUESTED

Mail To:

Midland Loan Services, a PNC Real Estate Business
Lockbox Number 771223
1223 Solutions Center
Chicago, IL 60677-1002

Lilac Way, L.P.
c/o UAH Property Management, LP
10670 N. Central Expressway, Suite 500
Dallas, TX 75231

[redacted]

Please detach at perforation and return with payment in the enclosed envelope to ensure proper credit.
Midland can only accept payments by check, money order or electronic fund transfer. Please do not send cash.

PNC REAL ESTATE

LOAN NUMBER	INVESTOR LOAN #	PROPERTY ADDRESS
[redacted]	[redacted]	7845 Lilac Way El Paso TX 79915

FOR INQUIRIES PLEASE CALL OUR CUSTOMER SERVICE REPRESENTATIVES AT (800) 327-8083 - FROM 8 AM – 5 PM CST

LOAN INFORMATION

Current Principal Balance	$2,133,968.78
Current Interest Rate	6.85%
Interest Paid YTD	$123,605.91
Tax Escrow Balance	$118,356.67
Taxes Disbursed YTD	$0.00
Property Insurance Escrow Balance	$22,745.90
Property Insurance Disbursed YTD	$46,557.39
Reserve Escrow Balance	$333,903.01
FHA/MIP Balance	$0.00
Misc. Escrow Balance	$0.00
Deferred Interest Balance	$0.00

PAST DUE PAYMENT INFORMATION

Past Due Principal	$0.00
Past Due Interest	$0.00
Past Due Escrow	$0.00
Past Due Late Charges	$0.00
Past Due Other	$0.00
Past Due Default Interest	$0.00
Less Partial Payment Received	$0.00
TOTAL	$0.00

CURRENT AMOUNTS DUE

Current Principal Due	$5,838.22
Current Interest Due	$12,181.41
Current Tax Escrow Due	$10,759.70
Current Insurance Escrow Due	$3,850.18
Current Reserve Due	$4,100.00
Current FHA/MIP Escrow Due	$0.00
Current Misc. Escrow Due	$0.00
Accrued Late Charges Due	$0.00
Current Misc. Fee Due	$0.00
Protective Advance Balance Due	$0.00
TOTAL	$36,729.51

LATE CHARGE FEE

A LATE CHARGE FEE will be charged to this account if payment is not received by 11/12/2019, the applicable grace period provided in your loan documents.

SPECIAL MESSAGES

Visit Midland's website at www.pnc.com/midland for updated loan information available 24 hours every day, including recent transactions. To gain access, log onto Borrower Insight at www.pnc.com/midland and follow the instructions to establish secure access to your loan information.

****Beginning with the January 2017 statement, billing statements may be viewed or downloaded from the "Documents" menu in Borrower Insight.**

TOTAL DUE

TOTAL PAYMENT DUE	$36,729.51
Date Payment Due	11/01/2019

Information as of: 10/17/2019

Correspondence Address:
Midland Loan Services, a PNC Real Estate Business
PO Box 25965
Shawnee Mission, KS 66225-5965

Overnight Address:
Midland Loan Services, a PNC Real Estate Business
c/o Bank of Oklahoma, Lockbox #2585
6242 East 41st Street
Tulsa, OK 74135

Wiring information: PNC Bank, N.A.
Bank ID: [redacted]
[redacted]
Attn: Midland Loan Services, a PNC Real Estate Business
Loan #: [redacted]

Frm1_V2.0_2012-02-06

HUD MAP GUIDE 223F
CAPITAL NEEDS ASSESSMENT (CNA)
CIEN PALMAS
7845 LILAC WAY
EL PASO, TEXAS 79915

D3G PROJECT NUMBER:
2016-0413

DRAFT REPORT ISSUE DATE:
APRIL 1, 2016

INSPECTION DATE:
MARCH 21, 2016

PREPARED FOR:
ROCKPORT MORTGAGE CORPORATION
17 ROGERS STREET
GLOUCESTER, MASSACHUSETTS 01930-5014

Geoffrey M. Miller, BPI-MFBA, LEED-GA
Construction Inspector

Signature

Mike Ferguson, P.E., BPI-BA
Director of Engineering Services

Signature

1.0 EXECUTIVE SUMMARY

1.1 General Description

Cien Palmas, located at 7845 Lilac Way, El Paso, Texas consists of eleven (11) two-story multi-family apartment buildings, one (1) single-story clubhouse building, and one (1) single-story pool equipment building. The apartment buildings contain one hundred fifty (150) dwelling units. According to the reviewed construction drawings and D3G estimates, the buildings were constructed in 1971, are situated on approximately 9.91 acres, and feature an approximate gross area of 142,408 square feet. The property is in fair physical condition and well maintained. The property does not warrant substantial rehabilitation.

1.2 General Physical Condition

The following general physical conditions and conclusions have been reached by the Needs Assessor upon completion of this Capital Needs Assessment (CNA):

a. The replacement reserve summary does not include items deemed non-capitalized routine maintenance items at tenant turnover (e.g., interior painting, door hardware, closet hardware, bathroom accessories, etc.), and it is advisable that Property Management include these items in any future planned rehabilitation, as budget constraints allow.

b. The recommended level of repairs and rehabilitations will not require significant resident relocation.

c. Upon completion of repairs, the property will be in reasonable compliance with applicable accessibility regulations; however, will not be in total compliance due to structural modifications that would be required.

d. The property will not be applying for "green building certification" (e.g., LEED, ENERGYSTAR, Earthcraft, etc.).

1.3 Opinions of Probable Cost

Repair and Reserve Summary	Today's $	$ Per Unit	Inflated $	$ Per Unit Per Year
Critical Repair Cost Estimate	$30,765	$205	N/A	N/A
Non-Critical Repair Cost Estimate	$22,425	$150	N/A	N/A
1-10 Year Term Replacement Cost Estimate	$959,254	$6,395	$1,081,269	$721

Initial and Annual Deposits to the Reserve for Replacement Summary (Based on 1-20 Year Term)		
Initial Deposit	$390,000	$2,600 /Unit
Annual Deposit	$78,750	$525 /Unit

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1.3.1 Critical Repairs (Immediate)

Critical repairs are of two types: life safety remedies that correct exigent health and safety deficiencies including obstacles to ingress or egress from units, buildings or the site, which deficiencies must be corrected before endorsement; and accessibility remedies for violations of one or more of the accessibility statutes as may apply to the property or to any of the buildings, which remedies must be completed as soon as possible, a time period specified as a number of months which may extend beyond endorsement but shall not exceed 1 year unless specifically permitted by HUD.

SECT	CRITICAL REPAIR (IMMEDIATE NEEDS)	TOTAL
Cien Palmas		
3.3.2	1. Ceiling/firewall penetrations were observed in the mechanical closets of the dwelling units and within the mechanical closet of the clubhouse building. Fire-stopping of ceiling penetrations is required to maintain the fire separation integrity and to prevent the free movement of products of combustion (e.g. fumes, smoke and flame) in the event of a fire situation. (151 Each @ $35.00, Repair)	$5,285.00
3.4.2	2. The vent for the furnace unit within the clubhouse building was observed disconnected. Repair of the vent is required in order to prevent harmful flue gases from entering the interior of the building. (1 Each @ $125.00, Repair)	$125.00
3.4.4	3. Exposed electrical wiring was observed at the exterior light assembly at the north-east side of the clubhouse building and at the exterior light assembly adjacent to the entry door of Unit 18. Installation of secure covers will be required to comply with the National Electric Code (NEC) and to prevent potential harm to residents/staff personnel. (2 Each @ $35.00, Repair)	$70.00
3.4.2	4. The hood vent for the water heater unit within Unit 63 was observed disconnected/unsecured. Repair of the hood vent is required in order to prevent harmful flue gases from entering the interior of the unit. (1 Each @ $35.00, Repair)	$35.00
3.4.1	5. A natural gas odor was detected within the mechanical room of Unit 42. Further investigation and repair, if necessary, is required to repair a potential gas leak. (1 Each @ $125.00, Repair)	$125.00
3.3.3	6. The following areas should be inspected (and repaired as needed) by a licensed contractor due to elevated moisture readings observed with a thermographic camera, Delmhorst moisture meter with probe, and visual inspection: 1) bathroom ceiling of Unit 97 and 2) central bedroom exterior wall/flooring within Unit 63. (2 Each @ $400.00, Repair)	$800.00

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3.4.4	7. The following areas within a majority of the inspected Federal Pacific Stab Lok electrical panels located in various dwelling units should be inspected (and repaired as needed) by an electrician due to "double tapped" breaker connections, meaning that two (2) wires were connected at the breaker that is designed for only one (1) wire connection: 1) breaker within the Federal Pacific Stab Lok electrical panel of Unit 41; (2) breaker within the Federal Pacific Stab Lok electrical panel of Unit 47; (3) breaker within the Federal Pacific Stab Lok electrical panel of Unit 45; and (4) breaker within the Federal Pacific Stab Lok electrical panel of Unit 63. The breaker and breaker connection within electrical panel should be inspected to ensure the breaker is not damaged/incorrect size and the wire is properly connected. (4 Each @ $200.00, Repair)	$800.00
3.6.2	8. The dwelling units do not feature a Carbon Monoxide (CO) detector in the dwelling units despite the fossil fuel burning appliances. According to the National Conference of State Legislatures (at web address: http://www.ncsl.org/?tabid=13238), Texas requires that qualifying day-care centers, group day-care homes, and family homes must be equipped with carbon monoxide detectors. In addition, the state of Texas requires the state prepare information relating to the availability of carbon monoxide detectors, their use in preventing carbon monoxide poisoning; and the need to properly use and maintain fossil fuel-burning appliances. D3G's interpretation of Tex. Hum. Res. Code Ann. § 42.060 – Carbon Monoxide Detectors and Tex. Health & Safety Code Ann. § 766.003 - Information Relating to Fire Safety and Carbon Monoxide Dangers is that the apartment complex is not in compliance. Installation of carbon monoxide detectors is required. (150 Each @ $35.00, Repair)	$5,250.00
Cien Palmas - ACCESSIBILITY		
7.1	1. The community kitchen within the clubhouse building was observed without at least one section of lowered upper cabinetry in the kitchen (currently approximately 51-inches). In order to comply with UFAS, lowering of at least one section of upper cabinetry is required (48-inches maximum from the finished floor). (1 Each @ $350.00, Level 1 Alterations)	$350.00
7.1	2. The community kitchen within the clubhouse building was observed with a sink featuring knob style hardware. Installation of levered handle hardware is required in order to comply with the UFAS. (1 Each @ $125.00, Level 1 Alterations)	$125.00
7.1	3. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. The existing dwelling unit entry doors feature a step up entry threshold and do not feature a low threshold entry. Installation of a compliant entry ramp at the entry door is required. (8 Each @ $125.00, Level 1 Alterations)	$1,000.00

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7.1	4. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. The dwelling unit kitchen sinks do not feature roll-under forward approach. The sinks do not feature scald and abrasion protection on the exposed sink plumbing or levered handle hardware. Please note the counter surface area at the sink area is fixed at 37 inches above the finished floor (34 inches required). Removal of the under-sink cabinetry, installation of finished flooring, lowering of the countertop, and installation of scald and abrasion protection and levered hardware is required. (8 Each @ $750.00, Level 1 Alterations)	$6,000.00
7.1	5. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. The dwelling unit bathroom sinks do not feature roll-under forward approach with scald and abrasion protection or levered handle hardware. Removal of the under-sink cabinetry, installation of finished flooring, and installation of scald and abrasion protection and levered hardware is required. (8 Each @ $500.00, Level 1 Alterations)	$4,000.00
7.1	6. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. Roll-under forward approach to a work surface (30-inch wide) located in the kitchen is not provided. Removal of a 30-inch wide section of cabinetry, installation of finished flooring, and lowering of the countertop is required. (8 Each @ $350.00, Level 1 Alterations)	$2,800.00
7.1	7. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. Kitchens do not feature compliant cabinet storage - maximum height of 48-inches for at least one shelf of all cabinets and storage shelves mounted above work counters is required (55-inches present). Installation of a lowered shelf is required. (8 Each @ $250.00, Level 1 Alterations)	$2,000.00

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7.1	8. The property was originally constructed in 1971 and features project-based assistance. The apartments are therefore subject to the requirements of Section 504 of the Rehabilitation Act of 1973, which states that 5% or seven (7) of the dwelling units must be handicapped accessible. Currently, the property does not feature designated handicapped accessible units. Reconfiguring 5% of the dwelling units to become fully UFAS compliant is required. The toilets do not feature compliant rear and side grab bars. Installation of compliant side and rear grab bars is required. (8 Each @ $250.00, Level 1 Alterations)	$2,000.00
	TOTAL:	**$30,765.00**

1.3.2 Non-Critical Repairs (12-Month Repair and Rehabilitation Needs)

Non-critical repairs are repairs, replacements or alterations that address current and imminent physical needs, notwithstanding whether any such needs may be described as deferred maintenance. Imminent in this context means work reasonably expected to be needed within the first year of the mortgage, except that this shall not be construed as requiring as an immediate repair any work that would normally occur at unit turnover. Non-critical repairs may include work likely to improve or enhance the quality, suitability, marketability and operating efficiency of the property. Non-critical repairs must be completed within 1 year after endorsement unless specifically permitted by HUD.

SECT	NON-CRITICAL REPAIR (12-MONTH PROPERTY CONDITION)	TOTAL
	Cien Palmas	
3.2.4	1. The asphalt parking areas were observed with deteriorated areas and in poor to fair physical condition, requiring repairs, seal coating, and re-striping. In addition, based upon the two hundred eight (208) covered carport spaces and the seventy eight (78) open parking spaces available at the site (total of two hundred eighty six (286)), seven (7) handicapped accessible parking spaces inclusive of two (2) van accessible spaces are required by ADAAG (Americans with Disabilities Act Accessibility Guidelines). The property currently provides seven (7) handicapped designated parking spaces, which feature vertical signage and curb access, pavement markings, and access aisles. However, none of the spaces are designated as a "van accessible" space. Upon re-striping the parking areas, the installation of two (2) van accessible spaces is required in order to comply with ADAAG. Standard handicapped spaces require a 60-inch wide access aisles, vertical signage, and curb access. Van accessible handicapped spaces require a total of 192" width for the parking space and access aisle, vertical signage identifying the space as van accessible, and curb access. The van accessible parking space and access aisle may have either of the following combinations: a 132" wide parking space with a 60" wide access aisle or a 96" wide parking space with a 96" wide access aisle. The designated handicapped parking spaces should be located at the closest accessible route to the building entrances (i.e. adjacent to the clubhouse building) and two (2) spaces may share a single access aisle. It is recommended to coordinate this repair with the asphalt parking repairs. (1 Lump Sum @ $10,500.00, Repair)	$10,500.00

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3.2.2	2. The downspout located at the east corner of the clubhouse building was observed damaged/missing the elbow diverter. Repair/installation of the elbow diverter is recommended to divert storm water away from the building envelope. (1 Each @ $35.00, Repair)	$35.00
3.7.1	3. The vinyl flooring located in the exterior entry clubhouse restroom, the laundry room located within the laundry room within the clubhouse building, within the hallway of dwelling unit 26, and within the mechanical room of Unit 102 was observed with areas of damage, warranting repair. (4 Each @ $125.00, Repair)	$500.00
3.4.2	4. Various/majority of the inspected dwelling units were observed with unsecured HVAC vent tape seams located above the furnace units (i.e. 28, 54, 63, and 66), warranting repair. (4 Each @ $35.00, Repair)	$140.00
3.3.2	5. The wood decking located at the exterior walkway adjacent to Units 48 and 62 was observed in poor to fair physical condition, warranting repair. (2 Each @ $125.00, Repair)	$250.00
3.2.6	6. Select trees were observed in contact with the buildings throughout the property (i.e. adjacent to the south side of the clubhouse building). Pruning of the trees away from the buildings is recommended in order to prevent damage to the building envelopes. (1 Each @ $1,000.00, Repair)	$1,000.00
3.2.6	7. The pool deck surface was observed in poor to fair physical condition (i.e. patching and missing in sections), warranting resurfacing. (1 Each @ $10,000.00, Repair)	$10,000.00
	TOTAL:	**$22,425.00**

1.3.3 Owner Initiated / Market Comparable Improvements

There are no owner elected repairs at this time.

1.3.4 Long-Term Physical Needs – Reserves for Replacement (R4R)

Long-term physical needs over the loan term (Reserves for Replacement or R4R) are defined as non-routine maintenance items that will require significant expenditure during the 20-year study period. Exhibit 11.3 contains the 20-year Reserve for Replacement (R4R) analysis. Recommendations for the Initial Deposit to Reserves (IDR) and Annual Deposit to Reserves (ADR) are based upon the cost of "Near Term" replacement and major needs.

RESERVE FOR REPLACEMENT (R4R) SUMMARY for:			
PROPERTY:	**Cien Palmas**	**150**	**DWELLING UNITS**
1-20 YEAR TERM	**TOTAL RESERVE**	**AVERAGE ANNUAL COST PER UNIT (PUPA)**	
Un-inflated Cost	$2,246,195.72	$748.73	
Inflated Cost (2.5%/year)	$2,766,240.77	$922.08	
Recommended Initial Deposit to Reserves (IDRR):		$390,000.00	
(IDRR) Per Unit:		$2,600.00	
Recommend Annual Deposit to Reserves (ADRR):		$78,750.00	
(ADRR) Per Unit:		$525.00	

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REPLACEMENT RESERVE ANALYSIS FUNDING SCHEDULE

Multi-Family Apartments

Inspection Date: 3/21/2016
Project: Cien Palmas
Address: Lilac Way
City:, State: El Paso, Texas

Gross Square Footage: 142,408
Year Built: 1971
Number of Parking Spaces: 286
Number of Units: 150

Initial Deposit RR:	$ 390,000	$2,600 /Unit
Annual Deposit RR:	$ 78,750	$525 /Unit
Annual Deposit Increase	1.95%	
Interest Applied to Account Balance	1.00%	
Minimum Yr 1 Balance	$ 95,925	$640 /Unit

* This Funding Schedule has been completed in accordance with the 2016 MAP Guide, Appendix 5G, Section VII, as follows:

1 Reserve balance in years 1 thru 10 is based upon a 10 year estimate period, such that the minimum balance in the first year is 10% of the 1 - 10 year uninflated replacement reserve total, adjusted anually for inflation.

2 Reserve balance in years 11 thru 20 is based upon a 20 year estimate period, such that the minimum balance in year 11 is 5% of the 1 - 20 year uninflated replacement reserve total, adjusted anually for inflation.

3 Any negative balance observed in years 11 - 20 of the funding schedule cannot exceed 50% of the cummulative amortization of the mortgage.

1-10 YEAR TERM COSTS

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-Year Total
Inflated Annual Replacement Reserve Needs:	$ -	$ 6,108	$ 86,846	$ 97,827	$ 129,168	$ 123,626	$ 114,580	$ 96,557	$ 213,812	$ 212,744	$ 1,081,269
Beginning Annual Balance (Equals IDRR in Year 1):	$ 390,000	$ 473,044	$ 552,323	$ 552,826	$ 543,903	$ 505,028	$ 473,001	$ 451,444	$ 449,519	$ 331,499	
Annual Deposit:	$ 78,750	$ 80,286	$ 81,851	$ 83,447	$ 85,075	$ 86,733	$ 88,425	$ 90,149	$ 91,907	$ 93,699	
Beginning Balance Plus Annual Deposit:	$ 468,750	$ 553,329	$ 634,174	$ 636,273	$ 628,977	$ 591,761	$ 561,426	$ 541,593	$ 541,426	$ 425,199	
Interest (Average Outstanding Balance):	$ 4,294	$ 5,101	$ 5,498	$ 5,456	$ 5,219	$ 4,866	$ 4,599	$ 4,482	$ 3,886	$ 2,720	
Remaining RR Balance/year:	$ 473,044	$ 552,323	$ 552,826	$ 543,903	$ 505,028	$ 473,001	$ 451,444	$ 449,519	$ 331,499	$ 215,174	
Minimum Balance Required (Includes 2% Inflation Adjustment Annually)	$ 95,925	$ 97,844	$ 99,801	$ 101,797	$ 103,833	$ 105,909	$ 108,028	$ 110,188	$ 112,392	$ 114,640	
Required Minimum Balance Maintained:	N/A	N/A	YES	YES	YES	YES	YES	YES	YES	YES	

11-20 YEAR TERM COSTS

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	11-20-Year Total	20-Year Total
Inflated Annual Replacement Reserve Needs:	$ 249,359	$ 187,163	$ 204,346	$ 220,302	$ 241,941	$ 151,785	$ 133,478	$ 74,837	$ 100,948	$ 120,813	$ 1,684,972	$ 2,766,241
Beginning Annual Balance:	$ 215,174	$ 62,724	$ (26,872)	$ (132,723)	$ (253,723)	$ (395,697)	$ (446,462)	$ (477,274)	$ (447,357)	$ (441,240)		
Annual Deposit:	$ 95,526	$ 97,389	$ 99,288	$ 101,224	$ 103,198	$ 105,210	$ 107,262	$ 109,354	$ 111,486	$ 113,660		
Beginning Balance Plus Annual Deposit:	$ 310,700	$ 160,113	$ 72,416	$ (31,499)	$ (150,525)	$ (290,487)	$ (339,200)	$ (367,920)	$ (335,871)	$ (327,580)		
Interest (Average Outstanding Balance):	$ 1,383	$ 178	$ (794)	$ (1,923)	$ (3,231)	$ (4,190)	$ (4,596)	$ (4,600)	$ (4,421)	$ (4,448)		
Remaining RR Balance/year:	$ 62,724	$ (26,872)	$ (132,723)	$ (253,723)	$ (395,697)	$ (446,462)	$ (477,274)	$ (447,357)	$ (441,240)	$ (452,841)		
Minimum Balance Required (Includes 2% Inflation Adjustment Annually)	$ 136,905	$ 139,643	$ 142,436	$ 145,285	$ 148,190	$ 151,154	$ 154,177	$ 157,261	$ 160,406	$ 163,614		
Required Minimum Balance Maintained:	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO		
Cumulative Amortization	$ 488,177	$ 544,910	$ 604,101	$ 665,858	$ 730,291	$ 797,516	$ 867,655	$ 940,833	$ 1,017,183	$ 1,096,841		
Negative Balance / Cumulative Amortization	N/A	-4.93%	-21.97%	-38.10%	-54.18%	-55.98%	-55.01%	-47.55%	-43.38%	-41.29%		
Negative Balance Mitigated:	N/A	YES	YES	YES	NO	NO	NO	YES	YES	YES		

INTEREST CALCULATION FORMULA

Interest Calculation Formula = (Beginning Balance + (Beginning Balance + Annual Deposit) - Replacement Reserve Needs) / 2 x Interest Rate

Interest Calculation Example for Year 1	=	$ 390,000	+	$ 468,750	-	$ -	=	$ 858,750	/ 2 =	$ 429,375	x Interest % =	$ 4,294
Interest Calculation Example for Year 2	=	$ 473,044	+	$ 553,329	-	$ 6,108	=	$ 1,020,265	/ 2 =	$ 510,133	x Interest % =	$ 5,101
Interest Calculation Example for Year 3	=	$ 552,323	+	$ 634,174	-	$ 86,846	=	$ 1,099,651	/ 2 =	$ 549,825	x Interest % =	$ 5,498

Years 1 - 10 Uninflated Repairs Required	$ 959,254
Years 11 - 20 Uninflated Repairs Required	$ 1,286,942
Years 1 - 20 Uninflated Repairs Required	$ 2,246,196

Minimum Balance Required Beginning Year 1 (1/10 years)	$ 95,925	10% of Years 1 - 10 Uninflated Repairs
Minimum Balance Required Beginning Year 11 (1/20 years)	$ 112,309.79	5% of Years 1 - 20 Uninflated Repairs

REPLACEMENT RESERVE ANALYSIS

Multi-Family Apartments

Inspection Date: 3/21/2016
Project: Cien Palmas
Address: Lilac Way
City, State: El Paso, Texas

Gross Square Footage: 142,408
Year Built: 1971
Number of Parking Spaces: 286
Number of Units: 150

Sect	ITEM DESCRIPTION	Estimated Useful Life	Effective Age	Remaining Useful Life (RUL)	Total Number	Unit of Measurement	Unit Cost	Unit Cost with Location Factor	Total Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	10-Year Total
3.2.4	**3.2.4 Paving, Curbing and Parking**																			
3.2.4	Seal coat asphalt	5	0	5	78750	Square Feet	$ 0.15	$ 0.11	$ 8,662					$ 8,663					$ 8,663	$ 17,325
3.2.4	Parking stall, paint, white	5	0	5	225	Stall	$ 9.71	$ 7.46	$ 1,678					$ 1,679					$ 1,679	$ 3,357
3.2.4	Repair and overlay asphalt	25	8 to 12	13 to 17	78750	Square Feet	$ 0.75	$ 0.57	$ 44,887											$ -
3.2.5	**3.2.5 Flatwork**																			
3.2.5	Repair/refurbish sidewalks / patios	15	7 to 11	4 to 8	14232	Square Feet	$ 1.25	$ 0.96	$ 13,662					$ 3,416	$ 3,416	$ 3,416	$ 3,416			$ 13,663
3.2.6	**3.2.6 Landscaping and Appurtenances**																			
3.2.6	Identification sign masonry	25	10	15	1	Each	$ 1,200.00	$ 922.00	$ 922											$ -
3.2.6	Chain link fencing 6' high	40	29	11	852	Linear Feet	$ 11.97	$ 9.20	$ 7,838											$ -
3.2.6	Chain link fencing 4' high	40	15	25	100	Linear Feet	$ 7.89	$ 6.06	$ 606											$ -
3.2.6	Picket fencing - wrought iron 5' high	60	10	50	288	Linear Feet	$ 52.00	$ 39.00	$ 11,232											$ -
3.2.6	Refurbish walls - masonry	35	11 to 21	14 to 24	5484	Square Feet	$ 15.00	$ 11.53	$ 63,230											$ -
3.2.6	Dumpster enclosure - CMU wall	40	32	8	6	Each	$ 500.00	$ 384.00	$ 2,304								$ 2,304			$ 2,304
3.2.6	Carport - refurbish metal, including roof	40	6 to 12	28 to 34	208	Stall	$ 500.00	$ 384.00	$ 79,872											$ -
3.2.6	Storage Shed - small	30	19	11	1	Each	$ 2,500.00	$ 1,922.00	$ 1,922											$ -
3.2.7	**3.2.7 Recreational Facilities**																			
3.2.7	Playground, Level II	10	5	5	1	Each	$ 7,500.00	$ 5,767.00	$ 5,767					$ 5,767						$ 5,767
3.2.7	Swimming pool, Level I	8	0	8	1	Each	$ 4,000.00	$ 3,076.00	$ 3,076								$ 3,076			$ 3,076
3.2.7	Swimming pool equipment	10	7	3	1	Each	$ 2,500.00	$ 1,922.00	$ 1,922			$ 1,922								$ 1,922
3.2.7	Basketball court, refurbish	25	10	15	1	Square Feet	$ 0.75	$ 0.57	$ -											$ -
3.2.8	**3.2.8 Utilities**																			
	N/A																			$ -
3.3.2	**3.3.2 Building Frame**																			
3.3.2	Refurbish exterior stair assemblies	30	16 to 22	8 to 14	38	Each	$ 1,000.00	$ 769.00	$ 29,222									$ 5,383	$ 5,383	$ 10,766
3.3.2	Hollow metal door - single configuration 3-0x6-8	25	17	8	9	Each	$ 339.00	$ 260.00	$ 2,340								$ 2,340			$ 2,340
3.3.2	Hollow metal door - double configuration 6-0x6-8	25	16	9	1	Each	$ 620.00	$ 476.00	$ 476									$ 476		$ 476
3.3.2	Residential steel door 3-0x6-8	25	10 to 20	5 to 15	150	Each	$ 301.00	$ 231.00	$ 34,650						$ 3,465	$ 3,465	$ 3,465	$ 3,465	$ 3,465	$ 17,325
3.3.3	**3.3.3 Building Facades**																			
3.3.3	Painting exterior stucco/EIFS - brush	8	1 to 6	2 to 7	76626	Square Feet	$ 0.76	$ 0.58	$ 44,443			$ 8,889	$ 8,889	$ 8,889	$ 8,889	$ 8,889				$ 44,443
3.3.3	Window - sliding insulated glass - medium	35	20 to 30	5 to 15	392	Each	$ 425.00	$ 326.00	$ 127,792						$ 13,040	$ 13,040	$ 12,714	$ 12,714	$ 12,714	$ 64,222
3.3.3	Window - sliding insulated glass - lrg	35	20 to 30	5 to 15	156	Each	$ 580.00	$ 446.00	$ 69,576						$ 7,136	$ 7,136	$ 7,136	$ 7,136	$ 7,136	$ 35,680
3.3.4	**3.3.4 Roofing and Roof Drainage**																			
3.3.4	Modified bitumen roofing	20	6 to 12	8 to 14	82099	Square Feet	$ 5.95	$ 4.57	$ 375,192									$ 62,536	$ 62,531	$ 125,067
3.3.4	Aluminum 5" gutters & downspouts	20	6 to 12	8 to 14	3956	Linear Feet	$ 4.11	$ 3.16	$ 12,500									$ 2,086	$ 2,086	$ 4,171
3.4.1	**3.4.1 Plumbing Systems**																			
3.4.1	Replace sewer mains	50	35 to 45	5 to 15	12	Each	$ 3,500.00	$ 2,691.00	$ 32,292						$ 5,382	$ 5,382	$ 2,691	$ 2,691	$ 2,691	$ 18,837
3.4.1	Water heater domestic gas-fired, residential 75gal	12	6	6	1	Each	$ 725.00	$ 557.00	$ 557						$ 557					$ 557
3.4.1	Water heater domestic gas-fired, residential 40gal	12	1 to 10	2 to 11	152	Each	$ 425.00	$ 326.00	$ 49,552			$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 44,336
3.4.2	**3.4.2 Heating Systems**																			
3.4.2	Furnace gas-fired	20	5 to 15	5 to 15	151	Each	$ 875.00	$ 672.00	$ 101,472						$ 10,752	$ 10,080	$ 10,080	$ 10,080	$ 10,080	$ 51,072
3.4.2	Package unit gas-fired	15	10	5	1	Each	$ 6,919.00	$ 5,320.00	$ 5,320					$ 5,320						$ 5,320
3.4.3	**3.4.3 Air Conditioning and Ventilation**																			
3.4.3	Evaporative cooling unit	20	5 to 15	5 to 15	151	Each	$ 578.00	$ 444.00	$ 67,044						$ 7,104	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 33,744
3.4.4	**3.4.4 Electrical Systems**																			
3.4.4	Replace Breaker Panels - Federal Pacific Stab-Lok	50	39 to 49	1 to 11	112	Each	$ 650.00	$ 499.00	$ 55,888		$ 5,988	$ 5,988	$ 5,489	$ 5,489	$ 5,489	$ 5,489	$ 5,489	$ 5,489	$ 5,489	$ 50,399
3.5.1	**3.5.1 Conveyance Systems**																			
	N/A																			$ -
3.6.2	**3.6.2 Alarm Systems**																			
	N/A																			$ -
3.6.3	**3.6.3 Other Life Safety/Emergency Systems**																			
	N/A																			$ -
3.7.1	**3.7.1 Common Areas**																			
3.7.1	Kitchen cabinets and countertops - community kitchen	25	10	15	1	Each	$ 1,500.00	$ 1,153.00	$ 1,153											$ -
3.7.1	Vinyl flooring	15	10	5	1478	Square Feet	$ 1.84	$ 1.41	$ 2,083					$ 2,084						$ 2,084
3.7.1	Ceramic tile replace	40	10	30	1108	Square Feet	$ 10.00	$ 7.69	$ 8,520											$ -
3.7.1	Dwelling unit entry doors - replace	30	15 to 25	5 to 15	150	Each	$ 225.00	$ 173.00	$ 25,950						$ 2,595	$ 2,595	$ 2,595	$ 2,595	$ 2,595	$ 12,975
3.7.1	Refrigerator residential - community kitchen	15	10	5	1	Each	$ 450.00	$ 450.00	$ 450					$ 450						$ 450
3.7.1	Microwave residential - community kitchen	10	7	3	1	Each	$ 125.00	$ 125.00	$ 125			$ 125								$ 125
3.7.2	**3.7.2 Tenant Spaces / Dwelling Units**																			
3.7.2	Kitchen cabinets and countertops	25	5 to 15	10 to 20	150	Each	$ 1,500.00	$ 1,153.00	$ 172,950											$ -
3.7.2	Bathroom vanity base and countertop avg. 2-door vanity	25	5 to 15	10 to 20	230	Each	$ 350.00	$ 269.00	$ 61,870											$ -
3.7.2	Carpet - One-bedroom Apartment	6	2 to 4	2 to 4	14	Each	$ 650.00	$ 499.00	$ 6,986			$ 3,493	$ 3,493					$ 3,493	$ 3,493	$ 13,972
3.7.2	Carpet - Two-bedroom Apartment	6	1 to 4	2 to 5	56	Each	$ 850.00	$ 653.00	$ 36,568			$ 12,407	$ 12,407	$ 11,754				$ 12,407	$ 12,407	$ 61,382
3.7.2	Carpet - Three-bedroom Apartment	6	1 to 4	2 to 5	64	Each	$ 1,050.00	$ 807.00	$ 51,648			$ 17,754	$ 16,947	$ 16,947				$ 17,754	$ 16,947	$ 86,349
3.7.2	Carpet - Four-bedroom Apartment	6	1 to 4	2 to 5	16	Each	$ 1,150.00	$ 884.00	$ 14,144			$ 5,304	$ 4,420	$ 4,420				$ 5,304	$ 4,420	$ 23,868
3.7.2	Vinyl flooring - 1-bathroom & kitchen	15	7 to 11	4 to 8	70	Each	$ 300.00	$ 230.00	$ 16,100					$ 4,140	$ 4,140	$ 3,910	$ 3,910			$ 16,100
3.7.2	Vinyl flooring - 2-bathroom & kitchen	15	6 to 12	3 to 9	80	Each	$ 400.00	$ 307.00	$ 24,560				$ 4,298	$ 4,298	$ 3,991	$ 3,991	$ 3,991	$ 3,991		$ 24,560
3.7.2	Range/oven residential	15	6 to 12	3 to 9	150	Each	$ 346.00	$ 346.00	$ 51,900				$ 8,650	$ 8,650	$ 8,650	$ 8,650	$ 8,650	$ 8,650		$ 51,900
3.7.2	Dishwasher residential	10	4 to 8	2 to 6	150	Each	$ 225.00	$ 225.00	$ 33,750			$ 8,550	$ 8,550	$ 8,325	$ 8,325					$ 33,750
3.7.2	Refrigerator residential	12	5 to 10	2 to 7	150	Each	$ 450.00	$ 450.00	$ 67,500			$ 13,500	$ 13,500	$ 13,500	$ 13,500	$ 13,500				$ 67,500
3.7.2	Ceramic tile - tub surround	40	22 to 32	8 to 18	150	Each	$ 350.00	$ 269.00	$ 40,350									$ 4,035	$ 4,035	$ 8,070

UNINFLATED COSTS:

TOTAL RESERVE REPLACEMENT		$ -	$ 5,988	$ 83,474	$ 92,185	$ 119,331	$ 111,972	$ 101,744	$ 84,059	$ 182,486	$ 178,015	$ 959,254
UN-INFLATED COST PER UNIT / YEAR		$ -	$ 40	$ 556	$ 615	$ 796	$ 746	$ 678	$ 560	$ 1,217	$ 1,187	$ 640

2.0% PER YEAR INFLATED COSTS:

2.0% INFLATION FACTOR		$ -	$ 6,108	$ 86,846	$ 97,827	$ 129,168	$ 123,626	$ 114,580	$ 96,557	$ 213,812	$ 212,744	$ 1,081,269
INFLATED COST PER UNIT / YEAR		$ -	$ 41	$ 579	$ 652	$ 861	$ 824	$ 764	$ 644	$ 1,425	$ 1,418	$ 721

Geographic Location Factor*: 0.769

* Note: The Effective Age does not necessarily equal the actual age. Many factors determine the effective age of a certain component including preventative maintenance programs. In addition, replacement of the majority of the components has been spread over a number of years to help alleviate inflated reserve requirements.

REPLACEMENT RESERVE ANALYSIS

Multi-Family Apartments

Inspection Date: 3/21/2016
Project: Cien Palmas
Address: Lilac Way
City, State: El Paso, Texas

Gross Square Footage: 142,408
Year Built: 1971
Number of Parking Spaces: 286
Number of Units: 150

Sect	ITEM DESCRIPTION	Estimated Useful Life	Effective Age	Remaining Useful Life (RUL)	Total Number	Unit of Measurement	Unit Cost	Unit Cost with Location Factor	Total Value	10-Year Total	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	11-20 Year Total	1-20 Year Total
3.2.4	**3.2.4 Paving, Curbing and Parking**																					
3.2.4	Seal coat asphalt	5	0	5	78750	Square Feet	$ 0.15	$ 0.11	$ 8,662	$ 17,325					$ 8,663					$ 8,663	$ 17,325	$ 34,650
3.2.4	Parking stall, paint, white	5	0	5	225	Stall	$ 9.71	$ 7.46	$ 1,678	$ 3,357					$ 1,679					$ 1,679	$ 3,357	$ 6,714
3.2.4	Repair and overlay asphalt	25	8 to 12	13 to 17	78750	Square Feet	$ 0.75	$ 0.57	$ 44,887	$ -				$ 11,222	$ 11,222	$ 11,222	$ 11,222				$ 44,888	$ 44,888
3.2.5	**3.2.5 Flatwork**																					
3.2.5	Repair/refurbish sidewalks / patios	15	7 to 11	4 to 8	14232	Square Feet	$ 1.25	$ 0.96	$ 13,662	$ 13,663										$ 3,416	$ 3,416	$ 17,078
3.2.6	**3.2.6 Landscaping and Appurtenances**																					
3.2.6	Identification sign masonry	25	10	15	1	Each	$ 1,200.00	$ 922.00	$ 922	$ -					$ 922						$ 922	$ 922
3.2.6	Chain link fencing 6' high	40	29	11	852	Linear Feet	$ 11.97	$ 9.20	$ 7,838	$ -	$ 7,838										$ 7,838	$ 7,838
3.2.6	Chain link fencing 4' high	40	15	25	100	Linear Feet	$ 7.89	$ 6.06	$ 606	$ -											$ -	$ -
3.2.6	Picket fencing - wrought iron 5' high	60	10	50	288	Linear Feet	$ 52.00	$ 39.00	$ 11,232	$ -											$ -	$ -
3.2.6	Refurbish walls - masonry	35	11 to 21	14 to 24	5484	Square Feet	$ 15.00	$ 11.53	$ 63,230	$ -					$ 6,330	$ 6,330	$ 6,330	$ 6,330	$ 6,318	$ 6,318	$ 37,957	$ 37,957
3.2.6	Dumpster enclosure - CMU wall	40	32	8	6	Each	$ 500.00	$ 384.00	$ 2,304	$ 2,304											$ -	$ 2,304
3.2.6	Carport - refurbish metal, including roof	40	6 to 12	28 to 34	208	Stall	$ 500.00	$ 384.00	$ 79,872	$ -											$ -	$ -
3.2.6	Storage Shed - small	30	19	11	1	Each	$ 2,500.00	$ 1,922.00	$ 1,922	$ -	$ 1,922										$ 1,922	$ 1,922
3.2.7	**3.2.7 Recreational Facilities**																					
3.2.7	Playground, Level II	10	5	5	1	Each	$ 7,500.00	$ 5,767.00	$ 5,767	$ 5,767					$ 5,767						$ 5,767	$ 11,534
3.2.7	Swimming pool, Level I	8	0	8	1	Each	$ 4,000.00	$ 3,076.00	$ 3,076	$ 3,076						$ 3,076					$ 3,076	$ 6,152
3.2.7	Swimming pool equipment	10	7	3	1	Each	$ 2,500.00	$ 1,922.00	$ 1,922	$ 1,922			$ 1,922								$ 1,922	$ 3,844
3.2.7	Basketball court, refurbish	25	10	15	1	Square Feet	$ 0.75	$ 0.57	$ -	$ -					$ 1						$ 1	$ 1
3.2.8	**3.2.8 Utilities**																					
	N/A									$ -											$ -	$ -
3.3.2	**3.3.2 Building Frame**																					
3.3.2	Refurbish exterior stair assemblies	30	16 to 22	8 to 14	38	Each	$ 1,000.00	$ 769.00	$ 29,222	$ 10,766	$ 4,614	$ 4,614	$ 4,614	$ 4,614							$ 18,456	$ 29,222
3.3.2	Hollow metal door - single configuration 3-0x6-8	25	17	8	9	Each	$ 339.00	$ 260.00	$ 2,340	$ 2,340											$ -	$ 2,340
3.3.2	Hollow metal door - double configuration 6-0x6-8	25	16	9	1	Each	$ 620.00	$ 476.00	$ 476	$ 476											$ -	$ 476
3.3.2	Residential steel door 3-0x6-8	25	10 to 20	5 to 15	150	Each	$ 301.00	$ 231.00	$ 34,650	$ 17,325	$ 3,465	$ 3,465	$ 3,465	$ 3,465	$ 3,465						$ 17,325	$ 34,650
3.3.3	**3.3.3 Building Facades**																					
3.3.3	Painting exterior stucco/EIFS - brush	8	1 to 6	2 to 7	76626	Square Feet	$ 0.76	$ 0.58	$ 44,443	$ 44,443	$ 8,889	$ 8,889	$ 8,889	$ 8,889	$ 8,889				$ 8,889	$ 8,889	$ 62,221	$ 106,664
3.3.3	Window - sliding insulated glass - medium	35	20 to 30	5 to 15	392	Each	$ 425.00	$ 326.00	$ 127,792	$ 64,222	$ 12,714	$ 12,714	$ 12,714	$ 12,714	$ 12,714						$ 63,570	$ 127,792
3.3.3	Window - sliding insulated glass - lrg	35	20 to 30	5 to 15	156	Each	$ 580.00	$ 446.00	$ 69,576	$ 35,680	$ 7,136	$ 6,690	$ 6,690	$ 6,690	$ 6,690						$ 33,896	$ 69,576
3.3.4	**3.3.4 Roofing and Roof Drainage**																					
3.3.4	Modified bitumen roofing	20	6 to 12	8 to 14	82099	Square Feet	$ 5.95	$ 4.57	$ 375,192	$ 125,067	$ 62,531	$ 62,531	$ 62,531	$ 62,531							$ 250,125	$ 375,192
3.3.4	Aluminum 5" gutters & downspouts	20	6 to 12	8 to 14	3956	Linear Feet	$ 4.11	$ 3.16	$ 12,500	$ 4,171	$ 2,082	$ 2,082	$ 2,082	$ 2,082							$ 8,330	$ 12,501
3.4.1	**3.4.1 Plumbing Systems**																					
3.4.1	Replace sewer mains	50	35 to 45	5 to 15	12	Each	$ 3,500.00	$ 2,691.00	$ 32,292	$ 18,837	$ 2,691	$ 2,691	$ 2,691	$ 2,691	$ 2,691						$ 13,455	$ 32,292
3.4.1	Water heater domestic gas-fired, residential 75gal	12	6	6	1	Each	$ 725.00	$ 557.00	$ 557	$ 557								$ 557			$ 557	$ 1,114
3.4.1	Water heater domestic gas-fired, residential 40gal	12	1 to 10	2 to 11	152	Each	$ 425.00	$ 326.00	$ 49,552	$ 44,336	$ 5,216				$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 5,542	$ 38,468	$ 82,804
3.4.2	**3.4.2 Heating Systems**																					
3.4.2	Furnace gas-fired	20	5 to 15	5 to 15	151	Each	$ 875.00	$ 672.00	$ 101,472	$ 51,072	$ 10,080	$ 10,080	$ 10,080	$ 10,080	$ 10,080						$ 50,400	$ 101,472
3.4.2	Package unit gas-fired	15	10	5	1	Each	$ 6,919.00	$ 5,320.00	$ 5,320	$ 5,320										$ 5,320	$ 5,320	$ 10,640
3.4.3	**3.4.3 Air Conditioning and Ventilation**																					
3.4.3	Evaporative cooling unit	20	5 to 15	5 to 15	151	Each	$ 578.00	$ 444.00	$ 67,044	$ 33,744	$ 6,660	$ 6,660	$ 6,660	$ 6,660	$ 6,660						$ 33,300	$ 67,044
3.4.4	**3.4.4 Electrical Systems**																					
3.4.4	Replace Breaker Panels - Federal Pacific Stab-Lok	50	39 to 49	1 to 11	112	Each	$ 650.00	$ 499.00	$ 55,888	$ 50,399	$ 5,489										$ 5,489	$ 55,888
3.5.1	**3.5.1 Conveyance Systems**																					
	N/A									$ -											$ -	$ -
3.6.2	**3.6.2 Alarm Systems**																					
	N/A									$ -											$ -	$ -
3.6.3	**3.6.3 Other Life Safety/Emergency Systems**																					
	N/A									$ -											$ -	$ -
3.7.1	**3.7.1 Common Areas**																					
3.7.1	Kitchen cabinets and countertops - community kitchen	25	10	15	1	Each	$ 1,500.00	$ 1,153.00	$ 1,153	$ -					$ 1,153						$ 1,153	$ 1,153
3.7.1	Vinyl flooring	15	10	5	1478	Square Feet	$ 1.84	$ 1.41	$ 2,083	$ 2,084										$ 2,084	$ 2,084	$ 4,168
3.7.1	Ceramic tile replace	40	10	30	1108	Square Feet	$ 10.00	$ 7.69	$ 8,520	$ -											$ -	$ -
3.7.1	Dwelling unit entry doors - replace	30	15 to 25	5 to 15	150	Each	$ 225.00	$ 173.00	$ 25,950	$ 12,975	$ 2,595	$ 2,595	$ 2,595	$ 2,595	$ 2,595						$ 12,975	$ 25,950
3.7.1	Refrigerator residential - community kitchen	15	10	5	1	Each	$ 450.00	$ 450.00	$ 450	$ 450										$ 450	$ 450	$ 900
3.7.1	Microwave residential - community kitchen	10	7	3	1	Each	$ 125.00	$ 125.00	$ 125	$ 125			$ 125								$ 125	$ 250
3.7.2	**3.7.2 Tenant Spaces / Dwelling Units**																					
3.7.2	Kitchen cabinets and countertops	25	5 to 15	10 to 20	150	Each	$ 1,500.00	$ 1,153.00	$ 172,950	$ -	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 17,295	$ 172,950	$ 172,950
3.7.2	Bathroom vanity base and countertop avg. 2-door vanity	25	5 to 15	10 to 20	230	Each	$ 350.00	$ 269.00	$ 61,870	$ -	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 6,187	$ 61,870	$ 61,870
3.7.2	Carpet - One-bedroom Apartment	6	2 to 4	2 to 4	14	Each	$ 650.00	$ 499.00	$ 6,986	$ 13,972					$ 3,493	$ 3,493					$ 6,986	$ 20,958
3.7.2	Carpet - Two-bedroom Apartment	6	1 to 4	2 to 5	56	Each	$ 850.00	$ 653.00	$ 36,568	$ 61,382	$ 11,754				$ 12,407	$ 12,407	$ 11,754				$ 48,322	$ 109,704
3.7.2	Carpet - Three-bedroom Apartment	6	1 to 4	2 to 5	64	Each	$ 1,050.00	$ 807.00	$ 51,648	$ 86,349	$ 16,947				$ 17,754	$ 16,947	$ 16,947				$ 68,595	$ 154,944
3.7.2	Carpet - Four-bedroom Apartment	6	1 to 4	2 to 5	16	Each	$ 1,150.00	$ 884.00	$ 14,144	$ 23,868	$ 4,420				$ 5,304	$ 4,420	$ 4,420				$ 18,564	$ 42,432
3.7.2	Vinyl flooring - 1-bathroom & kitchen	15	7 to 11	4 to 8	70	Each	$ 300.00	$ 230.00	$ 16,100	$ 16,100										$ 4,140	$ 4,140	$ 20,240
3.7.2	Vinyl flooring - 2-bathroom & kitchen	15	6 to 12	3 to 9	80	Each	$ 400.00	$ 307.00	$ 24,560	$ 24,560									$ 4,298	$ 4,298	$ 8,596	$ 33,156
3.7.2	Range/oven residential	15	6 to 12	3 to 9	150	Each	$ 346.00	$ 346.00	$ 51,900	$ 51,900									$ 8,650	$ 8,650	$ 17,300	$ 69,200
3.7.2	Dishwasher residential	10	4 to 8	2 to 6	150	Each	$ 225.00	$ 225.00	$ 33,750	$ 33,750			$ 8,550	$ 8,550	$ 8,325	$ 8,325					$ 33,750	$ 67,500
3.7.2	Refrigerator residential	12	5 to 10	2 to 7	150	Each	$ 450.00	$ 450.00	$ 67,500	$ 67,500					$ 13,500	$ 13,500	$ 13,500	$ 13,500	$ 13,500		$ 67,500	$ 135,000
3.7.2	Ceramic tile - tub surround	40	22 to 32	8 to 18	150	Each	$ 350.00	$ 269.00	$ 40,350	$ 8,070	$ 4,035	$ 4,035	$ 4,035	$ 4,035	$ 4,035	$ 4,035	$ 4,035	$ 4,035			$ 32,280	$ 40,350

UNINFLATED COSTS:

TOTAL RESERVE REPLACEMENT	$ 959,254	$ 204,561	$ 150,528	$ 161,125	$ 170,300	$ 183,361	$ 112,779	$ 97,232	$ 53,446	$ 70,680	$ 82,930	$ 1,286,942	$ 2,246,196
UN-INFLATED COST PER UNIT / YEAR	$ 640	$ 1,364	$ 1,004	$ 1,074	$ 1,135	$ 1,222	$ 752	$ 648	$ 356	$ 471	$ 553	$ 858	$ 749

2.0% PER YEAR INFLATED COSTS:

2.0% INFLATION FACTOR	$ 1,081,269	$ 249,359	$ 187,163	$ 204,346	$ 220,302	$ 241,941	$ 151,785	$ 133,478	$ 74,837	$ 100,948	$ 120,813	$ 1,684,972	$ 2,766,241
INFLATED COST PER UNIT / YEAR	$ 721	$ 1,662	$ 1,248	$ 1,362	$ 1,469	$ 1,613	$ 1,012	$ 890	$ 499	$ 673	$ 805	$ 1,123	$ 922

Geographic Location Factor*: 0.769

* Note: The Effective Age does not necessarily equal the actual age. Many factors determine the effective age of a certain component including preventative maintenance programs. In addition, replacement of the majority of the components has been spread over a number of years to help alleviate inflated reserve requirements.

AESTIMO, INC.

Facilities Engineering Consultants

September 17, 2018

Mr. George Schmidt
EDGEWATER GROUP, LLC
34 Lone Oak Trail
Sunset Valley, Texas 78745

Subject: **Property Condition Assessment**
Cien Palmas Apartments
El Paso, Texas
Aestimo Project No. 183002-01

Dear Mr. Schmidt:

Aestimo, Inc. (AESTIMO) is pleased to report that we have completed a Property Condition Assessment of the above-referenced apartment complex. The findings of our work, together with recommendations and opinions of costs, are presented in the attached report.

This assessment was requested Mr. George Schmidt and authorized by Mr. Doug Gurkin, both of Edgewater Group, LLC, and has been performed in accordance with AESTIMO's Proposal Number 183002-01, dated August 6, 2018. Please review this report and contact us at (281) 556-1522 if you have any questions or comments. We appreciate the confidence Edgewater Group, LLC has shown in us as a consultant and look forward to continuing our professional relationship on future projects.

Sincerely,

AESTIMO, INC.
TBPE Firm Registration No. F-1695

DRAFT
Brian D. Bonczynski, E.I.T.
Project Engineer

DRAFT
John C. Fairchild, P.E.
Principal Engineer

~~This document contains an electronically-applied seal and signature authorized by John C. Fairchild, P.E. on September 17, 2018~~

1 Executive Summary

A property condition assessment was performed by AESTIMO on the Cien Palmas Apartments located at 7845 Lilac Way in El Paso, Texas on August 28 and 29, 2018.

The property is located north of the intersection of Lilac Way and Montecito Road on the east side of El Paso, Texas. The property is bound by Lilac Way, a church and multi-family residential property to the west and single-family residences on the north, east and south sides. Three separate parking areas serving the property with each being accessed from Lilac Way. A centrally located Leasing Office Building includes a leasing area, manager's office, a meeting area, a business center, and a unisex public restroom. Common laundry rooms are attached to the Leasing Office and Buildings C and G.

The property was developed in a single phase in 1971 and includes a total of 150 dwelling units in 11 apartment buildings. The development offers one-, two-, three-, and four-bedroom floor plans. Apartment building construction includes conventional wood framing with low-sloped built-up roofs with a modified bitumen cap sheet, stucco veneer, painted wood trim, single-pane aluminum-framed windows, and metal apartment entrance doors. The apartment interiors include textured gypsum board walls and ceilings, wood cabinetry, plastic laminate countertop and vinyl tile and carpet flooring. The kitchen appliance package includes a frost-free refrigerator, gas range, vent hood, dishwasher, and garbage disposal.

Apartment utility equipment includes roof-mounted evaporative condensers (swamp coolers) and gas-fired furnaces within a kitchen closet. Individual 40-gallon gas-fired water heaters are also provided within the kitchen closets. The apartment units are not individually metered for utilities. Within the apartment buildings, copper water lines and PVC sanitary lines were reported. 40-amp electrical service is provided to each unit and copper wiring was confirmed within Unit 25.

The development underwent a rehabilitation in 2005 which reportedly included the following: install new swimming pool, install new playground equipment, new landscaping and irrigation system, install additional lighting, seal-coat and stripe parking lot, repair sidewalk trip/fall hazards, install new roofs and gutter systems, provide R-30 insulation in attic, install solar screens on windows, install new apartment entry doors, repair damaged stucco areas, paint stucco, install new signage throughout property, replace all interior doors, replace all light fixtures, replace kitchen and bathroom cabinets and countertops, replace kitchen sinks, replace existing appliances, replace bathtubs and surrounds, install new flooring, replace furnaces in 119 units, install GFCI outlets in bathrooms and kitchens, replace 100 gas-fired water heaters, replace plumbing fixtures, and install new low flow toilets in all units.

The overall condition of Cien Palmas Apartments is good, considering the age of the property, and appears to have been properly maintained. Immediate work identified as requiring work includes repairing damaged covered parking components, replacing the heat resistive pool deck coating, and replacing missing playground equipment components. A number of building systems are approaching the end of their service life due to the age of the property and systems including

parking lot seal-coating, exterior painting, roofing, and the replacement of the original Federal Pacific Electric panels within the first-floor apartment units. Continued systematic replacement of evaporative condensing units, appliances, water heaters and flooring materials also be expected throughout the evaluation period.

The following table summarizes the capital reserve analysis provided in Appendix B:

Immediate Recommendations:		
Total Cost	$	21,500
Immediate Costs/Unit	$	143
Future Recommendations over 10-year Term:		
Total Cost (uninflated)	$	1,192,750
Total Cost (inflated at 2.5%)	$	1,345,764
Total Future Cost/Year/Unit:		
Uninflated	$	795
Inflated	$	897
Suggested Upgrades:		
Total Cost	$	398,750
Suggested ADA Costs:		
Total Cost	$	0

TABLE 1
CAPITAL EXPENDITURE ANALYSIS
Cien Palmas Apartments
7489 Lilac Way
El Paso, TX

Item	Immediate Cost	Expected Useful Life	Effective/ Actual Age	Remaining Useful Life	QUANTITY	UNIT COST	ADA Items*	REPLACEMENT PERIOD Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Cumulative Total	Suggested Upgrades
SITE DEVELOPMENT:																			
Seal coat and re-stripe asphaltic concrete parking lot		5	3	2	10,500 sy	$ 1.50 /sy				$ 15,750					$ 15,750			$ 31,500	
Allowance to repair damaged covered parking members	$ 2,500	N/A	N/A	N/A	1 allow	$ 2,500 /ea												$ -	
Annual allowance for sidewalk repairs		N/A	N/A	N/A	400 sf	$ 5.00 /sf		$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 20,000	
Replace chain link fence on south elevation		40	35	5	850 lf	$ 20.00 /lf						$ 17,000						$ 17,000	
Allowance to renovate gravel landscaped areas.		N/A	N/A	N/A	165,000 sf	$ 0.75 /sf												$ -	$ 123,750
Renovate Business Center		10	8	2	1 allow	$ 5,000 /ea			$ 5,000									$ 5,000	
Replace heat resistive pool deck coating	$ 11,000	N/A	N/A	N/A	1 bid	$ 11,000 /ea												$ -	
Replaster swimming pool		10	8	2	1 allow	$ 7,500 /ea			$ 7,500									$ 7,500	
Replace damaged playground equipment	$ 500	N/A	N/A	N/A	1 allow	$ 500 /ea												$ -	
Replace playground equipment		15	11	4	1 allow	$ 15,000 /ea					$ 15,000							$ 15,000	
Replace common area mailbox structures		30	25	5	1 allow	$ 15,000 /ea						$ 15,000						$ 15,000	
																		$ -	
BUILDING EXTERIOR:																			
Replace roof membrane.		20	13	7	68,000 sf	$ 6.00 /sf								$ 408,000				$ 408,000	
Paint building exteriors and repair stucco as needed.		10	7	3	150 units	$ 400 /ea				$ 60,000								$ 60,000	
Upgrade windows to energy efficient units with insulating glass.		50	30-35	15-20	500 units	$ 400 /ea												$ -	$ 200,000
																		$ -	
BUILDING STRUCTURE:																			
None Identified.																		$ -	
																		$ -	
INTERIORS:																			
Systematic replacement of refrigerators.		13-22	varies	varies	15 apt.	$ 500 /apt.		$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 75,000	
Systematic replacement of dishwashers.		10-17	varies	varies	15 apt.	$ 300 /apt.		$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 4,500	$ 45,000	
Systematic replacement of ranges		13-22	varies	varies	3 apt.	$ 325 /apt		$ 975	$ 975	$ 975	$ 975	$ 975	$ 975	$ 975	$ 975	$ 975	$ 975	$ 9,750	
Install carbon monoxide detector in each unit	$ 7,500	N/A	N/A	N/A	150 units	$ 50 /ea												$ -	
Replace carpet flooring		7	varies	varies	20 apt.	$ 1,400 /apt		$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 28,000	$ 280,000	
Replace vinyl tile flooring		12	varies	varies	12 apt.	$ 225 /apt		$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 2,700	$ 27,000	
																		$ -	
MEP:																			
Replace evaporative condensers.		15-20	varies	varies	12 units	$ 475 /ea.		$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 5,700	$ 57,000	
Systematically replace original Stab Lok panels		N/A	N/A	N/A	7 units	$ 1,000 /ea		$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 70,000	
Replace older individual water heaters.		10-15	varies	varies	10 units	$ 500 /ea.		$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 50,000	
Set hot water heater in pan and plumb.		N/A	N/A	N/A	150 units	$ 500 /ea.												$ -	$ 75,000
																		$ -	$ -
FIRE PROTECTION																			
Review status/need of fire hydrant near Building E with local fire department	TBD	N/A	N/A	N/A														$ -	
																		$ -	
REGULATORY CONSIDERSATIONS:																			
None Identified.																		$ -	
																		$ -	
ADA:																			
None Identified																		$ -	
SUBTOTAL	$ 21,500						$ -	$ 63,375	$ 75,875	$ 139,125	$ 78,375	$ 95,375	$ 63,375	$ 471,375	$ 79,125	$ 63,375	$ 63,375	$ 1,192,750	$ 398,750
INFLATION FACTOR (2.5%)	---						---	1.000	1.025	1.051	1.077	1.104	1.131	1.160	1.189	1.218	1.249		
TOTALS	$ 21,500				Immediate $/Unit $ 143		$ -	$ 63,375	$ 77,772	$ 146,168	$ 84,401	$ 105,276	$ 71,703	$ 546,650	$ 94,055	$ 77,216	$ 79,147	$ 1,345,764	

DRAFT - For Discussion Purposes only

*The ADA requires that architectural and communication barriers be removed in existing "public accommodations" if they can be done without much difficulty or expense. A property owner may find that making corrections to identified barriers is not "readily achievable" this year, but may be achievable in the future years. Property owners are encouraged to evaluate their facilities and develop long term plan for barrier removal that is commensurate with their resources. Therefore, we have not assigned the cost associated with the items noted in our review to a specific year since the property owner(s) is the only entity capable of determining when they can be accomplished.

DRAFT - For Discussion Purposes only

Year Built	1979	Uninflated $/Unit/Year	$ 795
Age (years)	39	Inflated $/Unit/Year	$ 897
Term (years)	10		
No. of Units	150		

Jernigan International LLC.

PO Box 3503
Coppell, TX 75019
972-741-5278
Ben@TexasPA.com

Insured: Edgewater Affordable Housing, LP Building 1 (A)
Property: 7845 Lilac Way
El Paso, TX 79915

Estimator: Joseph Benjamin Jernigan
Business: PO Box 3505
Coppell, TX 75019

Business: (855) 383-9277
E-mail: Ben@texaspa.com

Claim Number: **Policy Number:** B1230AP04231A16 **Type of Loss:** Hail

Date of Loss: 11/4/2016
Date Inspected: 8/2/2017

Date Received:
Date Entered: 7/19/2017

Price List: TXAM8X_JUL17
Restoration/Service/Remodel
Estimate: JBJ_7845LILAC-1

This estimated is based on a physical inspection of the property and is not based on any plans or specifications.

Building 1	216,667.73
Building 2	87,331.93
Building 3	140,782.34
Building 4	62,979.47
Building 5	127,777.29
Building 6	54,162.05
Building 7	54,162.05
Building 8	54,162.05
Building 9	54,064.69
Building 10	41,388.14
Building 11	54,975.07
Building 12	133,685.15
Building 13	30,103.41
Building 14	14,016.65
Building 15	16,854.79
Building 16	33,086.45
Building 17	30,192.46
Building 18	43,184.23
Building 19	15,861.53
Building 20	22,385.70
Building 21	10,764.63
TOTAL	**$ 1,298,587.81**

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit Application for Pathways at Shadowbend Ridge (HTC #16422)

RECOMMENDED ACTION

WHEREAS, Pathways at Shadowbend Ridge (the Development) received an award of 4% Housing Tax Credits (HTCs) in 2016 for the acquisition and rehabilitation of 50 units of general population, multifamily housing in the City of Austin in Travis County;

WHEREAS, HACA Pathways I, LP (the Development Owner or Owner) is now requesting approval for a change in acreage from 7.58 to 7.116, which results in a 6.52% change (increase) in residential density from 6.596 units per acre to 7.026 units per acre;

WHEREAS, Board approval is required for a modification of the residential density of at least five percent as directed in Tex. Gov't Code §2306.6712(d)(6) and 10 TAC §10.405(a)(4)(F), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested change does not materially alter the Development in a negative manner, was not reasonably foreseeable or preventable by the Owner at the time of Application, and would not have adversely affected the selection of the Application in the Application Round;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application for Pathways at Shadowbend Ridge is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the Board's determination.

BACKGROUND

Pathways at Shadowbend Ridge (the Development) received an award of 4% Housing Tax Credits in 2016 for the acquisition/rehabilitation of 50 units of general population multifamily housing in Austin, Travis County. The Development is owned by HACA Pathways I, LP, with

HACA Pathways I, GP, LLC as its 0.009% General Partner owned by the sole member of Austin Affordable Housing Corporation (representatives Ron Kowal and Mike Gerber).

Based on a review of the cost certification, it was determined that a greater than 5% change in acreage and therefore in residential density had occurred from the time of initial Application and underwriting to the time of cost certification, and in a letter dated January 9, 2020, the Owner's representative (Tamea A. Dula of Coats Rose) requested a material amendment to the application for the Development. After reviewing the issue, it was explained that the acreage represented in the Application and the third party reports submitted with the Application (the Environmental Site Assessment and Appraisal) all relied on the Travis County Appraisal District (TCAD) published acreage, which was shown as a combined 7.5751 acres (4.6263 for Block A and 2.9488 for Block B); the final ALTA plat survey, however, as completed for the submission of the cost certification package, confirmed a smaller acreage of 7.116 (4.288 for Block A and 2.828 for Block B), with the largest discrepancy appearing in the Block A acreage, which appears to have been overstated in the TCAD data.

In addition, the initial Application had contained (in the ground lease and title commitment) an incorrect platted legal description, which only referenced Block A but should have included Block B, though this was later corrected at the time of LURA origination.

According to the Owner's representative, nothing on the actual site was changed; the acreage was simply updated from 7.571 acres, based on the old TCAD data for the site, to reflect the updated ALTA survey acreage of 7.116 (a reduction of 6.12%), and as a result, the residential density changed from 6.596 to 7.026 units per acre (a related increase of 6.52%), requiring approval by the Board under Tex. Gov't Code §2306.6712 and 10 TAC §10.405(a)(4)(F).

Due to the errors in the initial documentation used to determine the acreage, the changes were not foreseeable or preventable by the Applicant and were not fully determined until the final ALTA survey was available.

Staff recommends approval of the requested material amendment to the Application.

COATS | ROSE
A PROFESSIONAL CORPORATION

TAMEA A. DULA
OF COUNSEL

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

January 9, 2020

By Email to laura.debellas@tdhca.state.tx.us
Laura DeBellas, Manager
Multifamily Asset Management Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #16422 – Pathways at Shadowbend Ridge, Austin, Travis County, Texas;
Material Application Amendment – Project Density.

Dear Laura:

This is a request for a Material Application Amendment required for Pathways at Shadowbend Ridge, an existing development which was slated for rehabilitation (the "Project"). The 2016 4% Housing Tax Credit Application did not require a survey. Although the boundaries shown for the Project site were correct, The Application inadvertently failed to identify all the lots and blocks included in the Project site and failed to correctly identify the total acreage. A subsequent survey showed that Lots 1 – 13 of Lot B of Housing Authority Subdivision were included in the existing development and that the acreage shown in the Application (taken from the Travis County Appraisal District) was in excess of the actual area.

Lot and Block Description

The 2016 Application accurately indicated the boundaries of the existing development as constituting the boundaries for the Project. This can be seen in the outlines of the Project site at electronic pages 43, 44, 49 (FEMA Map) and 169 (Site Plan). The existing development and the Project both include lots on both sides of Shadow Bend, as clearly shown in the depictions of the Project site outline. Unfortunately, the legal description used in the Contract for Ground Lease and Bill of Sale (page 63) and in the Title Commitment (page 73) only referenced Lots 1-15 of Block A of the Housing Authority Subdivision in Travis County, which is the land south and west of Shadow Bend. The Housing Tax Credits appear to have been granted on that basis, even though the metes and bounds description in the vesting deed definitely references Block B (see

page 117). The recorded Plat clearly shows that the land north and east of Shadow Bend is Lots 1 – 13 of Block B of Housing Authority Subdivision. This portion of the legal description was not expressly included in the Application, although all depictions of the Project site consistently include the land in Lots 1 – 13, Block B. The REA Analysis for the Project only references Lots 1 – 15 of Block A (See "Site and Acquisition" on page 9).

Acreage Discrepancies

Because the Application was for Rehabilitation, no Site Design and Development Feasibility Report or other survey was needed, and the Application could be based upon existing surveys, maps or plats. In this case, the Application was based upon the acreage shown in the Travis County Appraisal District ("TCAD") tax records for the existing development. In accordance with the Project boundaries, two TCAD accounts are utilized to determine the site:

a. 329964 – Lots 1 – 15, Block A (4.6263 acres; and
b. 329965 – Lots 1 – 13, Block B (2.9488 acres);

(Please see Exhibit A attached) . Because the existing development was owned by the Housing Authority of the City of Austin ("HACA") the two parcels were not taxable, and therefore the degree of scrutiny which would ordinarily be expected if taxes were being assessed was probably missing The total of this TCAD acreage (7.5751 acres) is referenced in the Environmental Site Assessment acreage identified in the Site Information Part III (electronic page 52). We believe the appraiser also drew on this TCAD acreage record, although the appraised acreage was rounded off to 7.56 acres, also as shown in the Site Information Part III.

A subsequent ALTA Survey dated October 24, 2016 ("Survey") performed by KBGE Surveying in connection with the financial closing shows a total of 7.116 acres, with Block A being 4.288 acres and Block B being 2.828 acres (please see Exhibit B attached). This is the survey used for the construction loan and equity financing closing.

Based upon the Survey, it appears that TCAD held these parcels on its books at greater acreage than they actually encompassed. As a result, the Project Site has less acreage than was shown in the Application. The decrease in acreage (without a change in the Project Site boundaries) increases the Project density from 6.60 units per acre to 7.03 units per acre, which is a 6.52% increase in density. This modification of population density of over 5% is considered a material amendment requiring TDHCA Board approval, even though the boundaries of the Project have not changed and remain the boundaries of the originally-existing development.

For the reasons set forth above, we respectfully request that a Material Application Amendment be recommended to the TDHCA Board, by which the Lot and Block description of the Project can be regularized, and the increase in Project density due to a technical reduction in acreage can be approved.

Thank you for your consideration of this request. If you have any questions or require further information to act, please do not hesitate to call or email. The requisite $2,500.00 Material

Application Amendment fee will be separately delivered to your attention within the next couple days.

Very truly yours,

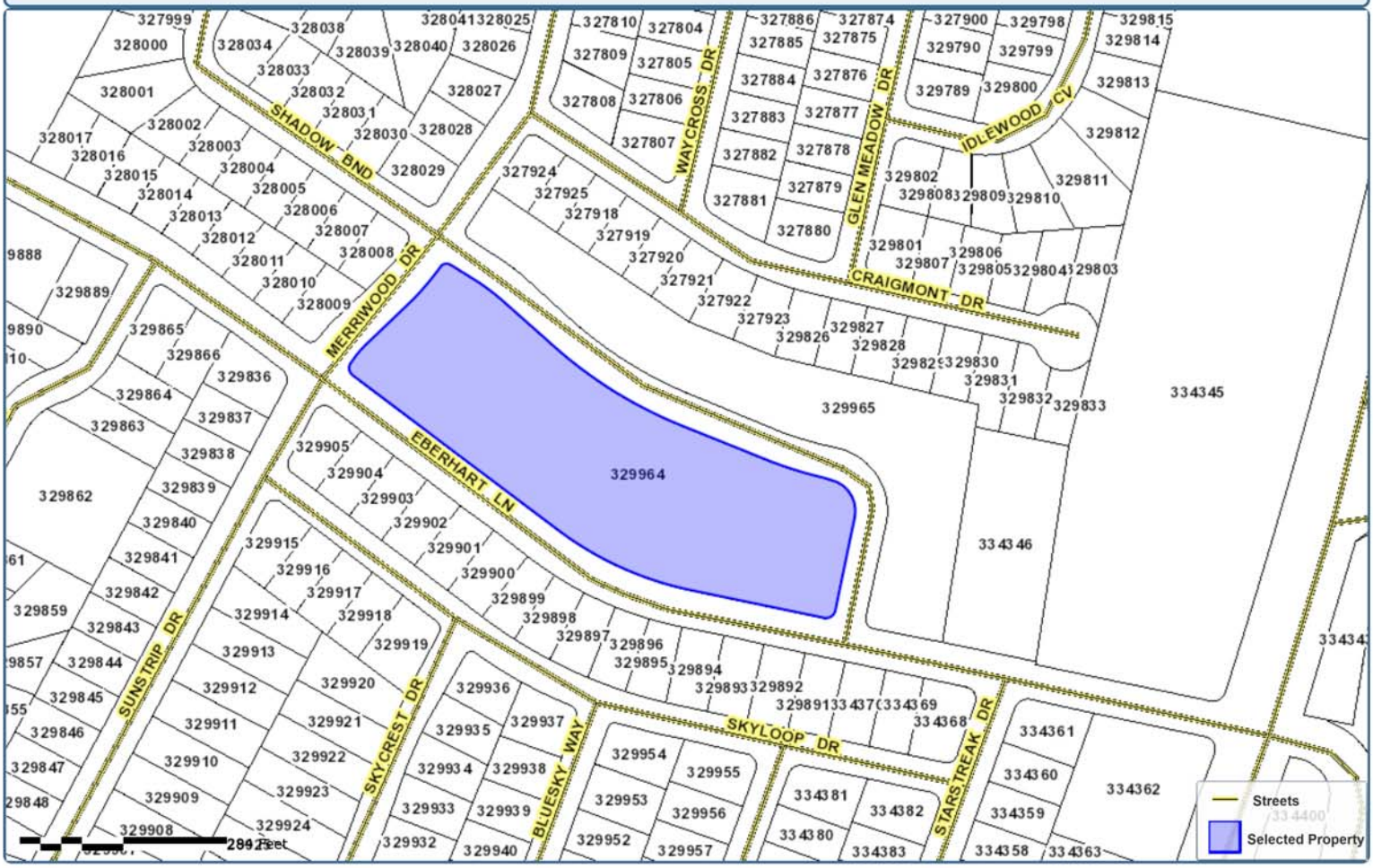
Tamea A. Dula

Attachments: Exhibits A & B

cc: Rosalio Banuelos
Ann Gass
Ron Kowal
Kyle Zochert
Barry Palmer

EXHIBIT A

Travis CAD - Map of Property ID 329964 for Year 2016



Property Details

Account

Property ID: 329964
Geo ID: 0418101001
Type: Real
Legal Description: LOT 1-15 BLK A HOUSING AUTHORITY SUBD

Location

Situs Address: 6322 SHADOW BND TX 78745
Neighborhood: FORMERLY JEXMP
Mapsco: 644T
Jurisdictions: 68, 02, 03, 01, 0A, 2J

Owner

Owner Name: HOUSING AUTHORITY OF AUSTIN
Mailing Address: , 1124 S INTERSTATE 35, , AUSTIN, TX 78704-2614

Property

Appraised Value: N/A

http://propaccess.traviscad.org/Map/View/Map/1/329964/2016

powered by: PropertyACCESS www.trueautomation.com

Map Disclaimer: This tax map was compiled solely for the use of TCAD. Areas depicted by these digital products are approximate, and are not necessarily accurate to mapping, surveying or engineering standards. Conclusions drawn from this information are the responsibility of the user. The TCAD makes no claims, promises or guarantees about the accuracy, completeness or adequacy of this information and expressly disclaims liability for any errors and omissions. The mapped data does not constitute a legal document.

Travis CAD

Property Search Results > 329964 HOUSING AUTHORITY OF AUSTIN for Year 2016

Property

Account

Property ID:	329964	Legal Description:	LOT 1-15 BLK A HOUSING AUTHORITY SUBD
Geographic ID:	0418101001	Agent Code:	
Type:	Real		
Property Use Code:			
Property Use Description:			

Location

Address:	6322 SHADOW BND TX 78745	Mapsco:	644T
Neighborhood:	FORMERLY JEXMP	Map ID:	042318
Neighborhood CD:	_JEXMP		

Owner

Name:	HOUSING AUTHORITY OF AUSTIN	Owner ID:	175517
Mailing Address:	1124 S INTERSTATE 35 AUSTIN , TX 78704-2614	% Ownership:	100.0000000000%
		Exemptions:	EX-XV

Values

(+) Improvement Homesite Value:	+	N/A		
(+) Improvement Non-Homesite Value:	+	N/A		
(+) Land Homesite Value:	+	N/A		
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value	
(+) Agricultural Market Valuation:	+	N/A		N/A
(+) Timber Market Valuation:	+	N/A		N/A

(=) Market Value:	=	N/A		
(–) Ag or Timber Use Value Reduction:	–	N/A		

(=) Appraised Value:	=	N/A		
(–) HS Cap:	–	N/A		

(=) Assessed Value:	=	N/A		

Taxing Jurisdiction

Owner: HOUSING AUTHORITY OF AUSTIN
% Ownership: 100.0000000000%
Total Value: N/A

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
01	AUSTIN ISD	N/A	N/A	N/A	N/A
02	CITY OF AUSTIN	N/A	N/A	N/A	N/A
03	TRAVIS COUNTY	N/A	N/A	N/A	N/A
0A	TRAVIS CENTRAL APP DIST	N/A	N/A	N/A	N/A
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	N/A	N/A	N/A	N/A
68	AUSTIN COMM COLL DIST	N/A	N/A	N/A	N/A
	Total Tax Rate:	N/A			
				Taxes w/Current Exemptions:	N/A

Taxes w/o Exemptions:	N/A

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	4.6263	201520.00	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	$0	$302,280	0	302,280	$0	$302,280
2014	$0	$302,280	0	302,280	$0	$302,280
2013	$0	$302,280	0	302,280	$0	$302,280
2012	$0	$302,280	0	302,280	$0	$302,280
2011	$0	$302,280	0	302,280	$0	$302,280

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/5/1979	WD	WARRANTY DEED		HOUSING AUTHORITY OF AUSTIN	06466	00682	

Questions Please Call (512) 834-9317

This site requires cookies to be enabled in your browser settings.

This year is not certified and ALL values will be represented with "N/A".

Website version: 1.2.2.3

Database last updated on: 3/8/2016 1:31 AM

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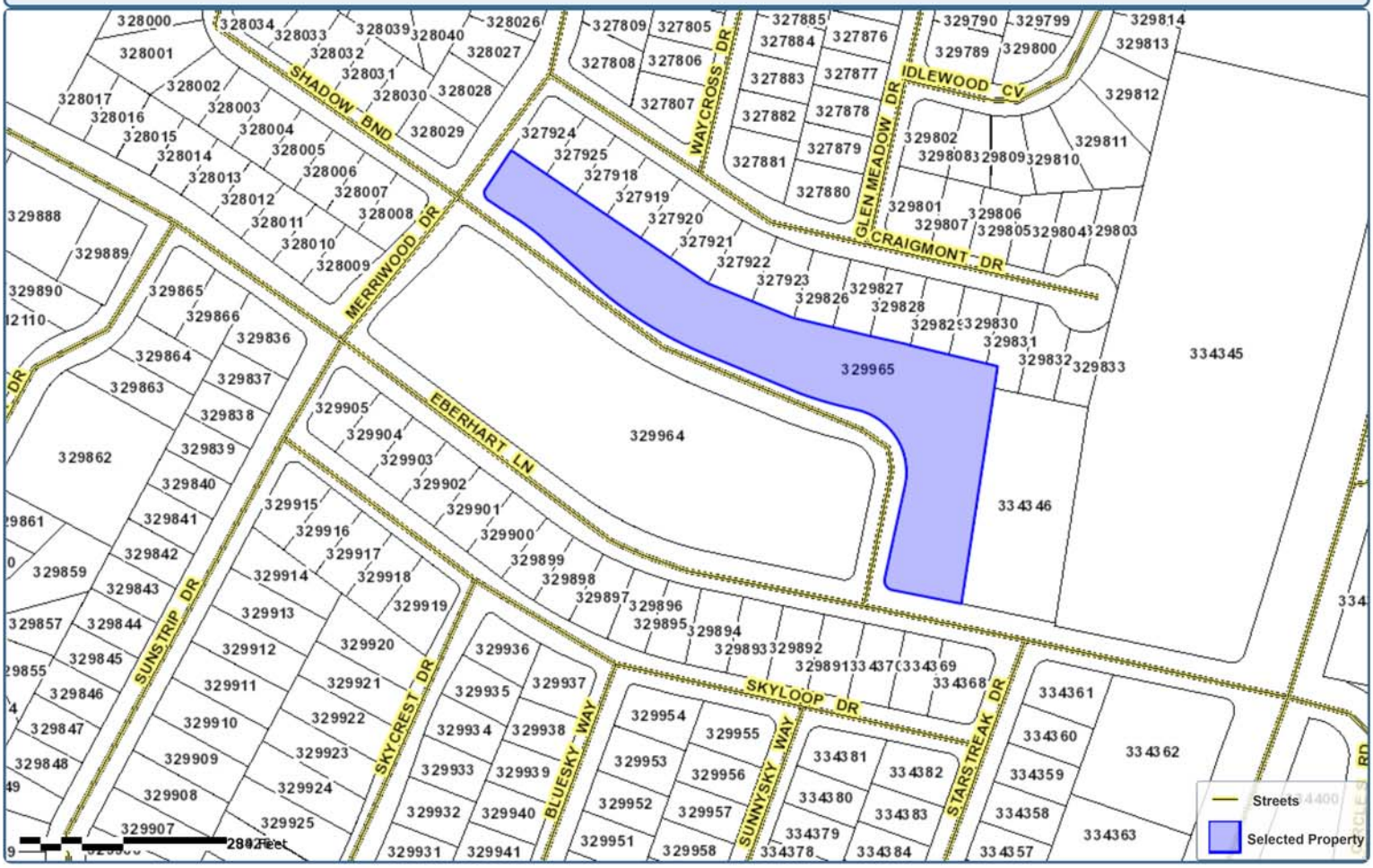
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

Travis CAD - Map of Property ID 329965 for Year 2016



Property Details

Account

Property ID: 329965
Geo ID: 0418101101
Type: Real
Legal Description: LOT 1-13 BLK B HOUSING AUTHORITY SUBD

Location

Situs Address: 6345 SHADOW BND TX 78745
Neighborhood: FORMERLY JEXMP
Mapsco: 644T
Jurisdictions: 0A, 2J, 01, 02, 03, 68

Owner

Owner Name: HOUSING AUTHORITY OF AUSTIN
Mailing Address: , 1124 S INTERSTATE 35, , AUSTIN, TX 78704-2614

Property

Appraised Value: N/A

http://propaccess.traviscad.org/Map/View/Map/1/329965/2016

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Travis CAD

Property Search Results > 329965 HOUSING AUTHORITY OF AUSTIN for Year 2016

Property

Account

Property ID:	329965	Legal Description:	LOT 1-13 BLK B HOUSING AUTHORITY SUBD
Geographic ID:	0418101101	Agent Code:	
Type:	Real		
Property Use Code:			
Property Use Description:			

Location

Address:	6345 SHADOW BND TX 78745	Mapsco:	644T
Neighborhood:	FORMERLY JEXMP	Map ID:	042318
Neighborhood CD:	_JEXMP		

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(+) Land Homesite Value:	+	N/A		
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value	
(+) Agricultural Market Valuation:	+	N/A		N/A
(+) Timber Market Valuation:	+	N/A		N/A

(=) Market Value:	=	N/A		
(–) Ag or Timber Use Value Reduction:	–	N/A		

(=) Appraised Value:	=	N/A		
(–) HS Cap:	–	N/A		

(=) Assessed Value:	=	N/A		

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Owner: HOUSING AUTHORITY OF AUSTIN
% Ownership: 100.0000000000%
Total Value: N/A

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0A	TRAVIS CENTRAL APP DIST	N/A	N/A	N/A	N/A
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	N/A	N/A	N/A	N/A
68	AUSTIN COMM COLL DIST	N/A	N/A	N/A	N/A
	Total Tax Rate:	N/A			
				Taxes w/Current Exemptions:	N/A

Taxes w/o Exemptions:	N/A

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	2.9488	128451.00	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	$0	$192,677	0	192,677	$0	$192,677
2014	$0	$192,677	0	192,677	$0	$192,677
2013	$0	$192,677	0	192,677	$0	$192,677
2012	$0	$192,677	0	192,677	$0	$192,677
2011	$0	$192,677	0	192,677	$0	$192,677

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	2/5/1979	WD	WARRANTY DEED		HOUSING AUTHORITY OF AUSTIN	06466	00682	

Questions Please Call (512) 834-9317

This site requires cookies to be enabled in your browser settings.

This year is not certified and ALL values will be represented with "N/A".

Website version: 1.2.2.3

Database last updated on: 3/8/2016 1:31 AM

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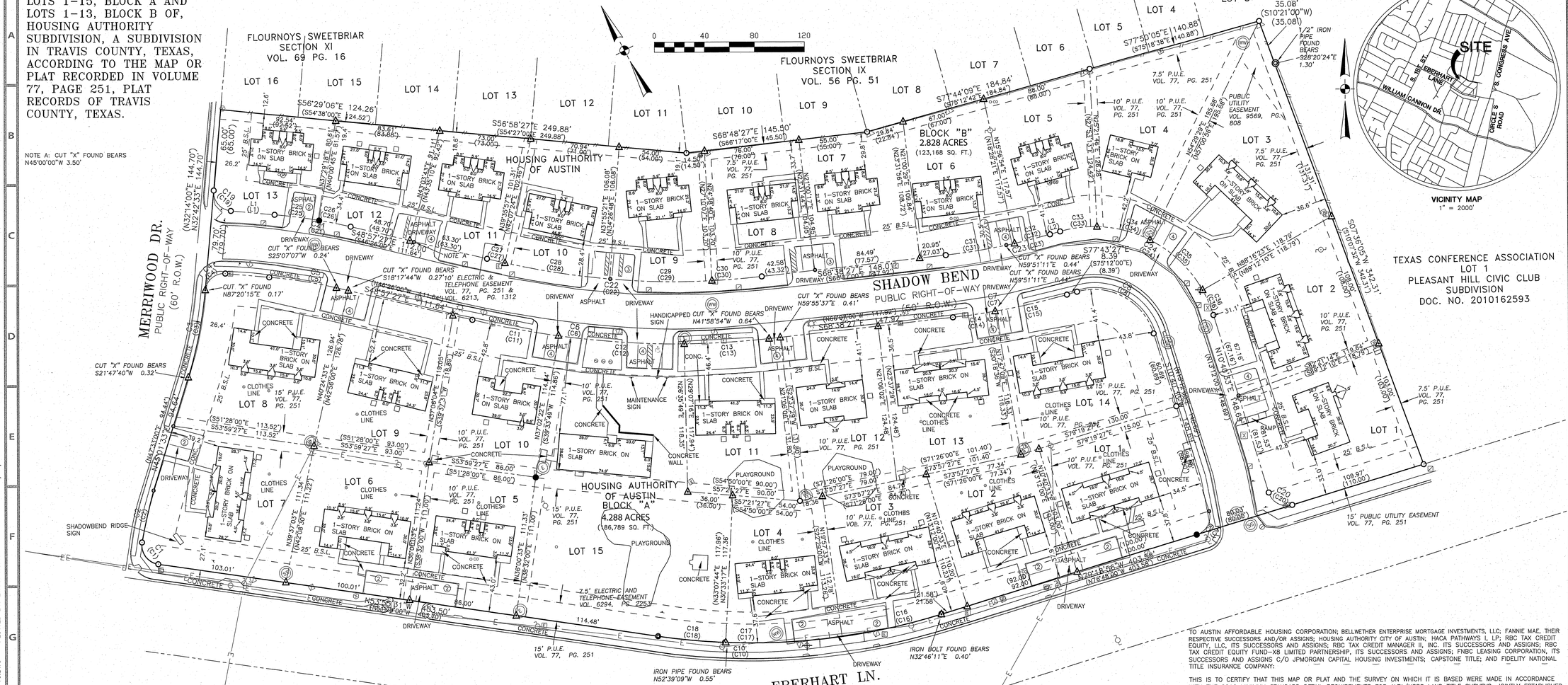
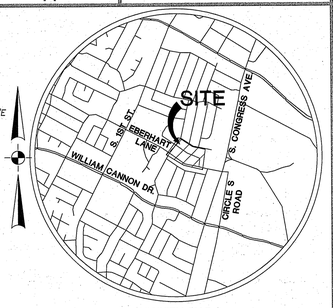
EXHIBIT B

LOTS 1–15, BLOCK A AND LOTS 1–13, BLOCK B OF, HOUSING AUTHORITY SUBDIVISION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT RECORDED IN VOLUME 77, PAGE 251, PLAT RECORDS OF TRAVIS COUNTY, TEXAS.

NOTE A: CUT "X" FOUND BEARS N45°00'00"W 3.50'





VICINITY MAP
1" = 2000'

NOTE A: CUT "X" FOUND BEARS N45°00'00"W 3.50'

IN REFERENCE TO FIDELITY NATIONAL TITLE INSURANCE COMPANY TITLE COMMITMENT FILE NO. 20160089, EFFECTIVE DATE SEPTEMBER 15, 2016, THE FOLLOWING MATTERS OF TITLE ARE LISTED BELOW:

SCHEDULE B:

1) THE FOLLOWING RESTRICTIVE COVENANTS OF RECORD ITEMIZED BELOW:

A. RESTRICTIONS RECORDED IN VOLUME 77, PAGE 251 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS. – SUBJECT TO, AS SHOWN

10E) PUBLIC UTILITY EASEMENT GRANTED TO CITY OF AUSTIN AS RECORDED IN VOLUME 9869, PAGE 808 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS. – SUBJECT TO, AS SHOWN

10F) EASEMENT GRANTED TO CITY OF AUSTIN AS RECORDED IN VOLUME 6213, PAGE 1312 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS. – SUBJECT TO, AS SHOWN

10G) EASEMENT GRANTED TO CITY OF AUSTIN AS RECORDED IN VOLUME 6294, PAGE 2253 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS. – SUBJECT TO, AS SHOWN

10H) EASEMENTS AND MATTERS CONTAINED IN THAT CERTAIN EASEMENT AND MEMORANDUM OF AGREEMENT AS RECORDED IN DOCUMENT NO. 2005043988, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.. – SUBJECT TO, UNABLE TO LOCATED BY DESCRIPTION

LEGEND

- 5/8-INCH IRON ROD FOUND
- CUT "X" IN CONCRETE FOUND
- 1/2-INCH IRON PIPE FOUND
- CALCULATED POINT
- 1/2-INCH IRON ROD WITH "KBGE" CAP SET
- MISCELLANEOUS VALVE
- UTILITY METER
- WATER VALVE
- FIRE HYDRANT
- WASTE WATER MANHOLE
- CLEANOUT
- STORM SEWER MANHOLE
- ELEC. MANHOLE
- UTILITY POLE
- GUY WIRE
- LIGHT FIXTURE
- ELECTRIC PULLBOX
- TELECOM PEDESTAL
- ( ) RECORD INFORMATION
- CABLE TV BOX
- POLE/FLAG POLE
- GAS VALVE

NOTES:
1. ONLY VISIBLE, ABOVE GROUND EVIDENCE OF IMPROVEMENTS AND UTLITIES IS SHOWN HEREON.
2. THE BASIS OF BEARINGS SHOWN HEREON IS THE TEXAS COORDINATE SYSTEM, NAD 83(2012A), CENTRAL ZONE, UTLIZING THE LEICA SMARTNET CONTINUALLY OPERATING REFERENCE NETWORK.
3. THE TRACT SHOWN HEREON LIES WITHIN ZONE "X" (AREAS DETERMINED TO BE OUTSIDE THE 0.2% ANNUAL CHANCE FLOODPLAIN), ACCORDING TO F.E.M.A. FEDERAL INSURANCE RATE MAP PANEL NO. 48453C0585H, DATED SEPTEMBER 26, 2008, FOR TRAVIS COUNTY, TEXAS AND INCORPORATED AREAS.
4. THERE IS NO EVIDENCE OF EARTH MOVING OR WETLAND DELINEATIONS.
5. THE PROPERTY HAS BOTH VEHICULAR AND PEDESTRIAN ACCESS TO THE PUBLIC RIGHTS–OF–WAY.
6. NO POSSIBLE ENCROACHMENTS WERE OBSERVED.
7. THERE IS NO EVIDENCE OF ANY RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS PURSUANT TO TABLE A ITEM 17.
8. THERE ARE NO OBSERVED GAPS AND GORES WITHIN ANY PORTION OF THE SURVEYED PROPERTY.
9. EXCEPT AS SHOWN, THE SURVEYED DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE, UTILITIES OR INGRESS OR EGRESS.
10. ALL UTILITIES SERVING THE SURVEYED PROPERTY ENTER THE PREMISES FROM ABUTTING PUBLIC STREETS.
11. THERE IS NO OBSERVED EVIDENCE OF SURFACE OR SUBSURFACE MINING, DRILLING OR EXCAVATION ON THE SURVEYED PROPERTY.
12. ALL STREETS ABUTTING THE SURVEYED PROPERTY AND ALL MEANS OF INGRESS AND EGRESS FROM THE SURVEYED PROPERTY HAVE BEEN COMPLETED, DEDICATED AND ACCEPTED FOR PUBLIC MAINTENANCE AND PUBLIC USE BY THE CITY OF AUSTIN.
13. TABLE A, ITEM 10 IS INAPPLICABLE.
14. THERE ARE NO OBSERVED EVIDENCE OF CEMETERIES, SOLID WASTE DUMPS, SUMPS OR SANITARY LANDFILLS WITHIN ANY PORTION OF THE SURVEYED PROPERTY.
15. THE RELATIVE POSITIONAL PRECISION OF LINES AND CORNERS SHOWN HEREON FALLS WITHIN THE STANDARDS AS STATED IN 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS SECTION 3(E)(v.).

CURVE TABLE

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	24.04'	15.30'	90°00'00"	N08°59'27"W	21.64'
(C1)	(24.03')	(15.30')	(90°00'00")	(N06°28'00"W)	(21.64')
C2	42.46'	539.05'	04°30'47"	N40°30'33"E	42.45'
(C2)	(42.49')	(270.01')	(09°01'00")	(N43°02'30"E)	(42.45')
C3	70.95'	330.03'	12°19'01"	N38°54'03"E	70.81'
(C3)	(70.95')	(330.03')	(12°19'00")	(N41°23'30"E)	(70.81')
C4	22.97'	15.00'	87°44'10"	N78°12'33"E	20.79'
(C4)	(23.09')	(14.70')	(90°00'00")	(N80°14'00"E)	(20.79')
C5	54.45'	375.00'	08°19'08"	S53°07'27"E	54.40'
(C5)	(54.54')	(375.00')	(08°20'00")	(S50°36'00"E)	(54.49')
C6	238.66'	693.21'	19°43'35"	S58°30'18"E	237.49'
(C6)	(238.14')	(693.21')	(19°41'00")		(236.98')
C7	92.93'	585.11'	9°06'00"	S73°12'30"E	92.83'
(C7)	(93.77')	(591.51)	(9°05'00")		(93.68')
C8	77.09'	49.97'	88°23'33"	S33°31'27"E	69.67'
(C8)	(77.10')	(49.97')	(88°24'00")	(S31°00'00"E)	(69.67')
C9	23.56'	15.00'	89°58'58"	S55°40'33"W	21.21'
(C9)	(23.56')	(15.00')	(90°00'00")	(S58°12'00"W)	(21.21')
C10	228.86'	517.92'	25°19'04"	N66°28'01"W	227.00'
(C10)	(229.00')	(517.92')	(25°20'00")		(227.14')
C11	69.93'	693.21'	05°46'48"	S51°31'55"E	69.90'
(C11)	(69.94')			(S49°19'30"E)	(69.97')
C12	100.76'	693.21'	08°19'42"	S58°35'10"E	100.67'
(C12)	(100.93')			(S56°24'00"E)	(101.02')
C13	67.97'	693.21'	05°37'05"	S65°33'33"E	67.94'
(C13)	(67.12')			(S63°20'00"E)	(67.15')
C14	34.08'	585.11'	03°20'16"	S70°19'38"E	34.08'
(C14)	(34.03')			(S67°48'30"E)	(34.02')
C15	58.85'	585.11'	05°45'44"	S74°52'38"E	58.82'
(C15)	(58.85')			(S72°21'00"E)	(58.83')
C16	81.33'	517.92'	08°59'48"	N74°37'39"W	81.24'
(C16)	(81.35')			(N72°18'00"W)	(81.27')
C17	93.22'	517.92'	10°18'45"	N64°58'22"W	93.09'
(C17)	(93.26')			(N62°39'00"W)	(93.13')
C18	54.31'	517.92'	06°00'31"	N56°48'44"W	54.29'
(C18)	(54.39')			(N54°28'00"W)	(54.36')
C19	23.56'	15.00'	89°58'58"	S12°17'31"E	21.21'
(C19)	(23.56')	(15.00')	(90°00'00")	(S12°17'31"E)	(21.21')
C20	23.56'	15.00'	89°58'58"	N34°19'27"W	21.21'
(C20)	(23.56')	(15.00')	(90°00'00")	(N31°48'00"W)	(21.21')

CURVE TABLE

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C21	61.71'	425.04'	08°19'08"	N53°07'29"W	61.66
(C21)	(61.81')	(425.00')	(08°20'00")		(61.76')
C22	221.16'	611.16'	20°44'00"	N58°29'36"W	219.95'
(C22)	(220.97')	(643.21')	(19°41'00")		(219.88')
C23	84.97'	535.01'	09°06'00"	S73°12'33"E	84.88'
(C23)	(85.85')	(541.51')	(09°05'00")		(85.76')
C24	154.21'	99.98'	88°22'20"	S33°32'01"E	139.37'
(C24)	(154.24')	(99.97')	(88°24'00")		(139.39')
C25	35.73'	425.04'	4°48'58"	S54°52'34"E	35.72'
(C25)	(35.73')			(S52°21'00"E)	(35.72')
C26	25.99'	425.04'	3°30'10"	S50°42'59"E	25.98'
(C26)	(26.09')			(S48°11'00"E)	(26.09')
C27	14.75'	611.16'	1°22'57"	S48°49'05"E	14.75'
(C27)	(15.16')			(S47°07'00"E)	(15.16')
C28	84.80'	611.16'	7°57'01"	S53°29'04"E	84.73'
(C28)	(84.94')			(S51°34'00"E)	(84.88')
C29	81.57'	611.16'	7°38'49"	N61°16'59"W	81.51'
(C29)	(81.58')			(S58°59'00"E)	(81.53')
C30	40.04'	611.16'	3°45'13"	S66°58'59"E	40.03'
(C30)	(39.29')			(S64°22'00"E)	(39.28')
C31	55.77'	535.01'	5°58'21"	S71°38'44"E	55.75'
(C31)	(49.62')			(S68°44'30"E)	(49.60')
C32	29.20'	535.01'	3°07'39"	S76°11'44"E	29.20'
(C32)	(36.22')			(S73°17'00"E)	(36.23')
C33	29.80'	99.98'	17°04'35"	S69°10'53"E	29.69'
(C33)	(22.92')			(S68°37'00"E)	(22.97')
C34	44.08'	99.98'	25°15'38"	S48°00'46"E	43.72'
(C34)	(50.92')			(S47°27'00"E)	(50.37')
C35	58.67'	99.98'	33°37'17"	S18°34'19"E	57.83'
(C35)	(58.68')			(S16°02'00"E)	(57.84')
C36	21.66'	99.98'	12°24'50"	S04°26'44"W	21.62'
(C36)	(21.66')			(S06°59'00"W)	(21.62')

LINE TABLE

LINE	BEARING	DISTANCE
L1	S57°04'40"E	35.13'
(L1)	(S54°46'00"E)	(35.00')
L2	S77°43'27"E	8.42'
(L2)	(S75°12'00"E)	(8.39')

TO AUSTIN AFFORDABLE HOUSING CORPORATION; BELLWETHER ENTERPRISE MORTGAGE INVESTMENTS, LLC; FANNIE MAE, THEIR RESPECTIVE SUCCESSORS AND/OR ASSIGNS; HOUSING AUTHORITY CITY OF AUSTIN; HACA PATHWAYS I, LP; RBC TAX CREDIT EQUITY, LLC, ITS SUCCESSORS AND ASSIGNS; RBC TAX CREDIT MANAGER II, INC. ITS SUCCESSORS AND ASSIGNS; RBC TAX CREDIT EQUITY FUND–X8 LIMITED PARTNERSHIP, ITS SUCCESSORS AND ASSIGNS; FNBC LEASING CORPORATION, ITS SUCCESSORS AND ASSIGNS C/O JPMORGAN CAPITAL HOUSING INVESTMENTS; CAPSTONE TITLE; AND FIDELITY NATIONAL TITLE INSURANCE COMPANY:

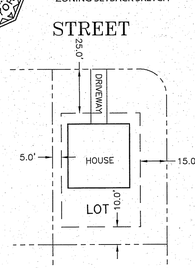
THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6A, 6B, 7A, 7B(1), 7B(2), 8, 9, 11, 13, 16, 17, 18, 19, AND 20 OF TABLE A THEREOF. THE FIELDWORK WAS COMPLETED ON JUNE 15, 2016.

DATE OF PLAT OR MAP: OCTOBER 24, 2016

ABRAM C. DASHNER
TEXAS RPLS NO. 5901
KBGE SURVEYING
105 W. RIVERSIDE STE. 110
AUSTIN, TX 78704

STATE OF TEXAS 5901 REGISTERED ABRAM C. DASHNER 5901 PROFESSIONAL LAND SURVEYOR

ZONING SETBACK SKETCH



ZONING SETBACKS:
FRONT: 25'
INTERIOR SIDE: 5'
STREET SIDE: 15'
REAR: 5'

MINIMUM BUILDING HEIGHT: 40' OR 3 STORIES
MAXIMUM FLOOR AREA RATIO: .7:1

ADDRESS:
6328 SHADOW BEND, AUSTIN, TX, 78745

ZONING:
LO–NP

PARKING:
STANDARD SPACES–57
HANDICAPPED SPACES–1

TOTAL SPACES–58

REV	DESCRIPTION	DATE
1	COMMENTS	10-17-16

CLIENT INFORMATION
AUSTIN AFFORDABLE HOUSING CORPORATION

kbge ENGINEERING CONSULTING

KIMBELL I BRUEHL I GARCIA I ESTES
105 West Riverside Drive, Ste 110, Austin, Texas 78704
T (512) 439-0400 www.kbge-eng.com
TBPE No.F-12802

ALTA/NSPS LAND TITLE SURVEY

PATHWAYS AT SHADOWBEND RIDGE, AUSTIN, TEXAS
7.116 ACRES OUT OF THE WILLIAM CANNON SURVEY NUMBER 19, SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING LOTS 1-14, BLOCK-A OF THE HOUSING AUTHORITY SUBDIVISION, A SUBDIVISION OF RECORD IN VOL. 77, PG. 251, OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS.

CHECKED BY: AD
JOB NUMBER: 393-002
ISSUE DATE: 10/24/16
SHEET: 1 OF 1

FILE: S:\393 – AUSTIN HOUSING AUTHORITY\002 – ALTA SURVEYS\SHADOWBEND RIDGE APARTMENTS\393-002 SHADOWBEND BASE 10-17-16.DWG PLOTTED ON: 10/24/16 4:02:10 PM PLOTTED BY: ETHAN HOPKIN

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Providence at Ted Trout Drive (HTC #17736/19707)

RECOMMENDED ACTION

WHEREAS, Providence at Ted Trout Drive (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2017 for the construction of 76 new multifamily units, with an Elderly designation, in Hudson, Angelina County;

WHEREAS, Providence Ted Trout Drive, LP (the Development Owner or Owner) requests approval for, among other changes, a reduction in the common area from 4,339 square feet to 2,260 square feet, representing a reduction of 47.91% or 2,079 square feet from the original design represented at Application;

WHEREAS, the request also includes a notification of other non-material value engineering revisions to the design plan represented at Application that affects the building materials, unit and clubhouse plans, number of parking spaces, and sidewalks;

WHEREAS, Board approval is required for a reduction of three percent or more in the square footage of the common areas as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D), and the Owner has complied with the amendment requirements therein; and

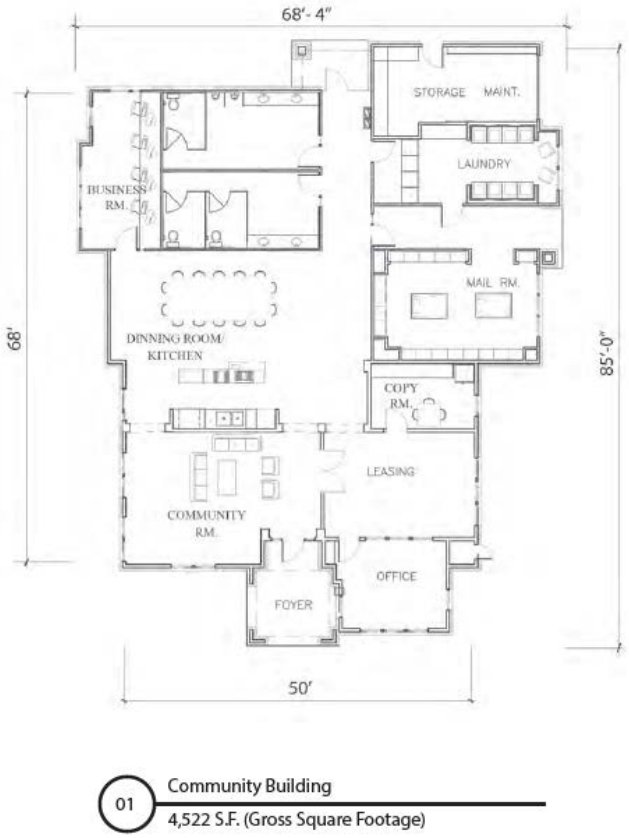
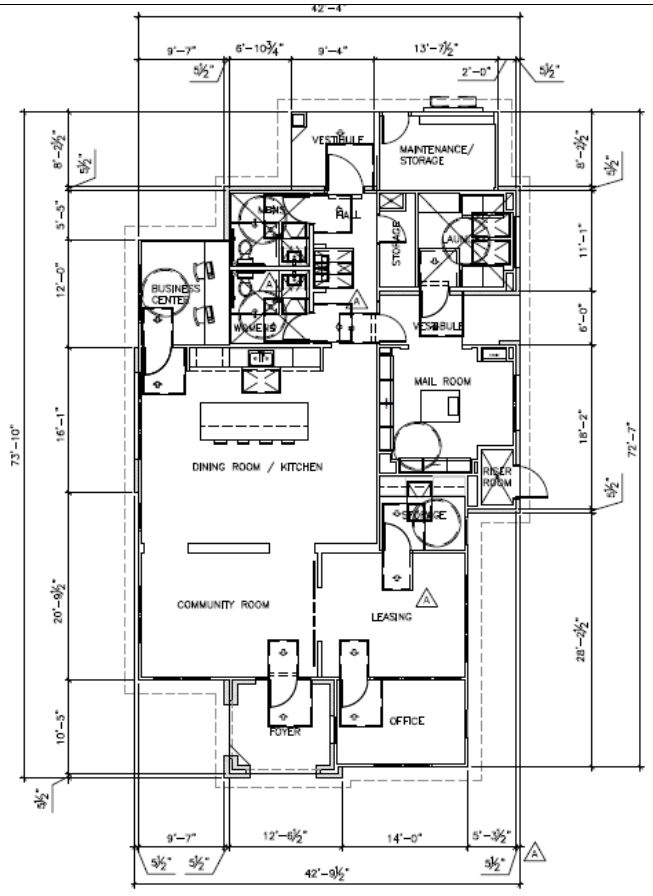
WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment and non-material changes for Providence at Ted Trout Drive are approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Providence at Ted Trout Drive received a 9% HTC award in 2017 to construct 76 (64 HTC and 12 Market) units, with a designation for Elderly, in Hudson, Angelina County. However, on December 12, 2019, the return of the 2017 credits and re-issuance of the credits out of the 2020 credit ceiling was approved by the Board as a result of Force Majeure due to unforeseen events related to Hurricane Harvey. In a letter dated September 5, 2019, Donald R. Ball, the representative for the Development Owner, requested approval for, among other non-material changes, a material amendment to the Application for a reduction to the Common Area from 4,339 square feet (4,522 gross square feet identified in the Application) to 2,260 square feet, representing a reduction of 47.91% or 2,079 square feet from the Common Area represented at Application (a 50.02% or 2,262 square feet reduction from gross area at Application).

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)	
Application	**Amendment**
Common Area: 4,339 net square feet (4,522 gross square feet)	**Common Area: 2,260 square feet (reduction of 2,079 square feet or a 47.91% from net)**
 01 Community Building 4,522 S.F. (Gross Square Footage)	

The Owner explained that the costs for quality contractors and materials have been consistently on the rise, and there was no way to foresee what the actual cost of construction would be. In order for the Development to remain feasible, some value engineering design modifications and the material change to the clubhouse have been proposed.

The Owner explained that the reduced size of the common area will result in cost savings that will help offset increases to material and labor that the project has incurred. The Owner states that, compared to other of their properties, the revised community building is proportionate with the amount of units offered at the property and will still include the same amenities as the original clubhouse design. The Owner also indicated that the cumulative point value of the site amenities and clubhouse amenities will exceed the Common Amenities point requirements at Application.

The Owner also submitted a notification of changes made to the site design plan for cost saving purposes. These changes would be considered non-material under 10 TAC §10.405(a)(3)(A) but are included together with the material amendment regarding the common area. The Owner identified various changes regarding building materials. Some changes of note include: the removal of 98 windows, changing 2x6 wall framing to 2x4 framing, and change to exterior doors and clubhouse exterior doors from 8'0" to 6' 8". The Owner also proposes some specific changes to the unit floor plans. Originally, the interior flooring was originally proposed to be carpet/vinyl/resilient flooring (70%) and ceramic tile (30%) and now is proposed as 100% carpet/vinyl/resilient flooring. The Owner states they have modified the design plans in the unit bathrooms and utility/linen rooms to eliminate the ceramic tile and install vinyl plank flooring, changed the ceramic wall tile in the bathrooms to a prefabricated tub surround, and changed granite counter tops to laminate counter tops. The Owner will also be removing the second vanity in the two-bedroom (Unit B) master bathroom.

The Owner has also identified changes to the sidewalks and parking that was proposed at Application. Originally, the sidewalks were five feet wide, but they are now changing to three feet wide with turn pads. Staff has confirmed that sidewalks are not required to be more that 36 inches wide per the 2010 ADA requirements. In addition, the Development originally had been proposed with 152 parking spaces, including four mobility accessible spaces and one van space. With the revised design, the Owner will eliminate 17 parking spaces for a total of 134 spaces, including six mobility accessible spaces. At Application, the City of Hudson (the City) had indicated that 152 parking spaces were required; however, the City has now indicated that only 112 parking spaces are required. Therefore, the Development will continue to meet the requirement in 10 TAC §10.101(b)(4)(M) of the 2017 Uniform Multifamily Rules, which specifies that adequate parking spaces consistent with local code must be available at no cost to the tenants.

The Owner provided a revised Development Cost Schedule that indicates the Building Costs increased by approximately $735K since the original application underwriting analysis completed on September 12, 2017. In order to help mitigate the increased costs, the revisions noted above were made to the site design plan. To further offset the increased costs, the Owner increased

the amount of deferred developer fee from $427,990 at Application to $925,887 with this amendment request.

Staff has conducted an analysis using the current cost estimates and financing structure and has determined that the proposed changes noted above would not have impacted the scoring of the Application and that the Development remains feasible and supports the tax credit allocation previously awarded.

Staff recommends approval of the amendment request as presented.

Real Estate Analysis Division
December 13, 2019

Addendum to Underwriting Report

TDHCA Application #: **17736** Program(s): **9% HTC**

Providence at Ted Trout

Address/Location: NE Quadrant of Ted Trout Drive & Bowers Lane Private

City: Hudson County: Angelina Zip: 75904

	APPLICATION HISTORY
Report Date	**PURPOSE**
12/13/19	**Amendment**
09/12/17	New Application - Initial Underwriting

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
LIHTC (Annual)	$890,357				**$890,357**				

CONDITIONS STATUS

1 Receipt and acceptance by Carryover

a: Receipt of MAP Invitation Letter for FHA 221(d)(4) loan, or letter from Lender indicating the date that

Status: Concept meeting not scheduled to be held until 12/15/17

b: Confirmation from TDHCA Compliance that DETCOG is the correct source for the utility allowance for

Status: Per email from Cody Campbell dated 11/28/17, since the deal is located within the service area of the COG and no municipal, regional or county PHA exists, they are allowed to use the DETCOG PHA allowances supplied with the original application.

2 Receipt and acceptance by 10% test:

- Certification from USFW that a Habitat Assessment for the Louisiana Pine Snake has been performed, with a clear determination of whether any mitigation is required.

Status: An updated ESA dated December 26, 2017 found the development would have "No effect" to this species. No further mitigation is required.

3 Receipt and acceptance by Cost Certification:

a: Architect certification that all noise assessment recommendations were implemented and the Development is compliant with HUD noise guidelines.

b: Certification that testing for asbestos (and/or) lead-based paint was performed on the existing structure(s) prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented by a qualified abatement company.

c: If any portion of the site is determined to be inhabited by the Louisiana Pine Snake, certification that compliance with all USFW mitigation requirements have been met.

Status: Pending

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

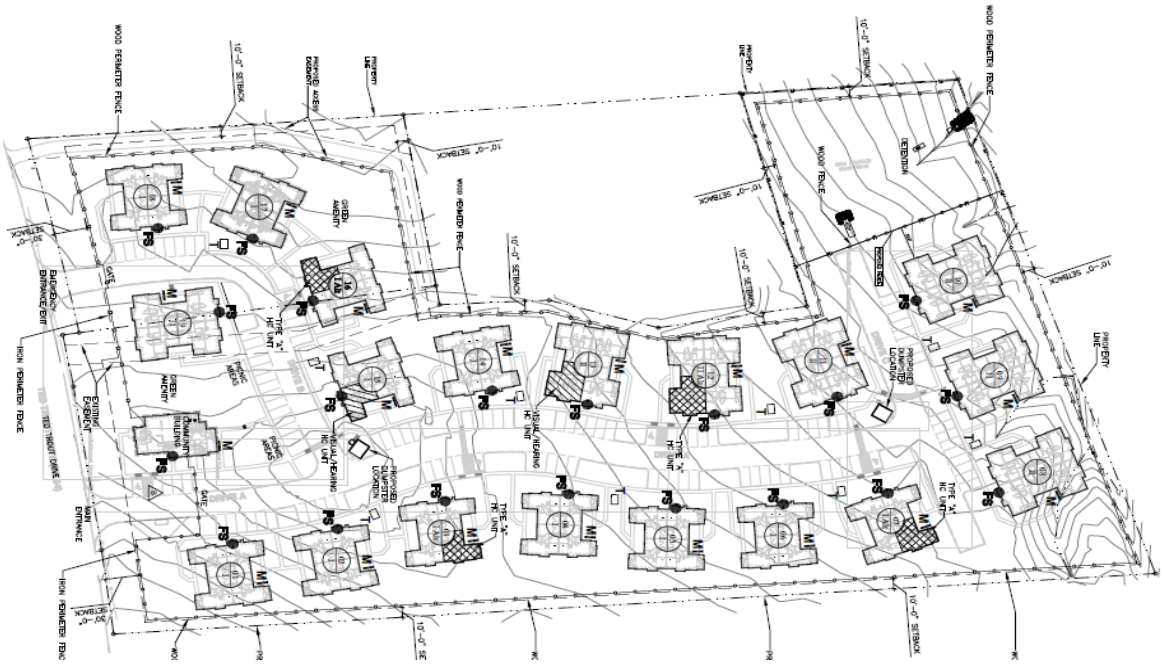
ANALYSIS

The Applicant has requested an amendment to the original development plan for value engineering purposes. Applicant requested and was granted on December 12, 2019, Force Majeure to exchange the previously awarded 2017 tax credits for 2020 tax credits. Applicant claims the Force Majeure was necessary and brought on by construction delays and cost increases as a result of Hurricane Harvey.

Most specifically, Applicant is requesting a reduction of the clubhouse from 4,522 sqft to 2,260 sqft (50% decrease), and a reduction to the parking spaces from 152 spaces to 134. The City of Hudson has approved a reduction in parking to a minimum of 112 spaces; therefore, the provided 134 spaces is sufficient.

ORIGNAL SITE PLAN

AMENDED SITE PLAN



Operating Pro Forma

Current 2019 HTC rents are used, which allows for a healthier pro forma, and an expense to income ratio below 65%. Consequently, total income has increased by approximately 11%.

Total expenses have increased less than 1%, with the most notable change being a $17K (79%) increase in property insurance.

Development Cost

In addition to decreasing the size of the clubhouse, Applicant has also made several significant specification changes within the clubhouse including: eliminating the previously proposed 3 ceiling heights (14', 10' 4", and 9'4" for the drops) and 13 gables, to constructing 9 ft. flat ceilings with no gables, and reducing exterior doors and clubhouse interior doors from 8'0" to standard height 6'-8".

Other value engineering items being incorporated into the revised plans include:

	Value Engineering Items Incorporated into Revised Plans
1	Reduce lime percentage at concrete paving from 6% to 5%
2	Lay fire line and water line in same ditch
3	Delete 1" service meter - 19 each
4	Delete 1.5" service meter - 1 each
5	Reduce size of leasing and community building from 4339 sf to 2060 sf.
6	Reduce Window Quantity per new VE drawings from Architect (98 total less windows) B unit - Delete (1) A window in each bedroom (2) B Windows from living room; A unit - Delete (1) A window in Bedroom and (1) B window in living room
7	Redesign site fencing and gates and extend fencing around detention pond and decrease to setback at west of clubhouse.
8	Change site sidewalks from 5 ft wide to 3 ft wide with turn pads.
9	Change unit ceramic tile floors to vinyl plank in unit bathrooms, utility/linen rooms.
10	Change ceramic wall tile in bath to prefabricated tub surround.
11	Change granite counter to plastic laminate
12	Change 2x6 wall framing to 2x4 framing.
13	Delete second vanity and second lavoratory in unit B master bath.
14	Revise Clubhouse ceiling from 3 ceiling heights (14', 10' 4", and 9'4" for the drops) and 13 gables to 9 ft flat ceiling, no gables
15	Revise exterior doors and clubhouse interior doors from 8'0" to standard height 6'-8"
16	Delete cased openings in hallway, Change to gyp materials in 2 locations each in all units.
17	Remove exterior deocrative millwork and brackets in all units and Clubhouse.
18	Delete crown molding in clubhouse and units
19	Replace wood base with vinyl base in all rooms of units and clubhouse.
20	Revise brick detail to reduce quantity of brick, at soilder course and butt edges.
21	Reduce downspout count from 160 to 80 - 4 per building.

Applicant's total development cost increased $735K (6.6%) with the majority of that increase attributed to a $224K (~64.1%) increase in site work and $670K (14.8%) increase in building cost. Additionally, Applicant has voluntarily reduced developer fee from 15%, down to approximately 12.4% ($216K decrease).

Building costs of ($78.42/sf) based on current G703 provided by the Applicant.

Sources of Funds

Applicant closed on a $2.64M loan from Cedar Rapids Bank (replaced Walker and Dunlop) on April 12, 2019. Of note, Underwriter has utilized the Applicant's debt service amount, based on payments made at the beginning of the month as opposed to the standard calculation which applies payment at the end of the month. The difference is only $815 annually; however, using the standard calculation would result in an inability to repay deferred developer fee in 15 years.

ITEX, the Special Limited Partner, will fund $298K for a portion of the cost overages pursuant to the partnership agreement.

The Amended and Restated Operating Agreement anticipates $8,011,610 of equity from $890,357 in annual tax credits and continues to reflect an equity price of $0.90.

There is no change to the previous recommendation.

Underwriter:	*Diamond Unique Thompson*
Manager of Real Estate Analysis:	*Thomas Cavanagh*
Director of Real Estate Analysis:	*Brent Stewart*

UNIT MIX/RENT SCHEDULE

Providence at Ted Trout, Hudson, 9% HTC #17736

LOCATION DATA	
CITY:	Hudson
COUNTY:	Angelina
Area Median Income	$50,500
PROGRAM REGION:	5

UNIT DISTRIBUTION						
# Beds	**# Units**	**% Total**	**Assisted**	**Income**	**# Units**	**% Total**
Eff	-	0.0%	0	30%	5	6.6%
1	48	63.2%	0	40%	-	0.0%
2	28	36.8%	0	50%	13	17.1%
3	-	0.0%	0	60%	46	60.5%
4	-	0.0%	0	MR	12	15.8%
TOTAL	**76**	**100.0%**	**-**	**TOTAL**	**76**	**100.0%**

Applicable Programs
9% Housing Tax Credits

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	84.21%
APP % Acquisition	3.39%
APP % Construction	9.00%
Average Unit Size	874 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	**Gross Rent**	**# Units**	**# Beds**	**# Baths**	**NRA**	**Gross Rent**	**Utility Allow**	**Max Net Program Rent**	**Delta to Max**	**Rent psf**	**Net Rent per Unit**	**Total Monthly Rent**	**Total Monthly Rent**	**Rent per Unit**	**Rent psf**	**Delta to Max**	**Underwritten**		**Mrkt Analyst**
TC 30%	$340	3	1	1	783	$340	$62	$278	$0	$0.36	$278	**$834**	**$834**	$278	$0.36	$0	$700	$0.89	$885
TC 50%	$568	9	1	1	783	$568	$62	$506	$0	$0.65	$506	**$4,554**	**$4,554**	$506	$0.65	$0	$700	$0.89	$885
TC 60%	$681	28	1	1	783	$681	$62	$619	$0	$0.79	$619	**$17,332**	**$17,332**	$619	$0.79	$0	$700	$0.89	$885
MR		8	1	1	783	$0	$62		NA	$0.92	$720	**$5,760**	**$5,760**	$720	$0.92	NA	$720	$0.92	$885
TC 30%	$408	2	2	2	1,031	$408	$76	$332	$0	$0.32	$332	**$664**	**$664**	$332	$0.32	$0	$840	$0.81	$1,045
TC 50%	$681	4	2	2	1,031	$681	$76	$605	$0	$0.59	$605	**$2,420**	**$2,420**	$605	$0.59	$0	$840	$0.81	$1,045
TC 60%	$817	18	2	2	1,031	$817	$76	$741	($28)	$0.69	$713	**$12,834**	**$12,834**	$713	$0.69	($28)	$713	$0.69	$1,045
MR		4	2	2	1,031	$0	$76		NA	$0.85	$878	**$3,512**	**$3,512**	$878	$0.85	NA	$878	$0.85	$1,045
TOTALS/AVERAGES:		**76**			**66,452**				**($7)**	**$0.72**	**$630**	**$47,910**	**$47,910**	**$630**	**$0.72**	**($7)**	**$726**	**$0.83**	**$944**

ANNUAL POTENTIAL GROSS RENT:	**$574,920**	**$574,920**	

STABILIZED PRO FORMA

Providence at Ted Trout, Hudson, 9% HTC #17736

	STABILIZED FIRST YEAR PRO FORMA																
	COMPARABLES				APPLICANT				PRIOR REPORT		TDHCA				VARIANCE	
	Database		Angelina Comps		% EGI	Per SF	Per Unit	Amount	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$0.72	$630	$574,920	**$517,590**	**$517,590**	$574,920	$630	$0.72		0.0%	$0
Laundry and Vending							$15.00	$13,680	13,680							
Total Secondary Income							$15.00			13,680	$13,680	$15.00			0.0%	$0
POTENTIAL GROSS INCOME								$588,600	$531,270	$531,270	$588,600				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(44,145)	(39,845)	(39,845)	(44,145)	7.5% PGI			0.0%	-
Rental Concessions								-	0	0	-				0.0%	-
EFFECTIVE GROSS INCOME								$544,455	$491,425	$491,425	$544,455				0.0%	$0
General & Administrative	$35,116	$462/Unit	$42,061	$553	5.14%	$0.42	$368	$28,000	$28,425	$35,116	$35,116	$462	$0.53	6.45%	-20.3%	(7,116)
Management	$30,426	5.6% EGI	$30,139	$397	5.00%	$0.41	$358	$27,223	$24,837	$24,571	$27,223	$358	$0.41	5.00%	0.0%	0
Payroll & Payroll Tax	$77,195	$1,016/Unit	$96,887	$1,275	14.69%	$1.20	$1,053	$80,000	$80,000	$77,195	$77,195	$1,016	$1.16	14.18%	3.6%	2,805
Repairs & Maintenance	$55,454	$730/Unit	$65,744	$865	8.01%	$0.66	$574	$43,600	$51,300	$45,600	$45,600	$600	$0.69	8.38%	-4.4%	(2,000)
Electric/Gas	$17,085	$225/Unit	$12,406	$163	2.48%	$0.20	$178	$13,500	$15,480	$14,091	$12,406	$163	$0.19	2.28%	8.8%	1,094
Water, Sewer, & Trash	$36,714	$483/Unit	$29,648	$390	5.33%	$0.44	$382	$29,012	$33,800	$36,714	$29,648	$390	$0.45	5.45%	-2.1%	(636)
Property Insurance	$32,860	$0.49 /sf	$25,418	$334	8.45%	$0.69	$605	$46,000	$21,763	$21,763	$46,000	$605	$0.69	8.45%	0.0%	-
Property Tax (@ 100%) 2.1842	$32,176	$423/Unit	$25,748	$339	5.69%	$0.47	$408	$31,000	$35,000	$38,060	$25,748	$339	$0.39	4.73%	20.4%	5,252
Reserve for Replacements	$26,332	$346/Unit	$20,734	$273	3.49%	$0.29	$250	$19,000	$19,000	$19,000	$19,000	$250	$0.29	3.49%	0.0%	-
Cable TV			$13,597	$179	0.33%	$0.03	$24	$1,800	$2,500	$2,500	$1,800	$24	$0.03	0.33%	0.0%	-
Supportive Services			$4,499	$59	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TDHCA LIHTC/HOME Compliance Fees			$3,693	$49	0.47%	$0.04	$34	$2,560	$2,560	$2,560	$2,560	$34	$0.04	0.47%	0.0%	-
TOTAL EXPENSES					**59.09%**	**$4.84**	**$4,233**	**$ 321,695**	**$314,665**	**$317,171**	**$ 322,297**	**$4,241**	**$4.85**	**59.20%**	**-0.2%**	**$ (602)**
NET OPERATING INCOME ("NOI")					**40.91%**	**$3.35**	**$2,931**	**$222,760**	**$176,760**	**$174,254**	**$222,158**	**$2,923**	**$3.34**	**40.80%**	**0.3%**	**$ 602**
CONTROLLABLE EXPENSES							$2,554/Unit					$2,631/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Providence at Ted Trout, Hudson, 9% HTC #17736

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR							Prior Underwriting							Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Applicant**	**TDHCA**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Cedar Rapids		1.32	1.32	168,878	5.79%	40	16	$2,640,000	**$2,700,000**	**$2,700,000**	$2,640,000	16	40	5.79%	$168,878	1.32	22.2%
CASH FLOW DEBT / GRANTS																	
ITEX Partners, LLC		1.32	1.32		2.85%	0	16	$297,752			$297,752	16	0	2.85%		1.32	2.5%
City of Hudson		1.32	1.32		1.00%	0	5	$3,000	**$3,000**	**$3,000**	$3,000	5	0	1.00%		1.32	0.0%
				$168,878	**TOTAL DEBT / GRANT SOURCES**			**$2,940,752**			**$2,940,752**			**TOTAL DEBT SERVICE**	**$168,878**	1.32	24.8%
NET CASH FLOW		$53,280	$53,882								**APPLICANT**	**NET OPERATING INCOME**		**$222,760**	**$53,882**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE					
						Prior Underwriting						Annual Credits	
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	**Applicant**	**TDHCA**	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**per Unit**	**Allocation Method**
AHP	LIHTC Equity	67.4%	$890,357	0.90	$8,011,719	$8,012,412	$8,012,412	$8,011,610	$0.8998	$890,357	67.4%	$11,715	Previous Allocation
Deferred Developer Fee & Reserves	Deferred Developer Fees	7.8%	(85% Deferred)		$925,887	$427,990	$427,990	$925,996	(85% Deferred)		7.8%	**Total Developer Fee:**	**$1,090,854**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%		
TOTAL EQUITY SOURCES		75.2%			$8,937,606	$8,440,402	$8,440,402	$8,937,606			75.2%		

TOTAL CAPITALIZATION					**$11,878,358**	**$11,143,402**	**$11,143,402**	**$11,878,358**			**15-Yr Cash Flow after Deferred Fee:**		**$8,686**

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS							TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis					Prior Underwriting					Eligible Basis			
	Acquisition	**New Const. Rehab**	**Total Costs**			**Applicant**	**TDHCA**	**Total Costs**			**New Const. Rehab**	**Acquisition**	%	$
Land Acquisition				$11,184 / Unit	$850,000	$850,000	$850,000	$850,000	$11,184 / Unit				0.0%	$0
Building Acquisition	$0			$ / Unit	$0	$0	$0	$0	$ / Unit			$0	0.0%	$0
Interest on Land					$36,756	$0	$0	$36,756						$0
Off-Sites				$ / Unit	$0	$0	$0	$0	$ / Unit				0.0%	$0
Site Work		$1,251,721		$16,628 / Unit	$1,263,721	$1,109,980	$1,109,980	$1,263,721	$16,628 / Unit		$1,251,721		0.0%	$0
Site Amenities		$239,733		$3,154 / Unit	$239,733	$159,600	$159,600	$239,733	$3,154 / Unit		$239,733		0.0%	$0
Building Cost		$5,210,853	$78.42 /sf	$68,564/Unit	$5,210,853	$4,540,298	$4,714,484	$5,210,853	$68,564/Unit	$78.42 /sf	$5,210,853		0.0%	($0)
Contingency		$355,000	5.30%	5.29%	$355,000	$290,494	$290,494	$355,000	5.29%	5.30%	$355,000		0.0%	$0
Contractor Fees		$0	0.00%	11.82%	$835,693	$854,052	$854,052	$835,693	11.82%	0.00%	$0		0.0%	$0
Soft Costs	0	$1,019,803		$13,515 / Unit	$1,027,173	$1,118,559	$1,118,559	$1,027,173	$13,515 / Unit		$1,019,803	$0	0.0%	$0
Financing	0	$719,542		$10,113 / Unit	$768,575	$679,166	$679,166	$768,575	$10,113 / Unit		$719,542	$0	0.0%	$0
Developer Fee	$0	$1,090,854	12.40%	12.38%	$1,090,854	$1,307,272	$1,307,272	$1,090,854	12.38%	12.40%	$1,090,854	$0	0.0%	$0
Reserves				$2,632 / Unit	$200,000	$233,981	$231,414	$200,000	$2,632 / Unit				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BA	**$0**	**$9,887,506**		$156,294 / Unit	**$11,878,358**	**$11,143,402**	**$11,315,022**	**$11,878,358**	$156,294 / Unit		**$9,887,506**	**$0**	**0.0%**	**($0)**
Acquisition Cost	$0				$0									
Contingency		$0			$0									
Contractor's Fee		$0												
Interim Interest		$0												
Developer Fee	$0	$0			$0									
Reserves					$0									
ADJUSTED BASIS / COST	**$0**	**$9,887,506**		$156,294/unit	**$11,878,358**			**$11,878,358**	$156,294/unit		**$9,887,506**	**$0**	**0.0%**	**($0)**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$11,878,358**	

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Providence at Ted Trout, Hudson, 9% HTC #17736

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$9,887,506	$0	$9,887,506
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$9,887,506	$0	$9,887,506
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$12,853,758	$0	$12,853,758
Applicable Fraction	84.21%	84.21%	84.21%	84.21%
TOTAL QUALIFIED BASIS	$0	$10,824,217	$0	$10,824,217
Applicable Percentage	3.39%	9.00%	3.39%	9.00%
ANNUAL CREDIT ON BASIS	$0	$974,180	$0	$974,180
CREDITS ON QUALIFIED BASIS	$974,180		$974,180	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8998	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$974,180	$8,765,862	----	----	----
Needed to Fill Gap	$993,266	$8,937,606	----	----	----
Previous Allocation	$890,357	$8,011,610	**$890,357**	**$0**	**$0**

Long-Term Pro Forma

Providence at Ted Trout, Hudson, 9% HTC #17736

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	$544,455	$555,344	$566,451	$577,780	$589,336	$650,674	$718,397	$793,168	$875,722	$966,868	$1,067,500	$1,178,606
TOTAL EXPENSES	3.00%	$321,695	$331,074	$340,728	$350,667	$360,898	$416,753	$481,335	$556,017	$642,387	$742,286	$859,969	$996,940
NET OPERATING INCOME ("NOI")		**$222,760**	**$224,270**	**$225,723**	**$227,113**	**$228,438**	**$233,921**	**$237,061**	**$237,151**	**$233,334**	**$224,581**	**$207,531**	**$181,666**
EXPENSE/INCOME RATIO		59.1%	59.6%	60.2%	60.7%	61.2%	64.0%	67.0%	70.1%	73.4%	76.8%	80.6%	84.6%
MUST -PAY DEBT SERVICE													
TOTAL DEBT SERVICE		$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878	$168,878
DEBT COVERAGE RATIO		1.32	1.33	1.34	1.34	1.35	1.39	1.40	1.40	1.38	1.33	1.23	1.08
ANNUAL CASH FLOW		**$53,882**	**$55,393**	**$56,845**	**$58,235**	**$59,560**	**$65,043**	**$68,183**	**$68,273**	**$64,456**	**$55,703**	**$38,653**	**$12,788**
Deferred Developer Fee Balance		$872,114	$816,721	$759,876	$701,640	$642,081	$327,019	$0	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$8,686	$351,252	$682,922	$981,151	$1,212,452	$1,331,817

Providence Ted Trout Drive, LP
3735 Honeywood Court
Port Arthur, Texas 77642

September 5, 2019

Texas Department of Housing and Community Affairs
Attn: Kent Bedell
221 E. 11th Street
Austin, Texas 78701
Via email: Kent.Bedell@tdhca.state.tx.us

RE: TDHCA # 17736 Providence at Ted Trout Drive - Staff Level Non-Material Change Request

Dear Mr. Bedell,

Providence Ted Trout Drive, LP respectfully requests TDHCA staff level approval of non-material changes to the architectural plans for Providence at Ted Trout Drive development; a new construction of 76 elderly (55+) units located in Hudson, Angelina County, Texas.

Providence Ted Trout Drive, LP has submitted the request attached as **Exhibit A** to exchange 2017 tax credits for 2020 tax credits due to a Force Majeure Event which caused construction costs to rise significantly, resulting in a financing gap and a period of delay during which we sought multiple options with which to narrow the gap. As explained in **Exhibit A,** one of the proposed options to reduce development costs was a re-evaluation of the plans for value engineering initiatives, the result of which necessitates the need for this request.

After re-evaluating the plans, the architect of record, JHP Architecture, provided a list of value engineering initiatives which are attached as **Exhibit B**. The changes remain code compliant as well as meeting ADA requirements and will not affect the quality of life for the residents. We believe these changes constitute a non-material, as they are minor modifications which do not alter the arrangement of the buildings, the unit square footage, number of units, or the unit mix that was provided in the 2017 application; the only change in square footage is to the clubhouse. The impact to the cost is such that it will reduce the costs to be closer to that of initial underwriting. As such, we respectfully request TDHCA staff level approval to proceed with all proposed changes.

Please feel free to contact us at apps@itexgrp.com if you have any questions or concerns.

Sincerely,

Donald R. Ball

Donald R. Ball
Executive Director of the Sole Member of the General Partner

Exhibit A

Providence Ted Trout Drive, LP
3735 Honeywood Court
Port Arthur, Texas 77642

September 5, 2019

Texas Department of Housing and Community Affairs
Attn: Kent Bedell
221 E. 11th Street
Austin, Texas 78701
Via email: Kent.Bedell@tdhca.state.tx.us

RE: TDHCA # 17736 Providence at Ted Trout Drive Force Majeure Event

Dear Mr. Bedell,

Providence Ted Trout Drive, LP respectfully submits this request for an exchange of 2017 tax credits for 2020 tax credits pursuant to 11.6(5) of the Qualified Allocation Plan ("QAP") based on Force Majeure events that could not be foreseen by the Owner.

Providence at Ted Trout Drive development, a new construction of 76 elderly (55+) units located in Hudson, Angelina County, Texas, received a commitment for an annual allocation of 2017 Housing Tax Credits which are required to be placed in service by December 31, 2019. The debt closing was April 12, 2019, allowing a notice to proceed to be issued on April 15, 2019, which is when construction commenced. Physical completion of the project is at approximately 39% based on AIA #5, dated August 23, 2019. Based upon the current status of the project, it is highly unlikely that the project will be placed in service by required placed in service date.

We believe that specific occurrences, since the application was awarded in July 2017, have resulted in a "Force Majeure" event:

> There have been "sudden and unforeseen circumstances" due to the aftermath of Presidential declared disaster Hurricane Harvey resulting in significant cost increases of materials, labor and the decreased availability of contractors which have significantly affected the feasibility of the development, necessitating changes to the financing structure and requiring us to pursue measures to further reduce the gap in financing, including architectural changes.

Hurricane Harvey Disaster Proclamations

Exhibit A: On August 23, 2017, Texas Governor Greg Abbott released a proclamation declaring a state of disaster to extend to 30 counties. On August 25, 2017, President Donald J. Trump declared a Major Disaster in Texas, prompting FEMA's response to release federal funding for

recovery of a Major Disaster from an Incident Period of: August 23, 2017 through September 15, 2017 for 41 counties.

Exhibit B: While Angelina County received no designation within the boundaries of the Presidentially-declared disaster, it is immediately bordered by several counties inside of the disaster area, and has since been included in Governor Abbott's Proclamation under Section 418.014 of the Texas Government Code, which extended to include a total of 60 counties and was renewed on a monthly basis to evidence a continuing state of disaster through July 5, 2019

Widespread Economic Impacts of Harvey

The adverse economic impact in the aftermath of Harvey spread throughout the state of Texas, and was even reflected nationwide as material and gas shortages in conjunction with increased demand caused prices to rise, and an already-tight labor pool surged to the storm-ravaged areas, abandoning other areas in which there had already been a labor shortage.

> Phil Crone, head of the Dallas Builders Association stated that an already 20,000 construction worker shortage increased to a post-Harvey shortage of 38,500 despite wages rising 35 percent for most needed trades; Texas A&M Real Estate Center Chief Economist Dr. Jim Gaines conducted a post-Harvey study, concluding that the labor shortage was exacerbated by the aftermath of the storm, as reported by **Dallas News** (a), and **Gov Tech Emergency Management Newsletter** (b). Phil Crone is quoted by the Dallas Morning News as saying "More than 92 percent of our members cite the lack of labor as having a significant impact on their business" according to the **Texas GOP Vote Newsletter** (c).
>
> Pia Orrenius, Vice President and Senior Economist for the Federal Reserve Bank of Dallas, said the anticipated bleed-off of construction workers to the damaged areas came at a time when hourly wages for construction workers were rising steadily. "Supply is not keeping up with demand and with a tightening labor pool, prices are just going to keep going up for all types of construction," Orrenius told the **Fort Worth Business Press**.
>
> Ken Simonson Chief Economist for the Associated General Contractors of America reports that, in the wake of Harvey, two-thirds of the Texas workers reported they have the most difficulty finding concrete workers, well above the national average of 51 percent, followed by electricians at 61 percent, cement masons at 59 percent, carpenters at 57 percent, plumbers at 54 percent and installers at 52 percent as reported by the **Waco Tribune**.
>
> Similar figures were reported by **CBS News**, citing a post-Harvey survey by the National Association of Homebuilders, which found shortages of some construction trades are at their worst level since 2000. The trade group found more than 70 percent of builders reported difficulty in hiring carpenters, 63 percent had

trouble in attracting masons and more than half experienced challenges in finding roofers, plumbers, painters, and electricians.

The Thomas Index calculates direct spending after the storm focused on procuring building and flood repair supplies, reflecting a spike in demand for construction materials. Increased activity post-Harvey was cited for plywood and drywall at 400 percent, doors at 1,200 percent, concrete, masonry and stone at 1,100 percent, and engineered wood products at 700 percent.

Texas Comptroller fiscal note #19 indicates the impact of the storm on the price of manufactured goods as significant. Upward pressure on prices increased in September following the storm. The raw materials prices index pushed up eight points to 34.5, its highest reading since July 2011. The finished goods prices index climbed seven points to 17.5.

The Houston Chronicle (a) reports: Hourly rates for construction workers rose on average 7.2 percent from September to November 2017, according to Xactware. Siding installers saw the biggest wage increase, 19.3 percent; followed by drywall installers, 11.8 percent; demolition labor, 11.2 percent; and carpenters, 11 percent. Material costs have risen by a more moderate 1.6 percent, **Xactware** (b) said.

Wall Street Journal reported a post-Harvey surge in lumber costs. Lumber futures for September 2017 delivery touched $402.80 per 1,000 board of feet at the Chicago Mercantile Exchange, up 4% for the week and less than a dollar short of what would be the highest closing price in 12 years.

Traders Community commodities report, published in September of 2017 reflected that the most noted price increases were in lumber and gasoline, also noting the rising cost of wallboard. Prices had begun to increase prior to the storm, but were anticipated to rise further due to the increased demand, resulting in an annual inflation of 10% for 2017.

NAOIP released a commercial construction costs outlook in mid-September of 2017, reflecting that already rising construction costs throughout the year had seen a temporary disruption due to the storm, causing them to spike as well as exacerbating the already gaping shortage of skilled labor.

Providence at Ted Trout was priced prior to Hurricane Harvey and was financially feasible at the time of TDHCA underwriting and award in July 2017. Following Hurricane Harvey in August 2017, however, the availability and cost of both materials and labor were directly impacted by the immense scope of devastation in the aftermath of the storm, resulting in construction cost increases of approximately 15-20 percent.

To accommodate for the increased pricing, we initially made adjustments in our financing structure and were able to receive more favorable terms and credit pricing. However, this did not

reduce the gap to the extent needed to make the development financially viable. In order to reduce the gap, we have considered and pursued several options, including proposed architectural design changes and a request for TDHCA Multifamily Direct Home Loan Funds. Simultaneously, we considered and explored layering approximately 25 units with Section 8 Project Based Vouchers. This would have effectively increased our rental income and allowed additional leverage on the development. We pursued this option with the Deep East Texas Council of Government, however we were not able to get a commitment prior to the financial closing. We also attempted a D4 loan with Davis Penn in order to help with the financing gap, which we were not able to secure due to the shortened time frame in which we would have had to receive HUD approval and complete the project. Additionally, complications arose due to the tax reform that occurred at the end of 2017; investors were wary of new deals until more information as to the nature and long-term repercussions of the changes became available, causing further delays.

As our other options have been exhausted, the remaining option under consideration is the aforementioned architectural design change. The initial architectural changes would have included revamping the entire design; rather than 19 residential fourplexes with a clubhouse, we sought plans for one building in which to combine all units hoping this would save on costs. However, we discovered that it would not save as much on costs as we had hoped, and we determined that we would have lost even more time in the process of having completely new plans drawn up and permitted. Once we determined that this plan was not a viable option – financially or time-wise – we re-evaluated the original architectural plans and began to value engineer in order to reduce costs where possible.

Exhibit C: These changes, for which we seek staff level approval in a separate letter, will not affect the quality of life for residents. These value engineering initiatives will reduce the costs of the development to be closer in line to that of initial underwritten.

Exhibit D: A cost comparison was completed between the Building Hard Costs submitted in the TDHCA application on the Development Hard Cost Schedule and the current Building Hard Costs, as broken down in the current Schedule of Values. While the comparison was done after the value engineering, a total cost increase of 15.36 percent is still reflected. This is largely due to the most notable increases, which were in the costs of concrete and mechanicals. Concrete site-work costs increased by 124 percent, concrete building costs by 149 percent, plumbing and HVAC by 55 percent, and electrical by 23 percent. The cost comparison reflects significant decreases in masonry and specialty items, as these were items that were part of our value engineering initiative as a way to offset other cost increases over which we had no control.

In light of the foregoing, we believe that it is in the best interest of the project and the LIHTC program to recognize the unforeseen circumstances which caused delays in the aftermath of Hurricane Harvey as a Force Majeure Event. As such, we hereby respectfully request that the TDHCA accept the return of the awarded tax credits for the Providence at Ted Trout Drive, and reissue an equal amount of 2020 credits, which would effectively extend the placed in service deadline for this project until December 31, 2022 or such other time period as the TDHCA may determine.

Providence Ted Trout Drive, LP
3735 Honeywood Court
Port Arthur, Texas 77642

Our team is deeply committed to utilizing every option available in order to ensure the feasibility of this project so that we may see it through to completion. Thank you in advance for your consideration and assistance with this matter.

Please feel free to contact us at apps@itexgrp.com if you have any questions or concerns.

Sincerely,

Donald R. Ball

Donald R. Ball
Executive Director of the Sole Member of the General Partner

Sources referenced above under the Widespread Economic Impacts of Harvey:

1.
   a. https://www.dallasnews.com/business/economy/2018/08/20/desperate-can-texas-get-construction-labor-look-houston-after-hurricane-harvey
   b. https://www.govtech.com/em/disaster/How-Desperate-can-Texas-get-for-Construction-Labor-Look-at-Houston-After-Hurricane-Harvey.html
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2. http://www.fortworthbusiness.com/collin_county_business_press/harvey-s-ripple-labor-shortages-likely-as-gulf-coast-rebuilds/article_4ad55966-94ed-11e7-9400-cfd658ff089b.html
3. https://www.wacotrib.com/news/business/rebuilding-after-hurricane-harvey-to-create-construction-ripples-locally/article_59da766d-47a8-5577-b4a9-84bc38f9d658.html
4. https://www.cbsnews.com/news/hurricane-harvey-houston-workers-to-rebuild/
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7.
   a. https://www.houstonchronicle.com/business/real-estate/article/Homeowners-feel-post-Harvey-pinch-in-construction-12379258.php
   b. https://www.xactware.com/en-us/solutions/weather-analytics/respond/hurricane-harvey/
8. https://www.wsj.com/livecoverage/hurricane-irma/card/1504889661
9. https://traderscommunity.com/index.php/commodities/227-gypsum-and-sheetrock-market-price-pressures-follow-hurricanes
10. https://www.naiop.org/en/Magazine/2017/Winter-2017-2018/Business-Trends/Construction-Costs-Outlook

Exhibit B

Project Name: Providence at Ted Trout Duplex Project

Value Engineering Items Incorporated into Revised Plans

1	Reduce lime percentage at concrete paving from 6% to 5%
2	Lay fire line and water line in same ditch
3	Delete 1" service meter - 19 each
4	Delete 1.5" service meter - 1 each
5	Reduce size of leasing and community building from 4339 sf to 2060 sf.
6	Reduce Window Quantity per new VE drawings from Architect (98 total less windows) B unit - Delete (1) A window in each bedroom (2) B Windows from living room; A unit - Delete (1) A window in Bedroom and (1) B window in living room
7	Redesign site fencing and gates and extend fencing around detention pond and decrease to setback at west of clubhouse.
8	Change site sidewalks from 5 ft wide to 3 ft wide with turn pads.
9	Change unit ceramic tile floors to vinyl plank in unit bathrooms, utility/linen rooms.
10	Change ceramic wall tile in bath to prefabricated tub surround.
11	Change granite counter to plastic laminate
12	Change 2x6 wall framing to 2x4 framing.
13	Delete second vanity and second lavoratory in unit B master bath.
14	Revise Clubhouse ceiling from 3 ceiling heights (14', 10' 4", and 9'4" for the drops) and 13 gables to 9 ft flat ceiling, no gables
15	Revise exterior doors and clubhouse interior doors from 8'0" to standard height 6'-8"
16	Delete cased openings in hallway, Change to gyp materials in 2 locations each in all units.
17	Remove exterior deocrative millwork and brackets in all units and Clubhouse.
18	Delete crown molding in clubhouse and units
19	Replace wood base with vinyl base in all rooms of units and clubhouse.
20	Revise brick detail to reduce quantity of brick, at soilder course and butt edges.
21	Reduce downspout count from 160 to 80 - 4 per building.

ROOF DRAINAGE CALCULATIONS

AREA		FACTORED TOTAL SF		SF/DOWNSPOUT		TOTAL DOWNSPOUTS
A	REQ'D	1,501	÷	2,081	=	1 DOWNSPOUTS
	PROVIDED					3 DOWNSPOUTS
B	REQ'D	1,452	÷	2,081	=	1 DOWNSPOUTS
	PROVIDED					4 DOWNSPOUTS

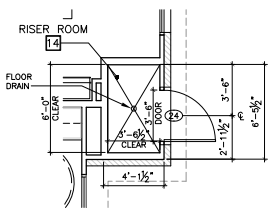
DOWN SPOUT CALCULATIONS BASED ON 2"x 4" VERTICAL LEADERS

UNCONDITIONED SPACE, ACCESSIBLE TO RESIDENTS	181 SF
CONDITIONED SPACE, ACCESSIBLE TO RESIDENTS	1414 SF
CONDITIONED SPACE, EMPLOYEES ONLY	517 SF
UNCONDITIONED SPACE, EMPLOYEES ONLY	148 SF

06 Community Bldg. Data

AREA ATTIC VENTILATION CALCULATIONS

BLDG TYPE 1	I-A	UPPER ROOF	454 SQ. INCHES REQUIRED	496 SQ. INCHES PROVIDED
		LOWER ROOF	454 SQ. INCHES REQUIRED	508 SQ. INCHES PROVIDED
		44 L.F. OF RIDGE VENT (UPPER)	8 SQ IN/LF	352
		1 ROOF VENTS (UPPER)	144 SQ IN/LF	144
		40 L.F. OF SOFFIT VENT (LOWER)	12.7 SQ IN/LF	508
	I-B	UPPER ROOF	462.24 SQ. INCHES REQUIRED	464 SQ. INCHES PROVIDED
		LOWER ROOF	462.24 SQ. INCHES REQUIRED	508 SQ. INCHES PROVIDED
		40 L.F. OF RIDGE VENT (UPPER)	8 SQ IN/LF	320
		1 ROOF VENTS (UPPER)	144 SQ IN/LF	144
		40 L.F. OF SOFFIT VENT (LOWER)	12.7 SQ IN/LF	508
BLDG TYPE 2	II-A	UPPER ROOF	583.2 SQ. INCHES REQUIRED	592 SQ. INCHES PROVIDED
		LOWER ROOF	583.2 SQ. INCHES REQUIRED	610 SQ. INCHES PROVIDED
		56 L.F. OF RIDGE VENT (UPPER)	8 SQ IN/LF	448
		1 ROOF VENTS (UPPER)	144 SQ IN/LF	144
		48 L.F. OF SOFFIT VENT (LOWER)	12.7 SQ IN/LF	610
	II-B	UPPER ROOF	601.92 SQ. INCHES REQUIRED	688 SQ. INCHES PROVIDED
		LOWER ROOF	601.92 SQ. INCHES REQUIRED	610 SQ. INCHES PROVIDED
		32 L.F. OF RIDGE VENT (UPPER)	8 SQ IN/LF	256
		3 ROOF VENTS (UPPER)	144 SQ IN/LF	432
		48 L.F. OF SOFFIT VENT (LOWER)	12.7 SQ IN/LF	610
COMMUNITY	III-A	UPPER ROOF	708 SQ. INCHES REQUIRED	736 SQ. INCHES PROVIDED
		LOWER ROOF	708 SQ. INCHES REQUIRED	826 SQ. INCHES PROVIDED
		20 L.F. OF RIDGE VENT (UPPER)	8 SQ IN/LF	160
		4 ROOF VENTS (UPPER)	144 SQ IN/LF	576
		65 L.F. OF SOFFIT VENT (LOWER)	12.7 SQ IN/LF	826

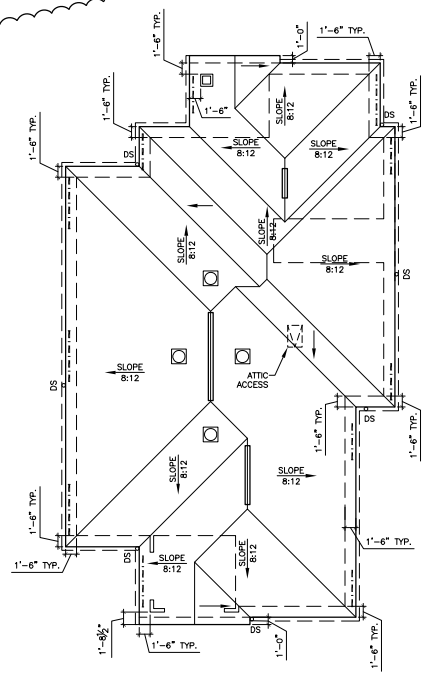


04 Riser Room Plan
Scale: 1 4" = 1'-0"

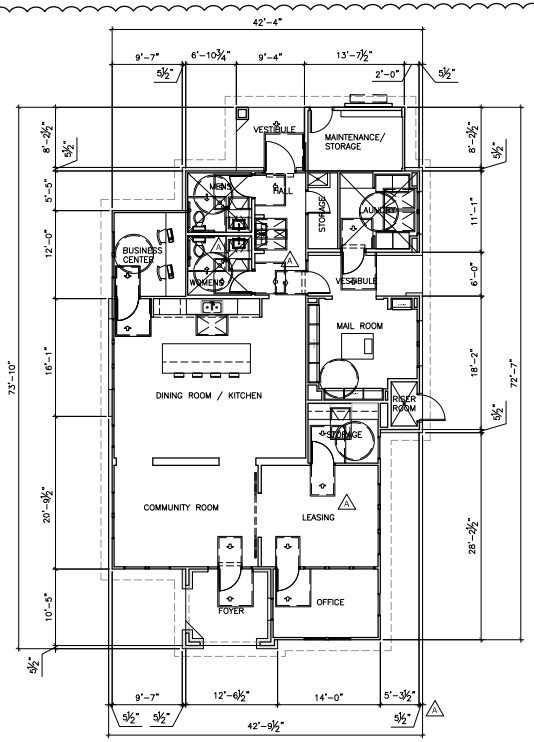
NOTES:
1. ROOF OVERHANG IS 1'-6" TYP. U.N.O.
2. TYP. SLOPE ROOF: COMP. SHINGLE 6:12 & 8:12
3. PREFINISHED ALUM. GUTTERS AND D.S. TYP. GUTTER CONTRACTOR TO VERIFY NUMBER OF DOWNSPOUTS. ALL COMPOSITION ROOF EAVES TO BE FULLY GUTTERED.
4. PROVIDE 1 HR. RATED ATTIC ACCESS HATCH INTO CONCEALED ATTIC SPACE, REFER TO TOP FLOOR PLANS AND ROOF PLANS FOR ACCESS LOCATIONS TYP. COORDINATE LOCATIONS W/ ROOF FRAMING PLANS. PROVIDE 30" MIN. CLEAR HEADROOM TYP. AT ACCESS.
5. THE MINIMUM REQUIRED NET FREE VENTILATION AREA SHALL BE 1/300 OF THAT AREA VENTILATED WITH BOTH UPPER AND LOWER VENTILATION TYP.
6. PLACE ROOF VENTS WHERE NOTED ON ROOF PLANS. VENT STACKS AT ROOF SHALL BE PAINTED TO MATCH ROOF
7. DRAFTSTOP CONSTRUCTION MAY CONSIST OF ONE LAYER OF ⅝" GYP. BD. OR ONE LAYER OSB ANCHORED TO WD. ROOF TRUSSES, AND INSTALLED WHERE SHOWN ON ROOF PLANS, TYP. DRAFTSTOP AREA NOT TO EXCEED 3000 SF OR 2 UNITS (MAY INCLUDE CORRIDOR)
8. ALL ATTIC VENTS/LOUVERS SHALL BE COVERED WITH CORROSION RESISTANT MESH NOT LESS THAN ¼" OR MORE THAN 2" IN ANY DIRECTION TYP.
9. DIMENSIONS FOR ROOF VENTS NOT PROVIDED. SPACE EQUALLY.
10. GUTTER CONTRACTOR TO VERIFY NUMBER OF DOWNSPOUTS. ALL ROOF EAVES TO BE FULLY GUTTERED.
11. ROOFING DETAILS BASED ON NRCA. WATERPROOFING & FLASHING DETAILS BASED ON SMACNA LATEST ADDITION
12. PROVIDE DOUBLE FELT AT ALL COMPOSITION ROOFING SLOPES LESS THAN 4:12

- INDICATES ROOF SLOPE DIRECTION
- ATTIC ACCESS HATCH 22X36
- DRAFTSTOP
- HORIZONTAL DRAFTSTOP ACCESS; MINIMUM DOOR SIZE 24"h x 18"w
- DS — GUTTER AND DOWNSPOUT LOCATIONS
- GUTTER
- A — DRAFT AREA DESIGNATION
- SINGLE 3" SOFFIT VENT
- SIGNIFIES ROOF VENT WITH NET FREE AREA OF 150 SQ. IN.
- RIDGE VENT
- NFA — NET FREE AREA

10 Roof Plan Legend



16 Community Building - Roof Plan
Scale: 1/8" = 1'-0"



17 Community Building - Floor Plan
Scale: 1/8" = 1'-0"
2260 NSF
2622 GSF

NOTES:
1. ALL BUILDING PLAN DIMENSIONS ARE TO FACE OF STUD UNLESS NOTED OTHERWISE.
2. ALL CEILING HEIGHTS TO BE 9'-1" UNLESS NOTED OTHERWISE.
3. REFER TO STRUCTURE FOR LOCATION OF LOAD BEARING WALLS AND PARTY WALLS.

- INDICATES TYPE 'A' HANDICAP UNIT RE: SITE PLAN FOR LOCATIONS
- INDICATES BRICK VENEER ON 5 ⅓" BRICK LEDGE
- Cond. X — INDICATES EXTERIOR UNIT CONDITIONS; RE: UNIT PLANS
- INDICATES DOOR TYPE. RE: A730 FOR SCHEDULE
- INDICATES WINDOW TYPE. RE: A740 FOR SCHEDULE
- FE — PROVIDE ONE (1) FIRE EXTINGUISHER IN EACH UNIT KITCHEN
- INDICATES J-BOX LOCATIONS; RE: MEP
- INDICATES A.C. CONDENSOR LOCATIONS; COORDINATE W/ MEP.
- PATTERN INDICATES LOCATION OF FURR-DOWN
- DS — INDICATES DOWN SPOUT

20 Building Plan Legend

COMMUNITY BUILDING - OVERALL FLOOR/ROOF PLAN

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01.16.2019

Providence at Ted Trout Dr.
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ITEX

Project Number:	2017008.00
Drawn By:	CD
Issue For:	
Construction Set	01.16.2019

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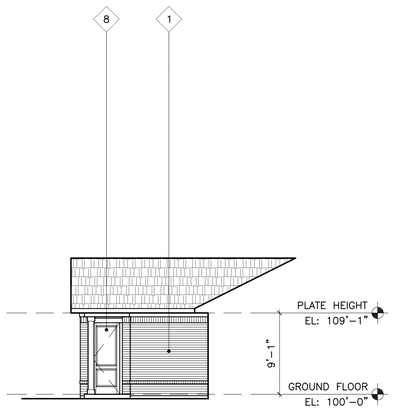
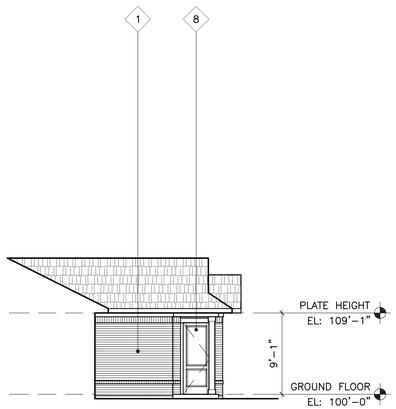
Revision	Date
A D3G Response	06.22.2018
B Owner Revisions	01.16.2019

Sheet:
A303

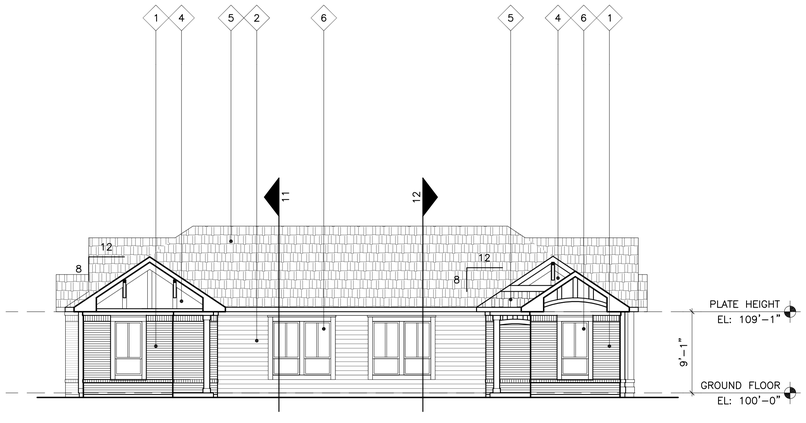


11 Building Type I - Entry Elev.
Scale: 1/8" = 1'-0"



12 Building Type I - Entry Elev.
Scale: 1/8" = 1'-0"

13 Building Type I - Street Elevation
Scale: 1/8" = 1'-0"



16 Building Type I - Entry Elevation
Scale: 1/8" = 1'-0"

18 Building Type I - Rear Elevation
Scale: 1/8" = 1'-0"

1 BRICK

2 CEMENTITIOUS SIDING
PATTERN A – 6"

3 CEMENTITIOUS SIDING
PATTERN B – 4"/4"/8"

4 CEMENTITIOUS FLAT PANEL

5 COMPOSITION ROOF

6 VINYL WINDOWS

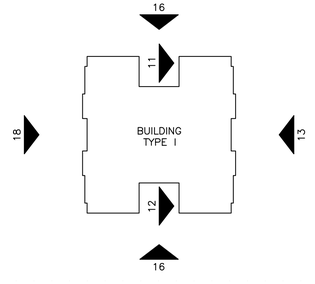
7 CEMENTITIOUS SIDING
PATTERN C – 4"

8 DOOR AS SCHEDULED

MATERIAL REQUIREMENTS:

1. 30% BRICK MASONRY
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

15 Material Legend



20 Key Plan

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Providence at Ted Trout Dr.
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Project Number: 2017008.00
Drawn By: CD
Issue For:
Permit Set 03.30.2018

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Revision Date

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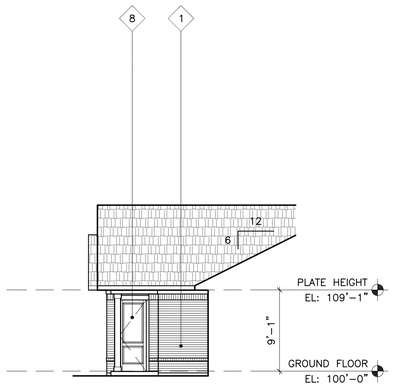
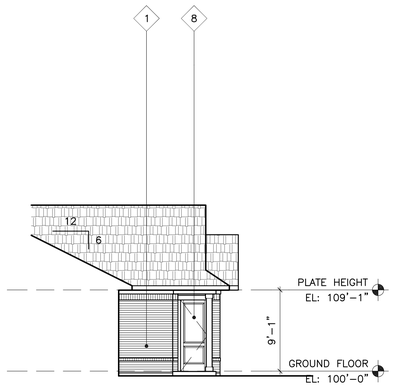
A411

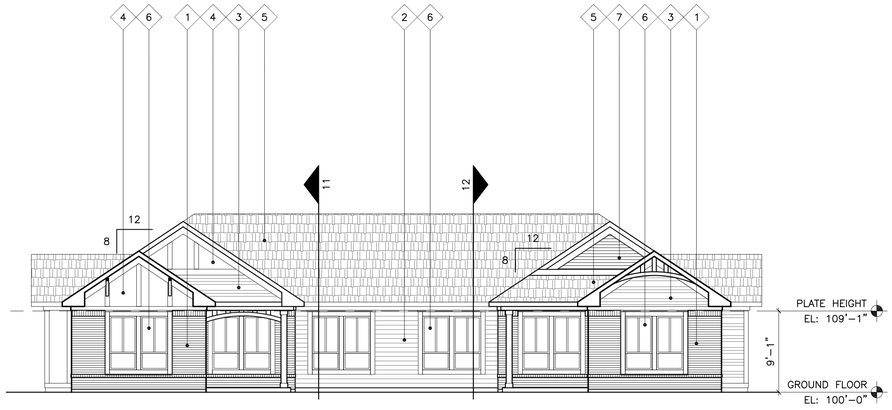


11 Building Type I - Entry Elev.
Scale: 1/8" = 1'-0"

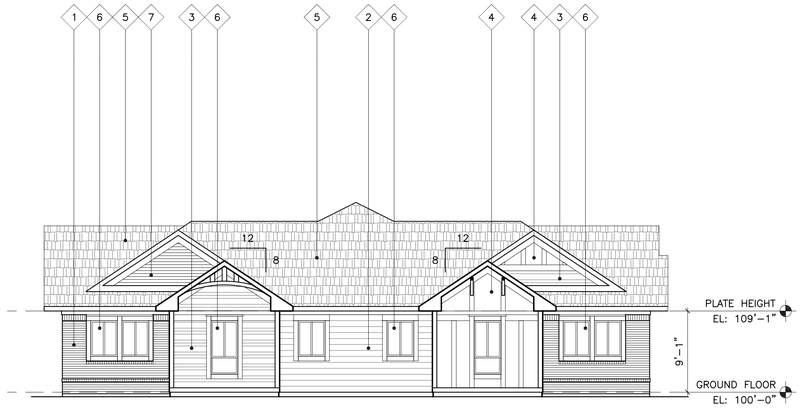


12 Building Type I - Entry Elev.
Scale: 1/8" = 1'-0"

13 Building Type II - Street Elevation
Scale: 1/8" = 1'-0"



16 Building Type II - Entry Elevation
Scale: 1/8" = 1'-0"

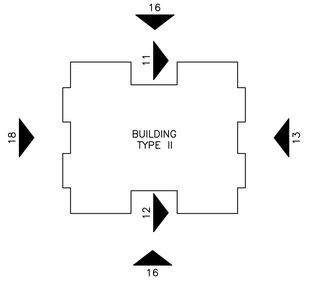


18 Building Type II - Rear Elevation
Scale: 1/8" = 1'-0"

1 BRICK
2 CEMENTITIOUS SIDING PATTERN A – 6"
3 CEMENTITIOUS SIDING PATTERN B – 4"/4"/8"
4 CEMENTITIOUS FLAT PANEL
5 COMPOSITION ROOF
6 VINYL WINDOWS
7 CEMENTITIOUS SIDING PATTERN C – 4"
8 DOOR AS SCHEDULED

MATERIAL REQUIREMENTS:
1. 30% BRICK MASONRY
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

15 Material Legend



20 Key Plan

BUILDING TYPE II - ELEVATIONS

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Project Number: 2017008.00
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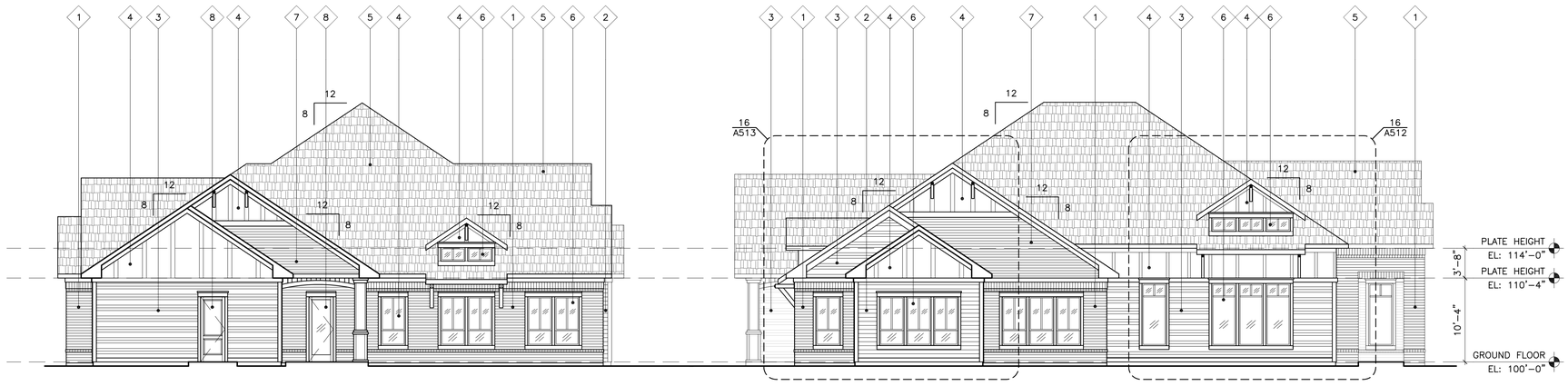
A421



06 Community Building - Back Elevation
Scale: 1/8" = 1'-0"

08 Community Building - Side Elevation
Scale: 1/8" = 1'-0"

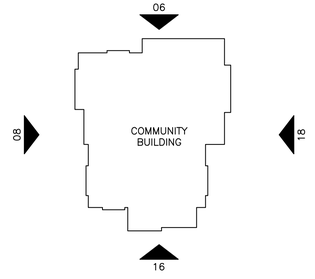
16 Community Building - Front Elevation
Scale: 1/8" = 1'-0"

18 Community Building - Side Elevation
Scale: 1/8" = 1'-0"

1. BRICK
2. CEMENTITIOUS SIDING PATTERN A – 6"
3. CEMENTITIOUS SIDING PATTERN B – 4"/4"/8"
4. CEMENTITIOUS FLAT PANEL
5. COMPOSITION ROOF
6. VINYL WINDOWS
7. CEMENTITIOUS SIDING PATTERN C – 4"
8. DOOR AS SCHEDULED

MATERIAL REQUIREMENTS:
1. 30% BRICK MASONRY
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

15 Material Legend



20 Key Plan

COMMMUNITY BUILDING - ELEVATIONS

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03.30.2018

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Project Number: 2017008.00
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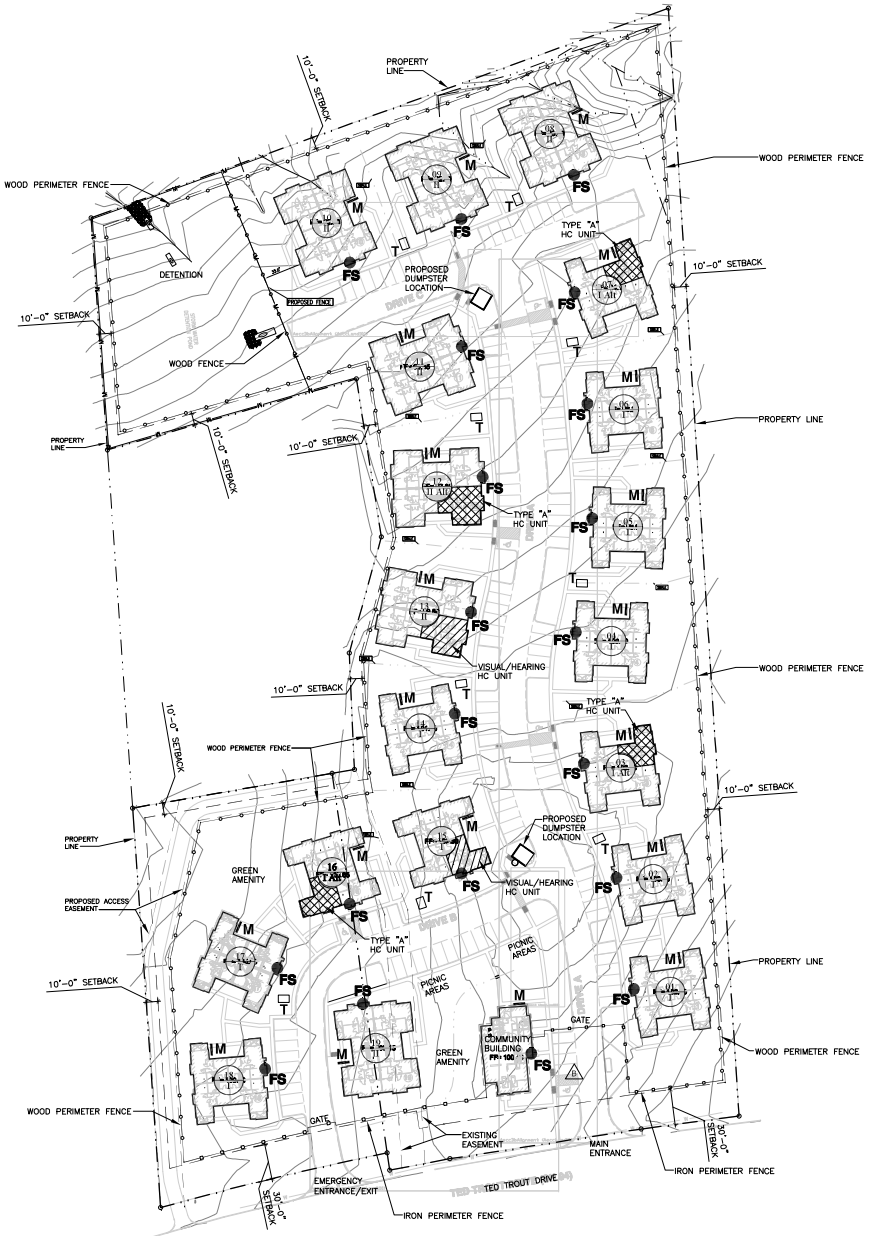
A431



17 Architectural Site Plan

Scale: 1" = 50'-0"

NOTES:
1. REFER TO CIVIL DRAWINGS PREPARED BY EVERETT GRIFFITH FOR GRADING, DIMENSIONAL CONTROL, UTILITIES, PAVING SPECIFICATIONS AND PARKING QUANTITIES AND LAYOUT DETAILS & ACCESSIBLE ROUTES.
2. REFER TO OWNERS GEOTECHNICAL CONSULTANT FOR SOIL PREP REQUIREMENTS OF SUBGRADE.
3. REFER TO LANDSCAPE ARCHITECTS DRAWINGS FOR ALL INFORMATION RELATING TO POOL LAYOUT AND DETAILING, SIDEWALKS, FENCING, PLANTING AND SCREENING AREAS.
4. THERE IS NO FLOOD PLAIN PRESENT ON THE SITE
5. PRIOR TO DEMO ENGINEER MUST CALL ANRA AT (936) 632-7795 TO COORDINATE THE DEMO AND CANCELLATION OF THE LICENSE.

- INDICATES BUILDING NUMBER
- INDICATES BUILDING TYPE
- INDICATES EXISTING PROPERTY LINES
- INDICATES SETBACK/EASEMENT
- INDICATES HANDICAP PARKING SPACES, VERIFY W/ CIVIL DRWGS FOR SURFACE PARKING
- T — INDICATES TRANSFORMER LOCATION
- FS — INDICATES FIRE SPRINKLER CLOSET LOCATION
- M — INDICATES METER LOCATIONS; RE: MEP
- INDICATES TYPE "A" HANDICAP UNITS (5%) PER 2010 ADA
- INDICATES VISUAL/HEARING HANDICAP UNITS

05 Site Plan Notes and Legend

BUILDING TYPE 1 1 STORY MF:		48 UNITS
BUILDING TYPE 2 1 STORY MF:		28 UNITS
		TOTAL: 76 UNITS
LEASING/AMENITY:		2,622 S.F.
PARKING REQUIRED		2 SPACES/UNIT (152 SPACES)
PARKING PROVIDED:		129 SECURED SPACES (INCLUDES 5 HC SPACES) 5 UNSECURED SPACES (INCLUDING 1 HC SPACE)
DENSITY:		8.699 ACRES GROSS
UNIT MIX:		
A UNIT (1BD/1BA)	815 GSF	48 UNITS (3 MOBILITY, 1 V/H HC)
B UNIT (2BD/2BA)	1084 GSF	28 UNITS (1 MOBILITY, 1 V/H HC)
		TOTAL: 76 UNITS

10 Site Plan Analysis

- FULL PERIMETER FENCE WITH CONTROLLED ACCESS GATES
- BBQ & PICNIC TABLES
- GAZEBO
- COMMUNITY BUILDING WITH FURNISHED COMMUNITY ROOM, LAUNDRY ROOM, DINING ROOM WITH WARMING KITCHEN & BUSINESS CENTER
- ALONG WITH 6 LIMITED GREEN AMENITIES:
  1. NEWLY INSTALLED NATIVE TREES & PLANTS THAT REDUCE IRRIGATION REQUIREMENTS
  2. HEALTHY FINISH MATERIALS INCLUDING PAINT, STAINS, ADHESIVES, AND SEALANTS
  3. INSTALL DAYLIGHT SENSORS, MOTION SENSORS OR TIMES FOR EXTERIOR LIGHTING
  4. RADIANT BARRIER DECKING FOR NEW CONSTRUCTION
  5. ENERGY STAR CERTIFIED INSULATION PRODUCTS
  6. ENERGY STAR RATED WINDOWS

15 Site Amenities

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Project Number: 2017008.00
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Construction Set 01.16.2019

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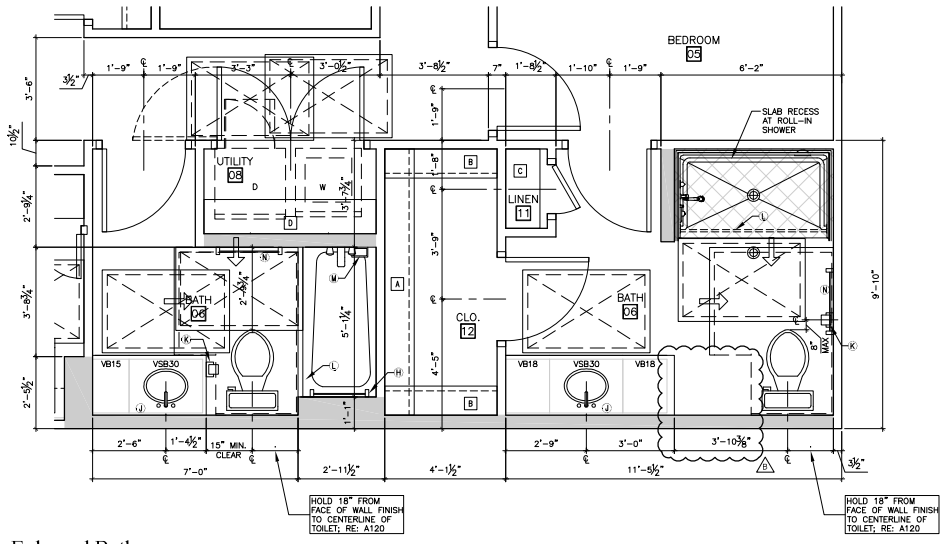
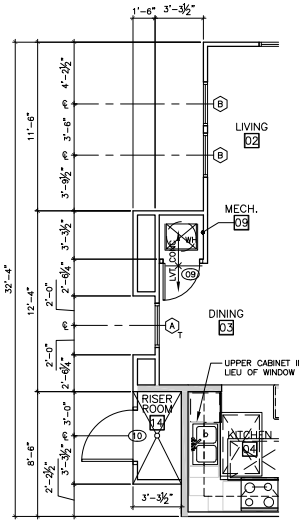
Revision	Date
1 D3G Response	06.22.2018
2 Owner Revisions	01.16.2019
3 Permit Response	03.12.2019

Sheet: A101



06 Enlarged Bathroom
Scale: 1/2" = 1'-0"



09 Unit B, Condition 2 (7 of 76)
Scale: 1/4" = 1'-0"
1031 NSF
1084 GSF

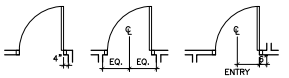
MANDATORY UNIT AMENITIES

1. COVERED ENTRIES
2. 9'-0" CEILINGS IN LIVING & BEDROOM AREAS
3. REFRIGERATOR WITH ICE MAKER
4. RECESSED LED LIGHTING IN KITCHEN AND LIVING AREAS
5. 14 SEER HVAC
6. 30 YEAR SHINGLE ROOFING
7. GREATER THAN 30% STUCCO OR MASONRY ON BUILDING EXTERIOR
8. WALK-IN CLOSET IN MASTER BEDROOM

ALL UNITS ADHERE TO FAIR HOUSING REQUIREMENTS. FOUR (4) UNITS SHALL BE HANDICAP UNITS: THREE (3) A-HC UNITS AND ONE (1) B-HC UNIT.

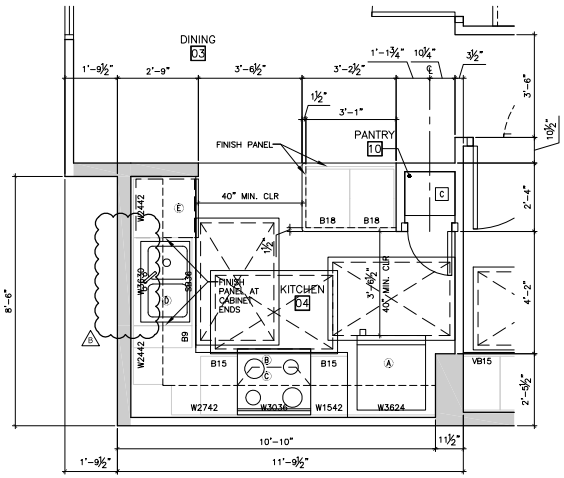
05 Unit Amenities

1. ALL UNIT PLAN DIMENSIONS ARE TO FACE OF STUD AND ALL UNIT INTERIOR ELEVATIONS DIMENSION ARE TO FACE OF GYPSUM UNLESS OTHERWISE NOTED.
2. KITCHEN BASE CABINETS ARE 24" DEEP, & BATH BASE CABINETS ARE 22" DEEP. U.N.O.
3. REFER TO 01 & 02/A720 FOR SHELF TYPE & MOUNTING HEIGHTS.
4. PROVIDE SHELF SUPPORTS @ 40" MAX SPACING.
5. ALL CLOSET SHELVES TO BE WIRE UNLESS OTHERWISE NOTED, ALL OTHER SHELVES TO BE WOOD WITH FINISHED WOOD EDGING.
6. ALL UNITS TO COMPLY WITH FEDERAL FAIR HOUSING GUIDELINES, 5% OF UNITS TO BE FULLY H.C. ADAPTABLE.
7. VERIFY EXACT DIMENSIONS REQUIRED FOR AIR HANDLER (A.H.U.) WITH MANUFACTURER PRIOR TO BUILDING ENCLOSING WALLS. A.H.U. REQUIRES SOLID WOOD STUDS AT FLANGE ANCHORAGE.
8. VERIFY FRAMING OPENING DIMENSIONS SHOWN FOR TUBS W/ ACTUAL UNIT SUPPLIED. ADJUST AS REQUIRED, TYP.
9. TILE BACKER BOARD TO BE USED AT ALL TUB / SHOWER AREAS. USE FIRE RATED TILE BACKER BOARD AT REQUIRED AREAS. EXTEND FIRE RATED TILE BACKER BOARD TO FLOOR LEVEL BEHIND TUBS AT ALL FIRE RATED WALLS, AND EXTERIOR WALLS TYP.
10. INTERIOR DOORS ARE 4" FROM STUD FACE TO HINGE SIDE OF DOOR, OR INTERIOR DOORS ARE CENTERED IN SPACE, U. N. O.

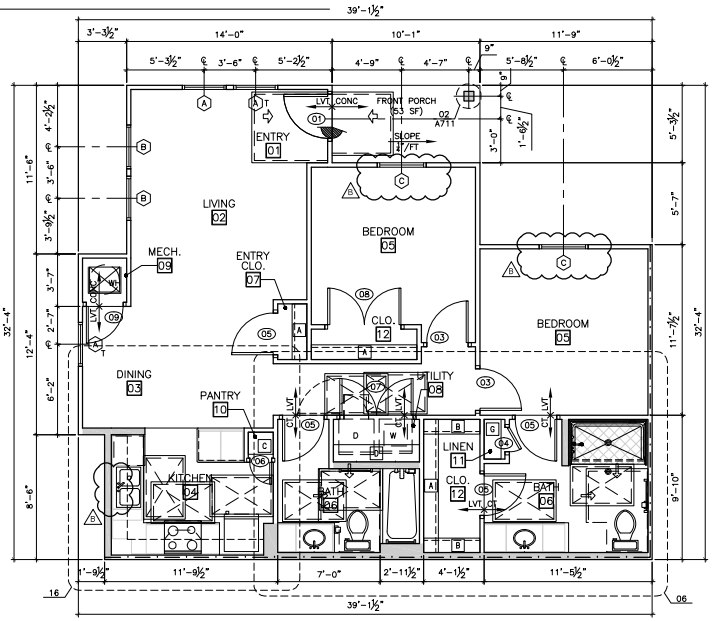


11. REFER TO SHEET A110 FOR UNIT INFORMATION & TABULATION CHART
12. DOOR TYPES ARE SHOWN ON UNIT PLAN SHEETS FOR EACH INDIVIDUAL UNIT TYP. REFER TO SCHEDULE ON A730
13. LEVER TYPE HARDWARE SHALL BE PROVIDED AT THE EXTERIOR OF ALL DOORS AND WITHIN H.C. ADAPTABLE UNITS.
14. SEE SHEET A113 FOR WALL TYPES LEGEND AND FP SHEETS FOR TYP. DETAILS.
15. BRICK LEDGES / LOCATIONS SHOWN ON THE BUILDING PLANS IF APPLICABLE.
16. ALL EXT. WINDOW HEADERS REFER TO A740'S
17. LIGHT SWITCHES, ELECTRICAL OUTLETS,THERMOSTATS AND OTHER ENVIRONMENTAL CONTROL ITEMS MUST BE POSITIONED SO THAT CONTROLS ARE LOCATED NOT HIGHER THAN 46" A.F.F. FROM TOP OF BOX. ELECTRICAL OUTLETS MOUNTED SO THAT THE MINIMUM HEIGHT IS 16" A.F.F. FROM BOTTOM OF BOX CONTROLS AND/ OR OUTLETS MOUNTED NOT HIGHER THAN 44" (HORIZONTALLY) ABOVE THE COUNTERTOPS FROM TOP OF BOX.
18. ANY WINDOW WITHIN A 2'-0" RADIUS OF ANY PART OF THE DOOR FRAME OR DOOR IN THE OPEN POSITION MUST HAVE TEMPERED GLASS, TYP.

15 Unit Plan General Notes
(TYPICAL UNIT)



16 Enlarged Kitchen
Scale: 1/2" = 1'-0"



18 Unit B, Condition 1 (20 of 76)
Scale: 1/4" = 1'-0"
1031 NSF
1084 GSF

PATTERN INDICATES AREA OF FURR-DOWN

DASHED-DOT LINE DENOTES 1 HOUR RATING AT TENANT SEPARATION

SHADED WALLS DENOTES 2x6 PLUMBING WALL AND/OR FURR-OUT WALLS RE: PLAN

CLEAR FLOOR SPACE RE: SHEET A120, A121 & A122

[X] INDICATES SHELVING TYPE, RE: 01 & 02 A720

(X) REFER TO A721 & A722 FOR APPLIANCE / ACCESSORY KEY

20 Unit Plan Legend

UNIT B FLOORPLANS AND CONDITIONS

JHP
JHP Architecture / Urban Design
8340 Meadow Road Suite 150
Dallas, Texas 75231
Telephone: 214-363-5687
Fax: 214-363-5563

KRISTEEN A. SCHMITZ 17828 REGISTERED ARCHITECT STATE OF TEXAS

01.16.2019

Providence at Ted Trout Dr.
3602 Ted Trout Drive
Hudson, Texas

ITEX

Project Number: 2017008.00
Drawn By: CD
Issue For:
Construction Set 01.16.2019

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Revision	Date
1 Owner Revisions	01.16.2019

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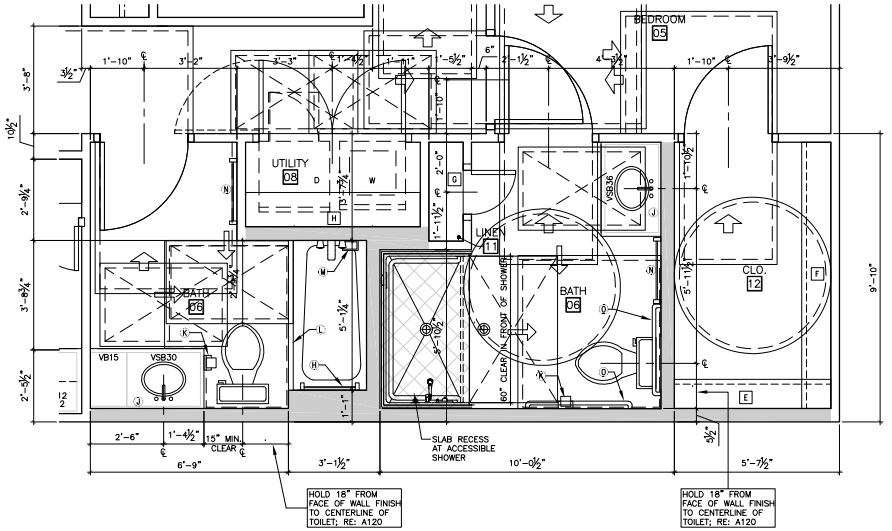
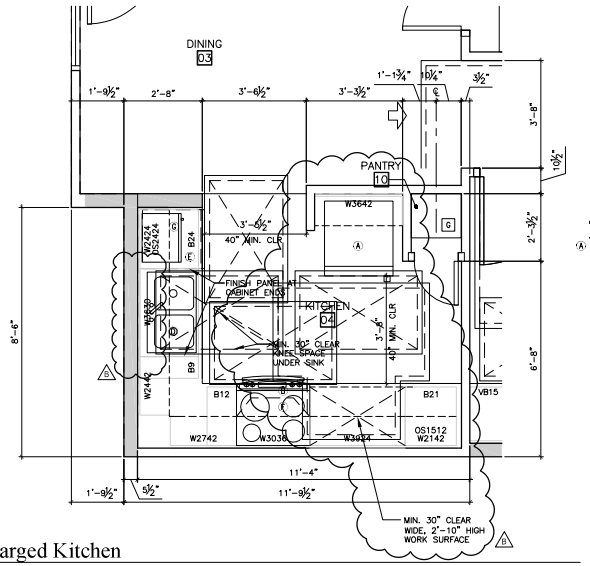
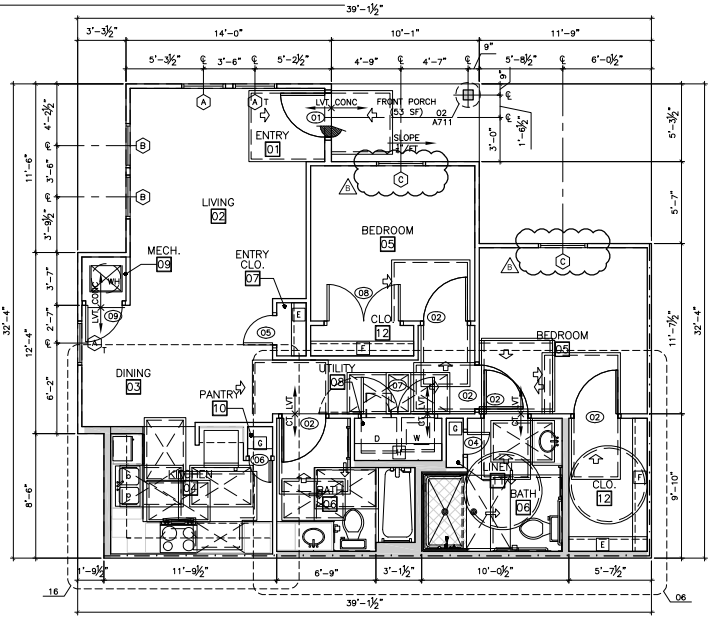


06 Enlarged Bathroom
Scale: 1/2" = 1'-0"



16 Enlarged Kitchen
Scale: 1/2" = 1'-0"



18 Unit B Mobility HC, Condition 1
Scale: 1/4" = 1'-0"

(1 of 76)
1031 NSF
1084 GSF

MANDATORY DEVELOPMENT AMENITIES

1. ALL UNITS MUST BE WIRED RG-6/U COAX OR BETTER AND CAT3 PHONE CABLE, WIRED TO BEDROOM, DINING ROOM AND LIVING ROOM
2. LAUNDRY CONNECTIONS
3. EXHAUST/VENT FANS IN THE BATHROOMS VENTED TO THE OUTSIDE
4. SCREENS ON ALL OPERABLE WINDOWS
5. DISPOSAL AND ENERGY STAR RATED DISHWASHER
6. ENERGY STAR RATED REFRIGERATOR
7. OVEN/RANGE
8. BLINDS OR WINDOW COVERINGS FOR ALL WINDOWS
9. AT LEAST ONE ENERGY START RATED CEILING FAN PER UNIT
10. ENERGY STAR RATED LIGHTING IN ALL UNITS WHICH CAN INCLUDE COMPACT FLUORESCENT/LED
11. PLUMBING FIXTURES MUST MEET PERFORMANCE STANDARDS OF TEXAS HEALTH & SAFETY CODE, CHAPTER 372
12. ALL UNITS MUST HAVE CENTRAL HEATING AND AC
13. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE

04 Development Amenities

MANDATORY UNIT AMENITIES

1. COVERED ENTRIES
2. 9'-0" CEILINGS IN LIVING & BEDROOM AREAS
3. REFRIGERATOR WITH ICE MAKER
4. RECESSED LED LIGHTING IN KITCHEN AND LIVING AREAS (A)
5. 14 SEER HVAC
6. 30 YEAR SHINGLE ROOFING
7. GREATER THAN 30% STUCCO OR MASONRY ON BUILDING EXTERIOR
8. WALK-IN CLOSET IN MASTER BEDROOM

ALL UNITS ADHERE TO FAIR HOUSING REQUIREMENTS. FOUR (4) UNITS SHALL BE HANDICAP UNITS: THREE (3) A-HC UNITS AND ONE (1) B-HC UNIT.

05 Unit Amenities

1. RE: A121 FOR MINIMUM LAVATORY KNEE SPACE REQUIREMENTS
2. RE: A121 FOR MINIMUM KITCHEN SINK KNEE SPACE REQUIREMENTS
3. RE: A121 FOR CLEAR FLOOR SPACE REQUIREMENTS AT FIXTURES AND APPLIANCES
4. RE: A121 FOR SIDE AND REAR WALL GRAB BAR LENGTH REQUIREMENTS AT FIXTURES IN BATHROOMS
5. PROVIDE SHOWER SEAT PER STATE REQUIREMENTS
6. PROVIDE GRAB BARS AT BATH-TUB SHOWER SEE INTERIOR ELEVATION FOR SIZE, REF: A122
7. A SHOWER SPRAY HEAD SHALL BE PROVIDED WITH A HOSE AT LEAST 60" LONG, THAT CAN BE FIXED OR HAND HELD
8. SET MEDICINE CABINET TOP SURFACE OF THE BOTTOM SHELF AT 44" MAX. A.F.F. (IF APPLICABLE)
9. TOP ROD & SHELF AT CLOSET TO BE MAX. 48" A.F.F. RE: 02/A720
10. RE: 10/A122 FOR TUB CONTROL LOCATION REQUIREMENTS
11. RE: 09/A121 FOR CLEAR FLOOR SPACE REQUIRED AT ALL DOORS
12. TOP SURFACE OF THE BOTTOM SHELF OF WALL MOUNTED CABINETS TO BE MAX. 48" A.F.F.
13. PROVIDE FREEZER ADA APPROVED MAX. REACH WITH 180 DEGREE DOOR SWING AT ALL HANDICAP ACCESSIBLE UNITS
14. RE: A121 & A122 FOR LIGHT SWITCHES, ELECTRICAL OUTLETS, THERMOSTATS AND OTHER ENVIRONMENTAL CONTROL ITEMS MOUNTING HEIGHT MINIMUMS AND MAXIMUMS
15. RE: A121 & A122 FOR HEIGHT REQUIREMENT OF OPERABLE PARTS OF ALL APPLIANCES. CONTROLS AND OPERATING MECHANISMS SHALL BE OPERABLE WITH ONE HAND AND SHALL NOT REQUIRE TIGHT GRASPING, PINCHING, OR TWISTING OF THE WRIST. THE FORCE REQUIRED TO ACTIVATE CONTROLS SHALL BE NO GREATER THAN 5 LBF

NOTES:
A. NO SHARP OR ABRASIVE SURFACES ALLOWED UNDER THE SINK, HOT WATER PIPES AND DRAIN PIPES UNDER THE SINK SHALL BE INSULATED.

B. ALL UNITS SHALL COMPLY WITH THE FAIR HOUSING ACT OF 1988, SEE NOTES PROVIDED A120.

Handicap Accessible Unit Plan Notes (RE: 2003 ANSI STANDARDS)
15

PATTERN INDICATES AREA OF FURR-DOWN

DASHED-DOT LINE DENOTES 1 HOUR RATING AT TENANT SEPARATION

SHADED WALLS DENOTES 2x6 PLUMBING WALL AND/OR FURR-OUT WALLS RE: PLAN

CLEAR FLOOR SPACE RE: SHEET A120, A121 & A122

INDICATES SHELVING TYPE, RE: 01 & 02 A720

REFER TO A721 & A722 FOR APPLIANCE / ACCESSORY KEY

20 Unit Plan Legend

UNIT B-HC FLOORPLANS AND CONDITIONS

JHP
JHP Architecture / Urban Design
8340 Meadow Road Suite 150
Dallas, Texas 75231
Telephone: 214-363-5687
Fax: 214-363-5563

REGISTERED ARCHITECT JOHN H. PHILLIPS 17828 STATE OF TEXAS

01.16.2019

Providence at Ted Trout Dr.
3602 Ted Trout Drive
Hudson, Texas

ITEX

Project Number: 2017008.00
Drawn By: CD
Issue For:
Construction Set 01.16.2019

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Revision	Date
1 Owner Revisions	01.16.2019

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BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application for Alazan Lofts (HTC #19133)

RECOMMENDED ACTION

WHEREAS, Alazan Lofts (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2019 for the construction 88 new multifamily units in San Antonio, Bexar County;

WHEREAS, Alazan Lofts Ltd. (the Development Owner or Owner) requests approval for, among other changes, a reduction in the Common Area from 3,358 square feet to 2,650 square feet, representing a reduction of 21% or 708 square feet from the original square footage of the Common Area represented at Application;

WHEREAS, the Owner's request also includes revisions to the site design plan represented at Application due to community feedback required by the City of San Antonio (the City), including the addition of a building, changes in unit sizes, and a reduction in the number of parking spaces;

WHEREAS, Board approval is required for a reduction of three percent or more in the square footage of the common areas as directed in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D) and for a significant modification of the site plan as directed in Tex. Gov't Code §2306.6712(d)(1) and 10 TAC §10.405(a)(4)(A), and the Owner has complied with the amendment requirements therein; and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested Application amendments for Alazan Lofts are approved as presented at this meeting, and the Executive Director and his designees are each hereby authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

Alazan Lofts received a 9% HTC award in 2019 in the annual amount of $1,500,000 to construct 88 units in San Antonio, Bexar County, of which 80 units are designated as rent and income restricted. In a letter dated December 30, 2019, Sarah H. Andre, the consultant for the Development Owner, requested approval for a material amendment to the Application for changes to the site plan based on community input, which was required by the City of San Antonio. The request seeks approval for a reduction in the common area from 3,358 square feet at application (consisting of the community center and two laundry rooms) to 2,650 square feet, representing a reduction of 21% or 708 square feet from the original square footage of the Common Area. This change is considered material under 10 TAC §10.405(a)(4)(D) and Tex. Gov't Code §2306.6712(d)(4).

A comparison of the Common Area square footage from application to now is in the table below. The community center has been reduced and laundry rooms eliminated since tenants will instead receive in-unit washers and dryers, while the square footage of maintenance buildings and trash room increased. However, the definition of Common Area under 10 TAC §11.1(d)(22) excludes maintenance areas, equipment rooms, and storage.

Material Alterations as defined in Tex. Gov't Code §2306.6712(d)(4) and 10 TAC §10.405(a)(4)(D)	
Application	**Amendment**
Common Area: 3,358 square feet	**Common Area: 2,650 square feet (708 square feet or a 21% reduction), Laundry room converted to non-rentable storage space**

COMMUNITY CENTER/ LEASING OFFICE		2,709
MAINTENANCE / STORAGE (BLDGS A & B)		982
LAUNDRY (BLDGS A & B)		649
TRASH ROOM / TRASH CHUTE		1,236

COMMUNITY CENTER/ LEASING OFFICE		2,650
MAINTENANCE / STORAGE (BLDGS A & B)		1,189
STORAGE (BLDGS A & B)		2,150
TRASH ROOM / TRASH CHUTE		613

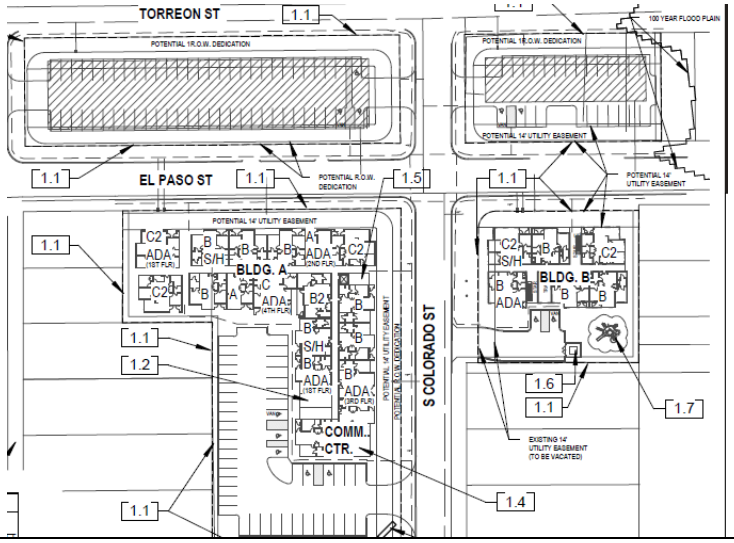
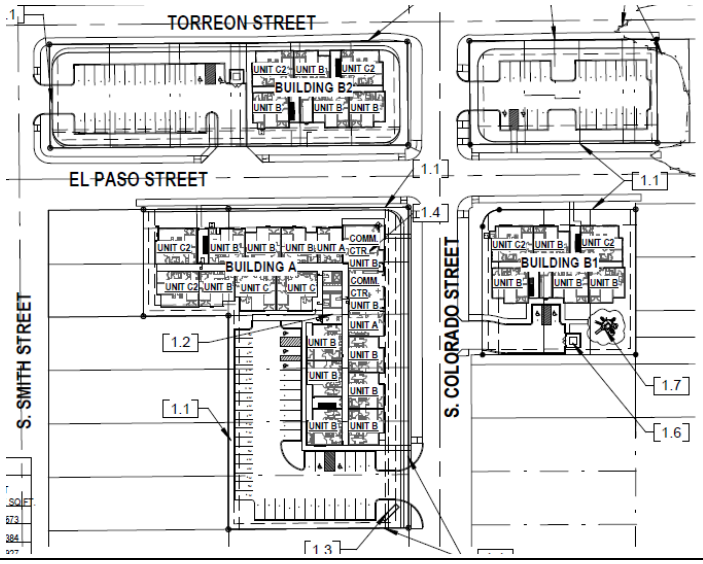
The amendment request letter further explains that, after award and during the site plan approval process, the City of San Antonio requested that the project owners hold extensive meetings with the neighbors surrounding the Alazan site. During this time, multiple requests for changes to the plan were made to accommodate local preferences, which could not be foreseen at application, in particular a desire for lower height and less density. As a result of community input, the new site plan lowers the height of a building and added one new building to the Development. In addition, a number of cosmetic items changed in order to make the Development fit on the site and to more closely follow the Westside Community Plan design guidelines and reflect the character of the surrounding area. Overall Net Rentable Area decreased from 86,122 square feet to 84,280 square feet (2.14%), per the building plans, which does not meet the threshold of a material amendment in 10 TAC §10.405(a)(4)(D).

These changes also impacted the unit distribution and sizes as well as number of parking spaces. Originally, the parking was designed with 142 spaces, of which 12 spaces dedicated as accessible. With the revised design, the Owner will eliminate 43 spaces, bringing the total to 99, with 11

spaces dedicated as accessible. The reduction of the parking spaces was due to the addition of the third building. The City typically requires 1.5 spaces per unit for multifamily developments (if zoned MF-33). However, according to the Owner's engineer, due to zoning (IDZ-3), the parking requirement is reduced by 50% in accordance with UDC section 35-343.01 of the City's code. The Development will continue to meet the requirement in 10 TAC §10.101(b)(4)(M), which specifies that adequate parking spaces consistent with local code must be available at no cost to the tenants. Staff has also reviewed the revised plan and confirmed that the accessible parking spaces were adequately distributed throughout the site and the plans for the accessible walking path meet requirements.

The amendment request letter states that the heights of four-story buildings were decreased, but Ms. Andre clarified that Building A is a three/four story combination, and Buildings B1 and B2 have the same layout with new locations for the accessible units. Staff's review of the revised plan also verified that the relocation of the accessible units would not negatively impact accessibility requirements for unit distribution.

The following table is a comparison of the original and amended site design plans:

Minor Alterations under 10 TAC §10.405(a)(3)(A)	
Application	**Amendment**
Total NRA: 86,122 square feet Residential Buildings: 2 Total Parking Spaces: 142	**Total NRA: 84,280 square feet (a reduction of 1,842 square feet or 2.14%)** **Residential Buildings: 3** **Total Parking Spaces: 99**
	

Minor Alterations under 10 TAC §10.405(a)(3)(A)

Application

PROJECT SUMMARY			
PIEDMONT LOFT APARTMENTS			
UNIT TYPE	DESCRIPTION	QUANTITY	TOTAL NET RENTABLE SQ.FT.
UNIT A	1 BEDROOM 1 BATH	8	687
TOTAL UNIT A			5,496
UNIT B	2 BEDROOM 2 BATH	54	949
TOTAL UNIT B			51,246
UNIT B2	2 BEDROOM 2 BATH	4	1,083
TOTAL UNIT B2			4,332
UNIT C	3 BEDROOM 2 BATH	4	1,204
TOTAL UNIT C			4,816
UNIT C2	3 BEDROOM 2 BATH	18	1,124
TOTAL UNIT C2			20,232
TOTAL UNITS		88	**86,122**

Amendment

PROJECT SUMMARY			
PIEDMONT LOFT APARTMENTS			
UNIT TYPE	DESCRIPTION	QUANTITY	TOTAL NET RENTABLE SQ.FT
UNIT A	1 BEDROOM 1 BATH	8	673
TOTAL UNIT A			5,384
UNIT B	2 BEDROOM 2 BATH	58	927
TOTAL UNIT B			53,766
UNIT C	3 BEDROOM 2 BATH	8	1,211
TOTAL UNIT C			9,688
UNIT C2	3 BEDROOM 2 BATH	14	1,103
TOTAL UNIT C2			15,442
TOTAL UNITS		88	**84,280**

The Owner's representative confirmed that there have been no changes to costs or financing.

Staff has determined that the proposed changes noted above would not have impacted the scoring of the Application and that the Development remains feasible and supports the tax credit allocation previously awarded.

Staff recommends approval of the amendment request as presented.

Alazan Lofts Ltd.
200 Concord Plaza Dr.
Suite 900.
San Antonio, TX 78216
2190-487-7878

December 30, 2019

Ms. Dee Patience
Asset Manager
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: Alazan Lofts Apartments – TDHCA #19133
Application Amendment

Dear Ms. Patience:
Please accept this formal request for an amendment to the design for Alazan Lofts in San Antonio, Texas.

Changes Requested
We are requesting an increase in the number of buildings, their height, changes in unit sizes and a change in the size of the common area. As a result of these changes there are several other overall design and layout changes to the site plan. Notably, a reduction in the parking spaces. Most other changes may be considered cosmetic.

Reason the Change is Necessary
After award, and during the site plan approval process, the City of San Antonio requested that we hold extensive meetings with the neighbors surrounding the Alazan site. During this time, multiple requests for changes to the plan were made to accommodate local preferences, in particular a desire for lower height and less density.

As a result of community input, we lowered the height of the buildings and added one new building to the development. These changes cascaded into the unit distribution and sizes as well as other more aesthetic concerns.

A summary of changes requested is as follows:

Item	Application	Amendment Request
Number of Buildings	2	3
Number of Stories	Building A – 4 Building B - 3	Building A – 3 Buildings B1 and B2 – 2 Stories each
Total NRA	86,122	84,472 (down 1.92%)
Unit A	687 SF	673 (down 2.03%)

Unit B	949 SF	927 (down 2.32%)
Unit C	1204 SF	1211 (up .6%)
Unit C2	1124 SF	1103 (down 1.82%)
Parking Spaces	142	99
Community Center	2709 SF	2650 SF (down 2.2%)

As a result of these fundamental changes, a number of more cosmetic items also changed in order to make the development fit on the site and to more closely follow the Westside Community Plan design guidelines and reflect the character of the surrounding area.

- We changed the building elevation. Due to the change in number of stories and height restrictions we removed the parapets from building B (new B1, B2) and the parapets from the 4-story portion at Building A;
- We changed the roof design (hybrid - parapet and pitch);
- We changed the ADA unit distribution;
- We updated the ancillary spaces locations;
- We removed laundry rooms from the project; and we are providing washers and dryers in all the units (not just hook-ups, actual machines);
- Due to the redesign of Building A we eliminated the corner unit B2 from the project;
- We relocated the Community Center to the corner of El Paso and South Colorado Streets;
- We revised the exterior finish percentages (was 70% masonry/30% siding is now 20% Masonry/80% siding); and
- We revised the roof materials (was 80% Shingles, 20% TPO and is now 85% shingles 15% TPO).

It is important to mention that none of the proposed changes affects the number of points received by the application. The acreage, density, and the number of units remain the same. Moreover, the parking provided still meets City of San Antonio code.

Good Cause for the Change

The development would not be possible as originally proposed, not due to conflicts with the land development code in San Antonio, but due to the public discord caused by buildings that community members felt were too tall and disrupted the character of their long-standing neighborhood.

In order to foster collaboration among the Westside Neighbors and Community, the San Antonio Housing Authority (SAHA) and NRP, more than twenty community meetings were held to discuss building heights, setback requirements, right of way, and architectural design. The unique history and character of the Westside Community, as delineated in the Westside Community Plan, played a significant role in the public discussions. Concerns about the building context and design, as the community perceived them to be, were addressed through various design and massing iterations. While no one design would prove to be acceptable to all, the

final design which includes changes from the original submission are the result of our efforts to incorporate community feedback, and at the same time, doing so within the financial and physical constraints of this particular community development.

Explanation of Foreseeable or Preventable Nature

Although a thorough feasibility report was developed prior to the application submission, it could not predict the opinions of the community. Moreover, our outreach with the Westside Community necessitated a more rigorous community-design process than could be completed during the initial application phase. It was not until we met several times with the neighborhood that we were able to come to an agreement on a site plan that was both physically feasible ***and*** acceptable to area residents. Based on community input, the site plan was redesigned in order to better reflect the neighborhood's existing character.

Statement of No Financial Impact

While there has been shift in budget line items based on this change, we certify that there is no financial **impact** from these changes -the project is feasible as underwritten by TDHCA and we intend to close with our financial partners in the first quarter of 2020.

A $2,500 Amendment Fee check has been delivered to the Department. Enclosed is a copy of the payment receipt and the check.

In addition, the following documents are attached:

- Tab 23 Building Unit Configuration
- Tab 24 Rent Schedule (rents have not changed, only sizes)
- A full set of plans

Please feel free to contact me should you have any questions or need for additional information.

Sincerely,

Sarah H. Andre
Consultant to the Project

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conf the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):		Single Family Construction		SRO		Transitional (per §42(i)(3)(B))		Duplex
		Scattered Site		Fourplex	x	> 4 Units Per Building		Townhome
Development will have:		Fire Sprinklers	x	Elevators	1	# of Elevators	3500	Wt. Capacity

Number of Parking Spaces(consistent with Architectural Drawings):	Free	Paid		Free	Paid	
			Shed or Flat Roof Carport Space			Detached Garage Spaces
			Attached Garage Spaces	99		Uncovered Spaces
			Structured Parking Garage Spaces			

Floor Composition/Wall Height:				
	100	% Carpet/Vinyl/Resilient Flooring	9	Ceiling Height
		% Ceramic Tile		Upper Floor(s) Ceiling Height (Townhome Only)
		% Other	*Describe:*	

				Building Label	A	B									**Total # of Residential Buildings**
				Number of Stories	4	3									
Unit Type				**Number of Buildings**	1	2									3
Unit Label	**# of Bed-rooms**	**# of Baths**	**Sq. Ft. Per Unit**		**Number of Units Per Building**										**Total # of Units**	**Total Sq Ft for Unit Type**
A	1	1	673		8										8	5,384
B	2	2	927		42	8									58	53,766
															-	-
C2	3	2	1,103		6	4									14	15,442
C	3	2	1,211		8										8	9,688
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				Totals	64	24	-	-	-	-	-	-	-	-	88	84,280

Net Rentable Square Footage from Rent Schedule 84,280

Supportive Housing Applicants Only

Enter the total development common area from the architect's plans:

Ensure that this number matches your architectural drawings.

Note revised definition of "Common Area" at 10 TAC§11.1 (d)(22).

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: 6,600

The lesser of these two numbers added to NRA:

Use this number to figure points under 11.9(e)(2) 84,280

If a revised form is submitted, date of submission:

Rent Schedule

Self Score Total: 118

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit"

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

Rent Designations (select from Drop down menu)

HTC Units	MF Direct Loan Units (HOME Rent/Inc)	Nat'l HTF Units	TDHCA MRB Units	Other/ Subsidy	# of Units	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.)	Total Net Rentable Sq. Ft.	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit	Total Monthly Rent
					(A)			(B)	(A) x (B)			(E)	(A) x (E)
TC 30%				PHA	1	1	1.0	673	673	376	50	375	375
TC 50%				PHA	2	1	1.0	673	1,346	626	50	375	750
TC 60%					3	1	1.0	673	2,019	752	50	702	2,106
MR					2	1	1.0	673	1,346			752	1,504
									0				-
TC 30%				PHA	5	2	2.0	927	4,635	451	67	375	1,875
TC 50%				PHA	22	2	2.0	927	20,394	752	67	375	8,250
TC 60%					28	2	2.0	927	25,956	903	67	836	23,408
MR					3	2	2.0	927	2,781			884	2,652
									0				-
									0				-
									0				-
									0				-
									0				-
									0				-
TC 30%				PHA	0	3	2.0	1103	0	521	85	375	-
TC 50%				PHA	6	3	2.0	1103	6,618	868	85	375	2,250
TC 60%					7	3	2.0	1103	7,721	1,042	85	957	6,699
MR					1	3	2.0	1103	1,103			1,007	1,007
									0				-
TC 30%				PHA	2	3	2.0	1211	2,422	521	85	375	750
TC 50%				PHA	2	3	2.0	1211	2,422	868	85	375	750
TC 60%					2	3	2.0	1211	2,422	1,042	85	957	1,914
MR					2	3	2.0	1211	2,422			1,007	2,014
									0				-
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									0				-
									0				-
									0				-

		% of LI	% of Total	
HOUSING TAX CREDITS	TC20%			0
	TC30%	10%	9%	8
	TC40%			0
	TC50%	40%	36%	32
	TC60%	50%	45%	40
	TC70%			0
	TC80%			0
	HTC LI Total			80
	EO			0
	MR	10%	9%	8
	MR Total		9%	8
	Total HTC Units			88
NATIONAL HOUSING TRUST FUND	HTF30%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0

		% of LI	% of Total	
MORTGAGE REVENUE BOND	MRB20%			0
	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB70%			0
	MRB80%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
	MRB Total			0
DIRECT LOAN	30%			0
	40%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	Direct Loan LI Total			0
	EO			0
	MR			0
	MR Total			0
	Direct Loan Total			0
OTHER	Total OT Units			40

BEDROOMS	0			0
	1			8
	2			58
	3			22
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
Cost Per Sq Ft	$ 119.49	
HARD		
Cost Per Sq Ft	$ 119.49	
BUILDING		
Cost Per Sq Ft	$ 85.07	

ALAZAN APARTMENTS

SAN ANTONIO, TEXAS

APPLICATION PACKAGE SHEET INDEX	
#	SHEET NAME
AP-000	COVER
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AP-101a	SITE PLAN PARKING COUNT & ACCESSIBLE ROUTES
AP-102	PROJECT MATRIX
AP-201	BUILDING A1 - 1ST FLOOR PLAN
AP-202	BUILDING A 2ND FLOOR PLAN
AP-203	BUILDING A - 3RD FLOOR PLAN
AP-204	BUILDING A - 4TH FLOOR PLAN
AP-205	BUILDING A ELEVATIONS
AP-206	BUILDING A ELEVATIONS
AP-207	BUILDING B1 - 1ST FLOOR PLAN
AP-208	BUILDING B1 - 2ND FLOOR PLAN
AP-210	BUILDING B ELEVATIONS
AP-210.	BUILDING B2 - 1ST FLOOR PLAN
AP-211	BUILDING B2 - 2ND FLOOR PLAN
AP-212	BUILDING B2 ELEVATIONS
AP-213	COMMUNITY CENTER AND LEASING OFFICE PLAN
AP-214	MAINTENANCE/ STORAGE /TRASH ENLARGED PLANS
AP-215	MAINTENANCE/ STORAGE /TRASH ENLARGED PLANS
AP-301	UNIT A- ENLARGED FLOOR PLAN
AP-302	UNIT A- ADA- ENLARGED FLOOR PLAN
AP-303	UNIT B- ENLARGED FLOOR PLAN
AP-304	UNIT B- ADA- ENLARGED FLOOR PLAN
AP-305	UNIT C- ENLARGED FLOOR PLAN
AP-306	UNIT C- ADA- ENLARGED FLOOR PLAN
AP-307	UNIT C2- ENLARGED FLOOR PLAN
AP-308	UNIT C2 - ADA - ENLARGED FLOOR PLAN

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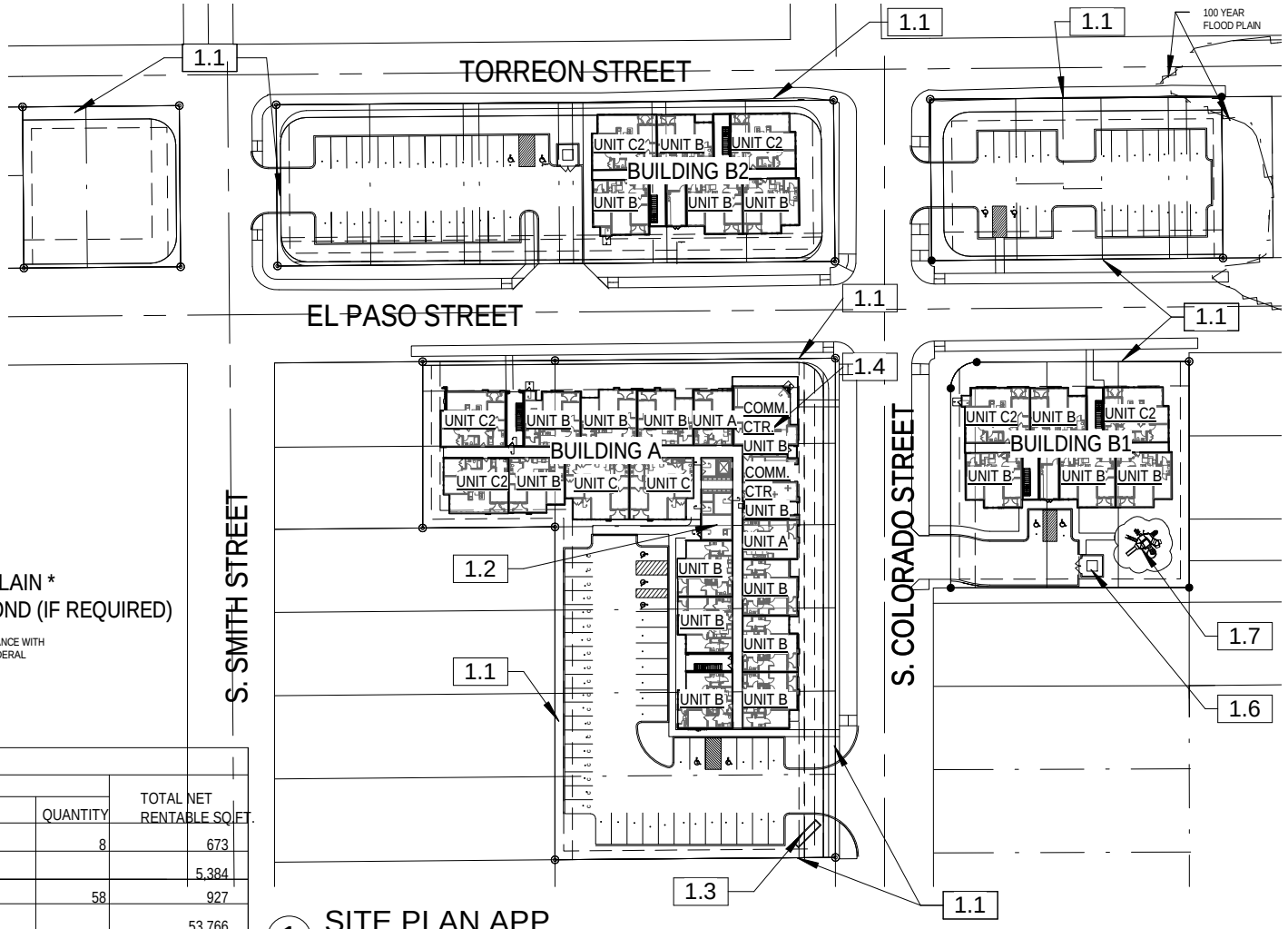
11/11/2019

CONCEPT PACKAGE



1 SITE PLAN APP
1" = 100'-0"

GROSS ACREAGE: 2.857
NOT IN THE 100 YEAR FLOOD PLAIN *
UNDERGROUND DETENTION POND (IF REQUIRED)

* IF REQUIRED THE DESIGN WILL BE DEVELOPED "IN FULL CONPLIANCE WITH THE NATIONAL FLOOD PROTECTION ACT AND ALL APPLICABLE FEDERAL AND STATE STATUATORY AND REGULATORY REQUIREMENTS".

PROJECT SUMMARY			
PIEDMONT LOFT APARTMENTS			
UNIT TYPE	DESCRIPTION	QUANTITY	TOTAL NET RENTABLE SQ.FT.
UNIT A	1 BEDROOM 1 BATH	8	673
TOTAL UNIT A			5,384
UNIT B	2 BEDROOM 2 BATH	58	927
TOTAL UNIT B			53,766
UNIT C	3 BEDROOM 2 BATH	8	1,211
TOTAL UNIT C			9,688
UNIT C2	3 BEDROOM 2 BATH	14	1,103
TOTAL UNIT C2			15,442
TOTAL UNITS		88	84,280
COMMUNITY CENTER/ LEASING OFFICE			2,650
MAINTENANCE / STORAGE (BLDGS A & B)			1,189
STORAGE (BLDGS A & B)			2,150
TRASH ROOM / TRASH CHUTE			613
PROJECT TOTAL			90,882
FULLY ACCESSIBLE UNITS REQUIRED=	5% OF 88=4.4= REQUIRED 5 UNITS PROVIDED 6 UNITS		
SIGHT AND HEARING UNITS REQUIRED=	2% OF 88=1.76= REQUIRED 2 UNITS PROVIDED 3 UNITS		

SITE KEYNOTES
1.1 - PROPERTY LINE
1.2 - TRASH ROOM
1.3 - MONUMENT SIGN
1.4 - COMMUNITY CENTER
1.6 - DUMPSTER ENCLOSURE
1.7 - PLAYGROUND
NOTE: ADA = HADICAPPED ACCESSIBLE UNITS SH = SIGHT & HEARING UNITS

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ALAZAN APARTMENTS

SAN ANTONIO

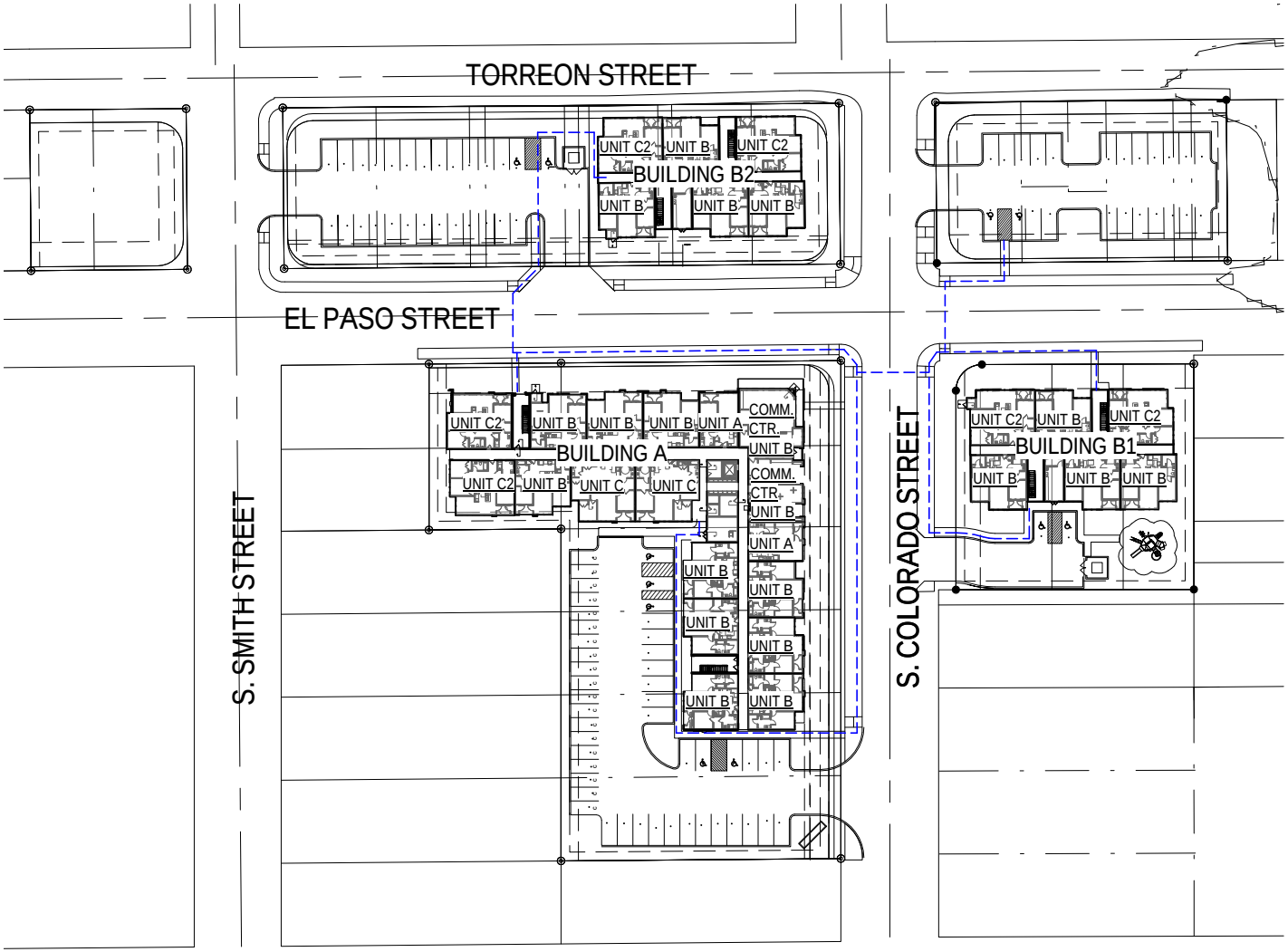
DESIGN DEVELOPMENT

Sheet Title
SITE PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-101



1 SITE PLAN - PARKING COUNT & ACCESSIBLE ROUTE
1" = 100'-0"

N

LEGEND:
ACCESSIBLE ROUTE

PARKING	
	PROVIDED
STANDARD PARKING SPACES	69
COMPACT PARKING SPACES	19
ACCESSIBLE PARKING SPACES	1
VAN ACCESSIBLE PARKING SPACES	10
THE PROJECT IS ZONED MF33 THE PARKING WAS CALCULATED PER COSA MINIMUM PARKING REQUIREMENTS	
TOTAL PARKING	99

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ALAZAN APARTMENTS

SAN ANTONIO

DESIGN DEVELOPMENT

Sheet Title
SITE PLAN PARKING COUNT & ACCESSIBLE ROUTES

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-101a

BUILDING SQUARE FOOTAGES

BUILDING TYPE	DESCRIPTION	SF/BUILDING	QTY. per BLDG.	SF per BLDG	NO. OF BLDGS	TOTAL SF
BUILDING A	RENTABLE S.F.					
	UNIT A	673	8	5384	1	5384
	UNIT B	927	42	38934	1	38934
	UNIT C	1211	8	9688	1	9688
	UNIT C2	1103	6	6618	1	6618
	BALCONY S.F.					
	UNIT A	42	8	336	1	336
	UNIT B	44	46	2024	1	2024
	UNIT C	46	8	368	1	368
	UNIT C2	46	6	276	1	276
	CORRIDOR 1st - 3rd	2183	3	6549	1	6549
	CORRIDOR 4th	1793	1	1793	1	1793
	STAIR 1	336	1	336	1	336
	STAIR 2	390	1	390	1	390
TOTAL BUILDING TYPE A (GROSS)				**72696**	1	**72696**
TOTAL BUILDING TYPE A (NET-RENTABLE)				60624	**1**	**60624**
BUILDINGS B1	RENTABLE S.F.					
	UNIT B	927	8	7416	1	7416
	UNIT C2	1103	4	4412	1	4412
	BALCONY S.F.					
	UNIT B	44	8	352	1	352
	UNIT C2	46	4	184	1	184
	CORRIDOR	631	2	1262	1	1262
	STAIR 1	270	1	270	1	270
	STAIR 2	320	1	320	1	320
TOTAL BUILDING TYPE B (GROSS)				**14216**	1	**14216**
TOTAL BUILDING TYPE B (NET-RENTABLE)				11828	**1**	**11828**
BUILDINGS B2	RENTABLE S.F.					
	UNIT B	927	8	7416	1	7416
	UNIT C2	1103	4	4412	1	4412
	BALCONY S.F.					
	UNIT B	44	8	352	1	352
	UNIT C2	46	4	184	1	184
	CORRIDOR	631	2	1262	1	1262
	STAIR 1	270	1	270	1	270
	STAIR 2	320	1	320	1	320
TOTAL BUILDING TYPE B (GROSS)				**14216**	1	**14216**
TOTAL BUILDING TYPE B (NET-RENTABLE)				11828	**1**	**11828**
TOTAL APARTMENT GROSS						**101128**
COMMUNITY CENTER/LEASING OFFICE				2650		2650
MAINTENANCE, STORAGE BLDGS A, B1 & B2				1189		1189
STORAGE BLDGS A, B1 & B2				2150		2150
TRASH ROOM / TRASH CHUTE				613		613
TOTAL PROJECT GROSS						**107730**

Building Matrix

ALAZAN APARTMENTS

	UNIT A				UNIT B				UNIT C				UNIT C2				UNIT/BLDG.	# of Bldgs.	TOTAL
Building Type	REG	FHA	SH	ADA	REG	FHA	SH	ADA	REG	FHA	SH	ADA	REG	FHA	SH	ADA			
A	0	6	1	1	0	38	2	2	0	3	0	1	0	9	0	1	64	1	64
Building Type																			
B1	0	0	0	0	4	3	0	1	0	0	0	0	2	1	1	0	12	1	12
Building Type																			
B2	0	0	0	0	4	3	1	0	0	0	0	0	2	2	0	0	12	1	12
																	TOTAL:		88

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SAN ANTONIO

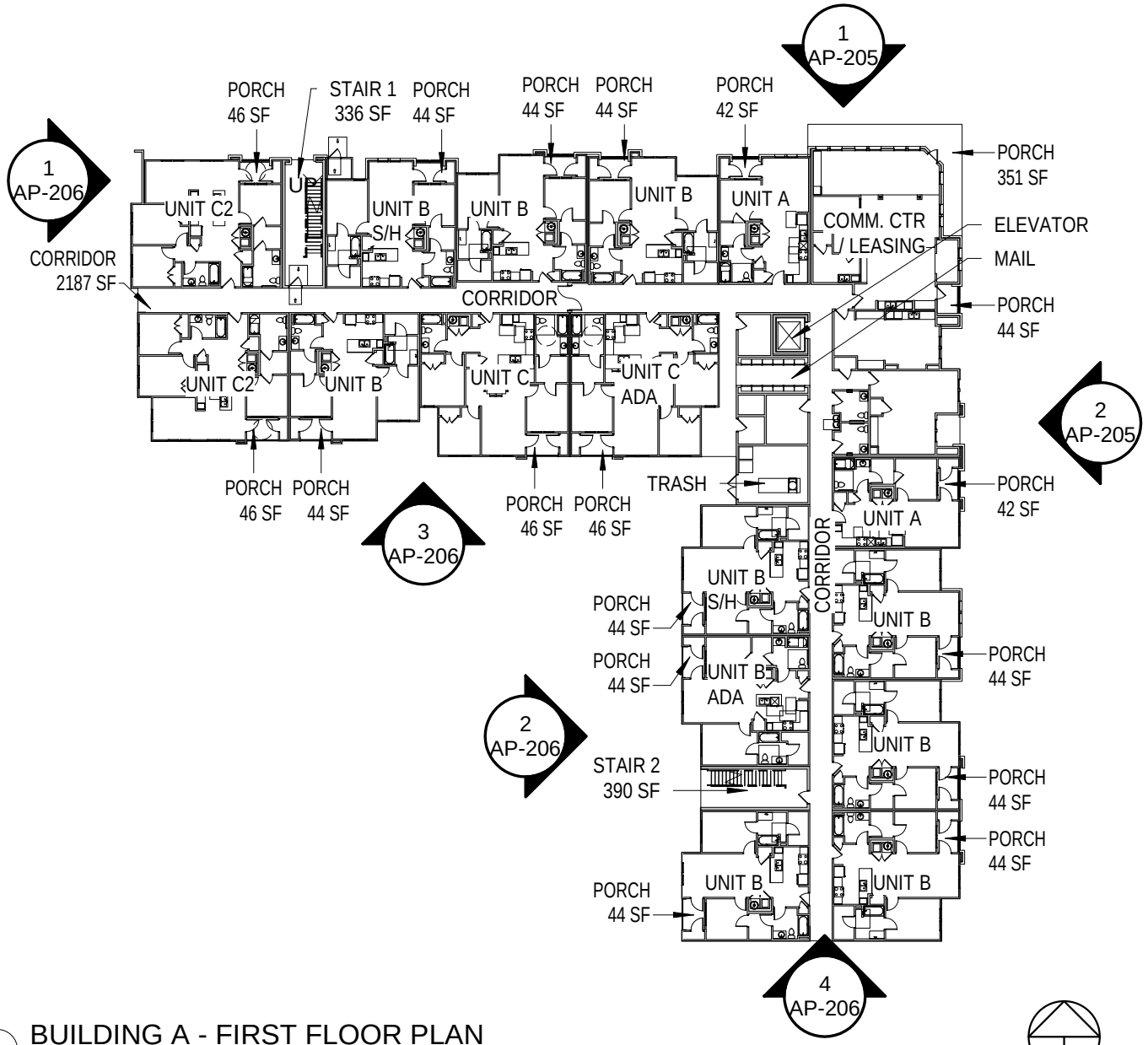
DESIGN DEVELOPMENT

Sheet Title
PROJECT MATRIX

Date
01/06/2020

Project Number
A17020.00

Sheet Number
AP-102



1 BUILDING A - FIRST FLOOR PLAN

1" = 40'-0"

0' 10' 20' 40'

Building Matrix

ALAZAN APARTMENTS (1ST FLOOR)

	UNIT A			UNIT B			UNIT C			UNIT C2			UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA			
A	2	0	0	7	2	1	1	0	1	2	0	0	16	1	16
												TOTAL:			16

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ALAZAN APARTMENTS

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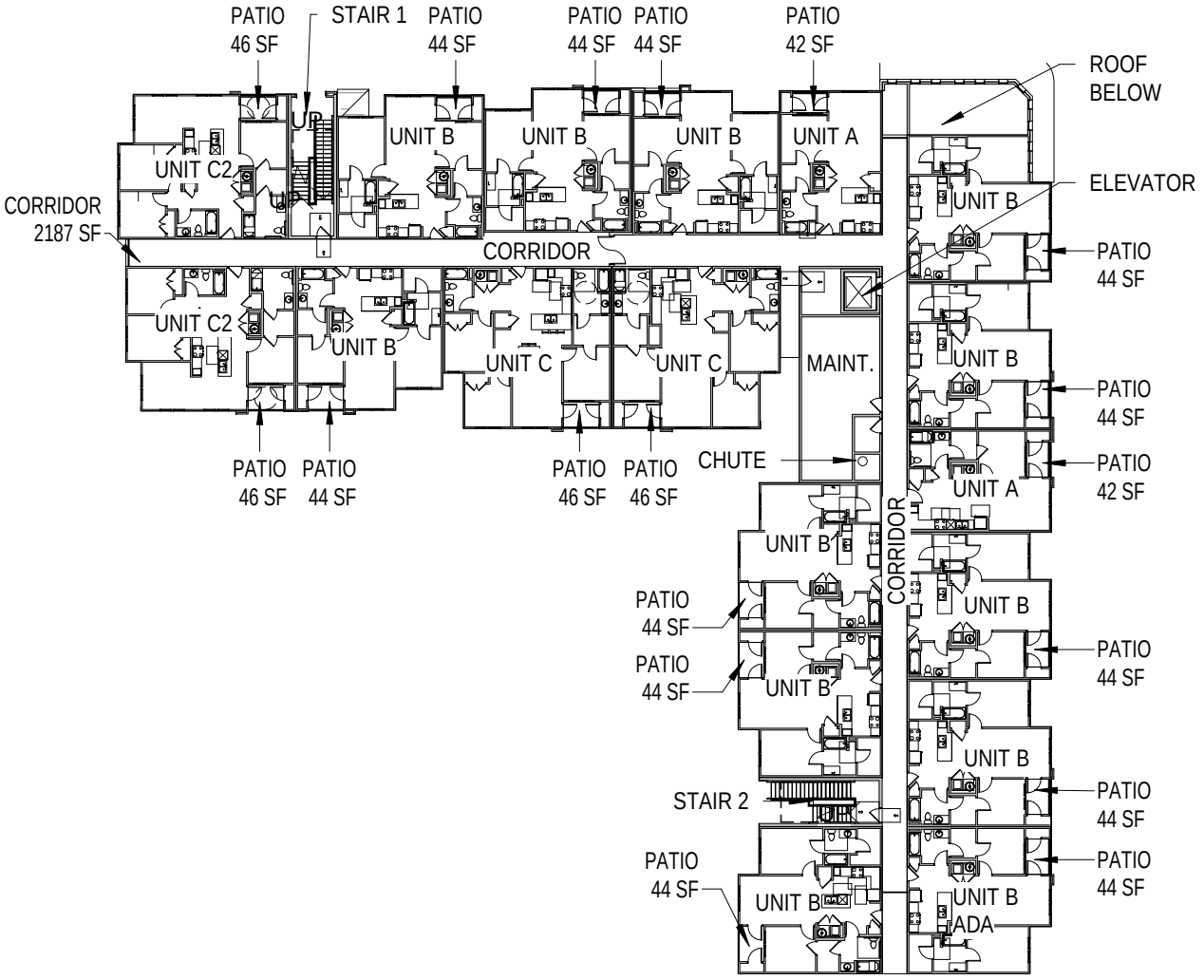
DESIGN DEVELOPMENT

Sheet Title
BUILDING A1 - 1ST FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-201



1 BUILDING A - SECOND FLOOR PLAN
1" = 40'-0"

0' 10' 20' 40'

Building Matrix

ALAZAN APARTMENTS (2ND FLOOR)

	UNIT A			UNIT B			UNIT C			UNIT C2			UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA			
A	2	0	0	11	0	1	2	0	0	2	0	0	18	1	18
												TOTAL:			18

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ALAZAN APARTMENTS

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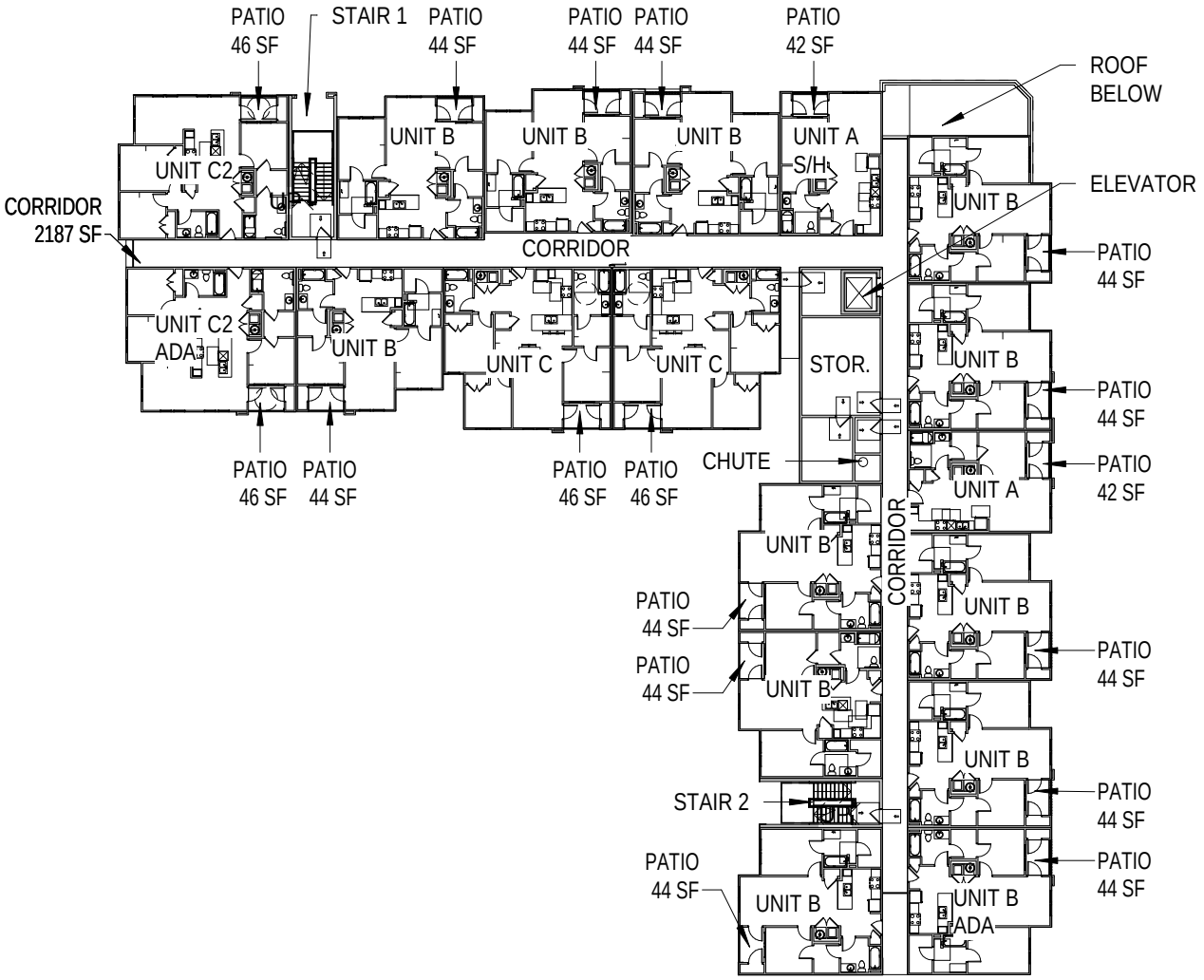
DESIGN DEVELOPMENT

Sheet Title
BUILDING A 2ND FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-202



1 BUILDING A - THIRD FLOOR PLAN

1" = 40'-0"

0' 10' 20' 40'

Building Matrix

ALAZAN APARTMENTS (3RD FLOOR)

	UNIT A			UNIT B			UNIT C			UNIT C2			UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA			
A	1	1	0	11	0	1	2	0	0	1	0	1	18	1	18
													TOTAL:		18

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ALAZAN APARTMENTS

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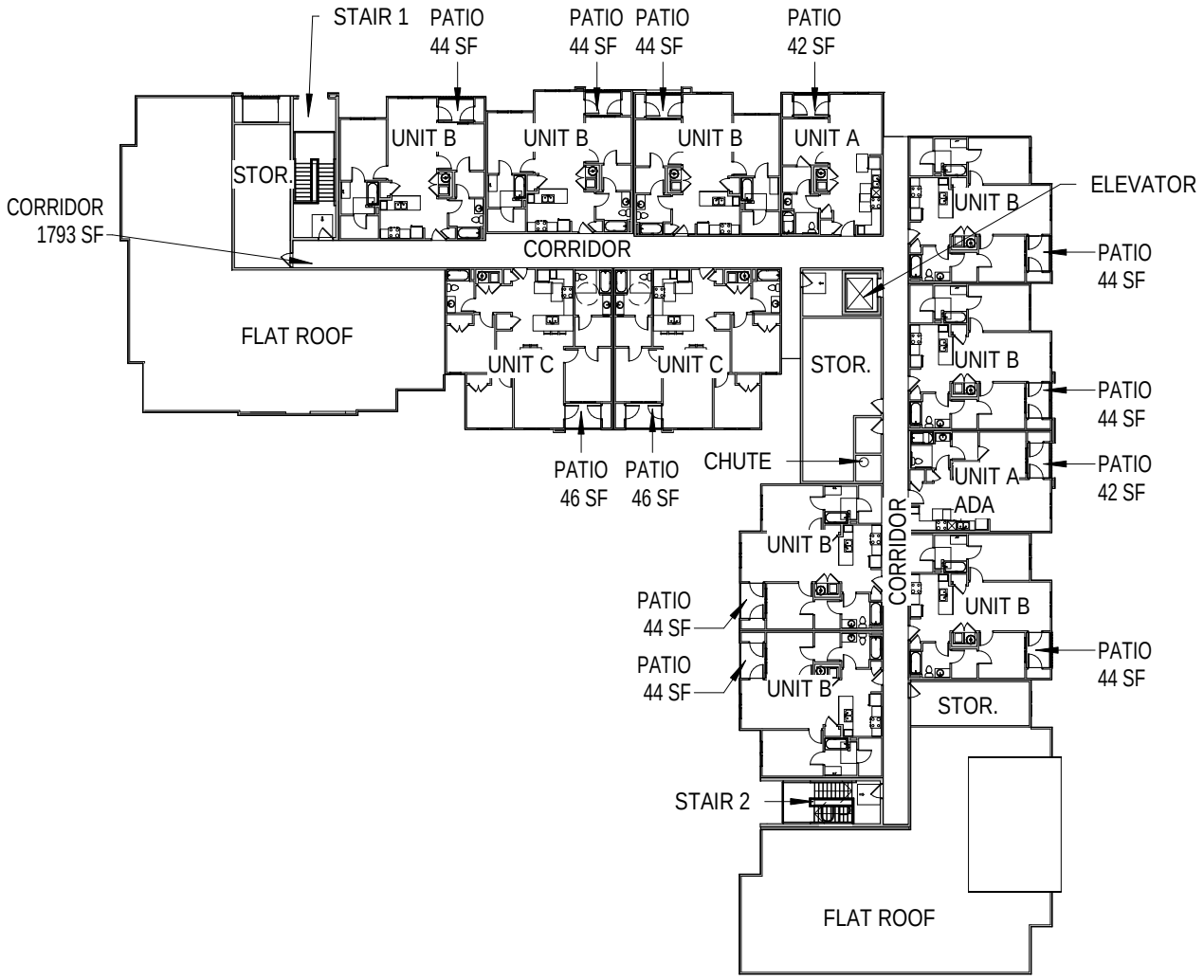
DESIGN DEVELOPMENT

Sheet Title
BUILDING A - 3RD FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-203



1 BUILDING A - FOURTH FLOOR PLAN
1" = 40'-0"

0' 10' 20' 40'

Building Matrix

ALAZAN APARTMENTS (4TH FLOOR)

	UNIT A			UNIT B			UNIT C			UNIT C2			UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA	FHA	SH	ADA			
A	1	0	1	8	0	0	2	0	0	0	0	0	12	1	12
												TOTAL:			12

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ALAZAN APARTMENTS

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DESIGN DEVELOPMENT

Sheet Title
BUILDING A - 4TH FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-204

1 BUILDING A - NORTH ELEVATION - APP
1/32" = 1'-0"

2 BUILDING A - EAST ELEVATION -- APP
1/32" = 1'-0"

NOTE
HYBRID ROOF
FLAT ROOF (TPO) 1/2:12 WITH A 4 1/2:12 SHINGLE ROOF

MATERIAL DESCRIPTION
20% MASORY
80% SIDING
80% SHINGLE ROOFING (30YR)
20% FLAT ROOF (TPO)

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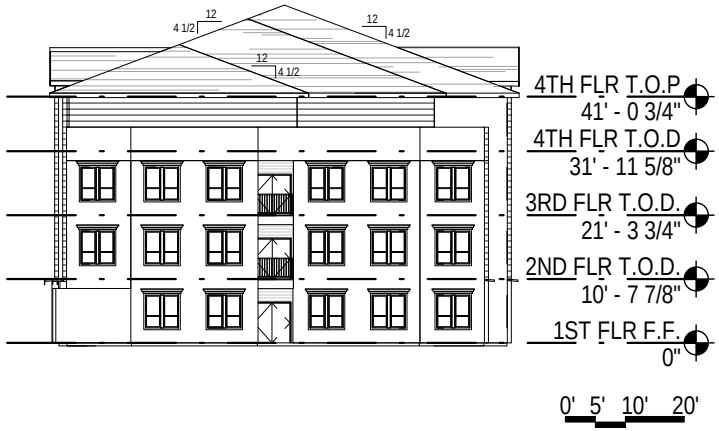
DESIGN DEVELOPMENT

Sheet Title
BUILDING A ELEVATIONS

Date
11/11/2019

Project Number
A17020.00

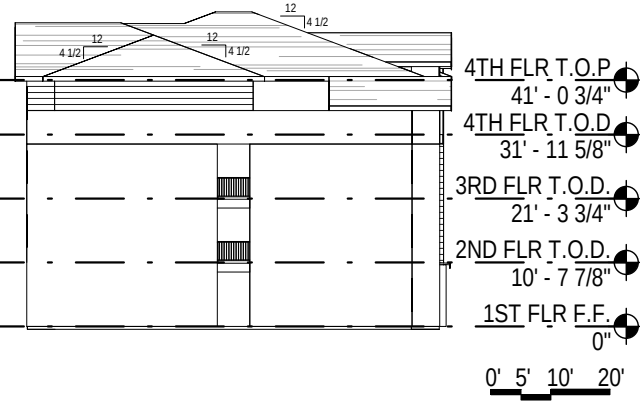
Sheet Number
AP-205



1 BUILDING A - WEST ELEVATION
1/32" = 1'-0"

2 BUILDING A - WEST ELEVATION
1/32" = 1'-0"

3 BUILDING A - SOUTH ELEVATION
1/32" = 1'-0"



4 BUILDING A - SOUTH ELEVATION
1/32" = 1'-0"

NOTE
HYBRID ROOF
FLAT ROOF (TPO) 1/2:12 WITH A 4 1/2:12 SHINGLE ROOF

MATERIAL DESCRIPTION
20% MASORY
80% SIDING
80% SHINGLE ROOFING (30YR)
20% FLAT ROOF (TPO)

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SAN ANTONIO

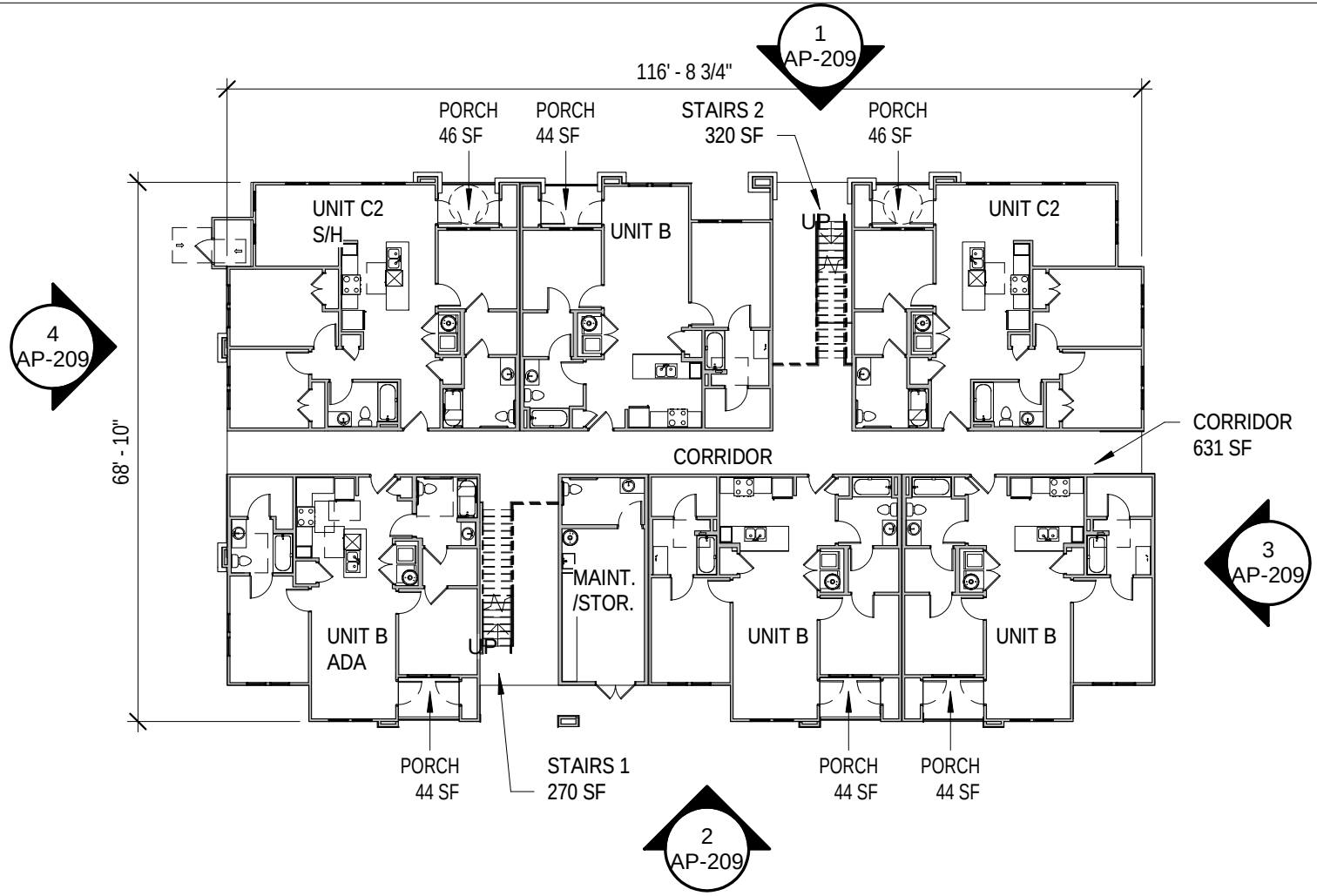
DESIGN DEVELOPMENT

Sheet Title
BUILDING A ELEVATIONS

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-206



1 BUILDING B1 - FIRST FLOOR PLAN
3/64" = 1'-0"

0' 5' 10' 20'

Building Matrix

ALAZAN APARTMENTS (1ST FLOOR)

	UNIT B				UNIT C2				UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	REG	FHA	SH	ADA	REG	FHA	SH	ADA			
B1	0	3	0	1	0	1	1	0	6	1	6
									TOTAL:		6

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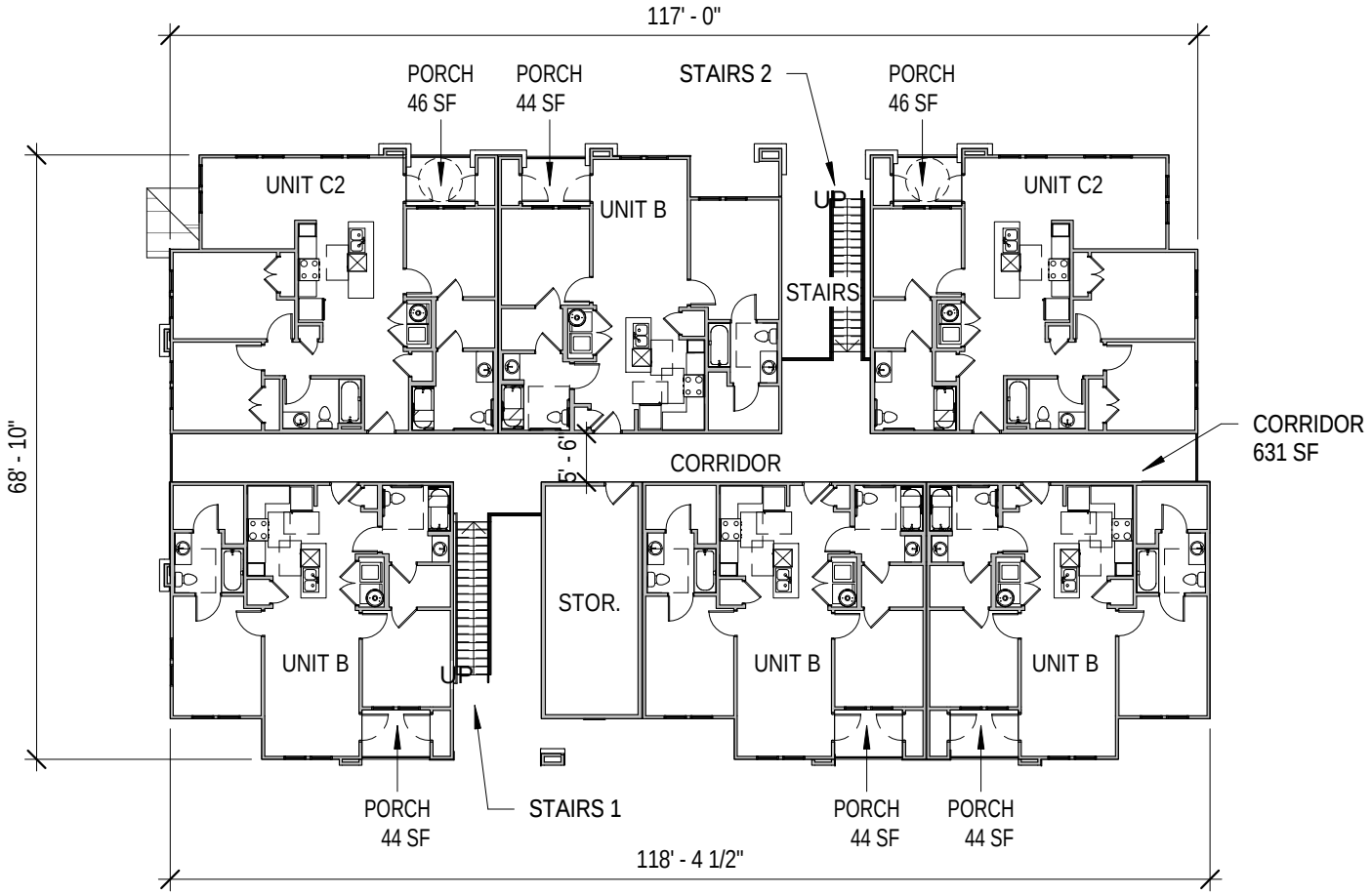
ALAZAN APARTMENTS
SAN ANTONIO
DESIGN DEVELOPMENT

Sheet Title
BUILDING B1 - 1ST FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-207



1 BUILDING B1 - SECOND FLOOR PLAN
3/64" = 1'-0"

0' 5' 10' 20'

Building Matrix

ALAZAN APARTMENTS (2ND FLOOR)

	UNIT B				UNIT C2				UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	REG	FHA	SH	ADA	REG	FHA	SH	ADA			
B1	4	0	0	0	2	0	0	0	6	1	6
									TOTAL:		6

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ALAZAN APARTMENTS
SAN ANTONIO
DESIGN DEVELOPMENT

Sheet Title
BUILDING B1 - 2ND FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-208

NOTE

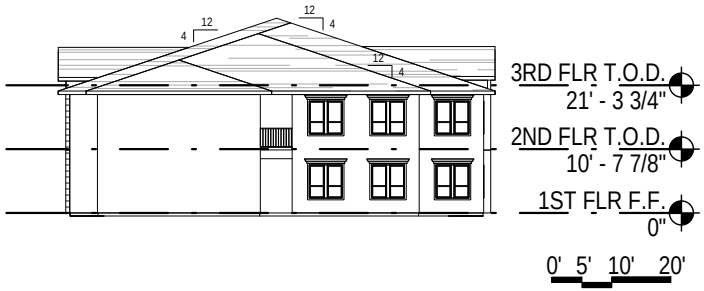
4:12 SHINGLE ROOF

MATERIAL DESCRIPTION

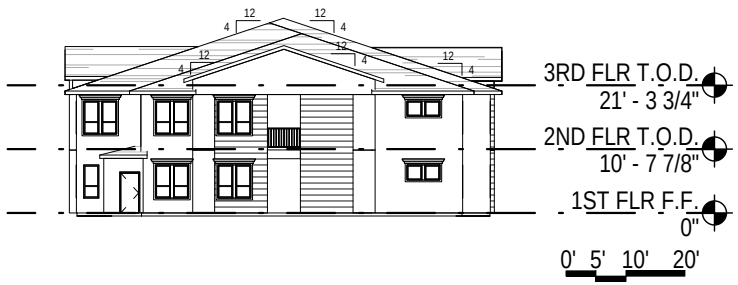
20% MASORY
80% SIDING
100% SHINGLE ROOFING (30YR)

1 BUILDING B1 - NORTH ELEVATION - APP
1/32" = 1'-0"

2 BUILDING B1 - SOUTH ELEVATION - APP
1/32" = 1'-0"



3 BUILDING B1 - EAST ELEVATION - APP
1/32" = 1'-0"



4 BUILDING B1 - WEST ELEVATION - APP
1/32" = 1'-0"

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ALAZAN APARTMENTS

SAN ANTONIO

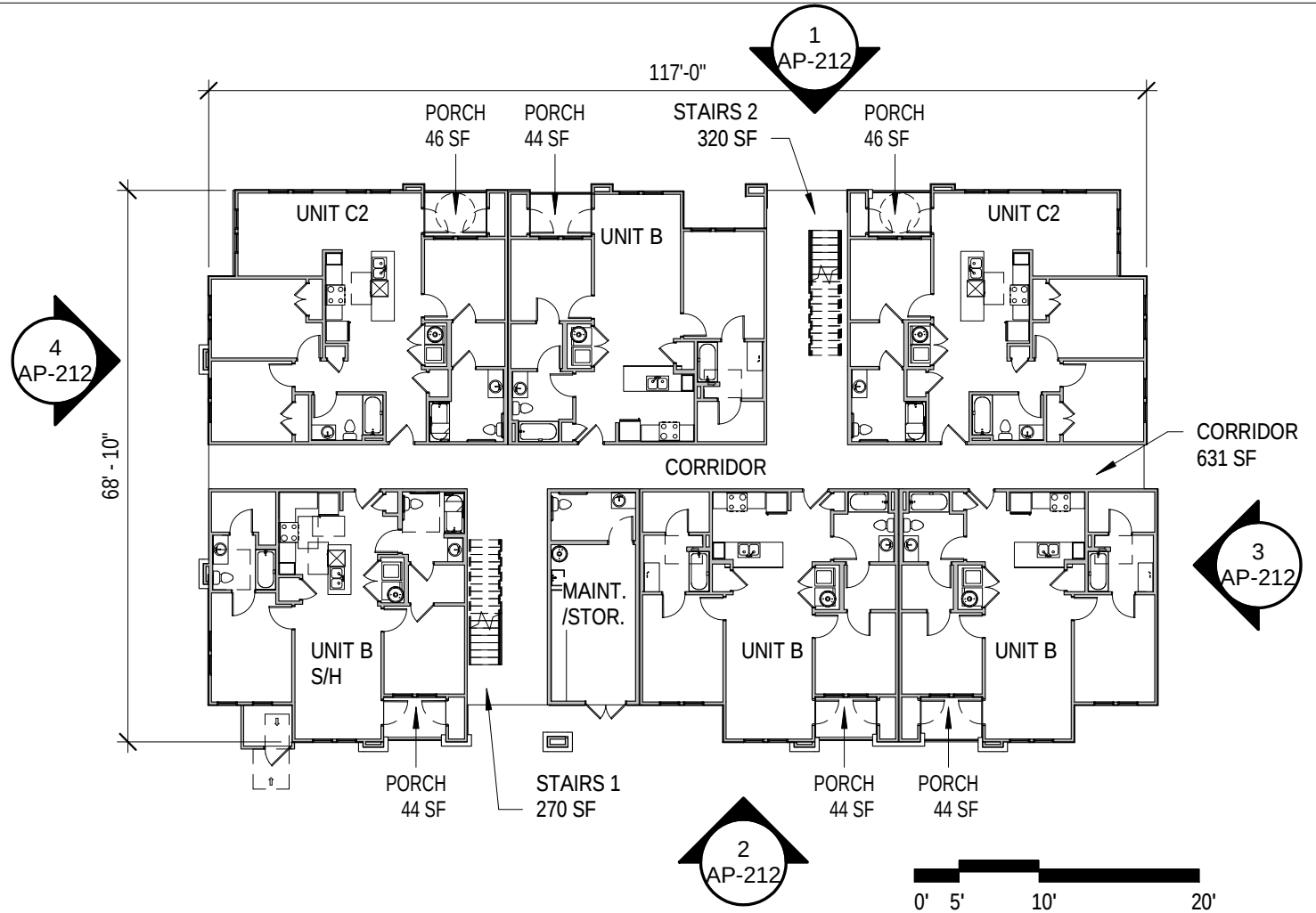
DESIGN DEVELOPMENT

Sheet Title
BUILDING B1 ELEVATIONS

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-209



1 BUILDING B2 - FIRST FLOOR PLAN
3/64" = 1'-0"

Building Matrix

ALAZAN APARTMENTS (1ST FLOOR)

	UNIT B				UNIT C2				UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	REG	FHA	SH	ADA	REG	FHA	SH	ADA			
B2	0	3	1	0	0	2	0	0	6	1	6
									TOTAL:		6

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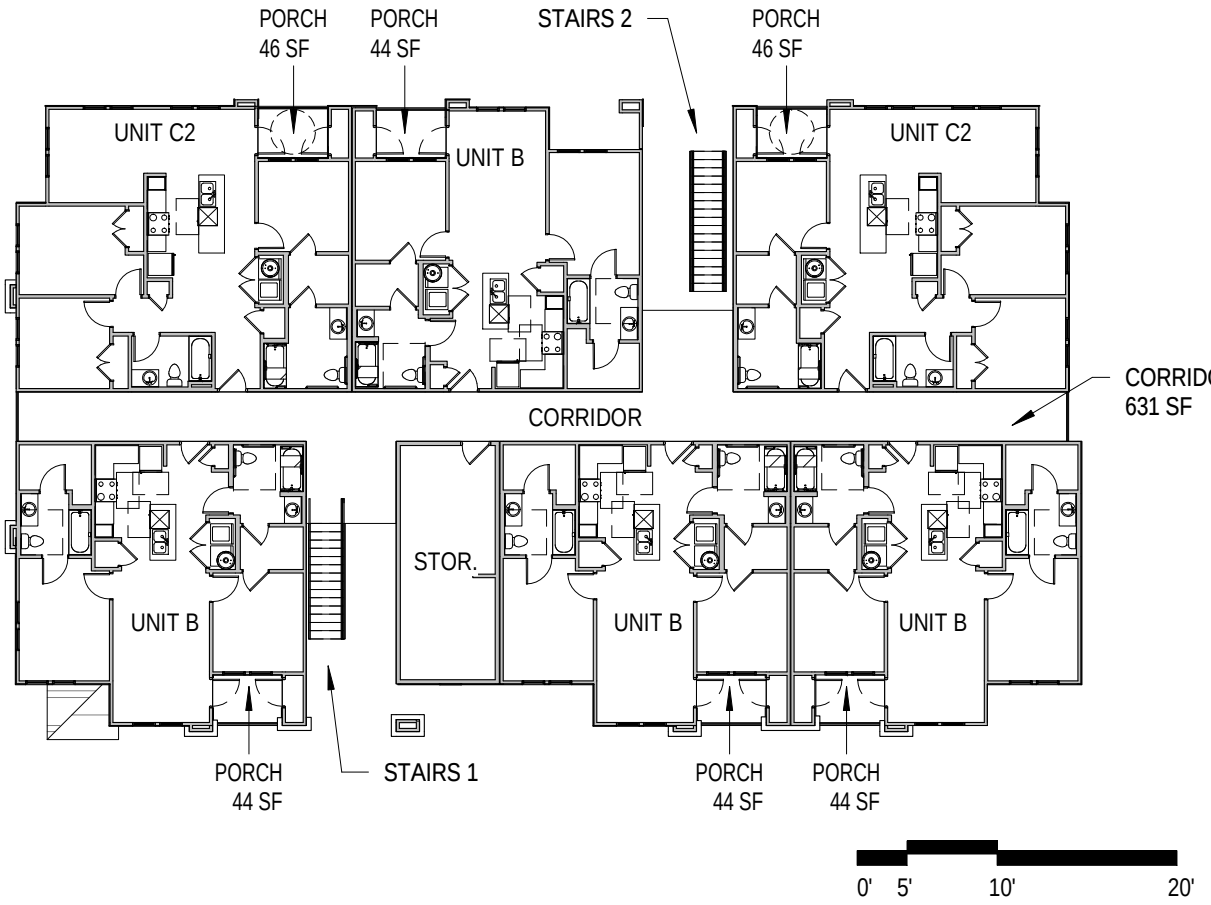
ALAZAN APARTMENTS
SAN ANTONIO
DESIGN DEVELOPMENT

Sheet Title
BUILDING B2 - 1ST FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-210.



1 BUILDING B2 - SECOND FLOOR PLAN
3/64" = 1'-0"

Building Matrix

ALAZAN APARTMENTS (2ND FLOOR)

	UNIT B				UNIT C2				UNIT/BLDG.-PER FLOOR	# of Bldgs.	TOTAL PER FLOOR
Building Type	REG	FHA	SH	ADA	REG	FHA	SH	ADA			
B2	4	0	0	0	2	0	0	0	6	1	6
									TOTAL:		6

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ALAZAN APARTMENTS
SAN ANTONIO
DESIGN DEVELOPMENT

Sheet Title
BUILDING B2 - 2ND FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-211

NOTE

4:12 SHINGLE ROOF

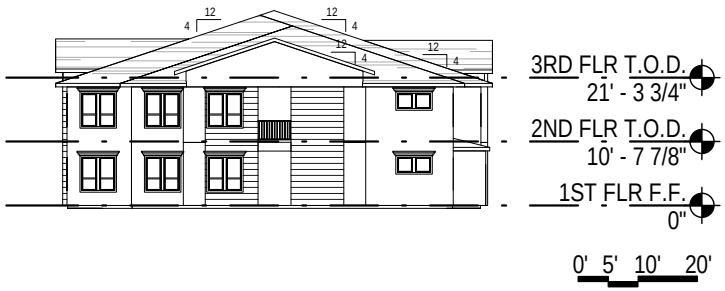
MATERIAL DESCRIPTION

20% MASORY
80% SIDING
100% SHINGLE ROOFING (30YR)

1 BUILDING B2 - NORTH ELEVATION
1/32" = 1'-0"

2 BUILDING B2 - SOUTH ELEVATION
1/32" = 1'-0"

3 BUILDING B2 - EAST ELEVATION
1/32" = 1'-0"



4 BUILDING B2 - WEST ELEVATION
1/32" = 1'-0"

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ALAZAN APARTMENTS

SAN ANTONIO

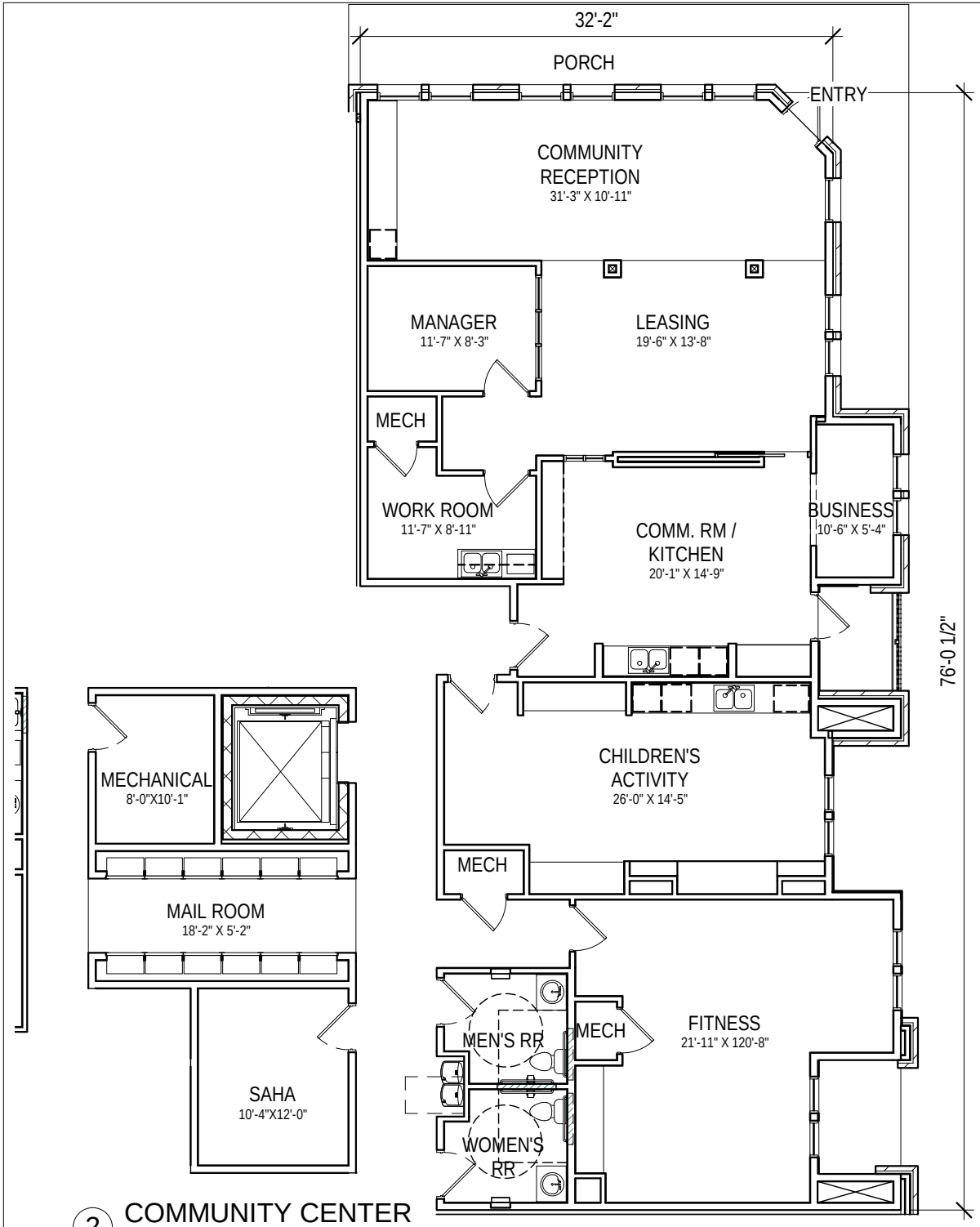
DESIGN DEVELOPMENT

Sheet Title
BUILDING B2 ELEVATIONS

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-212



2 COMMUNITY CENTER
3/32" = 1'-0"

COMMUNITY CENTER BUILDING			
ALAZAN APARTMENTS			
SPACES		SQ. FT.	
ACCESSIBLE TO TENANTS	COMMUNITY RECEPTION	369	
	LEASING AREA	292	
	CHILDREN	386	
	BUSINESS CENTER	91	
	COMMUNITY ROOM / KITCHEN	297	
	MEN/WOMEN	152	
	MAIL ROOM	180	
	FITNESS	460	
		TOTAL SQ. FT.:	2227
RESTRICTED TO STAFF	MANAGER	109	
	SAHA OFFICE	142	
	WORK ROOM	101	
	MECHANICAL CLOSETS	71	
		TOTAL SQ. FT.:	423
		TOTAL SQ. FT.:	2650

2,650 SF

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ALAZAN APARTMENTS

SAN ANTONIO

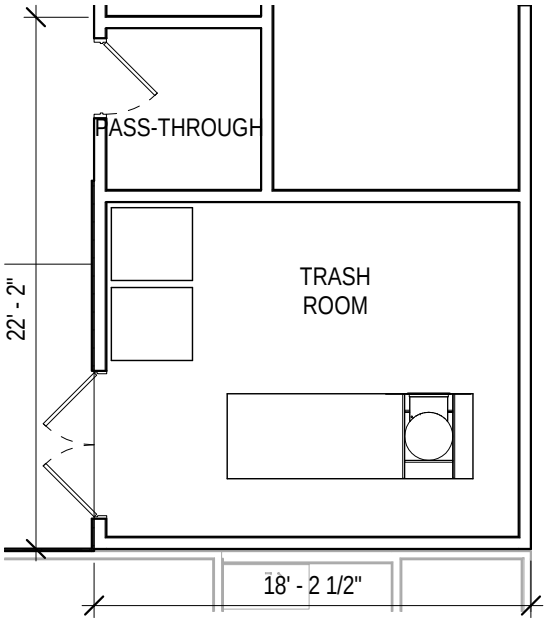
DESIGN DEVELOPMENT

Sheet Title
COMMUNITY CENTER AND LEASING OFFICE PLAN

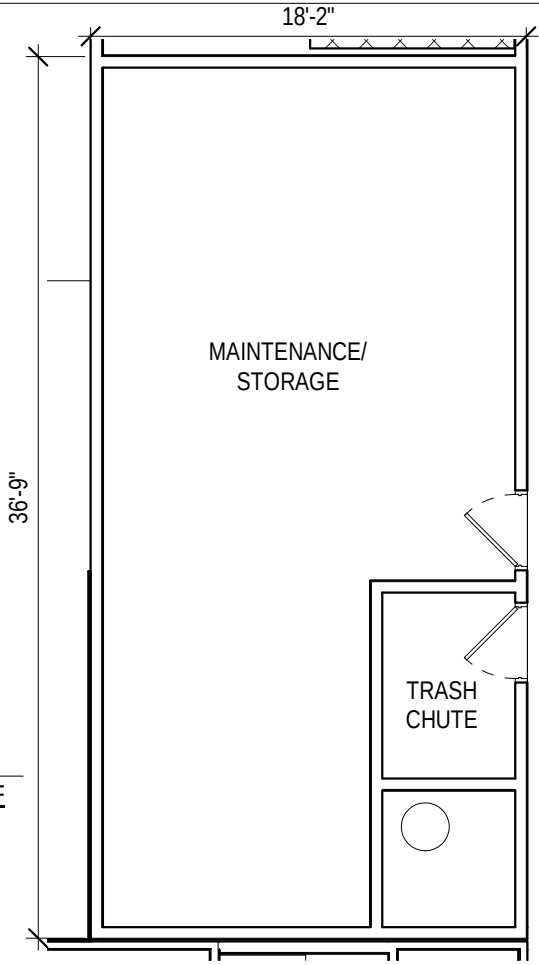
Date
11/11/2019

Project Number
A17020.00

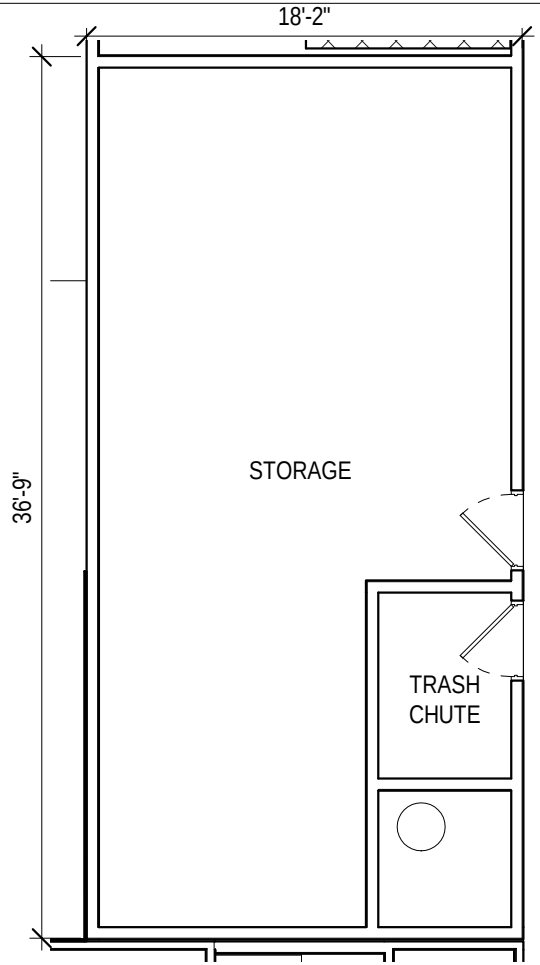
Sheet Number
AP-213



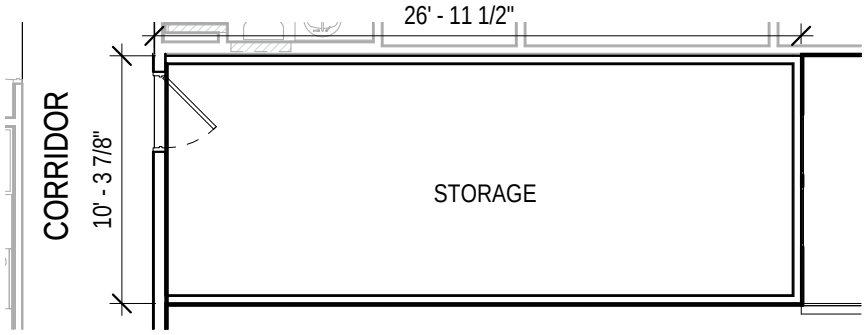
1 TRASH ROOM - BUILDING A 1ST FL
1/8" = 1'-0"
325 SF



4 MAINTENANCE /STORAGE - BUILDING A 2ND FL
1/8" = 1'-0"
667 SF



2 STORAGE - BUILDING A 3RD & 4TH FLS
1/8" = 1'-0"
667 SF



3 ANCILLIARY STORAGE3
1/8" = 1'-0"
279 SF

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ALAZAN APARTMENTS

SAN ANTONIO

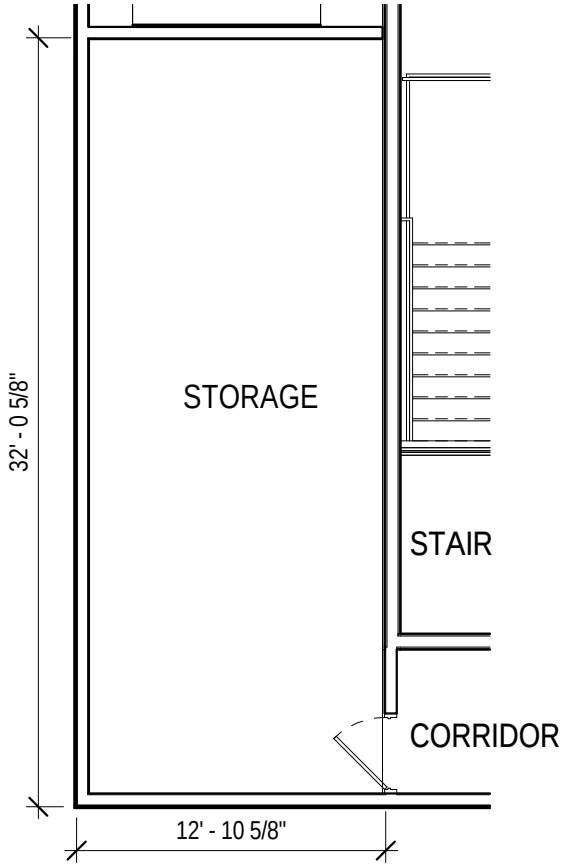
DESIGN DEVELOPMENT

Sheet Title
MAINTENANCE/ STORAGE /TRASH ENLARGED PLANS

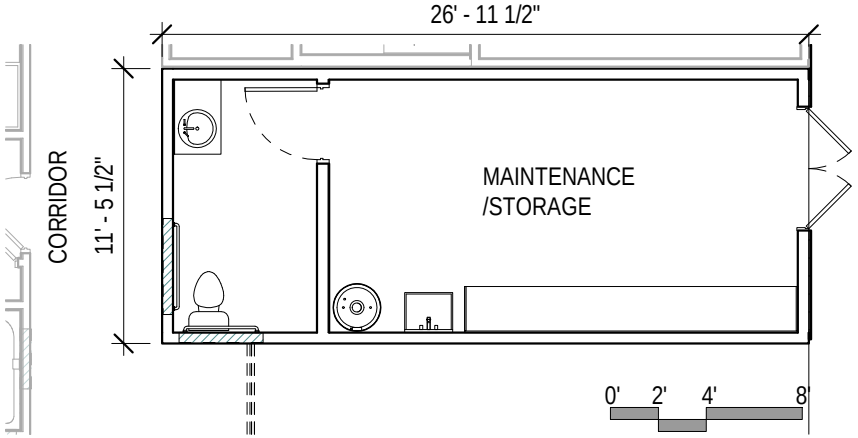
Date
11/11/2019

Project Number
A17020.00

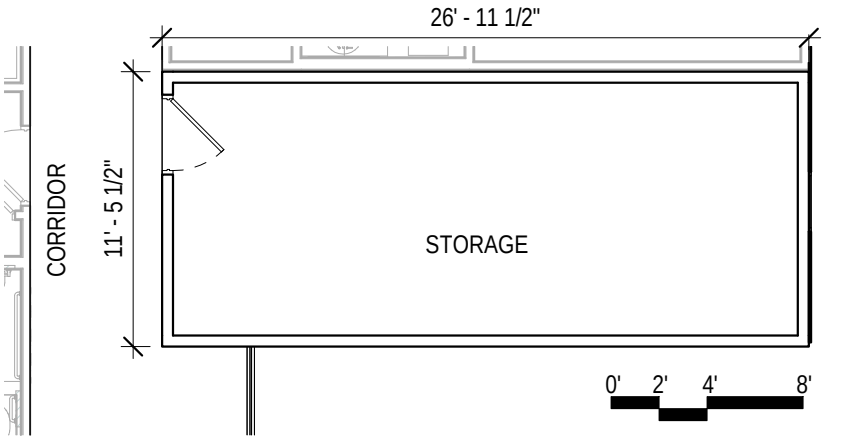
Sheet Number
AP-214



STORAGE -
BUILDING A 4TH FL
3 1/8" = 1'-0" 420 SF



MAINTENANCE / STORAGE -
BUILDING B1 & B2 1ST FL
1 1/8" = 1'-0" 309 SF



STORAGE -
BUILDING B1 & B2 2ND FL
2 1/8" = 1'-0" 309 SF

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ALAZAN APARTMENTS

SAN ANTONIO

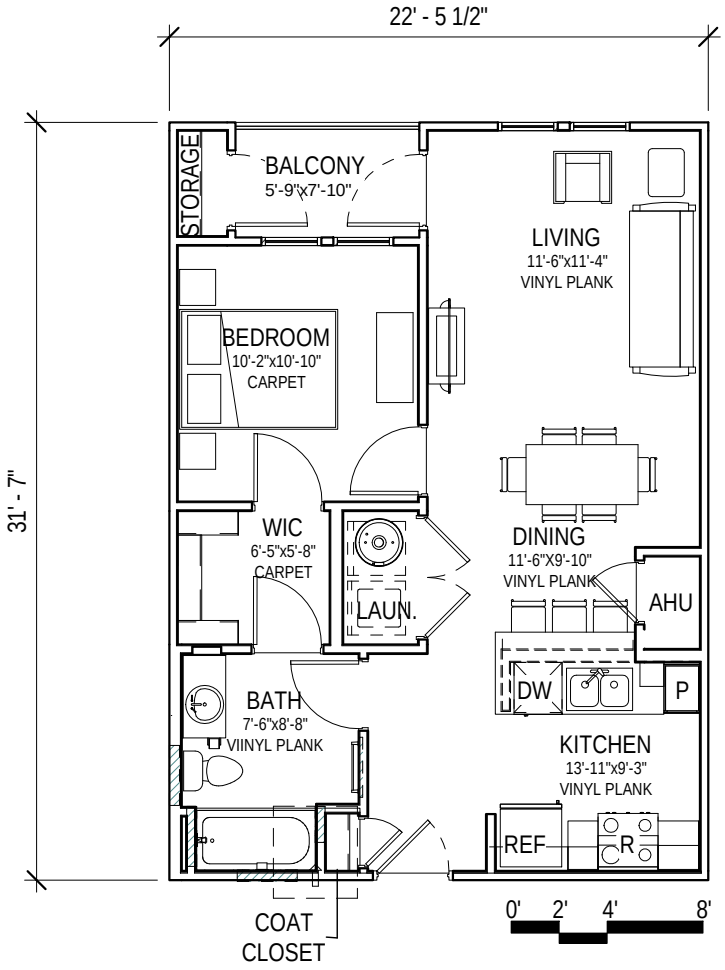
DESIGN DEVELOPMENT

Sheet Title
MAINTENANCE/ STORAGE /TRASH ENLARGED PLANS

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-215



1 UNIT A

1/8" = 1'-0"

673 SF

NOTE:
THIS REGULAR/ FHA UNIT TYPE WILL COMPLY W/ SIGHT & HEARING REQUIREMENTS

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ALAZAN APARTMENTS

SAN ANTONIO

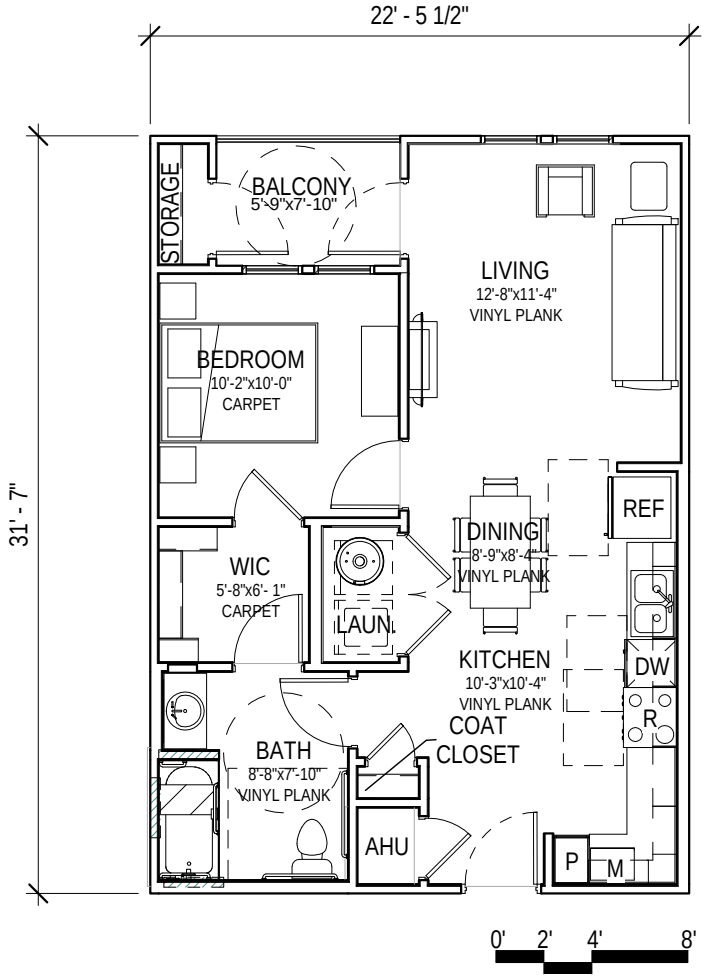
DESIGN DEVELOPMENT

Sheet Title
UNIT A- ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-301



1 UNIT A- ADA

1/8" = 1'-0"

673 SF

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ALAZAN APARTMENTS

SAN ANTONIO

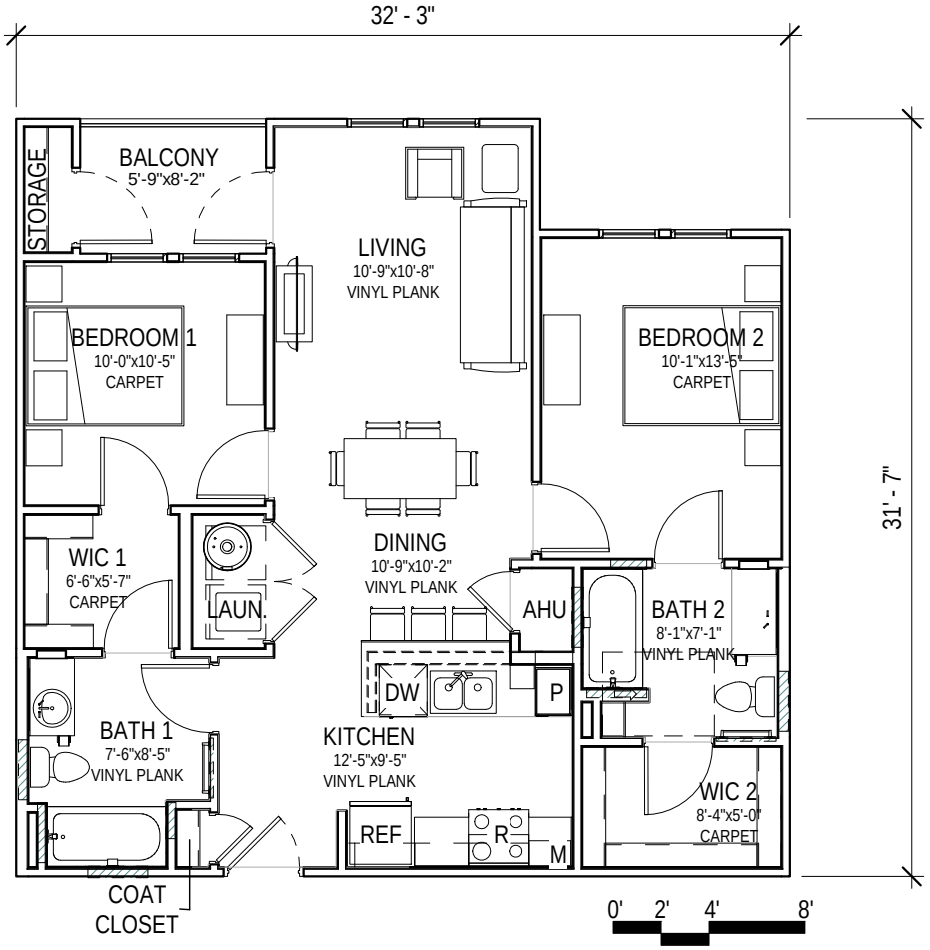
DESIGN DEVELOPMENT

Sheet Title
UNIT A- ADA- ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-302



1 UNIT B

1/8" = 1'-0"

927 SF

NOTE:
THIS REGULAR/ FHA UNIT TYPE WILL COMPLY W/ SIGHT & HEARING REQUIREMENTS

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ALAZAN APARTMENTS

SAN ANTONIO

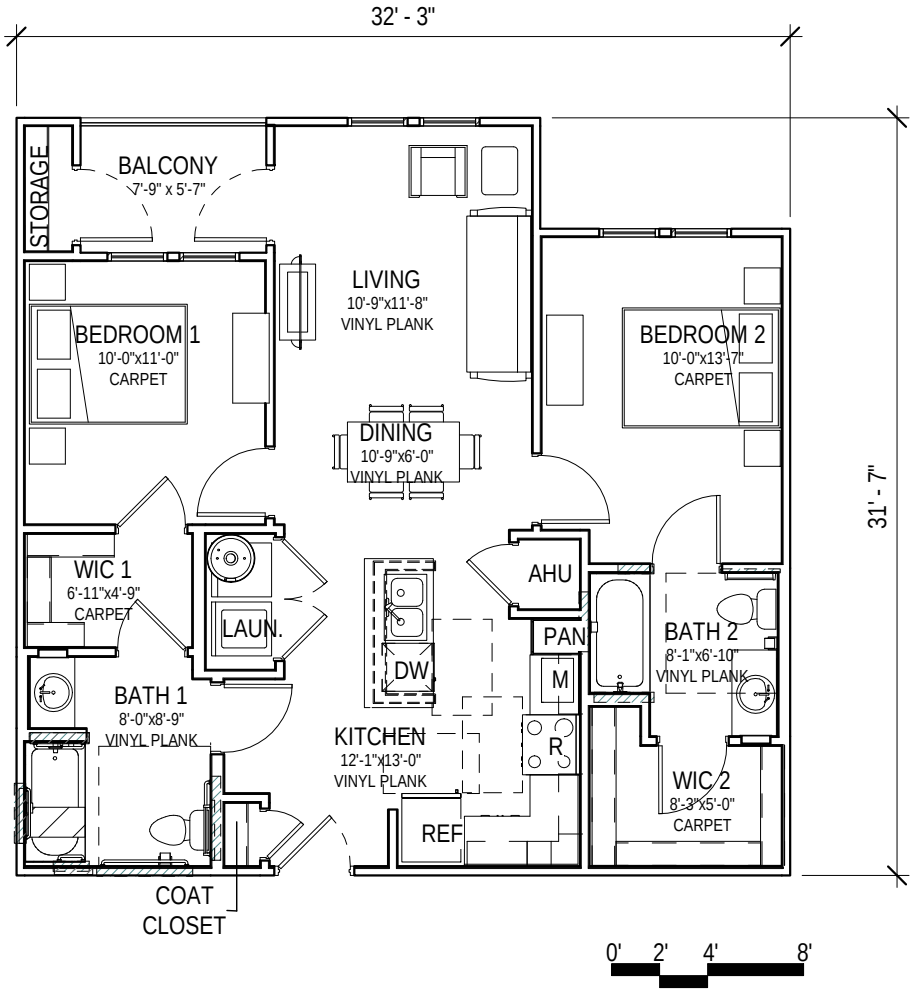
DESIGN DEVELOPMENT

Sheet Title
UNIT B- ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-303



1 UNIT B-ADA
1/8" = 1'-0"

927 SF

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ALAZAN APARTMENTS

SAN ANTONIO

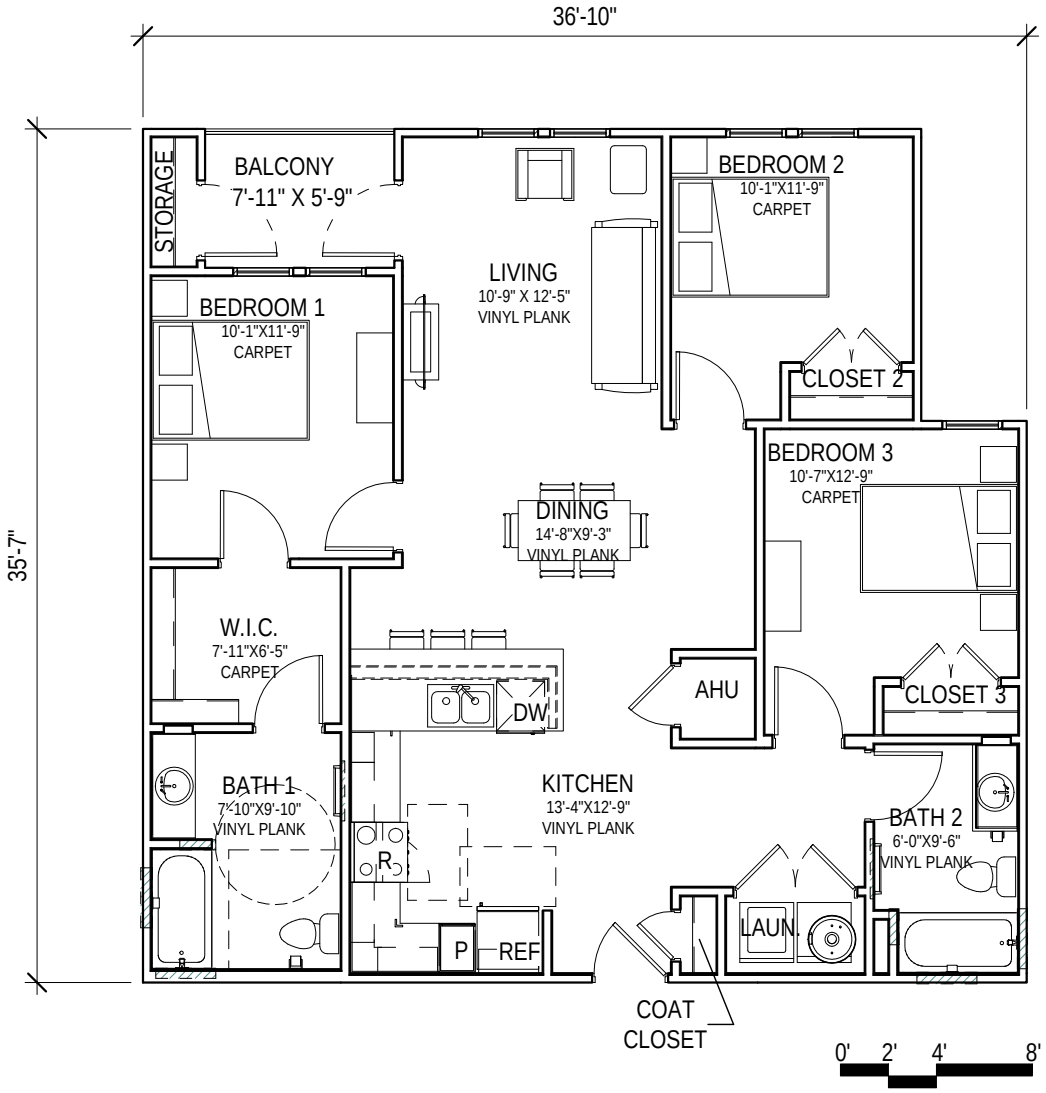
DESIGN DEVELOPMENT

Sheet Title
UNIT B-ADA-ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-304



2 UNIT C

1/8" = 1'-0"

1,211 SF

NOTE:
THIS REGULAR/ FHA UNIT TYPE WILL COMPLY W/ SIGHT & HEARING REQUIREMENTS

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ALAZAN APARTMENTS

SAN ANTONIO

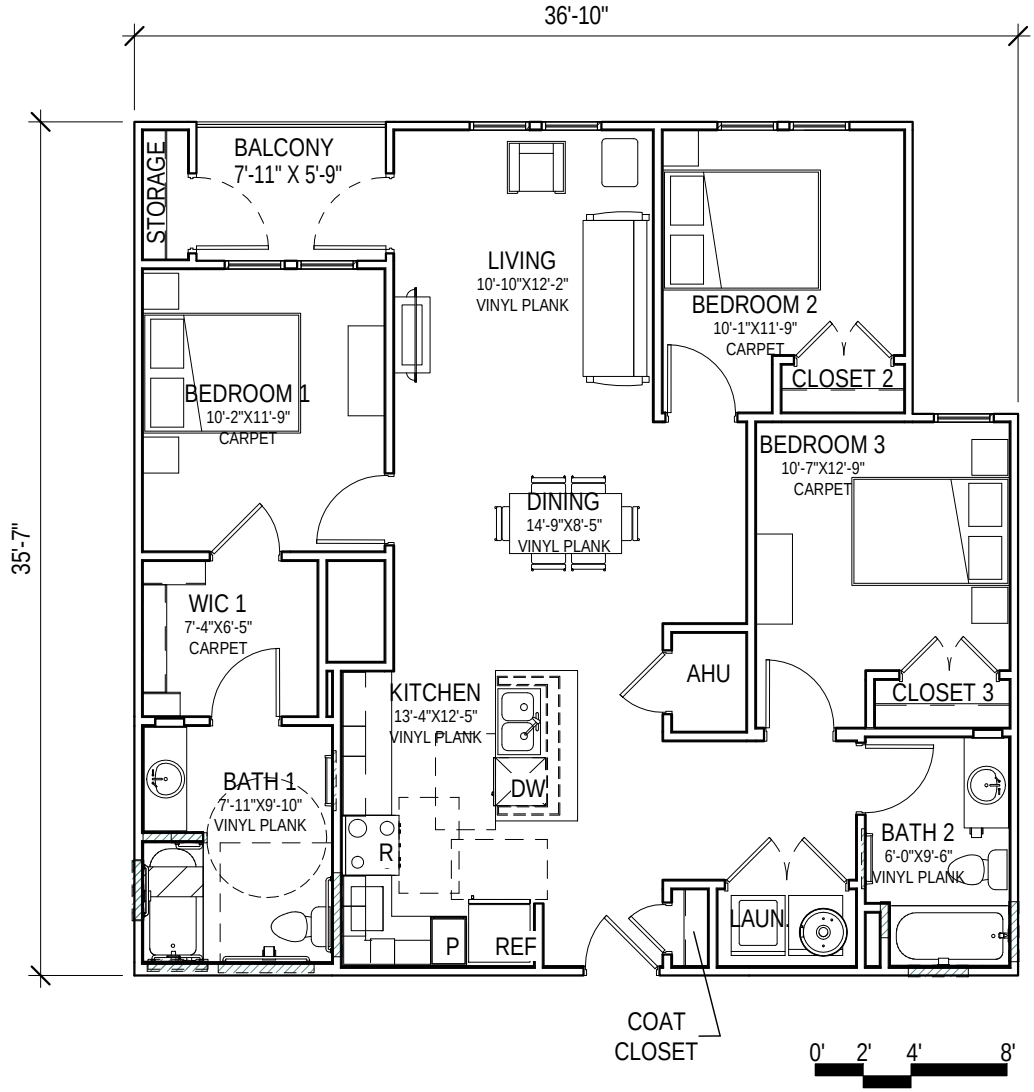
DESIGN DEVELOPMENT

Sheet Title
UNIT C- ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-305



2 UNIT C-ADA

1/8" = 1'-0"

1,211 SF

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ALAZAN APARTMENTS

SAN ANTONIO

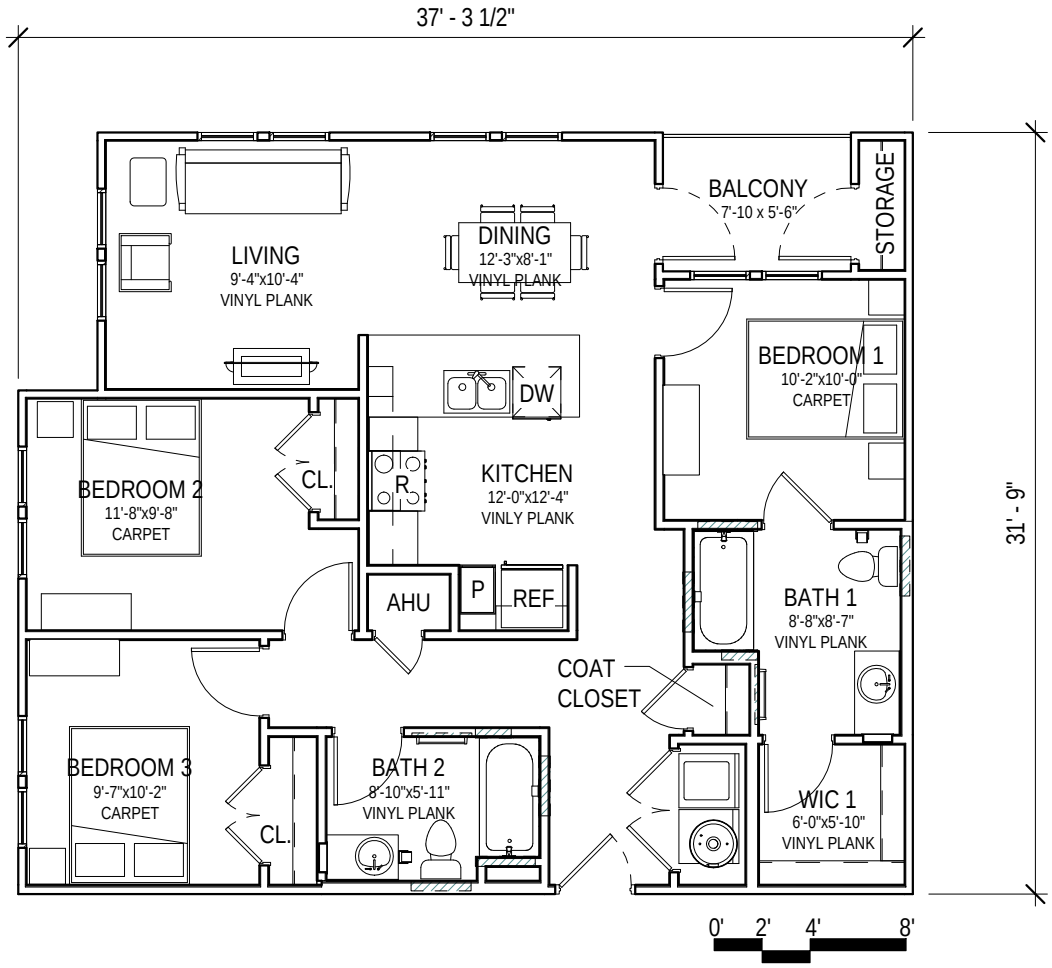
DESIGN DEVELOPMENT

Sheet Title
UNIT C-ADA-ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-306



1 UNIT C2

1/8" = 1'-0"

1,103 SF

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ALAZAN APARTMENTS

SAN ANTONIO

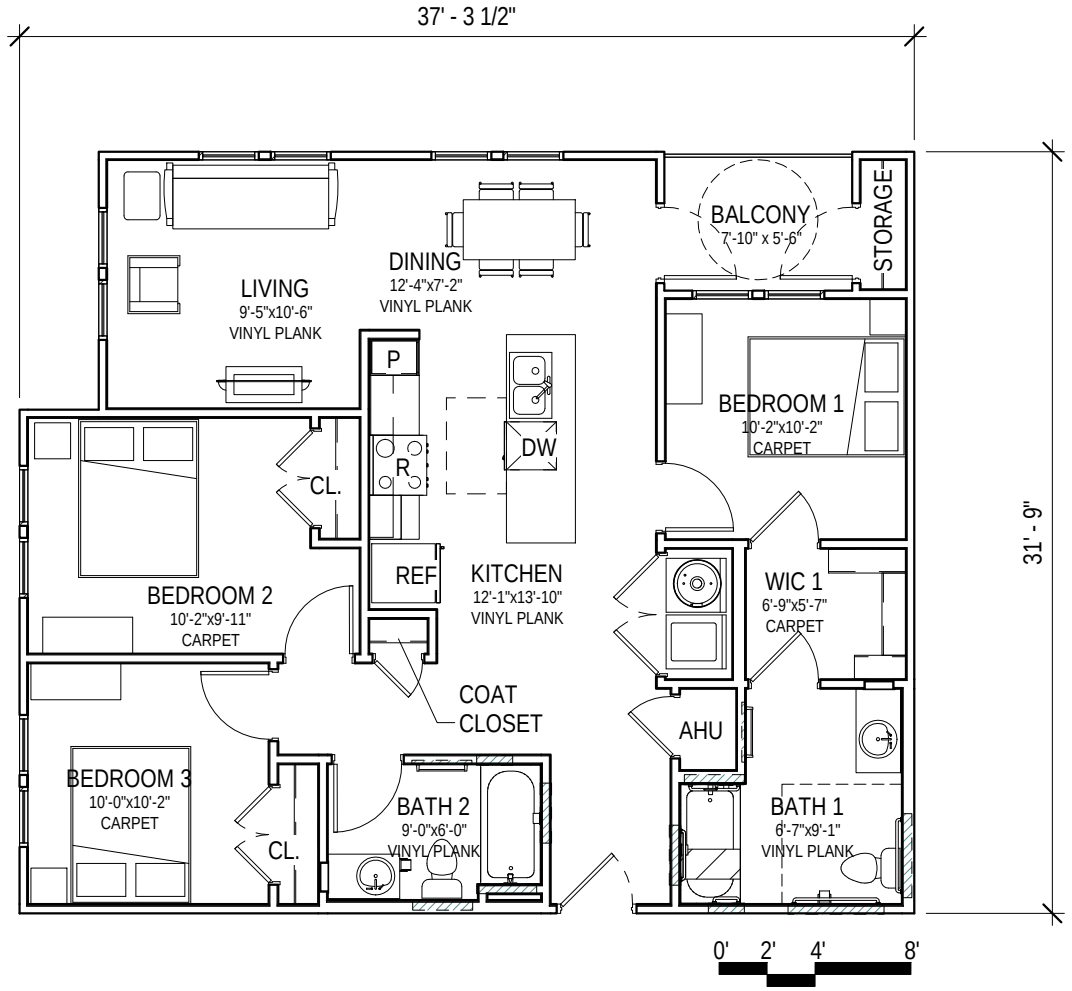
DESIGN DEVELOPMENT

Sheet Title
UNIT C2- ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-307



1 UNIT C2 - ADA

1/8" = 1'-0"

1,103 SF

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ALAZAN APARTMENTS

SAN ANTONIO

DESIGN DEVELOPMENT

Sheet Title
UNIT C2 - ADA - ENLARGED FLOOR PLAN

Date
11/11/2019

Project Number
A17020.00

Sheet Number
AP-308

Accessible Parking Calculation

Submit this worksheet or a comparable document certified by an accessibility professional .

Although Fair Housing Standards may apply in unusual circumstances, ADA Standards typically determine the required number of Accessible Parking Spaces (APSs). This worksheet is intended to handle typical (ADA) cases, where all parking spaces are within a single parking lot. However, it might be possible to determine the APS requirements of multiple lots (or facilities) by completing this same worksheet for each of the lots. The worksheet might also be usable for Developments with less than one parking space to serve each dwelling unit, by filling in the information on page one, bypassing inapplicable spaces in the first section of page two, and completing the second section of page two, "Distribution of APSs Among the Various Types of Parking", referencing ADA Table 208.2. In unique cases where Fair Housing applies, or where this worksheet cannot be applied, create a certification specifying the types and numbers of the parking spaces applicable, including standard and accessible parking for dwelling units and amenities (e.g., office, mail kiosk, laundry, dumpster, pool, playground, etc., collectively, "amenities"), and for each type of parking facility, e.g., surface spaces, carports, garages, etc., for staff review. Links to the applicable accessibility rules are provided below.

ADA Design Manual, Ch. 2, Sec. 208: –https://www.ada.gov/regs2010/2010ADAStandards/2010ADAStandards.pdf
FHA Design Manual Page 2.23: –https://www.huduser.gov/publications/pdf/fairhousing/fairch2.pdf

Accessible Parking for Facilities and Amenities

Determining the number of APSs that serve the dwelling units requires accounting for APSs that do not serve dwelling units. In the yellow spaces below, identify the individual amenities served by an APS. Groups of amenities in close proximity typically are allowed to share a single APS. If groups of amenities share one APS (or APSs), identify each such group. In the yellow space to the right of each of these identifications, state the number of APSs designated to serve the amenity or group identified. If parking is provided near dumpsters, at least 1 dumpster must have an APS. The total of these APSs will be subtracted from the total of all types of parking spaces to determine the number of parking spaces that serve the dwelling units and the APSs required for the dwelling units.

Amenity:	**Identification of amenity, or amenities of a group, that the APS serves**	**APSs:**
Office, etc.:	Community Center	1
Amenity 1:		
Amenity 2:		
Amenity 3:		
Amenity 4:		
Amenity 5:		
Amenity 6:		

Total of Accessible Parking Spaces that Do Not Serve Dwelling Units: 1

Accessible Parking for Residential Units

This portion of the worksheet was written for Developments having at least one parking space serving each dwelling unit, having surface parking spaces as the APSs that are not for dwelling units, and having only one parking lot, i.e., none of the parking spaces are physically segregated from the others by gates or by curbs or other barriers that require vehicles to exit the Development to travel between separate parking lots that serve it. The worksheet might, or might not be, useful for other cases.

Enter the information indicated below.

Total dwelling Units in the Development:		88
Total surface parking spaces:		99
Total carports:		0
Total garages:		0
Total parking spaces of all types:	Calculated from above:	99
Total APSs that serve non-residential purposes (i.e. office, amenities, etc.):	Calculated on prior page:	3
Total of all types of parking spaces that serve dwelling units:	Calculated from above:	96
APSs for mobility accessible units (5% of unit count, if spaces are sufficient):	Calculated from above:	6
Parking spaces that serve dwelling units in excess of one per unit (if applicable):	Calculated from above:	8
APSs required in excess of one per mobility accessible unit:	Calculated from above:	0
Total APSs required (including dwelling units and facilities/amenities):	Calculated from above:	9

All Developments, including those having fewer than one parking space serving each dwelling unit, should use this portion of the worksheet. Enter the number of APSs indicated by ADA Table 208.2 for the total of each type of parking space, i.e., surface spaces, carports, etc., including both amenity spaces and dwelling unit spaces.

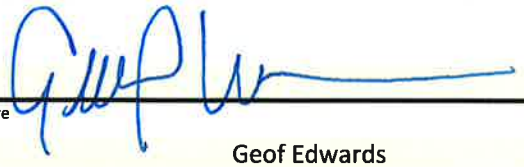
Distribution of APSs Among the Various Types of Parking

Minimum number of surface parking spaces (include dwelling unit and amenity spaces) that must be APSs:	6
Minimum number of carports that must be APSs:	0
Number of garages that must be APSs:	0

APSs that Must Be Van Spaces

Total Van APSs required, including all types of spaces:	Calculated from above:	10
Minimum number of surface parking spaces that must be van APSs:	Calculated from above:	1
Minimum number of carports that must be van APSs:	Calculated from above:	0
Minimum number of garages that must be van APSs:	Calculated from above:	0

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible parking space per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided. Where parking for amenities or non-residents is provided, a sufficient number of accessible spaces will be provided.



Signature

2-Jan-20

Date:

Geof Edwards

Printed Name

Muñoz & Company Architects

Firm Name (if applicable)

STRUCTURE DEVELOPMENT

Sarah Andre <sarah@structuretexas.com>

RE: FW: 19413 Alazan Lofts - Application Amendment- RFI#1

1 message

Justin Shippey <jshippey@mbcengineers.com> Wed, Jan 15, 2020 at 1:29 PM
To: Derek Berger <derek.berger@dillarddevco.com>, Ana Padilla <APadilla@nrpgroup.com>, Mariela Valdivia <mvaldivia@munoz-co.com>, Salvador Garcia <Sal.Garcia@nrpgroup.com>, Wesley Fonseca <wFonseca@nrpgroup.com>
Cc: Mike Zelenkofske <MZelenkofske@nrpgroup.com>, Sarah Andre <sarah@structuretexas.com>, Gary Dillard <gary@dillarddevco.com>

Derek,

The normal parking ratio for apartments (MF-33) is 1.5. This site is zoned IDZ-3 which has reduced parking requirements. The parking reduction is 50%. See UDC section 35-343.01.

(k) **Parking**. The minimum vehicle parking requirements in subsection 35-526(b) shall not apply to IDZ-1". Minimum parking requirements are also not required for "IDZ" when used as an overlay district. Within "IDZ-2" and "IDZ-3" the minimum parking requirements in subsection 35-526(b) may be reduced by fifty (50) percent. Where parking is provided, subsections 35-526(c) through 35-526(f) shall apply to infill development.

Justin R. Shippey, P.E.

Vice President

Macina, Bose, Copeland and Associates, Inc.

TBPE Firm Registration #784 | SBE Certified

TBPLS Firm Registration # 10011700

1035 Central Parkway North | San Antonio, Texas 78232

O: 210-545-1122 ext. 108 | F: 210-545-9302 | C: 210-885-2772

www.mbcengineers.com | jshippey@mbcengineers.com

From: Derek Berger [mailto:derek.berger@dillarddevco.com]
Sent: Wednesday, January 15, 2020 11:56 AM
To: Ana Padilla; Mariela Valdivia; Salvador Garcia; Wesley Fonseca
Cc: Mike Zelenkofske; Sarah Andre; Gary Dillard; Justin Shippey
Subject: RE: FW: 19413 Alazan Lofts - Application Amendment- RFI#1

Justin,

See question 4 below from Ana. Based on the Kickoff Meeting Minutes and in the Feasy I believe we can park at half the regularly required ratio because we are IDZ. Is this correct? If so we would only need to be parking at 0.75/unit I believe (Although I assume we're parking slightly higher than that.)

Thanks

Derek A. Berger

Design & Entitlements Manager

Dillard Development & Consulting, LLC

713.249.1441 c

From: Ana Padilla <APadilla@nrpgroup.com>
Sent: Tuesday, January 14, 2020 10:52 AM
To: Mariela Valdivia <mvaldivia@munoz-co.com>; Salvador Garcia <Sal.Garcia@nrpgroup.com>; Wesley Fonseca <wFonseca@nrpgroup.com>
Cc: Mike Zelenkofske <MZelenkofske@nrpgroup.com>; Sarah Andre <sarah@structuretexas.com>; Gary Dillard <gary@dillarddevco.com>; Derek Berger <derek.berger@dillarddevco.com>
Subject: RE: FW: 19413 Alazan Lofts - Application Amendment- RFI#1

Thanks Mariella.

Sal, Wes and Derek, please provide feedback for the items listed below.

> 2. Could you please provide a timeline or some backup documentation for the community meetings? It would help to have more information to present to the board about what took place and when. – Sal/Wes - Please provide
>
> 4. Has the City of San Antonio approved the parking ratio? I ask because the parking requirement from City code is usually 1.5 spaces per unit. Have you received confirmation that the new configuration would meet City code? Sal / Derek – please provide status of approval.

Thank you,

Ana

1b

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for El Patrimonio Apartments (HTC #00010)

RECOMMENDED ACTION

WHEREAS, El Patrimonio Apartments (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2000 for the new construction of 192 units (144 HTC; 48 Market) of multifamily housing in McAllen, Hidalgo County;

WHEREAS, the Application for the Development was awarded five points for Resident Supportive Services under §49.6(c)(5) of the 2000 Qualified Allocation Plan (QAP), and the supportive services are reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, El Patrimonio Apartments, L.P. (the Development Owner or Owner) requests approval for a substantive modification to the Resident Supportive Services referenced in the LURA for the Development, specifically the removal of On-Site Day Care and the addition of Basic Adult Education, Counseling Services, GED Preparation, English as a Second Language (ESL), Home Buyer Education, Credit Counseling, Financial Planning Assistance Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, and Social Events and Activities;

WHEREAS, the LURA, based on the 2000 QAP, also requires that a Local Tax Exempt Organization provide the supportive services for the tenants, but the Owner is requesting to also have this requirement removed from the LURA;

WHEREAS, Board approval is required for a substantive modification of the scope of tenant services as directed in Tex. Gov't Code §2306.6712(d)(3) and 10 TAC §10.405(a)(4)(C), and the Owner has complied with the amendment and notification requirements as directed in 10 TAC §10.405(b); and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application and LURA for El Patrimonio Apartments is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

El Patrimonio Apartments received a 9% HTC award in 2000 for the new construction of 192 (144 HTC; 48 Market) multifamily units in McAllen, Hidalgo County. In a letter dated December 17, 2019, Arthur Greenblatt, representative of the Development Owner, requested approval to amend the HTC LURA related to the tenant supportive services requirement.

In 2000, the Development Owner received five points for providing On-Site Day Care at the Development. The LURA requires that these services be provided by a Local Tax Exempt Organization throughout the 25-year Compliance Period, which ends on December 31, 2026. The Hidalgo County Headstart Progam (Headstart), a Local Tax Exempt Organization, is identified as the service provider in the LURA. However, the Owner has requested to amend the LURA by removing the requirement that these services be provided by a Local Tax Exempt Organization, and removing the On-Site Day Care supportive service and replacing with all of the following services: Basic Adult Education, Counseling Services, GED Preparation, ESL, Home Buyer Education, Credit Counseling, Financial Planning Assistance Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, and Social Events and Activities. These services will be provided by a for-profit entity, Vesta Corporation. The LURA will also state that there will be a resident service coordinator on the property administering these service on a full-time basis.

The Development Owner states that the reason for this request is that Headstart made a strategic business decision to relocate their day care services to the local elementary schools in order to utilize pubic school resources. This move would also allow the school district to in-turn receive Average Daily Attendance funding for pre-school students. The Owner indicated that Headstart's decision to relocate was neither foreseeable nor preventable by the Owner and that they tried to locate a replacement Local Tax Exempt Organization to provide On-Site Day Care at the property but were unsuccessful in their attempts. Additionally, the Owner was unable to work out the logistics for providing transportation to and from the property and the Headstart location.

The requested changes do not materially alter the Development in a negative manner, and it is unlikely that the changes would have affected the selection of the Application in the Application Round.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on January 21, 2020, at the Development's onsite activity center. No negative public comment was received at the public hearing regarding the requested amendment.

Staff recommends approval of the requested material Application and LURA amendment as presented herein.

December 17, 2020

Patricia Murphy
Director of Compliance
Texas Department of Housing and Community Affairs
Asset Management Division
PO Box 13941
Austin, TX 78701

Re: El Patrimonio Apartments

Dear Ms. Murphy,

I, the undersigned, represent El Patrimonio Apartments I, LLC, a Texas limited liability company, which is the Managing Member of El Patrimonio Apartments, L.P., a Texas limited partnership and the owner of El Patrimonio Apartments.

Please accept this cover letter, as required by Section 1 of the Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules"), pursuant to a request for a material LURA amendment in accordance with the Rules.

Background Information

The LURA for El Patrimonio requires a local Tax Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Headstart. Since that time, Hidalgo County Headstart vacated El Patrimonio and moved their operation to a local public elementary school.

Request

The current material LURA amendment request pertains to a requested change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation p\Programs for all ages.

This change in Supportive Services was not foreseen. El Patrimonio custom built a space for Hidalgo County Headstart to provide On-Site Daycare services. It was anticipated that this particular Day Care service and the relationship between El Patrimonio and Hidalgo County Headstart would be a long-term, benefitting residents for the entirety of the Compliance Period and years to come.

The change contemplated by this request is necessary because Hidalgo County Headstart made a strategic business decision to relocate their services to a local elementary school. Hidalgo County Headstart indicated that the decision to move related to the ability to utilize public

school resources while the school district could in turn obtain Average Daily Attendance funding for pre-school students. Accordingly, Headstart's decision to relocate was neither foreseeable nor preventable by the Owner or Manager.

The Manager spent considerable time endeavoring to locate a replacement non-profit Day Care provider that would not charge residents for On-Site Day Care services. Unfortunately, there is only one Federal Agency in the County. Unable to secure an equivalent Day Care alternative, the Manager selected a new service provider that could provide equal or improved benefits for all El Patrimonio residents.

The new Supportive Services provided at El Patrimonio pursuant to the proposed Amendment will include Basic Adult Education, Counseling Services, GED Preparation ,English as a second language, Home Buyer Education, Credit Counseling, Financial Planning Assistance or Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, Social Events and Activities. The new On-Site Supportive Services programs will be provided by a VestA employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patromonio residents, free of charge.
At this time, sources, terms, conditions or amounts of financing will not be impacted or changed by this amendment request.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely yours,

EL PATRIMONIO APARTMENTS, L.P.,
A Texas limited liability company
By: **El Patrimonio Apartments I, L.L.C.,**
Its Managing Member
By: **Vesta Equity El Patrimonio LLC,**
Its Sole Managing Member
By: **Vesta Equity El Patrimonio LLC,**
Its Sole Managing Member
By: **Vesta ERI Rio Grande LLC,**
Its Managing Member
By: **Vesta Corporation**
Its Managing Member

By: _____
Name: Arthur Greenblatt
Title: President & CEO

VESTA EQUITY AMISTAD, L.L.C., A Texas limited liability company

BY: **Vesta ERI Rio Grande, L.L.C.,** A Texas limited liability company, its sole managing member

2/3/20

Name: Ashley Celella
Title: Director of Compliance

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Asset Management Division

Amendment Request Form

Completed forms and supporting materials can be emailed to asset.management@tdhca.state.tx.us

TYPE OF AMENDMENT REQUESTED

Date Submitted: 12/17/2019

Amendment Requested: *Material LURA Amendment,*

Has the change been implemented? *No*

Award Stage: *Compliance Period (After 8609s)*

NOTE: *Material Application or LURA Amendment requests must be received* ***45 days before the Board Meeting****.*

Contact your Asset Manager if you are unsure what type of Amendment to request. Amendment submission requirements and Board dates pertaining to Material Amendments are located on the Post Award Activities Manual page.

DEVELOPMENT INFORMATION

Dev. Name: El Patrimonio Apartmetns I, LLC

File No. / CMTS No.: 00010 /30

CONTACT INFORMATION

Request Submitted By: Ashley Celella

Phone #/Email: (860) 325-1731 /Acelella@vestacorp.com

SECTION 1: COVER LETTER

A cover letter ***MUST*** be submitted with your request. Review your cover letter to ensure it includes:

☒ The change(s) requested ☒ The reason the change is necessary ☒ The good cause for the change

☒ An explanation of whether the change was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

Entering an Amendment conveys to the Department that representations in the Application have changed. You ***MUST*** provide information about any changes made from the time of Application (or as last approved by the Department) in your request, including items that will be impacted by the requested change. Failure to represent or properly document all changes may result in delays, denials, or a request for re-submission. The following is attached:

☐ Revised Application Exhibits/Documents Reflecting and Verifying All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, agreements and org charts reflecting changes in Developers or Guarantors, etc.

☒ Revised Development Financing Exhibits or a Signed Statement of No Financial Impact – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets may be necessary (generally Material Amendments only)

☒ Amendment fee of $2,500 for first amendments, $3,000 for second amendments, increase of $500 for each successive amendment (Applicable only to Material Amendments and Non-Material Amendments if changes have already been implemented) – *N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

Check all items that have been modified from the original application (see ***Post Award Rules, §10.405(a)(3)***):

- ☐ Site plan
- ☐ Number of units*
- ☐ Bedroom mix
- ☐ Architectural design
- ☐ Scope of tenant services
- ☐ Reduction of 3%+ in unit sq ft
- ☐ Reduction of 3%+ common area
- ☐ Residential density (5%+ change)
- ☐ Exclusion of reqs in §11.101 or §11.201.
- ☐ Req. to implement a revised set aside election
- ☐ Other

If "Number of units" is selected above and the total LI units or LI units at any rent or income level will be reduced, also:

- ☐ Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units
- ☐ Evidence supporting the need for the adjustment in units

If "Request to implement a revised set aside" is selected above, also:

- ☐ Revised financial exhibits to the Application
- ☐ Written acknowledgement from all lenders and the syndicator that they are aware of the changes being requested and confirm any changes in terms as a result of the new election

NOTE: **The approved amendment may carry a penalty in accordance with **§10.405(a)(6)(b).***

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

Check all items that require a material LURA amendment (see Subchapter E, ***§10.405(b)(2)***):

- ☐ Reductions to the number of LI units
- ☐ Changes to income or rent restrictions
- ☐ Change in ROFR period/provisions
- ☐ Changes to Target Population
- ☐ Removal of Non-profit
- ☐ Request to implement a revised set aside election
- ☐ Affecting Rights of Tenant/3rd Parties
- ☒ Other

The following additional items are attached for consideration or will be forthcoming:

- ☐ Draft Notice of Public Hearing*
- ☐ Evidence of public hearing*

NOTE: **Draft Notices of Public Hearing must be provided with the Amendment materials 45 days prior to the Board meeting. *The Public Hearing must be held at least 15 business days prior to the Board meeting and evidence in the form of attendance sheets and a summary of comments made must be submitted to TDHCA within 3 days of the hearing.*

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

Check or explain items that require a non-material Application amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

- ☐ Amendment is requesting a change in Developer(s) or Guarantor(s) and pre and post change org charts, agreements to the change, and Previous Participation forms are attached.
- ☐ Changes in natural person(s) used to meet the experience requirement.
- ☐ Representations made in the Application that exceed the scope of a notification item: Describe items needed

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Check or explain items that require a non-material LURA amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

☐ HUB participation removal (request must also include documentation showing that a) the HUB is requesting removal of its own volition or is being removed as a result of default, b) the participation has been substantive or meaningful, and c) where the HUB will be replaced as a GP or SLP that is not a HUB and will sell its ownership interest, an ownership transfer request has also been submitted). HUB removal requests will only be considered after the issuance of 8609s.

☐ A change resulting from a Department work out arrangement as recommended by TDHCA.

☐ A correction of error (Amendments to Applicable Fractions, BIN lists, Accessible Units, etc.)

☒ Changes in amenities or supportive services that are referenced in the LURA (Requests to change amenities should address whether an amenity will be replaced by an item of equal benefit or point value).

☐ Other Representations made in the LURA not identified above: Describe items needed

SECTION 4C: NOTIFICATION ITEM SUMMARY

Check or explain items that require a notification to the Department:

☐ Change to the Development Site acreage required by the City or other local governmental authority, or changes resulting from survey discrepancies (less than 5% change in density)

☐ Minor modifications to the site plan that will not significantly impact costs (relocation or rearrangement of buildings, changes in ingress/egress, etc.)

☐ Increases or decreases in net rentable square footage or common areas (less than 3% change)

☐ Changes in amenities not requiring a change to the LURA or negatively impacting scoring

☐ Changes in Developers or Guarantors with no new Principals

☐ Other: Describe items needed

EL PATRIMONIO APARTMENTS

A VestA® Community

December 17, 2019

Notice To All Residents

Re: El Patrimonio Public Hearing

Dear El Patrimonio Resident,

Please accept this notice, as required by Section 1 of the Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules"), pursuant to a request for a material Land Use Restriction Agreement (LURA) amendment in accordance with the Rules.

Let this notice serve as your invitation to attend a public hearing on Tuesday, January 21, 2020 at 5:30pm at El Patrimonio to discuss upcoming requested changes to the LURA for El Patrimonio. The current material LURA amendment request pertains to a requested change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for El Patrimonio requires a local Tax Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Headstart. Since that time, Hidalgo County Headstart vacated El Patrimonio and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at El Patrimonio pursuant to the proposed Amendment will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. The new On-Site Supportive Services programs will be provided by a VestA employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patrimonio residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

El Patrimonio Management

EL PATRIMONIO APARTMENTS

A VestA® Community

December 17, 2019

Jim Darling
City of McAllen Mayor
1300 Houston Avenue
McAllen, TX 78501

Re: El Patrimonio Public Hearing

Dear Mr. Jim Darling,
As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Tuesday, January 21, 2020 at 5:30pm at El Patrimonio Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for El Patrimonio Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for El Patrimonio requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated El Patrimonio Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at El Patrimonio Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patrimonio residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.

El Patrimonio Management

EL PATRIMONIO APARTMENTS

A VestA® Community

December 17, 2019

Juan "Chuy" Hinojosa
Senator
P.O. Box 12068
Austin, TX 78711

Re: El Patrimonio Public Hearing

Dear Mr. Juan "Chuy"Hinojosa,

As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Tuesday, January 21, 2020 at 5:30pm at El Patrimonio Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for El Patrimonio Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for El Patrimonio requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated El Patrimonio Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at El Patrimonio Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patrimonio residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.
El Patrimonio Management

EL PATRIMONIO APARTMENTS

A VestA® Community

December 17, 2019

Arthur Greenblatt
Vesta ERI
175 Powder Forest Dr. Suite 201
Weatogue, CT 06089

Re: El Patrimonio Public Hearing

Dear Mr. Arthur Greenblatt,

Please accept this notice, as required by Section 1 of the Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules"), pursuant to a request for a material Land Use Restriction Agreement (LURA) amendment in accordance with the Rules.

Let this notice serve as your invitation to attend a public hearing on Tuesday, January 21, 2020 at 5:30pm at El Patrimonio to discuss upcoming requested changes to the LURA for El Patrimonio. The current material LURA amendment request pertains to a requested change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for El Patrimonio requires a local Tax Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Headstart. Since that time, Hidalgo County Headstart vacated El Patrimonio and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at El Patrimonio pursuant to the proposed Amendment will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. The new On-Site Supportive Services programs will be provided by a VestA employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patrimonio residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

El Patrimonio Management

EL PATRIMONIO APARTMENTS

A VestA® Community

December 17, 2019

Reid Augustine
Asset Manager
11501 Outlook Street Suite 300
Overland Park, KS 66211

Re: El Patrimonio Public Hearing

Dear Mr. Reid Augustine,

As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Tuesday, January 21, 2020 at 5:30pm at El Patrimonio Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for El Patrimonio Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for El Patrimonio requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated El Patrimonio Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at El Patrimonio Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all El Patrimonio residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.
El Patrimonio Management

EL PATRIMONIO PUBLIC MEETING MINUTES

Date: 01/21/2020
Time: 5:30pm
Location: El Patrimonio Office (McAllen, TX)
Facilitator: Crystal Moya – Assistant Vice President – Vesta
Amy Yanke – Project Administrator – Vesta
Minutes by: Brenda Castillo – Compliance Specialist - Vesta

In Attendance

Crystal Moya, Amy Yanke, Brenda Castillo, Hector Cantu, Emelda Salazar, Paul Garcia and 9 El Patrimonio Apartment residents. (sign in sheet attached)

I. Meeting called to order @ 5:45pm
II. Introduction of Staff – Crystal Moya and all Vesta Management staff present
    i. Resident introduction
III. Purpose of meeting -
    a. Explain Social Service requirement as per LURA
    b. Explain that Vesta would like to have a Resident Services Coordinator
IV. What is a Resident Service Coordinator? Power point presentation
    a. Amy Yanke/Hector Cantu explain a wide variety of services that a coordinator may offer. (Example: Computers for education, afterschool homework help, GED classes, ESL classes, resume writing, mock interview, summer food program)
V. Crystal summarizes slideshow presentation and opens the floor for discussion (to residents)
    i. Are services based on each resident?
    ii. Can we request specific services?
    iii. Will RSC be starting soon or is this just asking if we would like one
    iv. When will we know what services will be provided?
VI. Crystal explained we are having this hearing to discuss if you the residents approve for us to make this change. Does anyone oppose to having a resident services coordinator? **All residents responded "No"**
VII. Crystal thanked the residents for their attendance and positive feedback. As well as lets them know to please make suggestions for services they would like to see provided by a Resident Services Coordinator.
VIII. Meeting concluded 6:22pm

El Patrimonio Public Hearing

Sign in Sheet

01/21/2020

Jessica Gutierrez #402	
manuel macias #261	
Antonio tostado #394	
Maria G. Torres #353	
Doraly Castañeda #253	
Rosa E Cazares #291	
Luis Castañeda #253	
Maura Beltran	
María Aguirre #282	

VESTA CORPORATION

RESIDENT SERVICES COORDINATOR

"Vesta's Resident Service Coordinators offer access to necessary resources that make all the difference."

RESIDENTS AT AFFORDABLE HOUSING

An RSC will work with adult residents to develop a plan of action to assist them in:

- Achieving greater economic security by linking them with program to improve literacy, job skills, education and money management training.

An RSC will help children by:

- Improving the educational outcomes of low-income children by linking to them to after-school programs.

SENIORS AND DISABLED ADULTS:

An RSC will assist seniors and disabled adults access needed supportive services in order to:

- Maintain their independence and remain in their homes
- Avoid premature admission to more costly institutionalized care

WHAT ELSE CAN AN RSC HELP WITH?

- Housekeeping programming
- Reduce apartment turnover and damage by intervening to assist with resolution of potential lease violations
- Provide residents with social service referrals, assist residents in accessing community resources, and empower residents by locating and/or initiating enrichment services on and off-site

VESTA CORPORATION

COORDINADOR DE SERVICIOS PARA RESIDENTES

"Los coordinadores de servicios para residentes de Vesta ofrecen acceso a los recursos necesarios que marcan la diferencia."

RESIDENTES EN VIVIENDAS ACCESIBLES

Un RSC trabajará con residentes adultos para desarrollar un plan de acción para ayudarlos a:

- Lograr una mayor seguridad económica al vincularlos con el programa para mejorar la alfabetización, las habilidades laborales, la educación y la capacitación en gestión del dinero

Un RSC ayudará a los niños al:

- Mejora de los resultados educativos de los niños de bajos ingresos al vincularlos a programas extracurriculares

PERSONAS MAYORES Y ADULTOS DISCAPACITADOS:

Un RSC ayudará a los adultos mayores y discapacitados a acceder a los servicios de apoyo necesarios para:

- Mantener su independencia y permanecer en sus hogares
- Evitar la admisión prematura a una atención institucionalizada más costosa

¿CON QUÉ MÁS PUEDE AYUDAR UN RSC?

- Programa de limpieza
- Reduzca la rotación y el daño de los apartamentos al intervenir para ayudar con la resolución de posibles violaciones de arrendamiento
- Proporcione a los residentes referencias de servicios sociales, ayude a los residentes a acceder a los recursos de la comunidad y capacite a los residentes al ubicar o iniciar servicios de enriquecimiento dentro y fuera del sitio

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for La Estancia Apartments (HTC #01031)

RECOMMENDED ACTION

WHEREAS, La Estancia Apartments (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2001 for the new construction of 128 units (96 HTC; 32 Market) of multifamily housing in Weslaco, Hidalgo County;

WHEREAS, the Application was awarded five points for Resident Supportive Services under §50.7(e)(5) of the 2001 QAP, and the supportive service requirement is reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, La Estancia Apartments, L.P. (the Development Owner or Owner) requests approval for a substantive modification to the Resident Supportive Services referenced in the LURA, specifically the removal of On-Site Day Care and the addition of Basic Adult Education, Counseling Services, GED Preparation, English as a Second Language (ESL), Home Buyer Education, Credit Counseling, Financial Planning Assistance Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, and Social Events and Activities;

WHEREAS, Board approval is required for a substantive modification of the scope of tenant services as directed in Tex. Gov't Code §2306.6712(d)(3) and 10 TAC §10.405(a)(4)(C), and the Owner has complied with the amendment and notification requirements as directed in 10 TAC §10.405(b); and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application and LURA for La Estancia Apartments is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

La Estancia Apartments received a 9% HTC award in 2001 for the new construction of 128 (96 HTC; 32 Market) multifamily units in Weslaco, Hidalgo County. In a letter dated December 17, 2019, Brian Courtney, representative of the Development Owner, requested approval to amend the HTC LURA related to the tenant supportive services requirement.

In 2001, the Development Owner received five points for providing On-Site Day Care at the Development. The LURA requires that this service be provided throughout the 25-year Compliance Period, which ends on December 31, 2027. The Hidalgo County Headstart Program (Headstart), a Local Tax Exempt Organization, is identified as the service provider in the LURA. However, the Owner has requested to amend the LURA by removing the On-Site Day Care supportive service and substituting all of the following services: Basic Adult Education, Counseling Services, GED Preparation, ESL, Home Buyer Education, Credit Counseling, Financial Planning Assistance or Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, and Social Events and Activities. These services will be provided by Vesta Corporation, an affiliate of the property management company, and there will be a resident service coordinator on the property administering these services on a full-time basis.

The Development Owner states that the reason for this request is that Headstart made a strategic business decision to relocate their day care services to the local elementary school in order to utilize pubic school resources. This move would also allow the school district to in-turn receive Average Daily Attendance funding for pre-school students. The Owner indicated that Headstart's decision to relocate was neither foreseeable nor preventable by the Owner and that they tried to locate a replacement Local Tax Exempt Organization to provide On-Site Day Care at the property but were unsuccessful in their attempts. Additionally, the Owner was unable to work out the logistics for providing transportation to and from the property and the Headstart location.

The requested changes do not materially alter the Development in a negative manner, and would not have affected the selection of the Application in the Application Round.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on January 23, 2020, at the Development's onsite activity center. No negative public comment was received at the public hearing regarding the requested amendment.

Staff recommends approval of the requested material Application and LURA amendment as presented herein.

December 17, 2019

Patricia Murphy
Director of Compliance
Texas Department of Housing and Community Affairs
Asset Management Division
PO Box 13941
Austin, TX 78701

Re: La Estancia Apartments

Dear Ms. Murphy,

I, the undersigned, represent La Estancia Apartments I, LLC, a Texas limited liability company, which is the General Partner of La Estancia Apartments, L.P., a Texas limited partnership and the owner of La Estancia Apartments.

Please accept this cover letter, as required by Section 1 of the Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules"), pursuant to a request for a material LURA amendment in accordance with the Rules.

Background Information

The LURA for La Estancia requires a local Tax Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Headstart. Since that time, Hidalgo County Headstart vacated La Estancia and moved their operation to a local public elementary school.

Request

The current material LURA amendment request pertains to a requested change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation Programs for all ages.

This change in Supportive Services was not foreseen. La Estancia custom built a space for Hidalgo County Headstart to provide On-Site Daycare services. It was anticipated that this particular Day Care service and the relationship between La Estancia and Hidalgo County Headstart would be a long-term, benefitting residents for the entirety of the Compliance Period and years to come.

The change contemplated by this request is necessary because Hidalgo County Headstart made a strategic business decision to relocate their services to a local elementary school. Hidalgo County Headstart indicated that the decision to move related to the ability to utilize public

school resources while the school district could in turn obtain Average Daily Attendance funding for pre-school students. Accordingly, Headstart's decision to relocate was neither foreseeable nor preventable by the Owner or Manager

The Manager spent considerable time endeavoring to locate a replacement non-profit Day Care provider that would not charge residents for On-Site Day Care services. Unfortunately, there is only one Federal Headstart funded agency in the County. Unable to secure an equivalent Day Care alternative, the Manager selected a new social services provider that could provide equal or improved benefits for all La Estancia residents.

The new Supportive Services provided at La Estancia pursuant to the proposed Amendment will include Basic Adult Education, Counseling Services, GED Preparation, English as a second language, Home Buyer Education, Credit Counseling, Financial Planning Assistance or Courses, Health Screening Services, Health and Nutritional Courses, Youth Programs, Social Events and Activities. The new On-Site Supportive Services programs will be provided by a VestA employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all La Estancia residents, free of charge.
At this time, sources, terms, conditions or amounts of financing will not be impacted or changed by this amendment request.

At this time, sources, terms, conditions or amounts of financing will not be impacted or changed by this amendment request.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely yours,

LA ESTANCIA APARTMENTS, L.P.,
By: **La Estancia Apartments I, L.L.C.,**
Its general partner
By: **Bozrah International Ministries, Inc.,**
Its sole managing member

By: _____
Name: Brian Courtney
Title: President

VESTA EQUITY AMISTAD, L.L.C., A Texas limited liability company

BY: **Vesta ERI Rio Grande, L.L.C.,** A Texas limited liability company, its sole managing member

Ashley Cefella 2/3/20

Name: Ashley Cefella
Title: Director of Compliance

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Asset Management Division

Amendment Request Form

Completed forms and supporting materials can be emailed to asset.management@tdhca.state.tx.us

TYPE OF AMENDMENT REQUESTED

Date Submitted: 12/17/2019 Amendment Requested: *Material LURA Amendment*

Has the change been implemented? *No* Award Stage: *Compliance Period (After 8609s)*

NOTE: *Material Application or LURA Amendment requests must be received* ***45 days before the Board Meeting****.*

Contact your Asset Manager if you are unsure what type of Amendment to request. Amendment submission requirements and Board dates pertaining to Material Amendments are located on the Post Award Activities Manual page.

DEVELOPMENT INFORMATION

Dev. Name: La Estancia Apartments I, LLC File No. / CMTS No.: 01031 /274

CONTACT INFORMATION

Request Submitted By: Ashley Celella Phone #/Email: (860) 325-1731 /Acelella@vestacorp.com

SECTION 1: COVER LETTER

A cover letter ***MUST*** be submitted with your request. Review your cover letter to ensure it includes:

☒ The change(s) requested ☒ The reason the change is necessary ☒ The good cause for the change

☒ An explanation of whether the change was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

Entering an Amendment conveys to the Department that representations in the Application have changed. You ***MUST*** provide information about any changes made from the time of Application (or as last approved by the Department) in your request, including items that will be impacted by the requested change. Failure to represent or properly document all changes may result in delays, denials, or a request for re-submission. The following is attached:

☐ Revised Application Exhibits/Documents Reflecting and Verifying All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, agreements and org charts reflecting changes in Developers or Guarantors, etc.

☒ Revised Development Financing Exhibits or a Signed Statement of No Financial Impact – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets may be necessary (generally Material Amendments only)

☒ Amendment fee of $2,500 for first amendments, $3,000 for second amendments, increase of $500 for each successive amendment (Applicable only to Material Amendments and Non-Material Amendments if changes have already been implemented) – *N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

Check all items that have been modified from the original application (see ***Post Award Rules, §10.405(a)(3)***):

☐ Site plan	☐ Scope of tenant services	☐ Exclusion of reqs in §11.101 or §11.201.
☐ Number of units*	☐ Reduction of 3%+ in unit sq ft	☐ Req. to implement a revised set aside election
☐ Bedroom mix	☐ Reduction of 3%+ common area	☐ Other
☐ Architectural design	☐ Residential density (5%+ change)	

If "Number of units" is selected above and the total LI units or LI units at any rent or income level will be reduced, also:

☐ Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units

☐ Evidence supporting the need for the adjustment in units

If "Request to implement a revised set aside" is selected above, also:

☐ Revised financial exhibits to the Application

☐ Written acknowledgement from all lenders and the syndicator that they are aware of the changes being requested and confirm any changes in terms as a result of the new election

NOTE: **The approved amendment may carry a penalty in accordance with **§10.405(a)(6)(b).***

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

Check all items that require a material LURA amendment (see Subchapter E, ***§10.405(b)(2)***):

☐ Reductions to the number of LI units	☐ Changes to Target Population	☐ Affecting Rights of Tenant/3rd Parties
☐ Changes to income or rent restrictions	☐ Removal of Non-profit	☒ Other
☐ Change in ROFR period/provisions	☐ Request to implement a revised set aside election	

The following additional items are attached for consideration or will be forthcoming:

☐ Draft Notice of Public Hearing*	☐ Evidence of public hearing*

NOTE: **Draft Notices of Public Hearing must be provided with the Amendment materials 45 days prior to the Board meeting. *The Public Hearing must be held at least 15 business days prior to the Board meeting and evidence in the form of attendance sheets and a summary of comments made must be submitted to TDHCA within 3 days of the hearing.*

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

Check or explain items that require a non-material Application amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

☐ Amendment is requesting a change in Developer(s) or Guarantor(s) and pre and post change org charts, agreements to the change, and Previous Participation forms are attached.

☐ Changes in natural person(s) used to meet the experience requirement.

☐ Representations made in the Application that exceed the scope of a notification item: Describe items needed

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Check or explain items that require a non-material LURA amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

☐ HUB participation removal (request must also include documentation showing that a) the HUB is requesting removal of its own volition or is being removed as a result of default, b) the participation has been substantive or meaningful, and c) where the HUB will be replaced as a GP or SLP that is not a HUB and will sell its ownership interest, an ownership transfer request has also been submitted). HUB removal requests will only be considered after the issuance of 8609s.

☐ A change resulting from a Department work out arrangement as recommended by TDHCA.

☐ A correction of error (Amendments to Applicable Fractions, BIN lists, Accessible Units, etc.)

☒ Changes in amenities or supportive services that are referenced in the LURA (Requests to change amenities should address whether an amenity will be replaced by an item of equal benefit or point value).

☐ Other Representations made in the LURA not identified above: Describe items needed

SECTION 4C: NOTIFICATION ITEM SUMMARY

Check or explain items that require a notification to the Department:

☐ Change to the Development Site acreage required by the City or other local governmental authority, or changes resulting from survey discrepancies (less than 5% change in density)

☐ Minor modifications to the site plan that will not significantly impact costs (relocation or rearrangement of buildings, changes in ingress/egress, etc.)

☐ Increases or decreases in net rentable square footage or common areas (less than 3% change)

☐ Changes in amenities not requiring a change to the LURA or negatively impacting scoring

☐ Changes in Developers or Guarantors with no new Principals

☐ Other: Describe items needed

LA ESTANCIA

A VestA Community

January 3, 2020

Arthur Greenblatt
Vesta ERI
175 Powder Forest Dr. Suite 201
Weatogue, CT 06089

Re: La Estancia Public Hearing

Dear Mr. Arthur Greenblatt,
As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Thursday, January 23, 2020 at 5:30pm at La Estancia Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for La Estancia Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for La Estancia requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated La Estancia Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at La Estancia Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all La Estancia residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.

La Estancia Management

LA ESTANCIA

A VestA Community

January 3, 2020

Michael Cloud
State Representative
101 N. Shoreline Blvd. Suite 306
Corpus Chirsti, TX 78401

Re: La Estancia Public Hearing

Dear Mr. Michael Cloud,

As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Thursday, January 23, 2020 at 5:30pm at La Estancia Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for La Estancia Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for La Estancia requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated La Estancia Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at La Estancia Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all La Estancia residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.

La Estancia Management

LA ESTANCIA

A VestA Community

January 3, 2020

David Suarez
Mayor – City of Weslaco
255 S. Kansas aVe.
Weslaco, TX 78596

Re: La Estancia Public Hearing

Dear Mr. David Suarez

As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Thursday, January 23, 2020 at 5:30pm at La Estancia. The public hearing will be held to discuss the proposed material changes to the LURA for La Estancia Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

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Requested Changes

The new Supportive Services provided at La Estancia Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all La Estancia residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.

La Estancia Management

LA ESTANCIA

A VestA Community

January 3, 2020

Notice To All Residents

Re: La Estancia Public Hearing

As required by Section 1 of the Texas Department of Housing and Community Affairs Amendment Request Form and in accordance with Section 10.405(b)(1) of the Uniform Multifamily Rules (the "Rules") -pursuant to a request for a material Land Use Restrictive Agreement (LURA) amendment- we deliver this notice of public hearing.

This notice serves as your invitation to attend a public hearing on Thursday, January 23, 2020 at 5:30pm La Estancia Apartments. The public hearing will be held to discuss the proposed material changes to the LURA for La Estancia Apartments. The current material LURA amendment request encompasses a change of supportive services, namely from On-Site Day Care to On-Site provision of an array of Supportive Services including Youth Programs, Workforce Development, Adult Education and Recreation programs for all ages.

Background Information

The LURA for La Estancia requires a local Tax-Exempt Organization to provide Day Care On-Site throughout the Compliance Period. At the time the LURA Declaration was filed with the Department, the named organization providing those supportive services was Hidalgo County Head Start. Since that time, Hidalgo County Head Start vacated La Estancia Apartments and moved their operation to a local public elementary school.

Requested Changes

The new Supportive Services provided at La Estancia Apartments, pursuant to the proposed Amendment, will include Adult Education programs and Workforce Development programs. For children, there will be On-Site After-School Tutoring, Youth After-School clubs and Youth Personal Development programs. The On-Site Supportive Services will also include Income Maintenance programs, Recreational programs and Nutritional services. These new On-Site Supportive Services programs will be provided by a Vesta employed Resident Services Coordinator, whom will be an experienced resident services provider poised to offer quality resident services to all La Estancia residents, free of charge.

Thank you very much for your assistance. Please do not hesitate to contact us should you require any additional information.

La Estancia Management

LA ESTANCIA PUBLIC MEETING MINUTES

Date: 01/23/2020
Time: 5:30pm
Location: La Estancia Office (Weslaco, TX)
Facilitator: Crystal Moya – Assistant Vice President – Vesta
Amy Yanke – Project Administrator – Vesta
Minutes by: Brenda Castillo – Compliance Specialist - Vesta

In Attendance

Crystal Moya, Amy Yanke, Brenda Castillo, Hector Cantu, Emelda Salazar, Laura Lopez, Irma Rodriguez, Rigoberto Gomez, Aaron Garcia and 7 La Estancia Apartment residents. (sign in sheet attached)

I. Meeting called to order @ 5:45pm
II. Introduction of Staff – Crystal Moya and all Vesta Management staff present (listed above)
    i. Resident introduction
III. Purpose of meeting -
    a. Explain Social Service requirement as per LURA
    b. Explain that Vesta would like to have a Resident Services Coordinator
IV. What is a Resident Service Coordinator? (Power point presentation, in both English and Spanish)
    a. Amy Yanke/Hector Cantu explain a wide variety of services that a coordinator may offer. (Example: Computers for education, afterschool homework help, GED classes, ESL classes, resume writing, mock interview, summer food program)
V. Crystal summarizes slideshow presentation and opens the floor for discussion (to residents)
    i. Is there an age limit for services?
    ii. Can we look in to GED classes? Afterschool homework help?
    iii. Health classes/summer food program
    iv. When will we know what services will be provided?
VI. Crystal explained we are having this hearing to discuss if you the residents approve for us to make this change. Does anyone oppose to having a resident services coordinator? **All residents responded "No"**
VII. Crystal thanked the residents for their attendance and positive feedback. As well as lets them know to please make suggestions for services they would like to see provided by a Resident Services Coordinator.
VIII. Meeting concluded 6:15 pm

LURA AMENDMENT PUBLIC HEARING SIGN-IN SHEET

Property:	La Estancia	**Meeting Date:**	1/23/2020
Company:	Vesta Management	**Place/Room:**	LE Daycare Facility

Unit	Name
84	Brenda Hernandez
82	Claudia Guajardo
241	Guajardo, Mario
121	Karen Arriaga
14	Lisa M. Deural
314	Silvia Eroi
311	Ricardo Lara JR

VESTA CORPORATION

RESIDENT SERVICES COORDINATOR

"Vesta's Resident Service Coordinators offer access to necessary resources that make all the difference."

RESIDENTS AT AFFORDABLE HOUSING

An RSC will work with adult residents to develop a plan of action to assist them in:

- Achieving greater economic security by linking them with program to improve literacy, job skills, education and money management training.

An RSC will help children by:

- Improving the educational outcomes of low-income children by linking to them to after-school programs.

SENIORS AND DISABLED ADULTS:

An RSC will assist seniors and disabled adults access needed supportive services in order to:

- Maintain their independence and remain in their homes
- Avoid premature admission to more costly institutionalized care

WHAT ELSE CAN AN RSC HELP WITH?

- Housekeeping programming
- Reduce apartment turnover and damage by intervening to assist with resolution of potential lease violations
- Provide residents with social service referrals, assist residents in accessing community resources, and empower residents by locating and/or initiating enrichment services on and off-site

VESTA CORPORATION

COORDINADOR DE SERVICIOS PARA RESIDENTES

"Los coordinadores de servicios para residentes de Vesta ofrecen acceso a los recursos necesarios que marcan la diferencia."

RESIDENTES EN VIVIENDAS ACCESIBLES

Un RSC trabajará con residentes adultos para desarrollar un plan de acción para ayudarlos a:

- Lograr una mayor seguridad económica al vincularlos con el programa para mejorar la alfabetización, las habilidades laborales, la educación y la capacitación en gestión del dinero

Un RSC ayudará a los niños al:

- Mejora de los resultados educativos de los niños de bajos ingresos al vincularlos a programas extracurriculares

PERSONAS MAYORES Y ADULTOS DISCAPACITADOS:

Un RSC ayudará a los adultos mayores y discapacitados a acceder a los servicios de apoyo necesarios para:

- Mantener su independencia y permanecer en sus hogares
- Evitar la admisión prematura a una atención institucionalizada más costosa

¿CON QUÉ MÁS PUEDE AYUDAR UN RSC?

- Programa de limpieza
- Reduzca la rotación y el daño de los apartamentos al intervenir para ayudar con la resolución de posibles violaciones de arrendamiento
- Proporcione a los residentes referencias de servicios sociales, ayude a los residentes a acceder a los recursos de la comunidad y capacite a los residentes al ubicar o iniciar servicios de enriquecimiento dentro y fuera del sitio

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement for HomeWood at Zion (HTC #10035)

RECOMMENDED ACTION

WHEREAS, HomeWood at Zion (the Development) received an award of 9% Housing Tax Credits (HTCs) in 2010 for the new construction of 70 units of multifamily housing in Houston, Harris County;

WHEREAS, Zion Gardens Ltd. (the Development Owner or Owner) requests approval for a substantive modification to the Resident Supportive Services that are referenced in the Application and also in the Land Use Restriction Agreement (LURA), specifically for the removal of child care, scholastic tutoring and other programs described under Title IV-A of the Social Security Act; and the addition of a food pantry, twice monthly social events, and twice monthly arts and crafts from the list of resident supportive services in the 2019 Qualified Allocation Plan;

WHEREAS, the total number of points awarded for Resident Supportive Services remains the same as at the time of Application;

WHEREAS, Board approval is required for a substantive modification of the scope of tenant services as directed in Tex. Gov't Code §2306.6712(d)(3) and 10 TAC §10.405(a)(4)(C), and the Owner has complied with the amendment and notification requirements as directed in §10 TAC 10.405(b); and

WHEREAS, the requested changes do not negatively affect the Development, impact the viability of the transaction, impact the scoring of the application, or affect the amount of the tax credits awarded;

NOW, therefore, it is hereby

RESOLVED, that the requested material amendment to the Application and LURA for HomeWood at Zion is approved as presented at this meeting, and the Executive Director and his designees are each authorized, directed, and empowered to take all necessary action to effectuate the foregoing.

BACKGROUND

HomeWood at Zion received a 9% HTC award in 2010 for the new construction of 70 multifamily units in Houston, Harris County. In a letter dated November 5, 2019, Kenneth W. Fambro, II, Vice President of Integrated Zion SLP, LLC, the Special Limited Partner of the Development Owner, Zion Gardens Ltd., requested approval to amend the Application and LURA related to the tenant supportive services requirement.

In the 2010 HTC application, the Development Owner selected 11 points worth of tenant supportive services in the HTC application; although the application was only allotted the maximum of seven points in exchange for providing the selected tenant supportive services. As the Development Owner reflected 11 points worth of supportive services in the HTC application, the following tenant supportive services are included in the LURA:

- Child care (two points);
- Basic adult education (one point);
- Legal assistance (one point);
- Counseling services (one point);
- Home buyer education (one point);
- Credit counseling (one point);
- Financial planning assistance or courses (one point);
- Health and nutritional courses (one point);
- Scholastic tutoring (one point); and
- Any other programs described under Title IV-A of the Social Security Act (42 U.S.C. §§601 et seq.) (one point).

The Development Owner also elected to provide notary public services to tenants of the Development, for an additional application point. The notary public service will continue to be provided at the Development.

Upon completion of the construction of the Development, the Owner entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low Income Housing Tax Credits (LURA) recorded in Harris County on October 12, 2012, later amended twice and recorded in Harris County on June 10, 2013, and on March 31, 2014. The original LURA includes the list of selected tenant supportive services.

The Development Owner states that in recent years, the Development has been unsuccessful at continually providing child care, scholastic tutoring and other programs described under Title IV-A of the Social Security Act due to lack of eligible or willing providers. The property offers a private office onsite for an organization to utilize but only during normal business hours for security reasons. The Owner further states that, while they were successful in finding a few organizations, either no or low resident participation caused the organization to discontinue services. Due to historically low resident participation of all supportive services, the

Development Owner does not anticipate finding an organization willing to provide these services on a continual basis that meets the current LURA requirements.

Therefore, the Development Owner has requested to eliminate child care, scholastic tutoring, and other programs described under Title IV-A of the Social Security Act, which were worth a total of four points at application; and instead provide three replacement services listed in the 2019 Qualified Allocation Plan and also worth four points. The following tenant supportive services are being offered by the Owner as replacement services:

- Health Supportive Services – Food pantry consisting of an assortment of non-perishable food items and common household items (i.e. laundry detergent, toiletries, etc.) accessible to residents at least on a monthly basis or upon request by a resident. While it is possible that transportation may be provided to a local food bank to meet the requirement of this resident service, the resident must not be required to pay for the items they receive at the food bank (two points);
- Community Supportive Services – Twice monthly arts, crafts, and other recreational activities (e.g. Book Clubs and creative writing classes) (one point); and
- Community Supportive Services – Twice monthly on-site social events (i.e., potluck dinners, game night, sing-a-longs, movie nights, birthday parties, holiday celebrations, etc.) (one point).

The requested changes do not materially alter the Development in a negative manner and were not reasonably foreseeable or preventable by the Development Owner at the time of Application. Because the four points were not required for scoring, the additional services would not have affected the selection of the Application in the Application Round.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on December 18, 2019, at the Development's onsite activity center, but other than Owner staff, there were no other attendees at the public hearing.

Staff recommends approval of the requested material Application and LURA amendment as presented herein.

HOMEWOOD AT ZION
3110 W. Southlake Blvd., Suite 120
Southlake, Texas 76092
817.742.1851

November 5, 2019

Rosalio Banuelos
Director of Multifamily Asset Management
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: HomeWood at Zion (TDHCA #10035) LURA Amendment Request

Dear Mr. Banuelos:

Please allow this letter to serve as an official request to amend the above referenced LURA in the following areas:

- Adding food pantry (+1 point) 2 points
- Adding twice monthly social events (+1 point)
- Adding twice monthly arts and crafts (+2 point) 1 point
- Eliminating child care (-2 point)
- Eliminating Scholastic tutoring (-1 point)
- Eliminating any other programs described under Title IV-A of the Social Security Act (-1 point)

In recent years, the property has been unsuccessful at continually providing child care, scholastic tutoring, and other programs described under Title IV-A of the Social Security Act due to a lack of eligible or willing providers. The property offers a private office onsite for an organization to utilize but only during normal business hours (for security reasons). While we were successful in finding a few organizations, either no or low resident participation caused the organizations to discontinue. Due to historically low resident participation of all supportive services, we do not anticipate finding an organization willing to provide these services on a continually basis that allows us to meet the current LURA requirements. We ask to allow food pantry, twice-monthly social events, and twice-monthly arts and crafts, as these can be facilitated by onsite staff.

Thank you in advance for your consideration of this request. Please let me know if any additional information is necessary.

Sincerely,

Kenneth W. Fambro, II
Vice President of Special Limited Partner

November 22, 2019

TO ALL RESIDENTS OF HOMEWOOD AT ZION

RE: LURA Amendment Request to TDHCA for HomeWood at Zion

Dear Resident(s):

Zion Gardens, LLC is asking the Texas Department of Housing and Community Affairs Governing Board (the TDHCA Board) to approve an amendment to its Land Use Restrictive Agreement (LURA) that will change the tenant supportive services in the following areas:

- Adding food pantry
- Adding twice monthly social events
- Adding twice monthly arts and crafts
- Eliminating child care
- Eliminating Scholastic tutoring
- Eliminating any other programs described under Title IV-A of the Social Security Act

TDHCA rules require that notice of this request be provided to all residents of the property. This letter is to inform you that there will be a public hearing to discuss the request and we invite you to attend.

The public hearing is your opportunity to discuss the amendment request and voice your concern regarding the above supportive service changes. Information obtained from this meeting will be submitted for consideration by the TDHCA Board at their January 16, 2020 meeting.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing & Community Affairs
Asset Management Division
221 East 11th Street

HOMEWOOD
AT ZION
APARTMENT HOMES

Austin, Texas 78701

A public hearing on this issue will be held at HomeWood at Zion.

HomeWood at Zion- Activity Center
2502 Webster Street
Houston, TX 77003
December 18, 2019
10:30am

Sincerely,

Kenneth W. Fambro, II
Vice President
Integrated Zion SLP, LLC

December 3, 2019

RE: LURA Amendment Request to TDHCA for HomeWood at Zion

Dear Limited Partner:

Zion Gardens, LLC is asking the Texas Department of Housing and Community Affairs Governing Board (the TDHCA Board) to approve an amendment to its Land Use Restrictive Agreement (LURA) that will change the tenant supportive services in the following areas:

- Adding food pantry
- Adding twice monthly social events
- Adding twice monthly arts and crafts
- Eliminating child care
- Eliminating Scholastic tutoring
- Eliminating any other programs described under Title IV-A of the Social Security Act

TDHCA rules require that notice of this request be given to investors. This letter is to inform you that there will be a public hearing to discuss the request and we invite you to attend.

A public hearing on this issue will be held at HomeWood at Zion.

HomeWood at Zion- Activity Center
2502 Webster Street
Houston, TX 77003
December 18, 2019
10:30am

Sincerely,

Kenneth W. Fambro, II
Vice President
Integrated Zion SLP, LLC

December 3, 2019

RE: LURA Amendment Request to TDHCA for HomeWood at Zion

Dear Lender:

Zion Gardens, LLC is asking the Texas Department of Housing and Community Affairs Governing Board (the TDHCA Board) to approve an amendment to its Land Use Restrictive Agreement (LURA) that will change the tenant supportive services in the following areas:

- Adding food pantry
- Adding twice monthly social events
- Adding twice monthly arts and crafts
- Eliminating child care
- Eliminating Scholastic tutoring
- Eliminating any other programs described under Title IV-A of the Social Security Act

TDHCA rules require that notice of this request be given to all current lenders. This letter is to inform you that there will be a public hearing to discuss the request and we invite you to attend.

A public hearing on this issue will be held at HomeWood at Zion.

HomeWood at Zion- Activity Center
2502 Webster Street
Houston, TX 77003
December 18, 2019
10:30am

Sincerely,

Kenneth W. Fambro, II
Vice President
Integrated Zion SLP, LLC

HOMEWOOD
AT ZION
APARTMENT HOMES

Meeting Sign-In Sheet

December 18, 2019
10:30am

Name	Email	Phone	Resident-Yes or No
CELESTINA LOZANO	clozano@integratedreg.com	8178370566	NO- CORPORATE
Portia Brown	rbrown@integratedreg.com	2	NO - Manager

HomeWood at Zion Pubic Hearing Agenda

Location: HomeWood at Zion

Date: December 18, 2019

Time: 10:30am

Attendees: CHRISTINA LOZANO
BENITA BROWN

Agenda Items:

1. Introductions

2. LURA Amendment Discussion

3. Questions

HomeWood at Zion Pubic Hearing meeting minutes

Location: HomeWood at Zion

Date: December 18, 2019

Time: 10:30am

Attendees: CHRISTINA LOTAM
RENITA BROWN

Memo:

The following notes were taken by staff based on the items discussed at the December 18, 2019 meeting provided by Zion Gardens, LLC.

Sign-In Sheet:

Original copy of sign-in sheet is attached to this document

Meeting Notes:

None

Meeting Closing:

Prepared By: Jessica Brown

1c

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for The Woodlands of Beaumont (HTC #00056)

RECOMMENDED ACTION

WHEREAS, The Woodlands of Beaumont (the Development) received a 9% Housing Tax Credit (HTC) award in 2000 to construct 140 multifamily units in Beaumont, Jefferson County;

WHEREAS, the HTC application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal (ROFR) to purchase the Development over a two-year ROFR period, and this provision is reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, in 2015, the 84th Texas Legislature, Regular Session, amended Tex. Gov't Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and defined a Qualified Entity to mean an entity described by, or as amended, an entity controlled by an entity described by, 26 U.S.C. §42(i)(7)(A), Internal Revenue Code of 1986;

WHEREAS, West Cardinal 140, L.P. (the Development Owner or Owner) requests to amend the LURA for the Development to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726 in 2015; and

WHEREAS, amendment to the ROFR period in the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2)(E), and the Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for The Woodlands of Beaumont is approved as presented to this meeting, and the Executive Director and his designees are hereby authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Woodlands of Beaumont received a 9% HTC award in 2000 to construct 140 multifamily units in Beaumont, Jefferson County. In a letter dated December 18, 2019, Sally Gaskin, a representative for the Development Owner, West Cardinal 140, L.P., requested approval to amend the HTC LURA related to the ROFR provision.

The additional use restrictions in the current LURA require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), a tenant organization or to the Department, if at any time after the fifteenth year of the Compliance Period the Development Owner decides to sell the property. The property is currently in the 18th year of the Extended Use Period specified in the LURA. However, the Owner desires to exercise its rights under Tex. Gov't Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

In 2015, the 84th Texas Legislature, Regular Session, passed HB 3576, which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and Tex. Gov't Code §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, Tex. Gov't Code §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's Uniform Multifamily Rules, Subchapter E, include administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on January 9, 2020, at the Development's onsite community clubhouse. There were no other attendees at the public hearing, and the Owner received no written comment regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

THE WOODLANDS OF BEAUMONT
3150 W. Cardinal Drive
Beaumont, Texas 77705

December 18, 2019

VIA HAND DELIVERY
Mr. Kent Bedell
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: TDHCA File No. 00056; The Woodlands of Beaumont (the "**Property**")

Dear Mr. Bedell:

The undersigned, being the General Partner (herein so called) of West Cardinal 140, L.P., a Texas limited partnership and the current owner of the Property (the "**Partnership**"), is submitting this letter to request a material LURA amendment in order to modify the two-year Right of First Refusal ("**ROFR**") period.

Request to Amend ROFR Period

In 2015, Texas Government Code Section 2306.6726 was amended to allow for a 180-day ROFR period. Currently, the LURA for this Property requires a two-year ROFR period. Section 10.405(b)(2)(E) of the Rules allows for a LURA amendment in order to conform a ROFR to the provisions in Section 2306.6726. Therefore the General Partner, acting on behalf of the Partnership, requests a LURA amendment to eliminate the two-year ROFR period and replace it with the 180-day ROFR period.

LURA Amendment

In accordance with Section 10.405(b) of the Rules, the Partnership, is delivering a fee in the amount of $2,500.00. In addition, the Partnership commits to hold a public hearing, as required by the Rules, and to notify all residents, investors, and lenders. The Partnership will proceed to set a date and time for the public hearing and will provide TDHCA with evidence that the notice has been delivered and the hearing has been conducted. With that, the Partnership requests staff recommendation in support of this request to be considered at the next available TDHCA Board meeting.

Thank you very much for your assistance. Please do not hesitate to contact us if you require any additional information.

Sincerely,

WEST CARDINAL 140, L.P.,
a Texas limited partnership

By: West Cardinal Development, L.L.C.,
a Texas limited liability company,
its general partner

By: _____
Name: Sally Gaskin
Title: Manager

THE WOODLANDS OF BEAUMONT
3150 W. Cardinal Drive
Beaumont, Texas 77705

December 31, 2019

Dear Resident:

The Woodlands of Beaumont (the "**Community**") is owned by West Cardinal 140, L.P. (the "**Owner**"). In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**") (Phone: 512-475-3800; Website: www.tdhca.state.tx.us).

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, the Owner will offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. To be consistent with a change in Texas law, the Owner is requesting Department approval to change the two-year period to a 180-day period. TDHCA Uniform Multifamily Rules require that notice of this request be provided to all residents of the Property.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community. Accordingly, there will be a public meeting to discuss this matter and we invite you to attend. The public hearing is your opportunity to discuss the amendment request and voice your concerns. The public hearing will take place at the Community's management office/clubhouse on **January 9, 2020, at 3:00 p.m.** Information from this meeting will be submitted for consideration by the Department's governing board at its next available meeting.

Please note that this proposal will **not** affect your current lease agreement, your rent payment, or your security deposit. You will **not** be required to move out of your home or take any other action because of this change. If the Department approves the Owner's request, the Community will not change at all from its current form.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701

We appreciate that The Woodlands of Beaumont is your home and we invite you to attend and give your input on this proposal.

Thank you for choosing The Woodlands of Beaumont as your home.

Sincerely,

WEST CARDINAL 140, L.P.,
a Texas limited partnership

By: West Cardinal Development, L.L.C.,
a Texas limited liability company,
its general partner

By: _____
Name: Sally Gaskin
Title: Manager

THE WOODLANDS OF BEAUMONT
3150 W. Cardinal Drive
Beaumont, Texas 77705

December 31, 2019

Lender – Via Fed-Ex
CIBC
50 South Sixth Street
Suite 1400
Minneapolis, MN 55402

To whom it may concern:

West Cardinal 140, L.P. (the "**Owner**") is the owner of The Woodlands of Beaumont (the "**Community**") which is located at 3150 W. Cardinal Drive, Beaumont, Texas 77705. In order to help finance the construction and development of the Community, the Owner received federal funding through the Texas Department of Housing and Community Affairs (the "**Department**").

A contractual restriction imposed by the Department mandates that if the Owner decides to sell the Community at a certain time, a right of first refusal requires the Owner to offer the Community for sale to a non-profit organization or a tenant organization for a period of up to two years. Recent changes in Texas law allow for changes to the right of first refusal requirement, including reducing the two-year period to a 180-day period and permitting the Owner to transfer the Community to certain kinds of entities in the right of first refusal process. The Owner is asking TDHCA to modify its contract so that these changes permitted by Texas law will apply.

In making its decision whether to approve Owner's request, the Department considers the opinions and views of the members of the Community and its elected representatives. Accordingly, there will be a public meeting to discuss this matter. This meeting will take place at the Community's management office/clubhouse on **January 9, 2020, at 3:00 p.m.** Information from this meeting will be submitted for consideration by the Texas Department of Housing and Community Affairs Governing Board at their next available meeting.

We invite you or one of your staff to attend and give your input on this proposal.

Sincerely,

WEST CARDINAL 140, L.P.,
a Texas limited partnership

By: West Cardinal Development, L.L.C.,
a Texas limited liability company,
its general partner

By: _____
Name: Sally Gaskin
Title: Manager

The Woodlands at Beaumont
TDHCA File No. 00056

AGENDA FOR PUBLIC HEARING

I. Welcome and Call to Order

II. Introduction of Representatives of Property Owner and Property Manager *(and other representatives as appropriate)*

III. Reason for Tenant Notice and Public Hearing *(ROFR requirement in LURA)*

IV. Questions from Tenants

V. Adjournment

THE WOODLANDS AT BEAUMONT
RESIDENT PUBLIC MEETING SIGN-IN SHEET

MEETING DATE: JANUARY 9, 2020, AT 3:00 P.M.

PLACE/ROOM: ONSITE COMMUNITY CLUB HOUSE / MEETING ROOM

Resident Name	Unit

Resident Name	Unit

The Woodlands at Beaumont
TDHCA File No. 00056

FORM FOR
MINUTES

Date: January 9, 2020, 3p.m.
Public Hearing regarding The Woodlands at Beaumont Apartments' LURA Amendment / ROFR Requirement

The public hearing related to the request to amend the LURA Amendment - Right of First Refusal ("ROFR") period was held in the Onsite Community Club House. Dorian Coleman and Nicki Guadalupe were in attendance representing the owner and property manager There were 0 residents in attendance. A summary of the discussion is as follows:

No comments were received. Nicki Guadalupe adjourned the meeting at 4pm.

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement for Cien Palmas (HTC #03134)

RECOMMENDED ACTION

WHEREAS, Cien Palmas (the Development) received a 9% Housing Tax Credit (HTC) award in 2003 for the acquisition and rehabilitation of 150 multifamily units in El Paso, El Paso County;

WHEREAS, the HTC application for the Development received points and/or other preferences for agreeing to provide a Right of First Refusal (ROFR) to purchase the Development over a two-year ROFR period, and this provision is reflected in the Land Use Restriction Agreement (LURA) for the Development;

WHEREAS, in 2015, the 84th Texas Legislature, Regular Session, amended Tex. Gov't Code §2306.6725 and §2306.6726 to allow, among other things, for a 180-day ROFR period and to permit a Qualified Entity to purchase a property under ROFR, and defined a Qualified Entity to mean an entity described by, or as amended, an entity controlled by an entity described by, 26 U.S.C. §42(i)(7)(A), Internal Revenue Code of 1986;

WHEREAS, Lilac Way, L.P. (the Development Owner or Owner) requests to amend the LURA for the Development to incorporate changes made to Tex. Gov't Code §2306.6725 and §2306.6726 in 2015; and

WHEREAS, amendment to the ROFR period in the LURA is a material change requiring Board approval under 10 TAC §10.405(b)(2)(E), and the Development Owner has complied with the procedural amendment requirements in 10 TAC §10.405(b) to place this request before the Board, including holding a public hearing;

NOW, therefore, it is hereby

RESOLVED, that the material LURA amendment for Cien Palmas is approved as presented to this meeting, and the Executive Director and his designees are hereby, authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

Cien Palmas received a 9% HTC award in 2003 for the acquisition and rehabilitation of 150 multifamily units in El Paso, El Paso County. In a letter dated January 7, 2020, the Development Owner, Lilac Way, L.P. (W. Douglas Gurkin), requested approval to amend the HTC LURA related to the ROFR provision.

In 2003, the Housing Tax Credit application allotted five points to the Owner in exchange for a two-year ROFR period. Upon completion of the Development, the Owner entered into a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Tax Credits recorded in El Paso County on December 20, 2004.

As approved in 2003, the additional use restrictions in the current HTC LURA would require, among other things, a two-year ROFR to sell the Development based on a set order of priority to a community housing development organization (as defined for purposes of the federal HOME Investment Partnership Program at 24 CFR Part 92), to a qualified nonprofit organization (as defined in Internal Revenue Code §42(h)(5)(C)), a tenant organization or to the Department, if at any time after the 15th year of the Compliance Period the Owner decides to sell the property. The property is currently in the 15th year of the Compliance Period and the 40-year Extended Use Period specified in the LURA. However, the Owner desires to exercise its rights under Tex. Gov't Code §2306.6726 to amend the LURA to allow for a 180-day ROFR period.

In 2015, the 84th Texas Legislature, regular session, passed HB 3576, which amended Tex. Gov't Code §2306.6725 to allow for a 180-day ROFR period and Tex. Gov't Code §2306.6726 to allow for a Qualified Entity to purchase a development under a ROFR provision of the LURA and satisfy the ROFR requirement. Additionally, Tex. Gov't Code §2306.6726, as amended by HB 3576, defines Qualified Entity to mean an entity described by, or an entity controlled by an entity described by, §42(i)(7)(A) of the Internal Revenue Code of 1986. The Department's Uniform Multifamily Rules, Subchapter E, include administrative procedures to allow a Development Owner to conform to the new ROFR provisions described in the amended statute.

The Development Owner has complied with the amendment and notification requirements under 10 TAC §10.405(b). The Development Owner held a public hearing on the matter on January 28, 2020, at the Development's onsite community clubhouse. No negative public comment was received regarding the requested amendment.

Staff recommends approval of the material LURA amendment as presented herein.

Texas Department of Housing and Community Affairs, Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941,Austin, TX 78701, Main Number: 512-475-3800, Toll Free: 800-525-0657, Email: info@tdhca.state.tx.us, Web: www.tdhca.state.tx.us

Asset Management Division

Amendment Request Form

Completed forms and supporting materials can be emailed to asset.management@tdhca.state.tx.us

TYPE OF AMENDMENT REQUESTED

Date Submitted: 1/6/2020 Amendment Requested: *Material LURA Amendment,*

Has the change been implemented? *No* Award Stage: *Compliance Period (After 8609s)*

NOTE: *Material Application or LURA Amendment requests must be received* ***45 days before the Board Meeting****.*

Contact your Asset Manager if you are unsure what type of Amendment to request. Amendment submission requirements and Board dates pertaining to Material Amendments are located on the Post Award Activities Manual page.

DEVELOPMENT INFORMATION

Dev. Name: Cien Palmas File No. / CMTS No.: 03134 /819

CONTACT INFORMATION

Request Submitted By: George Schmidt Phone #/Email: (512) 680-1600 /george@edgewatertexas.com

SECTION 1: COVER LETTER

A cover letter ***MUST*** be submitted with your request. Review your cover letter to ensure it includes:

☒ The change(s) requested ☒ The reason the change is necessary ☒ The good cause for the change

☒ An explanation of whether the change was reasonably foreseeable or preventable at the time of Application

SECTION 2: REQUIRED DOCUMENTATION

Entering an Amendment conveys to the Department that representations in the Application have changed. You ***MUST*** provide information about any changes made from the time of Application (or as last approved by the Department) in your request, including items that will be impacted by the requested change. Failure to represent or properly document all changes may result in delays, denials, or a request for re-submission. The following is attached:

☐ Revised Application Exhibits/Documents Reflecting and Verifying All Requested Changes – revised site plans, surveys, Building and Unit Configuration exhibit, agreements and org charts reflecting changes in Developers or Guarantors, etc.

☐ Revised Development Financing Exhibits or a Signed Statement of No Financial Impact – if sources, terms, conditions, or amounts of financing will be impacted or changed by your amendment request, revised Application exhibits and term sheets may be necessary (generally Material Amendments only)

☒ Amendment fee of $2,500 for first amendments, $3,000 for second amendments, increase of $500 for each successive amendment (Applicable only to Material Amendments and Non-Material Amendments if changes have already been implemented) *– N/A for Developments only funded by a Direct Loan program (HOME, NSP, HTF)*

SECTION 3A: MATERIAL APPLICATION AMENDMENT ITEMS

Check all items that have been modified from the original application (see ***Post Award Rules, §10.405(a)(3)***):

- ☐ Site plan
- ☐ Number of units*
- ☐ Bedroom mix
- ☐ Architectural design
- ☐ Scope of tenant services
- ☐ Reduction of 3%+ in unit sq ft
- ☐ Reduction of 3%+ common area
- ☐ Residential density (5%+ change)
- ☐ Exclusion of reqs in §11.101 or §11.201.
- ☐ Req. to implement a revised set aside election
- ☐ Other

If "Number of units" is selected above and the total LI units or LI units at any rent or income level will be reduced, also:

- ☐ Written confirmation from the lender *and* syndicator that the development is infeasible without the adjustment in units
- ☐ Evidence supporting the need for the adjustment in units

If "Request to implement a revised set aside" is selected above, also:

- ☐ Revised financial exhibits to the Application
- ☐ Written acknowledgement from all lenders and the syndicator that they are aware of the changes being requested and confirm any changes in terms as a result of the new election

NOTE: **The approved amendment may carry a penalty in accordance with* ***§10.405(a)(6)(b).***

SECTION 3B: MATERIAL LURA AMENDMENT ITEMS

Check all items that require a material LURA amendment (see Subchapter E, ***§10.405(b)(2)***):

- ☐ Reductions to the number of LI units
- ☐ Changes to income or rent restrictions
- ☒ Change in ROFR period/provisions
- ☐ Changes to Target Population
- ☐ Removal of Non-profit
- ☐ Request to implement a revised set aside election
- ☐ Affecting Rights of Tenant/3rd Parties
- ☐ Other

The following additional items are attached for consideration or will be forthcoming:

- ☒ Draft Notice of Public Hearing*
- ☐ Evidence of public hearing*

NOTE: **Draft Notices of Public Hearing must be provided with the Amendment materials 45 days prior to the Board meeting. *The Public Hearing must be held at least 15 business days prior to the Board meeting and evidence in the form of attendance sheets and a summary of comments made must be submitted to TDHCA within 3 days of the hearing.*

SECTION 4A: NON-MATERIAL APPLICATION AMENDMENT SUMMARY

Check or explain items that require a non-material Application amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

- ☐ Amendment is requesting a change in Developer(s) or Guarantor(s) and pre and post change org charts, agreements to the change, and Previous Participation forms are attached.
- ☐ Changes in natural person(s) used to meet the experience requirement.
- ☐ Representations made in the Application that exceed the scope of a notification item: Describe items needed

SECTION 4B: NON-MATERIAL LURA AMENDMENT SUMMARY

Check or explain items that require a non-material LURA amendment (Contact your Asset Manager if you are unsure of whether your request is non-material):

☐ HUB participation removal (request must also include documentation showing that a) the HUB is requesting removal of its own volition or is being removed as a result of default, b) the participation has been substantive or meaningful, and c) where the HUB will be replaced as a GP or SLP that is not a HUB and will sell its ownership interest, an ownership transfer request has also been submitted). HUB removal requests will only be considered after the issuance of 8609s.

☐ A change resulting from a Department work out arrangement as recommended by TDHCA.

☐ A correction of error (Amendments to Applicable Fractions, BIN lists, Accessible Units, etc.)

☐ Changes in amenities or supportive services that are referenced in the LURA (Requests to change amenities should address whether an amenity will be replaced by an item of equal benefit or point value).

☐ Other Representations made in the LURA not identified above: Describe items needed

SECTION 4C: NOTIFICATION ITEM SUMMARY

Check or explain items that require a notification to the Department:

☐ Change to the Development Site acreage required by the City or other local governmental authority, or changes resulting from survey discrepancies (less than 5% change in density)

☐ Minor modifications to the site plan that will not significantly impact costs (relocation or rearrangement of buildings, changes in ingress/egress, etc.)

☐ Increases or decreases in net rentable square footage or common areas (less than 3% change)

☐ Changes in amenities not requiring a change to the LURA or negatively impacting scoring

☐ Changes in Developers or Guarantors with no new Principals

☐ Other: Describe items needed

Lilac Way, L.P.

January 7, 2020

Mr. Mitch Bowman
Asset Manager, Region 13
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701
Delivered via: asset.management@tdhca.state.tx.us

RE: Material LURA Amendment Request
Cien Palmas (fka Lilac Garden), El Paso, TX
TDHCA # 03134 CMTS ID: 819

Dear Mr. Bowman:

As President of Lilac Way, L.P. ("**Owner**") of Cien Palmas Apartments (fka Lilac Garden), El Paso, TX ("**Property**"), I respectfully submit a request for a Material LURA Amendment to reduce the Right of First Refusal Period from two (2) years to 180 days. Lilac Way, L.P. was awarded (award #03134) 9% Low Income Housing Tax Credits ("**LIHTC**") in 2003. The LIHTC Award was conditioned on the Owner's elected use restriction requiring that if Owner decides to sell the Property any time after the 15th year of the Compliance Period, a two-year Right of First Refusal ("**ROFR**") period is required to offer the Property for sale to a community housing development organization, qualified nonprofit organization or to a tenant organization. In 2015, HB 3776 amended Texas Government Code §2306.6726 to allow for a 180-day ROFR. **As a result of these changes, Owner requests to amend the LURA to incorporate changes made to Texas Government Code §2306.6725 and §2306.6726 in 2015**.

The following attachments are made part of this request:

Tab 1. Certification of Tenant Notification
Tab 2. Notice to Lender and Investor
Tab 3. Public Hearing Notice

We appreciate working with your office and please feel free to contact me at (512) 264-1020 or doug@edgewatertexas.com if you have any questions or concerns.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

Cien Palmas, L.P.
1805 Lakehurst Road, Spicewood, Texas 78669
(512) 264-1020 Fax (512) 681-7977 email: doug@edgewatertexas.com

Certification of Tenant Notification

Development Name: Cien Palmas **Property ID Number:** 3134

Section 2306.6713, Texas Government Code, requires development owners to certify that tenants in the Development have been notified in writing of any proposed transfer of ownership. Tenants must be notified at least 30 days before the transfer request is submitted to the Department. A copy of the form letter used as the notification must be attached to this certification for review.

I, the undersigned, being duly sworn, hereby represent and certify under penalty of perjury that tenants in the Development were notified in writing of the proposed transfer on:

Date of Notification: 12/9/2019

The information contained in this statement, including any attachments hereto, is true, correct and complete to the best of my knowledge.

Lilac Way, L.P.
Current or Proposed Development Owner Name

By: _____
Signature of Authorized Representative

W. Douglas Gurkin
Printed Name

Manager
Title

1/3/2020
Date

Sworn to and subscribed before me on the 3rd day of January, 2020

by W. Douglas Gurkin.

(Personalized Seal)

GEORGE C SCHMIDT
My Notary ID # 128021059
Expires August 24, 2021

_____
Notary Public Signature

George C Schmidt
Notary Public, State of

Texas
County of

Travis
My Commission Expires:

8/24/2021
Date

Lilac Way, L.P.

NOTICE TO RESIDENTS

Cien Palmas (fka Lilac Garden) Apartments

7845 Lilac Way, El Paso, TX 79915
(915) 591-7300

December 9, 2019

Dear Resident:

Lilac Way, L.P., Owner of **Cien Palmas (fka Lilac Garden) Apartments**, intends to submit the following three (3) amendment requests to the Texas Department of Housing and Community Affairs (**TDHCA**) on or before **January 6, 2020**. TDHCA requires us to notify you of these changes in writing at least **forty-five (45)** days prior to any changes taking place. TDHCA's decision whether to approve any, or all, of Lilac Way's requests below are made with the consideration of the opinions and views of the residents of Cien Palmas. A public hearing will be held at the Cien Palmas community office on **February 1, 2020 at 1:00 p.m.** The public hearing is your opportunity to discuss the amendment requests and voice any concerns. Any additional information for this meeting will be submitted to TDHCA and posted to TDHCA's website for its scheduled board meeting. Review and final determination for approval of these amendment requests by TDHCA is scheduled for its **February 20, 2020** board meeting date.

These requests will not affect your current lease agreement, your rent payment, or your security deposit. You will not be required to move out of your home or take any other action because of these changes.

First Amendment Request

Lilac Way, L.P., was awarded (award #03134) Low Income Housing Tax Credits (LIHTC) in 2003 to finance the acquisition and improvement of the property. The 2003 Qualified Allocation Plan (**QAP**) for the LIHTC program requires that if, after 12/31/2020, Lilac Way decides to sell Cien Palmas, it will be offered first for sale to a non-profit or tenant organization for a period of up to two years and permit Lilac Way to transfer Cien Palmas to certain kinds of buyers in a right of first refusal process. Texas law changed in 2015 to allow for a 180-day right of first refusal period. Lilac Way is filing a request with TDHCA for approval to change Lilac Way's requirements to conform with the 2015 change in the law. This would allow Lilac Way to change the two-year period to a 180-day period.

Second Amendment Request

The 2003 QAP for the LIHTC program prohibited developments having units with four or more bedrooms. This restriction applied both to newly built property as well as existing property like Cien Palmas. Cien Palmas was built in 1971 with 150 apartment units, 16 of which were built

and leased as four-bedroom apartment units. Lilac Way elected to downgrade the bedroom count of those 16 units to thereafter be known as "three-bedroom-with-den" units in 2003 as a compromise to enable Lilac Way to qualify for the LIHTCs necessary to acquire Cien Palmas and spend more than $4.7 million in improvements. Improvements made included new sidewalks and curbing, landscaping, adding a swimming pool and new playground equipment, removal and replacement of roofing and decking, adding gutters and downspouts, new exterior lighting and signage, new HVAC units and ductwork, replacement of cabinetry, sinks and faucets in all kitchens and baths, installing energy star rated appliances (refrigerator, dishwasher, range and disposal), renovation of the community building and correcting health and safety concerns while improving accessibility throughout the property.

In 2004, TDHCA recognized the need to support properties that already serve larger families and changed the Texas law to allow existing properties having four-bedroom units to qualify for LITHC. Although Lilac Way could have requested a change in the designation of those units back to four-bedroom units at that time, the owners felt that it was important to adhere to the rules established of the LIHTC award for the required 15-year initial compliance period of the program. While compliance with this rule has since enabled smaller families to enjoy the larger units at lower rents, there are many larger families in the El Paso community that have been unable to find four-bedroom affordable housing that Cien Palmas would otherwise be able to provide.

Lilac Way will request that TDHCA allow Cien Palmas to lease those 16 "three-bedroom-with-den" units as four-bedroom units. **As stated above, the re-designation of these units as four-bedroom units will not affect your current lease agreement, your rent payment, or your security deposit**. Conversion of the apartment units to four-bedroom will not require alteration of the apartments and will only be done as each unit becomes vacant and available to lease to new residents. Existing residents will be allowed to continue to reside in these units as a three-bedroom-with-den for as long as they choose and abide by the standard current community leasing policies. All lease renewals will continue as three-bedroom-with-den unless the resident opts for the re-designation of the unit as a four-bedroom unit, which option would be available to the resident at any time. Provided that TDHCA grants approval for the re-designation of the units to four-bedroom status, that status would not be reversible, and the applicable four-bedroom rent would be charged at that point forward. The additional rent collected by re-designating these units would help ensure that the Cien Palmas is able to continue to make improvements to the quality of life for all residents while allowing larger families to find housing that is in short supply in El Paso.

Third Amendment Request

Wooten Epes is a 49.995% limited partner of **Cien Palmas, L.P.**, a 0.01% general partner of Lilac Way, L.P. Wooten Epes is also a 50% shareholder of **Edgewater Group of El Paso, Inc.**, a 0.01% general partner of Cien Palmas, L.P.

Effective on **January 1, 2020**, subject to review and approval by TDHCA, Wooten Epes intends to transfer 50% of each of his interests to the **Shade Wooten Epes Trust** and 50% of each of his interests to the **Carol Condon Epes Revocable Trust**. Wooten is the sole trustee of the Shade

December 12, 2019

Wooten Epes Trust and would continue in his capacity as part owner and managing member. **Carol Epes** is the sole trustee of the Carol Condon Epes Revocable Trust.

Ownership of Cien Palmas Apartments will continue to be held by Lilac Way, L.P. The property itself is **not** being sold. **Arnold-Grounds Apartment Management & Affordable Housing Specialists, LLC** will continue to manage the property.

This letter is formal notice of the intended transfer of the partnership interests. **The transfer of the interests described above will not affect your lease or the conditions of your unit or apartment building**. Future rent payments and all current inquiries and communications should continue to be addressed to the property management office onsite. If you have any questions, please call the onsite management office.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701
512-475-3800
www.tdhca.state.tx.us

Thank you for being a caring and committed resident of Cien Palmas and for choosing our community for your home.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

Notice of Public Hearing

Cien Palmas Apartments
January 28th, 2020
7:00 pm

A public hearing to obtain public comment on Amendment Requests submitted to the Texas Department of Housing and Community Affairs (TDHCA) will be held in the community room at Cien Palmas at 7:00 pm on January 28th, 2020.

Anyone may submit comments in written form or oral testimony at the public hearing.

In addition, written comments may also be submitted to Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, Texas 78711-3941, by email to the following address: info@tdhca.state.tx.us, or by fax to (512) 482-8851.

AMAM: 1-22-20:MF

Lilac Way, L.P.

NOTICE TO Lender(s) and Investor(s)

Cien Palmas (fka Lilac Garden) Apartments

7845 Lilac Way, El Paso, El Paso County, TX 79915
(915) 591-7300

January 21, 2020

Jordan Baird
Alden Torch Financial, LLC
1225 17th Street, Suite 1400
Denver, CO 80202

Re: Notification of (3) Amendment Requests Submitted to the Texas Department of Housing and Community Affairs (TDHCA)

Dear Ms. Baird:

This letter is to notify you that **Lilac Way, L.P.**, Owner of **Cien Palmas (fka Lilac Garden) Apartments**, submitted the following three (3) amendment requests to the Texas Department of Housing and Community Affairs (**TDHCA**) on **January 6, 2020**. TDHCA requires us to notify residents of these changes in writing at least **forty-five (45)** days prior to any changes taking place. TDHCA's decision whether to approve any, or all, of Lilac Way's requests below are made with the consideration of the opinions and views of the residents of Cien Palmas. A public hearing will be held at the Cien Palmas community office on **Tuesday, January 28, 2020 at 7:00 p.m.** **Please note that this is an updated date and time from the original notice provided on December 9, 2019.** The public hearing is the resident's opportunity to discuss the amendment requests and voice any concerns. Any additional information for this meeting will be submitted to TDHCA and posted to TDHCA's website for its scheduled board meeting. Review and final determination for approval of these amendment requests by TDHCA is scheduled for its **February 20, 2020** board meeting date.

These requests will not affect current lease agreements, rent payments, or security deposits. Tenants will not be required to move out of their homes or take any other action because of these changes.

First Amendment Request

Lilac Way, L.P., was awarded (award #03134) Low Income Housing Tax Credits (LIHTC) in 2003 to finance the acquisition and improvement of the property. The 2003 Qualified Allocation Plan (**QAP**) for the LIHTC program requires that if, after 12/31/2020, Lilac Way decides to sell Cien Palmas, it will be offered first for sale to a non-profit or tenant organization for a period of up to

two years and permit Lilac Way to transfer Cien Palmas to certain kinds of buyers in a right of first refusal process. Texas law changed in 2015 to allow for a 180-day right of first refusal period. Lilac Way is filing a request with TDHCA for approval to change Lilac Way's requirements to conform with the 2015 change in the law. This would allow Lilac Way to change the two-year period to a 180-day period.

Second Amendment Request

The 2003 QAP for the LIHTC program prohibited developments having units with four or more bedrooms. This restriction applied both to newly built property as well as existing property like Cien Palmas. Cien Palmas was built in 1971 with 150 apartment units, 16 of which were built and leased as four-bedroom apartment units. Lilac Way elected to downgrade the bedroom count of those 16 units to thereafter be known as "three-bedroom-with-den" units in 2003 as a compromise to enable Lilac Way to qualify for the LIHTCs necessary to acquire Cien Palmas and spend more than $4.7 million in improvements. Improvements made included new sidewalks and curbing, landscaping, adding a swimming pool and new playground equipment, removal and replacement of roofing and decking, adding gutters and downspouts, new exterior lighting and signage, new HVAC units and ductwork, replacement of cabinetry, sinks and faucets in all kitchens and baths, installing energy star rated appliances (refrigerator, dishwasher, range and disposal), renovation of the community building and correcting health and safety concerns while improving accessibility throughout the property.

In 2004, TDHCA recognized the need to support properties that already serve larger families and changed the Texas law to allow existing properties having four-bedroom units to qualify for LITHC. Although Lilac Way could have requested a change in the designation of those units back to four-bedroom units at that time, the owners felt that it was important to adhere to the rules established of the LIHTC award for the required 15-year initial compliance period of the program. While compliance with this rule has since enabled smaller families to enjoy the larger units at lower rents, there are many larger families in the El Paso community that have been unable to find four-bedroom affordable housing that Cien Palmas would otherwise be able to provide.

Lilac Way requests that TDHCA allow Cien Palmas to lease those 16 "three-bedroom-with-den" units as four-bedroom units. **As stated above, the re-designation of these units as four-bedroom units will not affect your current lease agreement, your rent payment, or your security deposit**. Conversion of the apartment units to four-bedroom will not require alteration of the apartments and will only be done as each unit becomes vacant and available to lease to new residents. Existing residents will be allowed to continue to reside in these units as a three-bedroom-with-den for as long as they choose and abide by the standard current community leasing policies. All lease renewals will continue as three-bedroom-with-den unless the resident opts for the re-designation of the unit as a four-bedroom unit, which option would be available to the resident at any time. Provided that TDHCA grants approval for the re-designation of the units to four-bedroom status, that status would not be reversible, and the applicable four-bedroom rent would be charged at that point forward. The additional rent collected by re-designating these units would help ensure that the Cien Palmas is able to continue to make improvements to the quality of life for all residents while allowing larger families to find housing that is in short supply in El Paso.

January 22, 2020 AMAM: 1-22-20:MF

Third Amendment Request

Wooten Epes is a 49.995% limited partner of **Cien Palmas, L.P.**, a 0.01% general partner of Lilac Way, L.P. Wooten Epes is also a 50% shareholder of **Edgewater Group of El Paso, Inc.**, a 0.01% general partner of Cien Palmas, L.P.

Effective on **January 1, 2020**, subject to review and approval by TDHCA, Wooten Epes intends to transfer 50% of each of his interests to the **Shade Wooten Epes Trust** and 50% of each of his interests to the **Carol Condon Epes Revocable Trust**. Wooten is the sole trustee of the Shade Wooten Epes Trust and would continue in his capacity as part owner and managing member. **Carol Epes** is the sole trustee of the Carol Condon Epes Revocable Trust.

Ownership of Cien Palmas Apartments will continue to be held by Lilac Way, L.P. The property itself is **not** being sold. **Arnold-Grounds Apartment Management & Affordable Housing Specialists, LLC** will continue to manage the property.

This letter is formal notice of the intended transfer of the partnership interests. **The transfer of the interests described above will not affect your lease or the conditions of your unit or apartment building**. Future rent payments and all current inquiries and communications should continue to be addressed to the property management office onsite. If you have any questions, please call the onsite management office.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

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Asset Management Division
221 East 11th Street
Austin, Texas 78701

OR

P.O. Box 13941
Austin, TX 78711-3941

(512) 475-3800 (phone)
(512) 482-8851 (fax)
info@tdhca.state.tx.us (e-mail)
www.tdhca.state.tx.us

January 22, 2020 AMAM: 1-22-20:MF

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

AMAM:1-22-20: MF

Lilac Way, L.P.

NOTICE TO Lender(s) and Investor(s)

Cien Palmas (fka Lilac Garden) Apartments

7845 Lilac Way, El Paso, El Paso County, TX 79915
(915) 591-7300

January 21, 2020

Brian Gallagher
Community Development Trust
1350 Broadway, Suite 700
New York, NY 10018-7702

Re: Notification of (3) Amendment Requests Submitted to the Texas Department of Housing and Community Affairs (TDHCA)

Dear Mr. Gallagher:

This letter is to notify you that **Lilac Way, L.P.**, Owner of **Cien Palmas (fka Lilac Garden) Apartments**, submitted the following three (3) amendment requests to the Texas Department of Housing and Community Affairs (**TDHCA**) on **January 6, 2020**. TDHCA requires us to notify residents of these changes in writing at least **forty-five (45)** days prior to any changes taking place. TDHCA's decision whether to approve any, or all, of Lilac Way's requests below are made with the consideration of the opinions and views of the residents of Cien Palmas. A public hearing will be held at the Cien Palmas community office on **Tuesday, January 28, 2020 at 7:00 p.m.** **Please note that this is an updated date and time from the original notice provided on December 9, 2019.** The public hearing is the resident's opportunity to discuss the amendment requests and voice any concerns. Any additional information for this meeting will be submitted to TDHCA and posted to TDHCA's website for its scheduled board meeting. Review and final determination for approval of these amendment requests by TDHCA is scheduled for its **February 20, 2020** board meeting date.

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two years and permit Lilac Way to transfer Cien Palmas to certain kinds of buyers in a right of first refusal process. Texas law changed in 2015 to allow for a 180-day right of first refusal period. Lilac Way is filing a request with TDHCA for approval to change Lilac Way's requirements to conform with the 2015 change in the law. This would allow Lilac Way to change the two-year period to a 180-day period.

Second Amendment Request

The 2003 QAP for the LIHTC program prohibited developments having units with four or more bedrooms. This restriction applied both to newly built property as well as existing property like Cien Palmas. Cien Palmas was built in 1971 with 150 apartment units, 16 of which were built and leased as four-bedroom apartment units. Lilac Way elected to downgrade the bedroom count of those 16 units to thereafter be known as "three-bedroom-with-den" units in 2003 as a compromise to enable Lilac Way to qualify for the LIHTCs necessary to acquire Cien Palmas and spend more than $4.7 million in improvements. Improvements made included new sidewalks and curbing, landscaping, adding a swimming pool and new playground equipment, removal and replacement of roofing and decking, adding gutters and downspouts, new exterior lighting and signage, new HVAC units and ductwork, replacement of cabinetry, sinks and faucets in all kitchens and baths, installing energy star rated appliances (refrigerator, dishwasher, range and disposal), renovation of the community building and correcting health and safety concerns while improving accessibility throughout the property.

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Lilac Way requests that TDHCA allow Cien Palmas to lease those 16 "three-bedroom-with-den" units as four-bedroom units. **As stated above, the re-designation of these units as four-bedroom units will not affect your current lease agreement, your rent payment, or your security deposit**. Conversion of the apartment units to four-bedroom will not require alteration of the apartments and will only be done as each unit becomes vacant and available to lease to new residents. Existing residents will be allowed to continue to reside in these units as a three-bedroom-with-den for as long as they choose and abide by the standard current community leasing policies. All lease renewals will continue as three-bedroom-with-den unless the resident opts for the re-designation of the unit as a four-bedroom unit, which option would be available to the resident at any time. Provided that TDHCA grants approval for the re-designation of the units to four-bedroom status, that status would not be reversible, and the applicable four-bedroom rent would be charged at that point forward. The additional rent collected by re-designating these units would help ensure that the Cien Palmas is able to continue to make improvements to the quality of life for all residents while allowing larger families to find housing that is in short supply in El Paso.

January 22, 2020 AMAM:1-22-20: MF

Third Amendment Request

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Effective on **January 1, 2020**, subject to review and approval by TDHCA, Wooten Epes intends to transfer 50% of each of his interests to the **Shade Wooten Epes Trust** and 50% of each of his interests to the **Carol Condon Epes Revocable Trust**. Wooten is the sole trustee of the Shade Wooten Epes Trust and would continue in his capacity as part owner and managing member. **Carol Epes** is the sole trustee of the Carol Condon Epes Revocable Trust.

Ownership of Cien Palmas Apartments will continue to be held by Lilac Way, L.P. The property itself is **not** being sold. **Arnold-Grounds Apartment Management & Affordable Housing Specialists, LLC** will continue to manage the property.

This letter is formal notice of the intended transfer of the partnership interests. **The transfer of the interests described above will not affect your lease or the conditions of your unit or apartment building**. Future rent payments and all current inquiries and communications should continue to be addressed to the property management office onsite. If you have any questions, please call the onsite management office.

If you are unable to attend the public hearing and would like to submit your concerns in writing to the Department, please send your comments via email to asset.management@tdhca.state.tx.us or you may mail them to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701

OR

P.O. Box 13941
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(512) 475-3800 (phone)
(512) 482-8851 (fax)
info@tdhca.state.tx.us (e-mail)
www.tdhca.state.tx.us

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

Cien Palmas Apartments
Public Hearing
Sign-in Sheet
1-28-2020

Name	Apartment #
Salvador Angel	#67
Luz M. Hernandez	#69
Kathryn Trueheart	#92

Lilac Way, L.P.

Public Hearing Minutes

Cien Palmas (fka Lilac Garden) Apartments

7845 Lilac Way, El Paso, El Paso County, TX 79915
(915) 591-7300

January 28, 2020

1. Hearing Called to Order	The hearing was called to order at 7:00 pm by Monica Washington.
2. Welcome	Attendees were welcomed to the hearing by Monica Washington.
3. Purpose of the Hearing	Monica Washington informed the attendees that the purpose of the public hearing was to describe and take public comments on the (3) amendments that had been submitted by Lilac Way, L.P., Owner of Cien Palmas (fka Lilac Garden) Apartments to the Texas Department of Housing and Community Affairs (TDHCA) on January 6, 2020. Mrs. Washington also informed the attendees that any additional information would be submitted to TDHCA and posted to TDHCA's website for its scheduled board meeting. Further, Mrs. Washington informed the tenants that the requested amendments would not affect their current lease agreements, rent payments, or security deposit. Finally, she stated that the tenants would not be required to move or take any other action because of these changes.
4. 1st Amendment Request	Monica Washington informed the attendees that Lilac Way, L.P., was awarded Low Income Housing Tax Credits (LIHTC) in 2003 to finance the acquisition and improvement of the property. The 2003 Qualified Allocation Plan (**QAP**) for the LIHTC program required that if, after 12/31/2020, Lilac Way decides to sell Cien Palmas, it would be offered first for sale to a non-profit or tenant organization for a period of up to two years and permit Lilac Way to transfer Cien Palmas to certain kinds of buyers in a right of first refusal process. Texas law changed in 2015 to allow for a 180-day right of first refusal period. In this 1st Amendment, Lilac Way filed a request

with TDHCA for approval to change Lilac Way's requirements from the two-year period to a 180-day period.

Ms. Luz Hernandez asked if this 1st Amendment meant that Cien Palmas was currently for sale. Mrs. Washington informed her that the 1st Amendment did not mean that the property was currently for sale. Ms. Hernandez then asked if the property could be sold if the amendment was approved. Mrs. Washington then informed her that the 1st Amendment had no bearing on whether or not the property could be sold. The Amendment sought approval to change Lilac Way's requirement that the property be offered first for sale to a non-profit or tenant organization from the two-year period to a 180-day period.

5. 2nd Amendment Request

The 2003 QAP for the LIHTC program prohibited developments having units with four or more bedrooms. Lilac Way elected to downgrade the bedroom count of 16 four-bedroom units to thereafter be known as "three-bedroom-with-den" units. In 2004, TDHCA recognized the need to support properties that already serve larger families and changed the Texas law to allow existing properties having four-bedroom units to qualify for LITHC. In this 2nd Amendment, Lilac Way requested that TDHCA allow Cien Palmas to lease those 16 "three-bedroom-with-den" units as four-bedroom units. As indicated earlier, tenants were informed that the re-designation of these units as four-bedroom units will not affect current lease agreements, rent payments, or security deposits. The tenants were also informed that existing residents would be allowed to continue to reside in these units as a three-bedroom-with-den.

Ms. Katheryn Trueheart asked what impact the change would have on voucher holders. Mrs. Washington informed her that the requirements of the voucher provider would not be impacted by TDHCA's approval of the 2nd Amendment. Further, Mrs. Washington reiterated that, if approved by TDHCA, the re-designation of these units as four-bedroom units by Lilac Way will not affect current lease agreements, rent payments, or security deposits.

6. 3rd Amendment Request

Monica Washington informed the attendees that the 3rd

Amendment request described changes to the ownership interests. **Wooten Epes** is a 49.995% limited partner of **Cien Palmas, L.P.**, a 0.01% general partner of Lilac Way, L.P. Wooten Epes is also a 50% shareholder of **Edgewater Group of El Paso, Inc.**, a 0.01% general partner of Cien Palmas, L.P.

a. Effective on January 1, 2020, subject to review and approval by TDHCA, Wooten Epes intends to transfer 50% of each of his interests to the Shade Wooten Epes Trust and 50% of each of his interests to the Carol Condon Epes Revocable Trust. Wooten is the sole trustee of the Shade Wooten Epes Trust and would continue in his capacity as part owner and managing member. Carol Epes is the sole trustee of the Carol Condon Epes Revocable Trust.

b. Ownership of Cien Palmas Apartments will continue to be held by Lilac Way, L.P. The property itself is not being sold. Arnold-Grounds Apartment Management & Affordable Housing Specialists, LLC will continue to manage the property.

c. The attendees were informed that transfer of the interests described will not affect their leases or the conditions of their unit or apartment building. Future rent payments and all current inquiries and communications should continue to be addressed to the property management office onsite.

7. Questions or comments

Mrs. Washington informed the attendees that if they would like to submit concerns in writing to the Department, they can feel free to send their comments

via email to:

asset.management@tdhca.state.tx.us

OR

via mail to:

Texas Department of Housing and Community Affairs
Asset Management Division
221 East 11th Street
Austin, Texas 78701

January 31, 2020

OR

P.O. Box 13941
Austin, TX 78711-3941

(512) 475-3800 (phone)
(512) 482-8851 (fax)
info@tdhca.state.tx.us (e-mail)
www.tdhca.state.tx.us

8. Hearing Adjourned — Mrs. Washington adjourned the hearing at 7:19 pm.

Sincerely,

LILAC WAY, L.P.,
a Texas limited partnership

By: Cien Palmas, L.P.,
a Texas limited partnership,
its general partner

By: Edgewater Group of El Paso, Inc.,
a Texas corporation,
its general partner

By: _____
W. Douglas Gurkin, President

1d

BOARD ACTION REQUEST

COMMUNITY AFFAIRS DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on approval of the draft 2020 Department of Energy Weatherization Assistance Program state plan for public comment

RECOMMENDED ACTION

WHEREAS, the Energy Conservation in Existing Buildings Act of 1976 (42 USC §6851), as amended in Title II, Part 2 of the National Energy Conservation Policy Act allows Department of Energy (DOE) Weatherization Assistance Program (WAP) funds to be utilized to carry out a program of weatherization assistance for low-income persons, as well as 10% for planning and administration;

WHEREAS, the Department develops and submits a State Plan to the DOE each year to administer the WAP;

WHEREAS, the Department received notice of Program Year (PY) 2020 DOE WAP funds in the amount of $8,976,933;

WHEREAS, the State Plan also includes estimated carryover funding from PY 2019 for a total State Plan amount of $9,976,933;

WHEREAS, the DOE WAP funds are allocated based on the formula detailed in 10 TAC §6.404, Distribution of WAP Funds; and

WHEREAS, the attached draft 2020 DOE WAP State Plan is proposed for public comment;

NOW, therefore, it is hereby

RESOLVED, that the draft 2020 DOE WAP State Plan, in the form presented to this meeting, is hereby approved for public comment and public hearing; and

FURTHER RESOLVED, that the final plan with consideration for public comment and technical corrections made by staff, along with award recommendations for Subgrantees as indicated in Section IV.1 of the State Plan will be presented to the Board no later than the meeting of April 23, 2020, and will serve as a public hearing as required by 10 CFR §440.12(a).

BACKGROUND

The Department received notice of an award of $9,976,933 for the 2020 DOE WAP. The DOE WAP funding provides for the installation of weatherization measures to increase energy efficiency of a home including caulking; weather-stripping; adding ceiling, wall, and floor insulation; patching holes in the building envelope; duct work; and repair or replacement of energy inefficient heating and cooling systems. Additionally, the funds allow Subgrantees to complete financial audits, household energy audits, outreach and engagement activities, and program administration. Also, the funding provides for state administration and state training and technical assistance activities. The list of Subgrantees and the proposed award amounts are included in the State Plan in section IV.1, Subgrantees. This list of Subgrantees has not been through the Department's Previous Participation Review and the Board is not approving a list of awardees at this time. To the extent that the 2020 funds are greater or less than the amount in the draft Plan, the proposed activities and Subgrantee awards will be proportionally adjusted by service area.

Subgrantees had two separate opportunities to provide input into the drafting of this Plan. The first opportunity included a two-week period of time in November and December to provide comments on what they wanted changed from the 2019 DOE Plan and the second opportunity included a two-week period of time in January to comment on the draft Plan before presenting it to the Board in February.

An announcement of the availability of the draft Plan and details regarding the period of time to accept comments from the public and the public hearing will be posted on the Department's website no later than February 21, 2020, and published in the *Texas Register* on March 6, 2020. The period to accept comments from the public regarding the Plan will be open from Friday, March 6, 2020, through Monday, March 30, 2020, at 5:00 p.m. Austin local time. Written comments concerning the Plan may be submitted to the Texas Department of Housing and Community Affairs, Community Affairs Division, P.O. Box 13941, Austin, TX 78711-3941, or by email to gavin.reid@tdhca.state.tx.us, or by fax to (512) 475-3935. Comments are due no later than 5:00 p.m. Austin local time on Monday, March 30, 2020.

The Department will also conduct a public hearing for the draft Plan at 2 p.m. Austin local time on March 18, 2020, in Room 320 at the Thomas Jefferson Rusk Building on 208 East 10th Street, Austin, Texas 78701.

Upon completion of the public comment period and public hearing, staff will modify the Plan, if appropriate, based on public comment. Staff will also include any changes required by federal guidance, although staff anticipates they will be minimal, if any. Staff anticipates presenting the revised Plan, along with recommendations for Subgrantee awards, to the Board in for review and final approval in April.

DOE regulations require a Weatherization Policy Advisory Council be designated in the Plan in order to provide guidance and comment on the Plan. The Policy Advisory Council is composed of three individuals appointed by the Department. The Policy Advisory Council meeting is scheduled to occur on March 30, 2020, after the March public hearing, and after comments from the general public have been received.

The full text of the draft 2020 DOE WAP State Plan may be viewed at the Department's website: http://www.tdhca.state.tx.us/board/meetings.htm. The public may also receive a copy of the draft 2020 DOE WAP State Plan by contacting Gavin Reid at gavin.reid@tdhca.state.tx.us or by phone at (512) 936-7828.

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

2. Type of Application:
- [ ] New
- [x] Continuation
- [ ] Revision

If Revision, select appropriate letter(s)

Other (specify):

3. Date Received: 07/01/2020

4. Applicant Identifier:

5a. Fed Entity Identifier:

5b. Federal Award Identifier: DE-EE0007952

State Use Only:

6. Date Received by State: 07/01/2020

7. State Application Identifier: TX-W-200

8. APPLICANT INFORMATION:

a. Legal Name: State of Texas

b. Employer/Taxpayer Identification Number (EIN/TIN): 742610542

c. Organizational DUNS: 806781902

d. Address:

Street 1: P.O. BOX 13941

Street 2:

City: Austin

County:

State: TX

Province:

Country: U.S.A.

Zip / Postal Code: 787113941

e. Organizational Unit:

Department Name: Texas Department of Housing and Community Affairs

Division Name: Community Affairs Division

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr

First Name: Michael

Middle Name:

Last Name: DeYoung

Suffix:

Title: Community Affairs Division Director

Organizational Affiliation: Texas Dept. of Housing and Community Affairs

Telephone Number: 5124752125

Fax Number: 5124753935

Email: michael.deyoung@tdhca.state.tx.us

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424 Version 02

9. Type of Applicant:

A State Government

10. Name of Federal Agency:

U. S. Department of Energy

11. Catalog of Federal Domestic Assistance Number:

81.042

CFDA Title:

Weatherization Assistance Program

12. Funding Opportunity Number:

DE-WAP-0002020

Title:

2020 Weatherization Assistance Program

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Statewide

15. Descriptive Title of Applicant's Project:

Provide Statewide Weatherization Assistance

OMB Number: 4040-004
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE SF-424

Version 02

16.Congressional District Of:

a. Applicant: Texas Congressional District 01

b. Program/Project: TX-Statewide

Attach an additional list of Program/Project Congressional Districts if needed:

17. Proposed Project:

a. Start Date: 07/01/2020

b. End Date: 06/30/2021

18. Estimated Funding ($):

a. Federal	8,976,933.00
b. Applicant	0.00
c. State	0.00
d. Local	0.00
e. Other	0.00
f. Program Income	0.00
g. TOTAL	8,976,933.00

19. Is Application subject to Review By State Under Executive Order 12372 Process?:

☐ a. This application was made available to the State under the Executive Order 12372 Process for review

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372

20. Is the applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation)

No

21. By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to**

☐ I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency

Authorized Representative:

Prefix: Mr

First Name: Bobby

Middle Name:

Last Name: Wilkinson

Suffix:

Title: Executive Director

Telephone Number: 5124753296

Fax Number:

Email: bobby.wilkinson@tdhca.state.tx.us

Signature of Authorized Representative:

Date Signed:

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0007952	2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Texas P.O. BOX 13941 Austin, TX 787113941	4. Program/Project Start Date	07/01/2020
	5. Completion Date	06/30/2021

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. 2020 WAP Formula Funds	81.042	$ 1,000,000.00		$ 8,976,933.00		$ 9,976,933.00
2.						
3.						
4.						
5. TOTAL		$ 1,000,000.00	$ 0.00	$ 8,976,933.00	$ 0.00	$ 9,976,933.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) GRANTEE ADMINISTRATION	(2) SUBGRANTEE ADMINISTRA	(3) GRANTEE T&TA	(4) SUBGRANTEE T&TA	
a. Personnel	$ 219,963.00	$ 0.00	$ 187,128.00	$ 0.00	$ 407,091.00
b. Fringe Benefits	$ 76,547.00	$ 0.00	$ 65,120.00	$ 0.00	$ 141,667.00
c. Travel	$ 0.00	$ 0.00	$ 27,720.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 3,000.00	$ 0.00	$ 5,875.00	$ 0.00	$ 8,875.00
f. Contract	$ 0.00	$ 611,330.00	$ 8,000.00	$ 660,000.00	$ 9,189,104.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 14,000.00	$ 0.00	$ 3,250.00	$ 0.00	$ 17,250.00
i. Total Direct Charges	$ 313,510.00	$ 611,330.00	$ 297,093.00	$ 660,000.00	$ 9,791,707.00
j. Indirect Costs	$ 100,083.00	$ 0.00	$ 85,143.00	$ 0.00	$ 185,226.00
k. Totals	$ 413,593.00	$ 611,330.00	$ 382,236.00	$ 660,000.00	$ 9,976,933.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs

1. Program/Project Identification No. EE0007952	2. Program/Project Title Weatherization Assistance Program	
3. Name and Address State of Texas P.O. BOX 13941 Austin, TX 787113941	4. Program/Project Start Date	07/01/2020
	5. Completion Date	06/30/2021

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Federal Catalog No. (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.						
2.						
3.						
4.						
5. TOTAL		$ 1,000,000.00	$ 0.00	$ 8,976,933.00	$ 0.00	$ 9,976,933.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	Grant Program, Function or Activity				Total (5)
	(1) PROGRAM OPERATIONS	(2) HEALTH AND SAFETY	(3) LIABILITY INSURANCE	(4) FINANCIAL AUDITS	
a. Personnel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 407,091.00
b. Fringe Benefits	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 141,667.00
c. Travel	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 27,720.00
d. Equipment	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
e. Supplies	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 8,875.00
f. Contract	$ 6,289,556.00	$ 1,446,675.00	$ 151,543.00	$ 22,000.00	$ 9,189,104.00
g. Construction	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
h. Other Direct Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 17,250.00
i. Total Direct Charges	$ 6,289,556.00	$ 1,446,675.00	$ 151,543.00	$ 22,000.00	$ 9,791,707.00
j. Indirect Costs	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 185,226.00
k. Totals	$ 6,289,556.00	$ 1,446,675.00	$ 151,543.00	$ 22,000.00	$ 9,976,933.00
7. Program Income	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

OMB Control No: 1910-5127
Expiration Date: 02/29/2020

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2020)

IV.1 Subgrantees

Subgrantee (City)	Planned Funds/Units
Alamo Area Council of Governments (San Antonio)	$740,252.00 93
BakerRipley (Houston)	$1,118,332.00 144
Big Bend Community Action Committee (Marfa)	$144,389.00 13
Brazos Valley Community Action Program (College Station)	$309,677.00 34
Combined Community Action, Inc. (Giddings)	$210,673.00 22
Community Action Committee of Victoria Texas (Victoria)	$282,254.00 30
Community Action Corporation of South Texas (Alice)	$999,922.00 128
Community Council of South Central Texas, Inc (Seguin)	$194,812.00 20
Concho Valley Community Action Agency (San Angelo)	$179,230.00 17
Dallas County Health & Human Services (Dallas)	$714,036.00 90
Economic Opportunities Advancement Corporation (Waco)	$267,210.00 28
El Paso Community Action Program, Project Bravo (El Paso)	$416,466.00 50
Fort Worth, City of (Fort Worth)	$446,001.00 55
Greater East Texas Community Action Program (Nacogdoches)	$827,181.00 105
Hill Country Community Action Association, Inc. (San Saba)	$255,458.00 26
Nueces County Community Action Agency (Corpus Christi)	$163,067.00 16
Panhandle Community Services (Amarillo)	$259,797.00 28
Rolling Plains Management Corporation (Crowell)	$392,604.00 47
South Plains Community Action Association, Inc. (Levelland)	$237,650.00 25
Texoma Council of Governments (Sherman)	$480,815.00 59
Travis County Health and Human Services and Veterans Services (Austin)	$284,010.00 31
West Texas Opportunities (Lamesa)	$257,268.00 28
Total:	**$9,181,104.00 1,089**

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2020)

IV.2 WAP Production Schedule

Weatherization Plans	Units
Total Units (excluding reweatherized)	1,089
Reweatherized Units	0

Note: Planned units by quarter or category are no longer required, no information required for persons.

Average Unit Costs, Units subject to DOE Project Rules		
VEHICLE & EQUIPMENT AVERAGE COST PER DWELLING UNIT (DOE RULES)		
A	Total Vehicles & Equipment ($5,000 or more) Budget	$0.00
B	Total Units Weatherized	1,089
C	Total Units Reweatherized	00
D	Total Dwelling Units to be Weatherized and Reweatherized (B + C)	1,089
E	Average Vehicles & Equipment Acquisition Cost per Unit (A divided by D)	$0.00
AVERAGE COST PER DWELLING UNIT (DOE RULES)		
F	Total Funds for Program Operations	$6,289,556.00
G	Total Dwelling Units to be Weatherized and Reweatherized (from line D)	1,089
H	Average Program Operations Costs per Unit (F divided by G)	$5,775.53
I	Average Vehicles & Equipment Acquisition Cost per Unit (from line E)	$0.00
J	Total Average Cost per Dwelling (H plus I)	$5,775.53

IV.3 Energy Savings

Method used to calculate savings: ☑ WAP algorithm ☐ Other (describe below)

	Units	Savings Calculator (MBtus)	Energy Savings
This Year Estimate	1089	29.3	31908
Prior Year Estimate	955	29.3	27982
Prior Year Actual	254	29.3	7442

Method used to calculate savings description:

IV.4 DOE-Funded Leveraging Activities

N/A

IV.5 Policy Advisory Council Members

☐ Check if an existing state council or commision serves in this category and add name below

Combined Community Action Inc.	Type of organization: Non-profit (not a financial institution) Contact Name: Kelly Franke Phone: (979)540-2985 Email: KJFranke@ccaction.com
Greater East Texas Community Action Program	Type of organization: Non-profit (not a financial institution) Contact Name: Karen Swenson, Executive Director Phone: (936)564-2491 Email: kswenson@sbcglobal.net
Health and Human Services Commission	Type of organization: Unit of State Government Contact Name: Toni Packard Phone: 5124384290 Email: toni.packard@hhsc.state.tx.us

U.S. Department of Energy
WEATHERIZATION ASSISTANCE PROGRAM (WAP)
WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2020)

IV.6 State Plan Hearings (Note: attach notes and transcripts to the SF-424)

Date Held	Newspapers that publicized the hearings and the dates the notice ran
02/20/2020	TDHCA Board of Directors authorizes release of draft State Plan for public comment.
02/21/2020	Draft State Plan and notice of public hearing posted on the TDHCA website; public listserve announcement sent announcing availability of draft State Plan and public hearing details.
03/06/2020	Announcement of public hearing for draft State Plan published in Texas Register. Public comment period for draft State Plan begins.
03/18/2020	Public Hearing for the DOE State Plan begins at 2:00 pm (CST) in Room 320 at the Thomas Jefferson Rusk Building on 208 East 10th Street, Austin, Texas 78701.
03/30/2020	Comment period for the DOE State Plan ends at 5:00 pm (CST).
03/30/2020	WAPAC meeting regarding DOE State Plan.
04/23/2020	Final DOE State Plan and list of awardees presented at TDHCA Board of Directors meeting for approval. The meeting also serves as a Public Hearing.

IV.7 Miscellaneous

Recipient Business Officer
Michael De Young
Michael.deyoung@tdhca.state.tx.us
221 East 11th Street
Austin, Texas 78701
(512) 475-2125

Recipient Principal Investigator
Gavin Reid
gavin.reid@tdhca.state.tx.us
221 East 11th Street
Austin, Texas 78701
(512) 936-7828

Policy Advisory Council
The Policy Advisory Council ("PAC") is representative of organizations and agencies and provides balance, background, and sensitivity with respect to solving the problems of low-income persons, including weatherization and energy conservation problems. The PAC meets annually at the end of the public hearing period to discuss the DOE plan and comments received.

The low-income elderly population is represented by the PAC members from Combined Community Action and the Greater East Texas Community Action Program. The low-income persons with disabilities population is represented by the PAC member from the Health and Human Services Commission.

Liability Insurance
The liability insurance separate line item includes pollution occurrence insurance in addition to the general liability insurance. Most regular liability insurance policies do not provide coverage for potential effects of many health and safety measures, such as lead disturbances and other pollution occurrence items. The Department strongly recommends the Subgrantees require their contractors to carry pollution occurrence insurance to avoid liability for any mistakes the contractors may make. Each Subgrantee should get a legal opinion regarding the best course to take for implementing the pollution occurrence insurance coverage.

2019 ACSI Action Plan (based on 2019 Survey)

After receiving the results of the 2019 ACSI Survey, TDHCA met with the Texas Association of Community Action Agencies (TACAA), representing the network of WAP Subgrantees, to analyze and discuss the results. With TACAA's input, TDHCA worked out a plan of action to address the concerns raised in the 2019 Survey. The action plan includes the following:

1. Provide four separate opportunities to comment on the DOE State Plan to include 1) a two week period of time to provide comments on the Plan before the Department begins drafting the Plan, 2) an informal two week period to comment on the draft Plan before going to the more formal public comment period, 3) the formalized public comment process lasting 25 days, and 4) a public hearing.
2. To enhance the network's familiarity with the Plan, before the formal public comment period closes the Department will explain the importance of the Plan, the reason for the Plan, and the different sections of the Plan to the network during one of the regular WAP network webcalls or via a stand-alone webinar.

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

WEATHERIZATION ANNUAL FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2020)

3. After the DOE Plan has been approved and submitted to DOE, the Department will survey the network asking for their feedback on the Plan development process and asking for suggestions on how to improve the plan process.
4. To ensure contracts are received and executed in time, Department staff will modify internal mechanisms so that boiler contract templates will be routed earlier.
5. Increased training opportunities and individualized Training and Technical Assistance will be provided with the addition of a new highly qualified WAP trainer (i.e. Chad Turner).
6. To improve communication, the Department will request feedback from monitored subgrantees by sending out a Post Monitoring Services survey after each monitoring visit.
7. To address cost allocation issues, the Department will seek out and fund training opportunities provided via third party consultants familiar with State of Texas and federal regulations.
8. Teach and train subgrantees on how to procure for an IREC trainer so they can receive individualized training and certifications on their own.
9. Develop and implement technical courses to increase performance and expenditures.
10. Continue to collaborate with the Compliance Division to develop guidance for subgrantees and to identify training needs amongst both individual subgrantees and the network as a whole.
11. To improve consistency, schedule regular meetings with Program and Compliance staff to discuss rising issues and trends in the WAP network.
12. To improve communication, disseminate to all levels a monthly WAP e-newsletter to mention important WAP related updates.
13. Include all WAP staff at each Subgrantee on WAP emails to ensure information reaches all levels.
14. Continue to update and maintain the TDHCA website regarding WAP best practices and information received from the federal and state levels. Each time an update occurs, TDHCA sends an email to the network notifying them of the update.
15. To assist with increasing certifications within the network, the Department will continue to make available a proctor for QCI testing.
16. Continue to host regularly scheduled network webcalls, provide training for new program managers and new Executive Directors, and individual agency trainings that are personalized to the specific needs of a subgrantee.

OMB Control No: 1910-5127
Expiration Date: 02/29/2020

U.S. Department of Energy

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

STATE PLAN/MASTER FILE WORKSHEET

(Grant Number: EE0007952, State: TX, Program Year: 2020)

This worksheet should be completed as specified in Section III of the Weatherization Assistance Program Application Package.

V.1 Eligibility

V.1.1 Approach to Determining Client Eligibility

Provide a description of the definition of income used to determine eligibility

Eligibility for program assistance is determined under the Federal Poverty Income Guidelines and calculated as described in 10 TAC §6.4.

Describe what household eligibility basis will be used in the Program

During the LIHEAP application process, households will be screened for DOE Weatherization benefits and determined eligible if their income is at or below 200% of the Federal Poverty Income Guidelines.

Describe the process for ensuring qualified aliens are eligible for weatherization benefits

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Act of 1996, H.R. 3734, placed specific restrictions on the eligibility of aliens for "Federal means-tested public benefits" for a period of five years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the Department of Health and Human Services (HHS) is interpreting "Federal means-tested public benefits" to include only those benefits provided under Federal means-tested, mandatory spending programs. HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified aliens, regardless of when they entered the U.S., continue to be eligible to receive assistance and services under the Low-Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements.

To ensure program continuity between LIHEAP and DOE Weatherization for all Subgrantees operating both programs, the DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS. The Department has provided training and will continue to provide training to those Subgrantees who have elected to use the SAVE system to verify legal status.

The DOE and LIHEAP WAP are in compliance with LIHEAP-IM-99-10, issued June 15, 1999, which states that weatherization in a multifamily building is not a covered activity for status verification.

V.1.2 Approach to Determining Building Eligibility

Procedures to determine that units weatherized have eligibility documentation

Subgrantees maintain a client file for each unit weatherized, including documented proof that the Dwelling Unit is an eligible Dwelling Unit as defined in 10 CFR §440.22. The Department verifies that weatherized units have eligibility documentation during monitoring reviews.

Describe Reweatherization compliance

Texas limits reweatherization to 5% of all units weatherized. To ensure the cap is not exceeded, Subgrantees may not reweatherize a unit without prior approval from the Department.

Reweatherization will be allowed on units that have received weatherization prior to September 30, 1994. A new energy audit must be conducted on each unit reweatherized.

Units may be eligible for reweatherization under 10 TAC §6.403(i) which specifies:

Consistent with 10 CFR §440.18(e)(2), if a Dwelling Unit has been damaged by fire, flood, or act of God and repair of the damage to Weatherization materials is not paid for by insurance; or if a Dwelling Unit was partially weatherized under a federal program during the period September 30, 1975, through September

30, 1994, the Dwelling Unit may receive further financial assistance for Reweatherization.

Describe what structures are eligible for weatherization

10 TAC §6.2 and §6.403 includes the following definitions which describe structures eligible for weatherization:

Dwelling Unit--A house, including a stationary mobile home, an apartment, a group of rooms, or a single room occupied as separate living quarters. (This is the same as the definition for Dwelling Unit in 10 CFR §440.3 Definitions)

Multifamily Dwelling Unit--A structure containing more than one Dwelling Unit.

Rental Unit--A Dwelling Unit occupied by a person who pays rent for the use of the Dwelling Unit.

Shelter--A Dwelling Unit or Units whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities.

Single Family Dwelling Unit--A structure containing no more than one Dwelling Unit.

Buildings with more than one Dwelling Unit under one roof must follow 10 TAC §6.414, Eligibility for Multifamily Dwelling Units and Shelters.

Describe how Rental Units/Multifamily Buildings will be addressed

In accordance with 10 CFR §440.22(b)(3), the Department requires that Subgrantees keep on file procedures that address protection of renters' rights, to ensure:

- Written permission of the building owner or his agent before commencing work.
- Cash/in-kind contribution from building owner when feasible.
- Benefits of the services accrued primarily to the low-income tenants residing in such units.
- For a reasonable period of time after completion, the household will not be subjected to rent increases (unless those increases are demonstrably related to other matters other than the weatherization work performed).
    - There are adequate procedures whereby the Grantee can receive tenant complaints and owners can appeal, should rental increases occur.
- No undue or excessive enhancement shall occur to the value of the Dwelling Unit.
- To secure the federal investment and to address issues of eviction from and sale of property, per 10 CFR §440.22(c), Grantees may seek landlord agreement to placement of a lien (or other contractual restrictions) upon the property being weatherized.

The Department will abide by 10 CFR §440.22, ensuring that not less than 66% of the eligible building units (50% for duplexes and four-unit buildings, and certain eligible types of large multifamily buildings) are dwelling units occupied by low-income households, or will become occupied by low-income households, within 180 days under a Federal, State or local government program for rehabilitating the building or making similar improvements. WPN 16-5 provides guidance on the review and verification required for Department of Housing and Urban Development (HUD), Department of Agriculture (USDA), and Low Income Housing Tax Credit (LIHTC) buildings. Assessments and client file documentation for rental units and multifamily units are also detailed in the Multifamily Weatherization Best Practice posted on the Department's website at http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-MFWeatherization.pdf.

In order to weatherize large multifamily buildings containing 25 or more dwelling units or those with shared central heating (e.g., boilers) and/or shared cooling plants (e.g., cooling tower that use water as the coolant) regardless of the number of dwelling units, Subgrantees must obtain prior written approval through the Department. When necessary, the Department will seek DOE approval.

Subgrantees must submit to the Department a request for approval to weatherize large multifamily buildings. Request for permission must include evidence of significant energy savings because of upgrades to equipment, energy systems, common space, or the building shell. A significant energy savings is defined as having an SIR of 1.0 or greater in the energy audit.

Describe the deferral Process

A Dwelling Unit shall not be weatherized when there is a potentially harmful situation that may adversely affect the occupants or the Subgrantee's weatherization

crew and staff, or when a Dwelling Unit is found to have structural concerns that render the Dwelling Unit unable to benefit from weatherization. The Subgrantee must declare their intent to defer weatherization on an eligible unit on the assessment form. The assessment form must include the client's name and address, dates of the assessment, and the date on which the client was informed of the issue in writing. The written notice to the client must include a clear description of the problem, conditions under which weatherization could continue, the responsibility of all parties involved, and any rights or options the client has. A copy of the notice must be given to the client, and a signed copy placed in the client application file. Only after the issue has been corrected to the satisfaction of the Subgrantee shall weatherization work begin.

If structural concerns or health and safety issues identified (which would be exacerbated by any weatherization work performed) on an individual unit cannot be abated within program rules or within the allowable WAP limits, the unit exceeds the scope of this program.

Crewmembers or contractors who work on a unit that could or should be a deferral or walk-away do so at their own risk.

V.1.3 Definition of Children

Definition of children (below age): **18**

V.1.4 Approach to Tribal Organizations

☐ Recommend tribal organization(s) be treated as local applicant?
If YES, Recommendation. If NO, Statement that assistance to low-income tribe members and other low-income persons is equal.

The 70th Texas Legislature created the Native American Restitutionary Program (Oil Overcharge Restitutionary Act, Texas Government Code, Chapter 2305) for the purposes of providing oil overcharge restitution to Texas Native Americans. In the Texas WAP, the Native-American Indian population is treated and served in the same manner as other applicants.

V.2 Selection of Areas to Be Served

The Texas WAP is available to eligible low-income households in all 254 counties of the state. Subgrantees are held responsible for all intake, eligibility, and weatherization activities. If the Subgrantee's performance record is satisfactory according to both state and federal regulations, then the Department may offer to renew the contract if the Subgrantee so desires. The Department's award committee may decline to recommend an award or place conditions on an award based upon its previous participation review as outlined in 10 TAC §1.302.

New or additional DOE subgrantees for counties that become unserved by the DOE WAP will be selected according to DOE regulations found in 10 CFR§440.15 and 10 TAC §1.302. If the Department determines it is necessary to permanently reassign a service area to a new subgrantee, the subgrantee will be chosen in accordance with 10 CFR §440.15. A new or additional subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a Department-funded Weatherization Assistance Program. All counties are served by 22 Subgrantees.

The Department may deobligate all or part of the funds provided under this contract as outlined in 10 TAC §6.405. A Subgrantee’s failure to expend the funds provided under this State plan in a timely manner may also result in the Subgrantee’s ineligibility to receive additional funding during the program year.

Formula Distribution
The Department updates the budget allocation proportion by county and Subgrantee based on poverty income, elderly poverty, median household income (from the 2010 U.S. Census data), and climate data (from the National Climatic Data Center, Climate Normals, 2010), as outlined in 10 TAC §6.404.

The Department allocates funds to Subgrantees by applying a formula based upon the DOE allocation for program year; or if the allocation amount is not known, based on an assumption of level funding from the previous program year. Once the allocation amount is known, the formula is re-run. The allocation formulas reflect the 2010 Census data. If any carryover funds are available, they will be distributed by allocation formula and used to increase the number of units to be weatherized. The Department will adjust guidance to reflect the adjusted average expenditure limit per unit for the program year.

The fund allocations for individual service areas are determined by a 5-factor distribution formula as outlined in 10 TAC §6.404:
(1) Number of non-elderly poverty households per county;

(2) Number of elderly poverty households per county;
(3) Median income variance per county;
(4) Inverse poverty household density ratio per county; and
(5) County Weather Factor (Heating/Cooling Degree days per county) as a portion of State County Weather.

V.3 Priorities

The Department will ensure by contract that its Subgrantees give priority to weatherizing dwellings owned or occupied by low-income persons who are particularly vulnerable such as the Elderly, Persons with Disabilities, Families with Young Children, Households with High Energy Burden, and Households with High Energy Consumption. Applicants from these groups must be placed at the top of a Subgrantee's waiting list. The Department ensures that Subgrantees give proper attention to these requirements through monitoring/evaluation of the Subgrantee.

V.4 Climatic Conditions

The climatic conditions for the State of Texas are imbedded in the algorithms of the Weatherization Assistant (WA 8.9) energy audit software toll engineered by the Oak Ridge National Laboratory for the Department of Energy. As part of the energy audit modeling, the Department requires the Subgrantee network to select the nearest weather station to the dwelling units. The Weather files imbedded in the WA 8.9 contains 30 year data of Heating and Cooling degree days for each weather station.

As described in the report prepared by the Pacific Northwest National Laboratory & Oak Ridge National Laboratory for the Department of Energy, the state of Texas has several IECC climate zones. http://apps1.eere.energy.gov/buildings/publications/pdfs/building_america/ba_climateguide_7_1.pdf.

These climate zones are used as an aid in helping Subgrantees to identify the appropriate climate designation for the counties in which they are providing WAP services. In addition to prescribing appropriate mechanical equipment (example of climate specific measures would be evaporative cooling which may be prescribed in the Hot Dry climate of Texas and not in the Mixed Humid part of Texas) the IRC prescriptive thermal envelope of measures are different. The climate zones found in Texas are as follows:

1. Hot-Humid

A hot-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation and where one or both of the following occur:

- A 67°F (19.5°C) or higher wet bulb temperature for 3,000 or more hours during the warmest six consecutive months of the year; or
- A 73°F (23°C) or higher wet bulb temperature for 1,500 or more hours during the warmest six consecutive months of the year.

IRC Prescriptive Thermal Envelope Measures:

	Zone 2A	**Zone 3A**
Ceiling	R 38	R38
Windows	U 0.40	U 0.35
Walls	R13	R13 + 5
Floors	R13	R19
SHGC	0.25	0.25

2. Hot-Dry

A hot-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation and where the monthly average outdoor temperature remains above 45°F (7°C) throughout the year.

IRC Prescriptive Thermal Envelope Measures:

Zone 3B

Ceiling	R38
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.25

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3. Mixed-Humid

A mixed-humid climate is defined as a region that receives more than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (65°F basis) or fewer, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 3A

Ceiling	R38
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.25

---

4. Mixed-Dry

A mixed-dry climate is defined as a region that receives less than 20 inches (50 cm) of annual precipitation, has approximately 5,400 heating degree days (50°F basis) or less, and where the average monthly outdoor temperature drops below 45°F (7°C) during the winter months.

IRC Prescriptive Thermal Envelope Measures:

Zone 4

Ceiling	R49
Windows	U 0.35
Walls	R13 + 5
Floors	R19
SHGC	0.40

In addition to the 2015 IRC adopted by the State of Texas, several individual cities have adopted amendments to the code. The adoption and amendments to the 2015 IRC impact the WA 8.9 energy audits in that cities are required to evaluate user defined measures to meet the codes adopted by each individual City.

V.5 Type of Weatherization Work to Be Done

V.5.1 Technical Guides and Materials

Technical Guides and Materials
All technical guides (for all single family, mobile home, and multifamily buildings) and materials meet the specifications, objectives and desired outcomes outline in the Standard Work Specifications (SWS). Provided below is an electronic link to all the current, DOE approved field guides and/or standards for single family, mobile homes, and multifamily buildings as well as all other relevant program guidance materials. These materials are available to all Subgrantees and contractors at any time.

http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm

Further, the Department has several Weatherization Best Practices posted at: http://www.tdhca.state.tx.us/communityaffairs/wap/wapbestpractices.htm.

Best practices are developed based upon repeat questions that require more clarity than simply an FAQ. These have proved highly effective in multiple ways: increased compliance, better understanding on how to assess and proceed, increased consistency across the Network, and reduction in calls for same issues. They often have multiple references and are based upon sound building science principles.

Materials and Work Standards

Subgrantee will include the substance of this section in all subcontracts.

A. Subrecipient shall weatherize eligible dwelling units using only weatherization materials which meet or exceed the standards prescribed by DOE in Appendix A of 10 CFR Part 440 and added approved materials noted in WPN 19-4.

B. All weatherization measures installed shall meet or exceed the standards prescribed by DOE in WPN 15-4 regarding Standard Work Specifications, as detailed in the Department's Standard Work Specifications. All Subrecipient agreements and vendor contracts contain language which clearly documents the SWS specifications for work quality outlined in WPN 15-4, Section 2. A signed contract shall confirm that the organization understands and agrees to these expectations.

C. All weatherization work must be performed in accordance to the DOE approved energy audit procedures, 10 CFR Part 440 Appendix A, State of Texas adopted International Residential Code (or that of jurisdictions authorized by State law to adopt later editions).

Field guide types approval dates

Single-Family:	6/15/2018
Manufactured Housing:	6/15/2018
Multi-Family:	

V.5.2 Energy Audit Procedures

Audit Procedures and Dates Most Recently Approved by DOE

Audit Procedure: Single-Family
Audit Name: Other (specify)
NEAT: DOE Approved June 2, 2016
Approval Date: 6/2/2016

Audit Procedure: Manufactured Housing
Audit Name: Other (specify)
MHEA: DOE Approved June 2, 2016
Approval Date: 6/2/2016

Audit Procedure: Multi-Family
Audit Name: Other (specify)
NEAT: 5-24 individually heated and cooled units - DOE Approved June 2, 2016. For Multifamily buildings of 25 units or more the Department will seek DOE approval prior to the installation of any weatherization measures.
Approval Date:

Comments

TDHCA will submit to its Project Officer a request for approval of an audit tool by November 30, 2020, according to the instructions as described in WPN 19-4 and Attachment 1 of WPN 19-4. Prior to this date, TDHCA WAP staff will examine whether or not the current already-DOE-approved audit tool (i.e., NEAT and MHEA) is sufficiently identifying the most cost effective Energy Conservation Measures to install in homes across the various climate zones in Texas.

V.5.3 Final Inspection

The Department has provided Subgrantees with sufficient T&TA funding to obtain and/or maintain required QCI and MF-QCI certifications by an IREC certified training provider. The Department tracks Subgrantee compliance with unit inspection requirements of WPN 15-4.

The Department has six certified QCI staff who maintain their certifications. The Department annually requires all Subgrantees to report the following for determining the number of units that the Department will inspect for compliance at each agency:

Option 1 (at minimum 5% compliance final inspection required): The Subgrantee will NOT allow the QCI staff member (or third party QCI) who conducts the Final Inspection on any DOE funded/reported unit to perform any other aspect(s) associated with that same unit. E.g., Initial Assessment, NEAT Audit, Work Order, etc.

Option 2 (10% compliance final inspection required): The Subgrantee will have a QCI staff member conduct the Final Inspection on every DOE funded/reported unit AND will also perform other aspect(s) associated with that same unit. E.g., Initial Assessment, NEAT Audit, Work Order, etc.

NOTE: As scheduling permits, compliance will conduct 10% final inspections on completed units for Option 1 as well.

TDHCA survey's the WAP network annually to determine which option is appropriate for each Subgrantee while developing the monitoring schedule. Prior to conducting an onsite monitoring, the option will be verified to ensure an adequate number of units are inspected.

All units are inspected by a certified QCI. In addition to final inspections, a completed QCI Final Inspection Certification Form is required. QCI Final Inspection Certification Form (PDF).

Subgrantees are required to follow work standards as per the SWS guidelines. This requirement is within Subgrantee contracts, and the SWS guide is posted on the Department Program Guidance Webpage.

All units must meet DOE requirements and pass a QCI inspection. Any unit that fails to be brought into compliance results in disallowed costs and a finding for the reason(s) of the disallowed cost is issued in the monitoring report. The initial T&TA is provided by training staff with email guidance providing resources to resolve the findings. This is then followed by individualized T&TA, or a referral to the appropriate Comprehensive training provider, as deemed appropriate.

V.6 Weatherization Analysis of Effectiveness

Pursuant to 10 TAC, Chapter 1, Subchapter C, §1.302, a review of a Subgrantee's compliance history in Department programs must be approved by the Department's Executive Award and Review Advisory Committee (EARAC) and provided to the Department's Board of Directors in order that the Board may consider the compliance history and make and document its award decisions with full knowledge of these matters. Prior to the award of DOE funds to any Subgrantee, EARAC reviews:

1. Summary information regarding findings identified during the last three years; and
2. If the Subgrantee is subject to the requirement of an annual single audit:
   A. A report of any required single audit or single audit certification form that is currently past due;
   B. If such single audit has been submitted to the Federal Audit Clearinghouse; and

   C. If the most recent single audit report contained findings.

The Subrecipient Monitoring section, within the Compliance Division, submits information regarding its monitoring activity to EARAC. If EARAC finds that a Subgrantee has outstanding monitoring issues, their WAP award may be subject to conditions intended to avoid future noncompliance, and limit disallowed costs.

Issues identified during this review make the Subgrantee aware of areas requiring attention, both from a monitoring standpoint and a T&TA standpoint. The reviews not only hold the Subgrantee accountable, they also give the monitoring and T&TA sections guidance in planning future activities.

T&TA staff are copied on all monitoring reports and/or a staff meeting is held for monitors to debrief T&TA staff after each visit. In those meetings, monitoring staff relay issues found related to the Subgrantee as well as overall trends identified. Following the monitoring report, T&TA staff provide an initial email to the Subgrantee to provide resources for identified issues. T&TA staff applies this debrief information when determining the needs for agency-wide specific T&TA and to plan training curriculum.

Further, Subgrantee performance is reviewed periodically and at the end of the program year. The Department tracks subgrantee performance over time by reviewing their monthly production and expenditure reports. Subgrantees are required to submit a Production Report on the 15th of each month. If staff determines that a benchmark is missed or a subgrantee is falling behind on expenditure and/or production, a letter is issued from the Department and the subgrantee is required to submit a written Mitigation Action Plan according to 10 TAC §6.405.

Additionally, based upon monthly submitted performance and expenditure reports, individualized TA is provided to ensure full expenditure and an adequate rate of production. T&TA staff anlayze the reports submitted by subgrantees and provide T&TA when necessary. Such T&TA may include a course on production oriented management, proper reporting, procurement, and/or other relevant topics.

Analysis of reports includes the following:

- Number of homes completed;
- Number of applications pending;
- Number of homes in progress;
- Contract amount;
- Total funds expended;
- Balance of funds; and
- Special comments

The Department enforces the Deobligation/Reobligation of Awarded Funds rule as laid out in 10 TAC §6.405. While the Department's performance review process has not achieved full expenditure of funds each Program Year (e.g., PY 2017 due to Hurricane Harvey), the Department continuously assesses its processes and researches potential modifications in order to improve. For example, the Department has a Program Specialist who is tasked with the responsibility of overseeing the performance and expenditure report and production schedule process and to provide technical assistance to individual subrecipients who are on the pathway to non-expenditure of the full amount of their allocation.

V.7 Health and Safety

Attached to SF-424

V.8 Program Management

V.8.1 Overview and Organization

The Department is the state's lead agency responsible for affordable housing and community assistance programs. The Department annually administers funds derived from mortgage revenue bond financing and refinancing, federal grants, and federal tax credits.

In 1991, the 72nd Texas Legislature created the Department. The Department's enabling legislation combined programs from the Texas Housing Agency, the Community Development Block Grant Program from the Texas Department of Commerce, and the Texas Department of Community Affairs.

On September 1, 1992, two programs were transferred to the Department from the Texas Department of Human Services: the Low Income Home Energy Assistance Program and the Emergency Nutrition and Temporary Emergency Relief Program. Effective September 1, 1995, in accordance with House Bill 785, regulation of manufactured housing was transferred to the Department. In accordance with House Bill 7, effective September 1, 2002, the Community Development Block Grant and Local Government Services Programs were transferred to the newly created Office of Rural Community Affairs. Effective September 1, 2002, in accordance with Senate Bill 322, the Manufactured Housing Division became an independent entity administratively attached to TDHCA. As a state agency, the Department is under the authority of the Governor of the State of Texas.

The Department's services are offered through three program categories: Single Family Programs, Multifamily Finance Production, and Community Affairs, which administers the WAP.

The Department subcontracts with a network of Subgrantees that provide the WAP services. The network is comprised of community action agencies (CAAs), regional Councils of Government (COGs), and organizations in the other public or private nonprofit entity category (PPNPs). All network Subgrantees are provided a draft copy of the yearly weatherization state plan and a notice of the state public hearing. The public and all Subgrantees are invited and encouraged to participate in the public comment process.

Historically, the regular weatherization program year ran from April through March. Starting PY 2015, the weatherization program year has run from July

through June.

The Department will continue to administer the program through Subgrantees in accordance with 10 CFR §440.15 provisions and State regulations. If existing Subgrantees are successfully administering the Program, the Department will offer to renew the contract if the Subgrantee so desires and if grant funds are available. When the Department determines that an organization is not administering the program satisfactorily, it may take the following action:

-Correction of the problem(s) with training or technical assistance;
-Re-assignment of the service area (or service area portion) to another existing Subgrantee; or,
-Solicitation or selection of a new or additional Subgrantee in accordance with 10 CFR §440.15 provisions.

A new or additional Subgrantee is defined as a CAA or other public or nonprofit entity that is not currently operating a DOE Weatherization Assistance Program.

Consolidation/downsizing: Any downsizing will occur through normal attrition through a Subgrantee's determination that it can no longer administer the program efficiently/effectively, or through the Department's determination that a Subgrantee can no longer administer the program efficiently/effectively.

Reassignment of service areas for just cause: In the event that a service area can no longer be served by a Subgrantee, the Department reserves the right to reassign service areas. If it appears necessary to permanently reassign the service area, a new Subgrantee may be chosen in an open, competitive solicitation process in accordance with 10 CFR §440.15, or the reassignment may become permanent.

V.8.2 Administrative Expenditure Limits

The Department will use 5% of its grant funds for state administration. An additional 5% will be distributed for local WAP field operations under contract. Contract funds are intended for local administration, liability insurance coverage, local fiscal audit, materials, labor, program support and health and safety measures. To help ensure that Subgrantees comply with the full and proper use of all the contract funds, written definitions are to be provided to Subgrantees on budget categories as deemed necessary. The Department has elected to provide the maximum allowable funds for Subgrantee administration to Subgrantees receiving less than $350,000, so it has not included procedures for deciding which Subgrantees will receive additional funds. This decision is based on the following factors:

- Subgrantees often have to rely on other programs for WAP outreach and other administrative support;
- Subgrantees have had to adjust budgeting to keep pace with cost-of-living increases -- staff salaries, fringe benefits, rent, postage, travel, etc.;
- The State of Texas is 877 miles from Northern to Southern tips, 834 miles from Eastern to Western tips, and is comprised of a total of 266,807 square miles. The extra geography that Subgrantees have to cover to serve all the area's clients equitably requires additional staff, staff time, postage and phone costs, and vehicle wear and maintenance. (Source of Mileage Data: Texas Department of Transportation);
- Salaries, space, utilities, telephone, and similar costs associated with program support personnel should be charged to program support; and
- The increasing cost of maintaining appropriate qualified staff is challenging.

For Subgrantees receiving over $350,000, the administrative allowance will be 5% of each subgrant. For Subgrantees receiving less than $350,000, the administrative allowance will be 10% of each subgrant.

V.8.3 Monitoring Activities

The Department will monitor the Weatherization Assistance Program ("WAP") with the Monitoring staff included in the budget. Subgrantee is defined as an organization with whom the Department contracts and provides WAP funds.

Names and credentials of Department staff dedicated to monitoring DOE activities are:

- Robert Moore - over 8 years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA30
- Ben Rose - over 4years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified
- Kevin Glienke – over 8 years of weatherization monitoring experience; BPI Certified; has attended DOE sponsored conferences; QCI certified

All staff listed above conduct fiscal/administrative and inspection monitoring activities and are paid for out of administration (10%) and T&TA (30%) budget categories.

Compliance Subrecipient Monitoring is staffed with nine additional monitors not dedicated to weatherization. All of these qualified monitors may be tasked with fiscal and programmatic activities though funds provided by this State plan.

The Department will monitor each of the DOE Subgrantees during the contract period which will be July 1, 2020 through June 30, 2021. Many of the DOE Subgrantees also receive funds through the Department of Health and Human Services Community Service Block Grant and Low Income Home Energy Assistance Program. Whenever possible, all three programs will be monitored during one visit to the Subgrantee.

(See attached PY2020 Tentative Monitoring Schedule)

The Department understands DOE's expectation and will conduct at least one on-site visit annually to each Subrecipient for technical and fiscal/administrative monitoring.

Financial and Administrative monitoring will include, at minimum, a review of the Subgrantee's General Ledgers and policies and procedures (including procurement) as well as support documentation for reported expenditures. These documents will be reviewed to ensure compliance with DOE, Department and other applicable rules and regulations. The Department will monitor for eligibility through sampled client file reviews. Through sampled unit inspections, Department staff will monitor for installed measures that are allowable and meet or exceed DOE requirements. The Department will review whether charged measures were installed properly and determine compliance with health and safety procedures, client eligibility, energy audit procedures, client education procedures and compliance with the SWS.

The Department will inspect 5% of all completed weatherized units. In order to achieve the 5% inspection rate and comply with the requirements of WPN 15-4, the Department is requesting that Subgrantees with a QCI on staff do not have that staff member involved with the weatherized unit prior to final inspection. The Department defines prior involvement as performing the audit, creating the work order or performing any weatherization work on the weatherized unit. The Department has created a QCI Final Inspection Form for Subgrantees which will allow TDHCA to determine if a QCI employed by the Subgrantee had prior involvement with that unit. The Department will review each sampled QCI final inspection document to ensure compliance with the requirement to inspect 5% and will increase the required inspections if necessary.

The Department recognizes that there may be a need to perform additional unit inspections towards the end of the contract period to comply with the requirements of WPN 15-4 if there were not enough units available to sample during the full monitoring review.

More frequent monitoring visits (Fiscal/Administrative and/or Technical) may be conducted for Subgrantees with significant identified risk.

Monitors will complete evaluation instruments to determine a Subgrantee's compliance. The instruments cover Financial and Administrative requirements, health and safety procedures, client eligibility, energy audit procedures, client education procedures, and compliance with the SWS. Compliance Monitors also review the hard copy of the NEAT or MHEA audit which is required to be in the client file to assure that the scope of the work was directed by the audit.

Monitors scan documents as support if findings are noted.
The following list provides additional monitoring details that may occur during the monitoring review:

- Monitors may request copies of fiscal records/support documentation and perform a desk review to gauge the fiscal condition of the Subgrantee prior to onsite monitoring.
- As needed, monitors may perform a desk review of records requested but not provided during the onsite review and records requested to clarify issues identified during the onsite monitoring visit. The Department recognizes the requirement to issue the monitoring letter within 30 days of the review. The Department does not consider the review complete until receipt of information needed to ascertain compliance. Monitoring letters will be issued within 30 days of receipt of all necessary information.
- Monitors may test that weatherization activities including but not limited to: energy audits, energy conservation measures, incidental repair measures and health and safety measures are only performed by properly trained Retrofit Installer/Technicians, Crew Leaders, and Energy Auditors that have received comprehensive training (not necessarily certification) that is aligned with DOE's Job Task Analysis for the position in which the weatherization worker is employed.

The Department will issue monitoring reports within 30 days of completion of the review. Subgrantees are provided a 30 day corrective action period to respond and provide evidence of correction. On a case by case basis, the Department may grant an extension to respond to the report if there is good cause

and the request is made during the corrective action period. The Department will review each response and determine if the Subgrantee has resolved the compliance issue. If the Department determines the issue is not resolved, the Subgrantee will be notified and required to submit an additional response(s) until the compliance issue is resolved. In certain circumstances, the Department may "close" a compliance issue when there remains no additional actions that can be taken to resolve the issue. At the conclusion of this process, any unresolved compliance issues will be reported to DOE, as will any noncompliance that appears in two consecutive monitoring reports. Instances of suspected fraud, waste, or program abuse will be reported immediately to DOE and the Texas State Auditors Office.

The Department will review the annual financial audits of each Subgrantee agency. The Department requires each Subgrantee to complete an Audit Certification form within 60 days of the end of the entity's fiscal year. This is used to determine if a Single Audit is required. All single audits and management letters must be uploaded to the Federal Clearinghouse within nine months of the Subgrantee's fiscal year end. Upon receipt of the Single Audit, a review is completed to determine if the packet submitted is complete and all opinions are provided. If the audit contains findings, they are reviewed and discussed by the Director of Internal Audit, the Director of Compliance and staff to determine the appropriate steps to ensure the entity corrects the issues identified in the audit report or management letter. The Department issues correspondence to the entity, identifying that corrective action measures must be performed and requiring that support documentation be provided. The entity is provided a time frame to complete the corrective action and to respond to the correspondence. The entity must correct all identified issues within six months of the Single Audit being submitted to the Federal Clearinghouse.

The Department's Compliance Monitor(s) keep abreast of the required timeframe for the entity to complete the corrective action and to provide the response. When the response is received, the Department reviews the documentation to determine if the corrective action requirements have been met. If the issues have not been corrected, the Compliance Monitor and/or Compliance Subrecipient Monitoring Director will notify the Director of Compliance. The Director of Compliance may determine if the matter should be referred to the Department's Enforcement Committee in accordance with Department rules and standard operating procedures. During the next monitoring visit to the entity, the Department will determine if the selection of expenditures or materials reviewed reflect compliance with the respective requirement.

If it is determined that the Subgrantee is not able to administer the weatherization program, the Department will follow the requirements in 10 TAC §2.202 Contract Closeout.

V.8.4 Training and Technical Assistance Approach and Activities

The Department provides Subgrantees with sufficient T&TA funding to obtain and/or maintain required certifications; such as: QCI, MF-QCI, Building Analyst/Energy Auditor, Lead Safe Renovator, Lead Safe Worker, and OSHA 10 or 30. All training provided includes requirements for compliance with Quality Work Specifications. The Department will conduct trainings based upon the following:

- Grant Requirements or as directed by DOE monitor or audit reports.
- Subgrantee Request. The Department has an online request system, with a T&TA menu list, or section for the Subgrantee to make a specific request or ask specific questions. The Department will contact the requestor and customize training to meet the need. https://tdhca.wufoo.com/forms/request-for-ca-program-assistance
    - In addition, submitted questions or requests are reviewed for creating FAQs or to identify topics for regional trainings, workshops, or individualized training.
- Monitor Reports. The Department's compliance team shares monitoring issues with the training team. The training team will initially provide resources and guides to address any findings, and follow up with T&TA as required.
    - Trends across the Network can be addressed in regional trainings or workshops.
- Management Request. Management may make a specific request and dictate the type of training needed.

The Department has six certified QCI staff who monitor and/or train weatherization Subgrantees on quality weatherization work, proper diagnostics, documentation, and compliance. The Department has two certified BPI Proctors who administer exams for BPI written exams. The Department continues to provide T&TA to assist Subgrantees in preparing for and obtaining required certifications. The Department created an online Web-page dedicated to Quality Work Plan requirements that contains guidance and resources. http://www.tdhca.state.tx.us/community-affairs/wap/quality-work-plan.htm

NOTE: New Mexico Energy Smart Academy sometimes partners with local Subgrantees to provide IREC certified courses in Texas including MF-QCI and Energy Auditor.

Comprehensive Training:

The current focus for Comprehensive training will be ensuring all 22 Subgrantees have staff (or subcontractors as applicable) certified in the following job categories: Quality Control Inspector (QCI), Retrofit Installer (RI) and Crew Leader (CL). Because the Energy Auditor (EA) Certification

is a prerequisite for QCI, TDHCA will not track EA separately. Comprehensive training will be provided by accredited IREC training providers and certification testing will be conducted by BPI certified proctors. TDHCA maintains the capacity to administer BPI written exams and is researching how to conduct BPI field exams as well.

Due to the rigorous nature of BPI certifications, TDHCA projects the following percentages of agencies will meet the certification requirements over the next two program years:

- QCI: 2020 – 95%, 2021 – 100%
- RI: 2020 – 50%, 2021 – 80%
- CL: 2020 – 50%, 2021 – 80%

In compliance with Section 4 of WPN 15-4, the Department will track that comprehensive training for each job category listed above is obtained and that retraining occurs thereafter every three years. Whereas it is the responsibility of the Department to provide funds for training through IREC training providers, it is the responsibility of the Subgrantee to ensure training is completed by staff and/or subcontractors. The Department will monitor Subgrantee progress and track credentials. Weatherization staff may not function unsupervised until training and certification requirements are met.

To assist Subgrantees with identifying appropriate staff to challenge BPI advanced certifications, TDHCA recommends successful training and completion of an appropriate BPI core certification such as Building Analyst or Envelope Professional.

Specific Training:

Specific training will be provided by Department training and technical assistance staff or a designee. With experience as Program Officers and Trainers, the staff has experience in Subgrantee monitoring, unit assessments, audits, materials installation, inspections, and the training and technical assistance that support each. The staff consists of:

- Laura Saintey – 10+ years experience in the construction industry and 9+ years experience in the WAP. QCI certified, Lead Safe Renovator, OSHA 10, BPI Building Analyst Professional, BPI Certified Proctor, and attended DOE sponsored conferences.
- Chad Turner – 18+ years of weatherization experience including as a Texas WAP Subgrantee, QCI certified, MF-QCI, BPI certified, OSHA 30 and attended DOE sponsored conferences.
- Jason Gagne – 4+ years experience in the WAP, QCI certified, BPI Building Analyst Professional, Lead certified, Energy Audit certified, OSHA 10, and attended DOE sponsored conferences.
- Kevin Glienke – 9+ years in weatherization monitoring and training, BPI certified, QCI certified, MFQCI, and attended DOE sponsored conferences.
- Robert Moore – 9+ years of weatherization experience including as a Texas WAP Subgrantee, QCI certified, BPI & Lead certified, OSHA 30 and attended DOE sponsored conferences.
- Ben Rose – 4+ years of weatherization experience as a Texas WAP Subgrantee, QCI certified, BPI and Lead Certified

T&TA staff provide new manager training, monitoring report based training, and technical assistance for multiple WAP Subgrantees. New manager training is required within three months of being hired. Subgrantees may request new manager training through the online training request system (i.e., Wufoo). Another form of mandatory training are trainings that arise out of necessity due to monitoring issues. Subgrantees are monitored as described in V.7.3 Monitoring Activities of this Plan and results of those monitoring visits are shared with T&TA staff. Any issues as a result of a monitoring visit are analyzed by T&TA staff to determine how best to train the Subgrantee to resolve the issue(s).

For onsite T&TA visits, a report will be produced indicating Subgrantee staff present, materials and documents presented to the Subgrantee, and expected outcomes.

Training to execute the Health and Safety Plan will occur via quarterly conference calls via a webinar platform which typically include health and safety concerns. Additionally, training and technical assistance occur throughout the year at random intervals on a case by case basis originating by way of monitoring trends and reports and requests from Subgrantees for assistance. Finally, the Department also hosts a webinar at the beginning of each Program Year to assist Subgrantees in the implementation of the new DOE State Plan and Health and Safety Plan.

Quarterly Network Calls

Agendas will be evaluated for topics based upon need and identified areas of concern. Topics will include:

- Program Requirements and Updates

- Monitoring Concerns
- Technical Issues
- Health & Safety Concerns
- Upcoming Training Dates
- Resources

Projected Dates for PY 2020 WAP Network Calls:

- August 2020 – no WAP call, see Energy OutWest section below
- November 2020
- February 2021
- May 2021

A WAP specific E-newsletter will be distributed on a monthly basis to fill in the gap between quarterly calls to further focus the network on program and technical requirements, updates, and training opportunities.

The Department directs Subgrantees to the "Weatherization Assistant Online Training" on the Department's website for initial training of the state approved energy audit. Training staff will provide further technical assistance on a one-on-one basis as necessary.

The Department will address four key topics for 2020. The Department has chosen to focus on the following:

- Quality work through initial assessments
- Air sealing and duct sealing techniques
- Importance of aligning thermal and pressure boundaries
- Cost Allocation (provided by a third-party)

Energy OutWest

All Subgrantees will be encouraged to send at least one staff member to the Energy OutWest Conference in August 2020. In conjunction with the conference, TDHCA will host a mandatory WAP workgroup to garner network feedback on WAP operations and address program and technical concerns.

TDHCA will further reserve flexibility to respond to any T&TA needs that may arise because of grant requirements or as directed by DOE monitor or audit reports.

Ramifications for noncompliance with Comprehenisve training and/or Specific training can be awards that contain condition(s) which the noncompliant Subgrantee must comply with in order to receive funding. Conditions can be minor (e.g., submittal of a credential to the Department) or severe (e.g., closely supervised final QCIs by Department training staff to determine quality of weatherization measures installed). Weatherization staff may not function unsupervised until any training and certification requirements are met.

Evaluation of Training Activities

Subgrantees will be given the opportunity to provide feedback through online training evaluations. These evaluations are reviewed to make improvements to future T&TA. Training staff will conduct periodic surveys to solicit input from Subgrantees as to their training needs and will evaluate pass rates for certification testing. In order to evaluate compliance with the Quality Work Specifications and the efficacy of its training activities, the training staff will review a Subgrantee’s training activities semiannually and compare those to the Subgrantee’s monitoring reports.

Program Evaluation

The Department utilizes an online contract system to collect expenditure and performance data from Subgrantees and compares that data to a production tool on a monthly basis. Training staff contact Subgrantees regarding various benchmarks throughout the program year.

Another method of evaluation is provided by the compliance division. The Department’s compliance staff provides training staff with a copy of the Subgrantee’s most recent monitor report, which is also used to assess individualized training needs. By viewing all Subgrantee monitor reports, training staff is also able to determine if there are any network trends which need to be addressed.

Client Education

The Department requires Subgrantees to provide client education to each client. Subgrantees are required to provide (at a minimum) educational

materials in verbal and written format. Client education may include temperature strips that indicate the temperature in the room, energy savings materials, and instructions for equipment operation and/or maintenance.

Percent of overall trainings

Comprehensive Trainings:	34.0
Specific Trainings:	66.0

Breakdown of T&TA training budget

Percent of budget allocated to Auditor/QCI trainings:	15.0
Percent of budget allocated to Crew/Installer trainings:	15.0
Percent of budget allocated to Management/Financial trainings:	15.0

V.9 Energy Crisis and Disaster Plan

n/a

PY2020 Monitoring Schedule*

September - November 2020	December 2020 - February 2021	March - May 2021	June - August 2021
Baker Ripley	Community Action Corporation of South Texas	Alamo Area Council of Governments	Brazos Valley Community Action Programs
City of Fort Worth	Concho Valley Community Action Agency	Big Bend Community Action Committee, Inc.	Greater East Texas Community Action Program (GETCAP)
Combined Community Action, Inc.	Dallas County Department of Health and Human Services	Community Council of South Central Texas, Inc.	Panhandle Community Services
Community Action Committee of Victoria, Texas	Nueces County Community Action Agency	El Paso Community Action Program, Project Bravo, Inc.	Texoma Council of Governments
Economic Opportunities Advancement Corporation of PR XI	Rolling Plains Management Corporation	Travis County	
Hill Country Community Action Association, Inc.	South Plains Community Action Association, Inc.	West Texas Opportunities, Inc.	

** Schedule is subject to change based on production and/or other unforseen circumstances.*

Fiscal/Administrative (F/A)

These reviews will typically be done as a desk review. As often as possible, the F/A reviews will happen in the same month as the technical visit to hopefully end with one comprehensive WAP monitoring report. F/A reviews will be done by any available qualified compliance staff.

Technical/Inspections

These reviews will always be conducted onsite. Inspections will be conducted by state staff that are QCI certified. Full QCI inspections will be conducted on each unit reported as "inspected" by the state. Inspection percentages at each Subrecipient will be based off QCI staff and separation of assignments in accordance with WPN 15-4 (5 or 10%). TDHCA staff will also conduct LIHEAP inspections on the same trip to minimize visits to the Subrecipient, which is why trips begin so early in the DOE program year, because LIHEAP program year ends December 31.

WEATHERIZATION HEALTH AND SAFETY PLAN

TEXAS WEATHERIZATION CONTACT INFORMATION

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Weatherization Grantee Health and Safety Plan

1.0 – General Information

Grantees are encouraged to enter additional information here that does not fit neatly in one of the other sections of this document.

Allowable Department of Energy (DOE) related health and safety (H&S) actions and expenditures are those necessary to maintain the physical well-being of both the occupants and/or weatherization workers where:

- Costs are reasonable as determined by The Department of Energy (DOE) in accordance with this approved Master Plan;
- The actions must be taken to effectively perform weatherization; or
- The actions are necessary as a result of weatherization work.

This plan will provide guidance to the Texas Weatherization Network. Health and Safety issues will be identified by Program Assessors during the initial assessment. Weatherization Crews (either subcontracted or in house) will perform the task(s) identified in the initial assessment and listed in the work order(s).

Weatherization agencies and their representatives, including subcontractors, are required to take all reasonable precautions against performing work on homes that will subject the occupants or themselves to health and/or safety risks. In cases where an occupant's health is fragile, or an occupant has been identified to have a health condition, including allergies, and/or the crew work activities would themselves constitute a health and/or safety hazard, the occupant(s) at risk shall be required to leave during the performance of the work activities. In cases where an occupant is identified as having an allergy to a specific weatherization material, that material will not be installed. If comparable alternative materials are available and the occupant has no known allergies to the alternative materials and they meet DOE regulations, crews/contractors may substitute the alternative material(s). If no safe alternative material meeting DOE standards is available, the measure shall not be installed. This must be well documented in the client file.

This health and safety plan is taken from a DOE approved template. The text at the top of the template is boilerplate language and may not always apply to activities described in TDHCA's DOE plan. Capitalized terms in the Plan have definitions in Chapters 1, 2, or 6 of Part 1, Title 10 of the Texas Administrative Code.

2.0 – Budgeting

Grantees are encouraged to budget Health & Safety (H&S) costs as a separate category and, thereby, exclude such costs from the average cost per unit cost (ACPU) limitation. This separate category also allows these costs to be isolated from energy efficiency costs in program evaluations. Grantees are reminded that, if H&S costs are budgeted and reported under the program operations category rather than the H&S category, the related H&S costs must be included in the calculation of the ACPU and cost-justified through the approved energy audit.

Select which option is used below.

Separate Health and Safety Budget ☑	Contained in Program Operations ☐

3.0 – HEALTH AND SAFETY EXPENDITURE LIMITS

Pursuant to 10 CFR 440.16(h), Grantees must set H&S expenditure limits for their Program, providing justification by explaining the basis for setting these limits and providing related historical experience.

Low percentages should include a statement of what other funding is being used to support H&S costs, while larger percentages will require greater justification and relevant historical support. It is possible that these limits may vary depending upon conditions found in different geographical areas. These limits must be expressed as a percentage of the ACPU. For example, if the ACPU is $5,000, then an average expenditure of $750 per dwelling would equal 15 percent expenditures for H&S.

15 percent is not a limit on H&S expenditures but exceeding this amount will require ample justification. These funds are to be expended by the Program in direct weatherization activities. While required as a percentage of the ACPU, if budgeted separately, the H&S costs are not calculated into the per-house limitation. DOE strongly encourages using the table below in developing justification for the requested H&S budget amount. Each H&S measure the Grantee anticipates addressing with H&S funds should be listed along with an associated cost for each measure, and by using historical data the estimated frequency that each measure is installed over the total production for the year.

It is also recommend reviewing recent budget requests, versus expenditures to see if previous budget estimates have been accurate. The resulting "Total Average H&S Cost per Unit" multiplied by the Grantee's production estimate in the Annual File should correlate to the H&S budget amount listed in the Grantee's state plan.

Should a Grantee request to have more than 15 percent of Program Operations used for health and safety purposes, DOE will conduct a secondary level of review. DOE strongly encourages use of this H&S template and matrix to help expedite this process.

H&S Measure Matrix - Optional			
Double Click To Open For Editing			
Cells this shade auto calculate			
Enter Measure ↓	**Enter** Cost ↓	**Enter** Frequency % ↓	Auto Calculates
ASHRAE Fans	$550.00	95.0%	$522.50
Venting Existing Exhaust Fans to Ext.	$153.00	50.0%	$76.50
Hi-Low Combustion Air	$80.00	30.0%	$24.00
CAZ Isolation	$100.00	50.0%	$50.00
Electrical Repairs (Minor)	$100.00	25.0%	$25.00
Smoke Alarms	$90.00	95.0%	$85.50
CO Detector	$52.00	90.0%	$46.80
Replace Primary Unvented Space Htrs.	$1,760.00	18.0%	$316.80
Repair/Replace Primary Furnaces	$2,500.00	4.0%	$100.00
Repair/Replace Vulnerable Cooling	$600.00	5.0%	$30.00
Replacement of non-repairable WH	$600.00	4.0%	$24.00
Lead Safe Weatherization	$175.00	10.0%	$17.50
Clean/Tune Cookstove	$75.00	4.0%	$3.00
Re-vent Improperly Vented Gas Appliar	$245.00	4.0%	$9.80
Total Average H&S Cost Per Unit			$1,331.40
Enter Estimated Production (Annual File: IV.2 WAP Production Schedule) ➔			1089
Enter Estimated Program Operations Budget ➔			6,289,556
H&S Budget (Total Average H&S Cost Per Unit * Estimated Production)			$1,449,894.60
Requested H&S Percentage Per Unit (H&S Budget/Program Operations)			23.1%

4.0 – Incidental Repair Measures

If Grantees choose to identify any H&S measures as incidental repair measures (IRMs), they must be implemented as such under the Grantee's weatherization program in all cases – meaning, they can never be applied to the H&S budget category. In order to be considered IRMs, the measure must fit the following definition and be cost justified along with the associated efficiency measure;

Incidental Repairs means those repairs necessary for the effective performance or preservation of weatherization materials. Such repairs include, but are not limited to, framing or repairing windows and doors which could not otherwise be caulked or weather-stripped and providing protective materials, such as paint, used to seal materials installed under this program. (10 CFR 440 "Definitions")

5.0 – Deferral/Referral Policy

Deferral of services may be necessary if H&S issues cannot be adequately addressed according to WPN 17-06 guidance. The decision to defer work in a dwelling is difficult but necessary in some cases. This does not mean that assistance will never be available, but that work must be postponed until the problems can be resolved and/or alternative sources of help are found. If, in the judgment of the auditor, any conditions exist which may endanger the health and/or safety of the workers or occupants, the unit should be deferred until the conditions are corrected. Deferral may also be necessary where occupants are uncooperative, abusive, or threatening. Grantees must be specific in their approach and provide the process for clients to be notified in writing of the deferral and what conditions must be met for weatherization to continue. Grantees must also provide a process for the client to appeal the deferral decision to a higher level in the organization.

Grantee has developed a comprehensive written deferral/referral policy that covers both H&S, and other deferral reasons?

Yes ☑ No ☐

Where can this deferral/referral policy be accessed?

10 TAC RULE §6.415

6.0 – Hazard Identification and Notification Form(s)

Documentation forms must be developed that include at a minimum: the client's name and address, dates of the audit/assessment and when the client was informed of a potential H&S issue, a clear description of the problem, a statement indicating if, or when weatherization could continue, and the client(s) signature(s) indicating that they understand and have been informed of their rights and options.

Documentation Form(s) have been developed and comply with guidance?

Yes ☑ No ☐

7.0 – HEALTH AND SAFETY CATEGORIES

For each of the following H&S categories identified by DOE:

- *Explain whether you concur with existing guidance from WPN 17-06 and how that guidance will be implemented in your Program, if you are proposing an alternative action/allowability, or if the identified category will not be addressed and will always result in deferral. Alternatives must be comprehensively explained and meet the intent of DOE guidance.*
- *Where an Action/Allowability or Testing is "required" or "not allowed" through WPN 17-06, Grantees must concur, or choose to defer all units where the specific category is encountered.*
- *"Allowable" items under WPN 17-06 leave room for Grantees to determine if the category, or testing, will be addressed and in what circumstances.*
- *Declare whether DOE funds or alternate funding source(s) will be used to address the particular category.*
- *Describe the explicit methods to remedy the specific category.*
- *Describe what testing protocols (if any) will be used.*
- *Define minimum thresholds that determine minor and major repairs*
- *Identify minimum documentation requirements for at-risk occupants*
- *Discuss what explicit steps will be taken to educate the client, if any, on the specific category if this is not explained elsewhere in the Plan. Some categories, like mold and moisture, require client education.*
- *Discuss how training and certification requirements will be provided for the specific category. Some categories, like Lead Based Paint, require training.*
- *Describe how occupant health and safety concerns and conditions will be solicited and documented*

Grantees may include additional H&S categories for their particular Programs. Additional categories must include, at a minimum, all of the same data fields as the DOE-provided categories. Two additional tables have been created to utilize.

7.1 – AIR CONDITIONING AND HEATING SYSTEMS

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Air Conditioning Unallowable Measure ☐	Heating Unallowable Measure ☐			
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

How do you address unsafe or non-functioning primary heating/cooling systems?
"Red tagged", inoperable, or nonexistent primary heating and/or cooling system replacement, repair, or installation is allowed due to extreme climate conditions in Texas for Vulnerable Populations. Texas' climate conditions include climate zones 2A, 2B, 3A, 3B, and 4B which can be described as Hot-Humid, Hot-Dry, and Mixed-Dry. This diversity in climate conditions requires Texas to have the flexibility to address all scenarios related to providing heating and cooling to Vulnerable Populations. Subgrantee will use the ACCA approved Manual J to determine proper sizing of replacement heating and cooling appliances. All heating and cooling systems will be evaluated as an energy conservation measure before consideration as a health and safety measure. If the heating/cooling system issue is determined to be beyond the scope of DOE WAP, weatherization agencies will defer the work and refer the client to other resource agencies who may be able to address the problem. Texas' deferral policy and protocols shall always be strictly adhered to when deferring weatherization work. If the client is completely without cooling or heating, the weatherization agencies shall make a referral to an agency with funding that can provide Vulnerable Population clients with a portable air conditioner or temporary means of heat, such as a portable heat pump or blankets. Texas requires HVAC system installation to follow local and state code and it must be performed by a licensed HVAC professional. Weatherization agencies may subcontract licensed HVAC companies/individuals to perform heating/cooling systems installations and repairs if they follow proper state procurement procedures. When replacing a primary wood stove in a mobile/manufactured home the new unit must be listed for use with manufactured homes, and must be installed in accordance with their listings. Units that are not manufacturer approved, discovered during an initial assessment, should be replaced with an approved manufactured home appliance, under H&S. All state and local codes must be followed. Vented space heaters shall be treated as furnaces. Combustion safety testing is required when combustion appliances are present. Weatherization Assessors and Final Inspectors must conduct the combustion appliance safety inspection. This includes all of the following: carbon monoxide testing, draft measurement, spillage evaluation, worst case depressurization of the combustion appliance zone (CAZ), a safe flue pipe, chimney or vent, adequate combustion air, and gas leakage as applicable. Combustion safety test results must be acted upon appropriately according to the Standard Work Specifications and BPI protocols.

How do you address unsafe or non-functioning secondary heating systems, Including unvented secondary space heaters?

Maintenance and repair of secondary heating units is allowed.

Minor maintenance activities can be performed for traditional open masonry fireplaces and wood burning stove/pellet stoves. This would be a health and safety issue requiring photo documentation and receipt of services by the professional with a description of what services were performed. Inspection, repair and or cleaning shall be sub-contracted to a qualified solid fuel heating system vendor

An unsafe, unrepairable open masonry fireplace would be treated similarly to that of an unvented space heater if it is the primary source of heat. The fireplace must be rendered inoperable and replaced with a vented heating unit. The type of existing fuel will dictate the replacement. If the client has a combustion fuel source (e.g. - gas, propane, etc) then seal up the fireplace, and add a vented gas heater.

Testing will be required to assure adequate supply of electricity is available for existing standalone electric space heaters. This will be accomplished through the use of three wire circuit testers, GFI electrical outlet testers, and line voltage testers. Repair, replacement or installation is not allowed. Removal is recommended.

Removal is required, except as secondary heat where the unit conforms to ANSI Z21.11.2. Units that do not meet ANSI Z21.11.2 must be removed prior to weatherization but may remain until a replacement heating system is in place.

Testing for air-free carbon monoxide (CO) is to be performed. All units must have an ANSI Z21.11.1 label, and meet IRC and IFGC codes. The client must be informed of the dangers of unvented space heaters – CO, Moisture, and NO2. CO can be dangerous even if CO alarm does not sound.

Assessors must calibrate the CO tester outside the home and test the ambient air in the home; following the standards in the Standard Works Specifications:

- Perform an inspection of the heater. Any of the following conditions are grounds for repair or replacement:
  - Carbon monoxide (CO) test indicates ambient CO levels above 35 PPM
  - Bad burners (missing, broken, or otherwise un-repair-able)
  - Cross-fueled (between NG and LPG) and the orifices and/or pressure regulator have not been changed
  - Missing radiants
  - Open flame burners
  - Rubber supply lines
  - Charring or scorching

If the cause cannot be determined, Subgrantee must calibrate equipment and re-test. If still indeterminable, refer to local gas company. Any time replacement is deemed necessary, first consider performing the replacement as an ECM (energy saving measure) before replacing as a Health & Safety measure.

Indicate Documentation Required for At-Risk Occupants
The application will be used to determine if a household includes Vulnerable Populations (also known as at-risk occupants). Vulnerable Populations are defined as Elderly (60 or older), Disabled, or Children 5 and younger.
Testing Protocols
Make sure primary systems are present, operable, and performing correctly. Check DOE-approved audit to determine if the system can be installed as an energy conservation measure (ECM) prior to replacement as an H&S measure. Determine and document presence of Vulnerable Populations when installing air-conditioning as a Health and Safety (H&S) measure. On combustion equipment, inspect chimney and flue and test for Combustion Appliance Zone (CAZ) depressurization. For solid fuel appliances look for visual evidence of soot on the walls, mantel or ceiling or creosote staining near the flue pipe.
Client Education
When deferral is necessary, provide information to the client, in writing, describing conditions that must be met in order for weatherization to commence. A copy of this notification must also be placed in the client file. Discuss appropriate use and maintenance of units. Provide all paperwork and manuals for any installed equipment. Discuss and provide information on proper disposal of bulk fuel tanks when not removed as part of the weatherization work. Where combustion equipment is present, provide safety information including how to recognize depressurization.
Training
Licensing and/or certification for HVAC installers as required by authority having jurisdiction (AHJ). CAZ depressurization test and inspection training effectiveness is evaluated during onsite monitoring. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

7.2 - ASBESTOS - ALL

What is the blower door testing policy when suspected Asbestos Containing Material (ACM) is identified?

This is not allowed if vermiculite is present. Subgrantee will inspect pipe and other coverings for asbestos. Encapsulation is allowed by an AHERA asbestos control professional, and should be conducted prior to any blower door testing if the materials are friable.

7.2a – Asbestos - in siding, walls, ceilings, etc.

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

How do you address suspected ACM's in siding, walls, or ceilings that will be disturbed through the course of weatherization work?
Asbestos is the name given to a number of naturally occurring fibrous minerals with high tensile strength, the ability to be woven, and resistance to heat and most chemicals. Because of these properties, asbestos fibers have been used in a wide range of manufactured goods, including roofing shingles, ceiling and floor tiles, paper and cement products, textiles, coatings, and friction products such as automobile clutch, brake and transmission parts. It is difficult to tell whether a material contains asbestos simply by looking at it, unless it is labeled. If in doubt, treat the material as if it contains asbestos. Do not dust, sweep, or vacuum debris that may contain asbestos. Never saw, sand, scrape, or drill holes in asbestos materials. Removal of siding is allowed to perform energy conservation measures. All precautions must be taken not to damage siding. Asbestos siding should never be cut or drilled. It is recommended, where possible, to insulate through home interior to avoid disturbing or removing the asbestos siding on the exterior of the home.
Testing Protocols
Testing is allowed by a certified AHERA tester. Visual inspection of exterior wall surface and subsurface, floors, walls, and ceilings for suspected ACM is required prior to drilling or cutting.
Client Education
In every instance, clients shall be informed both verbally and in writing that suspected asbestos containing materials are present. Clients shall also be informed as to the precautions that will be taken. Client written materials shall include information about the potential health risks associated with asbestos.
Training and Certification Requirements
The OSHA Fact Sheet on Asbestos is available on the Department's website under Health and Safety for all Subgrantees' use: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees. AHERA certification required for testing and allowable removal.

7.2b – Asbestos - in vermiculite				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐
How do you address suspected ACM's in vermiculite that will be disturbed through the course of weatherization work?				
When vermiculite is present, unless testing determines otherwise, take precautionary measures as if it contains asbestos, such as not using blower door tests and utilizing personal air monitoring while in attics. Encapsulation by an AHERA certified asbestos control professional shall be allowed. Removal shall not be allowed.				
Testing Protocols				
Testing is allowed by a certified AHERA tester.				
Client Education				
In every instance, clients shall be informed both verbally and in writing that suspected asbestos containing materials are present. Clients shall also be informed as to the precautions that will be taken. Client written materials shall include information about the potential health risks associated with asbestos.				

Training and Certification Requirements
The OSHA Fact Sheet on Asbestos is available on the Department's website under Health and Safety for all Subgrantees' use: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees. AHERA certification required for testing and allowable removal.

7.2c – Asbestos - on pipes, furnaces, other small covered surfaces				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑		Alternative Guidance ☐		Results in Deferral ☐
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐
How do you address suspected ACM's (e.g., pipes, furnaces, other small surfaces) that will be disturbed through the course of weatherization work?				
Inspect pipes, furnaces, and other coverings for asbestos. Encapsulation is allowed by an AHERA asbestos control professional and should be conducted prior to any blower door testing. Removal may also be allowed by an AHERA asbestos control professional based on the situation as determined by the inspector or Agency Representative				
Testing Protocols				
Testing is allowed by a certified AHERA tester.				
Client Education				
In every instance, clients shall be informed both verbally and in writing that suspected asbestos containing materials are present. Clients shall also be informed as to the precautions that will be taken. Client written materials shall include information about the potential health risks associated with asbestos.				
Training and Certification Requirements				
The OSHA Fact Sheet on Asbestos is available on the Department's website under Health and Safety for all Subgrantees' use: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees. AHERA certification required for testing and allowable removal.				

7.5 – BIOLOGICALS AND UNSANITARY CONDITIONS (ODORS, MUSTINESS, BACTERIA, VIRUSES, RAW SEWAGE, ROTTING WOOD, ETC.)				
Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑		Alternative Guidance ☐		Results in Deferral ☐
		Unallowable Measure ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees for dealing with biological and/or unsanitary conditions in homes slated for weatherization?
Remediation of conditions that may lead to or promote biological concerns and unsanitary conditions is allowed. Addressing bacteria and viruses is not an allowable cost. Deferral may be necessary in cases where a known agent is present in the home that may create a serious risk to occupants or weatherization workers. The use of personal protective equipment shall be strictly enforced. Respirators, protective eyewear, and protective clothing will be worn when there is suspicion or knowledge that biological agents may be present in order to eliminate or minimize crew exposure. In the past, remediation of conditions listed under this health and safety category was not allowed. It is allowable under WPN 17-7, except for the removal of known bacteria and viruses. Texas will assess the cost effectiveness and necessity of remediation of conditions that lead to or promote biological concerns and unsanitary conditions, on a case by case basis.
Testing Protocols
A sensory inspection is required.
Client Education
Client must be informed of observed conditions. Clients must be provided information and explanation on how to maintain a sanitary home and steps to correct deferral conditions, if applicable.
Training
On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.6 – Building Structure and Roofing

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees for dealing with structural issues (e.g., roofing, wall, foundation) in homes slated for weatherization?
Building rehabilitation is beyond the scope of the WAP. Homes with conditions that require more than incidental repair should be deferred. While conducting the initial audit, the building structure shall be inspected for structural integrity. Minor repairs to protect the DOE materials installed may be performed to protect the energy saving investment. Dwellings whose structural integrity is in question should be referred to agencies that deliver HUD funds or other appropriate local and state agencies. Weatherization services may need to be delayed or deferred until the dwelling can be made safe for crews/contractors and occupants. Incidental (minor) repairs necessary to effectively perform or preserve weatherization materials/measures are allowed. Refer to WPN 19-5 for further guidance on determining if incidental repairs are allowable.

How do you define "minor" or allowable structure and roofing repairs, and at what point are repairs considered beyond the scope of weatherization?
Minor repairs would be repairs that are necessary for weatherization work to proceed, and that can be allowed by WPN 19-5 if justified in the whole house SIR by the site-specific audit. Repairs would be beyond the scope of weatherization when causing the whole house SIR to drop below one. All repairs should be identified during the initial assessment. In the rare instance that necessary repairs are identified during the measure installation phase, a determination will be made if the repair is an Incidental or a Health & Safety cost. Incidental repair will necessitate that the site-specific audit be re-run, while H&S repairs do not.
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?
N/A – Priority List is not used.
Client Education
Clients shall be notified verbally and in writing regarding any structurally compromised areas. Appropriate referral resources shall also be provided to the client.
Training
On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.7 – CODE COMPLIANCE

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑		Alternative Guidance ☐		Results in Deferral ☐
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐
What guidance do you provide Subgrantees for dealing with code compliance issues in homes receiving weatherization measures?				
Correction of pre-existing code compliance issues is not an allowable cost other than where weatherization measures are being conducted. When correction of preexisting code compliance issues is triggered and paid for with WAP funds, Subgrantee must cite specific code requirements with reference to the weatherization measure(s) that triggered the code compliance issue in the client file. State and local (or jurisdiction having authority) codes **must** be followed while installing weatherization measures. Condemned properties and properties where "red tagged" health and safety conditions exist that cannot be corrected under this guidance should be deferred. WAP funds may be used when weatherization measures are being conducted. They may not be used simply to correct pre-existing code compliance issues. Acquire all required permits and licenses pertinent to installing weatherization measures. These vary by jurisdiction and it is the responsibility of each Subgrantee agency to know what the codes are in each of the areas they work, as well as what permits and licenses are required in each of the areas they work.				

What specific situations commonly trigger code compliance work requirements for your network? How are they addressed?
Condemned properties shall be deferred. Properties where "red-tagged" health and safety conditions exist, structural instability or damage (roof), electrical wiring type, condition or provisioning deficiencies, sewage drainage deficiencies that cannot be addressed with DOE H&S funding, should be deferred.
Client Education
Inform client of observed code compliance issues. Make appropriate referrals as necessary.
Training
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.8 – COMBUSTION GASES

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

Testing Protocols

IRC 2015
D.2 Occupant and Inspector Safety. Prior to entering a building, the inspector should have both a combustible gas detector (CGD) and CO detector turned on, calibrated, and operating. Immediately upon entering the building, a sample of the ambient atmosphere should be taken.

A complete mechanical systems assessment is required to be completed on every home. The procedure includes collecting general information; collecting and recording mechanical systems information; visual and diagnostic inspection of the venting and distribution system; and, combustion analysis and diagnostic testing of gas/propane fired equipment, and post-installation safety tests for CO. Combustion safety testing is required when combustion appliances are present. Pre and post combustion appliance safety inspections include all of the following: carbon monoxide testing, draft measurement, spillage evaluation, and worst case depressurization of the combustion appliance zone (CAZ).

As applicable, every combustion appliance will be checked for a safe flue pipe, chimney or vent, adequate combustion air, and gas leakage. DOE will not permit any DOE-funded weatherization work where the dwelling unit is heated with an unvented gas- and/or liquid-fueled space heater as the primary heat source. In such cases the primary space heater must be removed and a vented code compliant heat source must be installed prior to the installation of weatherization measures. DOE will allow unvented gas- or liquid-fueled space heaters to remain as secondary heat sources provided they comply with ANSI Z21.11.2, the IRC, and the IFGC. LIHEAP-WAP may replace non-compliant secondary unvented gas- or liquid-fueled space heaters.

Client shall be provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and keeping burners clean to limit the production of CO.

Best Practice:

- Combustion Appliance Zone (CAZ) Testing
- Isolating the Combustion Appliance Zone (CAZ)

How are crews instructed to handle problems discovered during testing, and what are the specific protocols for addressing hazards that require an immediate response?
Proper venting to the outside for combustion appliances, including gas dryers, is required. Correction of venting is allowed when testing indicates a problem. Based on CGD and CO detector readings, the inspector should take the following actions: (1) The CO detector indicates a carbon monoxide level of 70 ppm or greater. The inspector should immediately notify the occupant of the need for themselves and any building occupant to evacuate; the inspector shall immediately evacuate and call 911. (2) Where the CO detector indicates a reading between 30 ppm and 70 ppm. The inspector should advise the occupant that high CO levels have been found and recommend that all possible sources of CO should be turned off immediately and windows and doors opened. Where it appears that the source of CO is a permanently installed appliance, advise the occupant to keep the appliance off and have the appliance serviced by a qualified servicing agent. (3) Where CO detector indicates CO below 30 ppm the inspection can continue.
Client Education
Client shall be provided with combustion safety and hazards information, including the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO.
Training
On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to Department Website. http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.9 – ELECTRICAL

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees for dealing with electrical hazards, including knob & tube wiring, in homes slated for weatherization?
Minor electrical repairs are allowed where health or safety of the occupant(s) may be at risk. Upgrades and repairs are allowed when necessary to perform specific weatherization measures. Aluminum wiring should be thoroughly inspected before any insulation work is done. If aluminum wiring is found to be active and in the areas to be insulated, no insulation should be added. When electrical repairs within the scope of the DOE WAP are required, the typical standard of remedy shall be to subcontract the repair work to a licensed electrician. All appropriate procurement procedures shall be followed when subcontracting. Testing shall include visual inspection, as well as voltage drop and voltage detection testing. Provide client information on overloading circuits and electrical safety and risks.

How do you define "minor" or allowable electrical repairs, and at what point are repairs considered beyond the scope of weatherization?
Minor upgrades and repairs necessary for weatherization measures and where the health or safety of the occupant(s) is at risk may be allowed. Examples of minor repairs include exposed electrical connections, damaged or nonworking switches and receptacles, and damaged or unsafe electrical wire conditions. Prior to insulating around Knob and Tube wiring, cost effectiveness must be evaluated and barriers must be installed to keep insulation at least three inches from the K&T. If K&T is permanently disabled (cannot be energized again) then it may be insulated over. Best Practice: • Knob & Tube Wiring
If priority lists are used, and these repairs are designated as Incidental Repairs, at what point is a site-specific audit required?
N/A – Priority List is not used.
Client Education
Provide information on overloading circuits and electrical safety and risks.
Training
On-going Health & Safety training will continue via regional training, Q&As and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.10 – Formaldehyde, Volatile Organic Compounds (VOCs), Flammable Liquids, and other Air Pollutants

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees for dealing with formaldehyde, VOCs, flammable liquids, and other air pollutants identified in homes slated for weatherization?

WAP workers may not remove pollutants. Removal of pollutants must be done by the client or a contracted professional prior to weatherization work being performed. If pollutants pose a risk to workers and removal cannot be performed by a professional or the client refuses to remove the pollutants, the unit must be deferred.

Visual, sensory, combustion appliances inspection/testing, and completion of Client Questionnaire and Inspection Checklist shall be the primary detection method. All reasonable steps shall be taken to limit worker exposure to VOCs, air pollutants and biological contaminants utilizing OSHA PPE guidelines. Many VOCs are human-made chemicals that are used and produced in the manufacture of paints, paint thinner, petroleum fuels, sealants, and refrigerants. When using products known to emit VOCs, increase ventilation is required. Meet or exceed any label precautions. Identify, and if possible, have client or a contracted professional remove the source. Biological contaminants include bacteria, molds, mildew, viruses, animal dander and cat saliva, house dust, mites, cockroaches, and pollen. Identification of these contaminants can indicate elevated relative humidity level in a home and improper ventilation which would need to be addressed. State and local codes and regulations regarding disposal of toxic household wastes must be followed. Texas WAP crews/contractors shall take every precaution necessary to minimize exposure to air pollutants.

When using chemicals and products that may contain any of the pollutants within this category, strict adherence to label instructions and precautions shall be required. Known pollutants must be removed by the client or a contracted professional prior to performance of weatherization work.

Health and Safety Guidance

- EPA Guidance on Common Household Wastes & Materials
- Indoor Air Quality

Testing Protocols

Sensory inspection shall be the primary detection method.

Client Education

Clients must be informed of any conditions and/or associated risks observed. Client must be given written information on safety and proper disposal of household pollutants, if applicable.

Training

Guidance on how to recognize potential hazards and when removal is necessary is posted to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm
On-going Health & Safety training will continue via regional training, Q&As, and postings of FAQs to the Department Website: http://www.tdhca.state.tx.us/community-affairs/wap/guidance.htm
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.11 – Fuel Leaks
(Please indicate specific fuel type if policy differs by type)

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

Remediation Protocols

Natural gas and LP gas piping system inspection and leakage testing will be conducted. An inspection of the accessible gas piping and connections, from the natural gas meter or LP gas tank to a point where the supply line connects to the gas valve of all appliances shall be completed.

When a minor gas leak is found on the utility side of service, the utility service must be contacted before work may proceed.

Where the auditor confirms gas leakage or identifies deficiencies in gas piping materials, connections, components, or supports, the deficiencies shall be marked and noted in project documentation. The homeowner/occupant shall be notified that repairs must be made. The auditor shall recommend that the homeowner/occupant immediately notify the gas company and/or a qualified professional to evaluate and perform all necessary repairs. Notify utilities and temporarily halt work when leaks are discovered that are the responsibility of the utility to address.

How do you define allowable fuel leak repairs, and at what point are repairs considered beyond the scope of weatherization?

Allowable repairs/replacement includes but is not limited to:
Worn and/or leaking flexible gas lines and any flexible connectors manufactured prior to 1973;
Worn or damaged gas valves; and
Appliance gas valve/regulator housing and connections.

Client Education

Inform clients in writing if fuel leaks are detected.

Training

Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.12 – Gas Ovens / Stovetops / Ranges

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

What guidance do you provide Subgrantees for addressing unsafe gas ovens/stoves/ranges in homes slated for weatherization?
Replacement of cook stoves may be done with unrestricted funds from a funding source other than DOE. Repair and cleaning are allowed. **Cook Stoves with high CO**: • Clean or repair. • If it still has high CO levels, then see if another funding source is able to pay for the stove replacement. • If no other source, the house must be deferred until the occupant can address the stove. • Houses with stoves with CO levels of 150 ppm or higher which cannot be remedied must be deferred. The money spent trying to fix it, unsuccessfully, would be charged to Program Support. The Department has defined maximum acceptable CO readings of stoves as follows: (1) 25 parts per million for cook stove burners. (2) 150 parts per million for cook stove ovens.
Testing Protocols
Test gas ovens and burners for CO. Inspect cooking burners and ovens for operability and flame quality.
Client Education
Inform clients of the importance of using exhaust ventilation when cooking and the importance of keeping burners clean to limit the production of CO.
Training
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.

7.13 – HAZARDOUS MATERIALS DISPOSAL [LEAD, REFRIGERANT, ASBESTOS, MERCURY (INCLUDING CFLS/FLUORESCENTS), ETC.] (PLEASE INDICATE MATERIAL WHERE POLICY DIFFERS BY MATERIAL)

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

Client Education
Inform client in writing of hazards associated with hazardous waste materials being generated/handled in the home.

Training
Appropriate Personal Protective Equipment (PPE) for working with hazardous waste materials. Disposal requirements and locations. Health and environmental risks related to hazardous materials. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, new staff hires, results of monitoring reports, and requests by Subgrantees.
Disposal Procedures and Documentation Requirements
Refrigerants shall be pumped into a recovery tank and disposed at an EPA approved site. Proper disposal procedures for Asbestos are available at Texas Commission on Environmental Quality (TCEQ): Special Waste Disposal: http://www.tceq.texas.gov/permitting/waste_permits/msw_permits/msw_specialwaste.html Texas WAP crews/contractors will follow all EPA RRP requirements for disposal of lead as well as state and local code requirements. Disposal procedures for mercury will follow TCEQ guidance available here: https://www.tceq.texas.gov/assets/public/comm_exec/pubs/rg/rg-377.pdf

7.14 – Injury Prevention of Occupants and Weatherization Workers (Measures such as repairing stairs and replacing handrails)

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees regarding allowable injury-related repairs (e.g., stairs, handrails, porch deck board)?
Workers must take all reasonable precautions against performing work on homes that will subject workers or occupants to health and safety risks. Porch or stair repairs that would be required to make a home safe for weatherization workers are not an allowable measure in the program. Such situations are considered to be beyond the scope of Texas WAP.
How do you define "minor" or allowable injury prevention measures, and at what point are repairs considered beyond the scope of weatherization? Quantify "minor" or allowable injury prevention measures.
Minor injury prevention measures can include minor electrical repairs as described in section 7.9. Proper safety protocols should be followed to reduce risk of injury as described in sections 7.20 and 7.23. Any other injury prevention measure would be considered beyond the scope of WAP and shall result in unit deferral.
Training
OSHA 10 for crew members and OSHA 30 for supervisors will be scheduled by the Subgrantee in accordance with local policies.

7.15 – LEAD BASED PAINT

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding

DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

Safe Work Protocols

Weatherization requires all weatherization crews/contractors working in pre-1978 housing to be trained in Lead Safe Weatherization (LSW) and follow EPA's Lead; Renovation, Repair and Painting Program (RRP) rule. Deferral is required when the extent and condition of lead-based paint in the house would potentially create further health and safety hazards.

In all pre-1978 homes, crews/contractors must assess the physical condition of the home prior to conducting an audit. Texas recommends assuming that lead paint may be present in any house built prior to 1978 and to follow the proper DOE LSW protocols, OSHA regulations and EPA regulations in all pre-1978 homes. Mobile homes are exempt because lead was not used in the original manufacture of mobile homes. However, crews/contractors must be alert to any mobile home remodels/add-ons that could have contained lead-based paint or varnish.

Texas WAP crews/contractors will follow all EPA RRP requirements for disposal as well as state and local code requirements.

Deferral is required when the extent and condition of lead-based paint in the house would potentially create further H&S hazards.

Only those costs directly associated with the testing and lead safe practices for surfaces directly disturbed during weatherization activities are allowable.

State policy mandates all workers on site on any weatherization project, whether they be a crew based employee of one of the sub-contractors or a private sector contractor, must complete an eight (8) hour Lead Safe Worker Practices Workshop.

Best Practice:

- Lead-safe Process and RRP Requirement

WX Videos

- 12 Steps to Lead Safety
- Health & Safety Series: Respirators & Personal Protective Equipment

Health and Safety Guidance

- Lead; Renovation, Repair, and Painting Program; Lead Hazard Information;
- Renovate Right

Testing Protocols
Testing is allowed per RRP requirements. Job site set up and cleaning verification is required by a Certified Renovator. Texas WAP crews/contractors will use LSW work practices that decrease the amount of dust generated.
Client Education
All Subgrantees are required to provide a copy of "Renovate Right: Important Lead Hazard Information for Families, Child Care Providers and Schools" to an adult occupant prior to work starting on the home. This procedure is documented by a written acknowledgement that the adult occupant has received the brochure and that the information was not only distributed, but also explained, or certify in writing that a brochure had been delivered to an adult occupant and the provider has been unsuccessful in obtaining a written acknowledgement, as directed in the publication. Confirmation of receipt of this brochure by the client will be maintained in the client file.
Training and Certification Requirements
Each Subgrantee must be an EPA Certified Firm and have a Certified Lead Renovator on staff. The Subgrantee is responsible to obtain and maintain the required certifications.
Documentation Requirements
Documentation in the client file must include Certified Renovator certification; any training provided on-site; description of specific actions taken; lead testing and assessment documentation; and, photos of site and containment set up. Include the location of photos referenced if not in file.

7.16 – MOLD AND MOISTURE (INCLUDING BUT NOT LIMITED TO: DRAINAGE, GUTTERS, DOWN SPOUTS, EXTENSIONS, FLASHING, SUMP PUMPS, DEHUMIDIFIERS, LANDSCAPE, VAPOR RETARDERS, MOISTURE BARRIERS, ETC.)

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees for dealing with moisture related issues (e.g., drainage, gutters, down spouts, moisture barriers, dehumidifiers, vapor barrier on bare earth floors) in homes slated for weatherization?

Limited water damage repairs can be addressed by weatherization workers. Correction of moisture and mold creating conditions are allowed when necessary in order to weatherize the home and to ensure the long term stability and durability of the measures. Where severe mold-like substance and moisture issues cannot be addressed, deferral is required.

Visual assessment is required and diagnostics such as moisture meters are recommended pre-assessment and prior to final inspection. The assessment shall assure existing mold-like conditions are noted, documented and disclosed to the client; and, shall assure existing building envelope conditions do not contribute to mold-like growth when weatherization measures are applied. Mold-like substance assessment means a visual assessment combined with certain allowable diagnostics. It does not mean testing for mold. **DOE funds may not be used to test for mold-like substances.**

Texas WAP crews/contractors shall follow the Mold/Moisture Assessment Checklist when conducting the mold-like substances assessment at the time of the audit. Assessment shall include a general examination of the building to include:

- Examine structure, maintenance activities, occupancy patterns
- Visually look for mold-like substances and water staining
- Look for evidence of standing water
- Look for evidence of condensation
- Check basement or crawl space and attic for proper venting and exhaust

Outdoors:

- Soil grade or drainage toward foundation
- Standing water adjacent to foundation
- Wall and roof damage allowing water intrusion
- Missing or blocked rain gutters
- No downspout extensions
- Firewood stacked adjacent to house
- Excessive shrubbery around foundation

Heating/cooling systems:

- Air intakes: debris (organic) vs. clean air
- Filters: dirty, damp, poor type
- Heat exchangers: dirty & damp coils, condensate pans, drainage, stagnant water
- Ducts: contamination, moisture

Occupied Space:

- Plumbing leaks
- Water stains on walls, ceilings and around windows
- Musty odor
- Surface Condensation (especially during mild weather)
- Mold-like substances on carpeting
- Humidifiers
- Window air conditioners
- Lack of bathroom, kitchen exhaust
- Clothes dryer not vented to outside
- Firewood stored indoors

- Wet clothes drying indoors

The DOE Training Resource:

- Mold and Moisture given by Michael Vogel of MSU Weatherization Training Center is available to all Subgrantees through TDHCA's website.

Best Practice:

- Mold-safe Process

How do you define "minor" or allowable moisture-related measures, and at what point is work considered beyond the scope of weatherization?

Defined in Mold-Safe process flow-chart http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-Mold-Flowchart.pdf

Client Education

Provide client notification and disclaimer on mold-like substances and moisture awareness. The unified weatherization form that identifies if there are mold-like substances, must be included in the client files, regardless of whether there is mold-like substance in the home or not. A Mold -Like Substance Notification and Release Form for Texas Weatherization Programs must be filled out if mold or mold-like substances are found in the home. Texas Department of State Health Services, Consumer Mold Information Sheet is required to be given to clients who have moisture problems or mold-like substances, as part of client education.

Training

The DOE power-point presentation training on Mold and Moisture given by Michael Vogel of MSU Weatherization Training Center is available to all Subgrantees through TDHCA's website: http://www.tdhca.state.tx.us/community-affairs/wap/wap-training-videos.htm.
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

7.17 – PESTS

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

What guidance do you provide Subgrantees for dealing with pests and pest intrusion prevention in homes slated for weatherization?

Pest removal is allowed only where infestation would prevent weatherization or poses a health and safety concern for workers. Infestation of pests may be cause for deferral where it cannot be reasonably removed.

Determine whether the pest infestation would prevent or hamper the weatherization work. If removal is a viable and cost-effective option, take the necessary steps to remove the pest infestation problem so that the weatherization work can proceed. If removal is not a viable and cost-effective option or significant health and safety risks exist, defer the weatherization work and provide client with appropriate referral information.

Best Practice:

- Pests

Define Pest Infestation Thresholds, Beyond Which Weatherization Is Deferred
Costs beyond $50 in labor and materials to mitigate pest infestations will be addressed by TDHCA to determine if deferral is necessary.
Testing Protocols
Assessment of presence and degree of infestation and risk to worker.
Client Education
Inform client of observed pest condition and associated risks and document in client file.
Training
How to assess presence and degree of infestation, associated risks, and deferral policy. Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

7.18 – RADON

Concurrence, Alternative, or Deferral				
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐		
Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What guidance do you provide Subgrantees around radon?

TDHCA will provide Subgrantees with a Radon Informed Consent Form and the EPA's *A Citizen's Guide to Radon*.

State specific resources can be found at:
https://www.epa.gov/radon/find-information-about-local-radon-zones-and-state-contact-information#stateradon

The Texas Department of State Health Services website also contains useful information:

- Radon

Testing Protocols
Testing in not authorized in Texas WAP as Texas has no areas of "Highest Potential," according to the United States Environmental Protection Agency standards.
Client Education
Provide all clients EPA's *A Citizen's Guide to Radon* and inform them of radon related risks. https://www.epa.gov/radon/citizens-guide-radon-guide-protecting-yourself-and-your-family-radon
Training and Certification Requirements
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.
Documentation Requirements
Client signed informed consent form.

7.19 – Safety Devices: Smoke and Carbon Monoxide Alarms, Fire Extinguishers

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

What is your policy for installation or replacement of the following:

Smoke Alarms:

Smoke alarms may be installed where alarms are not present or are inoperable.

At minimum, all Dwelling Units should have at least one smoke alarm on each level, including one near the combustion zone and at least one near the bedrooms. Ceiling-mounted smoke alarms must be mounted at least 6 inches from any wall. Wall-mounted smoke alarms must be installed at least 6 but less than 18 inches from the ceilings. They should always be installed according to applicable local codes or ordinances.

Smoke Alarms shall be installed per IRC. R314.3 Location. Smoke alarms shall be installed in the following locations:

1. In each sleeping room.
2. Outside each separate sleeping area in the immediate vicinity of the sleeping room.
3. On each additional story of the dwelling, including basements and habitable attics and not including crawl spaces and uninhabitable attics. In Dwelling Units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.
4. Smoke alarms shall be installed not less than 3 feet (914 mm) horizontally from the door or opening of a bathroom that contains a bathtub or shower unless this would prevent placement of a smoke alarm required by Section R314.3.

Carbon Monoxide Alarms:

Per ASHRAE 62.2, at least one CO alarm must be present in every home. Combustion appliances must be installed to the IRC or local code regulations.

CO alarms must be installed where alarms are not present or are inoperable.

A CO alarm should also be installed in accordance with SWS. Always install CO alarms according to the manufacturer's instructions.

R315.3 Location. Carbon monoxide alarms in Dwelling Units shall be installed outside, in the immediate vicinity, of each separate sleeping area. Where a fuel-burning appliance is located within a bedroom or its attached bathroom, a carbon monoxide alarm shall be installed within the bedroom.
R315.6.1 General. Household carbon monoxide detection systems shall comply with NFPA 720. Carbon monoxide detectors shall be listed in accordance with UL 2075.
R315.6.4 Combination detectors. Combination carbon monoxide and smoke detectors shall be permitted to be installed in carbon monoxide detection systems in lieu of carbon monoxide detectors, provided that they are listed in accordance with UL 2075 and UL 268.

Fire Extinguishers: A fire extinguisher may be provided in homes with solid fuel burning equipment. The fire extinguisher must be installed according to the manufacturer's standards and local code in the vicinity of the primary heating source.

Testing Protocols

Check existing alarms for operation.

Verify operation of installed alarms.

Client Education

The client will be provided with the manufacturer's information sheet on use of smoke/CO detectors.

Training

Location and code requirements for installation of alarms.

Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

7.20 – Occupant Health and Safety Concerns and Conditions

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

What guidance do you provide Subgrantees for soliciting the occupants' health and safety concerns related to components of their homes?

A Health & Safety Questionnaire/ Checklist for use by Subgrantees can be found under Client and Field Assessment Forms on the Department Website:
http://www.tdhca.state.tx.us/communityaffairs/wap/guidance.htm

What guidance do you provide Subgrantees for determining whether occupants suffer from health conditions that may be negatively affected by the act of weatherizing their home?

Subgrantee must discuss results of survey with clients and potential measures list to determine if any measures could have an effect on the client's health.

What guidance do you provide Subgrantees for dealing with potential health concerns when they are identified?

When a person's health may be at risk and/or the work activities could create an H&S hazard the at-risk occupant will be required to take appropriate action based on the severity of the risk.

Temporary relocation of Vulnerable Populations may be allowed. Failure or inability to take appropriate actions will result in a deferral.

Client Education

Provide client information of any known risks. Provide worker contact information so client can inform of any issues.

Documentation Form(s) have been developed and comply with guidance? Yes ☑ No ☐

7.21 – Ventilation and Indoor Air Quality

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

Identify the Most Recent Version of ASHRAE 62.2 Implemented (optional: identify Addenda used)

Texas WAP has adopted the ASHRAE 62.2 2016 standard.

Testing and Final Verification Protocols

Required measurements, including fan flow of existing fans installed equipment, will be captured on the TDHCA provided Blower Door and Duct Blower Data Sheet (XLS). Pre and post measurements must be calculated using the ASHRAE 62.2-2016 Calculator or other certified software.

Client Education

Provide client with information on function, use, and maintenance (including location of service switch and cleaning instructions) of ventilation system and components.

Provide client with equipment manuals for installed equipment.

Include disclaimer that ASHRAE 62.2 does not account for high polluting sources or guarantee indoor air quality.

Training

Training for use of the new ASHRAE 62.2-2016 Calculator is available on the RedCalc website and TDHCA provides training on the difference between the 2013 and 2016 standard on an as needed basis.

Tools and Guides:

- Exhaust Fan Flow Meter Quick Guide (PDF)
- Single-Family Homes: Standard Work Specifications Field Guide (PDF)

7.22 – Window and Door Replacement, Window Guards

Concurrence, Alternative, or Deferral

Concurrence with Guidance ☑ Alternative Guidance ☐ Results in Deferral ☐

Funding

DOE ■ LIHEAP ☐ State ☐ Utility ☐ Other ☐

What guidance do you provide to Subgrantees regarding window and door replacement and window guards?

Replacement, repair, or installation is not an allowable health and safety cost but may be allowed as an efficiency measure if cost justified.

When working on windows follow LSW requirements for pre-1978 homes.

Testing Protocols

Not applicable

Client Education

Provide written information on lead risks wherever issues are identified.

Training
Guidance is provided through two best practices: Window Repair or Replacement Door Repair or Replacement Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

7.23 – Worker Safety (OSHA, etc.)

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☑	Alternative Guidance ☐	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

How do you verify safe work practices? What is your policy for in-progress monitoring?

Workers must follow OSHA standards and Safety Data Sheets (SDS) and take precautions to ensure the health and safety of themselves and other workers. SDS must be posted wherever workers may be exposed to hazardous materials.

As part of the safety for crew, assessors will identify health and safety hazards according the OSHA method "Focus Four" which includes, electrical, fall protection, caught in and between, and struck-by hazards. The client will be informed in writing of any hazards and the associated risks that may have been observed.

Health and Safety Guidance
OSHA Focus Four

Training and Certification Requirements

OSHA 10 for crew members and OSHA 30 for supervisors will be scheduled by the Subgrantee in accordance with local policies. SDS must be present at the work sites.

7.24 – Water Heaters

Concurrence, Alternative, or Deferral		
Concurrence with Guidance ☐	Alternative Guidance ☑	Results in Deferral ☐

Funding				
DOE ■	LIHEAP ☐	State ☐	Utility ☐	Other ☐

Remediation Protocols

Replacement or repair of water heaters is allowed on a case by case basis. The Subgrantee must initially attempt to qualify existing Water Heater as an ECM. If the Water Heater does not rank, the Subgrantee may repair or replace the existing unit as a Health and Safety Measure with the caveat that there is a documented threat to the health and/or safety of the occupant(s). Further details are discussed in the Water Heater Replacement Best Practice on the TDHCA Website:
http://www.tdhca.state.tx.us/community-affairs/wap/docs/WAP-BP-WaterHeaterRepairorReplace.pdf

Testing Protocols

Appropriate combustion appliance testing and water temperature testing.

Client Education
Clients shall be given all manufacturers information on the appropriate use and maintenance of water heating units.
Training
Initial training for new staff hires is conducted by the Subgrantee. Additional training will be handled on an ongoing and as-needed basis as identified by new requirements, results of monitoring reports, and requests by Subgrantees.

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BOARD ACTION REQUEST

FINANCIAL ADMINISTRATION DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action to adopt a resolution regarding designating signature authority and superseding previous resolutions

RECOMMENDED ACTION

WHEREAS, the Texas Department of Housing and Community Affairs (the Department), a public and official governmental agency of the State of Texas, was created and organized pursuant to and in accordance with the provisions of Tex. Gov't Code, Chapter 2306 (the Code), as amended;

WHEREAS, the Code authorizes the Department, among other things: (a) to make and acquire and finance, and to enter into advance commitments to make and acquire and finance, mortgage loans and finance, participating interests therein, secured by mortgages on residential housing in the State of Texas (the State); (b) to issue its bonds, for the purpose of, among other things, obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans of participating interests, and to mortgage, pledge or grant security interests in such mortgages of participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds;

WHEREAS, on September 5, 2019, the Governing Board adopted a resolution designating signature authority to reflect the structure of the Department; and

WHEREAS, organizational and working title changes have occurred such that the Governing Board has now determined that its resolution adopted September 5, 2019, designating signature authority, should be superseded by a new resolution designating signature authority in order to conform to the Department's current organizational structure, working titles, and operations;

NOW, THEREFORE, it is hereby

RESOLVED that the Governing Board makes changes to its resolution adopted September 5, 2019, as shown below.

SECTION 1 – Supersession of the Prior Signature Authority. The Governing Board hereby supersedes its prior resolution, adopted September 5, 2019, designating signature authority by adopting this new resolution.

SECTION 2 – Designation of Signature Authority for Bond and Indenture-Related Transactions. The Governing Board hereby authorized and designates the Board Secretary, the Assistant Board Secretary, the Executive Director, the Director of Administration, the Director of Financial Administration, the Director of Bond Finance and Chief Investment Officer, Director of Multifamily Bonds, the Director of Texas Homeownership, and each of them as signatories for single family and multifamily bond and indenture-related transactions as well as transactions under the Department's "to be announced" or TBA program including, but not limited to letters of instruction, officer's certificates, bond transactional documents and all other documents and certificates executed in connection with such transactions. In addition, the Governing Board authorizes and designates the Manager of Single Family Finance and Senior Bond Financial Analysts within the Bond Finance division as signatories for day-to-day operations activities related to advances taken through the Federal Home Loan Bank of Dallas (FHLB) for the purchase of loan participations from the Idaho Housing and Finance Association (IHFA), the Department's Master Servicer, including directing the wiring of such advances from FHLB to IHFA.

SECTION 3 – Designation of Signatory Authority for Real Estate Transactions. The Governing Board hereby authorizes and designates the following persons holding the positions described and each of them to execute and deliver, as specified, earnest money contracts, deeds or conveyances of title, leases of real property, settlement statements on purchase or sale of real property, deposits and disbursements on agency bank accounts, real estate transactional documents and all other documents executed in connection with real estate or real estate-related transactions. Every reference to a signatory office or title herein includes any person serving in an acting or interim capacity:

(a) Executive Director, Director of Programs, Director of Program Controls and Oversight, Director of Administration, Board Secretary, and Assistant Board Secretary: All real estate or real estate related transactions;
(b) Director of Financial Administration: All real estate or real estate-related transactions administered by the Financial Administration Division;
(c) Director of Multifamily Finance: All real estate or real estate-related transactions administered by the Multifamily Finance Division;
(d) Director of Multifamily Asset Management: All real estate or real estate-related transactions administered by the Multifamily Asset Management Division;
(e) Director of Bond Finance and Chief Investment Officer: All real estate or real estate-related transactions administered by the Bond Finance and Texas Homeownership Divisions;

(f) Director of Multifamily Bonds: All real estate or real estate-related transactions administered by the Multifamily Bonds, Bond Finance and Texas Homeownership Divisions, and 4% Housing Tax Credit transactions;
(g) Director of Texas Homeownership: All real estate or real estate-related transactions administered by the Texas Home Ownership Division;
(h) Director of the Single Family and Homeless Programs, and Director of Single Family and Homeless Programs and Special Initiatives: All real estate or real estate-related transactions administered by the Single Family and Homeless Programs, which includes HOME, Housing Trust Fund (HTF); Office of Colonia Initiatives (OCI); and Neighborhood Specialization Program (NSP);
(i) Signatory authority on deposits and disbursements on agency bank accounts is limited to those persons designated on the applicable signature cards, as specified by the Executive Director; provided however, that no person may be so designated other than the Executive Director, Director of Administration, or a Director.

SECTION 4 – Designation of Signatory Authority for Fund Transfers. The Governing Board hereby authorizes and designates the following persons and each of them to execute and deliver any necessary fund transfer documents, including letters of instruction, in the manner prescribed below.

Fund transfers require dual signatures, consisting of one signatory from each of the following two groups:

(a) Director of Administration, or Director of Financial Administration; and
(b) Executive Director, Director of Program Controls and Oversight, or Director of Programs.

SECTION 5 – Execution of Documents. The Governing Board hereby authorized the Executive Director, or in his absence the Director of Administration, the Director of Programs, or the Director of Program Controls and Oversight, to execute, on behalf of the Department, any and all documents, instruments reasonably deemed necessary to effectuate this resolution.

SECTION 6 – Effective Date. This Resolution shall be in full force and effect from and upon its adoption until and unless it is revoked or superseded.

BACKGROUND

This Resolution updates and designates signature authority to reflect the current organizational structure of the Department and the current working titles for the positions designated.

Incumbency Certificate

I, James "Beau" Eccles, the duly appointed and serving Secretary of the Governing Board of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that Robert Wilkinson is the duly appointed Executive Director of the Department, appointed by its governing board and approved by the Governor effective August 15, 2019, and set forth below opposite his name is his true and correct signature:

Bobby Wilkinson _____

Executed and seal of the Department affixed this ____ day of _____, 2020 at Austin, Texas.

_____

James "Beau" Eccles

(S E A L)

Certificate

I, Robert “Bobby” Wilkinson, the duly appointed Executive Director of the Texas Department of Housing and Community Affairs (the Department), do hereby certify that set forth below is a true and correct listing setting forth specific positions within the Department, the name of the person currently designated by me to hold each such position, and, opposite their name, their true and correct signature. Each person listed currently holds the position indicated:

Board Secretary _____
James "Beau" Eccles

Assistant Board Secretary _____
Michael Lyttle

Director of Administration _____
David Cervantes

Director of Financial Administration _____
Jose Guevara

Director of Bond Finance/Chief Investment Officer _____
Monica Galuski

Director of Multifamily Bonds _____
Teresa W. Morales

Director of Multifamily Finance _____
Margaret L. Holloway

Director of Texas Homeownership _____
Cathy Gutierrez

Director of Programs _____
Brooke Boston

Director of Single Family and Homeless Programs and Special Initiatives
_____
Tom Gouris

Director of Multifamily Asset Management _____
Rosalio Banuelos

Director of Single Family and Homeless Programs _____
Abigail Versyp

Director of Program Controls and Oversight _____
Homero V. Cabello, Jr.

Executed this ____ day of _____, 2020 at Austin, Texas.

_____
Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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TO BE POSTED NOT LATER THAN THE THIRD DAY BEFORE THE DATE OF THE MEETING

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BOARD ACTION REQUEST

HOUSING RESOURCE CENTER

FEBRUARY 20, 2020

Presentation, discussion, and possible action on the adoption of the 2020 State of Texas Low Income Housing Plan and Annual Report, and an order adopting the repeal and new 10 TAC §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directing their submission to the *Texas Register*

RECOMMENDED ACTION

WHEREAS, Tex. Gov't Code §2306.0721 requires that the Department produce a state low income housing plan, and Tex. Gov't Code §2306.0722 requires that the Department produce an annual low income housing report;

WHEREAS, Tex. Gov't Code §2306.0723 requires that the Department consider the annual low income housing report to be a rule;

WHEREAS, at the board meeting of December 12, 2019, the Board approved the proposed repeal and proposed new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, and directed their publication for public comment in the *Texas Register*; and

WHEREAS, public comment was received on the plan from two entities, for which the reasoned responses are provided herein;

NOW, therefore, it is hereby

RESOLVED, that the repeal and new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 concerning State of Texas Low Income Housing Plan and Annual Report, are hereby adopted in the form presented at this meeting; and

FURTHER RESOLVED, that the 2020 State of Texas Low Income Housing Plan and Annual Report, in the form presented to this meeting, together with such grammatical and non-substantive technical corrections as the Acting Director or his designees may deem necessary or advisable, is approved and adopted.

BACKGROUND

The Texas Department of Housing and Community Affairs (TDHCA or the Department) is required by Chapter 2306 of the Texas Government Code to prepare and submit to the Board not later than March 18 of each year an annual report of the Department's housing activities for the preceding year. This State of Texas Low Income Housing Plan and Annual Report (SLIHP) must be submitted annually to the Governor, Lieutenant Governor, Speaker of the House, and legislative oversight committee members not later than 30 days after the Board receives and approves the final SLIHP. The document offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. It reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2018, through August 31, 2019).

Tex. Gov't Code §2306.0723 requires that the Department consider the SLIHP to be a rule, and in developing the SLIHP, the Department is required to follow rulemaking procedures required by Texas Government Code, Chapter 2001.

At the Board meeting of December 12, 2019, the Board approved the release of a draft 2020 SLIHP for public comment. The public comment period for the SLIHP was held from Monday, December 16, 2019, through Wednesday, January 15, 2020. A public hearing was held on Thursday, December 19, 2019, in Austin. The Department received two public comments on the draft 2020 SLIHP.

The full text of the 2020 SLIHP may be viewed at the Department's website:https://www.tdhca.state.tx.us/board/meetings.htm. The public may also receive a copy of the 2020 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3976.

Also at the Board meeting of December 12, 2019, the Board approved the proposed repeal and proposed new 10 TAC §1.23, concerning State of Texas Low Income Housing Plan and Annual Report, and directed their publication in the *Texas Register* for public comment. The public comment period for the proposed new 10 TAC §1.23 was open from Friday, December 27, 2019, through Wednesday, January 15, 2020, and no public comment on the rule was received.

The Department received two comments from two sources: Advocacy Outreach and the Texas Council on Family Violence (TCFV) which are summarized below. These summaries are also provided in the Public Participation section of the SLIHP.

Comment 1: Advocacy Outreach commented that the Department should expand its definitions for several special populations described in the 2020 SLIHP to include the family members of special populations. Advocacy Outreach showed concern that current scoring criteria for Emergency Solutions Grant (ESG) funding do not allow subrecipients to serve the family members of a special population if they choose to serve 100% of persons in a Homeless Subpopulation. Advocacy Outreach recommended that the Department "remedy this problem by adding 'and their families' to each category."

Department Response: The ESG scoring criteria related to serving a percentage of persons in Homeless Subpopulations in 10 TAC §7.40 is not currently open for public comment. TDHCA will take the comment into consideration when revising the scoring criteria in the future. It should be noted that serving 100% of persons in one or more Homeless Subpopulations is not mandated by ESG. ESG Subrecipients can receive the maximum amount of points by choosing to serve 100% of persons in one or more Homeless Subpopulation, but can also receive points for choosing to serve 70% of persons who are in one more Homeless Subpopulation.

Comment 2: The Texas Council on Family Violence (TCFV) commented that "family violence victims' experiences and perspective should inform TDHCA planning, rulemaking, and guidance as there is a validated and direct link between domestic violence and homelessness." TFCV encouraged the Department to include data from their "2019 Texas State Plan for family violence services, entitled *Creating a Safer Texas: Access to Safety, Justice and Opportunity"* to the 2020 State Low Income Housing Plan and Annual Report "as many of the statistics listed are currently outdated."

Department Response: The Department acknowledges the need for accurate and up-to-date data related to family violence. The 2020 SLIHP has been updated to include data from the 2019 Texas State Plan for Family Violence Services. A summary of the major changes in the 2020 SLIHP as compared to the 2019 SLIHP are provided below.

Summary of changes in the 2020 SLIHP
Items in bold italics below are the only items for which changes were made between the draft and the final SLIHP.

- Section 1: Introduction
  - Updated division description.
  - Descriptions added to include Homebuyer Assistance with New Construction or Rehabilitation (HANC) and Ending Homeless Fund (EHF).
  - Division description updated to reflect the status of the AI.
- Section 2: Housing Analysis
  - Updated statewide and regional housing analysis.
  - Edited Data Sources and Limitations section to more accurately explain why the SLIHP utilizes ACS 5-year estimates and how HUD income limits operate.
  - Added a flowchart and exposition to explain how urban and rural counties are designated.
  - Added additional language to the demographic section to better reflect in-group poverty rates.
  - Added a population pyramid to reflect demographic changes in housing caused by population growth.
  - Added text to the Special Needs Populations to emphasize language in HB2564 which adds the addition of homeless youth as a special population.
  - ***Updated the persons experiencing homelessness and youth experiencing homelessness sections to reflect latest Point-in-Time estimates from the Department of Housing and Urban Development.***
  - Updated the elderly populations section to make issues discussed more current.
  - ***Updated Persons with Violence Against Women (VAWA) Protections section to reflect public comment and updated DPS crime incidence numbers.***
  - Updated the farmworker section to bring in economic data about agricultural work.
  - Substantial edits made to substance use section in order to eliminate outdated data.
  - Reworked Local Assessment of Need section due to inconsistencies in the data from year to year caused by irregularities in online data.
- Section 3: Annual Report
  - Updated to reflect FY 2019 program performance by households/individuals and income group.
- Section 4: Action Plan
  - Updated for program descriptions including the HANC and EHF.
  - Updated RAF examples for SFY 2020.
  - Addition of Homeless Youth Section.
- Section 5: Public Participation
  - Updated descriptions for workgroup activities.
  - Updated time and date of SLIHP public hearing.
  - ***Responded to Public Comment.***
- Section 6: Colonia Action Plan
  - Updated to reflect the 2020-2021 biennium which includes data updates.

Attachment A – Adopted repeal 10 TAC §1.23.

Attachment B – Adopted new 10 TAC §1.23.

Attachment C – 2020 SLIHP, as presented to the Board on February 20, 2020.

Attachment A: Preamble, including required analysis, for adopting the repeal of 10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)

The Texas Department of Housing and Community Affairs (the Department) adopts without changes the repeal of 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23, State of Texas Low Income Housing Plan and Annual Report (SLIHP). The purpose of the repeal is to eliminate an outdated rule while adopting a new updated rule under separate action, in order to adopt by reference the 2020 SLIHP.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

1. Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the repeal would be in effect, the repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous adoption by reference the 2020 SLIHP, as required by Tex. Gov't Code 2306.0723.

2. The repeal does not require a change in work that would require the creation of new employee positions, nor is the repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The repeal does not require additional future legislative appropriations.

4. The repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The action will repeal an existing regulation, but is associated with a simultaneous readoption in order to adopt by reference the 2020 SLIHP.

7. The repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated this repeal and determined that the repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).

The Department has evaluated the repeal as to its possible effects on local economies and has determined that for the first five years the repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the repeal is in effect, the public benefit anticipated as a result of the repealed section would be an updated rule under separate action, in order to adopt by reference the 2020 SLIHP. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

SUMMARY OF PUBLIC COMMENTS AND STAFF REASONED RESPONSE. The public comment period for the proposed repeal and proposed new rule was held between December 27, 2019, and January 15, 2020. The public comment period for the draft 2020 SLIHP was held between December 16, 2019 and January 15, 2020. A public hearing for the draft 2020 SLIHP was held on December 19, 2019, in Austin, TX. Written comments were accepted by mail, email, and facsimile. While the Department received two public comments on the draft 2020 SLIHP, no comments were received specifically on the proposed repeal and proposed new rule.

The TDHCA Governing Board approved the 2020 SLIHP and the final order adopting the repeal on February 20, 2020.

STATUTORY AUTHORITY. The repeal is adopted pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the repealed section affects no other code, article, or statute.

10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)

Attachment B: Preamble for adopting new 10 TAC §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)

The Texas Department of Housing and Community Affairs (the Department) adopts new 10 TAC Chapter 1, Subchapter A, General Policies and Procedures, §1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP) without changes to the proposed text as published in the December 27, 2019 issue of the *Texas Register* (44 TexReg 8140). The purpose of the new section is to provide compliance with Tex. Gov't Code §2306.0723 and to adopt by reference the 2020 SLIHP, which offers a comprehensive reference on statewide housing needs, housing resources, and strategies for funding allocations. The 2020 SLIHP reviews TDHCA's housing programs, current and future policies, resource allocation plans to meet state housing needs, and reports on performance during the preceding state fiscal year (September 1, 2018, through August 31, 2019).

Tex. Gov't Code §2001.0045(b) does not apply to the adopted rule because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the new rule would be in effect:

1. The new rule does not create or eliminate a government program, but relates to the adoption, by reference, of the 2020 SLIHP, as required by Tex. Gov't Code 2306.0723.

2. The new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The new rule changes do not require additional future legislative appropriations.

4. The new rule changes will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The new rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The new rule will not expand, limit, or repeal an existing regulation.

7. The new rule will not increase or decrease the number of individuals subject to the rule's applicability.

8. The new rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, §2306.0723.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are no small or micro-businesses subject to the new rule for which the economic impact of the rule is projected to be null. There are no rural communities subject to the rule for which the economic impact of the rule is projected to be null.

3. The Department has determined that because the new rule will adopt by reference the 2020 SLIHP, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The new rule does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because the new rule will adopt by reference the 2020 SLIHP; therefore, no local employment impact statement is required to be prepared for the rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that the rule will adopt by reference the 2020 SLIHP there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be an updated and more germane rule that will adopt by reference the 2020 SLIHP, as required by Tex. Gov't Code §2306.0723. There will not be any economic cost to any individuals required to comply with the new section because the adoption by reference of prior year SLIHP documents has already been in place through the rule found at this section being repealed.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the new rule will adopt by reference the 2020 SLIHP.

SUMMARY OF PUBLIC COMMENTS AND STAFF REASONED RESPONSE. The public comment period for the proposed new rule was held between December 27, 2019, and January 15, 2020. The public comment period for the draft 2020 SLIHP was held between December 16, 2019 and January 15, 2020. A public hearing for the draft 2020 SLIHP was held on December 19, 2019, in Austin, TX. Written comments were accepted by mail, email, and facsimile. While the Department received two public comments on the draft 2020 SLIHP, no comments were received specifically on the proposed repeal and proposed new rule.

The TDHCA Governing Board approved the 2020 SLIHP and the final order adopting the new rule on February 20, 2020.

STATUTORY AUTHORITY. The new section is proposed pursuant to Tex. Gov't Code, §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new section affects no other code, article, or statute.

§1.23 State of Texas Low Income Housing Plan and Annual Report (SLIHP)

The Texas Department of Housing and Community Affairs (TDHCA or the Department) adopts by reference the 2020 State of Texas Low Income Housing Plan and Annual Report (SLIHP). The full text of the 2020 SLIHP may be viewed at the Department's website: www.tdhca.state.tx.us. The public may also receive a copy of the 2020 SLIHP by contacting the Department's Housing Resource Center at (512) 475-3800.

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BOARD ACTION REQUEST

HOME AND HOMELESS PROGRAMS DIVISION

February 20, 2020

Presentation, discussion, and possible action on awards for the 2019 HOME Investment Partnerships Program Single Family Development Open Cycle Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, through Board action on February 21, 2019, the Texas Department of Housing and Community Affairs (TDHCA or the Department) made available approximately $4,000,000 of Community Housing Development Organization (CHDO) set-aside deobligated funds for use for Single Family Development (SFD), and $200,000 in funding from HOME Investment Partnerships (HOME) Program funds for CHDO operating expenses in an Open Application Cycle Notice of Funding Availability (NOFA);

WHEREAS, three applicants requesting contract awards of CHDO funding totaling $3,419,000 and contract awards of CHDO operating expenses totaling $150,000 were submitted during the application acceptance period;

WHEREAS, on January 16, 2020, the Board awarded two applications totaling $1,636,000 in CHDO funds and $100,000 in CHDO operating expenses, conditioned upon successful review of their CHDO Certification;

WHEREAS, the Executive Award and Review Advisory Committee (EARAC) has conditionally approved the compliance history of one applicant requesting a total of two contract awards totaling $1,773,000 in CHDO funds and $50,000 in CHDO operating expenses; and

WHEREAS, following Board approval of the two awards presented herein, funding remaining under the NOFA will total $591,000 in CHDO set-aside funds and $50,000 in CHDO operating funds;

NOW, therefore, it is hereby

RESOLVED, that awards of HOME funding from the 2019 HOME Single Family Programs SFD Open Cycle NOFA totaling $1,773,000 in CHDO set-aside funds and $50,000 in CHDO operating funds are hereby approved in the form presented at this meeting, conditioned as described below, and as may be amended by the Board.

BACKGROUND

On February 21, 2019, the TDHCA board approved a Notice of Funding Availability for Single Family Development (SFD) in the amount of $4,000,000 in deobligated CHDO set-aside funds and $200,000 in deobligated funding for CHDO operating expenses for use for SFD for eligible CHDOs, in accordance with 10 Texas Administrative Code (TAC), §1.19, Reallocation of Financial Assistance.

Requests for funds under the NOFA allowed CHDO applicants to request up to $1,000,000 per application for the development of new and/or rehabilitation of existing single family housing for sale to low-income households. CHDO operating expense funds may be awarded in an amount not to exceed $50,000 per applicant to provide operational support to the CHDO during the development period. Applicants could apply for more than one award of CHDO funds for development projects that were distinct in location, but are limited by federal regulation and NOFA requirements in the amount of operational support a CHDO can receive.

Applicants were required to meet the minimum threshold requirements established in 10 TAC Chapter 23 for the Single Family Development Program to be considered for award. A total of four applications were received during the application acceptance period from three applicants, with a total of $3,409,000 of CHDO set-aside funds requested and a total of $150,000 of CHDO operating expense funds requested. On January 16, 2020, the TDHCA board conditionally approved two applications, totaling $1,636,000 in CHDO funds, and $100,000 in CHDO operating funds, leaving a remaining balance of $2,364,000 in CHDO funds and $100,000 in CHDO operating funds available for award under the NOFA.

Applications from Community Development Corporation of Brownsville (CDCB) have been reviewed, and are recommended for an award of CHDO set-aside funds in the amount of $891,000 and $882,000 respectively.

Award Recommendation Log

Application #	HOME Applicant	CHDO Set-aside funds	CHDO Operating funds	Units to be assisted	Region	Area Served
2019-1502	Community Development Corporation of Brownsville	$882,000	$50,000	6	13	City of San Benito
2019-1503	Community Development Corporation of Brownsville	$891,000		6	13	City of Los Fresnos
	TOTAL	**$1,773,000**	**$50,000**			

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BOARD ACTION REQUEST

BOND FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on Resolution No. 20-011 authorizing the filing of one or more applications for reservation with the Texas Bond Review Board with respect to qualified mortgage bonds, authorizing state debt application, and containing other provisions relating to the subject

RECOMMENDED ACTION

Adopt the attached resolution.

BACKGROUND

On August 27, 2019, the Department closed its Single Family Mortgage Revenue Bonds, 2019 Series A, in the amount of $165,325,000. At this time, all bond proceeds have been fully committed. Staff has been working with the Department's Financial Advisor, Bond Counsel, and Underwriters to evaluate various single family mortgage revenue bond (SFMRB) structures and, based on current market conditions, is requesting Board authorization to begin moving forward with the issuance of up to $200 million in tax exempt SFMRBs, in one or more series or one or more issues, for new money origination.

To begin the issuance of tax exempt SFMRBs, the Department must submit an application to the Texas Bond Review Board to draw down private activity bond authority, also known as volume cap. Staff is requesting authorization to apply for an amount not-to-exceed $215 million in total bond proceeds ($200 par amount plus premium) in single family private activity bond authority, and anticipates this issuance will use volume cap that has been carried forward by the Department for this purpose.

At this time, staff is not seeking nor is the Board granting, final approval of a bond issue with respect to the financing structure, target mortgage rates, timing, and/or size of the issue. Staff will return to the Board with those specifics, and with substantially final documents, at a later date for final Board approval before pricing and selling the bonds.

RESOLUTION NO. 20-011

RESOLUTION AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR RESERVATION WITH THE TEXAS BOND REVIEW BOARD WITH RESPECT TO QUALIFIED MORTGAGE BONDS; AUTHORIZING STATE DEBT APPLICATION; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

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

WHEREAS, the Act authorizes the Department: (a) to make, acquire and finance, and to enter into advance commitments to make, acquire and finance, mortgage loans and participating interests therein, secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds, for the purpose, among others, of obtaining funds to acquire or finance such mortgage loans, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such single family mortgage loans or participating interests, and to mortgage, pledge or grant security interests in such mortgages or participating interests, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and (d) to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department; and

WHEREAS, Section 103 and Section 143 of the Internal Revenue Code of 1986, as amended (the "Code"), provide that the interest on obligations issued by or on behalf of a state or a political subdivision thereof the proceeds of which are to be used to finance owner-occupied residences will be excludable from gross income of the owners thereof for federal income tax purposes if such issue meets certain requirements set forth in Section 143 of the Code; and

WHEREAS, Section 146(a) of the Code requires that certain "private activity bonds" (as defined in Section 141(a) of the Code) must come within the issuing authority's private activity bond limit for the applicable calendar year in order to be treated as obligations the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the private activity bond "State ceiling" (as defined in Section 146(d) of the Code) applicable to the State is subject to allocation, in the manner authorized by Section 146(e) of the Code, pursuant to Chapter 1372, Texas Government Code, as amended (the "Allocation Act"); and

WHEREAS, the Allocation Act requires the Department, in order to reserve a portion of the State ceiling for qualified mortgage bonds (the "Reservation") and satisfy the requirements of Section 146(a) of the Code, to file an application for reservation (the "Application for Reservation") with the Texas Bond Review Board (the "Bond Review Board"), stating the maximum amount of the bonds requiring an allocation, the purpose of the bonds and the section of the Code applicable to the bonds; and

WHEREAS, the Allocation Act and the rules promulgated thereunder by the Bond Review Board (the "Allocation Rules") require that the Application for Reservation be accompanied by a certified copy of the resolution of the issuer authorizing the filing of the Application for Reservation; and

WHEREAS, the Board has determined to authorize the filing of one or more Applications for Reservation in the maximum aggregate amount of $215,000,000 with respect to qualified mortgage bonds; and

WHEREAS, the Board further desires to approve an application to the Bond Review Board for approval of state bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

ARTICLE 1

APPROVAL OF CERTAIN ACTIONS

Section 1.1 Applications for Reservation. The Board hereby authorizes Bracewell LLP, as Bond Counsel to the Department, to file on its behalf with the Bond Review Board one or more Applications for Reservation in the maximum aggregate amount of $215,000,000 with respect to qualified mortgage bonds, together with any other documents and opinions required by the Bond Review Board as a condition to the granting of one or more Reservations.

Section 1.2 State Debt Application. The Board hereby authorizes and approves the submission of the application for approval of state bonds to the Bond Review Board on behalf of the Department in accordance with Chapter 1231, Texas Government Code.

Section 1.3 Authorization of Certain Actions. The Authorized Representatives of the Department named in this Resolution are hereby authorized to take such actions on behalf of the Department as may be necessary to carry out the purposes of this Resolution, including the submission of any carryforward designation requests for such Reservations.

Section 1.4 Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director or Acting Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Texas Homeownership of the Department, and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

GENERAL PROVISIONS

Section 2.1 Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 2.2 Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

PASSED AND APPROVED this 20th day of February, 2020.

Chair, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

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BOARD ACTION REQUEST

BOND FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on Inducement Resolution No. 20-010 for Multifamily Housing Revenue Bonds Regarding Authorization for Filing Applications for Private Activity Bond Authority

RECOMMENDED ACTION

WHEREAS, two bond pre-applications, as further detailed below, were submitted to the Department for consideration of an inducement resolution;

WHEREAS, Board approval of the inducement resolution is the first step in the application process for a multifamily bond issuance by the Department; and

WHEREAS, approval of the inducement will allow staff to submit an application to the Bond Review Board (BRB) for the issuance of a Certificate of Reservation associated with the Development;

NOW, therefore, it is hereby

RESOLVED, that based on the foregoing, Inducement Resolution No. 20-010 to proceed with the application submission to the BRB for possible receipt of State Volume Cap issuance authority under the Private Activity Bond Program for the pre-applications listed herein, is hereby approved in the form presented to this meeting.

BACKGROUND

General Information: The BRB administers the state's annual private activity bond authority for the State of Texas. The Department is an issuer of Private Activity Bonds and is required to induce an application for bonds prior to the submission to the BRB. Approval of the inducement resolution does not constitute approval of the development but merely allows the Applicant the opportunity to move into the full application phase of the process. Once the application receives a Certificate of Reservation, the Applicant has 180 days to close on the private activity bonds.

During the 180-day process, the Department will review the complete application for compliance with the Department's Rules, including but not limited to site eligibility and threshold as well as previous participation as it relates to developments previously funded through the Department. During the review of the full application, staff will also underwrite the transaction and determine financial feasibility in accordance with the Real Estate Analysis Rules. The Department will schedule and conduct a public hearing, and the complete application, including a transcript from the hearing, will then be

presented to the Board for a decision on the issuance of bonds as well as a determination on the amount of housing tax credits anticipated to be allocated to the development. This inducement resolution would reserve approximately $49 million in private activity bond volume cap.

20602 Vermillion Apartments

Vermillion Apartments, formerly known as Parkside Point (#03438), was originally funded through the 4% HTC program in 2003. The development is located at 3360 Alice Street in Houston, Harris County, and includes the acquisition and rehabilitation of 260 units serving the general population. This transaction is proposed to be a Priority 2 designation, which requires that a minimum of 80% of the units are rent and income restricted at 60% of Area Median Family Income (AMFI). All of the units are proposed to be rent and income restricted at 60% AMFI.

Bond Inducement Amount: $29,000,000

20604 The Walzem

The Walzem involves the new construction of 200 units that will serve the general population to be located at 7810 Walzem Road in the extraterritorial jurisdiction of San Antonio, Bexar County. All of the units will be rent and income restricted at 60% of AMFI. As a result of the Direct Loan awarded under the 2019-1 Multifamily Direct Loan Notice of Funding Availability, which was approved at the Board meeting of December 12, 2019, and the Applicant's desire to move forward with the Direct Loan award under this 2020 bond inducement and reservation, the Walzem will have at least six TCAP RF units at 50% AMI/Low HOME and 20 TCAP RF units at 60% AMI/High HOME layered among the 60% HTC-restricted units. The transaction is proposed to be a Priority 3 designation, which does not have a restriction on the number of rent and income restricted units.

The Walzem previously received an award of 4% Housing Tax Credits and Direct Loan funds at the Board meeting of December 12, 2019. The proposed bond issuer has changed from Bexar County Housing Finance Corporation to TDHCA.

It is worth noting that the Department had received 18 letters, signed by 24 individuals, and a petition signed by 27 individuals expressing opposition to the development that was included in the December 12th Board materials. An additional five letters of opposition were received after the Board posting, one of which included a letter from Bexar County Commissioner Tommy Calvert. This additional public comment was noted by staff during its presentation and the letter from County Commissioner Calvert was read into the record. All of the public comment received is included herein for reference.

Bond Inducement Amount: $20,000,000

RESOLUTION NO. 20-010

RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY REVENUE BONDS OR NOTES WITH RESPECT TO RESIDENTIAL RENTAL DEVELOPMENTS; AUTHORIZING THE FILING OF ONE OR MORE APPLICATIONS FOR ALLOCATION OF PRIVATE ACTIVITY BONDS WITH THE TEXAS BOND REVIEW BOARD; AND AUTHORIZING OTHER ACTION RELATED THERETO

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

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

WHEREAS, it is proposed that the Department issue its revenue bonds or notes in one or more series for the purpose of providing financing for the multifamily residential rental developments (the "Developments") more fully described in Exhibit A attached hereto. The ownership of the Developments as more fully described in Exhibit A will consist of the applicable ownership entity and its principals or a related person (the "Owners") within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Owners have made not more than 60 days prior to the date hereof, payments with respect to the acquisition, construction, reconstruction or renovation of the Developments and expect to make additional payments in the future and desire that they be reimbursed for such payments and other costs associated with the Developments from the proceeds of tax-exempt and taxable, as applicable, obligations to be issued by the Department subsequent to the date hereof; and

WHEREAS, the Owners have indicated their willingness to enter into contractual arrangements with the Department providing assurance satisfactory to the Department that the requirements of the Act and the Department will be satisfied and that the Developments will satisfy State law, Section 142(d) and other applicable Sections of the Code and Treasury Regulations; and

WHEREAS, the Department desires to reimburse the Owners for some or all of the costs associated with the Developments listed on Exhibit A attached hereto, but solely from and to the extent, if any, of the proceeds of tax-exempt and taxable, as applicable, obligations to be issued in one or more series to be issued subsequent to the date hereof; and

WHEREAS, at the request of the Owners, the Department reasonably expects to incur debt in the form of tax-exempt and taxable, as applicable, obligations for purposes of paying the costs of the Developments described on Exhibit A attached hereto; and

WHEREAS, in connection with the proposed issuance of the Bonds (defined below), the Department, as issuer of the Bonds, is required to submit for the Developments one or more Applications for Allocation of Private Activity Bonds or Applications for Carryforward for Private Activity Bonds (the "Application") with the Texas Bond Review Board (the "Bond Review Board") with respect to the tax-exempt Bonds to qualify for the Bond Review Board's Allocation Program in connection with the Bond Review Board's authority to administer the allocation of the authority of the State to issue private activity bonds; and

WHEREAS, the Governing Board of the Department (the "Board") has determined to declare its intent to issue its multifamily revenue bonds or notes for the purpose of providing funds to the Owners to finance the Developments on the terms and conditions hereinafter set forth; NOW, THEREFORE,

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

ARTICLE 1

OFFICIAL INTENT; APPROVAL OF CERTAIN ACTIONS

Section 1.1. Authorization of Issue. The Department declares its intent to issue its Multifamily Housing Revenue Bonds or Notes (the "Bonds") in one or more series and in amounts estimated to be sufficient to (a) fund a loan or loans to the Owners to provide financing for the respective Developments in an aggregate principal amount not to exceed those amounts, corresponding to the Developments, set forth in Exhibit A; (b) fund a reserve fund with respect to the Bonds if needed; and (c) pay certain costs incurred in connection with the issuance of the Bonds. Such Bonds will be issued as qualified residential rental development bonds. Final approval of the Department to issue the Bonds shall be subject to: (i) the review by the Department's credit underwriters for financial feasibility; (ii) review by the Department's staff

and legal counsel of compliance with federal income tax regulations and State law requirements regarding tenancy in the respective Development; (iii) approval by the Bond Review Board, if required; (iv) approval by the Attorney General of the State of Texas (the "Attorney General"); (v) satisfaction of the Board that the respective Development meets the Department's public policy criteria; and (vi) the ability of the Department to issue such Bonds in compliance with all federal and State laws applicable to the issuance of such Bonds.

Section 1.2. Terms of Bonds. The proposed Bonds shall be issuable only as fully registered bonds or notes in authorized denominations to be determined by the Department; shall bear interest at a rate or rates to be determined by the Department; shall mature at a time to be determined by the Department but in no event later than 40 years after the date of issuance; and shall be subject to prior redemption upon such terms and conditions as may be determined by the Department.

Section 1.3. Reimbursement. The Department reasonably expects to reimburse the Owners for all or a portion of the costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition of real property and construction, reconstruction or renovation, as applicable, of its Development and listed on Exhibit A attached hereto ("Costs of the Developments") from the proceeds of the Bonds, in an amount which is reasonably estimated to be sufficient: (a) to fund a loan to provide financing for the acquisition and construction or rehabilitation and equipping of its Development, including reimbursing the applicable Owner for all costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof in connection with the acquisition and construction or rehabilitation of the Developments; (b) to fund certain reserves that may be required for the benefit of the holders of the Bonds; and (c) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 1.4. Principal Amount. Based on representations of the Owners, the Department reasonably expects that the maximum aggregate principal amount of debt issued to reimburse the Owners for the Costs of the Developments will not exceed the amount set forth in Exhibit A which corresponds to the applicable Development.

Section 1.5. Limited Obligations. The Owners may commence with the acquisition and construction or rehabilitation of the Developments, which Developments will be in furtherance of the public purposes of the Department as aforesaid. On or prior to the issuance of the Bonds, each Owner will enter into a loan agreement, on terms agreed to by the parties, on an installment payment basis with the Department under which the Department will make a loan to the applicable Owner for the purpose of reimbursing the Owner for the Costs of the Development and the Owner will make installment payments sufficient to pay the principal of and any premium and interest on the applicable Bonds. The proposed Bonds shall be special, limited obligations of the Department payable solely by the Department from or in connection with its loan or loans to the Owner to provide financing for its Development, and from such other revenues, receipts and

resources of the Department as may be expressly pledged by the Department to secure the payment of the Bonds.

Section 1.6. The Developments. Substantially all of the proceeds of the Bonds shall be used to finance the Developments, which are to be occupied entirely by Eligible Tenants, as determined by the Department, and which are to be occupied partially by persons and families of low income such that the requirements of Section 142(d) of the Code are met for the period required by the Code.

Section 1.7. Payment of Bonds. The payment of the principal of and any premium and interest on the Bonds shall be made solely from moneys realized from the loan of the proceeds of the Bonds to reimburse the Owners for costs of its Development.

Section 1.8. Costs of Developments. The Costs of the Developments may include any cost of acquiring, constructing, rehabilitating, or reconstructing, as applicable, improving, equipping, installing and expanding the Developments. Without limiting the generality of the foregoing, the Costs of the Developments shall specifically include the cost of the acquisition of all land, rights-of-way, property rights, easements and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, the cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving and expanding the Developments, administrative expenses and such other expenses as may be necessary or incident to the acquisition, construction, reconstruction, improvement and expansion of the Developments, the placing of the Developments in operation and that satisfy the Code and the Act. The Owners shall be responsible for and pay any costs of its Development incurred by it prior to issuance of the Bonds and will pay all costs of its Development which are not or cannot be paid or reimbursed from the proceeds of the Bonds.

Section 1.9. No Commitment to Issue Bonds. Neither the Owners nor any other party is entitled to rely on this Resolution as a commitment to issue the Bonds and to loan funds, and the Department reserves the right not to issue the Bonds either with or without cause and with or without notice, and in such event the Department shall not be subject to any liability or damages of any nature. Neither the Owners nor any one claiming by, through or under the Owners shall have any claim against the Department whatsoever as a result of any decision by the Department not to issue the Bonds.

Section 1.10. Conditions Precedent. The issuance of the Bonds following final approval by the Board shall be further subject to, among other things: (a) the execution by the Owners and the Department of contractual arrangements, on terms agreed to by the parties, providing assurance satisfactory to the Department that all requirements of the Act will be satisfied and

that the Development will satisfy the requirements of Section 142(d) of the Code (except for portions to be financed with taxable bonds or notes); (b) the receipt of an opinion from Bracewell LLP or other nationally recognized bond counsel acceptable to the Department ("Bond Counsel"), substantially to the effect that the interest on the tax-exempt Bonds is excludable from gross income for federal income tax purposes under existing law; and (c) receipt of the approval of the Bond Review Board, if required, and the Attorney General.

Section 1.11. Authorization to Proceed. The Board hereby authorizes staff, Bond Counsel and other consultants to proceed with preparation of the Developments' necessary review and legal documentation for the filing of one or more Applications and the issuance of the Bonds, subject to satisfaction of the conditions specified in this Resolution. The Board further authorizes staff, Bond Counsel and other consultants to re-submit an Application that was withdrawn by an Owner.

Section 1.12. Related Persons. The Department acknowledges that financing of all or any part of the Developments may be undertaken by any company or partnership that is a "related person" to the respective Owner within the meaning of the Code and applicable regulations promulgated pursuant thereto, including any entity controlled by or affiliated with the Owners.

Section 1.13. Declaration of Official Intent. This Resolution constitutes the Department's official intent for expenditures on Costs of the Developments which will be reimbursed out of the issuance of the Bonds within the meaning of Sections 1.142-4(b) and 1.150-2, Title 26, Code of Federal Regulations, as amended, and applicable rulings of the Internal Revenue Service thereunder, to the end that the Bonds issued to reimburse Costs of the Developments may qualify for the exemption provisions of Section 142 of the Code, and that the interest on the Bonds (except for any taxable Bonds) will therefore be excludable from the gross incomes of the holders thereof under the provisions of Section 103(a)(1) of the Code.

Section 1.14. Execution and Delivery of Documents. The Authorized Representatives named in this Resolution are each hereby authorized to execute and deliver all Applications, certificates, documents, instruments, letters, notices, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution.

Section 1.15. Authorized Representatives. The following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article 1: the Chair or Vice Chair of the Board, the Executive Director or Acting Director of the Department, the Director of Administration of the Department, the Director of Bond Finance and Chief Investment Officer of the Department, the Director of Multifamily Bonds, the Director of Texas Homeownership of the Department and the Secretary or any Assistant Secretary to the Board. Such persons are referred to herein collectively as the "Authorized

Representatives." Any one of the Authorized Representatives is authorized to act individually as set forth in this Resolution.

ARTICLE 2

CERTAIN FINDINGS AND DETERMINATIONS

Section 2.1. Certain Findings Regarding Developments and Owners. The Board finds that:

(a) the Developments are necessary to provide decent, safe and sanitary housing at rentals that individuals or families of low and very low income and families of moderate income can afford;

(b) the Owners will supply, in their Development, well-planned and well-designed housing for individuals or families of low and very low income and families of moderate income;

(c) the Owners are financially responsible;

(d) the financing of the Developments is a public purpose and will provide a public benefit; and

(e) the Developments will be undertaken within the authority granted by the Act to the Department and the Owners.

Section 2.2. No Indebtedness of Certain Entities. The Board hereby finds, determines, recites and declares that the Bonds shall not constitute an indebtedness, liability, general, special or moral obligation or pledge or loan of the faith or credit or taxing power of the State, the Department or any other political subdivision or municipal or political corporation or governmental unit, nor shall the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or employee of the Department in his or her individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Bonds. The Bonds will be a special limited obligation of the Department payable solely from amounts pledged for that purpose under the financing documents.

Section 2.3. Certain Findings with Respect to the Bonds. The Board hereby finds, determines, recites and declares that the issuance of the Bonds to provide financing for the Developments will promote the public purposes set forth in the Act, including, without limitation, assisting persons and families of low and very low income and families of moderate income to obtain decent, safe and sanitary housing at rentals they can afford.

ARTICLE 3

GENERAL PROVISIONS

Section 3.1. Books and Records. The Board hereby directs this Resolution to be made a part of the Department's books and records that are available for inspection by the general public.

Section 3.2. Notice of Meeting. This Resolution was considered and adopted at a meeting of the Board that was noticed, convened, and conducted in full compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and with §2306.032 of the Texas Government Code, regarding meetings of the Board.

Section 3.3. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[Execution page follows]

PASSED AND APPROVED this 20th day of February, 2020

[SEAL]

By: _____
Leslie Bingham Escareño
Vice Chair, Governing Board

ATTEST:

_____
James B. "Beau" Eccles
Secretary to the Governing Board

EXHIBIT "A"

Descriptions of the Owners and the Developments

Project Name	Owner	Principals	Amount Not to Exceed
Vermillion Apartments	Houston Leased Housing Associates Owner VIII, LLC, a Minnesota limited liability company	General Partner/Member: Houston Leased Housing Associates GP VIII, LLC, a Minnesota limited liability company	$29,000,000
Costs: Acquisition/rehabilitation of a 260-unit affordable, multifamily housing development to be known as Vermillion Apartments, located at 3360 Alice Street, Houston, Harris County, Texas 77021			

Project Name	Owner	Principals	Amount Not to Exceed
The Walzem	The Walzem Apartments, LLC, a Texas limited liability company	General Partner/Member: Cohen-Esrey Walzem, LLC, a Kansas limited liability company	$20,000,000
Costs: Acquisition/construction of a 200-unit affordable, multifamily housing development to be known as The Walzem Apartments, to be located at 7810 Walzem Road, San Antonio, Bexar County, Texas 78244			

TOMMY CALVERT
BEXAR COUNTY COMMISSIONER, PRECINCT 4

December 10, 2019

Texas Department of Housing and Community Affairs (TDHCA)
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. BOX 13941
Austin, Texas 78711-3941

Re: TDHCA number 19468, The Walzem, 4% (Non-Competitive) Housing Tax Credit Program

Dear Ms. Cline-Rew and TDHCA Staff:

I am writing today to express my opposition to TDHCA application number 19468—a development by Cohen-Esrey, in spite of the previous resolution of no objection passed by the Bexar County Commissioners Court on May 21, 2019.

There are some recent facts that we learned after the passage of the resolution that I need to bring to TDHCA's attention. Specifically, I provided representatives of Cohen-Esrey with 11 neighborhood associations near "The Walzem" development and expressed that if those organizations gave their support, then I would provide the resolution. Unfortunately, Cohen-Esrey representatives chose to meet with only two of the 11 and then told my office that they had met with the associations. However this was not true. I relied on their correspondence that they had met with the 11 organizations and passed the resolution on May 21, 2019. When I found out in October that this had not happened, I had to change protocols within my office to verify that developers were accurate in their correspondence with my constituents.

Although Cohen-Esrey representatives had recently began engaging with the organizations they were originally supposed to contact and things were going well in comparison to others, there are growing concerns from the residents regarding fire safety, traffic, density, management, economic development, and more issues that are unsatisfactorily plaguing the project. Hence, I can no longer support this project moving forward until issues with the residents are addressed. I am a supporter of affordable housing, but I respect even more the right of communities to shape their future and be governed in partnership with state leadership while not in conflict with their local government.

If you have any questions or would like to discuss this further, please call my office at 210-335-2614.

Always your voice,

Tommy Calvert

Tommy Calvert
Bexar County Commissioner, Precinct 4

101 W. NUEVA, SUITE 1029 • SAN ANTONIO, TX 78205 • (P) 210-335-2614 • (F) 210-335-2926

From: JUANITA SANCHEZ
To: Liz Cline
Subject: Apartments behind Randolph Brooks Bank in Ventura & Next to Golds Gym
Date: Sunday, December 08, 2019 12:23:40 PM

The complaints most residents have concerning the proposed apartments and homes being built is that there is not enough roadways for the already over populated area to enter and exit their homes safely. These apartments and homes will lead to one if not two cars per unit. All residents will have to use the same roads to enter and exit their homes. (FM 78, Walzem Road and Rittaman). These roads are not made to support existing traffic, much less more traffic to come. Complicating matters is the train that passes by on Gibbs Sprawl Road almost every hour Monday through Sunday. Already traffic accidents happen almost on a weekly basis on intersections FM 78 and Walzem. As well as on Foster Road and FM 78. This land should be put to better use. These homes will lead to a hostile environment. Nobody wants that to happen!! Residents are already upset with the added stresses of our roadways. Adding more homes will make matters worst. I myself will most likely move if this congestion gets worst. Please consider all aspects of which this matter concerns.

Sincerely,
Juanita D Sanchez

Sent from my T-Mobile 4G LTE Device

From:	Monica Miller
To:	Liz Cline
Subject:	Cohen-Esrey Project
Date:	Friday, December 06, 2019 2:46:46 PM

Dear Ms Liz Cline,

My husband and I are residents of Estates/Mission Hills Homeowners Association, and have been residents outside of San Antonio and living in the Bexar County for 22 years; we have recently become very alarmed with the latest threat of apartments such as the Cohen-Esrey trying to build apartments in an area plagued with traffic issues and a number of infrastructure concerns that are life threatening that need to be addressed now.

We are not impressed with Cohen-Esrey and the way that it is trying to push itself on this area with no thought to how it would impact the entire area. We know that because of Extra Terrestrial Jurisdiction, our area suffers because we have any one fighting for our best interest, when such projects set its sights on areas such as ours. I have experienced the issue of schools not being prepared for the growth, with my children being in over crowded classrooms and like our experience with my son being in a Spanish class with 36 other student; I don't have to tell you no learning takes place in such an environment. He struggled his first year trying to learn and certainly his 2nd year, trying to make up for all that was lost during this sort of tragedy.

We need stronger laws and guidelines for these companies, who just drop apartments and feel no obligation to be apart of a solution rather than part of a problem. We know that Converse has big enough problems of it's own and relies on the County Sheriff's to help where it falls short, we have begged for outlets to our traffic problem for years, we need roads that allow traffic not to be impeded because of trains and long lines of traffic.

We need new businesses and real estate agents who bring positive growth to our area, that will help our property values grow. Currently, our new neighbors were told by agents not to move in our area because the area is not a good investment, because the future of they area doesn't look as promising as the Northside or the Schertz area. Right now we lack more sit down to a meal restaurants that aren't considered fast food. We need business that understand our unique area that meet our needs as shown from the GAP Studies Commissioner Tommy Calvert showed us. Retail stores, movie theaters, a Youth center, a Senior Center, Adult Living Communities, College campuses, Medical complexes and others. What we don't need is this apartment complex causing further congestion where has it's heels dug in and can't help but add to the problems already there. Our representatives need to know, we will use our vote from here on to support candidates who support our neighborhoods flourishing and remaining good investments, which will attract positive revitalizing projects that help our property values and enrich our residents' lives.

We do not want Cohen-Esrey in the area that are requesting, they are not a good fit.

Sincerely,

Monica L. Miller, President of the Estates/Mission Hills HOA
(210) 421-5798

From:	Ahmed, Bashar
To:	Liz Cline
Subject:	On Behalf of Bexar County Commissioner Tommy Calvert, The Walzem Project
Date:	Tuesday, December 10, 2019 2:31:28 PM
Attachments:	Cohen Esrey letter, December 10, 2019.pdf

Good afternoon Mr. Cline, attached is the opposition letter from Commissioner Tommy Calvert Jr. to the TDHCA board members regarding the project number 19468 " The Walzem" a development by Cohen-Esrey.

Please let me know if you have any questions.

Regards,

Bashar Ahmed, PhD Candidate, MSF, MBA
Director of Community Engagement
Bexar County Commissioner Tommy Calvert, Precinct 4
O: (210) 335-2914
C: (210) 556-6574
Fax: (210) 335-2926
101 W. Nueva, Suite 1029
San Antonio, Texas 78205
Bashar.ahmed@bexar.org

From: Monica Miller
To: Liz Cline
Subject: Re: Cohen-Esrey Project
Date: Monday, December 09, 2019 2:55:41 PM

HI Liz,
The name it is under is Jay Johnson, the project is called "The Walzem," and the number is TGHTDHCA19468. I hope this helps.
Sincerely,

Monica L. Miller, *CEO of MCDC CPR Training Center*
(210) 421-5798

Visit Our Website:
www.mcdccprtraining.com

Find us on Facebook & Instagram.
MCDC CPR Training Facebook Page
@MCDCCPRTraining-Instagram

On Fri, Dec 6, 2019 at 2:49 PM Liz Cline <liz.cline@tdhca.state.tx.us> wrote:

> Good afternoon,
>
> We will need to know which development you are referencing. Do you know the name or address of the development?
>
> Regards,
>
> **Liz Cline-Rew**
>
> Multifamily Finance Housing Specialist
>
> Texas Department of Housing and Community Affairs
>
> 221 E. 11th Street | Austin, TX 78701
>
> Office: 512.475.3227
>
> Fax: 512.475.1895

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)).

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

From: Monica Miller <moniwebbm@gmail.com>
Sent: Friday, December 06, 2019 2:47 PM
To: Liz Cline <liz.cline@tdhca.state.tx.us>
Subject: Cohen-Esrey Project

Dear Ms Liz Cline,

My husband and I are residents of Estates/Mission Hills Homeowners Association, and have been residents outside of San Antonio and living in the Bexar County for 22 years; we have recently become very alarmed with the latest threat of apartments such as the Cohen-Esrey trying to build apartments in an area plagued with traffic issues and a number of infrastructure concerns that are life threatening that need to be addressed now.

We are not impressed with Cohen-Esrey and the way that it is trying to push itself on this area with no thought to how it would impact the entire area. We know that because of Extra Terrestrial Jurisdiction, our area suffers because we have any one fighting for our best interest, when such projects set its sights on areas such as ours. I have experienced the issue of schools not being prepared for the growth, with my children being in over crowded classrooms and like our experience with my son being in a Spanish class with 36 other student; I don't have to tell you no learning takes place in such an environment. He struggled his first year trying to learn and certainly his 2nd year, trying to make up for all that was lost during this sort of tragedy.

We need stronger laws and guidelines for these companies, who just drop apartments and

feel no obligation to be apart of a solution rather than part of a problem. We know that Converse has big enough problems of it's own and relies on the County Sheriff's to help where it falls short, we have begged for outlets to our traffic problem for years, we need roads that allow traffic not to be impeded because of trains and long lines of traffic.

We need new businesses and real estate agents who bring positive growth to our area, that will help our property values grow. Currently, our new neighbors were told by agents not to move in our area because the area is not a good investment, because the future of they area doesn't look as promising as the Northside or the Schertz area. Right now we lack more sit down to a meal restaurants that aren't considered fast food. We need business that understand our unique area that meet our needs as shown from the GAP Studies Commissioner Tommy Calvert showed us. Retail stores, movie theaters, a Youth center, a Senior Center, Adult Living Communities, College campuses, Medical complexes and others. What we don't need is this apartment complex causing further congestion where has it's heels dug in and can't help but add to the problems already there. Our representatives need to know, we will use our vote from here on to support candidates who support our neighborhoods flourishing and remaining good investments, which will attract positive revitalizing projects that help our property values and enrich our residents' lives.

We do not want Cohen-Esrey in the area that are requesting, they are not a good fit.

Sincerely,

Monica L. Miller, President of the Estates/Mission Hills HOA

(210) 421-5798

November 6th, 2019

Name: Stephen Glover
Address: 7835 Pecan Heights
San Antonio, Texas 78244

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application # 19426 -The development of Montagne Apartments

Dear Madam:

I am writing this letter of opposition to the Tax Application #19426. I am oppose to all multifamily apartments erection by Herman and Kittle in the vacant site adjacent to Gold Gym on F.M. 78 near the dangerous intersection near Walzem road.

Even though I understand that this developer removed their application earlier for tax credits consideration by the state, the purpose of this letter is to still oppose any future efforts to bring forward a new application. By allowing this developer to build on this property adjacent to our neighborhood, the traffic congestion, the possibility of a decline of property values, an increase in crime all present a negative picture for any positive growth.

In addition, I am also opposing the tax application #19468 because of the greater potential of more deaths and accidents in this area. This property is across the street F.M. 78 from the Herman and Kittle proposed developer.

I feel that both properties would be ideal for retail use. This area could be better served by retail merchants , such as restaurants, stores that would help keep monies in this area instead of having to go elsewhere to enjoy a nice dinner rather than fast foods.

From: RANDY WILLIAMS
To: Liz Cline
Subject: Low rent apartments in Ventura
Date: Friday, November 01, 2019 4:34:52 PM

I am totally opposed to Low Rent Apartments in my neighborhood as I lived in Ventura more than 20 years. I don't need this decision lowering my property value and having to worry about the added crime which goes hand and hand with low rent. We have very little crime in Ventura. My tax dollars pay for most of their rent and food stamps for food, so the will steal us blind to pay for their alcohol and cigarettes. Then you add the added crime because of gangs with their drugs. I will have to arm myself to protect me and my property. I am very sure you or your family would not live Nextdoor to Low Rent Apartments. There is plenty of property on Foster road. Please listen to the community and do not let this happen. Don't let big business an tax revenue ruin our community because they don't care , they won't live here! I will reiterate my position, I am Opposed!!

Sent from my iPad

From: RANDY WILLIAMS
To: Liz Cline
Subject: Re: Low rent apartments in Ventura
Date: Tuesday, November 05, 2019 1:19:10 PM

The developer is Cohen Esrey and the tax application #19468. The entrance and exit for this complex will be in a dangerous place as it will be to close to the red light at Walzem & 78. There are a lot of accidents at that location already, please don't compound this problem by adding more traffic from the apartments. Thank You for responding!

Sent from my iPad

> On Nov 5, 2019, at 10:51 AM, Liz Cline <liz.cline@tdhca.state.tx.us> wrote:
>
> Good morning, Mr. Williams,
>
> Do you know the name, application number, or address of the apartments? There are multiple applications and we need to confirm which apartments in order to relay your opposition to the TDHCA Board.
>
> Regards,
>
>
> Liz Cline-Rew
> Multifamily Finance Housing Specialist
> Texas Department of Housing and Community Affairs
> 221 E. 11th Street | Austin, TX 78701
> Office: 512.475.3227
> Fax: 512.475.1895
>
> 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)).
>
>
> 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
>
>
>
> -----Original Message-----
> From: RANDY WILLIAMS <rndy.williams@yahoo.com>
> Sent: Friday, November 01, 2019 4:35 PM
> To: Liz Cline <liz.cline@tdhca.state.tx.us>
> Subject: Low rent apartments in Ventura
>
> I am totally opposed to Low Rent Apartments in my neighborhood as I lived in Ventura more than 20 years. I don't need this decision lowering my property value and having to worry about the added crime which goes hand and hand with low rent. We have very little crime in Ventura. My tax dollars pay for most of their rent and food stamps for food, so the will steal us blind to pay for their alcohol and cigarettes. Then you add the added crime because of gangs with their drugs. I will have to arm myself to protect me and my property. I am very sure you or your family would not live Nextdoor to Low Rent Apartments. There is plenty of property on Foster road. Please listen to the community and do not let this happen. Don't let big business an tax revenue ruin our community

because they don’t care , they won’t live here! I will reiterate my position, I am Opposed!!
>
> Sent from my iPad

Rubin Johnson
7518 Oriental Trail
San Antonio TX. 78244

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application #19468 and development of any multifamily apartments of Walzem & FM 78

Dear Madam;

I am writing to object to all multifamily apartment erection on this site and the site adjacent of Gulf shore in the Ventura Subdivision. By allowing developers to build on these properties adjacent to our neighborhood, the traffic, congestion, noise, crime, and litter will be unbearable for the current resident. Our property values will plummet and our already over crowded school system will be overwhelmed. Those of ws who have lived in and invested inour homes for 30+years can no long safely enter FM 78 due to the heavy traffic and TX. Dot says they cannot put a traffic light there because it would be to close to the existing lights. We have no designated fire station and only the already understaffed Bexar County Sheriffs Department for protection.

I do not feel this is the best use of this land. We in this community would welcome retail merchants, such as a department store, nice restaurants, movie theaters and larger food store. I don't feel that these apartments are in the best interest for our area.

Sincerely

Rubin Johnson

Name: HOWARD JAMES
Address: 7510 ORIENTAL TRAIL
San Antonio, TX. 78244

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application #19468 and development of any multifamily apartments of Walzem & FM 78

Dear Madam;

I am writing to object to all multifamily apartment erection on this site and the site adjacent of Gulf shore in the Ventura Subdivision. By allowing developers to build on these properties adjacent to our neighborhood, the traffic, congestion, noise, crime, and litter will be unbearable for the current resident. Our property values will plummet and our already over crowded school system will be overwhelmed. Those of ws who have lived in and invested inour homes for 30+years can no long safely enter FM 78 due to the heavy traffic and TX. Dot says they cannot put a traffic light there because it would be to close to the existing lights. We have no designated fire station and only the already understaffed Bexar County Sheriffs Department for protection.

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Sincerely
Howard James

From:	Lisa Pfeiffer
To:	Liz Cline
Cc:	Jack Wallace
Subject:	Application # 19468- Cohen-Esrey
Date:	Friday, October 25, 2019 6:45:58 AM
Attachments:	Cohen-Esrey.odt

Good morning Ms. Cline,

I am sending you OBJECTIONS from the CONEN members regarding the above application for the Walzem Apartments. They may be coming up on a TDHCA agenda in the next few months.

In addition to the letter just a few other points. Jay Johnson met with Ventura II back in February & March. However, that is a community across the street from the proposed development site.

The actual proposed development site is in Ventura I. Mr. Johnson met with residents of Ventura I finally on Friday, October 11, 2019. This was verified by him and some of our members and the end result was that Ventura I residents have objections also. Hopefully this will be conveyed to your office in the near future.

At the Ventura i meeting and at our meeting the TDHCA application number seemed to keep eluding Mr. Johnson. However, Ms. Amy Putney, Chief of Staff, for Pct. 4 Commissioner Calvert put an end to that and gave us the application number.

I must say there is an impression of deception in who Mr. Johnson chose to meet with and when and the apparent elusiveness of the application number. Our effort is to set the record straight.

As you can see we have shared our objections with Commissioner Calvert in the attached letter.

Respectfully Submitted:

Lisa M. Pfeiffer
Vice Chair, CONEN
(210) 595-8754

Sent from Yahoo Mail. Get the app

Name: Raymond Swientek
Address: 7503 Oriental Trail
San Antonio, TX. 78244

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application #19468 and development of any multifamily apartments of Walzem & FM 78

Dear Madam;

I am writing to object to all multifamily apartment erection on this site and the site adjacent of Gulf shore in the Ventura Subdivision. By allowing developers to build on these properties adjacent to our neighborhood, the traffic, congestion, noise, crime, and litter will be unbearable for the current resident. Our property values will plummet and our already over crowded school system will be overwhelmed. Those of ws who have lived in and invested inour homes for 30+years can no long safely enter FM 78 due to the heavy traffic and TX. Dot says they cannot put a traffic light there because it would be to close to the existing lights. We have no designated fire station and only the already understaffed Bexar County Sheriffs Department for protection.

I do not feel this is the best use of this land. We in this community would welcome retail merchants, such as a department store, nice restaurants, movie theaters and larger food store. I don't feel that these apartments are in the best interest for our area.

Sincerely Raymond J. Swientek

Name: ROGER & GAIL CONATSER
Address: 7523 ORIENTAL TRAIL
San Antonio, TX. 78249

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application #19468 and development of any multifamily apartments of Walzem & FM 78

Dear Madam;

I am writing to object to all multifamily apartment erection on this site and the site adjacent of Gulf shore in the Ventura Subdivision. By allowing developers to build on these properties adjacent to our neighborhood, the traffic, congestion, noise, crime, and litter will be unbearable for the current resident. Our property values will plummet and our already over crowded school system will be overwhelmed. Those of ws who have lived in and invested inour homes for 30+years can no long safely enter FM 78 due to the heavy traffic and TX. Dot says they cannot put a traffic light there because it would be to close to the existing lights. We have no designated fire station and only the already understaffed Bexar County Sheriffs Department for protection.

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Sincerely
ROGER & GAIL CONATSER

TEXAS Department of Housing and Community Affairs
Attn: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Robert Scammahorn
7050 Gulf Shore Blvd.
San Antonio, TX 78244

This letter is to voice my opposition to the proposed Cohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

The reasons are too numerous to list them all but, here are a few negatives:

1. TXDOT CR3 indicates that as of 11/16/2019 there have been 50 crashes involving 105 vehicles and 147 persons at or near the intersection consisting of 45 ($1000 or more damages) and 10 (resulting in injuries)
2. Adding another entry point on Walzem going South within one hundred yards of a major intersection where there is one of two dual turning lanes located onto FM78.
3. Having a dual turning lane going North on Walzem turning onto FM 78 and the traffic going West or East is blocked by the traffic coming South on Walzem at peak times.
4. This is the only dual turning lane on FM 78. The turning lanes are on Walzem exiting onto FM78 putting an extreme amount of pressure going East and West.
5. There is a new development on the Southern end of Walzem with an additional 600 plus homes when completed. If every home has two cars that's an additional 1200 cars plus the parts of Brentfield one and two, we're talking over 2000 cars using a mile long road exiting East and West onto FM78 and crossing FM78 going North on Walzem.

The list goes on and on. There has to be another place where affordable or market rate apartments can be built. We as a community hope that you deny any tax incentives to this group.

Kind Regards,
Robert Scammahorn

From: Willie Daniels Jr.
To: Liz Cline
Subject: Opposition to Apartment Build
Date: Thursday, October 24, 2019 1:09:50 PM

Ms Cline-Rew
This message is to inform you of my opposition to the build of apartments slated against Tax ID #: 19468 (Jay Johnson - Cohen Esrey) in San Antonio, TX.

Willie Daniels, Jr.
7123 Elk Trail Drive
San Antonio, TX 78244-1575
(210) 287-1796

From:	vanessa valles
To:	Liz Cline
Subject:	opposition to the proposed Cohen-Esrey development - Walzem Road and FM 78 Tax ID #19468
Date:	Sunday, November 17, 2019 6:56:50 PM

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Vanessa Valles
7138 Elk Trail
San Antonio, TX 78244

This letter is to voice my opposition to the proposedCohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

The reasons are too numerous to list them all but, here are a few negatives;

1. Most frighten is TXDOT CR3 indicate as of 11/16/2019 there have been 50 crashes involving 105 vehicles and 147 persons at or near the intersection consisting of 45 ($1000 or more damages) and 10 (resulting in injuries)

There has to be a larger emphasis placed on the safety of the residents currently in our subdivision. At the present time we only have one exit / entry to our subdivision.its already a very dangerous intersection.

2. Adding another entry point on Walzem going south within one hundred yards of a major intersection where there is one of two dual turning lanes located onto FM78.
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The list goes on and on. There has to be another placewhere affordable or market rate apartments can be built. We as a community hope that you deny any tax incentives to this group.

Sincerely,
Vanessa Valles

Sent from my iPhone

Name: DANEKA R. BROOKS
Address: 7514 ORIENTAL TRAIL
San Antonio, TX.
78244

Texas Department of Housing and Community Affairs
Attention: Ms. Liz Cline-Rew, Multifamily Finance Housing Specialist

Reference: Tax application #19468 and development of any multifamily apartments of Walzem & FM 78

Dear Madam;

I am writing to object to all multifamily apartment erection on this site and the site adjacent of Gulf shore in the Ventura Subdivision. By allowing developers to build on these properties adjacent to our neighborhood, the traffic, congestion, noise, crime, and litter will be unbearable for the current resident. Our property values will plummet and our already over crowded school system will be overwhelmed. Those of ws who have lived in and invested inour homes for 30+years can no long safely enter FM 78 due to the heavy traffic and TX. Dot says they cannot put a traffic light there because it would be to close to the existing lights. We have no designated fire station and only the already understaffed Bexar County Sheriffs Department for protection.

I do not feel this is the best use of this land. We in this community would welcome retail merchants, such as a department store, nice restaurants, movie theaters and larger food store. I don't feel that these apartments are in the best interest for our area.

Sincerely,
Daneka R. Brooks

RECEIVED
NOV 13 2019
TDHCA
Multifamily Finance Dept.

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Charles & Phyllis Colbert
7108 Elk Trail
San Antonio, TX 78244

This letter is to voice my opposition to the proposed Cohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

The reasons are too numerous to list them all but, here are a few negatives;

1. Most frighten is TXDOT CR3 indicate as of 11/16/2019 there have been 50 crashes involving 105 vehicles and 147 persons at or near the intersection consisting of 45 ($1000 or more damages) and 10 (resulting in injuries)
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The list goes on and on. There has to be another place where affordable or market rate apartments can be built. We as a community hope that you deny any tax incentives to this group.

Sincerely, Charles R Colbert
Phyllis A. Colbert

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Michael & Julieta Gaither
7001 Elk Trail
San Antonio, TX 78244

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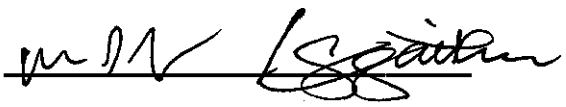

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Gerald D. Hartzell
7006 Elk Trail
San Antonio, TX 78244

This letter is to voice my opposition to the proposed Cohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

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Sincerely,

Gerald D. Hartzell

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Don & Wantanee Hood
7015 Elk Trail
San Antonio, TX 78244

This letter is to voice my opposition to the proposed Cohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

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Sincerely,

Don A. Hood
Wantanee Hood

11/19/19

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Daniel & Pauline Lueb
7003 Elk Trail
San Antonio, TX 78244

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Sincerely,

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Gisela Yocham
7019 Elk Trail
San Antonio, TX 78244

This letter is to voice my opposition to the proposed Cohen-Esrey development on the corner of Walzem Road and FM 78 Tax ID #19468.

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Sincerely,

Gisela Yocham

TEXAS Department of Housing and Community Affairs
Attention: Liz Cline-Rew, Multifamily Finance Housing Specialist
P.O. Box 13941
Austin, Texas 78711-3941

Eddie & Erika Smith
7010 Elk Trail
San Antonio, TX 78244

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Sincerely,

November 18, 2019

TX Department of Housing and Community Affairs
Attn: Ms. Liz Cline-Rew
Multifamily Finance Housing Specialist
221 East 11th Street
Austin, TX 78701-2410

RE: Tax Application #19468 and Development of Any Multifamily Apartments on Walzem and FM 78

Dear Ms. Cline:

We, the residents of Woodlake Estates, are writing to object to all multifamily apartment erection on this site and the site adjacent to Gold's Gym and behind RBFCU. By allowing developers to build on these properties bordering our neighborhoods, the traffic, congestion, noise, crime and litter will be unbearable for the current residents. Our property values will plummet, and our already overcrowded school system will be overwhelmed. Those of us who have lived in and invested in our homes for years can no longer safely enter FM 78 due to the heavy traffic. Additionally, TX DOT informs us that they cannot install a traffic light there because it would be too close to the existing lights. We have no designated fire station and count only on the already understaffed Bexar County Sheriff's Department for protection.

We do not feel these apartments are either in the best interest of our area or the best use of this land. We in this community would welcome retail merchants such as a department store, nice restaurants, movie theaters and larger food stores.

We are merely asking that you give us an opportunity to find suitable businesses that will be interested in investing in this area.

Sincerely yours,

THE RESIDENTS OF WOODLAKE ESTATES SUBDIVISION
San Antonio, TX 78244

Farzad + Elejabeth Farfan	7305 Hidden Hills North
Luis + Lore Munoz	7306 Hidden H-N.
Mario C Aguirre	7247 Hidden Hills N.
Maria Mora	7247 Hidden Hills N.
Oscar + Christina Hernandez	7310 Hidden Hls N.
Juan P. Tamez	7307 Hidden Hills N.
Elisa Reyes	7309 Hidden Hill
Juan Roberson	7313 Hidden Hills N.
Thomas Fasseas	7303 Hidden Hills N.
	7301 Hidden Hls N. 78244
	7215 Hidden Hls N 78244
	7215 Hidden Hls N 78244
	7123 Hidden Hls N 78244
Jeremie & Anna Lagos 1-1-1	6203 Shadow Moss Ct 78244
	6206 Shadow Moss Ct 78244
Vinnie Bilotto	7243 Hidden Hills N 78244
Renee Bilotto	7243 Hidden Hills N 78244
Gloria B. Verbina	6214 Boca Raton S.A.T 78244
Kathy Shows	6200 Shadow Moss SA 78244
Karen Cavazos	7235 Hidden Hills N 78244
Robert Stallion	6462 Firestone Parkway
Eddie Mayes	6434 Firestone Parkway
Traci Stallion	6462 Firestone Parkway

1m

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding the issuance of Determination Notices for 4% Housing Tax Credit Applications

RECOMMENDED ACTION

WHEREAS, one application, as further detailed below, was submitted to the Department for consideration of a Determination Notice of 4% Housing Tax Credits;

WHEREAS, the Executive Award and Review Advisory Committee (EARAC) considered the program requirements, underwriting requirements and compliance history associated with the application; and

WHEREAS, EARAC recommends the application for an award of 4% Housing Tax Credits, in the specific amount noted herein, and subject to any underwriting conditions as noted in the Real Estate Analysis Report and any compliance conditions as reflected in Exhibit A, as applicable;

NOW, therefore, it is hereby

RESOLVED, that the issuance of a Determination Notice in the amount listed herein, subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, and subject to any compliance conditions as reflected in Exhibit A, is hereby approved in the form presented at this meeting.

BACKGROUND

The 4% Housing Tax Credit (HTC) program is considered a non-competitive program in that there is not a specific ceiling amount of HTCs that can be issued each year. Rather, the ceiling amount of HTCs to be issued is limited by the amount of Private Activity Bond volume cap available. The Texas Bond Review Board (BRB) administers the Private Activity Bond program for the State of Texas, and for the 2020 calendar year, the state received approximately $3 billion in Private Activity Bond authority, of which approximately $800 million is reserved for multifamily housing until August 15th of each year. After such date there may be more Private Activity Bond volume cap that goes towards multifamily housing.

Individual projects receive a Certification of Reservation from the BRB that allows for a statutory 180-day closing timeline. For those projects seeking 4% HTCs (as the majority of them do), they must complete the Department's review process, the bond issuer's process and the Attorney General's

process in order to close within the prescribed timeframe. The Department accepts applications on a monthly basis throughout the year. The year from which the Certificate of Reservation is issued is what determines the Qualified Allocation Plan (QAP) to which the application must adhere. Included in this Board presentation as Exhibit B is a list of the 4% HTC applications staff has received thus far for 2020. The list reflects all applications received and includes a column that denotes the applications' status, specifically, those that have already been approved by the Board, are active and currently under review and those that are pre-applications that will utilize the Department as the bond issuer and an HTC application will be forthcoming. Worth noting is that the majority of the applications designated as active are those applications that participated in the 2020 Private Activity Bond Lottery which illustrates the demand for Private Activity Bond volume cap so early in the program year. A 2019 Application Log is also included herein which reflects a more accurate picture of how the calendar year ended with respect to applications. Of note is that while the total unit count is less than what had been previously relayed to the Board, several of the 2019 applications ended up returning the bond reservation and either have already or will be receiving a new bond reservation from the 2020 calendar year and therefore reflected on the 2020 Application Log.

The Certificate of Reservation from the Bond Review Board for the development described below was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Family Income (AMFI) that must be served (beyond the federal requirement). The AMFI levels proposed to be served for the project is indicated in the summary below.

20407 New Hope Housing Avenue J

New Hope Housing Avenue J, is proposed to be a supportive housing development, pursuant to §11.1(d)(122)(E)(i) of the QAP, and is located at the southwest corner of Avenue J and Engel Street in Houston, Harris County. The development will provide supportive housing for families with the new construction of 100 units, composed of one- and two-bedrooms. The development will be situated in the City of Houston's Historic Second Ward and is receiving approximately $12 million in 2017 CDBG-DR funds. All of the units will be rent and income restricted at 60% of AMFI; however, the applicant has indicated that they intend to elect income averaging. The Houston Housing Finance Corporation is serving as the bond issuer and received its Certification of Reservation as part of the BRB Private Activity Bond 2020 Lottery.

Neighborhood Risk Factor (NRF): The application disclosed a NRF relating to the Part I violent crime for the subject property's census tract being greater than 18 per 1,000 persons annually as reported on NeighborhoodScout.com. As of November 19, 2019, the Part I violent crime rate was calculated at 20.06 per 1,000 persons annually according to NeighborhoodScout.com. Mitigation, which included a calculation of the total violent crimes from the Houston Police Department for the applicable police beats, for 2017 and 2018, were provided by the applicant. The applicant calculated an average violent crime rate of 4.7 per 1,000 persons. Moreover, further research found that NeighborhoodScout.com doesn't usually finalize the data for 2019 until late in the year and an updated NeighborhoodScout report as of January 1, 2020, for the subject census tract reported a violent crime rate of 16.89 per 1,000 person annually which is below the required threshold. Staff determined that the mitigation is

sufficient in order to find the development site eligible pursuant to 10 TAC §11.101(a)(3)(D)(ii) of the 2020 QAP.

Undesirable Site Feature: The applicant also disclosed, when the applicant was pursuing housing tax credits through the 2019 competitive HTC cycle that the development site is located within 440 yards of a concrete crushing plant. The Department deferred to the Texas Commission on Environmental Quality's (TCEQ) definition of a "facility" and in addition utilized that state agency's basis for separation standards. Staff determined that the concrete crushing plant did not preclude the development site's eligibility pursuant to 10 TAC §11.101(a)(2) in this limited instance.

Changes to the 2020 QAP no longer require a Board determination regarding eligibility for a NRF if staff determines that sufficient mitigation, pursuant to the rule, was provided.

Staff has determined that the updated NeighborhoodScout report documents a violent crime rate below the threshold allowed in the rule and, therefore, believes the site can be found eligible.

Recommended HTC Amount: $1,290,647

EXHIBIT A
Previous Participation Results

Application Number	Development Name	Category	PPR Conditions
20407	New Hope Housing Avenue J	1	N/A

4% (Non-Competitive) Housing Tax Credit Program
2019 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Board Meeting Date (MM/DD/YYYY)	Application Status	Total Units	Total Low-Income Units	Bond Reservation Amount	Requested HTC Amount	Recommend HTC Amount
19410	18435	Eisenhower	El Paso	10/11/2018	Closed	66	66	$ 10,000,000	$ 380,508	$ 376,008
19602	18616	Park Yellowstone	Houston	12/6/2018	Closed	210	210	$ 16,000,000	$ 893,290	$ 879,975
19427	18441	Lakeway Apartment Homes	Austin ETJ	12/6/2018	Closed	180	169	$ 20,000,000	$ 1,203,960	$ 1,196,981
19408	18457	Mission Trail at Camino Real	San Marcos	1/17/2019	Closed	352	282	$ 45,000,000	$ 1,685,207	$ 1,683,222
19401		Stallion Ridge	Fort Worth	3/21/2019	Closed	204	193	$ 20,000,000	$ 1,292,387	$ 1,292,387
19416	18455	Alsbury Apartments	San Antonio	3/21/2019	Closed	240	240	$ 20,000,000	$ 1,392,094	$ 1,392,094
19413	18445	The Wurzbach	San Antonio	3/21/2019	Closed	161	160	$ 20,000,000	$ 837,177	$ 837,177
19402		Culebra Creek Apartments	San Antonio	3/21/2019	Closed	312	312	$ 41,000,000	$ 2,320,033	$ 2,320,033
19600		Lago de Plata	Corsicana	4/25/2019	Closed	150	148	$ 14,000,000	$ 723,820	$ 723,820
19603		Northgate Village	Dallas	5/23/2019	Closed	168	168	$ 20,000,000	$ 1,142,704	$ 1,142,704
19404		Legacy Ranch at Dessau East	Austin	5/23/2019	Closed	232	186	$ 31,000,000	$ 973,468	$ 973,468
19421	18402	Hampton Homes	Texarkana	5/23/2019	Closed	50	50	$20,000,000 (portfolio)	$ 192,386	$ 192,386
19422	18403	HATT Scatterred Sites	Texarkana	5/23/2019	Closed	42	42	-	$ 123,946	$ 123,946
19423	18404	Robison Terrace	Texarkana	5/23/2019	Closed	130	130	-	$ 460,949	$ 460,949
19424	18405	Williams Homes	Texarkana	5/23/2019	Closed	52	52	-	$ 179,313	$ 179,313
19425	18406	Bright Street	Texarkana	5/23/2019	Closed	20	20	-	$ 80,615	$ 80,615
19601	18603	McMullen Square	San Antonio	5/23/2019	Closed	100	100	$ 10,100,000	$ 426,577	$ 425,285
19403		Mesa West Apartments	San Antonio	5/23/2019	Closed	280	280	$ 35,000,000	$ 2,079,535	$ 2,079,535
19409	18454	Grim Hotel	Texarkana	5/23/2019	Closed	93	93	$ 15,000,000	$ 1,006,241	$ 1,006,241
19420		Pythian Manor	Dallas	6/27/2019	Closed	76	76	$ 8,300,000	$ 387,412	$ 387,412
19414	18433	Dewetter	El Paso	7/25/2019	Closed	98	98	$ 13,000,000	$ 971,651	$ 1,017,745
19415	18434	Kathy White	El Paso	7/25/2019	Closed	78	78	$ 11,000,000	$ 454,747	$ 478,404
19436		Bridge at Granada	Austin	10/10/2019	Closed	258	233	$ 26,000,000	$ 1,441,515	$ 1,441,515
19433		Wayman Manor Apartments	Temple	10/10/2019	Closed	160	160	$ 20,000,000	$ 868,166	$ 863,123
19412		Majestic Ranch	San Antonio	9/5/2019	Closed	288	288	$ 23,000,000	$ 1,698,636	$ 1,698,636
19419		Palldium Redbird	Dallas	9/5/2019	Closed	300	210	$ 30,000,000	$ 1,585,280	$ 1,585,280
19407		Norwood Estates	Austin	10/10/2019	Closed	228	228	$ 35,000,000	$ 1,467,918	$ 1,467,918
19406	17401	Primrose Village	Weslaco	11/7/2019	Closed	242	242	$ 20,000,000	$ 1,240,364	$ 1,240,364
19604		Ventura at Hickory Tree	Balch Springs	11/7/2019	Closed	216	216	$ 30,000,000	$ 1,886,974	$ 1,886,974
19411	17409	Bridge at Canyon View	Austin	11/7/2019	Closed	215	215	$ 25,000,000	$ 1,620,343	$ 1,620,343
19444	19605	Oaks on North Plaza	Austin	11/7/2019	Closed	62	62	$ 15,000,000	$ 489,428	$ 483,704
19443		Spanish Park Apartments	Arlington	12/12/2019	Closed	350	350	$ 35,000,000	$ 2,047,817	$ 2,047,817
19417		Green Oaks Apartments	Houston	9/5/2019	Closed	177	175	$ 20,000,000	$ 995,271	$ 995,271
19434		Limestone Ridge Senior	Austin ETJ	9/5/2019	Closed	225	223	$ 20,000,000	$ 1,470,110	$ 1,470,110
19430		Kyle Dacy	Kyle ETJ	9/5/2019	Closed	324	324	$ 50,000,000	$ 1,515,943	$ 1,515,943
19429	16453	Govalle Terrace	Austin	10/10/2019	Closed	97	96	$ 13,000,000	$ 829,570	$ 829,570
19437		Residences of Stillwater	Georgetown	10/10/2019	Closed	192	192	$ 35,000,000	$ 1,154,635	$ 1,154,635
19441		Decker Lofts	Austin ETJ	10/10/2019	Closed	262	257	$ 40,000,000	$ 1,822,502	$ 1,822,502
19439		Estates at Shiloh	Dallas	11/7/2019	Closed	264	239	$ 25,000,000	$ 1,499,356	$ 1,499,356
19471		Austin Manor Apartment Homes	Austin ETJ	1/16/2020	Closed	280	280	$ 35,000,000	$ 2,247,832	$ 2,241,134
						6,860	**6,569**	**$ 811,400,000**	**$ 42,841,848**	**$ 42,872,761**
19400	18423	Villas del San Xavier	San Marcos	12/12/2019	Approved	156	156	$ 25,000,000	$ 1,059,750	$ 1,059,750
19467		Auro Crossing	Austin ETJ	12/12/2019	Approved	256	256	$ 45,000,000	$ 2,287,808	$ 2,287,808
						412	**412**	**$ 70,000,000**	**$ 3,347,558**	**$ 3,347,558**
19606		Pecan Grove	Seguin	6/27/2019	Pre-Application	198	198	$ 26,000,000	$ 1,388,840	$ -
19612		Scott Street Lofts	Houston	9/5/2019	Pre-Application	123	98	$ 18,000,000	$ 690,991	$ -
19611		Granada Terrace Apartments	South Houston	10/10/2019	Pre-Application	156	156	$ 16,000,000	$ 983,071	$ -
19613		333 Holly	The Woodlands	10/10/2019	Pre-Application	332	332	$ 50,000,000	$ 2,599,103	$ -
19614		The Pines	The Woodlands	10/10/2019	Pre-Application	152	152	$ 30,000,000	$ 1,388,448	$ -
19615		Oaks on Clark	San Antonio	10/10/2019	Pre-Application	80	80	$ 12,000,000	$ 520,610	$ -
						1,041	**1,016**	**$ 152,000,000**	**$ 7,571,063**	**$ -**
TBD	18619	Waters at Redbud	McKinney	N/A	Withdrawn	148	118	$ -	$ 534,132	$ -
19405		Patriot Pointe	Arlington	5/23/2019	Withdrawn	184	184	$ -	$ 1,150,227	$ -
19607		Havens at Willow Creek	Houston ETJ	2/20/2020	Withdrawn	248	248	$ 18,000,000	$ 7,694,342	$ -
19426		The Montage	San Antonio ETJ	11/7/2019	Withdrawn	216	216	$ 20,000,000	$ 1,445,547	$ -
19435		Echo East Apartments	San Antonio	12/5/2019	Withdrawn	192	192	$ -	$ 1,231,341	$ -
19428		Riverstone	San Marcos	11/7/2019	Withdrawn	336	336	$ 45,000,000	$ 2,349,942	$ 2,349,942
19470	18456	Jackie Robinson Apartments	El Paso	12/12/2019	Withdrawn	186	186	$ 20,000,000	$ 1,290,195	$ 1,290,195
19418		Bridge at Loyola Lofts	Austin	10/10/2019	Withdrawn	204	200	$ 30,000,000	$ 1,382,246	$ 1,475,411
19438		Legacy Seniors	Round Rock	11/7/2019	Withdrawn	157	157	$ 20,000,000	$ 732,029	$ 732,029
19473	17413; 18424	Flora Lofts	Dallas	12/2/2019	Withdrawn	52	52	$ 15,000,000	$ 748,340	$ 748,340
						1,923	**1,889**	**$ 168,000,000**	**$ 18,558,341**	**$ 6,595,917**
					TOTAL*	**8,313**	**7,997**	**$ 1,033,400,000**	**$ 53,760,469**	**$ 46,220,319**

*Totals include Closed, Approved and Pre-Application Status

4% (Non-Competitive) Housing Tax Credit Program
2020 Application Status Log

TDHCA #	Previous TDHCA #	Development Name	Development City	Board Meeting Date (MM/DD/YYYY)	Application Status	Total Units	Total Low-Income Units	Bond Reservation Amount	Requested HTC Amount	Recommend HTC Amount
20451	19440	Ventura at Parmer Lane	Austin ETJ	10/10/2019	Approved	216	216	$ 34,000,000	$ 2,189,841	$ 2,189,841
TBD	18456; 19470	Jackie Robinson Apartments	El Paso	12/12/2019	Approved	186	186	$ 30,000,000	$ 1,290,195	$ 1,290,195
20429	19452	Las Palmas	La Feria	1/16/2020	Approved	36	35	$39,120,000 (portfolio)	$ 87,983	$ 87,983
20422	19445	Brush Country Cottages	Dilley	1/16/2020	Approved	28	28	-	$ 89,069	$ 89,069
20423	19446	Chula Vista	San Diego	1/16/2020	Approved	44	44	-	$ 149,982	$ 149,982
20424	19447	Cielo Lindo	Edcouch	1/16/2020	Approved	34	34	-	$ 101,022	$ 101,022
20425	19448	La Estancia	Sebastian	1/16/2020	Approved	32	32	-	$ 101,210	$ 101,210
20426	19449	La Posada I & II	Ela	1/16/2020	Approved	74	74	-	$ 208,076	$ 208,076
20427	19450	La Reina	La Villa	1/16/2020	Approved	30	30	-	$ 65,586	$ 65,586
20428	19451	La Sombra	Donna	1/16/2020	Approved	50	50	-	$ 118,354	$ 118,354
20430	19453	Leuty Avenue	Justin	1/16/2020	Approved	24	24	-	$ 80,261	$ 80,261
20431	19454	Los Laureles	Edcouch	1/16/2020	Approved	23	23	-	$ 88,153	$ 88,153
20432	19455	Los Naranjos	Alton	1/16/2020	Approved	30	30	-	$ 67,810	$ 67,810
20433	19456	Oak Haven	Donna	1/16/2020	Approved	24	24	-	$ 63,090	$ 63,090
20434	19457	Raintree	Alamo	1/16/2020	Approved	32	32	-	$ 82,925	$ 82,925
20435	19458	Seagraves Gardens	Seagraves	1/16/2020	Approved	32	32	-	$ 91,709	$ 91,709
20436	19459	Silver Trail	Menard	1/16/2020	Approved	24	24	-	$ 67,091	$ 67,091
20437	19460	The Village	Tomball	1/16/2020	Approved	64	64	-	$ 172,768	$ 172,768
20438	19461	Valley View	Valley View	1/16/2020	Approved	24	24	-	$ 78,834	$ 78,834
20439	19462	Villa Vallarta	Rio Grande City	1/16/2020	Approved	40	40	-	$ 122,529	$ 122,529
20440	19463	Vista Verde	Cotulla	1/16/2020	Approved	24	24	-	$ 82,514	$ 82,514
20441	19464	Willowick	Gainesville	1/16/2020	Approved	60	60	-	$ 171,018	$ 171,018
20442	19465	Windmill	Giddings	1/16/2020	Approved	28	28	-	$ 77,926	$ 77,926
20443	19466	Windwood I & II	Kingsland	1/16/2020	Approved	68	68	-	$ 151,618	$ 151,618
20407		New Hope Housing Avenue J	Houston	2/20/2020	Approved	100	100	$ 23,000,000	$ 1,290,647	$ 1,290,467
20448	18458; 19431	Scharbauer Flats	Midland	2/20/2020	Approved	300	300	$ 40,000,000	$ 2,895,615	$ 2,895,615
						1,627	**1,626**	**$ 127,000,000**	**$ 9,985,826**	**$ 9,985,646**
20421	19442	Richcrest Apartments	Houston	3/19/2020	Active	288	286	$ 30,000,000	$ 1,974,457	$ -
20401		Palladium Port Aransas	Port Aransas	3/19/2020	Active	183	165	$ 19,000,000	$ 1,241,287	$ -
20414		The Arbor at Wayforest	Houston	3/19/2020	Active	192	192	$ 20,000,000	$ 1,262,807	$ -
20404		Tampico Apartments	San Antonio	3/19/2020	Active	200	136	$ 23,000,000	$ 740,772	$ -
20402		333 Holly	The Woodlands	3/19/2020	Active	332	332	$ 50,000,000	$ 2,513,320	$ -
20410		Traders Flats	San Antonio	3/19/2020	Active	324	324	$ 38,000,000	$ 1,846,377	$ -
20409		McKInney Flats	McKinney	3/19/2020	Active	205	205	$ 32,000,000	$ 1,393,849	$ -
20403		The Pines	The Woodlands	3/19/2020	Active	152	152	$ 30,000,000	$ 1,465,042	$ -
20418		Park at 38 Thirty	San Antonio	3/19/2020	Active	196	196	$ 25,000,000	$ 1,027,837	$ -
20600		Oaks on Clark	San Antonio	3/19/2020	Active	80	80	$ 12,000,000	$ 592,136	$ -
20601	19611	Granada Terrace Apartments	Houston	3/19/2020	Active	156	156	$ 12,000,000	$ 908,195	$ -
20605	19608	Reserve at San Marcos	San Marcos	3/19/2020	Active	376	320	$ 41,000,000	$ 1,844,071	$ -
20446	19432	St. Johns Square	San Antonio	3/19/2020	Active	252	54	$ 50,000,000	$ 473,449	$ -
20449	19469	EMLI at Pecan Creek	Aubrey	3/19/2020	Active	254	254	$ 20,000,000	$ 1,484,333	$ -
20400		Palladium West Francis	Midland	4/23/2020	Active	240	188	$ 25,000,000	$ 1,499,588	$ -
20412		1604 Lofts Apartments	San Antonio	4/23/2020	Active	324	324	$ 38,000,000	$ 1,899,524	$ -
20408		Vi Collina	Austin	4/23/2020	Active	170	170	$ 24,000,000	$ 1,340,220	$ -
20406		Gala at Central Park Apartments	Hurst	4/23/2020	Active	94	94	$ 15,000,000	$ 486,783	$ -
20415		Avenue on 34th Apartments	Houston	4/23/2020	Active	70	56	$ 8,000,000	$ 324,609	$ -
20416		The Estates at Owen Tech	Austin	4/23/2020	Active	174	174	$ 20,000,000	$ 1,239,589	$ -
20411		Kitty Hawk Flats Apartments	San Antonio	4/23/2020	Active	239	239	$ 28,000,000	$ 1,482,838	$ -
20413		Residences at Merritt Hill	Rowlett	4/23/2020	Active	260	260	$ 33,000,000	$ 1,888,671	$ -
20603	19612	Scott Street Lofts	Houston	4/23/2020	Active	123	98	$ 18,000,000	$ 678,924	$ -
20420		Pan American	San Antonio	4/23/2020	Active	100	100	$ 15,000,000	$ 679,160	$ -
20447	19472	Franklin Park	Austin	4/23/2020	Active	163	163	$ 15,000,000	$ 749,966	$ -
20606	19610	Fish Pond at Corpus Christi	Corpus Christi	4/23/2020	Active	112	111	$ 10,000,000	$ 675,744	$ -
20405		Gala at Fate	Fate	5/21/2020	Active	185	185	$ 25,000,000	$ 1,173,150	$ -
20444		Plano Kathryn Senior Living	Plano	5/21/2020	Active	252	252	$ 30,000,000	$ 1,835,157	$ -
						5,696	**5,266**	**$ 706,000,000**	**$ 34,721,855**	**$ -**
20604	19468	The Walzem	San Antonio	2/20/2020	Pre-Application	200	200	$ 20,000,000	$ 1,326,147	$ -
20602	03438	The Vermillion	Houston	2/20/2020	Pre-Application	260	260	$ 29,000,000	$ 1,372,549	$ -
						460	**460**	**$ 49,000,000**	**$ 2,698,696**	**$ -**
20417		St. Joe Apartments	Houston	3/19/2020	Withdrawn	307	307	$ 51,757,648	$ 4,596,000	$ -
						307	**307**	**$ 51,757,648**	**$ 4,596,000**	**$ -**
					TOTAL*	**7,783**	**7,352**	**$ 882,000,000**	**$ 47,406,377**	**$ 9,985,646**

*Totals include Approved, Active and Pre-Application Status

20407 New Hope Housing Avenue J - Application Summary

REAL ESTATE ANALYSIS DIVISION
February 13, 2020

PROPERTY IDENTIFICATION	
Application #	**20407**
Development	**New Hope Housing Avenue J**
City / County	**Houston / Harris**
Region/Area	**6 / Urban**
Population	**Supportive Housing**
Set-Aside	**General**
Activity	**New Construction**

RECOMMENDATION

TDHCA Program	Request	Recommended		
LIHTC (4% Credit)	$1,290,647	**$1,290,647**	**$12,906/Unit**	**$0.96**

KEY PRINCIPAL / SPONSOR

New Hope Housing
Joy Harak-Brown
Emily Abeln

Related Parties	Contractor - Yes	Seller - No

TYPICAL BUILDING ELEVATION/PHOTO

SITE PLAN

UNIT DISTRIBUTION

# Beds	# Units	% Total
Eff	-	0%
1	50	50%
2	50	50%
3	-	0%
4	-	0%
TOTAL	100	100%

INCOME DISTRIBUTION

Income	# Units	% Total
30%	6	6%
50%	30	0%
60%	40	30%
80%	24	40%
MR	-	
TOTAL	100	100%

PRO FORMA FEASIBILITY INDICATORS

Pro Forma Underwritten	TDHCA's Pro Forma		
Debt Coverage	NA	**Expense Ratio**	61.8%
Breakeven Occ.	57.1%	**Breakeven Rent**	$778
Average Rent	$1,260	**B/E Rent Margin**	$482
Property Taxes	$1,433/unit	**Exemption/PILOT**	0%
Total Expense	$8,640/unit	**Controllable**	$4,663/unit

MARKET FEASIBILITY INDICATORS

Gross Capture Rate (30% Maximum)	3.0%		
Highest Unit Capture Rate	4%	1 BR/60%	41
Dominant Unit Cap. Rate	2%	2 BR/60%	42
Premiums (↑60% Rents)	#DIV/0!		#DIV/0!
Rent Assisted Units	N/A		

DEVELOPMENT COST SUMMARY

Costs Underwritten	Applicant's Costs		
Avg. Unit Size	808 SF	**Density**	79.1/acre
Acquisition		$19K/unit	$1,855K
Building Cost	$172.33/SF	$139K/unit	$13,923K
Hard Cost		$172K/unit	$17,186K
Total Cost		$341K/unit	$34,092K
Developer Fee	$4,085K	(21% Deferred)	Paid Year: 2
Contractor Fee	$2,770K	**30% Boost**	Yes

DEBT (Must Pay)				
Source	Term	Rate	Amount	DCR
TOTAL DEBT (Must Pay)			$0	

CASH FLOW DEBT / GRANT FUNDS				
Source	Term	Rate	Amount	DCR
Houston CDBG/DR-Eligible Costs	40/40	0.00%	$2,773,241	
Houston CDBG/DR-Ineligible Costs	40/40	0.00%	$9,711,759	
CASH FLOW DEBT / GRANTS			$12,485,000	

EQUITY / DEFERRED FEES	
Source	Amount
National Equity Fund	$12,388,976
HACDC-Deferred Fee	$840,456
0	$0
TOTAL EQUITY SOURCES	$21,607,032
TOTAL DEBT SOURCES	$12,485,000
TOTAL CAPITALIZATION	$34,092,032

CONDITIONS

1 Receipt and acceptance before Determination Notice:

a: Formal approval from the City of Houston to provide a loan to HACDC (Houston Area Community Development Corporation) in the amount of $12,485,000, identifying the source of the funds, and a detailed term sheet specifying all terms and conditions.

b: Term sheet for the $12,485,000 Loan from the HACDC to the LIHTC Partnership, specifying all terms and conditions.

2 Receipt and acceptance by Cost Certification:

- CPA prepared schedule allocating federally-sourced funds to costs that are tax credit basis eligible and non-tax credit basis eligible. If any federally-sourced funds are used for tax credit basis eligible costs, indicate how those funds are being treated with respect to eligible basis. If any funds are being treated as bona fide debt and not deducted from eligible basis, provide an attorney opinion confirming that the debt is determined to be bona fide debt with a reasonable expectation that it will be repaid in full.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

BOND RESERVATION / ISSUER

Issuer	Houston Housing Finance Corporation (HHFC)
Expiration Date	**6/30/2020**
Bond Amount	**$23,000,000**
BRB Priority	**3**
Bond Structure	**Private Placement-BBVA**
% Financed with Tax-Exempt Bonds	**61.5%**

RISK PROFILE

STRENGTHS/MITIGATING FACTORS
▫ Central location and public transportation
▫ Sponsor experience in supportive housing
▫ Financial capacity to provide subsidy
WEAKNESSES/RISKS
▫ Relies upon fundraising and subsidies from New Hope

AREA MAP

AERIAL PHOTOGRAPH(s)

1n

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding the re-issuance of the Determination Notice for Scharbauer Flats (#20448)

RECOMMENDED ACTION

WHEREAS, Scharbauer Flats, a 4% Housing Tax Credit application, sponsored by the Texas Housing Foundation (THF) Housing Development Corporation, and Midland Leased Housing Associates LP II, LLC, was initially submitted to the Department on June 21, 2019, and subsequently approved by the Board at the Board meeting of September 5, 2019;

WHEREAS, since Board approval staff has become aware of an increase in total development costs by approximately $7,300,000, as further discussed herein, that materially affect the original underwriting;

WHEREAS, updates to the applicable financing exhibits in the application have been submitted to the Department and re-evaluated by staff and has resulted in a change to the original credit amount recommendation; and

WHEREAS, because it constitutes a new award, the Executive Award and Review Advisory Committee (EARAC) considered the program requirements, underwriting requirements and compliance history associated with the application and recommends approval subject to compliance conditions as noted below for the Category 2 portfolio;

NOW, therefore, it is hereby

RESOLVED, that the re-issuance of a Determination Notice in the amount of $2,895,615 and subject to underwriting conditions as found in the Real Estate Analysis report posted to the Department's website, and subject to the following compliance conditions, is hereby approved in the form presented at this meeting.

1. THF Housing Development Corporation is required to have qualified personnel, or a qualified third party, perform a onetime review of 10% of files and complete the recommended actions of the reviewer on or before **September 1, 2020, or by the time the 60-day post-closing documents are submitted to the Department**, whichever is earlier, for the list of Developments identified in (a) through (e). Evidence of reviews and corrections must be submitted to the Department upon request.

a. CMTS ID 2729 (537072) Turtle Creek Townhomes
b. CMTS ID 3213 (02012) Highland Oaks Apartments
c. CMTS ID 5053 (14415) THF Palladium Midland
d. CMTS ID 5285 (17605/17605B) The Magnolia
e. CMTS ID 5286 (17606/17606B) Linwood Square

2. THF Housing Development Corporation is required to ensure that the **Director of Compliance at THF Housing Management Corporation** attend the training listed in (A) and provide TDHCA with a certification of attendance or completion on or before **September 1, 2020, or by the time the 60-day post-closing documents are submitted to the Department**, whichever is earlier.

(A) Housing Tax Credit Training sponsored by the Texas Apartment Association (available trainings can be found at: Texas Rental Industry Events | Texas Apartment Association)

BACKGROUND

Scharbauer Flats is proposed to be located at 2300 N. Fairgrounds Road, in Midland, Midland County, and involves the new construction of 300 units serving the general population. The development site conforms to current zoning. A new Certificate of Reservation (Reservation) from the Bond Review Board under the 2020 program year was issued under the Priority 3 designation, which does not have a prescribed restriction on the percentage of Area Median Family Income (AMFI) that must be served; however, all of the units will be rent and income restricted at 60% of AMFI. The Reservation has a closing deadline of July 20, 2020.

Scharbauer Flats is a 4% HTC application that originally received a Reservation in August 2018. An application for 4% HTCs was never submitted to the Department under that Reservation and it was represented to be a transaction that involved bond proceeds and an equity contribution from the owner. It was during this timeframe that the construction contract was bid. The transaction never closed under this financing structure and Reservation and an application for 4% HTCs was submitted to the Department in June 2019 with a Reservation that had a closing deadline of January 17, 2020. It was represented to staff that the numbers from the construction contract bid in 2018 served as the basis for the June 2019 application submission and for which staff underwrote. Around the time of the Board approval the construction bid was updated and in November 2019 staff became aware of an increase in costs to what it originally underwrote of approximately $7,300,000. Some of those increased costs were related to site work ($1.9M), site amenities ($687k), and building costs ($3M) and are explained in greater detail in the underwriting addendum included in this agenda item.

Staff has reconciled the increased costs and has concluded that an increase to the 4% HTC amount of approximately $228,319 from what the Board originally approved is supported based on the information provided by the applicant. The difference is 8.56% which is under the 10% threshold in the rule that would otherwise require Board approval; however, the applicant is requesting that a new Determination Notice be issued that reflects the higher credit amount. Staff recommends that a new

Determination Notice in the amount of $2,895,615 be issued and that such Determination Notice supersede the prior Determination Notice issued by the Department.

Real Estate Analysis Division
February 13, 2020

Addendum to Underwriting Report

TDHCA Application #: **19431** Program(s): **4% HTC**

Scharbauer Flats

Address/Location: 2300 N Fairgrounds Road

City: Midland County: Midland Zip: 79705

	APPLICATION HISTORY
Report Date	**PURPOSE**
02/13/20	**Analysis of Cost Increase**
09/11/19	Condition Clearance
08/28/19	Original Underwriting Report

ALLOCATION

	Previous Allocation				RECOMMENDATION				
TDHCA Program	**Amount**	**Rate**	**Amort**	**Term**	**Amount**	**Rate**	**Amort**	**Term**	**Lien**
LIHTC (4% Credit)	$2,667,296				**$2,895,615**				

CONDITIONS STATUS

1 Receipt and acceptance before Determination Notice:

- Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that all drives, parking and amenities will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance coverage for the buildings and for the residents' personal property until such time that the site is officially designated to be no longer in the floodplain.

Status: Certification was provided by the Applicant as well as by their civil engineer (letter dated 9/09/19).
Condition cleared.

2 Documentation at Cost Certification clearing environmental issues identified in the ESA report,

- Certification that any water wells encountered on the site during development were plugged in accordance with the Texas Water Well Driller's Rule 30 TAC 338.48, and that a Plugging Report (TCEQ-0055) was filed with the State of Texas Water Well Driller's Board.

Status: Pending.

3 Receipt and acceptance by Cost Certification:

a: Certification from Appraisal District that the property qualifies for property tax exemption.

Status: Pending.

b: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives, parking and amenities are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering both the buildings and the residents' personal property; and certification from the owner that flood insurance for the buildings and for the residents' personal property will remain in force as long as the site remains a designated floodplain.

Status: Pending.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

ANALYSIS

Sponsor received a Certificate of Reservation for this project on 8/20/19 in the amount of $40M (2018 Carryforward). Board approval was granted on 9/05/19 for an annual credit allocation of $2,667,296, and a Determination Notice was issued on 9/12/19. Subsequently, Sponsor's construction bid came in substantially higher than originally underwritten. As a result, they are now requesting a higher credit allocation.

RENT SCHEDULE

The unit mix presented in the underwriting report posted on August 28, 2019 contained a slight error in unit mix. The previous report presented eight (8) two-bedroom units with 1,084 sf and sixteen (16) two-bedroom units with 1,107 sf; and 321,124 net rentable square feet.

The current rent schedule has been corrected to reflect nine (9) two-bedroom units with 1,084 sf and fifteen (15) two-bedroom units with 1,107 sf. Net rentable square feet has been corrected to 312,101.

OPERATING PRO FORMA

Operating Pro Forma					
SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)					
NOI:	$2,507,779	Avg. Rent:	$1,114	Expense Ratio:	33.6%
Debt Service:	$2,112,676	B/E Rent:	$995	Controllable Expenses:	$3,106
Net Cash Flow:	$395,103	UW Occupancy:	92.5%	Property Taxes/Unit:	$0
Aggregate DCR:	1.19	B/E Occupancy:	82.8%	Program Rent Year:	2019

All units are restricted at 60% of AMI. Pro Forma rent assumptions and utility allowances remained unchanged with Sponsor expecting to full program rents.

Sponsor revised Pro Forma Controllable Expenses and Bond Trustee Fees as follows:

	Original Pro Forma		Revised		Variance
	Per Unit	Amount	Per Unit	Amount	
General & Administrative	$338	$101,500	$300	$90,000	($11,500)
Payroll & Payroll Tax	$1,300	$390,000	$1,430	$429,000	$39,000
Repairs & Maintenance	$780	$234,000	$650	$195,000	($39,000)
Electric/Gas	$206	$61,800	$113	$33,750	($28,050)
Water, Sewer, & Trash	$752	$225,600	$613	$183,900	($41,700)
Bond Trustee Fees	$17	$5,000	$5	$1,500	($3,500)
				Total:	($84,750)

Expenses were generally revised based on other Midland projects. In any event, revised total operating expenses only vary 2.5% from TDHCA's original underwriting, while revised NOI only varies by 1.3%.

All else equal, If TDHCA's projected NOI was assumed, DCR would be at 1.17, still indicating feasibility.

Sponsor's revised Pro Forma exhibits feasibility for over 35 years with the most recently indicated permanent loan rate of 3.98% fixed. However, rate can only increase by 23 basis points (to 4.21%) before DCR falls below the minimum 1.15 threshold.

As revised, 15 year residual cash flow is projected at $2.2M after repayment of deferred developer fee.

DEVELOPMENT COST

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)					
Acquisition	$206,186/ac	$12,983/unit	**$3,895,000**	Contractor Fee	**$6,374,972**
Off-site + Site Work		$30,803/unit	**$9,240,986**	Soft Cost + Financing	**$8,303,979**
Building Cost	$106.28/sf	$113,754/unit	**$34,126,176**	Developer Fee	**$8,723,256**
Contingency	5.00%	$7,228/unit	**$2,168,358**	Reserves	**$953,389**
Total Development Cost	$245,954/unit	**$73,786,117**		**Rehabilitation Cost**	**N/A**

Since original underwriting, site work has increased by $1.9M, site amenities by $687K and building costs by $3M, resulting in a $7.3M increase in total development costs. Sponsor's general contractor, MW Builders, has stated that the original budget for Scharbauer Flats was based on project requirements, assumptions and pricing received for the Ventura at Tradewinds project bid in late 2018. (Ventura at Tradewinds (TDHCA #18437) is a 204 unit project that Sponsor also has under construction in Midland.)

MW Builders went on to state that development of the actual project requirements for Scharbauer Flats is the primary reason for the cost increases reflected in the current proposed pricing. Additional factors reported are pricing increases due to inflation, material and labor increases. Finally, with the amount of current multifamily development going on in the larger Texas metro areas, it was reported that traveling to West Texas is less attractive to the subcontractor base.

A line item cost comparison is as follows:

	Original	Revised	Variance	%
Acquisition				
• Site acquisition cost	$3,600,000	$3,600,000	$0	0%
• Closing costs & acq. legal fees	$5,000	$5,000	$0	0%
• Title Insurance	$250,000	$290,000	$40,000	16%
Subtotal:	$3,855,000	$3,895,000	$40,000	1%
Off-Sites				
• Off-site concrete	$313,780	$313,780	$0	0%
• Storm drains & devices	$130,108	$130,108	$0	0%
• Off-site utilities	$553,290	$553,290	$0	0%
• Off-site paving	$169,984	$169,984	$0	0%
Subtotal:	$1,167,162	$1,167,162	$0	0%
Site Work				
• Detention	$343,850	$0	($343,850)	-100%
• Rough grading	$1,000,000	$2,415,999	$1,415,999	142%
• Fine grading	$0	$20,791	$20,791	-
• On-site concrete	$736,710	$2,139,885	$1,403,175	190%
• On-site paving	$753,500	$0	($753,500)	-100%
• On-site utilities	$1,873,905	$1,961,331	$87,426	5%
• Decorative masonry	$0	$75,000	$75,000	-
• Bumper stops, striping & signs	$0	$23,560	$23,560	-
Subtotal:	$4,707,965	$6,636,566	$1,928,601	41%
Site Amenities				
• Landscaping	$425,000	$883,248	$458,248	108%
• Pool and decking	$250,000	$250,000	$0	0%
• Athletic court(s), playground(s)	$75,000	$75,000	$0	0%
• Fencing	$0	$192,060	$192,060	-
• Grills, Benches, Picnic Tables, Pergola	$0	$36,950	$36,950	-
Subtotal:	$750,000	$1,437,258	$687,258	92%

Building Costs				
• Concrete	$1,857,222	$2,352,100	$494,878	27%
• Masonry	$911,054	$1,293,398	$382,344	42%
• Metals	$387,730	$512,580	$124,850	32%
• Woods and Plastics	$8,216,646	$9,777,913	$1,561,267	19%
• Thermal and Moisture Protection	$1,361,182	$1,454,744	$93,562	7%
• Doors and Windows	$2,178,116	$1,661,243	($516,873)	-24%
• Finishes	$5,785,846	$5,465,844	($320,002)	-6%
• Specialties	$374,810	$161,950	($212,860)	-57%
• Equipment	$825,000	$759,546	($65,454)	-8%
• Furnishings	$1,123,605	$1,220,322	$96,717	9%
• Mechanical (HVAC; Plumbing)	$4,350,300	$6,390,383	$2,040,083	47%
• Electrical	$3,262,953	$2,643,153	($619,800)	-19%
• Carports and/or Garages	$250,000	$203,000	($47,000)	-19%
• General Liability Insurance	$211,440	$230,000	$18,560	9%
Subtotal:	$31,095,904	$34,126,176	$3,030,272	10%
Contingency				
• Contingency	$1,886,052	$2,168,358	$282,307	15%
Subtotal:	$1,886,052	$2,168,358	$282,307	15%
Contractor Fees				
• General requirements (<6%)	$2,376,425	$2,732,131	$355,706	15%
• Contractor overhead (<2%)	$792,142	$910,710	$118,568	15%
• Contractor profit (<6%)	$2,376,425	$2,732,131	$355,706	15%
Subtotal:	$5,544,992	$6,374,972	$829,980	15%
Soft Costs				
• Architectural - Design fees	$1,200,000	$1,300,000	$100,000	8%
• Architectural - Supervision fees	$200,000	$170,000	($30,000)	-15%
• Engineering fees	$100,000	$100,000	$0	0%
• Real estate attorney/other legal fees	$250,000	$290,000	$40,000	16%
• Accounting fees	$25,000	$13,000	($12,000)	-48%
• Impact Fees	$84,000	$0	($84,000)	-100%
• Building permits & related costs	$105,000	$105,000	$0	0%
• Appraisal	$15,000	$10,000	($5,000)	-33%
• Market analysis	$9,500	$8,000	($1,500)	-16%
• Environmental assessment	$15,000	$15,000	$0	0%
• Soils report	$24,000	$25,000	$1,000	4%
• Survey	$20,000	$40,000	$20,000	100%
• Marketing	$150,000	$90,000	($60,000)	-40%
• Hazard & liability insurance	$229,000	$192,432	($36,568)	-16%
• Management Start-up Expenses	$0	$525,000	$525,000	-
• Owner Paid Construction Costs	$0	$250,000	$250,000	-
Subtotal:	$2,426,500	$3,133,432	$706,932	29%
Financing				
Construction Loan(s)				
• Interest	$3,536,000	$2,675,277	($860,723)	-24%
• Loan origination fees	$300,000	$299,025	($975)	0%
• Closing costs & legal fees	$55,000	$100,000	$45,000	82%
• Inspection fees	$96,000	$30,000	($66,000)	-69%

Permanent Loan(s)				
• Loan origination fees	$284,025	$259,155	($24,870)	-9%
• Closing costs & legal	$55,000	$55,000	$0	0%
• Operating Reserve Bond-Upfront Costs	$0	$63,676	$63,676	-
Bridge Loan(s)				
• Interest	$1,400,000	$180,000	($1,220,000)	-87%
• Loan origination fees	$132,760	$146,665	$13,905	10%
Other Financing Costs				
• Tax credit fees	$194,000	$116,075	($77,925)	-40%
• Tax and/or bond counsel	$125,000	$215,000	$90,000	72%
• Payment bonds	$0	$137,500	$137,500	-
• Performance bonds	$0	$137,500	$137,500	-
• Cost of underwriting & issuance	$90,000	$90,000	$0	0%
• Syndication organizational cost	$0	$140,000	$140,000	-
• Furniture, Fixtures, and Equipment	$0	$390,000	$390,000	-
• Bond Issuer Fees	$0	$135,674	$135,674	-
Subtotal:	$6,267,785	$5,170,547	($1,097,238)	-18%
Developer Fees				
• Profit or fee	$7,949,975	$8,723,257	$773,282	10%
Subtotal:	$7,949,975	$8,723,257	$773,282	10%
Reserves				
• Rent-up - new funds	$0	$104,380	$104,380	-
• Operating - new funds	$861,052	$849,009	($12,043)	-1%
Subtotal:	$861,052	$953,389	$92,337	11%
Total Development Costs	**$66,512,387**	**$73,786,117**	**$7,273,730**	**11%**

Comments:

As a result of the budget increases, the developer has also increased the total developer fee by $773K which represents 10.6% of the total cost increase. This increase is not caused by market conditions or construction scope of work changes but rather based on a calculation using the higher eligible costs. The developer's scope of work has not changed. Limiting the fee to the original amount would not impact the revised tax credit allocation.

Credit Allocation Supported by Revised Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
$73,786,117	**$86,623,130**	**$2,945,186**

CAPITALIZATION

BOND RESERVATION				
Issuer		**Amount**	**Reservation Date**	**Priority**
Texas State Affordable Housing Corporation		$40,000,000	8/20/2019	Priority 3
Closing Deadline	**Expected Closing**	**Bond Structure**		
TBD	TBD	Freddie Mac (TEL)		

Percent of Cost Financed by Tax-Exempt Bonds	**63.7%**

Comments:

Revised costs do not require any increase in the Bond Reservation amount. The tax exempt bonds are projected to finance approximately 64% of the aggregate basis of the development, which exceeds the minimum 50% requirement to qualify for 4% tax credits under IRC§142.

INTERIM SOURCES				
Funding Source	**Description**	**Amount**	**Rate**	**LTC**
Chase Bank Construction Loan	Conventional Loan	$39,870,000	3.66%	54%
Chase Bank Equity Bridge Loan	Conventional Loan	$19,555,367	4.75%	27%
Class B LP Loan	Private Loan	$3,140,485	0.00%	4%
Operating Reserve Bond	Letter of Credit	$849,009	1.50%	1%
Dominium/THF Housing	Deferred Developer Fees	$8,723,257		12%
THF Housing	Deferred Contractor Fees	$1,648,000		2%
		$73,786,117	**Total Sources**	

Comments:

The Schedule of Sources indicates no LIHTC Equity funding during the interim construction period.

Total Development Cost has increased $7.2M. During the interim construction period the increase will be funded in part by a $1.9M increase in the equity bridge loan and a $773K increase in the deferred Developer Fee.

Midland Leased Housing Associates LP II, LLC agrees to advance a non-interest bearing loan ("Class B LP Loan") to the Partnership to balance the sources and uses throughout the construction period. This loan will be fully funded at closing. The loan will be paid off after repayment of the Construction Loan and Equity Bridge loan, and prior to payment of Developer Fee or Contractor Fee deferred during the construction period. In the event that there are insufficient proceeds at time of the final equity installment to fully repay the Class B LP Loan, the outstanding balance shall be repaid through available cash flow.

The General Partner THF Housing Development Corp will also serve as the General Contractor. Of the total $6.4M Contractor Fee, about $4.2M will go to the Prime Subcontractor MWBuilders, with THFHDC retaining about $2.2M. THFHDC has agreed to defer $1.65M of Contractor Fee during the construction period.

The Operating Reserve will be financed by a letter of credit in lieu of a cash reserve account. The Operating Reserve Bond carries a 1.50% annual fee. The fee for the first five years is due in advance and is included in the cost schedule. The fee is reflected as debt service on the long-term pro forma beginning in year 6.

PERMANENT SOURCES									
	PROPOSED				**UNDERWRITTEN**				
Debt Source	**Amount**	**Interest Rate**	**Amort**	**Term**	**Amount**	**Interest Rate**	**Amort**	**Term**	**LTC**
Freddie Mac Permanent Mortgage	$39,870,000	3.98%	35	15	$39,870,000	3.98%	35	15	54%
Operating Reserve Bond	$849,009	1.50%	0	0	$849,009	1.50%	0	0	1%
Bond Reinvestment Proceeds	$387,520	0.00%	0	0	$387,520	0.00%	0	0	1%
Total	**$41,106,529**				**$41,106,529**				

	PROPOSED			**UNDERWRITTEN**			
Equity & Deferred Fees	**Amount**	**Rate**	**% Def**	**Amount**	**Rate**	**% TC**	**% Def**
Aegon USA Realty Advisors, LLC	$24,665,937	$0.85		$24,665,937	$0.85	33%	
Dominium/THF Housing	$8,013,652		92%	$8,013,651		11%	92%
Total	**$32,679,588**			**$32,679,588**			
				$73,786,117	**Total Sources**		

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	$73,786,117
Permanent Sources (debt + non-HTC equity)	$41,106,529
Gap in Permanent Financing	$32,679,588

Possible Tax Credit Allocations:	**Equity Proceeds**	**Annual Credits**
Determined by Eligible Basis	$25,088,205	$2,945,186
Needed to Balance Sources & Uses	$32,679,588	$3,836,364
Requested by Applicant	$24,665,937	$2,895,615

	RECOMMENDATION	
	Equity Proceeds	**Annual Credits**
Tax Credit Allocation	**$24,665,937**	**$2,895,615**

Deferred Developer Fee	**$8,013,651**	**(92% deferred)**
Repayable in	**13 years**	

Comments:

Sponsor's requested tax credit allocation of $2,895,615 is recommended.

Requested allocation is 8.56% more than the previous allocation, which is under the 10% threshold requiring Board approval. However, Sponsor is requesting a new Determination Notice that reflects the current request.

Underwriter: *Gregg Kazak*

Manager of Real Estate Analysis: *Thomas Cavanagh*

Director of Real Estate Analysis: *Brent Stewart*

UNIT MIX/RENT SCHEDULE

Scharbauer Flats, Midland, 4% HTC #19431

LOCATION DATA	
CITY:	Midland
COUNTY:	Midland
Area Median Income	$79,400
PROGRAM REGION:	12

UNIT DISTRIBUTION							
# Beds	# Units	% Total	Assisted	MDL	Income	# Units	% Total
Eff	-	0.0%	0	0	20%	-	0.0%
1	84	28.0%	0	0	30%	-	0.0%
2	108	36.0%	0	0	40%	-	0.0%
3	108	36.0%	0	0	50%	-	0.0%
4	-	0.0%	0	0	60%	300	100.0%
5	-	0.0%	0	0	70%	-	0.0%
					80%	-	0.0%
					MR	-	0.0%
TOTAL	**300**	**100.0%**	**-**	**-**	**TOTAL**	**300**	**100.0%**

Pro Forma ASSUMPTIONS	
Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100%
APP % Acquisition	3.40%
APP % Construction	3.40%
Average Unit Size	1,070 sf

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mkt Analyst
TC 60%	$967	24	1	1	733	$967	$43	$924	$0	$1.26	$924	**$22,176**	**$22,176**	$924	$1.26	$0	$1,470	$2.01	$1,470
TC 60%	$967	4	1	1	733	$967	$43	$924	$0	$1.26	$924	**$3,696**	**$3,696**	$924	$1.26	$0	$1,470	$2.01	$1,470
TC 60%	$967	56	1	1	765	$967	$43	$924	$0	$1.21	$924	**$51,744**	**$51,744**	$924	$1.21	$0	$1,470	$1.92	$1,470
TC 60%	$1,161	4	2	2	1,084	$1,161	$57	$1,104	$0	$1.02	$1,104	**$4,416**	**$4,416**	$1,104	$1.02	$0	$1,988	$1.83	$1,988
TC 60%	$1,161	5	2	2	1,084	$1,161	$57	$1,104	$0	$1.02	$1,104	**$5,520**	**$5,520**	$1,104	$1.02	$0	$1,988	$1.83	$1,988
TC 60%	$1,161	15	2	2	1,107	$1,161	$57	$1,104	$0	$1.00	$1,104	**$16,560**	**$16,560**	$1,104	$1.00	$0	$2,014	$1.82	$2,014
TC 60%	$1,161	28	2	2	1,059	$1,161	$57	$1,104	$0	$1.04	$1,104	**$30,912**	**$30,912**	$1,104	$1.04	$0	$1,984	$1.87	$1,984
TC 60%	$1,161	56	2	2	1,106	$1,161	$57	$1,104	$0	$1.00	$1,104	**$61,824**	**$61,824**	$1,104	$1.00	$0	$2,014	$1.82	$2,014
TC 60%	$1,341	30	3	2	1,273	$1,341	$70	$1,271	$0	$1.00	$1,271	**$38,130**	**$38,130**	$1,271	$1.00	$0	$2,290	$1.80	$2,290
TC 60%	$1,341	6	3	2	1,273	$1,341	$70	$1,271	$0	$1.00	$1,271	**$7,626**	**$7,626**	$1,271	$1.00	$0	$2,290	$1.80	$2,290
TC 60%	$1,341	72	3	2	1,305	$1,341	$70	$1,271	$0	$0.97	$1,271	**$91,512**	**$91,512**	$1,271	$0.97	$0	$2,336	$1.79	$2,336
TOTALS/AVERAGES:		**300**			**321,101**				**$0**	**$1.04**	**$1,114**	**$334,116**	**$334,116**	**$1,114**	**$1.04**	**$0**	**$1,969**	**$1.84**	**$1,969**

ANNUAL POTENTIAL GROSS RENT:	**$4,009,392**	**$4,009,392**	

STABILIZED PRO FORMA

Scharbauer Flats, Midland, 4% HTC #19431

STABILIZED FIRST YEAR PRO FORMA

	COMPARABLES				APPLICANT					PRIOR REPORT		TDHCA				VARIANCE	
	Database		HTC Comps		% EGI	Per SF	Per Unit	Amount	Per Unit	Applicant	TDHCA	Amount	Per Unit	Per SF	% EGI	%	$
POTENTIAL GROSS RENT						$1.04	$1,114	$4,009,392	$1,113.72	**$4,009,392**	**$4,009,392**	$4,009,392	$1,114	$1.04		0.0%	$0
Parking Income							$8.33	$30,000	$8.33	30,000							
Application, late, forfeited deposit fees							$11.67	$42,000	$11.67	42,000							
Total Secondary Income							$20.00		$20.00		72,000	$72,000	$20.00			0.0%	$0
POTENTIAL GROSS INCOME								$4,081,392		$4,081,392	$4,081,392	$4,081,392				0.0%	$0
Vacancy & Collection Loss							7.5% PGI	(306,104)	7.5% PGI	(306,104)	(306,104)	(306,104)	7.5% PGI			0.0%	-
Rental Concessions								-				-				0.0%	-
EFFECTIVE GROSS INCOME								$3,775,288		$3,775,288	$3,775,288	$3,775,288				0.0%	$0
General & Administrative	$81,601	$272/Unit	$112,745	$376	2.38%	$0.28	$300	$90,000	$338	$101,500	$112,745	$112,745	$376	$0.35	2.99%	-20.2%	(22,745)
Management	$119,997	4.7% EGI	$114,010	$380	3.00%	$0.35	$378	$113,259	$378	$113,259	$188,764	$188,764	$629	$0.59	5.00%	-40.0%	(75,506)
Payroll & Payroll Tax	$313,221	$1,044/Unit	$365,251	$1,218	11.36%	$1.34	$1,430	$429,000	$1,300	$390,000	$365,251	$365,251	$1,218	$1.14	9.67%	17.5%	63,749
Repairs & Maintenance	$149,430	$498/Unit	$214,980	$717	5.17%	$0.61	$650	$195,000	$780	$234,000	$180,000	$180,000	$600	$0.56	4.77%	8.3%	15,000
Electric/Gas	$88,502	$295/Unit	$54,202	$181	0.89%	$0.11	$113	$33,750	$206	$61,800	$54,202	$54,202	$181	$0.17	1.44%	-37.7%	(20,452)
Water, Sewer, & Trash	$175,947	$586/Unit	$189,166	$631	4.87%	$0.57	$613	$183,900	$752	$225,600	$189,166	$189,166	$631	$0.59	5.01%	-2.8%	(5,266)
Property Insurance	$95,591	$0.30 /sf	$73,490	$245	2.86%	$0.34	$360	$108,000	$360	$108,000	$95,591	$95,591	$319	$0.30	2.53%	13.0%	12,409
Property Tax (@ 0%) 1.893178	$192,386	$641/Unit	$153,880	$513	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Reserve for Replacements	$103,493	$345/Unit	$79,064	$264	1.99%	$0.23	$250	$75,000	$250	$75,000	$75,000	$75,000	$250	$0.23	1.99%	0.0%	-
Cable TV			$10,556	$35	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
Supportive Services			$25,075	$84	0.69%	$0.08	$87	$26,100	$87	$26,100	$26,100	$26,100	$87	$0.08	0.69%	0.0%	-
TDHCA Compliance fees ($40/HTC unit)			$10,333	$34	0.32%	$0.04	$40	$12,000	$40	$12,000	$12,000	$12,000	$40	$0.04	0.32%	0.0%	-
Bond Trustee Fees			-	$0	0.04%	$0.00	$5	$1,500	$17	$5,000	$5,000	$1,500	$5	$0.00	0.04%	0.0%	-
Security			$51,115	$170	0.00%	$0.00	$0	$0	$0	$0	$0	$0	$0	$0.00	0.00%	0.0%	-
TOTAL EXPENSES					**33.57%**	**$3.95**	**$4,225**	**$1,267,509**	**$4,508**	$1,352,259	$1,303,820	**$1,300,320**	**$4,334**	**$4.05**	**34.44%**	**-2.5%**	**$ (32,811)**
NET OPERATING INCOME ("NOI")					**66.43%**	**$7.81**	**$8,359**	**$2,507,779**	**$8,077**	$2,423,029	$2,471,468	**$2,474,968**	**$8,250**	**$7.71**	**65.56%**	**1.3%**	**$ 32,811**
CONTROLLABLE EXPENSES							$3,106/Unit		$3,376/Unit	$3,376/Unit	$3,005/Unit		$3,005/Unit				

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Scharbauer Flats, Midland, 4% HTC #19431

DEBT / GRANT SOURCES

		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE									AS UNDERWRITTEN DEBT/GRANT STRUCTURE						
		Cumulative DCR							Prior Underwriting							Cumulative	
DEBT (Must Pay)	**Fee**	**UW**	**App**	**Pmt**	**Rate**	**Amort**	**Term**	**Principal**	**Applicant**	**TDHCA**	**Principal**	**Term**	**Amort**	**Rate**	**Pmt**	**DCR**	**LTC**
Freddie Mac Permanent Mortgage		1.16	1.18	2,125,352	3.98%	35	15	$39,870,000	$37,870,000	$37,870,000	$39,870,000	15	35	3.98%	$2,112,676	1.19	54.0%
CASH FLOW DEBT / GRANTS																	
Operating Reserve Bond		1.16	1.18		0.00%	0	0	$849,009			$849,009	0	0	0.00%		1.19	1.2%
Bond Reinvestment Proceeds		1.16	1.18		0.00%	0	0	$387,520			$387,520	0	0	0.00%		1.19	0.5%
				$2,125,352	**TOTAL DEBT / GRANT SOURCES**			**$41,106,529**	$37,870,000	$37,870,000	**$41,106,529**	**TOTAL DEBT SERVICE**			**$2,112,676**	**1.19**	55.7%

NET CASH FLOW		$349,616	$382,427								**APPLICANT**	**NET OPERATING INCOME**		**$2,507,779**	**$395,103**	**NET CASH FLOW**	

EQUITY SOURCES

	APPLICANT'S PROPOSED EQUITY STRUCTURE							AS UNDERWRITTEN EQUITY STRUCTURE						
						Prior Underwriting								
EQUITY / DEFERRED FEES	**DESCRIPTION**	**% Cost**	**Annual Credit**	**Credit Price**	**Amount**	**Applicant**	**TDHCA**	**Amount**	**Credit Price**	**Annual Credit**	**% Cost**	**Annual Credits per Unit**	**Allocation Method**	
Aegon USA Realty Advisors, LLC	LIHTC Equity	33.4%	$2,895,615	0.85	$24,665,937	$22,672,014	$22,672,012	$24,665,937	$0.85	$2,895,615	33.4%	$9,652	Applicant Request	
Dominium/THF Housing	Deferred Developer Fees	10.9%	(92% Deferred)		$8,013,652	$5,970,373	$5,970,374	$8,013,651	(92% Deferred)		10.9%	**Total Developer Fee:**		**$8,723,256**
Additional (Excess) Funds Req'd		0.0%					$0	$0			0.0%			
TOTAL EQUITY SOURCES		44.3%			$32,679,588	$28,642,387	$28,642,387	$32,679,588			44.3%			

TOTAL CAPITALIZATION					**$73,786,117**	$66,512,387	$66,512,387	**$73,786,117**						**15-Yr Cash Flow after Deferred Fee:**		**$2,030,059**	

DEVELOPMENT COST / ITEMIZED BASIS

	APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS					COST VARIANCE	
	Eligible Basis				Prior Underwriting					Eligible Basis			
	Acquisition	**New Const. Rehab**	**Total Costs**		**Applicant**	**TDHCA**	**Total Costs**			**New Const. Rehab**	**Acquisition**	%	$
Land Acquisition			$12,000 / Unit	$3,600,000	$3,600,000	$3,600,000	$3,600,000	$12,000 / Unit				0.0%	$0
Closing costs & acq. legal fees, Title Insurance				$295,000	$255,000	$255,000	$295,000						$0
Off-Sites		$1,167,162	$3,891 / Unit	$1,167,162	$1,167,162	$1,167,162	$1,167,162	$3,891 / Unit		$1,167,162		0.0%	$0
Site Work		$6,636,566	$22,122 / Unit	$6,636,566	$4,707,965	$4,707,965	$6,636,566	$22,122 / Unit		$6,636,566		0.0%	$0
Site Amenities		$1,437,258	$4,791 / Unit	$1,437,258	$750,000	$750,000	$1,437,258	$4,791 / Unit		$1,437,258		0.0%	$0
Building Cost		$33,923,176	$106.28 /sf	$113,754/Unit $34,126,176	$31,095,904	$30,925,531	$34,126,176	$113,754/Unit	$106.28 /sf	$33,770,433		0.0%	$0
Contingency		$2,158,208	5.00%	5.00% $2,168,358	$1,886,052	$1,886,052	$2,168,358	5.00%	5.02%	$2,158,208		0.0%	$0
Contractor Fees		$6,345,131	14.00%	14.00% $6,374,972	$5,544,992	$5,521,139	$6,374,972	14.00%	14.00%	$6,323,748		0.0%	$0
Soft Costs	0	$2,373,432	$10,445 / Unit	$3,133,432	$2,426,500	$2,426,500	$3,133,432	$10,445 / Unit		$2,373,432	$0	0.0%	$0
Financing	0	$3,900,960	$17,235 / Unit	$5,170,547	$6,267,785	$6,267,785	$5,170,547	$17,235 / Unit		$3,900,960	$0	0.0%	$0
Developer Fee	$0	$8,691,284	15.00%	15.00% $8,723,257	$7,949,975	$7,918,621	$8,720,049	15.00%	14.70%	$8,490,091	$0	0.0%	$3,208
Reserves			3 Months	$953,389	$861,052	$861,052	$953,389	3 Months				0.0%	$0
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)	**$0**	**$66,633,177**	$245,954 / Unit	**$73,786,117**	$66,512,387	$66,286,807	**$73,782,909**	$245,943 / Unit		**$66,257,857**	**$0**	**0.0%**	**$3,208**
Acquisition Cost	$0			$0	$0								
Contingency		$0		$0	$0								
Contractor's Fee		$0		$0	$0								
Financing Cost		$0											
Developer Fee	$0	($0)		($1)	$0								
Reserves				$0	$0								
ADJUSTED BASIS / COST	**$0**	**$66,633,177**	$245,954/unit	**$73,786,117**	$66,512,387	$66,286,807	**$73,782,909**	$245,943/unit		**$66,257,857**	**$0**	**0.0%**	**$3,207**

TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):	**$73,786,117**

CAPITALIZATION / DEVELOPMENT COST BUDGET / ITEMIZED BASIS ITEMS

Scharbauer Flats, Midland, 4% HTC #19431

CREDIT CALCULATION ON QUALIFIED BASIS

	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction Rehabilitation
ADJUSTED BASIS	$0	$66,633,177	$0	$66,257,857
Deduction of Federal Grants	$0	$0	$0	$0
TOTAL ELIGIBLE BASIS	$0	$66,633,177	$0	$66,257,857
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	$0	$86,623,130	$0	$86,135,214
Applicable Fraction	100.00%	100.00%	100.00%	100.00%
TOTAL QUALIFIED BASIS	$0	$86,623,130	$0	$86,135,214
Applicable Percentage	3.40%	3.40%	3.40%	3.40%
ANNUAL CREDIT ON BASIS	$0	$2,945,186	$0	$2,928,597
CREDITS ON QUALIFIED BASIS	$2,945,186		$2,928,597	

	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price $0.8518	Variance to Request	
Method	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	$2,945,186	$25,088,205	----	----	----
Needed to Fill Gap	$3,836,364	$32,679,588	----	----	----
Applicant Request	$2,895,615	$24,665,937	**$2,895,615**	**$0**	**$0**

50% Test for Bond Financing for 4% Tax Credits

Tax-Exempt Bond Amount	**$39,870,000**	
Aggregate Basis Limit for 50% Test	$79,740,000	
	Applicant	**TDHCA**
Land Cost	$3,600,000	$3,600,000
Depreciable Bldg Cost	$58,944,884	$58,944,884
Aggregate Basis for 50% Test	$62,544,884	$62,544,884

Percent Financed by Tax-Exempt Bonds	Applicant	TDHCA
	63.7%	**63.7%**
amount aggregate basis can increase before 50% test fails	$17,195,116	$17,195,116
	27.5%	27.5%

BUILDING COST ESTIMATE

CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost: Garden (Up to 4-story)		321,101 SF	$89.93	$28,878,146
Adjustments				
Exterior Wall Finish	1.43%		1.29	$413,408
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.18%		2.86	918,020
Roof Adjustment(s)			0.93	300,000
Subfloor			(0.23)	(73,853)
Floor Cover			3.89	1,249,083
Breezeways	$38.06	37,353	4.43	1,421,637
Balconies	$38.64	26,003	3.13	1,004,770
Plumbing Fixtures	$1,600	648	3.23	1,036,800
Rough-ins	$595	816	1.51	485,520
Built-In Appliances	$2,875	300	2.69	862,500
Exterior Stairs	$3,550	100	1.11	355,000
Heating/Cooling			2.60	834,863
Storage Space	$38.06	0	0.00	0
Carports	$14.95	10,230	0.48	152,939
Garages	$29.02	10,600	0.96	307,566
Common/Support Area	$119.56	6,624	2.47	791,975
Elevators		0	0.00	0
Other: Maintenance	$89.93	1,627	0.46	146,324
Fire Sprinklers	$2.59	365,078	2.94	945,552
SUBTOTAL			**124.67**	**40,030,247**
Current Cost Multiplier	0.99		(1.25)	(400,302)
Local Multiplier	0.92		(10.38)	(3,334,520)
Reserved				0
TOTAL BUILDING COSTS			**113.03**	**$36,295,425**
Plans, specs, survey, bldg permits	3.30%		(3.73)	($1,197,749)
Contractor's OH & Profit	11.50%		(13.00)	(4,173,974)
NET BUILDING COSTS		$103,079/unit	$96.31/sf	$30,923,702

Long-Term Pro Forma

Scharbauer Flats, Midland, 4% HTC #19431

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30	Year 35
EFFECTIVE GROSS INCOME	2.00%	$3,775,288	$3,850,793	$3,927,809	$4,006,365	$4,086,493	$4,511,818	$4,981,412	$5,499,881	$6,072,313	$6,704,324	$7,402,116
TOTAL EXPENSES	3.00%	$1,267,509	$1,304,401	$1,342,378	$1,381,471	$1,421,713	$1,641,389	$1,895,349	$2,188,981	$2,528,522	$2,921,195	$3,375,365
NET OPERATING INCOME ("NOI")		**$2,507,779**	**$2,546,392**	**$2,585,431**	**$2,624,894**	**$2,664,779**	**$2,870,429**	**$3,086,063**	**$3,310,900**	**$3,543,791**	**$3,783,129**	**$4,026,751**
EXPENSE/INCOME RATIO		33.6%	33.9%	34.2%	34.5%	34.8%	36.4%	38.0%	39.8%	41.6%	43.6%	45.6%
MUST -PAY DEBT SERVICE												
Freddie Mac Permanent Mortgage		$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676
Operating Reserve Bond							$12,735	$12,735	$12,735	$12,735	$12,735	$12,735
TOTAL DEBT SERVICE		$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,112,676	$2,125,411	$2,125,411	$2,125,411	$2,125,411	$2,125,411	$2,125,411
DEBT COVERAGE RATIO		1.19	1.21	1.22	1.24	1.26	1.35	1.45	1.56	1.67	1.78	1.89
ANNUAL CASH FLOW		**$395,103**	**$433,716**	**$472,755**	**$512,219**	**$552,104**	**$745,018**	**$960,652**	**$1,185,489**	**$1,418,380**	**$1,657,718**	**$1,901,340**
Deferred Developer Fee Balance		$7,618,547	$7,184,831	$6,712,076	$6,199,857	$5,647,753	$2,338,071	$0	$0	$0	$0	$0
CUMULATIVE NET CASH FLOW		$0	$0	$0	$0	$0	$0	$2,030,059	$7,504,350	$14,127,533	$21,935,257	$30,953,512

2a

TDHCA Outreach Activities, January-February

A compilation of outreach and educational activities designed to enhance the awareness of TDHCA programs and services among key stakeholder groups and the general public.

Activity	Event	Date	Location	Division
Meeting	Texas Interagency Council for the Homeless (TICH) Quarterly Meeting	Jan. 21	Austin	Housing Resource Center
Legislative hearing	Senate Committee on Intergovernmental Relations	Jan. 28	Brownsville	Executive, External Affairs
Meeting	Housing and Health Services Coordination Council (HHSCC) Quarterly Meeting	Jan. 29	Austin	Housing Resource Center
Training	Income Determination Training	Feb. 6	Austin	Compliance

Internet Postings of Note

A list of new or noteworthy postings to the Department's website.

Amy Young Barrier Removal Program

- Posted updated Program Manual 2020
- Added identifying names for the state regional map

Asset Management

- Updated Division Rules page
- Posted 2019 Annual Owners Financial Certification (AOFC) Instructions
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application (#03134, Cien Palmas; #16422, Pathways at Shadowbend Ridge; #17736/19707, Providence at Ted Trout Drive; #19133, Alazan Lofts)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Application and Land Use Restriction Agreement (#00010, El Patrimonio Apartments; #01031, La Estancia Apartments; #10035, HomeWood at Zion)
- Posted Presentation, discussion, and possible action regarding a Material Amendment to the Housing Tax Credit Land Use Restriction Agreement (#00056, The Woodlands of Beaumont, #03134, Cien Palmas)

Bond Finance

- Posted updated Bond Disclosure information (as of August 31, 2019)
- Posted individual indenture information for Single Family Indenture: 1980 Master, Jr. Lien Single Family Indenture, Residential Mortgage Revenue Bonds Indentures

Colonia Self-Help Center

- Updated link for Census tracts Eligible under the 2018 Texas Bootstrap Loan Program 2/3 Set-Aside

Communications:

- Archived 2019 news releases, began 2020 listing
- Posted homepage article, Explaining the rent increase conundrum
- Posted homepage article, TDHCA board approves $23 million action bolstering rural housing stock
- Added Homebuyer Assistance with New Construction (HANC) program information to TDHCA Programs Overview page
- Added Long-Term Disaster Recovery Toolkit for Individuals with Disabilities under Disaster Resources

Community Affairs

- Posted updated Community Needs Assessment Guide for CSBG
- Updated Program Year 2020 Income Limits for LIHEAP WAP and DOE WAP table (effective Feb. 3)
- Updated Program Year 2020 Income Limits table for CSBG (effective February 3)
- Updated Program Year 2020 Income Limits table for CEAP (effective February 3)
- Posted updated Weatherization FAQs Answered by TDHCA (January 16)
- Added LIHEAP Blower Door and Duct Blaster Targets Tracking Form
- Added LIHEAP Priority List Webinar and slides to WAP Video Library
- Replaced 10 TAC Chapter 6 Rule Changes Impacting CSBG
- Posted updated Strategic Planning Guide (as of January 2020)
- Posted updated 10 TAC Chapter 6 Rule Changes Impacting CEAP (January 1, 2020)
- Posted Income Eligibility and Income Calculator videos to Community Affairs video archive

Compliance

- Posted updated Compliance Questions under 2019 AOCR Resources

Executive

- Posted Administrative Penalty Orders (2503 N. Wilson, HTC 70084/CMTS 913; 1213 Pecan, HTC 70083/CMTS 912; 2904 Walnut, HCT 70054/CMTS 2345; 2512 Thorne, HTC 70046/CMTS 2344; Mitay Inc Scattered Site, HTC 92009/CMTS 1026; Retirement Acres, HTC 70104/CMTS 925; Candle Chase Apartments, HTC 70064/CMTS 903; Villa de Reposo-Encinal, HOME 530201/CMTS 4002; Villa Victoria Apartments, HTC 93156/CMTS 1186)

HOME and Homeless:

- Posted updated FY 2019 ESG Supplemental Monthly Report spreadsheet and FY 2019 ESG Monthly Reporting Guide
- Posted updated 2019 HHSP Monthly Performance Report Guide and 2020 HHSP Performance and Expenditure Worksheet Supplement
- Posted updated Guidance form for ESG Client and Unit forms
- Added Spanish language overview content for Homebuyer Assistance with New Construction (HANC)

Homeownership

- Posted updated information related to TDHCA Mortgage Credit Certificate structure

Housing Resource Center

- Posted Second Substantial Amendment to the 2019 One-Year Action Plan (update of CDBG Methods of Distribution)
- Updated TICH Council Members, Advisory Members, and Staff Support (as of January 2020)
- Posted First Minor Amendment to the 2019 One-Year Action Plan (Updates to CDBG Methods of Distribution)

Migrant Labor Housing Facilities

- Posted Application information and updated forms link: Application for a New License to Operate a MLHF, Application to Renew or Change a License to Operate a MLHF, and Exhibit 1, Certification of Texas Standards

Multifamily:

- Posted updated 2020 9% Housing Tax Credit Pre-Application Log (January 30)
- Added Payment Receipt, Uniform Application 2020 and Tie-Breaker Worksheet to 2020 Multifamily Uniform Application Forms
- Updated the Agreement and Election Statement documents
- Posted link for 2020 Post Bond Closure Submission Packet
- Added List of Declared Disaster Areas (as of January 22) to 2020 Multifamily Uniform Application Supporting Information
- Posted Multifamily FAQs to Housing Tax Credits, Multifamily Bonds and Multifamily Direct Loan pages
- Moved to Archive pages: 2020 Governor Approved Qualified Allocation Plan (as received, comparison to 2019 QAP), 2019 Pre-Application Materials, 4% Housing Tax Credit and Tax Exempt Bond Process Manual 2019
- Posted updated 2019-2 Special Purpose NOFA (Predevelopment) Application Log (January 27)
- Posted updated 2020-2 Multifamily Direct Loan NOFA Application Log (January 13)
- Posted 2020 4% Individually Imaged Bond Applications
- Posted updated Uniform Application 2020, Uniform Application Templates 2020, Uniform Application Certifications 2020, Multifamily Application Procedures Manual (January 9)
- Posted Pre-Inducement Questionnaire for Multifamily Bonds, Bond Pre-App Submission Procedures Manual 2020, Bond Pre-application Supplement 2020
- Posted REVISED 2020 Competitive (9%) Housing Tax Credit Pre-application Submission Information
- Posted Direct Loan Unit Calculator Tool 2020
- Posted updated 2019 9% Housing Tax Credit Award List (January 2)
- Posted updated Local Housing Financing Corporation Contact List
- Posted QAP Project Plan (2021 and 2022 Qualified Allocation Plans Project Plan)
- Added 2020 4% Individually Imaged Bond Applications

NOFA

- 2020 CSBG Discretionary Funds for Education and Employment Services to Native American and Migrant Seasonal Farm Worker Populations

Program Services

- Posted link for HUD brochure: When a Public Agency Acquires Your Property (Resident Rights)
- Posted link CPD Monitoring Handbook Chapter 25 (handbook; relocation guides)

- Posted updates to Labor Standards CWHSSA Liquidated Damages (as of January 16, 2020)

Public Comment

- Public comment period open for Proposed repeal and new 10 TAC, Chapter 1, Subchapter C, Previous Participation and Executive Award Review Advisory Committee
- Public comment period open for Proposed Amendments 10 TAC, Section 8.7, Tenant Selection and Screening, relating to the Section 811 PRA Program
- Public comment period open for 10 TAC, Section 23.61, Tenant-Based Rental Assistance General Requirements, relating to the HOME Program
- Public comment period open for Proposed New 10 TAC Subchapter G Affirmative Marketing Requirements and Written Policies and Procedures
- Public comment period open for Proposed Amendments to Sections of the Compliance Rule

Purchasing

- Updated list of No-Bid contracts as required by state
- Posted Request for Proposal for Emergency Solutions Grant Coordinators

Real Estate Analysis

- Posted updated Scope and Cost Review Supplement

Section 811 PRA Program

- Posted updated Program Selection Plan
- Posted Closed Wait List for applications for Bexar, Dallas, Nueces, and Travis Counties

Frequently Used Acronyms

AMFI	Area Median Family Income
AYBR	Amy Young Barrier Removal Program
CEAP	Comprehensive Energy Assistance Program
CFD	Contract for Deed Program
CFDC	Contract for Deed Conversion Assistance Grants
CHDO	Community Housing Development Organization
CMTS	Compliance Monitoring and Tracking System
CSBG	Community Services Block Grant Program
ESG	Emergency Solutions Grants Program
EHF	Ending Homelessness Fund
FAQ	Frequently Asked Questions
HBA	Homebuyer Assistance Program
HHSCC	Housing and Health Services Coordination Council
HHSP	Homeless Housing and Services Program
LURA	Land Use Restriction Agreement
MF	Multifamily
MFTH	My First Texas Home Program
MRB	Mortgage Revenue Bond Program
NHTF	National Housing Trust Fund
NOFA	Notice of Funding Availability
NSP	Neighborhood Stabilization Program
OIG	Office of Inspector General
QAP	Qualified Allocation Plan
QCP	Quantifiable Community Participation
REA	Real Estate Analysis
RFA	Request for Applications
RFO	Request for Offer
RFP	Request for Proposals
RFQ	Request for Qualifications
ROFR	Right of First Refusal
SLIHP	State of Texas Low Income Housing Plan
TA	Technical Assistance
TBRA	Tenant Based Rental Assistance Program

HRA	Homeowner Rehabilitation Assistance Program
HRC	Housing Resource Center
HTC	Housing Tax Credit
HTF	Housing Trust Fund
HUD	U.S. Department of Housing and Urban Development
IFB	Invitation for Bid
TICH	Texas Interagency Council for the Homeless
TSHEP	Texas Statewide Homebuyer Education Program
TXMCC	Texas Mortgage Credit Certificate
VAWA	Violence Against Women Act
WAP	Weatherization Assistance Program

2b

BOARD REPORT ITEM

FINANCIAL ADMINISTRATION DIVISION

FEBRUARY 20, 2020

Report on the Department's 1st Quarter Investment Report in accordance with the Public Funds Investment Act

BACKGROUND

The Department's investment portfolio consists of two distinct parts. One part is related to bond funds under trust indentures that are not subject to the Public Funds Investment Act (PFIA), and the remaining portion is related to accounts excluded from the indentures but covered by the PFIA. The Department's total investment portfolio is $1,249,363,778 of which $1,211,198,961 is not subject to the PFIA. This report addresses the remaining $38,164,817 (see page 1 of the Internal Management Report) in investments covered by the PFIA. These investments are deposited in the General Fund, Housing Trust Fund, Compliance, and Housing Initiative accounts, which are all held at the Texas Treasury Safekeeping Trust Company (TTSTC), primarily in the form of overnight repurchase agreements. These investments are fully collateralized and secured by U.S. Government Securities. A repurchase agreement is the daily purchase of a security with an agreement to repurchase that security at a specific price and date, which in this case was December 2, 2019, with an effective interest rate of 1.58%. These investments safeguard principal while maintaining liquidity. The overnight repurchase agreements, subject to the PFIA, earned $328,091 in interest during the quarter.

Below is a description of each fund group and its corresponding accounts.

- The **General Fund** accounts maintain funds for administrative purposes to fund expenses related to the Department's ongoing operations. These accounts contain balances related to bond residuals, fee income generated from the Mortgage Credit Certificate (MCC) Program, escrow funds, single family and multifamily bond administration fees, and balances associated with the Below Market Interest Rate (BMIR) Program.

- **The State Housing Trust Fund** accounts maintain funds related to programs set forth by the Housing Trust Fund funding plan. The Housing Trust Fund provides loans and grants to finance, acquire, rehabilitate, and develop decent and safe affordable housing.

- The **Compliance** accounts maintain funds from compliance monitoring fees and asset management fees collected from multifamily developers. The number of low income units and authority to collect these fees is outlined in the individual Land Use Restriction Agreements (LURAs) that are issued to each Developer. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the monitoring and administration of these properties.

- The **Housing Initiative** accounts maintain funds from fees collected from Developers in connection with the Department's Tax Credit Program. The majority of fees collected are application fees and commitment fees. The authority for the collection of these fees is outlined in the Department's Multifamily Rules. These fees are generated for the purpose of offsetting expenses incurred by the Department related to the administration of the Tax Credit Program.

- The **Ending Homelessness Trust Fund** account maintains funds from donations collected from individuals through the Texas Department of Motor Vehicles in connection with the Department's Ending Homelessness Program. The authority for the collection of these donations is outlined in House Bill 4102, 85th Texas Legislature Session, Regular Session. These donations are collected for the purpose of providing grants to counties and municipalities to combat homelessness.

This report is in the format required by the Public Funds Investment Act. It shows in detail the types of investments, their maturities, their carrying (face amount) values, and fair values at the beginning and end of the quarter. The detail for investment activity is on Pages 1 and 2.

During the 1st Quarter, as it relates to the investments covered by the PFIA, the carrying value increased by $211,974 (see page 1) for an ending balance of $38,164,817. The change is described below by fund groups.

General Fund: The General Fund decreased by $430,640. This consists primarily of $228,438 received in multifamily bond fees and $211,400 in MCC Fees, offset by disbursements including $914,127 to fund the operating budget.

The State Housing Trust Fund: The Housing Trust Fund increased by $1,485,019. This consists primarily of $1,417,607 received in loan repayments and $2,266,006 from General Revenue Appropriations, offset by disbursements including $2,263,054 for loans, grants, and escrow payments.

Compliance: Compliance funds decreased by $2,483,650. This consists primarily of $1,229,295 received in compliance fees offset by disbursements of $3,786,046 transferred to fund the operating budget.

Housing Initiative: Housing Initiative funds increased by $1,603,447. This consists primarily of $4,144,119 received in fees related to tax credit activities, offset by disbursements of $2,623,642 transferred to fund the operating budget.

Ending Homelessness Fund: Ending Homelessness funds increased by $37,798. This consists primarily of donations and interest earnings on current investment balances.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING November 30, 2019

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending November 30, 2019

	Investment Type	FAIR VALUE (MARKET) @ 08/31/19	CARRYING VALUE @ 08/31/19	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/19	FAIR VALUE (MARKET) @ 11/30/19	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 11/30/19	RECOGNIZED GAIN
NON-INDENTURE RELATED:												
General Fund	Repurchase Agreements	5,604,566.28	5,604,566.28	1,255,835.99	(1,686,475.90)	-	-	5,173,926.37	5,173,926.37	-	454.15	-
Housing Trust Fund	Repurchase Agreements	8,423,766.45	8,423,766.45	4,337,267.84	(2,852,249.14)	-	-	9,908,785.15	9,908,785.15	-	870.03	-
Compliance	Repurchase Agreements	10,895,561.67	10,895,561.67	-	(2,483,649.57)	-	-	8,411,912.10	8,411,912.10	-	738.37	-
Housing Initiatives	Repurchase Agreements	12,784,904.38	12,784,904.38	1,990,558.48	(387,111.96)	-	-	14,388,350.90	14,388,350.90	-	1,263.19	-
Ending Homelessness Trust Fund	Repurchase Agreements	244,043.55	244,043.55	37,798.41	-	-	-	281,841.96	281,841.96	-	26.15	-
NON-INDENTURE RELATED TOTAL		**37,952,842.33**	**37,952,842.33**	**7,621,460.72**	**(7,409,486.57)**	**0.00**	**0.00**	**38,164,816.48**	**38,164,816.48**	**0.00**	**3,351.89**	**0.00**

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

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David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 9, 2019
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Date: 2/7/20
David Cervantes
Director of Administration

Date: 2/7/20
Monica Galuski
Director of Bond Finance/Chief Investment Officer

Texas Department of Housing and Community Affairs
Non-Indenture Related Investment Summary
For Period Ending November 30, 2019

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 08/31/19	Beginning Market Value 08/31/19	Transfers	Ending Carrying Value 11/30/19	Ending Market Value 11/30/19	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	727,209.80	727,209.80		755,043.07	755,043.07	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	32,928.27	32,928.27		33,058.91	33,058.91	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	1,343,454.34	1,343,454.34		376,079.54	376,079.54	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	664,385.74	664,385.74		1,882,398.08	1,882,398.08	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	1,144,059.46	1,144,059.46		424,958.36	424,958.36	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	646,323.09	646,323.09		651,389.10	651,389.10	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	251,369.38	251,369.38		252,499.54	252,499.54	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	794,836.18	794,836.18		798,499.75	798,499.75	-	0.00
Repo Agmt	General Fund	1.58	11/29/19	12/02/19	0.02	0.02		0.02	0.02	-	0.00
	General Fund Total				5,604,566.28	5,604,566.28	0.00	5,173,926.37	5,173,926.37	0.00	0.00
Repo Agmt	Housing Trust Fund	1.58	11/29/19	12/02/19	197,263.28	197,263.28		37,725.23	37,725.23	-	0.00
Repo Agmt	Housing Trust Fund	1.58	11/29/19	12/02/19	7,422.35	7,422.35		1,994.33	1,994.33	-	0.00
Repo Agmt	Housing Trust Fund	1.58	11/29/19	12/02/19	397,297.10	397,297.10		401,939.79	401,939.79	-	0.00
Repo Agmt	General Revenue Appn	1.58	11/29/19	12/02/19	86,800.03	86,800.03		470,568.50	470,568.50	-	0.00
Repo Agmt	General Revenue Appn	1.58	11/29/19	12/02/19	1,184,490.32	1,184,490.32		358,705.11	358,705.11	-	0.00
Repo Agmt	General Revenue Appn	1.58	11/29/19	12/02/19	1,170,558.03	1,170,558.03		522,952.33	522,952.33	-	0.00
Repo Agmt	General Revenue Appn	1.58	11/29/19	12/02/19	138,256.64	138,256.64		1,751,707.32	1,751,707.32	-	0.00
Repo Agmt	General Revenue Appn	1.58	11/29/19	12/02/19	245,537.30	245,537.30		245,537.30	245,537.30	-	0.00
Repo Agmt	General Revenue Appn				122.98	122.98				-	0.00
Repo Agmt	Housing Trust Fund-GR	1.58	11/29/19	12/02/19	1,305,218.23	1,305,218.23		547,369.54	547,369.54	-	0.00
Repo Agmt	Housing Trust Fund-GR	1.58	11/29/19	12/02/19	1,618,332.42	1,618,332.42		1,299,031.93	1,299,031.93	-	0.00
Repo Agmt	Housing Trust Fund-GR	1.58	11/29/19	12/02/19				1,096,006.00	1,096,006.00	-	0.00
Repo Agmt	Boostrap -GR	1.58	11/29/19	12/02/19	493,936.35	493,936.35		357,316.35	357,316.35	-	0.00
Repo Agmt	Boostrap -GR	1.58	11/29/19	12/02/19	1,578,531.42	1,578,531.42		1,647,931.42	1,647,931.42	-	0.00
Repo Agmt	Boostrap -GR	1.58	11/29/19	12/02/19				1,170,000.00	1,170,000.00	-	0.00
	Housing Trust Fund Total				8,423,766.45	8,423,766.45	0.00	9,908,785.15	9,908,785.15	0.00	0.00
Repo Agmt	Multi Family	1.58	11/29/19	12/02/19	1,071,949.17	1,071,949.17		868,718.77	868,718.77	-	0.00
Repo Agmt	Multi Family	1.58	11/29/19	12/02/19	1,032,839.96	1,032,839.96		694,838.55	694,838.55	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.58	11/29/19	12/02/19	8,790,772.54	8,790,772.54		6,848,354.78	6,848,354.78	-	0.00
	Compliance Total				10,895,561.67	10,895,561.67	0.00	8,411,912.10	8,411,912.10	0.00	0.00
Repo Agmt	Asset Management	1.58	11/29/19	12/02/19	1,495,025.00	1,495,025.00		1,440,528.42	1,440,528.42	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.58	11/29/19	12/02/19	1,635,296.69	1,635,296.69		1,302,681.31	1,302,681.31	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.58	11/29/19	12/02/19	9,234,549.73	9,234,549.73		11,204,396.99	11,204,396.99	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	1.58	11/29/19	12/02/19	420,032.96	420,032.96		440,744.18	440,744.18	-	0.00
	Housing InitiativesTotal				12,784,904.38	12,784,904.38	0.00	14,388,350.90	14,388,350.90	0.00	0.00
Repo Agmt	Homelessness - HB4102	1.58	11/29/19	12/02/19	244,043.55	244,043.55		281,841.96	281,841.96	-	0.00
	Homelessness - HB4102 Total				244,043.55	244,043.55	0.00	281,841.96	281,841.96	0.00	0.00
	Total Non-Indenture Related Investment Summary				37,952,842.33	37,952,842.33	0.00	38,164,816.48	38,164,816.48	0.00	0.00

2c

BOARD REPORT ITEM

BOND FINANCE DIVISION

FEBRUARY 20, 2020

Report on the Department's 1st Quarter Investment Report relating to funds held under Bond Trust Indentures

BACKGROUND

- The Department's Investment Policy excludes funds invested under a bond trust indenture for the benefit of bond holders because the trustee for each trust indenture controls the authorized investments in accordance with the requirements of that indenture. Management of assets within an indenture is the responsibility of the Trustee. This internal management report is for informational purposes only and, while not required under the Public Funds Investment Act, it is consistent with the prescribed format and detail as required by the Public Funds Investment Act. It details the types of investments, maturity dates, carrying (face amount) values, and fair market values at the beginning and end of the quarter.

- Overall, the portfolio carrying value decreased by approximately $35 million (see page 3), resulting in an end of quarter balance of $1,211,198,961.

  The portfolio consists of those investments described in the attached Bond Trust Indentures Supplemental Management Report.

	Beginning Quarter	Ending Quarter
Mortgage Backed Securities (MBS)	71%	79%
Guaranteed Investment Contracts/Investment Agreements	17%	8%
Repurchase Agreements	4%	4%
Treasury Backed Mutual Funds	3%	3%
Treasury Notes / Bonds	6%	6%

The increase in MBS is due to the issuance of single family bonds last quarter and the purchase of the related MBS. The decrease in Guaranteed Investment Contracts is due to the draw of proceeds issued last quarter to purchase MBS.

Portfolio activity for the quarter:

- The MBS purchases this quarter were approximately $99.5 million, due to the issuance of single family bonds and the investment of proceeds in MBS.
- The maturities in MBS were approximately $16.1 million, which represent loan repayments or payoffs.

The table below shows the trend in MBS activity.

	1st Qtr FY 19	2nd Qtr FY 19	3rd Qtr FY 19	4th Qtr FY 19	1st Qtr FY 20	Total
Purchases	$ 62,399,364	$ 120,432,081	$ 72,347,936	$ 109,650,734	$ 99,520,103	$ 464,350,218
Sales		$ 17,579,637				$ 17,579,637
Maturities	$ 14,306,899	$ 12,796,395	$ 13,691,518	$ 16,187,797	$ 16,188,430	$ 87,459,359
Transfers						$ -

- The process of valuing investments at fair market value identifies unrealized gains and losses. These gains or losses do not impact the overall portfolio because the Department typically holds MBS investments until maturity.

- The fair market value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties) decreased $36.8 million (see pages 3 and 4), with fair market value being greater than the carrying value. The national average for a 30-year fixed rate mortgage, as reported by the Freddie Mac Primary Mortgage Market Survey as of November 30, 2019, was 3.68%, up from 3.58% at the end of August 2019. There are various factors that affect the fair market value of these investments, but there is a correlation between the prevailing mortgage interest rates and the change in market value.

- Given the current financial environment, this change in market value is to be expected. However, the change is cyclical and is reflective of a general movement toward higher yields in the bond market as a whole.

- The ability of the Department's investments to provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is of more importance than the assessed relative value in the bond market as a whole.

- The more relevant measures of indenture parity are reported on page 5 in the Bond Trust Indenture Parity Comparison. This report shows parity (ratio of assets to liabilities) by indenture with assets greater than liabilities in a range from 105.74% to 109.45%, which would indicate the Department has sufficient assets to meet its obligations.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending November 30, 2019

	FAIR VALUE (MARKET) @ 08/31/19	CARRYING VALUE @ 08/31/19	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/19	FAIR VALUE (MARKET) @ 11/30/19	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 08/31/19	RECOGNIZED GAIN
INDENTURE RELATED:											
Single Family	682,848,789	656,402,961	94,466,266	(105,318,144)	(11,574,842)	-	633,976,240	664,239,811	3,817,743	1,685,317	-
RMRB	300,117,322	283,264,891	13,985,484	(16,552,329)	(4,199,365)	-	276,498,682	293,780,252	429,138	1,130,147	-
Taxable Mtg Program	4,583,625	4,583,625	12,278	(1,063,045)	-	-	3,532,858	3,532,858	-	555,912	-
Multi Family	319,528,646	302,676,837	16,758,163	(21,829,596)	(414,223)	-	297,191,181	308,675,673	(5,367,317)	509,161	-
	1,307,078,382	1,246,928,314	125,222,191	(144,763,114)	(16,188,430)	-	1,211,198,961	1,270,228,594	(1,120,436)	3,880,537	-

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

Per Section 2256.007(d) of the Texas Government Code, the Public Funds Investment Act:
David Cervantes completed 5.0 hrs. of training on the Texas Public Funds Investment Act on August 9, 2019
Monica Galuski completed 5.0 hrs. of training on the Texas Public Funds Investment Act on February 8, 2019

__Executed Copy Attached_____ Date _____
David Cervantes
Director of Administration

__Executed Copy Attached_____ Date _____
Monica Galuski
Director of Bond Finance/Chief Investment Officer

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending November 30, 2019

	FAIR VALUE (MARKET) @ 08/31/19	CARRYING VALUE @ 08/31/19	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/19	FAIR VALUE (MARKET) @ 11/30/19	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @ 08/31/19	RECOGNIZED GAIN
INDENTURE RELATED:											
Single Family	682,848,789	656,402,961	94,466,266	(105,318,144)	(11,574,842)	-	633,976,240	664,239,811	3,817,743	1,685,317	-
RMRB	300,117,322	283,264,891	13,985,484	(16,552,329)	(4,199,365)	-	276,498,682	293,780,252	429,138	1,130,147	-
Taxable Mtg Program	4,583,625	4,583,625	12,278	(1,063,045)	-	-	3,532,858	3,532,858	-	555,912	-
Multi Family	319,528,646	302,676,837	16,758,163	(21,829,596)	(414,223)	-	297,191,181	308,675,673	(5,367,317)	509,161	-
	1,307,078,382	**1,246,928,314**	**125,222,191**	**(144,763,114)**	**(16,188,430)**	-	**1,211,198,961**	**1,270,228,594**	**(1,120,436)**	**3,880,537**	-

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Date: 2/11/20
David Cervantes
Director of Administration

Date: 2/11/20
Monica Galuski
Director of Bond Finance/Chief Investment Officer

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending November 30, 2019

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 08/31/19	CARRYING VALUE @ 08/31/19	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/19	FAIR VALUE (MARKET) @ 11/30/19	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Mortgage-Backed Securities	941,669,013	881,577,743	99,520,103	-	(16,188,430)	-	964,909,416	1,023,872,612	(1,128,074)	-
Guaranteed Inv Contracts	212,676,854	212,676,854	2,580,913	(111,710,013)	-	-	103,547,754	103,547,754	-	-
Investment Agreements	425,371	425,371	1,006,684	-	-	-	1,432,056	1,432,056	-	-
Treasury-Backed Mutual Funds	33,482,973	33,482,973	9,425,481	(8,553,812)	-	-	34,354,642	34,354,642	-	-
Repurchase Agreements	49,184,042	49,184,042	5,356,328	(17,153,119)	-	-	37,387,251	37,387,251	-	-
Treasury Notes / Bonds	69,640,128	69,581,330	7,332,682	(7,346,169)	-	-	69,567,843	69,634,280	7,639	-
	1,307,078,382	1,246,928,314	125,222,191	(144,763,114)	(16,188,430)	-	1,211,198,961	1,270,228,594	(1,120,436)	-

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David Cervantes
Director of Financial Administration

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Monica Galuski
Director of Bond Finance/Chief Investment Officer

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
BOND FINANCE DIVISION
BOND TRUST INDENTURES
Supplemental Management Report
Quarter Ending November 30, 2019

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 08/31/19	CARRYING VALUE @ 08/31/19	ACCRETION / PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 11/30/19	FAIR VALUE (MARKET) @ 11/30/19	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
INDENTURE RELATED:										
Mortgage-Backed Securities	941,669,013	881,577,743	99,520,103	-	(16,188,430)	-	964,909,416	1,023,872,612	(1,128,074)	-
Guaranteed Inv Contracts	212,676,854	212,676,854	2,580,913	(111,710,013)	-	-	103,547,754	103,547,754	-	-
Investment Agreements	425,371	425,371	1,006,684	-	-	-	1,432,056	1,432,056	-	-
Treasury-Backed Mutual Funds	33,482,973	33,482,973	9,425,481	(8,553,812)	-	-	34,354,642	34,354,642	-	-
Repurchase Agreements	49,184,042	49,184,042	5,356,328	(17,153,119)	-	-	37,387,251	37,387,251	-	-
Treasury Notes / Bonds	69,640,128	69,581,330	7,332,682	(7,346,169)	-	-	69,567,843	69,634,280	7,639	-
	1,307,078,382	**1,246,928,314**	**125,222,191**	**(144,763,114)**	**(16,188,430)**	**-**	**1,211,198,961**	**1,270,228,594**	**(1,120,436)**	**-**

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

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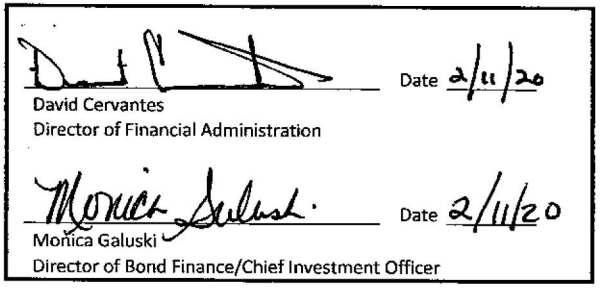


Date 2/11/20
David Cervantes
Director of Financial Administration

Date 2/11/20
Monica Galuski
Director of Bond Finance/Chief Investment Officer

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of November 30, 2019

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:				
PARITY ASSETS				
Cash	$ 189,060		$ 333,866	$ 522,926
Investments(1)	$ 117,290,248	$ 16,503,241	$ 275,702,209	$ 409,495,698
Mortgage Backed Securities(1)	$ 515,995,077	$ 259,995,441		$ 775,990,518
Loans Receivable(2)	$ 19,292	$ -	$ 726,523,932	$ 726,543,224
Accrued Interest Receivable	$ 2,974,857	$ 1,171,054	$ 3,895,757	$ 8,041,668
TOTAL PARITY ASSETS	$ 636,468,534	$ 277,669,736	$ 1,006,455,764	$ 1,920,594,034
PARITY LIABILITIES				
Notes Payable	$ 12,000,000	$ 10,000,000	$ 86,406,040	$ 108,406,040
Bonds Payable(1)	$ 585,290,762	$ 249,380,000	$ 829,210,544	$ 1,663,881,306
Accrued Interest Payable	$ 4,632,889	$ 4,332,764	$ 3,936,994	$ 12,902,647
Other Non-Current Liabilities(3)				$ -
TOTAL PARITY LIABILITIES	$ 601,923,651	$ 263,712,764	$ 919,553,578	$ 1,785,189,993
PARITY DIFFERENCE	$ 34,544,883	$ 13,956,972	$ 86,902,186	$ 135,404,041
PARITY	**105.74%**	**105.29%**	**109.45%**	**107.58%**

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value. This adjustment is consistent with indenture cashflows prepared for Also, the CHMRB Bonds were redeemed in full in January 2019.

(2) Loans Receivable include whole loans only. Special mortgage loans are excluded.

(3) Other Non-Current Liabilities include "Due to Developers" (for insurance, taxes and other operating expenses) and "Earning Due to Developers" (on investments).

Note: Based on preliminary and unaudited financial statements, subject to change in audited financial statements.

Action Items

3

BOARD REPORT ITEM

TEXAS HOMEOWNERSHIP DIVISION

FEBRUARY 20, 2020

Housing Finance Activity Report

BACKGROUND

The Texas Homeownership Division is primarily responsible for the creation, oversight, and administration of the Department's homeownership programs, which are designed to provide affordable financing options for low-to-moderate income homebuyers. This is accomplished through the issuance of tax-exempt and taxable single family mortgage revenue bonds, the issuance of Mortgage Credit Certificates, and through the Department's Taxable Mortgage Program (TMP).

Currently, the Department offers the following statewide options to homebuyers:

- My First Texas Home Program. Offers expanded mortgage loan opportunities to qualifying first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. All loans originated through the program are tax-exempt eligible, meeting Internal Revenue Service (IRS) requirements for inclusion in a tax-exempt bond issue or for receipt of a Mortgage Credit Certificate (MCC). As such, borrowers using this option must be first-time homebuyers (cannot have had an ownership interest in a primary residence within the last three years or must qualify for a veteran or targeted area exception), and borrower income and the purchase price of the home must be within IRS designated limits. Continuous funding for this program is provided through the issuance of tax-exempt single family mortgage revenue bonds (SFMRBs) and through TMP. The Department's SFMRBs typically offer two options, a low rate mortgage loan with no down payment or closing cost assistance provided by the Department, and a mortgage loan with 4 points of down payment and closing cost assistance. Down payment and closing cost assistance is secured by a 30-year, non-amortizing, 0% interest second loan that is due upon sale of the property or refinance of the first loan. Loans funded with TMP include loans accompanied by an MCC (the IRS does not permit these loans to be included in SFMRBs) and tax-exempt eligible loans that are not used as collateral for SFMRBs.

- My Choice Texas Home Program. Offers mortgage loan opportunities to qualifying first-time and non-first-time homebuyers, including government and conventional 30-year fixed rate mortgage loan options. Down payment and closing cost assistance is provided with each loan. While the same income and purchase price limits applicable to the My First Texas Home Program apply, income eligibility is based on the standard credit

qualifying (1003) income instead of IRS methodology. Because all loans are funded through TMP, no IRS recapture provisions apply.

- Texas Mortgage Credit Certificate (MCC) Program. Makes homeownership more affordable by providing first-time homebuyers a federal income tax credit, reducing the homebuyer's potential federal income tax liability. By having an MCC, the homebuyer has the ability to convert a portion of their annual mortgage interest into a direct income tax credit on their U.S. individual income tax return. The credit may be applied for the life of the loan, as long as the home remains the borrower's primary residence. The Texas MCC option is offered in combination with a My First Texas Home mortgage loan (TBA funding only), referred to as Combo loans for discussion and reporting purposes; or as a stand-alone option combined with any FHA, VA, USDA, or conventional fixed rate mortgage loan. The Department's MCC Program offers MCC Credit Rates of 25% (for loan amounts up to $175,000 and subject to the $2,000 annual maximum credit) and 20% (for loan amounts greater than $175,000, with no annual maximum).

Income and Purchase Price Limits for All Loan Options. The Maximum income for all loan options is 100% of Area Median Family Income (AFMI) for households of 1 or 2 persons, and 115% of AMFI for households of 3 persons or more. The maximum purchase price is 90% of the average area purchase price. The complete Income and Purchase Price Limits Table is available on the Department's website at https://www.tdhca.state.tx.us/homeownership/fthb/docs/limits.pdf, and an example, reflecting the limits with respect to loans originated in the San-Antonio-New Braunfels MSA is provided below.

Example	Income Limits		Maximum Purchase Price
Location	Households of 1-2 persons (100% AMFI)	Households of 3 persons or more (115% AMFI)	90% of Average Area Purchase Price
San Antonio-New Braunfels MSA	$ 76,957	$ 88,500	$ 323,960

Higher income and purchase price limits apply with respect to homes purchased in targeted areas, which are areas of severe economic distress.

IRS Recapture. Loans that are financed through SFMRBs and loans that receive an MCC are subject to IRS recapture provisions. Under certain circumstances, a borrower may owe recapture to the IRS. To owe any recapture tax at all, the borrower must (1) sell the MCC- or MRB-financed home **at a gain** within nine years of purchase, **AND** (2) earn significantly more income than when the home was purchased (generally more than a 5% increase in income per year). Both of these criteria must be met before a borrower has a recapture liability. In addition, the recapture liability cannot exceed the amount of the borrower's gain on the sale of the home.

Current Mortgage Rates and Terms. The following table details the Department's loan options and mortgage rates as of February 10, 2020. Down payment and closing cost assistance (DPA) is provided as a 30-year, non-amortizing, 0% interest second mortgage loan that is due on sale or refinance.

Texas Department of Housing and Community Affairs
Texas Homeownership Programs

Rate Notice and Available Options 2/10/2020	Loans with Down Payment Assistance			Unassisted Loans
	Government Loans (FHA, USDA, VA)	Fannie Mae Preferred Only offered with My Choice Texas Home Taxable Loans Below 80% AMFI		Government Loans (FHA, USDA, VA)
Amount of DPA Provided	**4 Points DPA**	**3 Points DPA**	**5 Points DPA**	**No DPA**
My First Texas Home Program	First-Time Homebuyer requirement; considers the income of all person(s) who will sign the Deed of Trust (including Non-Purchasing Spouse).			
My FIRST Texas Home Bond Eligible Loans, No MCC	**4.000%**	N/A	N/A	**Unassisted Funds available with Bond Program only**
My FIRST Texas Home Combo Loans with MCC	**4.250%**	N/A	N/A	
Bond Eligible Loans (no MCC) Targeted Area Loans ONLY, No First-Time Homebuyer requirement	**4.000%**	N/A	N/A	**3.500%**
My Choice Texas Home Program	No First-Time Homebuyer requirement; considers the standard lender income calculation (1003/credit qualifying income).			
My CHOICE Texas Home Taxable Loans, No MCC	**4.250%**	**4.375%**	**4.625%**	**Unassisted Funds available with Bond Program only**
Mortgage Credit Certificate (MCC) Program				
My FIRST Texas Home Combo Loans *and* Stand-Alone MCCs	MCC Credit Rate is Based on Loan Amount Loans at or below $175,000 - **25% MCC Credit Rate with a $2,000 annual maximum tax credit** Loans above $175,000 - **20% MCC Credit Rate with no annual maximum tax credit**			

APPLICABLE TO ALL LOANS ORIGINATED THROUGH THE ABOVE TBA AND BOND OPTIONS			
Minimum FICO Score	620	**Loans must be purchased within 60 days of the date reserved. Extensions are available at the following cost:**	
Origination Points	0%		
SRP to Lender	2.75%	7-Day	0.0625%
Program Compliance Fee	$225	15-Day	0.1250%
Program Compliance Fee - MCC	$200	22-Day	0.1875%
MCC Issuance Fee	$0	30-Day	0.2500%
Loan Review and Acquisition Fee	$150		
Tax Service Fee	$85		

APPLICABLE TO FNMA LOANS
As of September 5, 2019 reservations will not be accepted for FNMA loans greater than 80% of AMFI. See Program Income Table for guidelines. All FNMA loans at or below 80% of AMFI must be registered as MY CHOICE Texas Home Taxable Loans, No MCC.
https://www.tdhca.state.tx.us/homeownership/fthb/docs/limits.pdf

The attached Housing Finance Activity Report reflects activity for each available homeownership option for calendar year 2019, and includes a map that reflects Texas counties served.

TDHCA
Housing Finance Activity
2019

Borrowers Served

10,177

Increased 30%

7,824 in 2018

(Financed and/or MCC Issued)

Homes Financed

9,276

Increased 68%

5,514 in 2018

First Mortgages

$1.6 Billion

Increased 80%

$905 Million in 2018

MCCs Issued

2,965

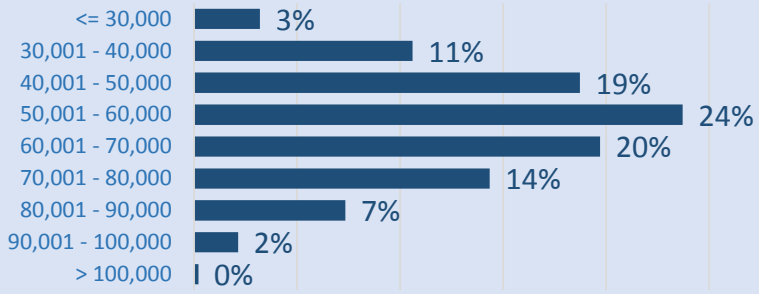
Decreased 32%*

4,349 in 2018

2,066 MCC and First Mortgage
901 Stand-alone MCC

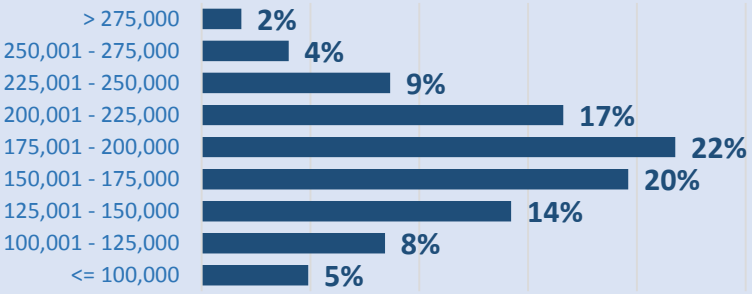
* To preserve volume cap, the Stand Alone MCC was suspended from February 1, 2019 until August 15, 2019.

Income Distribution



Average Income $58,044
71% of Borrowers at or Below 80% AMFI

Loan Amount Distribution



Statewide Economic Impact

Based on 38% New Construction Loans

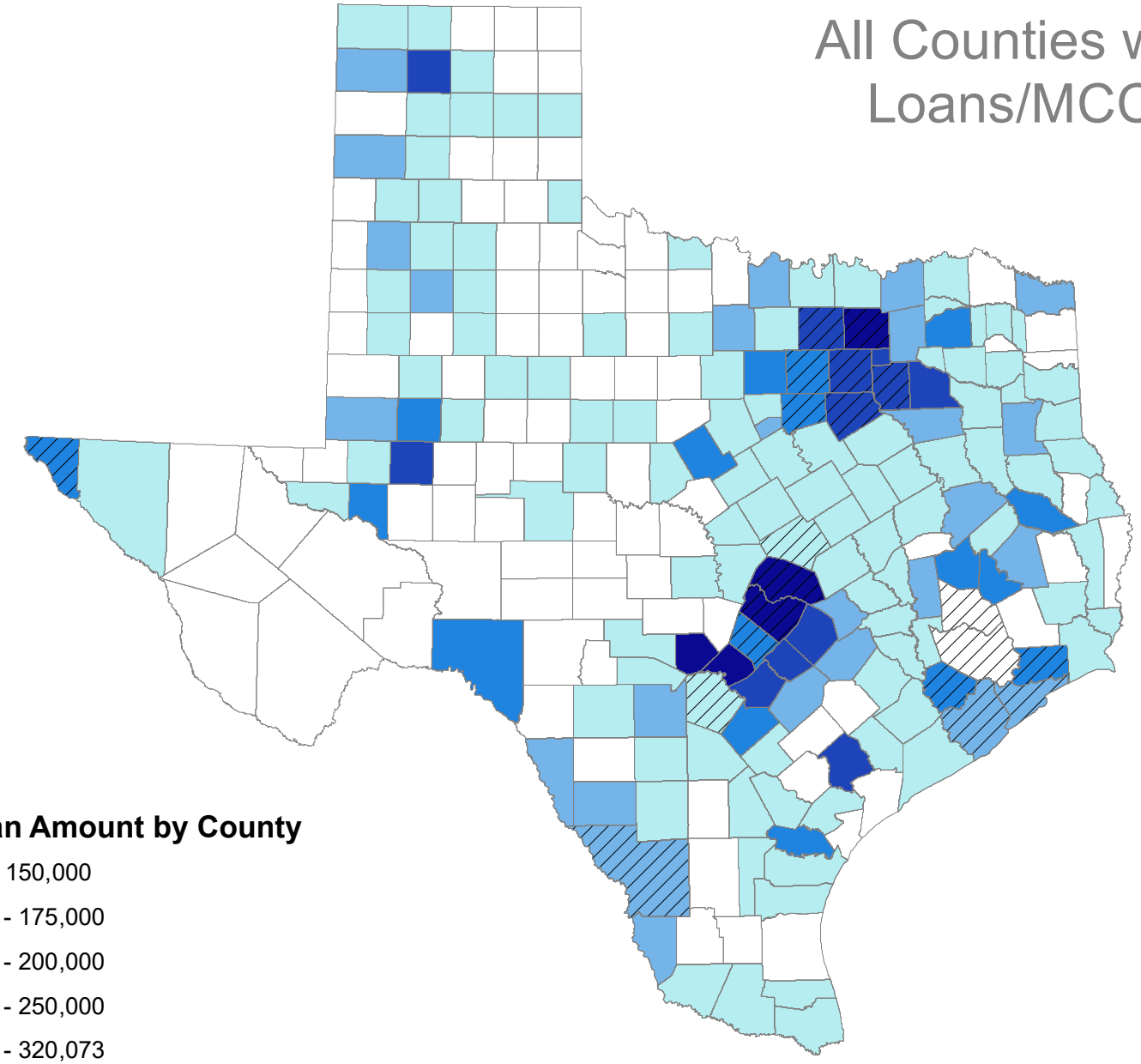
$1 Billion Wages Generated

$144.5 Million Tax Revenue

12,422 Jobs Created

Estimates based on formulas published by the National Home Builders Association – The Economic Impact of Home Building in a Typical Local Area, provided by National Council of State Housing Agencies (NCSHA).

All Counties with Loans/MCCs



Average Loan Amount by County

- $47,130 - 150,000
- $150,001 - 175,000
- $175,001 - 200,000
- $200,001 - 250,000
- $250,001 - 320,073
- Top 20 Counties by Loan Amount

Date: 2/11/2020

Document Path: Q:\Maps\Homeownership\homeownership2.mxd

Disclaimer: This map is not a survey product; boundaries, distances and scale are approximate only.

TDHCA Aggregate Loan Originations

Calendar Year 2019

Loan Volume by COUNTY (Top 20)			
Top Originating Counties	*# of Loans*	*% of Loans*	*Total Originated*
Harris	1452	14.0%	$ 252,771,164
Bexar	1365	13.1%	$ 236,077,854
Tarrant	1083	11.6%	$ 208,857,942
Dallas	851	8.7%	$ 156,927,889
Travis	480	5.8%	$ 105,481,435
El Paso	792	5.7%	$ 103,486,332
Williamson	429	5.0%	$ 90,363,957
Collin	250	3.2%	$ 58,508,757
Hays	217	2.6%	$ 46,826,771
Denton	187	2.4%	$ 43,691,797
Fort Bend	210	2.2%	$ 39,540,074
Brazoria	159	1.7%	$ 30,524,163
Montgomery	166	1.7%	$ 30,249,053
Kaufman	139	1.5%	$ 27,959,634
Ellis	116	1.3%	$ 23,519,616
Webb	153	1.3%	$ 23,224,160
Galveston	112	1.1%	$ 20,457,816
Johnson	114	1.1%	$ 19,665,502
Bell	143	1.0%	$ 18,720,085
Chambers	98	1.0%	$ 17,985,184

New Construction vs Existing Dwelling			
New Construction / Existing	*Orig Loan Amount*	*# of Loans*	*% of Loans*
New	$ 693,850,246	3411	33.5%
Existing	$ 1,112,940,642	6766	66.5%

Property Type			
Property Type	*Orig Loan Amount*	*# of Loans*	*% of Loans*
1 Unit Single Family Detached	$ 1,733,693,192	9720	95.5%
Condominium	$ 34,773,243	190	1.9%
Manufactured	$ 25,422,141	187	1.8%
Townhouse	$ 6,999,967	49	0.5%
Fourplex	$ 83,361	1	0.0%
Rowhouse	$ 3,297,687	17	0.2%
Duplex	$ 2,632,922	13	0.1%

Borrower Gender			
Gender	*Orig Loan Amount*	*# of Loans*	*% of Loans*
Male	$ 1,058,353,840	5910	58.6%
Female	$ 748,150,500	4265	41.4%
Declined to Answer	$ 398,173	2	0.0%

First Time Home Buyer			
FTHB Status	*Orig Loan Amount*	*# of Loans*	*% of Loans*
Yes	$ 1,784,930,677	10056	98.8%
No	$ 21,971,836	121	1.2%

Household Size			
Household Size	*Orig Loan Amount*	*# of Loans*	*% of Loans*
1	$ 489,627,558	2858	28.1%
2	$ 445,519,016	2533	24.9%
3	$ 371,939,040	2064	20.3%
4	$ 296,551,563	1624	16.0%
5	$ 137,678,825	754	7.4%
6	$ 47,001,509	247	2.4%
7	$ 14,012,442	73	0.7%
8+	$ 4,572,560	24	0.2%
Max: 8 \ Min: 1 \ WAvg: 2.6			

FICO Score Distribution			
FICO Score	*Orig Loan Amount*	*# of Loans*	*% of Loans*
<= 640	$ 510,828,752	2858	28.1%
641 to 660	$ 379,743,081	2170	21.3%
661 to 680	$ 258,440,348	1465	14.4%
681 to 700	$ 188,096,952	1066	10.5%
701 to 720	$ 137,351,279	767	7.5%
721 to 740	$ 128,962,151	732	7.2%
741 to 760	$ 96,073,465	536	5.3%
761 to 780	$ 56,162,327	310	3.0%
780 to 800	$ 35,118,684	188	1.8%
> 800	$ 16,125,474	85	0.8%
Max: 824 \ Min: 555 \ WAvg: 674			

Household Income Distribution			
Household Income ($)	*Orig Loan Amount*	*# of Loans*	*% of Loans*
<= 20,000	$ 5,836,245	42	0.4%
20,001 - 30,000	$ 32,768,750	283	2.8%
30,001 - 40,000	$ 147,162,826	1080	10.6%
40,001 - 50,000	$ 297,971,091	1906	18.7%
50,001 - 60,000	$ 430,616,998	2414	23.7%
60,001 - 70,000	$ 381,619,713	2005	19.7%
70,001 - 80,000	$ 292,278,896	1460	14.3%
80,001 - 90,000	$ 163,243,973	747	7.3%
90,001 - 100,000	$ 50,229,870	218	2.1%
> 100,000	$ 5,174,151	22	0.2%
Max: $114,864 \ Min: $15,080 \ WAvg: $58,004			

AMFI Distribution			
AMFI	*Orig Loan Amount*	*# of Loans*	*% of Loans*
<= 30%	$ 16,099,209	129	1.3%
30.1% to 60%	$ 504,012,678	3265	32.1%
60.1% to 80%	$ 706,214,031	3867	38.0%
80.1% to 100%	$ 579,876,475	2912	28.6%
100.1% to 115%	$ 700,120	4	0.0%
> 115.1%	$ -	0	0.0%
Max: 103% \ Min: 14% \ WAvg: 68%			

Age Distribution			
Age	*Orig Loan Amount*	*# of Loans*	*% of Loans*
<= 20	$ 78,737,794	485	4.8%
21 to 25	$ 186,223,590	1074	10.6%
26 to 30	$ 411,508,837	2339	23.0%
31 to 35	$ 330,374,264	1838	18.1%
36 to 40	$ 252,568,920	1387	13.6%
41 to 45	$ 182,485,889	988	9.7%
46 to 50	$ 140,747,820	778	7.6%
51 to 55	$ 104,023,457	590	5.8%
56 to 60	$ 62,259,199	360	3.5%
>61	$ 57,972,743	338	3.3%
Max: 96 \ Min: 19 \ WAvg: 36			

Loan Type			
Loan Type	*Orig Loan Amount*	*# of Loans*	*% of Loans*
FHA	$ 1,455,495,210	8214	80.7%
HFA Preferred	$ 308,199,940	1743	17.1%
USDA-RHS	$ 18,913,758	97	1.0%
VA	$ 24,293,605	123	1.2%

4

BOARD ACTION REQUEST

ASSET MANAGEMENT DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding approval of a Multifamily Direct Loan assumption for The Lakeshore Apartments Homes (HOME #1001800)

RECOMMENDED ACTION

WHEREAS, the Department committed HOME funds to The Lakeshore Apartment Homes formerly known as Champion Homes on the Lake (the Development) in the amount of $3,000,000 Multifamily Direct Loan (MFDL) from the HOME Community Housing Development Organization (CHDO) set-aside funds under the 2012-1 Multifamily Development Program Notice of Funding Availability (NOFA) to construct 140 multifamily units in Lake Dallas, Denton County;

WHEREAS, the Development is subject to a HOME Land Use Restriction Agreement (HOME LURA) executed on May 29, 2014, and recorded on June 2, 2014;

WHEREAS, the MFDL is secured with a $3,000,000 Subordinate Promissory Note (MFDL Note), that was executed on May 29, 2014, and that currently has a balance of $2,908,500 composed of an outstanding principal balance of $2,758,500, plus a deferred balance of $150,000 as of February 5, 2020;

WHEREAS, Chicory Court Lake Dallas, LP (the Development Owner or Owner) is controlled by Chicory GP Lake Dallas LLC, an entity solely owned by Housing Services Incorporated (CHDO Entity), which has been previously certified by the Department as a Community Housing Development Organization (CHDO) as defined under 24 CFR §92.2;

WHEREAS, the Owner has notified the Department that they have entered into a Purchase and Sale Agreement to sell and transfer ownership of the Development to Wolfe Investments, LLC, who has assigned their interest through an Assignment of Purchase and Sale Agreement to a newly formed partnership, Chicory Lake Dallas LP (Proposed Owner);

WHEREAS, the current CHDO Entity will continue to have control in the Development as the sole owner of the Proposed Owner's General Partner, Chicory Lake Dallas GP LLC, and therefore, the transfer is considered an exception to the ownership transfer process under 10 TAC §10.406(b);

WHEREAS, the purchase price of the Development is $20,000,000, and the current Owner is anticipated to gain approximately $4,200,000 from the transaction, which would be sufficient to fully repay the MFDL, but in lieu of repaying the MFDL, the Proposed Owner is seeking to assume the MFDL and the first lien debt;

WHEREAS, Board approval is required for the assumption of the MFDL because the proposed transaction does not meet the conditions in 10 TAC §13.13(d)(2)(A) or (B) for Executive Director approval; and

WHEREAS, the proposed assumption does not seek to increase the first lien debt or change the terms of the MFDL, and in this way does not negatively affect the financial feasibility of the Development;

NOW, therefore, it is hereby

RESOLVED, that the request for the Proposed Owner to assume the outstanding balance of the MFDL is approved conditioned upon the acceptance by the Department's Legal Division of a limited partnership agreement and the LLC's limited liability company agreement that demonstrates the transaction will meet the requirements in 24 CFR §92.300(a)(4) as defined in the HOME LURA, and the Executive Director and his designees are hereby authorized, empowered, and directed to take all necessary action to effectuate the foregoing.

BACKGROUND

The Department committed HOME funds to The Lakeshore Apartment Homes, formerly known as Champion Homes on the Lake, in the form of a $3,000,000 Multifamily Direct Loan from the HOME CHDO set-aside funds under the 2012-1 Multifamily Development Program NOFA to construct 140 multifamily units in Lake Dallas, Denton County. Twenty eight of the units in the Development are income and rent restricted under the HOME Program. The Development is currently owned by Chicory Court Lake Dallas, LP, and its General Partner is Chicory GP Lake Dallas LLC, an entity solely owned by Housing Services Incorporated, which was certified by the Department as a CHDO as defined under 24 CFR §92.2. The MFDL was secured with a $3,000,000 Subordinate Promissory Note that is subordinated to a HUD insured loan from Dougherty Mortgage LLC that has a balance of $13,135,160.55 as of December 20, 2019. The MFDL Note is structured as an annual Surplus Cash debt payment with a 0% interest rate, a 40-year amortization period, and a 40-year term. The first payment was due December 1, 2016, and the loan matures December 1, 2055. The loan payment due December 1, 2019, remains pending due to the fact that the terms of the subordination specify that the annual payment of the MFDL Note is subject to available Surplus Cash that is determined by the HUD audit. Because the 2019 audit results will not be available until later this year, Surplus Cash has not been released to the current Owner in order to remit the payment due December 1, 2019.

On January 14, 2020, Kenneth Wolfe, the representative for Chicory Lake Dallas LP (Proposed Owner), notified the Department that they have entered into a Purchase and Sale Agreement to purchase the Development from the Owner. The Purchase and Sale Agreement provided by Mr. Wolfe identifies Wolfe Investments, LLC as the buyer, but this entity assigned their interest through an Assignment of Purchase and Sale Agreement to the Proposed Owner. In the proposed ownership structure, several limited partners will be added, but the current CHDO Entity will remain in the Development's ownership structure as the sole owner of the Proposed Owner's General Partner, Chicory Lake Dallas GP LLC. Therefore, the transfer is considered an exception to the ownership transfer process under 10 TAC §10.406(b). However, a review of the current draft of the Proposed Owner's limited partnership agreement and the proposed LLC's company agreement by the Department's Legal Division determined that these documents must be revised in order to meet the CHDO set-aside requirements specified in 24 CFR §92.300(a)(4), and this must be resolved prior to the Department acknowledging the ownership transfer in accordance with 10 TAC §10.406(b) or assuming the loan.

The purchase price of the property is $20,000,000, which is proposed to be funded by assuming both the current first lien debt and the MFDL and covering the difference with equity. Mr. Wolfe explained that without the MFDL assumption, the buyer would need to raise an additional $2.7M in equity or acquire additional debt, which would make the transaction financially infeasible for them. Mr. Wolfe stated that with the MFDL in place, the HOME restricted rents can be justified due to the reduction in interest, and it will ensure that funds are available for maintenance repairs and interior unit upgrades. As a result, according to the Proposed Owner the structure of the transaction for the ownership transfer is dependent on the assumption of the MFDL.

Staff has confirmed with Mr. Wolfe that the transaction will result in an estimated $4,200,000 gain to the Current Owner, and that the Owner does not propose a repayment of the MFDL from the sale proceeds which exceed the outstanding MFDL balance. Therefore, the MFDL assumption cannot be approved by the Executive Director or authorized designee because it does not meet the conditions for Contract Assignments and Assumptions of MFDL Liens in 10 TAC §13.13(d)(2)(A) or (B). However, because the transaction does not propose adding additional debt to the Development or changing the terms of the MFDL, in this way it does not negatively affect the Development's financial feasibility.

Staff recommends approval of the Proposed Owner's assumption of the MFDL in order to proceed with proposed ownership transfer conditioned upon the acceptance by the Department's Legal Division of a limited partnership agreement and the proposed LLC's company agreement that demonstrate the Proposed Owner will meet the requirements in 24 CFR §92.300(a)(4), as defined in the HOME LURA. Upon satisfaction of this condition, staff will issue separate correspondence acknowledging the proposed ownership transfer in accordance with 10 TAC §10.406, and move forward with processing of the MFDL assumption.

Buyer's Letter of Response **| CHICORY LAKE DALLAS LP**
2317 Coit Road, Suite C
Plano, Texas 75075
972-599-0661
kenny@wolfe-re.com

January 14, 2020

Ms. Lee Ann Chance, Compliance Monitor
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

Re: Property Transfer/Change in Affiliates–The Lakeshore Apartments– CMTS 4961 – HOME#1001800

Dear Ms. Chance:

In reply to your request for additional information regarding the transaction, please note the following:

Lakeshore Sources and Uses

Purchase price: $20,000,000

HUD loan: $13,135,160

TDHCA loan: $2,7000,000

Seller's gain: $4,200,000 (not including closing costs and any additional capital they may have invested up front or over their hold period)

The reason for assuming the HOME loan is that we would need an additional $2.7 million in debt or equity to be raised. This would make the transaction not financially viable for us. Additionally, with the HOME loan in place, restricted rents can be justified due to the reduction in interest. This method ensures that funds are available to repair maintenance deficiencies as well as the upgrade of unit interiors.

If you require any additional clarification, please do not hesitate to call or e-mail.

Sincerely,

Kenneth Wolfe, Owner/Managing Member
Chicory Lake Dallas LP

Cc: Brett Zaitoon, Troy Whittemore

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (this "**Amendment**") is made effective on this 25th day of November, 2019 (the "**Amendment Date**"), by and between **WOLFE INVESTMENTS, LLC**, a Texas limited liability company ("**Purchaser**"), and **CHICORY COURT LAKE DALLAS, LP**, a Texas limited partnership ("**Seller**").

RECITALS

Purchaser and Seller entered into that certain Purchase and Sale Agreement dated October 10, 2019 (the "**Original Contract**"), whereby Purchaser agreed to purchase real property located at 502 North Shady Shores Road, Lake Dallas, Texas known as The Lakeshore Apartment Homes (the "**Property**"), pursuant to the terms of the Original Contract. Purchaser and Seller desire to amend the Original Contract as set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Purchaser and Seller hereby agree as follows:

AGREEMENT

1. **Recitals; Definitions**. The Recitals are incorporated into this Amendment and made a part hereof. Each capitalized term used in this Amendment shall have the same meaning as is ascribed to such capitalized term in the Original Contract, unless otherwise expressly provided for herein.

2. **Assumption Applications**. Section 4.6.3(b) and Section 4.6.3(c) of the Original Contract are hereby amended and replaced in their entirety as follows:

"(b) Reserved.

(c) Reserved."

3. **Closing Conditioned on HUD Approval**. The following provision is hereby made part of the Original Contract: "The Closing is expressly conditioned upon preliminary approval by HUD of the transaction as set forth in Form HUD 92266, Application for Transfer of Physical Assets, and supporting documents to be submitted to HUD pursuant to Section 4.6.3(b) of this Agreement. No transfer of any interest in the Property under this Agreement shall be effective prior to such HUD approval. Purchaser will not take possession or control of the Property nor assume benefits of property ownership prior to such approval by HUD. The Purchaser, its affiliates, partners, members, shareholders or other equity owners, employees, officers, directors, representatives or agents shall have no right upon any breach by Seller hereunder to seek damages, directly or indirectly, from the Property which is the subject of this transaction, including from any assets, rents, issues or profits thereof, and Purchaser shall have no right to effect a lien upon the Property or the assets, rents, issues, or profits thereof."

4. **Miscellaneous**. In the event of any conflict between the terms of the Original Contract and the terms of this Amendment, the terms of this Amendment shall control. Except as provided otherwise in this Amendment, the Original Contract shall continue in full force and effect in accordance with its terms. This Amendment may be executed and delivered in any number of counterparts, each of which, when so executed and delivered, shall be and constitute an original and one and the same document. Facsimile or electronic copies of this Amendment shall have the same force and effect as originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment is executed as of the Amendment Date.

PURCHASER:

WOLFE INVESTMENTS, LLC,
a Texas limited liability company

By: _____
Kenneth Wolfe, Manager

SELLER:

CHICORY COURT LAKE DALLAS LP,
a Texas limited partnership

By: Chicory GP Lake Dallas, LLC
Title: General Partner

By: _____
Name: Saleem Jafar
Title: Manager

ASSIGNMENT OF PURCHASE AND SALE AGREEMENT

THIS ASSIGNMENT OF PURCHASE AND SALE AGREEMENT (this "Assignment") is made and entered into effective as of the 11th day of November, 2019, by and between **WOLFE INVESTMENTS, LLC**, a Texas limited liability company ("Assignor"), and **CHICORY LAKE DALLAS LP**, a Texas limited partnership ("Assignee").

W I T N E S S E T H:

WHEREAS, Assignor entered into that certain Purchase and Sale Agreement with Chicory Court Lake Dallas, LP, ("Seller"), as seller, and Assignor, as buyer, dated October 10, 2019 (the "Contract"), whereby Seller agreed to sell and Assignor agreed to purchase a certain tract of land and improvements located in Denton County, Texas, as more particularly described in the Contract; and

WHEREAS, Assignor has agreed to assign to Assignee and Assignee has agreed to accept, Assignor's right, title and interest in and to the Contract.

NOW, THEREFORE, for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, sells, assigns, transfers, conveys, and delivers to Assignee and its successors and assigns, all of Assignor's right, title, and interest in, to and under the Contract.

Assignee hereby accepts and assumes Assignor's obligations in, to and under the Contract, and agrees to defend, indemnify and hold harmless Assignor from and against all claims, fines, judgments, settlements, damages, losses, costs, expenses and attorneys' fees arising out of, resulting from or related in any way whatsoever to the obligations under the Contract assumed by Assignee.

IN WITNESS WHEREOF, the parties have executed this Assignment to be effective as of date and year first above written.

ASSIGNOR:

WOLFE INVESTMENTS, LLC,
a Texas limited liability company

By: _____
Kenneth Wolfe, Manager

ASSIGNEE:

CHICORY LAKE DALLAS LP,
a Texas limited partnership

By: CHICORY LAKE DALLAS GP LLC,
a Texas limited liability company,
its General Partner

By: _____
Kenneth Wolfe, Manager

Loan Statement Dougherty Mortgage LLC **December 20, 2019**

LAKESHORE APARTMENT HOMES
300 E SWISHER
LAKE DALLAS TX 75065

Description of 01/01/20 Payment	*Charges
Principal	12,816.87
Interest	47,067.66
Esc - Tax	11,157.29
Esc - Insurance	6,071.61
MIP	4,898.93
Esc - Replacement Reserve	4,687.17
Payment Amount:	86,699.53
Delinquent Payments:	.00

Loan Number: 600159
Statement As Of: 01/01/20 Payment Due Date: 01/01/20
Contact: Carolyn Allen
Amount Due: **$ 86,699.53**

Payment received 10 days after the due date will be assessed a late charge of $ 1,197.69

Interest Rate:	4.300000
Principal Balance:	13,135,160.55
Tax & Insurance Balance:	205,574.12
Reserves Balance:	231,056.44
Other Reserves Balance:	.00
Holdbacks Balance:	.00
Unapplied Balance:	.00
Subsidy Balance:	.00
Unpaid Late Charges Balance:	.00
Returned Check Charges Balance:	.00
Miscellaneous Fee Balance:	.00
Default Interest Balance:	.00

Your payments will be automatically drafted according to your loan documents. Thank you.

Recent Activity Detail (Last 5 Transactions for Statement Period)

Date Paid:	12/09/19	12/05/19	11/29/19	
Transaction Code:	REG	DIS	IOE	
Due Date:	12/01/19	12/01/19	12/01/19	
Transaction Amount:	86,699.53	-58,787.19	54.38	
Interest Paid:	47,113.42	.00	.00	
Principal Paid:	12,771.11	.00	.00	
Tax & Insurance Paid:	22,127.83	-58,787.19	.00	
Reserves Paid:	4,687.17	.00	54.38	
Other Reserves Paid:	.00	.00	.00	
Holdbacks Paid:	.00	.00	.00	
Late Charge:	.00	.00	.00	
Return Check Charge:	.00	.00	.00	
Subsidy Amount:	.00	.00	.00	
Unapplied Amount:	.00	.00	.00	
Miscellaneous Fee:	.00	.00	.00	
Miscellaneous Fee Desc:				
Payee:		US Department of H		

* Payments not received by the due date or other loan changes may affect the payment distribution.

December 20, 2019

Dougherty Mortgage LLC
90 South Seventh Street, Suite 4300
Minneapolis, MN 55402
(612) 317-2100

Statement As Of: 01/01/20
Loan Number: 600159
Payment Due Date: 01/01/20
Contact: Carolyn Allen
Amount Due: **$ 86,699.53**

CHICORY COURT LAKE DALLAS LP
13760 NOEL ROAD
SUITE 1000
DALLAS TX 75240
Attention: Michelle Borland; Keith Jones; Lora Bown

Payment Distribution

Regular Payment:	$_____
Late Charge:	$_____
* Additional Principal:	$_____
Other_____:	$_____
Total Remitted:	$_____

* May be subject to a Prepayment Amount.

SUBORDINATE PROMISSORY NOTE
("Note")

CFDA 14.239 HOME INVESTMENT PARTNERSHIPS PROGRAM
Awarding Federal Agency: United States Department of Housing and Urban Development
TDHCA Federal Award Number: M-11-SG 48-0100
Federal Award Year (Year of Award from HUD to TDHCA): **2011**
TDHCA Award Year (Year of TDHCA Board Approval of Award): **2013**

U.S. $3,000,000.00 Executed to be effective the 29 day of May, 2014

For value received, **CHICORY COURT LAKE DALLAS, LP,** a Texas limited partnership ("Borrower") promises to pay to the order of **TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS** ("Lender") at 221 East 11th Street, City of Austin, Travis County, Texas 78701, P.O. Box 13941 in the City of Austin, Travis County, Texas 78711-3941 (or at such other place in Austin, Travis County, Texas, as Lender may from time to time designate by written notice to Borrower), the sum $3,000,000.00 or so much thereof as may be advanced and outstanding, together with interest thereon as hereinafter provided.

No interest shall accrue on this Note, unless the maturity of this Note has been accelerated as hereinafter provided.

Repayment of principal on this Note is deferred for eighteen (18) months from the date of this Note. Beginning December 1, 2015, the principal of this Note shall be due and payable in legal tender of the United States of America in forty (40) annual installments of $75,000.00 ("Scheduled Payment"). The first annual installment of the Scheduled Payment shall be due and payable to the extent of available Surplus Cash on the first day of December, 2016 and the Scheduled Payments shall continue to be due and payable to the extent of available Surplus Cash on the first day of December of each year thereafter until the first day of December, 2055, on which date the entire balance of principal plus accrued interest, if any, shall be due and payable in full ("Maturity"). Each installment received hereunder shall be applied first to the payment of interest accrued to the date the installment is paid and the remainder shall be applied to principal. To the extent that any payment is less than the Scheduled Payment as a result of insufficient available Surplus Cash, that amount ("Deferred Payment Amount") will be accrued and added to a Deferred Payment Account ("Deferred Payment Account"). Interest will not accrue on the Deferred Payment Amount but the deferred amount will be paid from available Surplus Cash after the next Scheduled Payment. Borrower will complete the attached **Exhibit "A"** for each Scheduled Payment.

"Surplus Cash" means any cash plus amounts receivable under Section 8 project-based subsidy payments (earned in the applicable fiscal period) remaining after:

(1) The payment of: (i) all sums immediately due or currently required to be paid under the terms of this Note and the Deed of Trust (defined below) on the first day of the month

Initials

following the end of the fiscal period; including without limitation, all amounts required to be deposited in the reserve for replacement or other reserves as may be required by HUD; and (ii) all other obligations of the Project, defined as a 140-unit multifamily rental housing development known as Champion Homes on the Lake, located on the real property located in Lake Dallas, Denton County, Texas, more particularly described in **Exhibit "B"** attached hereto and made a part hereof, (accounts payable and accrued, unescrowed expenses) unless funds for payment are set aside or deferment of payment has been approved by HUD, and

(2) The segregation and recording of: (i) an amount equal to the aggregate of all special funds required to be maintained by Borrower; (ii) the greater of Borrower's total liability or the amount held by Borrower for tenant security deposits; and (iii) all accounts and accrued items payable within thirty (30) days after the end of the fiscal period.

On each annual payment date during the loan term, Borrower will provide Lender an accounting of the Surplus Cash for the applicable period and operating statements for the collateral property, both certified by an authorized representative of Borrower, in a form acceptable to Lender. Lender reserves the right to request audited operating statements at Borrower's expense.

Computations of interest on the unpaid principal balance of this Note shall be made on the basis of 365 or 366 days in a year, as applicable.

After Maturity (by acceleration or otherwise) and until paid, the unpaid principal balance and accrued interest then due shall bear interest at the lesser of (i) eighteen percent (18.0%) per annum or (ii) the highest interest rate allowed by Applicable Law ("Default Interest Rate"). Notwithstanding any other provision of this Note, the daily Default Interest Rate shall be calculated by dividing the Default Interest Rate per annum applicable for such day by the actual number of days in the calendar year (whether 365 or 366).

This Note may be prepaid in part or in its entirety at any time, without notice or penalty but any amounts prepaid may not be reborrowed. Partial prepayment shall be applied first to accrued and unpaid interest with the balance to the principal installments in reverse order of Maturity. Any payment received more than thirty (30) days before it is due shall be considered a prepayment, unless Borrower otherwise designates in writing at the time such payment is made.

All amounts owing on this Note shall be payable at the address of Lender stated above (or at such other place in Austin, Travis County, Texas designated by Lender in writing delivered to Borrower at the address of Borrower set forth below) in lawful money of the United States of America that is legal tender for public and private debts at the time of payment. The making of any payment in other than immediately available funds, which Lender, at its option, elects to accept shall be subject to collection.

Except as provided in this Note, Borrower and each endorser and guarantor of this Note jointly and severally waive grace, presentment for payment, notice of renewals and extensions, notice of nonpayment, notice of protest, notice of and demand for payment of installments or

Initials

other amounts coming due under this Note that are not paid when due, notice of intent or election to accelerate Maturity or the actual acceleration of Maturity of the indebtedness evidenced by this Note, and diligence in the collection of this Note or in filing suit on this Note and in seizing or foreclosing on any collateral securing this Note and agree to one or more extensions of Maturity and partial payments before or after Maturity without prejudice to rights of the holder of this Note.

If this Note is placed in the hands of an attorney for collection or is collected by legal proceedings of any kind, Borrower agrees to pay all costs of collection, including reasonable attorneys' fee and costs.

This Note is secured by a vendor's lien retained in a special warranty deed from Helen Ray Boliver, trustee of the Charlsie D. Boliver Revocable Living Trust dated July 2, 1992, to Borrower, dated on or about even date herewith and additionally secured by the liens and security interests granted in the Subordinate Deed of Trust (with Security Agreement and Assignment of Rents) of even date herewith from Borrower to Timothy K. Irvine, Trustee for Lender ("Deed of Trust").

The proceeds of this Note will be advanced to Borrower at its special instance and request in accordance with the terms of that certain Construction Loan Agreement (the "Loan Agreement") executed effective of even date herewith between Borrower and Lender.

In the event of default in the payment of any part of the principal or interest on this Note which is available from Surplus Cash as determined by Lender and not tendered by Borrower and Borrower's failure to cure the default within thirty (30) days after Lender's delivery of written notice of default to Borrower, or in the event of default in the performance of any agreement contained in the Loan Agreement or any document securing the payment of this Note or otherwise executed in connection herewith, and Borrower's failure to cure the default within thirty (30) days after Lender's delivery of written notice of the default to Borrower (or such longer period of time as provided in the applicable document), then the holder of this Note shall have the unconditional right, without demand, notice, or other action, to declare the unpaid principal balance of this Note, together with interest accrued on the unpaid principal balance, at once due and payable and to foreclose each lien and security interest securing the payment of this Note, either under any power of sale contained in any documents creating such lien or security interest or by court proceedings, as the holder may elect. To the extent a default may be cured by Borrower, lender shall accept a timely tendered cure by Borrower's limited partner. Notice shall be deemed to have been delivered upon actual receipt or three (3) days after deposit, if deposited in an official depository of the United States Postal Service, properly addressed to the party entitled to the notice, marked certified mail, return receipt requested, and containing sufficient postage. For the purpose of notice, Borrower's address is 5420 LBJ Freeway, Suite 1355, Dallas, Texas 75240. Borrower shall have the right to change its address and specify any other address within the United States of America by at least ten (10) days' written notice to Lender.

All agreements and transactions between Borrower and Lender, whether now existing or hereafter arising, whether contained herein or in any other instrument, and whether written or

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oral, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of the Maturity hereof, prepayment, demand for payment or otherwise, shall the amount contracted for, charged or received by Lender from Borrower for the use, forbearance, or detention of the principal indebtedness or interest hereof, which remains unpaid from time to time, exceed the maximum amount permissible under Applicable Law, it particularly being the intention of the parties hereto to conform strictly to the law of the State of Texas and of the United States of America, whichever is applicable. Any interest payable hereunder or under any other instrument relating to the loan evidenced hereby that is in excess of the legal maximum under Applicable Law, shall, in the event of acceleration of Maturity, prepayment, demand for payment or otherwise, be automatically, as of the date of such acceleration, prepayment, demand or otherwise, applied to a reduction of the principal indebtedness hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of such principal, such excess shall be refunded to Borrower. To the extent permitted by Applicable Law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loan, all interest at any time contracted for, charged or received from Borrower in connection with the loan, so that the actual rate of interest on account of such indebtedness is uniform throughout the term thereof.

This Note shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America from time to time in effect.

Borrower warrants and represents to Lender and to each present and future owner and holder of this Note that all loans evidenced by this Note are for business, commercial, investment, agricultural or other similar purpose and not primarily for personal, family, or household use, as such terms are used in Chapter One of the Texas Finance Code.

Notwithstanding anything herein to the contrary, Lender shall have no recourse against Borrower, nor against any guarantor, if any, for payment and performance of all of the obligations, covenants and agreements of Borrower under this Note and the documents securing same including, but not limited to the Deed of Trust (said documents hereafter collectively called "Security Documents"), except to the full extent of all of the Property which constitutes security for this Note. If default occurs in the timely and proper payment of any portion of such indebtedness or in the timely performance of any of such obligations, agreement or covenants, and all applicable notice and cure periods have expired, any judicial proceedings brought by Lender against Borrower or any guarantor shall be limited to the protection and preservation of the Property, the preservation, enforcement and foreclosure of the liens, mortgages, assignments, rights and security interests now or at any time hereafter securing the payment of the Note, and enforcement and collection of obligations, covenants and indebtedness for which Borrower and any guarantors remain liable as provided in this paragraph. If there is a foreclosure of any such liens, mortgages, assignments, rights, and security interests securing the payment of this Note, by power of sale or otherwise, no judgment for any deficiency upon such indebtedness shall be sought or obtained by Lender against Borrower. Notwithstanding the foregoing provisions of this paragraph or any other agreement, Lender shall have full recourse against Borrower and all guarantors, if any, for losses sustained by Lender caused by: (a) fraud or misrepresentation by

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Borrower or any guarantor in connection with the transactions herein contemplated; (b) failure to pay taxes, assessments, charges for labor or materials or other charges that can create liens on any portion of the Property; (c) the misapplication of (i) proceeds of insurance covering any portion of the Property, or (ii) proceeds of the sale or condemnation of any portion of the Property, or (iii) rentals received by or on behalf of Borrower subsequent to the date on which Lender gives written notice of the posting of foreclosure notices, (d) failure to prevent waste to the Property unless Lender is compensated therefor by insurance proceeds collected by Borrower; (e) failure to return to Lender all unearned advance rentals and security deposits paid by tenants of the Property and not refunded to or forfeited by such tenants, (f) failure to return or reimburse for, all personalty taken from the Property by or on behalf of Borrower, (g) all reasonable court costs and for all reasonable attorneys' fees incurred by Lender provided for in any instrument governing, securing or pertaining to the payment of the Note; and (h) failure to comply with any indemnification provision or covenants pertaining to environmental matters contained in the Security Documents.

If the collateral securing this Note becomes the subject of a foreclosure proceeding that results in the sale of part or all of the collateral securing this Note, all sums in excess of those paid to superior lien holders shall be paid to Payee to apply to the outstanding balance under this Note. If there are insufficient funds to pay off this Note, Payee may in its own discretion waive the payment of any or all of the outstanding loan balance under this Note.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness (including, but not limited to, all amounts due and payable by virtue of any default or acceleration or upon maturity) evidenced by a Promissory Note (Multistate) dated on or about even date herewith in the original principal amount of Thirteen Million Seven Hundred Ten Thousand Two Hundred and No/100 Dollars (US $13,710,200.00) issued by Borrower and payable to Dougherty Mortgage LLC, a Delaware limited liability company ("First Lien Lender"), or order (the "First Note"), and described in a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement dated the same date as the First Note, to be recorded in the Official Public Records of Denton County, Texas ("First Mortgage"). Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Lender under the Subordination Agreement (as defined in the Deed of Trust).

THIS WRITTEN AGREEMENT AND THE OTHER WRITTEN AGREEMENTS, INCLUDING THE COLLATERAL AGREEMENTS, SIGNED CONTEMPORANEOUSLY WITH THE SIGNING HEREOF REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Initials

BORROWER

CHICORY COURT LAKE DALLAS, LP, a Texas limited partnership

By: Chicory GP Lake Dallas, LLC, a Texas limited liability company, its general partner

By: Housing Services Incorporated, a Texas non-profit corporation, member

By: _____

Name: Lee Anderson

Title: Director of Affordable Housing

Date: May 29, 2014

Initials

EXHIBIT "A"

Loan Name: _____ Loan Number: _____

For Period: _____ to _____
(mm/dd/yr) (mm/dd/yr)

Total Payment Remitted with this Statement: $_____ Check No.: _____

Surplus Cash for Period: $_____(A)
(Pursuant to FHA/HUD and as defined in Section ____ of the Note, attach supporting operating statements and relevant schedules)

Scheduled Payment for Period: $_____(B)
(Pursuant to TDHCA Loan Documents)

Remaining Surplus Cash or, if negative, the Deferred Payment Amount for this Period: $_____(C)
(Subtract Line (B) from Line (A). A negative result indicates a Deferred Payment Amount for this Period. If negative, enter the amount indicated in Line (C) as a positive number on Line F, below. If the result is positive and a Deferred Payment Account Balance exists from a prior period, enter the amount on Line H, below)

DEFERRED PAYMENT ACCOUNT RECONCILIATION:

Complete this section only if one of the following conditions exist: (1) a Deferred Payment Account Balance exists from a prior period, or (2) a Deferred Payment Amount for the Period is indicated on Line C, above.

Deferred Payment Account Balance from Prior Period: $_____(E)
(Transfer balance, if any, from prior period statement Line I)

Deferred Payment Amount this Period, if any: $_____(F)
(Line C, above, as a positive number)

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New Deferred Payment Account Balance before Application of Remaining Surplus Cash for Period: $_____ (G)
(Add Line E to Line F)

Remaining Surplus Cash for Period, if any: $_____ (H)
(Line C, above if there is Remaining Surplus Cash for the Period)

Deferred Payment Account Balance for Current Period: $_____ (I)

BORROWER CERTIFICATION

The above information as well as the supporting financial statements submitted therewith are true and correct.

_____ _____
Name and Title Date

STATE OF TEXAS §

COUNTY OF _____ §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, 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/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of ____, 20_____.

(Seal)

_____
Notary Public

Initials

EXHIBIT "B"

BEING all that certain lot, tract, or parcel of land situated in the N. French Survey Abstract Number 424 in the City of Lake Dallas, Denton County, Texas, being a part of that certain tract of land described in deed to Hulen R. Boliver, Trustee, recorded in Volume 4643, Page 2573, Real Property Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at an iron rod found for corner in the south line of East Swisher Road, a public roadway having a right-of-way of 80.0 feet, said point being the northwest corner of "Common Area and Drainage Easement", in Oaks at North Lakeview, Phase 1, an addition to the City of Lake Dallas, Denton County, Texas according to the plat thereof recorded in Cabinet X, Page 26, Plat Records, Denton County, Texas;

THENCE S 00° 29' 54" E, 705.71 feet with the west line of said "Common Area and Drainage easement" and with the west line of "Common Area and Drainage Easement", in Oaks at North Lakeview, Phase 2, an addition to the City of Lake Dallas, Denton County, Texas according to the plat thereof recorded in Cabinet Y, Page 194, Plat Records, Denton County, Texas to an iron rod set for corner in the north line of Kings Manor Addition, an addition to the City of Lake Dallas according to the plat thereof recorded in Volume 7, Page 49, Plat Records, Denton County, Texas;

THENCE S 89° 48' 43" W, 946.97 feet with said north line of said Kings Manor Addition to an iron rod set for corner, said point being the southeast corner of that certain tract of land conveyed by deed from Hulen Ray Boliver, Trustee to Denton County, Texas recorded under Document Number 2006-57376, Real Property Records, Denton County, Texas;

THENCE NORTH, 45.77 feet with the east line of said Denton County tract to an iron rod set for corner in said south line of said East Swisher Road;

THENCE along the arc of a curve to the left having a central angle of 23° 57' 58", a radius of 994.93 feet, an arc length of 416.17 feet, whose chord bears N 62° 32' 10" E, 413.14 feet with said south line of said East Swisher Road to an iron rod set for corner;

THENCE N 50° 33' 11" E, 743.64 with said south line of said East Swisher Road to the PLACE OF BEGINNING and containing 7.295 acres of land.

Initials

**** Electronically Filed Document ****

Denton County
Cynthia Mitchell
County Clerk

Document Number: 2014-49200
Recorded As : ERX-SUBORDINATION

Recorded On:	**May 28, 2014**
Recorded At:	**01:06:41 pm**
Number of Pages:	**19**
Recording Fee:	**$98.00**

Parties:

Direct- CHICORY COURT LAKE DALLAS LP
Indirect-

Receipt Number:	**1167805**
Processed By:	**Jane Kline**

********** THIS PAGE IS PART OF THE INSTRUMENT **********

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS)
COUNTY OF DENTON)

I hereby certify that this instrument was FILED in the File Number sequence on the date/time printed heron, and was duly RECORDED in the Official Records of Denton County, Texas.

County Clerk
Denton County, Texas

Subordination Agreement

133857-MCCB

U.S. Department of Housing and Urban Development
Office of Housing

OMB Approval No. 2502-0598
(Exp. 04/30/2014)

Public Reporting Burden for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

Project Name: Champion Homes on the Lake
HUD Project No: 113-35575

29 THIS **SUBORDINATION AGREEMENT** (**"Agreement"**) is entered into this day of May, 2014 by and among (i) Dougherty Mortgage LLC, a Delaware limited liability company (**"Senior Lender"**), (ii) Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas (**"Subordinate Lender"**), and (iii) Chicory Court Lake Dallas, LP, a Texas limited partnership (**"Borrower"**).

Recitals

WHEREAS, Borrower is the owner of that certain 140 unit residential rental development known as "Champion Homes on the Lake" (**"Project"**), located at 502 North Shady Shores Lane, Lake Dallas, Texas 75065. Senior Lender has made or is making the senior mortgage loan as described on Schedule A hereto (**"Senior Indebtedness"**) to Borrower in the original principal amount(s) as shown on Schedule A, evidenced by the Note described in Schedule A (**"Senior Note"**), and secured by, among other things, the Security Instrument as described in Schedule A (collectively, **"Senior Security Instrument"**), covering the property described in Exhibit A attached hereto together with all improvements thereon and personal property used relative thereof, all as more particularly described in the Senior Security Instrument (**"Mortgaged Property"**).

WHEREAS, Borrower has requested Senior Lender to permit Subordinate Lender to make a subordinate loan to Borrower in the amount of $3,000,000.00 (**"Subordinate Loan"**) and to secure the Subordinate Loan by, among other things, placing a mortgage lien against the Mortgaged Property.

WHEREAS, Senior Lender, with the approval of the U.S. Department of Housing and Urban Development (**"HUD"**), has agreed to permit Subordinate Lender to make the Subordinate Loan and to place a subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in this Agreement and in accordance with Program Obligations. **"Program Obligations"** means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in

HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Agreement rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on HUD's official website: (http://www.hud.gov/offices/adm/hudclips/index.cfm, or a successor location to that site).

NOW, THEREFORE, in order to induce Senior Lender to permit Subordinate Lender to make the Subordinate Loan to Borrower and to place a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Lender and Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

(a) "Affiliate" is defined in 24 CFR 200.215, or any successor regulation.

(b) "Bankruptcy Proceeding" means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(c) "Borrower" means all entities identified as "Borrower" in the first paragraph of this Agreement, together with any successors, heirs, and assigns (jointly and severally). Borrower shall include any entity taking title to the Mortgaged Property, whether or not such entity assumes the Senior Note, provided that the term "Borrower" shall not include Senior Lender in the event that Senior Lender may acquire title to the Mortgaged Property. Whenever the term "Borrower" is used herein, the same shall be deemed to include the obligor of the debt secured by the Senior Security Instrument.

(d) "Business Day" means any day other than Saturday, Sunday or any other day on which Senior Lender or HUD is not open for business.

(e) "Covenant Event of Default" is defined in the Senior Security Instrument.

(f) "[INTENTIONALLY OMITTED]"

(g) "Entity" means an estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

(h) "[INTENTIONALLY OMITTED]"

(i) **"Monetary Event of Default"** is defined in the Senior Security Instrument.

(j) **"Non-Project Sources"** means any funds that are not derived from Project Sources.

(k) **"Project Sources"** means the Mortgaged Property (as defined in the Senior Security Instrument), any proceeds of the Senior loan, and any reserve or deposit made with Senior Lender or any other party as required by HUD in connection with the Senior loan.

(l) **"Senior Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Senior Lender under or in connection with the Senior loan or Senior Loan Documents.

(m) **"Senior Lender"** means the Entity named as such in the first paragraph on page 1 of this Agreement, its successors and assigns.

(n) **"Senior Loan Documents"** means the Senior Note, the Senior Security Instrument, and the Regulatory Agreement between Borrower and HUD, as such documents may be amended from time to time and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Senior Indebtedness.

(o) "[INTENTIONALLY OMITTED]"

(p) **"Senior Security Instrument Default"** means a "**Monetary Event of Default**" or a "**Covenant Event of Default**" as defined in the Senior Security Instrument.

(q) **"Subordinate Indebtedness"** means all present and future indebtedness, obligations, and liabilities of Borrower to Subordinate Lender under or in connection with the Subordinate Loan or the Subordinate Loan Documents.

(r) **"Subordinate Lender"** means the Entity that qualifies under Program Obligations and named as such in the first paragraph on page 1 of this Agreement.

(s) **"Subordinate Loan Documents"** means the subordinate promissory note dated of even date herewith in the original principal amount of $3,000,000.00 from Borrower made payable to Subordinate Lender (**"Subordinate Note"**), the Subordinate Deed of Trust (with Security Agreement and Assignment of Rents) to Timothy K. Irvine, trustee for Subordinate Lender (**"Subordinate Mortgage"**), and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness.

(t) **"Subordinate Loan Enforcement Action "** means the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of

any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative (other than administrative action regarding income, rent and affordability restrictions under the Land Use Restriction Agreement (Multifamily Properties) dated of even date herewith ("**LURA**") pursuant to Chapter 2306 of the Texas Government Code), or arbitration proceeding based upon the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(u) "Subordinate Mortgage Default" means any act, failure to act, event, conditions, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Lender to take a Subordinate Loan Enforcement Action.

(v) "Surplus Cash" is defined herein to mean the same as that term is defined in the Regulatory Agreement between Borrower and HUD.

2. Permission to Place Mortgage Lien Against Mortgaged Property.

Senior Lender agrees, subject to the provisions of this Agreement, to permit Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Mortgaged Property to secure Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to Borrower. If any of the representations and warranties made by Borrower and Subordinate Lender in Section 3 are not true and correct on both of those dates, the provisions of the Senior Loan Documents applicable to unpermitted liens on the Mortgaged Property shall apply.

3. Borrower's and Subordinate Lender's Representations and Warranties.

Borrower and, with respect to subsections (a) through (d) below, Subordinate Lender each make the following representations and warranties to Senior Lender:

(a) Subordinate Loan Documents. The Subordinate Loan is evidenced by the Subordinate Note and is secured by the Subordinate Mortgage.

(b) Terms of the Subordinate Loan. The original principal amount of the Subordinate Note is $3,000,000.00. Interest on the Subordinate Note accrues monthly at the rate of 0.00% per annum. The Subordinate Note is due and payable in full on December 1, 2055, ("**Maturity**"). The principal of the

Subordinate Note will be fully amortized at Maturity. The promissory note evidencing the Subordinate Note obligates Borrower to make payments as follows, forty (40) annual installments in the amount of $75,000.00, subject to available Surplus Cash. As long as HUD is the insurer or holder of the Senior Note on FHA Project No. 113-35575, any payments due from project income under the Subordinate Note shall be payable only (i) from Surplus Cash of the Project; No prepayment of the Subordinate Note shall be made until after final endorsement by HUD of the Senior Note, unless such prepayment is made from Non-Project Sources and is approved in writing by HUD. The restriction on payment imposed by this paragraph shall not excuse any default caused by the failure of the maker to pay the indebtedness evidenced by the Subordinate Note.

(c) Relationship of Borrower to Subordinate Lender. Subordinate Lender is not an Affiliate of Borrower.

(d) Term. The term of the Subordinate Note does not end before the term of the Senior Note.

(e) Subordinate Loan Documents. The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, HUD prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(f) Senior Loan Documents. The executed Senior Loan Documents are the same forms as approved by HUD prior to the date of this Agreement. Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

4. Deliveries.

Borrower shall submit the following items to Senior Lender and HUD not later than ten (10) Business Days after the date of the initial disbursement of proceeds of the Subordinate Loan.

(a) Title Policy Endorsement. An endorsement to the policy of title insurance insuring the lien of the Senior Security Instrument which insures that (i) the lien of the Subordinate Mortgage is subordinate to the lien of the Senior Mortgage, and (ii) this Agreement has been recorded among the applicable land records.

(b) Certification. A certification from Borrower to HUD that the Subordinate Loan Documents do not contain any changes from the Subordinate Loan Documents submitted to, and approved by, HUD, before the date of this Agreement.

(c) Loan Documents. A complete set of the Subordinate Loan Documents.

5. Terms of Subordination.

(a) Agreement to Subordinate. Senior Lender and Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the Senior Loan Documents, and (ii) the Subordinate Mortgage and the other Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Security Instrument and the other Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Security Instrument, curing defaults by Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Security Instrument, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

(b) Subordination of Subrogation Rights. Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Senior Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument.

(c) Payments Before Senior Security Instrument Default. Until Subordinate Lender receives a default notice of a Senior Security Instrument Default from Senior Lender, Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents provided that such payments are otherwise permitted under the terms of this Agreement.

(d) Payments After Senior Security Instrument Default. Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Security Instrument Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a default notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Project Sources on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents

(including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) unless either (i) such payment is being made solely from Non-Project Sources or (ii) such payment is made with Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Security Instrument Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 5 shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new default notice from Senior Lender in accordance with the provisions of this Section 5(d).

(e) Remitting Subordinate Loan Payments to Senior Lender. If, after Subordinate Lender receives a default notice from Senior Lender in accordance with subsection (d) above, Subordinate Lender receives any payments under the Subordinate Loan Documents (other than payments permitted under subsection (d) above), Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted, in kind to Senior Lender, by warrant of the State of Texas, to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to remit any such payments to Senior Lender, and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Mortgage Default which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) Agreement Not to Commence Bankruptcy Proceeding. Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any Bankruptcy Proceeding with respect to Borrower, without Senior Lender's prior written consent.

6. Default Under Subordinate Loan Documents.

(a) Notice of Default and Cure Rights. Subordinate Lender shall deliver to Senior Lender a default notice within five Business Days in each case where Subordinate Lender has given a default notice to Borrower. Failure of Subordinate Lender to send a default notice to Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the opportunity, but not the obligation, to cure any Subordinate Mortgage Default

within 60 days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents, subject to the limitations set forth in Section 6(b) below.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender. If a Subordinate Mortgage Default occurs and is continuing, Subordinate Lender agrees that it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents with respect to the Mortgaged Property, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder without Senior Lender's prior written consent. However, the preceding sentence shall not (i) limit Subordinate Lender's right to bring an action seeking recovery solely from Non-Project Sources or (ii) preclude Subordinate Lender from exercising or enforcing all the rights available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable law to enforce the LURA and any covenants and agreements of Borrower relating to income, rent or affordability restrictions.

7. Default Under Senior Loan Documents.

(a) Notice of Default and Cure Rights. Senior Lender shall deliver to Subordinate Lender a default notice within five Business Days in each case where Senior Lender has given a default notice to Borrower (provided that Senior Lender shall have no liability to Borrower, Subordinate Lender or to any other Entity for failure to timely give such notice). Failure of Senior Lender to send a default notice to Subordinate Lender shall not prevent the exercise of Senior Lender's right and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Borrower agrees that Subordinate Lender shall have the opportunity, but not the obligation, to cure either a Monetary Event of Default or a Covenant Event of Default within 30 days following the date of such notice, or any time prior to an assignment of the Senior Security Instrument from Senior Lender to HUD, whichever date is later. Subordinate Lender acknowledges that Senior Lender shall be entitled during such period described above to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender shall have the opportunity to cure a Covenant Event of Default during such period described above so long as there is no Monetary Event of Default under the Senior Loan Documents. All amounts paid by Subordinate Lender to Senior Lender to cure any default under the Senior Loan Documents shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) Cross Default. Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Security Instrument Default shall not constitute a default under the Subordinate

Loan Documents if no other default occurred under the Subordinate Loan Documents.

8. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and Subordinate Lender in the Mortgaged Property; and (b) solely as between Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be; give Borrower the right to notice of any Senior Security Instrument Default or Subordinate Mortgage Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents, as applicable; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. Rights and Obligations of Subordinate Lender under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) Protection of Security Interest. Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure Senior Security Instrument Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Mortgaged Property and curing other defaults by Borrower under the Subordinate Loan Documents.

(b) Condemnation or Casualty. In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Mortgaged Property (collectively, a "**Taking**"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a "**Casualty**"), at any time or times when the Senior Security Instrument remains a lien on the Mortgaged Property the following provisions shall apply:

(1) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by or with the written consent of Senior Lender; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (to payment of the costs and expenses of repair and restoration and/or to payment of the Senior Security Instrument) in the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Security Instrument, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Security Instrument shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents. Any proceeds then remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents shall be paid by the Subordinate Lender to Borrower.

(c) No Modification of Subordinate Loan Documents. Borrower and Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents without Senior Lender's consent shall be void ab initio and of no effect whatsoever, to the extent allowed by law.

10. Modification of Senior Loan Documents; Refinancing of Senior Indebtedness.

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Security Indebtedness in accordance with Program Obligations (including reasonable and necessary costs associated with the closing and/or the refinancing) ; and that all the

terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Indebtedness, the Senior Note, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the indebtedness related to the refinance loan, the refinance note, the security instrument securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

11. Default by Subordinate Lender or Senior Lender.

If Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting Lender shall have the right to all available legal and equitable relief.

12. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "**notice**") which Senior Lender or Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two Business Days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER:

Dougherty Mortgage LLC
90 South Seventh Street, Suite 4300
Minneapolis, Minnesota 44502
Attention:_____

With a copy to:

U.S. Department of Housing and Urban Development
Director - Office of Multifamily Asset Management
Room 6160
451 Seventh Street, S.W.
Washington, DC 20410

SUBORDINATE LENDER:

Texas Department of Housing and
Community Affairs
221 East 11th Street
P. O. Box 13941
Austin, Texas 78711
Attention: Asset Management

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. [Intentionally Omitted.]

14. General.

(a) Assignment/Successors. This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Senior Lender and Subordinate Lender.

(b) No Partnership or Joint Venture. Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) Senior Lender's and Subordinate Lender's Consent. Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances; UCC Financing Statements. Subordinate Lender, Senior Lender and Borrower each agree, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Loan Documents are subordinate to the lien, covenants and

conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement. Senior Lender is hereby authorized to file any and all UCC financing statement amendments required to reflect the priority of the Senior Indebtedness.

(e) Amendment. This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) Governing Law. This Agreement shall be governed by the laws of the State in which the Mortgaged Property is located, except as, so long as the Senior loan is insured or held by HUD, and solely as to rights and remedies of HUD, federal jurisdiction may be appropriate pursuant to any federal requirements. The State courts, and with respect to HUD's rights and remedies, federal courts, and governmental authorities in the State in which the Mortgaged Property is located, shall have exclusive jurisdiction over all controversies which shall arise under or in relation to the Subordinate Loan Documents. To the extent allowed by law, Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise.

(g) Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) Term. The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 4 hereof; (iii) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure; or (iv) the acquisition by Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement. Notwithstanding the foregoing, in the event the Senior Indebtedness is refinanced, the term of this Agreement shall continue and the Subordinate Indebtedness and Subordinate Loan Documents shall be subordinate to any such indebtedness related to the refinance loan as provided in Section 10 above.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

DOUGHERTY MORTGAGE LLC,
a Delaware limited liability company

By: _____
Samuel J. Butler, Executive Vice President

ACKNOWLEDGEMENT

STATE OF Texas
COUNTY OF Tarrant

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 28th day of May, 2014, Samuel J. Butler, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and the free and voluntary act of Dougherty Mortgage LLC, a Delaware limited liability company, for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

_____
Notary Public

[seal]

KATHY GREENE
MY COMMISSION EXPIRES
April 20, 2016

SUBORDINATE LENDER:

THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,
a public and official agency of the State of Texas

By: _____
Name: Jean Latsha
Title: Director, Multifamily Finance
Its duly authorized officer or representative

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF TRAVIS

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 21st day of May, 2014, Jean Latsha personally known to me by the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of The State Department of Housing and Community Affairs, a public and official agency of the State of Texas, for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[seal]

Leah Sargent Rosas
Notary Public

BORROWER:

Chicory Court Lake Dallas, LP
a Texas limited partnership

By: Chicory GP Lake Dallas, LLC
a Texas limited liability company
its General Partner

By: _____
Saleem A. Jafar, Manager

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF DALLAS

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this 22 day of May, 2014, Saleem A. Jafar, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and the free and voluntary act of Chicory GP Lake Dallas, LLC, a Texas limited liability company, the general partner of Chicory Court Lake Dallas, LP, a Texas limited partnership, for purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[seal] KIM MEREDITH
Notary Public, State of Texas
My Commission Expires
April 13, 2015

_____
Notary Public

EXHIBIT "A"

BEING all that certain lot, tract, or parcel of land situated in the N. French Survey Abstract Number 424 in the City of Lake Dallas, Denton County, Texas, being a part of that certain tract of land described in deed to Hulen R. Boliver, Trustee, recorded in Volume 4643, Page 2573, Real Property Records, Denton County, Texas and being more particularly described as follows:

BEGINNING at an iron rod found for corner in the south line of East Swisher Road, a public roadway having a right-of-way of 80.0 feet, said point being the northwest corner of "Common Area and Drainage Easement", in Oaks at North Lakeview, Phase 1, an addition to the City of Lake Dallas, Denton County, Texas according to the plat thereof recorded in Cabinet X, Page 26, Plat Records, Denton County, Texas;

THENCE S 00° 29' 54" E, 705.71 feet with the west line of said "Common Area and Drainage easement" and with the west line of "Common Area and Drainage Easement", in Oaks at North Lakeview, Phase 2, an addition to the City of Lake Dallas, Denton County, Texas according to the plat thereof recorded in Cabinet Y, Page 194, Plat Records, Denton County, Texas to an iron rod set for corner in the north line of Kings Manor Addition, an addition to the City of Lake Dallas according to the plat thereof recorded in Volume 7, Page 49, Plat Records, Denton County, Texas;

THENCE S 89° 48' 43" W, 946.97 feet with said north line of said Kings Manor Addition to an iron rod set for corner, said point being the southeast corner of that certain tract of land conveyed by deed from Hulen Ray Boliver, Trustee to Denton County, Texas recorded under Document Number 2006-57376, Real Property Records, Denton County, Texas;

THENCE NORTH, 45.77 feet with the east line of said Denton County tract to an iron rod set for corner in said south line of said East Swisher Road;

THENCE along the arc of a curve to the left having a central angle of 23° 57' 58", a radius of 994.93 feet, an arc length of 416.17 feet, whose chord bears N 62° 32' 10" E, 413.14 feet with said south line of said East Swisher Road to an iron rod set for corner;

THENCE N 50° 33' 11" E, 743.64 with said south line of said East Swisher Road to the PLACE OF BEGINNING and containing 7.295 acres of land.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.

SCHEDULE A

SENIOR LOAN DOCUMENTS

1) State of Texas Deed of Trust Note, dated as of May 1, 2014, executed by Chicory Court Lake Dallas LP, a Texas limited partnership, for the benefit of Dougherty Mortgage LLC, a Delaware limited liability company, in the amount of $13,710,200.00.

2) Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement, dated as of May 1, 2014 by Chicory Court Lake Dallas LP, a Texas limited partnership, to Harrison C. Smith, Esq., as Trustee, for the benefit of Dougherty Mortgage LLC, a Delaware limited liability company, in the amount of $13,710,200.00.

3) Regulatory Agreement for Multifamily Projects, dated as of May 1, 2014 by and between Chicory Court Lake Dallas LP, a Texas limited partnership and the United States Department of Housing and Urban Development, acting by and through the Secretary.

5a

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding a waiver of 10 TAC §11.204(15) regarding the requirements for a Feasibility Report for proposed Rehabilitation Development Applications

RECOMMENDED ACTION

WHEREAS, the 2019 Qualified Allocation Plan (QAP) in 10 TAC §11.204(15) required a Feasibility Report for Applications seeking an award for New Construction, Reconstruction or Adaptive Reuse Developments;

WHEREAS, the 2020 QAP adopted by the Board and subsequently approved by the Governor deleted the limitation of the types of Developments requiring a Feasibility Report, which had the effect of making the Feasibility Report a requirement for Rehabilitation Applications;

WHEREAS, several potential Applicants have contacted the Department with concerns that provisions of the Feasibility Report requirements are overly burdensome because they are not typically required at the early stages of a Rehabilitation Development;

WHEREAS, potential Applicants do not feel that the staff summary of the draft Qualified Allocation Plan clearly disclosed these specific changes would have the effect of creating a new requirement for Rehabilitation (excluding Reconstruction) Development applications, and therefore they were not able to identify the need to make comment in opposition to the changes;

WHEREAS, Applicants have now requested a waiver of the provisions they would have commented on regarding the burdensome nature of the requirements;

WHEREAS, had the public comment been timely received, staff would have modified the rule to mitigate the burdens created by the requirements;

WHEREAS, staff recommends waiving 10 TAC §11.204(15) relating to Feasibility Reports for each submitted 2020 Rehabilitation Application,; and

WHEREAS, Applicants requesting Multifamily Direct Loan funds for Rehabilitation are still required to provide the items required by 24 CFR §92.251(b) and 24 CFR §93.301(a), as applicable**;**

NOW, therefore, it is hereby

RESOLVED, that 10 TAC §11.204(15), relating to Feasibility Reports, is hereby waived in its entirety for each submitted 2020 Rehabilitation (excluding Reconstruction) Application. .

BACKGROUND

The TDHCA Governing Board approved the final 2020 QAP at its meeting of November 7, 2019, for transmission to the Governor as required by Tex. Gov't Code §2306.6724, relating to Deadlines for Allocation of Low Income Housing Tax Credits. The Governor approved, with an amendment, the 2020 QAP and it was transmitted to the *Texas Register* on December 9, 2019. It became effective on December 29, 2019.

As Applicants for 2020 Competitive Tax Credits for Rehabilitation activities were preparing their Applications, they identified that changes to 10 TAC §11.204(15) had the effect of requiring Rehabilitation Development applications to submit Feasibility Reports, and that requirements of this section create a burden that cannot be mitigated without waiver. In general, Developers of Rehabilitation Developments do not obtain a new survey of the site until closing, if it is required for financing or title insurance. Similarly, a site plan for existing Rehabilitation Developments prepared by a Civil Engineer is generally not required unless changes to the site are contemplated.

If Rehabilitation Developments had been added to the list of types of developments requiring a Feasibility Report, instead of the deletion of all types of developments from the rule creating the effect of Rehabilitation Developments being required to submit a Feasibility Report, then public comment on this rule change would have been encouraged. Accordingly, the nascent requirement of Feasibility Reports for Rehabilitation Development applications was not as foreseeable or preventable from the public standpoint as a typical rule change. It should be noted that the 2019 QAP, at 10 TAC §11.204(15), specifically required New Construction, Reconstruction or Adaptive Reuse Development Applicants to submit a Feasibility Report, and that requirement is continued in the current QAP. However, if public comment had been submitted describing a concern regarding the effect of adding this requirement to Rehabilitation Development Applicants, staff may have recommended specific revisions to these sections of the QAP prior to presenting it for adoption to the Board and the Governor. Per the waiver requirements of 10 TAC §11.207, by granting the waiver, it manifestly serves the policies and purposes of Tex. Gov't Code Ch. 2306, and specifically §2306.6701(1) and (3) by encouraging the preservation and rehabilitation of affordable rental housing.

Rehabilitation Developments that are applying for Multifamily Direct Loan funds are still required to follow the federal regulations concerning property standards outlined in 24 CFR §92.251(b) and 24 CFR §93.301(a)[1], as applicable. These property standards are required to be identified in the application for

[1] 10 TAC §11.1 defines Rehabilitation to include Reconstruction, but 24 CFR §93.1 treats reconstruction (as defined therein) as new construction.

Direct Loan so that the Department may review and approve the written cost estimate in accordance with 24 CFR §92.251(b)(2) or §93.300(b)(1), as applicable. Therefore, for 2020 Rehabilitation Developments, Applications seeking Direct Loan Funds must still provide at Application the information described in 10 TAC §11.207(15)(A-C) as part of the Scope and Cost Review Report described in 10 TAC §11.204. Other documents and information required by federal regulation and described in 10 TAC §11.207(D)-(F) or described in other Department rules still must be submitted to the Department at a later date, such as the requirement to submit a survey before loan closing in accordance with 10 TAC §13.11(D)(iii).

Staff is recommending that 10 TAC §11.207(15) be waived in its entirety for each submitted 2020 Rehabilitation (excluding Reconstruction) Application.

Staff will work with the rehabilitation development community during the development of the 2021 QAP to identify language for these items that allows staff to garner documentation for a complete review of a proposed Rehabilitation, while not creating an undue burden on the Applicant.

5b

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed for:

19070	South Rice Apartments	Houston
19074	900 Winston	Houston
19085	Gala at McGregor	Houston
19296	McKee City Living	Houston

RECOMMENDED ACTION

WHEREAS, an award of 2019 Competitive (9%) Housing Tax Credits was approved for the above-listed applications by the Board on July 25, 2019;

WHEREAS, each Applicant was awarded points under 10 TAC §11.9(c)(8) of the 2019 Qualified Allocation Plan (QAP), related to readiness to proceed in disaster impacted counties, which requires that the Developments close all financing and fully execute a construction contract on or before the last business day of November 2019;

WHEREAS, per 10 TAC §11.9(c)(8), failure to close all financing and provide evidence of an executed construction contract by the November deadline may result in penalty under 10 TAC §11.9(f), which authorizes the Board to find that an Applicant or Affiliate should be ineligible to compete in the 2020 Application Round or that it should be assigned a penalty deduction, to be determined solely by the Board;

WHEREAS, each Applicant was awarded funds by the City of Houston (City) and the City informed the Department that, due to delays by the City, largely due to the federally required environmental review process, the Developments would fail to close all financing by the last business day of November 2019; and

WHEREAS, 10 TAC§11.9(f) does not require that staff recommend ineligibility or penalty to the Board, and in this case, due to the failure on the part of the City to close financing being something the Developments could not have anticipated or prevented, staff is recommending that no penalty or ineligibility be determined;

NOW, therefore, it is hereby

RESOLVED, the Applicants are not subject to penalty under 10 TAC §11.9(f), as determined solely by the Board.

BACKGROUND

Awards to the Developments were approved by the Board on July 25, 2019. Each Application was awarded points under 10 TAC §11.9(c)(8) related to readiness to proceed in disaster impacted counties, which states:

> An Application for a proposed Development that is located in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within two years preceding December 1, 2018, that provides a certification that they will close all financing and fully execute the construction contract on or before the last business day of November. (5 points)
> (A) Applications must include evidence that appropriate zoning will be in place at award and acknowledgement from all lenders and the syndicator of the required closing date.
> (B) The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board.

On October 22, 2019, the Department received notification that the City was experiencing delays in its process. Per the letter:

> "We expect all deals to close within seven weeks of November 29, by mid-January. I am writing to alert you to this minor delay and ask that you not penalize developers in this group who do not meet the November 27 deadline as they are considered for future TDHCA tax credit awards. … the City requests that the Board not pursue penalty against the applicants under 10 TAC §11.9(f) for any transactions not closed by November 27th as applicants were unable to foresee or control the extended time period required in the City's Housing and Community Development Department (HCDD) program."

Staff contacted the affected Applicants and found that two of the Applications have now already closed: 19070, South Rice Apartments and 19074, 900 Winston. Application 19085, Gala at McGregor, anticipates closing in the next 30-45 days, and Application 19296, McKee City Living, anticipates closing within the next three weeks. Staff recommends the Board not pursue penalty against the applicants because the delay in closing was largely caused by the City of Houston's federally required environmental review process, which is outside of the control of the Applicant.

CITY OF HOUSTON
Housing & Community Development Department

Sylvester Turner
Mayor

Ray Miller
Assistant Director
2100 Travis, 9th Floor
Houston, Texas 77002

T. (832) 394-6200
F. (832) 395-9662
www.houstontx.gov/housing

Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, TX 76701

October 22, 2019

Director Wilkinson,

Thank you for your support as Houston seeks to underwrite a record number of multifamily apartment developments. With $350 million budgeted for multifamily development in the Hurricane Harvey action plan, we anticipate putting thousands of affordable apartments on the ground in Houston in the coming years.

As you know, the best way to maximize our shared investment is to pair State-awarded Tax Credits with City of Houston-awarded Community Development Block Grant (CDBG) funding. We are pleased to have identified seven developments for this kind of paired award so far this year and look forward to many more joint awards in the coming years.

These awards represent a new kind affordable housing investment in Houston, with a focus on resilient design and creating opportunities for Houston families to live close to good schools and work centers. The selected developments are spread throughout the city, including downtown and in the Heights, Medical District, and Galleria.

Our office notified your department on June 19, 2019 of our intention to award up to $54 million in CDBG-Disaster Recovery 2017[i] funding to seven developments that received a 9% Tax Credit award in the 2019 allocation round. The developments are outlined in the chart below. Each of the developments were awarded with a 5-point "readiness to proceed" designation in the Tax Credit award framework. This requires awardees to close all financing and fully execute the construction contract on or before the last business day of November 2019 (November 27, 2019).

Our office typically takes 90 to 120 days for underwriting, which includes time for public notices and public comments, as well as federally-required environmental reviews. All of these steps must be completed before the deal can be submitted to City Council to approve the allocation of CDBG funds. Houston City Council meets weekly on Wednesdays except for several weeks during holidays.

We are experiencing short delays in underwriting that will extend the timeline for approval for these seven developments to 120 – 180 days. We expect all deals to close within 7 weeks of November 29, by mid-January. I am writing to alert you to this minor delay and ask that you not penalize developers in this group who do not meet the November 27 deadline as they are

Council Members: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Steve Le Greg Travis Karla Cisneros
Robert Gallegos Mike Laster Martha Castex-Tatum Mike Knox David W. Robinson Michael Kubosh Amanda Edwards Jack Christie
Controller: Chris Brown

considered for future TDHCA Tax Credit awards. We need strong development partners to successfully execute a major push for increased affordable rental homes and do not want a short delay on our side to affect future quality developments.

Our Department is aware the TDHCA Board is unable to waive the deadline outlined in the 2019 Qualified Allocation Plan and will not consider a waiver under its general rule regarding waivers. While we are aware that failure to close all financing by the November deadline will result in penalty under 10 TAC §11.9(f), the City requests that the Board not pursue penalty against the applicants under 10 TAC §11.9(f) for any transactions not closed by November 27th as applicants were unable to foresee or control the extended time period required in the City's Housing and Community Development Department (HCDD) program.

You should have confidence that the program is on track and we will be able to submit each of the seven developments to City Council for funding approval by mid-January. All transactions have met HCDD's underwriting standards and been posted for a 30-day public comment period with no comments received. And all deals have been disclosed to the City Council subcommittee on Housing and Community Affairs, which is the necessary precursor to full City Council approval.

We note that transactions receiving CDBG-DR17 funding are subject to additional requirements and reviews by the Texas General Land Office (GLO) that are extending the underwriting timeline, including additional notification requirements for developments located in the 100-year floodplain that extend the public comment period by 22 days and a Cultural Resources Survey for some deals that require additional consultation with the Texas Historical Commission prior to submission to the GLO.

As the City continues its efforts to recover from Harvey, we are excited to be part of the efforts to build an environmentally and economically resilient city. Transactions like these will ensure the families impacted in the city will have opportunities to thrive. We appreciate your support and the opportunity to work together to ensure we provide affordable options throughout the city.

Sincerely,

Ray Miller
Assistant Director

City of Houston/TDHCA Paired Funding Awards – 2019 to date

Project Name	TDHCA #	HCDD Notice	TDHCA Award	Public Notice	Env. Submittal to GLO	Env. Public Notice	RROF	AUGF	City Council Date	Closing
Edison Lofts	19327	6/19/19	7/25/19	9/9/19	8/26/19	9/16/19	10/2/19	10/18/19	11/13/19	11/22/19
Bellfort Park	19076	6/19/19	7/25/19	9/9/19	9/27/19	10/8/19	10/16/19	11/11/19	11/13/19	11/22/19
South Rice Apts	19070	6/19/19	7/25/19	9/9/19	9/30/19	10/21/19	11/6/19	11/22/19	12/3/19	12/10/19
900 Winston	19074	6/1/199	7/25/19	9/9/19	9/19/19	10/25/19	11/13/19	12/3/19	12/11/19	12/17/19
McKee City Living**	19296	6/19/19	7/25/19	9/9/19	10/21/19	11/7/19	11/25/19	12/10/19	12/18/19	12/26/19
Gala at MacGregor*	19085	6/19/19	7/25/19	9/9/19	9/27/19	10/14/19	11/25/19	12/11/19	12/18/19	12/26/19
Briarwest Apartments*	19307	6/19/19	7/25/19	9/9/19	9/20/19	10/18/19	12/3/19	12/19/19	1/8/20	1/15/20

* Floodplain notice requires an additional 22 days
**Cultural Resources Survey required an additional 120 days

[i] *Funds for Harvey Recovery Programs are provided by the City of Houston and the Texas General Land Office through the U.S. Department of Housing and Urban Development's Community Development Block Grant Program. The City works with the U.S. Department of Housing and Urban Development (HUD) and the Texas General Land Office (GLO) to ensure that all programs follow federal and state regulations.*

South Rice Apartments, Ltd.

6517 Mapleridge
Houston, TX 77081

January 10, 2020

Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs
221 E 11th Street
Austin, TX 78701

RE: South Rice Apartments – Readiness to Proceed Deadline

Dear Mr. Wilkinson,

As the Department was previously informed, South Rice Apartments, Ltd. (the "Partnership"), Developer of HTC Application #19070 in Houston, TX, was unable to meet the closing requirement outlined in 10 TAC §11.9(c)(8), related to Readiness to Proceed (the "Readiness Deadline") due to delays with the City of Houston's process for awarding CDBG funds (see Exhibit A). Pursuant to this scoring incentive, "failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board."

The Partnership is pleased to report that Houston City Council approved and authorized the loan documents for South Rice Apartments on December 10th and the Debt and Equity closing was finalized ten days later, three weeks after the Readiness Deadline.

Pursuant to 10 TAC §11.9(f), related to "Factors Affecting Scoring and Eligibility in current and future Application Rounds", for non-statutory deadlines (including the Readiness Deadline) "an exception to the penalty may be made if the Board or Executive Director, as applicable, makes an affirmative finding setting forth that the need for an extension of the deadline was beyond the reasonable control of the Applicant and could not have been reasonably anticipated."

It is worth noting that several members of the Partnership were involved in a 2018 Houston HTC Application which did meet that cycle's Readiness Deadline. Those same members were also successful in meeting the 2019 Readiness Deadline in another Region of the State.

The circumstances with the City's award process were clearly beyond the reasonable control of the Partnership, and could not have been reasonably anticipated. Given these facts, the Partnership respectfully requests that the Board grant the exception under 10 TAC 11.9(f), and not assess a penalty against members of the Partnership. The Partnership further requests that this matter be heard at the February 20th Board meeting, so that the various members of the Partnership can plan their 2020 development pipelines accordingly.

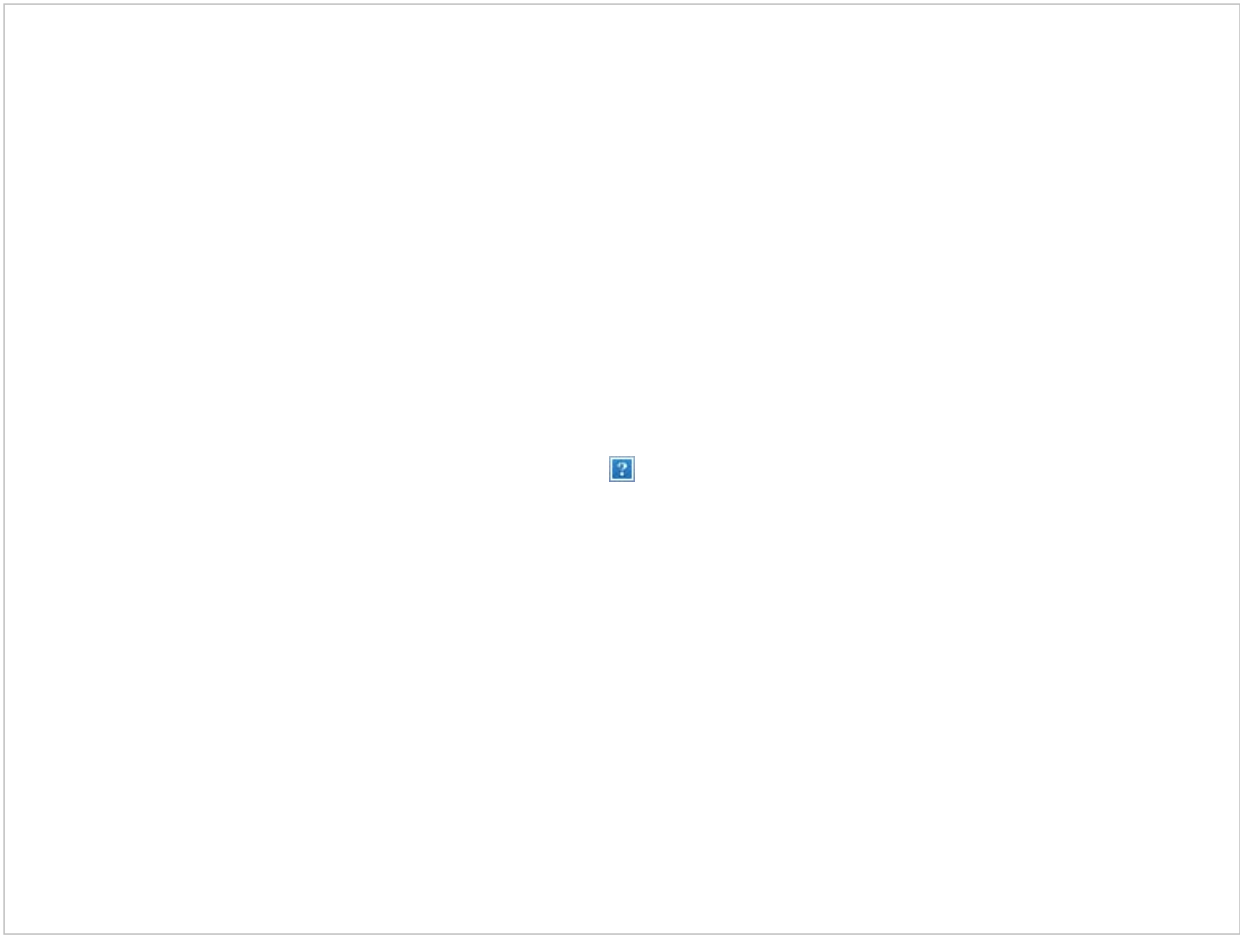
South Rice Apartments, Ltd., a Texas limited partnership

By: South Rice Apartments GP, LLC, a Texas limited liability corporation

By: _____
Doak Brown, Manager

From:	Amay Inamdar
To:	Sharon Gamble; Marni Holloway; Ben Sheppard
Cc:	Jim Boyd; Tamea A. Dula; Barry Palmer
Subject:	Re: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date:	Tuesday, February 04, 2020 12:33:39 PM
Attachments:	image001.png image002.png image003.png image004.png

Sharon, Marni and Ben, please find attached in the file server for 900 Winston (#19074) the executed Construction Contract and the executed Settlement Statement from final closing. Please let us know if you need anything more. Thank you again for your consideration of waiver / relief on the Readiness to Proceed obligation – we were ready to close, but due to City of Houston error, were unable to do so by last day of November.



Thanks!

Amay A. Inamdar
Principal

2245 Texas Dr., Ste. 300
Sugar Land, Texas 77479
713.540.0122 Phone
713.588.2423 Fax
amay.inamdar@magellandev.com

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be unlawful

From: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Date: Friday, January 31, 2020 at 10:12 AM
To: Amay Inamdar <amay.inamdar@magellandev.com>, Marni Holloway <marni.holloway@tdhca.state.tx.us>, Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Cc: Jim Boyd <jim.boyd@royalamerican.com>, Tamea Dula <tdula@coatsrose.com>, Barry Palmer <bpalmer@coatsrose.com>
Subject: RE: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hi Amay:

Have y'all closed yet? If so, please upload closing documents and the construction contract. Thanks!

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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 §11.2(a)).

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

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From: Amay Inamdar <amay.inamdar@magellandev.com>
Sent: Wednesday, December 04, 2019 9:48 AM
To: Marni Holloway <marni.holloway@tdhca.state.tx.us>; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Cc: Jim Boyd <jim.boyd@royalamerican.com>; Tamea A. Dula <tdula@coatsrose.com>; Barry Palmer <bpalmer@coatsrose.com>
Subject: Re: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Thanks, Marni!

Amay A. Inamdar
Principal

MAGELLAN HOUSING

2245 Texas Dr., Ste. 300
Sugar Land, Texas 77479
713.540.0122 Phone
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From: Marni Holloway <marni.holloway@tdhca.state.tx.us>
Date: Wednesday, December 4, 2019 at 9:19 AM
To: Amay Inamdar <amay.inamdar@magellandev.com>, Ben Sheppard <ben.sheppard@tdhca.state.tx.us>, Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Cc: Jim Boyd <jim.boyd@royalamerican.com>, "Tamea A. Dula" <tdula@coatsrose.com>, Barry Palmer <bpalmer@coatsrose.com>
Subject: RE: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hello Amay –

Thank you for letting us know. We are aware of the issues with the City of Houston, and will be working through a resolution for the Houston Applications in the coming weeks. Please keep in mind that there is no impact to your current award.

Thanks,
Marni

Marni Holloway
Multifamily Finance Director
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
(512) 475-1676

Reminder for Direct Loan Borrowers: TDHCA will not close earlier than 30 days after receipt of complete due diligence documents. We will not honor closings scheduled without our confirmation.

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.

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

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From: Amay Inamdar <amay.inamdar@magellandev.com>
Sent: Tuesday, December 03, 2019 7:18 PM
To: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Marni Holloway <marni.holloway@tdhca.state.tx.us>
Cc: Jim Boyd <jim.boyd@royalamerican.com>; Tamea A. Dula <tdula@coatsrose.com>; Barry Palmer <bpalmer@coatsrose.com>
Subject: Re: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hello Ben, Sharon and Marni,

I regret to inform that 900 Winston was not able to close by November 29th due to City of Houston funding constituting a large part of its financing. As you are probably aware, Ray Miller, Assistant Director of the Houston Housing and Community Development Department, notified the TDHCA on October 22, 2019 (see attachment) that the City would not be able to meet readiness to proceed deadlines with CDBG-DR funding because the funding resolutions could not be taken to City Council for approval until underwriting and the environmental site assessments were complete and Releases of Funds were provided by the GLO. This meant that 900 Winston could not close on any other aspect of its transaction because to do so would be a “choice-limiting activity” under HUD regulations which would result in the loss of all GLO financing. As of now, the City anticipates taking 900 Winston to the December 11th Council meeting, and when the CDBG-DR funding is approved, we can proceed directly to closing of the land acquisition, and construction and equity financing. Hopefully this will happen in December.

Please let me know if you have any questions.

Thank You,

Amay A. Inamdar
Principal

2245 Texas Dr., Ste. 300
Sugar Land, Texas 77479
713.540.0122 Phone
713.588.2423 Fax
amay.inamdar@magellandev.com

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From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Date: Tuesday, December 3, 2019 at 10:17 AM
To: Amay Inamdar <amay.inamdar@magellandev.com>
Cc: Jim Boyd <jim.boyd@royalamerican.com>, Sharon Gamble <sharon.gamble@tdhca.state.tx.us>, Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: 19074 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

The subject Application received points under §11.9(c)(8), Readiness to Proceed. These points required that the Applicant "close all financing and fully execute the construction contract on or before the last business day of November" (i.e., Friday, November 29, 2019). Pursuant to the foregoing requirement and the instructions of the 2019 Multifamily Application Procedures Manual (page 22 of 59), provide the fully executed construction contract along with a final settlement statement from the title company documenting that all financing closed.

Please notify Sharon Gamble and Ben Sheppard when the required documentation has been uploaded to the appropriate Serv-U account folder.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

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)).

From: Brad Fisher
To: Sharon Gamble
Cc: Mark Gardner; Ben Sheppard; Sarah Anderson
Subject: Re: 19085 - Readiness to Proceed Documentation
Date: Wednesday, February 05, 2020 4:13:25 PM

Ben and Sharon,

MacGregor has not closed, but is anticipated to close in the next 30 to 45 days. We understand that per the QAP, failure to meet the deadline may result in a penalty for the following year.

Please let me know if you have any questions.

Thanks,
Brad

Bradley A. Fisher, AIA
Senior Vice President - Operations + Development
Gardner Capital
913.787.1676

Sent from my iPhone

> On Feb 4, 2020, at 3:47 PM, Sharon Gamble <sharon.gamble@tdhca.state.tx.us> wrote:
>
> Mark and Brad:
>
> I need a response. We are taking a board item to the February meeting and I need to give the board an update on your status by Thursday.
>
> Regards,
>
> Sharon D. Gamble MSW, PMP
> Competitive (9%) Housing Tax Credit Program Administrator
> Texas Department of Housing and Community Affairs
> (512) 936-7834
> https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm
>
> 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 §11.2(a)).
>
> 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

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From: Sharon Gamble
Sent: Friday, January 31, 2020 10:16 AM
To: mgardner@gardnercapital.com
Cc: Brad Fisher <bfisher@gardnercapital.com>; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: RE: 19085 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hi Mark:

Have y'all closed yet? If so, please upload closing documents and the construction contract. Thanks!

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Sent: Tuesday, December 03, 2019 10:18 AM
To: mgardner@gardnercapital.com
Cc: Brad Fisher <bfisher@gardnercapital.com>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: 19085 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

The subject Application received points under §11.9(c)(8), Readiness to Proceed. These points required that the Applicant "close all financing and fully execute the construction contract on or before the last business day of November" (i.e., Friday, November 29, 2019). Pursuant to the foregoing requirement and the instructions of the 2019 Multifamily Application Procedures Manual (page 22 of 59), provide the fully executed construction contract along with a final settlement statement from the title company documenting that all financing closed.

Please notify Sharon Gamble and Ben Sheppard when the required documentation has been uploaded to the appropriate Serv-U account folder.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

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)).

From:	SF
To:	Sharon Gamble
Cc:	Anna Labadie; Donna Rickenbacker
Subject:	Re: 19296 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date:	Friday, January 31, 2020 11:51:27 AM

Hi Sharon,

The city has told us we are scheduled for council on Feb 12th, and they will be able to close and fund within 2 weeks afterward.

Best regards,

Stephan Fairfield
832-879-2204

From: Sharon Gamble [mailto:sharon.gamble@tdhca.state.tx.us]
Sent: Friday, January 31, 2020 10:17 AM
To: Donna Rickenbacker <donna@marqueconsultants.com>
Cc: Will Bowling <Bowling@gchp.net>; sfairfield@conevantneighborhoods.org; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: RE: 19296 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hi Donna:

Have y'all closed yet? If so, please upload closing documents and the construction contract. Thanks!

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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 §11.2(a)).

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current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us

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From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Sent: Tuesday, December 03, 2019 10:18 AM
To: Donna Rickenbacker <donna@marqueconsultants.com>
Cc: Will Bowling <Bowling@gchp.net>; sfairfield@conevantneighborhoods.org; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: 19296 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

The subject Application received points under §11.9(c)(8), Readiness to Proceed. These points required that the Applicant "close all financing and fully execute the construction contract on or before the last business day of November" (i.e., Friday, November 29, 2019). Pursuant to the foregoing requirement and the instructions of the 2019 Multifamily Application Procedures Manual (page 22 of 59), provide the fully executed construction contract along with a final settlement statement from the title company documenting that all financing closed.

Please notify Sharon Gamble and Ben Sheppard when the required documentation has been uploaded to the appropriate Serv-U account folder.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

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)).

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed for 19077 Telephone Road Elderly, Houston

RECOMMENDED ACTION

WHEREAS, an award of 2019 Competitive (9%) Housing Tax Credits (HTC) was approved for 19077 Telephone Road Elderly by the Board on July 25, 2019;

WHEREAS, the Applicant was awarded points under 10 TAC §11.9(c)(8) of the 2019 Qualified Allocation Plan (QAP), related to readiness to proceed in disaster impacted counties, which requires that the Development close all financing and fully execute a construction contract on or before the last business day of November 2019;

WHEREAS, per 10 TAC §11.9(c)(8), failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), which authorizes the Board to find that an Applicant or Affiliate should be ineligible to compete in the 2020 Application Round or that it should be assigned a penalty deduction, to be determined solely by the Board; and

WHEREAS, the Development failed to close all financing and provide a fully executed construction contract by the last business day of November 2020;

NOW, therefore, it is hereby

RESOLVED, in accordance with 10 TAC §11.9(c)(8), the Applicant is subject to penalty under 10 TAC §11.9(f), as determined solely by the Board; and

FURTHER RESOLVED, that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to impose a penalty on the Applicant as determined at this meeting.

BACKGROUND

An award of $1,941,000 in competitive housing tax credits to Telephone Road Elderly from the At-risk Set-aside was approved by the Board on July 25, 2019. The Development proposed the Rehabilitation of 200 Units for the Elderly population in Houston. The Application was awarded points under 10 TAC §11.9(c)(8) related to readiness to proceed in disaster impacted counties, which states:

> An Application for a proposed Development that is located in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within two years preceding December 1, 2018, that provides a certification that they will close all financing and fully execute the construction contract on or before the last business day of November. (5 points)
> (A) Applications must include evidence that appropriate zoning will be in place at award and acknowledgement from all lenders and the syndicator of the required closing date.
> (B) The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board.

The Department directed Applicants to provide evidence that all financing was closed and that a construction contract had been fully executed on or before the last business day of November 2019. On November 15, 2019, the Applicant for Telephone Road Elderly confirmed in an email that all financing would not close by the deadline. Also, the Applicant did not provide evidence that a construction contract had been fully executed.

The Applicant states that they should not be subject to penalty because their closing was delayed due to the quality of the bids received in their federally required procurement process, and their belief that several qualified bidders were not able to submit bids due to Tropical Storm Imelda making landfall in the days leading up to the submission deadline in September. Upon re-bidding the project, a more competitive bidder was selected. They also state that because the At-risk Set-aside was undersubscribed in 2019, no other Applicant was harmed. Due to the undersubscription, the Applicant would have received an award without the five points claimed for Readiness to Proceed.

Pursuant to 10 TAC §11.9(c)(8), the Applicant is subject to penalty under 10 TAC §11.9(f), as determined solely by the Board. Per 10 TAC §11.9(f) related to Factors Affecting Eligibility in the 2020 Application Round:

> Staff may recommend to the Board and the Board may find that an Applicant or Affiliate should be ineligible to compete in following year's competitive Application Round or that it should be assigned a penalty deduction in the following year's competitive Application Round of no more than two points for each submitted Application (Tex. Gov't Code 2306.6710(b)(2)) because it meets the conditions for any of the items listed in paragraphs (1) – (4) of this subsection. For those items pertaining to non-statutory deadlines, an exception to the penalty may be made if the Board or Executive Director, as applicable, makes an affirmative finding setting forth that the need for an extension of the deadline was beyond the reasonable control of the Applicant and could not have been reasonably anticipated. Any such matter to be presented for final determination of deduction by the Board must include notice from the Department to the affected party not less than fourteen (14) days prior to the scheduled Board meeting. The Executive Director may, but is not required, to issue a formal notice after disclosure if it is determined that the matter does not warrant point deductions. The Executive Director may make a determination

that the matter does not warrant point deduction only for paragraph (1). (§2306.6710(b)(2)) Any deductions assessed by the Board for paragraphs (1) through (4) of this subsection based on a Housing Tax Credit Commitment from a preceding Application round will be attributable to the Applicant or Affiliate of an Application submitted in the Application round referenced above.

(1) If the Applicant or Affiliate failed to meet the original Carryover submission or 10 percent Test deadline(s) or has requested an extension of the Carryover submission deadline or the 10 percent Test deadline (relating to either submission or expenditure).

(2) If the Applicant or Affiliate failed to meet the commitment or expenditure requirements or benchmarks of their Contract with the Department for a HOME or National Housing Trust Fund award from the Department.

(3) If the Applicant or Affiliate, in the Competitive HTC round immediately preceding the current round, failed to meet the deadline to both close financing and provide evidence of an executed construction contract under 10 TAC §11.9(c)(8) related to construction in specific disaster counties.

(4) If the Developer or Principal of the Applicant has violated and/or violates the Adherence to Obligations.

On January 31, 2020, staff notified the Applicant that the matter would be presented for final determination of future ineligibility or point deductions by the Board at this meeting. The Applicant provided a letter to the Board from the Houston Housing Authority, which is attached.

From:	Williams, James
To:	Sharon Gamble
Cc:	Gunsolley, Tory; Thiele, Mark; Roskelley, Cody; Walker, Terrell; Gomez, Meg; Sarah Scott; jepsen@ejpconsultinggroup.com; eric@praxisreno.com; Eric Novak
Subject:	FW: [External Email] RE: [External Email] RE: #19077 - Telephone Road Elderly Apartments
Date:	Friday, January 31, 2020 4:43:08 PM
Importance:	High

Sharon,

Telephone Road has not closed yet, due to our decision to re-procure the General Contractor. That was a good decision because the pricing came in substantially less than in the initial procurement and our numbers work far better. We now anticipate a closing in late March or early April. Our current effort is to get the third party Plan and Cost Review completed (which had to wait on the new GC's costing) and to get the proposed permanent loan package to Freddie Mac for review. Building permits are already in hand and tenant relocation is proceeding smoothly. We are advised by Southwest Housing Compliance that the 20-year extension of the HAP Contract is in process and should be ready for the Closing.

We do anticipate providing a letter explaining why we did not close by the November deadline, since this project requested Readiness to Proceed points. We will have that to you by February 6, 2020, per your request.

Please let me know if you have any questions or comments. Thanks!

Best Regards,

James R. Williams
Senior Community Development Coordinator
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057
713-260-0345 office
713-260-0815 fax

From: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Sent: Friday, January 31, 2020 10:47 AM
To: Williams, James <JWilliams@housingforhouston.com>
Cc: Gunsolley, Tory <TGunsolley@housingforhouston.com>; Thiele, Mark <MThiele@housingforhouston.com>; Roskelley, Cody <CRoskelley@housingforhouston.com>; Walker, Terrell <TWalker@housingforhouston.com>; Gomez, Meg <MGomez@housingforhouston.com>; Tamea A. Dula <tdula@coatsrose.com>; Sarah Scott <sscott@coatsrose.com>; jepsen@ejpconsultinggroup.com; eric@praxisreno.com
Subject: [External Email] RE: #19077 - Telephone Road Elderly Apartments

If you have closed, please upload closing documents and the construction contract.

Staff plans to take an item to the February board meeting regarding applications that failed to close. If you want to provide something for the board to consider, please send it to me by February 6.

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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From: Sharon Gamble
Sent: Friday, January 31, 2020 8:40 AM
To: 'Williams, James' <JWilliams@housingforhouston.com>
Cc: Gunsolley, Tory <TGunsolley@housingforhouston.com>; Thiele, Mark <MThiele@housingforhouston.com>; Roskelley, Cody <CRoskelley@housingforhouston.com>; Walker, Terrell <TWalker@housingforhouston.com>; Gomez, Meg <MGomez@housingforhouston.com>; Tamea A. Dula <tdula@coatsrose.com>; Sarah Scott <sscott@coatsrose.com>; jepsen@ejpconsultinggroup.com; eric@praxisreno.com
Subject: RE: #19077 - Telephone Road Elderly Apartments

Hi James:

Have y'all been able to close yet?

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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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

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From: Williams, James <JWilliams@housingforhouston.com>
Sent: Friday, November 15, 2019 4:54 PM
To: Marni Holloway <marni.holloway@tdhca.state.tx.us>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Cc: Gunsolley, Tory <TGunsolley@housingforhouston.com>; Thiele, Mark <MThiele@housingforhouston.com>; Roskelley, Cody <CRoskelley@housingforhouston.com>; Walker, Terrell <TWalker@housingforhouston.com>; Gomez, Meg <MGomez@housingforhouston.com>; Tamea A. Dula <tdula@coatsrose.com>; Sarah Scott <sscott@coatsrose.com>; jepsen@ejpconsultinggroup.com; eric@praxisreno.com
Subject: #19077 - Telephone Road Elderly Apartments
Importance: High

Marni and Sharon,

This is to let you know that #19077 APV Telephone Road Elderly, LP (an affiliate of the Houston Housing Authority) will not be able to close on Telephone Road by the end of November as required by Readiness to Proceed points. Because the Project Owner is affiliated with HHA, vendors need to be procured. Our procurement for a Contractor was disrupted by Tropical Storm Imelda which took place immediately before the bids were due. As a result, some contractors who were planning to bid did not get their bids submitted. The three bids that were received were inconsistent with the project budget and so the decision was made to have a new procurement process, and hopefully generate more bids. This process will cause the project to miss the November deadline, and a late January closing is now more probable. While five points were claimed for Readiness to Proceed, the application was in the At-Risk Set-Aside and would have been funded without the points, so no other viable application was supplanted by our claim of Readiness to Proceed points. We acknowledge that there are penalties that might result from the decision to re-procure the contractor and delay the closing, however we feel that this is the better road, for the financial benefit of the project.

Thank you. Please call me if you have any questions.

James R. Williams
Senior Community Development Coordinator
Houston Housing Authority
2640 Fountain View Drive
Houston, Texas 77057
713-260-0345 office
713-260-0815 fax

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HOUSTON
HOUSING AUTHORITY
Transforming Lives & Communities

2640 Fountain View Drive ■ Houston, Texas 77057 ■ 713.260.0500 P ■ 713.260.0547 TTY ■ www.housingforhouston.com

February 4, 2020

By Email to: marni.holloway@tdhca.state.tx.us
Marni Holloway, Multifamily Finance Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

By Email to: sharon.gamble@tdhca.state.tx.us
Sharon Gamble, Administrator, 9% Competitive Tax Credit Program
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: #19077; Telephone Road Elderly Apartments, Houston, Harris County, Texas;
Inability to Meet Readiness to Proceed Closing Deadline.

Dear Ms. Gamble and Ms. Holloway:

This letter confirms that Telephone Road Elderly Apartments (the "Project") is currently anticipated to close on its equity and construction financing in late March or early April 2020. The Project received an award of 2019 Housing Tax Credits based, in part, upon receiving 5 points for being in a Presidentially-Declared Disaster Area and proposing to close on equity and construction financing and have an executed construction contract by the last business day in November 2019 (collectively these factors constitute "Readiness to Proceed"). Unfortunately, in order to make the Project economically viable, we were forced to re-procure the General Contractor and this delay meant that we could not meet the November 2019 deadline.

Because the Project is currently owned by and being developed by the Houston Housing Authority ("HHA"), HHA is required to follow HUD procurement regulations in engaging professionals. HHA initially issued an Invitation for Bid ("IFB") #19-22 to locate a General Contractor. Responses were due on September 23, 2019 and it was expected that the General Contractor would be selected in October and the transaction would close in November, per Readiness to Proceed requirements.

Unfortunately, on September 17 – 21, 2019 Houston was hit with Tropical Storm Imelda, a Presidentially-Declared Disaster. Follow-up interviews showed that Imelda negatively impacted the bidding because a number of contractors who had attended Pre-Bidding Conferences and indicated that they would be bidding did not file responses. IFB #19-22 resulted in only three responses, one of which had erroneous calculations and was subsequently withdrawn. The other two responses were both more than $5 million in excess of the construction budget and, we

A Fair Housing and Equal Employment Opportunity Agency. For assistance, Individuals with disabilities may contact the 504/ADA Administrator at 713-260-0353, TTY 713-260-0547 or 504ADA@housingforhouston.com

believe, were the result of an effort to provide a "safe bid" that might, by chance, be accepted. As a result of construction bids grossly exceeding budgeted costs, the finances of the Project were not conducive to an economically feasible Project. In consideration of the totality of the circumstances, HHA decided to undertake some value engineering and re-procure the General Contractor in order to achieve a better price for the betterment of the long-term feasibility of the Project. We confirmed that the At-Risk Set-Aside was slightly undersubscribed in 2019 and therefore the Project's claiming of 5 points for Readiness to Proceed and not meeting the requirements for those points did not adversely affect any other At-Risk application because all qualified At-Risk applications were funded.

IFB 19-27 was issued on November 4, 2019 and bids were opened on December 9, 2019. This time there were six bidders. HHA selected the lowest responsive bid, which was from The Gonzalez Group, LP, a contractor with MBE status. Since that time, the Construction Contract has been negotiated and the General Contractor has provided its Construction Schedule and Cost Schedule for the Plan and Cost Review required by the Lenders and the Investor. Additionally, the permanent financing on this Project will be insured by Freddie Mac, so the process of Freddie Mac approval is now underway.

We recognize that the Project failed to meet the requirements of the Readiness to Proceed points that were claimed in the 9% Application. In mitigation, we point out that our initial schedule was moving steadily toward a November closing until the weather and bid challenges. At that point, taking into consideration that the At-Risk Set-Aside was undersubscribed, we observed that the Project was the second-highest scorer in the Set-Aside with 158 points. If the Project had not claimed the 5 Readiness to Proceed Points, it would have scored 153 points, and would still have been awarded tax credits. Funding was awarded to At-Risk applications scoring as low as 146 points.

The inability to close by the last business day in November 2019 was the result of the intervention of Tropical Storm Imelda, followed by HHA's reasonable effort to provide for the long-term viability of the Project by re-procuring the General Contractor to obtain a lower construction cost. Because no other applicant was harmed by HHA's failure to qualify for the Readiness to Proceed points, we respectfully request that the TDHCA Board find that the need for an extension of the deadline was beyond the reasonable control of the Applicant and could not have been reasonably anticipated, and that therefore there should be no penalty assessed under Section 11.9(f)(3) of the 2019 QAP. If a penalty is considered necessary, however, we believe it should be imposed upon the Applicant in the 2020 Competitive Program.

Thank you for the opportunity to provide this explanation. If you have any questions, please feel free to call me at 713-260-0605 or email James Williams, Senior Community Development Coordinator at jwilliams@housingforhouston.com.

Sincerely,

Mark Thiele
Interim President and CEO

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on penalties for failure to meet deadlines under 10 TAC 11.9(c)(8) Readiness to Proceed for:

19242	The Tramonti	Houston
19245	Huntington Chimney Rock	Houston

RECOMMENDED ACTION

WHEREAS, an award of 2019 Competitive (9%) Housing Tax Credits was approved for 19242 The Tramonti and 19245 Huntington Chimney Rock by the Board on July 25, 2019;

WHEREAS, for both Applications, the Applicant was awarded points under 10 TAC §11.9(c)(8) of the 2019 Qualified Allocation Plan (QAP), related to readiness to proceed in disaster impacted counties, which requires that the Development close all financing and fully execute a construction contract on or before the last business day of November 2019;

WHEREAS, per 10 TAC §11.9(c)(8), failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), which authorizes the Board to find that an Applicant or Affiliate should be ineligible to compete in the 2020 Application Round or that it should be assigned a penalty deduction, to be determined solely by the Board; and

WHEREAS, both Developments failed to close all financing and provide a fully executed construction contract by the last business day of November 2020;

NOW, therefore, it is hereby

RESOLVED, in accordance with 10 TAC §11.9(c)(8), the Applicant is subject to penalty under 10 TAC §11.9(f), as determined solely by the Board; and

FURTHER RESOLVED, that that the Executive Director and his designees be and each of them are hereby authorized, empowered, and directed, for and on behalf of the Department, to impose a penalty on the Applicant as determined at this meeting.

BACKGROUND

An award of $1,500,000 in competitive housing tax credits to The Tramonti was approved by the Board on July 25, 2019. The Development proposed the New Construction of 104 Units for the

general population in Houston. An award of $1,476,000 in competitive housing tax credits to Huntington Chimney Rock was approved by the Board on July 25, 2019. The Development proposed the New Construction of 100 Units for the Elderly population in Houston. The Applications were awarded points under 10 TAC §11.9(c)(8) related to readiness to proceed in disaster impacted counties, which states:

> An Application for a proposed Development that is located in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within two years preceding December 1, 2018, that provides a certification that they will close all financing and fully execute the construction contract on or before the last business day of November. (5 points)
> (A) Applications must include evidence that appropriate zoning will be in place at award and acknowledgement from all lenders and the syndicator of the required closing date.
> (B) The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to close all financing and provide evidence of an executed construction contract by the November deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board.

The Department directed Applicants to provide evidence that all financing was closed, and that a construction contract had been fully executed on or before the last business day of November 2019. On December 3, 2019, the Applicant confirmed that, for both Applications, financing did not close by the deadline. Also, the Applicant did not provide evidence that a construction contract had been fully executed.

The Applicant claims their delay in closing was caused by a prolonged appeal process with the City of Houston, after their Application for gap funding under the Hurricane Harvey Disaster relief program was denied, along with the resulting need to arrange alternative financing. They further claim that time required for platting and permitting also delayed closing.

Pursuant to 10 TAC §11.9(c)(8), the Applicant is subject to penalty under 10 TAC §11.9(f), as determined solely by the Board. Per 10 TAC §11.9(f) related to Factors Affecting Eligibility in the 2020 Application Round:

> Staff may recommend to the Board and the Board may find that an Applicant or Affiliate should be ineligible to compete in following year's competitive Application Round or that it should be assigned a penalty deduction in the following year's competitive Application Round of no more than two points for each submitted Application (Tex. Gov't Code 2306.6710(b)(2)) because it meets the conditions for any of the items listed in paragraphs (1) – (4) of this subsection. For those items pertaining to non-statutory deadlines, an exception to the penalty may be made if the Board or Executive Director, as applicable, makes an affirmative finding setting forth that the need for an extension of the deadline was beyond the reasonable control of the Applicant and could not have been reasonably anticipated. Any such matter to be presented for final determination of deduction by the Board must include notice from the Department to the affected party not less than fourteen (14) days prior to the scheduled Board meeting. The Executive Director may, but

is not required, to issue a formal notice after disclosure if it is determined that the matter does not warrant point deductions. The Executive Director may make a determination that the matter does not warrant point deduction only for paragraph (1). (§2306.6710(b)(2)) Any deductions assessed by the Board for paragraphs (1) through (4) of this subsection based on a Housing Tax Credit Commitment from a preceding Application round will be attributable to the Applicant or Affiliate of an Application submitted in the Application round referenced above.

(1) If the Applicant or Affiliate failed to meet the original Carryover submission or 10 percent Test deadline(s) or has requested an extension of the Carryover submission deadline or the 10 percent Test deadline (relating to either submission or expenditure).

(2) If the Applicant or Affiliate failed to meet the commitment or expenditure requirements or benchmarks of their Contract with the Department for a HOME or National Housing Trust Fund award from the Department.

(3) If the Applicant or Affiliate, in the Competitive HTC round immediately preceding the current round, failed to meet the deadline to both close financing and provide evidence of an executed construction contract under 10 TAC §11.9(c)(8) related to construction in specific disaster counties.

(4) If the Developer or Principal of the Applicant has violated and/or violates the Adherence to Obligations.

On January 31, 2020, staff notified the Applicant that the matter would be presented for final determination of future ineligibility or point deductions by the Board at this meeting. The Applicant provided a letter to the Board, which is attached.

From:	Sharon Gamble
To:	"Ofelia Elizondo"; mark musemeche
Subject:	RE: 19242 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Date:	Friday, January 31, 2020 10:44:00 AM

Staff plans to take an item to the February board meeting regarding applications that failed to close. If you want to provide something for the board to consider, please send it to me by February 6.

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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 §11.2(a)).

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

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From: Ofelia Elizondo <ofelia@mgroupcompanies.com>
Sent: Friday, January 31, 2020 8:58 AM
To: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; mark musemeche <mark@mgroupcompanies.com>
Cc: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: RE: 19242 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

We have not closed but expect to close the 2nd quarter 2020. This will be the same for application 19245 as well.

Thanks,

Ofelia Elizondo
MGroup
1013 Van Buren St
Houston TX 77019
713.522.4141

ofelia@mgroupcompanies.com

From: Sharon Gamble <sharon.gamble@tdhca.state.tx.us>
Sent: Friday, January 31, 2020 8:36 AM
To: Ofelia Elizondo <ofelia@mgroupcompanies.com>; mark musemeche <mark@mgroupcompanies.com>
Cc: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: RE: 19242 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.

Hi Mark and Ofelia:

Did y'all close yet?

Regards,

Sharon D. Gamble MSW, PMP
Competitive (9%) Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
(512) 936-7834
https://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/index.htm

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From: Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Sent: Tuesday, December 03, 2019 10:18 AM
To: Ofelia Elizondo <ofelia@mgroupcompanies.com>
Cc: mark musemeche <mark@mgroupcompanies.com>; Sharon Gamble <sharon.gamble@tdhca.state.tx.us>; Ben Sheppard <ben.sheppard@tdhca.state.tx.us>
Subject: 19242 - 9% HTC Application Notice Regarding Readiness to Proceed Documentation - TIME SENSITIVE - Please reply immediately acknowledging receipt.
Importance: High

The subject Application received points under §11.9(c)(8), Readiness to Proceed. These points required that the Applicant "close all financing and fully execute the construction contract on or before the last business day of November" (i.e., Friday, November 29, 2019). Pursuant to the foregoing requirement and the instructions of the 2019 Multifamily Application Procedures Manual

(page 22 of 59), provide the fully executed construction contract along with a final settlement statement from the title company documenting that all financing closed.

Please notify Sharon Gamble and Ben Sheppard when the required documentation has been uploaded to the appropriate Serv-U account folder.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

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)).

MGROUP

February 6, 2020

Ms. Sharon Gamble
Texas Department of Housing & Community Affairs
P.O. Box 13941
Austin, Texas 78711

via email sharon.gamble@tdhca.state.tx.us

Re: TDHCA 19242 and TDHCA 19245 Readiness to Proceed closing delays

Dear Sharon:

As indicated to staff, we were unable to close as anticipated on the above applications on or before November 29, 2019 for reasons beyond the control of the applicant. We understand staff intends to take this item before the board at the February board meeting and we therefore ask for staff's consideration of the factors explained below when making its presentation to the board.

CITY OF HOUSTON DENIAL OF HARVEY FUNDING

Late in the application cycle, it was discovered that the City of Houston elected to not fund our requests for gap funding under their Harvey Disaster relief program. This came as a total surprise since only three applications were not funded by the city of which two were our applications.

You may recall there was unfounded and intense neighborhood opposition to our applications, many of whom chose to speak before the board at the June Board meeting. We later confirmed this same opposition impacted the decision of the city to not make our Harvey gap funding awards.

We believed that the denial of funding had nothing to do with the merit of our applications, that the selection process used by the city was subjective at best, and pointed out that we were indeed some of the more efficient use of Harvey funding out of any other applicant. We then appealed the City's denial of Harvey funding under their appeal process that included appeals all the way to the General Land Office.

After a significant delay and period of inaction by the city to our appeal, it became evident we would not win on appeal and thus went about finding alternative gap sources and a recapitalization of the debt and equity components so that we could proceed without the city money.

The denial of the city Harvey funding had a cascading effect on the development timeline and our ability to close given the uncertainly of how the neighborhood opposition would ultimately play out and if we were even going to get an allocation, the delay and time to exhaust all remedies under the city appeal process with the hope we could win on appeal, the time to then value engineer the project to lessen cost and to fill the loss of gap proceeds so we could then be in a position to move forward and close.

By the time the city appeal process and recapitalization of gap funding was resolved, it was not until late September and into early October thus there was no way we could close by November 29th given the time still required to formalize platting and permitting which is a 4-6 month process alone.

Thank you for the opportunity to provide this information and please let us know if you need any additional documentation.

Sincerely,

MGROUP HOLDINGS, INC.

Mark Musemeche, A.I.A

MGROUP + ARCHITECTS, INC MGROUP HOLDINGS, INC MGROUP, LLC
1013 Van Buren, Houston, Texas 77019 • 713.522.4141 • 713.522.9775(F) • mgroupinc@sbcglobal.net

5c

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on the First Amendment to the 2020-1 Multifamily Direct Loan Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the Board previously approved the 2020-1 Multifamily Direct Loan Notice of Funding Availability (2020-1 NOFA), which included $13,846,168 in HOME funds;

WHEREAS, the Department has $5,385,999.20 in National Housing Trust Fund (NHTF) available as a result of applicants under the 2018 and 2019-1 Multifamily Direct Loan Notice of Funding Availability (2019-1 NOFA) withdrawing applications;

WHEREAS, all $5,385,999.20 in NHTF was subject to the Regional Allocation Formula (RAF) under the 2018 or 2019-1 NOFA, and is therefore not subject to the RAF under the 2020-1 NOFA; and

WHERAS, staff recommends programming all $5,385,999.20 in available NHTF into the Soft Repayment set-aside of the 2020-1 NOFA and increasing the maximum per application request under the Soft Repayment set-aside from $1,000,000 to $2,000,000;

NOW, therefore, it is hereby

RESOLVED, that $5,385,999.20 in NHTF be added to the Soft Repayment set-aside with the maximum per application request under the Soft Repayment set-aside increasing to $2,000,000, all of which will be reflected in the proposed amendment; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments, and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

On December 27, 2019, the 2020-1 NOFA was published in the *Texas Register* announcing the availability of up to $13,846,168 in HOME funds for the development of affordable multifamily rental housing.

Over the past several months, three applications that would have received NHTF had they been recommended for Direct Loan awards withdrew their applications under the 2018-1 and 2019-1 NOFAs. These withdrawals resulted in $5,385,999.20 of NHTF becoming available for use in the Soft Repayment set-aside of the 2020-1 NOFA. In addition to programming all $5,385,999.20 in NHTF in the Soft Repayment set-aside of the 2020-1 NOFA, staff recommends increasing the maximum per application request under the set-aside to $2,000,000. This increase is suggested because the Department has more funds than initially anticipated to award under this NOFA. Because all $5,385,999.20 in NHTF was previously subject to the RAF in the 2018-1 or 2019-1 NOFA, all NHTF in the 2020-1 will be available statewide immediately.

The first subpriority within Priority 1 for these funds, in accordance with 3.a.ii. of the 2020-1 NOFA, will be 4% Housing Tax Credit (HTC) layered applications with TDHCA as the Bond Issuer; all of theapplications in this subpriority within this setaside – submitted February 21, 2020, through March 30, 2020 - will have an Application Acceptance Date of March 30, 2020. The second subpriority within Priority 1 for these funds, in accordance with 3.a.iii. of the 2020-1 NOFA, will be non-2020 9% HTC-layered applications that do not meet the requirements of 3.a.ii. of the 2020-1 NOFA; all of the applications in this subpriority within this setaside – submitted February 21, 2020, through March 31, 2020 - will have an Application Acceptance Date of March 31, 2020. All 2020 9% HTC-layered applications will have an Application Acceptance Date of April 1, 2020, in accordance with 3.b. of the 2020-1 NOFA, while applications submitted after April 1, 2020, regardless of Department sources they may or may not be layered with, will have an Application Acceptance Date on the business date of receipt.

Staff will continue to monitor the demand for Direct Loan funds and may recommend further amendments to the NOFA if necessary.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-1 NOTICE OF FUNDING AVAILABILITY (NOFA)
ANNUAL NOFA
FIRST AMENDMENT
EFFECTIVE FEBRUARY 21, 2020

THIS AMENDMENT ADDS $5,385,999.20 IN NATIONAL HOUSING TRUST FUND (NHTF) TO THE SOFT REPAYMENT SET-ASIDE AND INCREASES THE MAXIMUM REQUEST UNDER THE SOFT REPAYMENT SET-ASIDE FROM $1,000,000 TO $2,000,000. NONE OF THIS $5,385,999.20 IN NHTF WILL BE SUBJECT TO THE REGIONAL ALLOCATION FORMULA, THEREFORE ALL NHTF IS AVAILABLE ON A STATEWIDE BASIS. THIS AMENDMENT REPLACES IN ITS ENTIRETY SECTIONS 1, 2B, AND THE TABLE IN SECTION 2. ALL OTHER SECTIONS OF THE 2020-1 NOFA REMAIN AS ORIGINALLY PUBLISHED.

1) **Summary.** The Texas Department of Housing and Community Affairs (the Department) announces the availability of up to **$19,232,167.20** in HOME funds[1] and NHTF funding for the development of affordable multifamily rental housing for low-income Texans. Applications under the CHDO and General Set-Asides of the 2020-1 NOFA will be accepted from January 13, 2020 through August 31, 2020 (if sufficient funds remain). Applications under the Soft Repayment Set-Aside of the 2020-1 NOFA will be accepted February 21, 2020 through August 31, 2020 (if sufficient funds remain). The availability and use of these funds are subject to the following rules, as applicable:

   a. Texas Administrative Code
      10 TAC Chapter 1 (Administration)
      10 TAC Chapter 2 (Enforcement)
      10 TAC Chapter 10 (Uniform Multifamily Rules)
      10 TAC Chapter 11 (Qualified Allocation Plan)
      10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)
      10 TAC Chapter 13 (Multifamily Direct Loan Rule)
      http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1

[1] HOME funds under this NOFA may only be awarded to Applications with Development Sites in non-Participating Jurisdictions.

b. Texas Government Code
Tex. Gov't. Code Chapter 2306
http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm

c. U.S. Department of Housing and Urban Development (HUD) Program Regulations
24 CFR Part 92 (HOME Investment Partnerships Program Final Rule)
24 CFR Part 93 (Housing Trust Fund Interim Rule)

d. Fair Housing
Federal Fair Housing Act, 42 U.S.C. 3601-19.
https://www.tdhca.state.tx.us/fair-housing/index.htm

e. Other Federal laws and regulations may that apply depending on funding source:

Environmental Compliance
All federal sources must have some type of environmental review in accordance with 24 CFR Part 93 or 24 CFR Part 58 as applicable.
https://www.tdhca.state.tx.us/program-services/environmental/index.htm

Minimizing Resident Displacement
All federal sources must follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; HOME and NSP1 PI must follow Section 104(d) of Housing and Community Development Act of 1974; and all federal sources must follow the HUD Handbook 1378.
https://www.tdhca.state.tx.us/program-services/ura/index.htm

Labor Standards
HOME and NSP1 PI funds are regulated by Davis-Bacon and Related Labor Acts (40 U.S.C. §3141-3144 and 3146-3148, 24 CFR §92.354, and HUD Handbook Federal Labor Standards Compliance in Housing and Community Development Programs).
https://www.tdhca.state.tx.us/program-services/davis-bacon/index.htm

Employment Opportunities
HOME and NSP1 PI require compliance with 24 CFR Part 135 (Section 3).
https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm

If HOME or NHTF funds are awarded and Federal regulations or subsequent guidance imposes additional requirements, such Federal regulations or guidance shall govern.

f. An award to a Development that proposes to refinance with minimal rehabilitation, or to obtain supplemental financing, will not be made in amount that exceeds the amount necessary to replace lost funding or maintain the anticipated levels of feasibility in the original Application, as determined by the Board.

2) b. <u>Soft Repayment Set-Aside</u>. $5,385,999.20 in NHTF is available in this Set-Aside. Applicants within this Set-Aside must restrict rent and income for all Direct Loan-assisted units to 30% as defined in 24 CFR Part 93.

Set-Aside	Eligible Activities	Fund Source and Amount Available		Maximum Request
CHDO	NC, A/R, R	HOME	$4,733,439	$3,000,000
Soft Repayment	NC	NHTF	$5,385,999.20[2]	$2,000,000
General	NC, A/R, R	HOME	$9,112,729	$3,000,000

Key:
NC – New Construction (For the Soft Repayment Set-Aside, New Construction includes Reconstruction, as defined in 24 CFR Part 93) A/R – Acquisition/Rehabilitation
R – Rehabilitation

[2] Because the Department has not yet met its federal commitment deadline for the 2018 or 2019 NHTF funds, the Department will condition all NHTF awards under this NOFA, that the award of NHTF funds may be proportionally reduced or terminated if the Department and Applicant are unable to enter into a Contract by a specific date listed in the Board approval, despite any other deadlines existing in the Texas Administrative Code.

5d

BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding the cancellation of the 2020-2 Multifamily Direct Loan Special Purpose Notice of Funding Availability and approval of the 2020-2B Multifamily Direct Loan Special Purpose Notice of Funding Availability

RECOMMENDED ACTION

WHEREAS, the Department previously made $11,383,833 in Program Years 2018 and 2019 National Housing Trust Fund (NHTF) available to applications layered with 4% Housing Tax Credits (HTC) that participated in the Texas Bond Review Board's 2020 Lottery for Private Activity Bonds (PAB) under the 2020-2 Multifamily Direct Loan Special Purpose Notice of Funding Availability (2020-2 NOFA);

WHEREAS, seven applications requesting a total of $19,900,000 in NHTF were received in December under the 2020-2 NOFA, with the Application Acceptance Date for all seven applications being January 6, 2020, in accordance with section 1 of the 2020-2 NOFA;

WHEREAS, as a result of all seven applications having the same Application Acceptance Date and NHTF being oversubscribed, the applications were subject to scoring criteria in 10 TAC §13.6 to determine which applications would be recommended for awards;

WHEREAS, due to the competitive nature of the 2020-2 NOFA and a reduction in Direct Loan units made to applications 20410, 20411, and 20412 through the administrative deficiency process that resulted in lower scores for those three applications – while still maintaining a sufficiently competitive score – an appeal was filed by the applicant for application 20400 (Palladium) on January 20, 2020, claiming that the applicant for applications 20410, 20411, and 20412 (NRP) had provided documentation through the administrative deficiency process that essentially resulted in new applications being submitted and should therefore be terminated;

WHEREAS, Palladium, within their appeal letter, requested that if their appeal was not granted, that they be given an opportunity to revise their application in an effort to be more competitive;

WHEREAS, the Executive Director responded to Palladium on February 3, 2020, stating that, because application 20400 was not given an opportunity to clarify its application through the administrative deficiency process simply because it was the only application that correctly designated the Direct Loan units, it may appear that that application was not treated equitably;

WHEREAS, in the letter dated February 3, 2020, the Executive Director denied the appeal argument regarding the existence of material deficiencies, but relayed that he had directed staff to bring this action item to the Board so that all applications layered with 4% (HTC) that participated in the Texas Bond Review Board's 2020 Lottery for PAB may have an equitable opportunity to submit or revise their multifamily applications as they see fit;

WHEREAS, all eligible Applicants for the 2020-2 NOFA (whether or not an application was submitted for funding) were informed by email on February 4, 2020, of this potential Board Action Item concerning the cancellation of that NOFA and the authorization for a 2020-2B Multifamily Direct Loan Special Purpose NOFA (2020-2B NOFA); and

WHEREAS, staff recommends cancellation of the 2020-2 NOFA and approval of the 2020-2B NOFA with applications accepted under the 2020-2B NOFA through 5:00 p.m. Austin local time on February 27, 2020;

NOW, therefore, it is hereby

RESOLVED, that the 2020-2 NOFA is cancelled and $11,383,833 in NHTF is transferred and now made available for Applicants through the 2020-2B NOFA; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

The 2020-2 NOFA was approved at the Board meeting on November 7, 2019, and published in the *Texas Register* on November 22, 2019, authorizing up to $11,383,833 in NHTF to be made available to Applications received between December 3, 2019, and January 6, 2020. Eligible applications were described in Section 2 of the 2020-2 NOFA, limiting the pool of potential applicants to those that were concurrently requesting 4% Housing Tax Credits and have advance notice of Certificate of Reservation from the Texas Bond Review Board under the 2020 Lottery. As a result, all seven applications received under the 2020-2 NOFA were received on December 13, 2019, with all seven applications having an Application Acceptance Date of January 6, 2020, in accordance with Section 1 of the 2020-2 NOFA. Staff posted a 2020-2 NOFA Application Log on December 17, 2019, which reflected the seven applications' self-scores among other information.

Before the seven applications received full reviews, staff noticed that six of the seven applications had elected to use the Average Income set-aside for HTC and had layered Direct Loan units with 30% HTC units, which was inconsistent with the requirement in 2.c.iv. of the 2020-2 NOFA, which stated: "Eligible

Applications under this NOFA […] must be proposing NHTF units that […] may not be restricted to 30% AMI or less by Housing Tax Credits, or any other fund source." On December 20, 2019, because of the prevalence and fundamental nature of the deficiency, staff sent the six applicants a deficiency notice requesting that they "revise the Rent Schedule and all other impacted exhibits of the application and/or Third Party Reports to reflect the layering of the NHTF units (30%) on HTC units restricted at 40% AMI or higher in accordance with sections 2.c.i. and iv. of the 2020-2 NOFA," referencing section 2.c.i. of the 2020-2 NOFA as well since NRP had incorrectly designated the Direct Loan units as 50% and 60% units.

Staff received deficiency responses in the following weeks that resulted in the six applications coming into compliance with the requirements in sections 2.c.i. and iv. of the 2020-2 NOFA. NRP, which had the three highest scoring applications in the 2020-2 NOFA Application Log according to self-scores posted in the 2020-2 NOFA Application Log on December 17, 2019, reduced the number of Direct Loan units in each application through the deficiency process, resulting in reduced scores for each application while still maintaining their positions as the three highest scoring applications.

Palladium, which had the sixth highest scoring application according to self-scores posted in the 2020-2 NOFA Application Log on the December 17, 2019, noticed the change in the number of Direct Loan units and self-score for applications 20410, 20411, and 20412 in the 2020-2 NOFA Application Log posted on January 13, 2020, and submitted an appeal to the Executive Director on January 20, 2020, in accordance with 10 TAC §1.7. The letter appealed "(i) the decision of the Texas Department of Housing and Community Affairs (the 'Department') to permit certain applicants seeking an award of a Multifamily Direct Loan ('MFDL') under the 2020-2 Special Purposes Notice of Funding Availability (the 'NOFA') to resubmit their applications with an overwhelming advantage over the application of Palladium West Francis, Ltd. ('Palladium') filed for the Project, (ii) the failure of the Department to terminate certain applications that failed to comply with the terms of Sections 2.c.i. and iv of the NOFA, and (iii) the scoring log published by the Department on January 13, 2020." Palladium concluded their appeal letter by requesting that NRP's applications be terminated or, alternatively, Palladium be given an opportunity to make revisions to its application.

On February 3, 2020, the Department's Executive Director responded to Palladium, stating that the appeal requesting termination of NRP's applications was denied, while granting the alternative offered by Palladium, resulting in staff's recommendation today to cancel the 2020-2 NOFA and issue the 2020-2B NOFA. The 2020-2B NOFA will offer the same amount of NHTF and maintain the same Eligible Application, Maximum Per Application Request and Loan Structure, Maximum Per Unit Subsidy Limits, and Post Award Requirements as the 2020-2 NOFA. Applications under this NOFA will be accepted February 20, 2020, through February 27, 2020.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY DIRECT LOAN
2020-2B NOTICE OF FUNDING AVAILABILITY (NOFA)
SPECIAL PURPOSE NOFA

1) **Summary.** The Texas Department of Housing and Community Affairs (the Department) announces the availability of **$11,383,833** in National Housing Trust Fund (NHTF). These funds are available under the 4% HTC and Bond Layered Set-Aside for the new construction or reconstruction of affordable multifamily rental housing for extremely low-income Texans. All NHTF available under this NOFA is currently available statewide. **Applications under the 2020-2B NOFA will be accepted from February 20, 2020, to February 27, 2020, with all Applications having an Application Acceptance Date of February 27, 2020.** Applications will be subject to the 2020 Qualified Allocation Plan (10 TAC Chapter 11), Multifamily Housing Revenue Bond Rules (10 TAC Chapter 12), and Multifamily Direct Loan Rule (10 TAC Chapter 13). **Capitalized Terms in this NOFA are defined in 24 CFR Part 93, 10 TAC Chapters 1, 11, 12, or 13, or in Tex. Gov't Code Chapter 2306, as applicable.**

2) **Eligible Applications.** Eligible Applications under this NOFA are limited to those that meet all of the following requirements:
    - **a.** Must have received advance notice of Certificate of Reservation from the Texas Bond Review Board under the 2020 Lottery.
    - **b.** Must be proposing NHTF Units that:
        i. Must be available for households earning the greater of the federal poverty limit or 30% AMI or less, and have rents no higher than the rent limits for Extremely low-income Tenants in 24 CFR §93.302(b);
        ii. May not receive any project-based subsidy;
        iii. May not be receiving tenant-based voucher or tenant-based rental assistance, to the extent that there are other available Units within the Development that the voucher-holder may occupy; and
        iv. May not be restricted to 30% AMI or less by Housing Tax Credits, or any other fund source.

c. Must be proposing new construction or reconstruction (as defined in 24 CFR §93.2) in areas that meet the requirements of 24 CFR §93.301(f) as further described in CPD Notice 16-14, and the Site and Neighborhood Standards in 24 CFR §93.150.

d. If the Applicant proposes to make the income averaging election under Section 42(g)(1)(C) of the Internal Revenue Code, the Application may not have more than 15% of the Units in the Development designated as Market Rate Units.

3) Maximum Per Application Request and Loan Structure

a. The maximum per Application request under this NOFA is $3,000,000.

b. The only loan structure available for Construction-to-Permanent loans under this NOFA is Surplus Cash, with interest rates as low as 0%, but determined in accordance with 10 TAC Chapter 11, Subchapter D.

c. The loan structure may be Construction Only with a 0% interest rate and repayment due at Construction Completion.

d. Permanent Refinance Loans are not eligible under this NOFA.

4) Maximum Per Unit Subsidy Limits. The maximum per unit subsidy limits that an Applicant can use to determine the amount of Direct Loan funds they may request are listed in the table below:

Bedrooms	Non-elevator property	Elevator-served property
0 bedroom	$142,411	$149,868
1 bedroom	$164,203	$171,802
2 bedroom	$198,034	$208,913
3 bedroom	$253,490	$270,266
4 bedroom or more	$282,398	$296,666

Smaller per unit subsidies are allowable and incentivized as point scoring items in 10 TAC §13.6. To determine the minimum number of NHTF Units required either by scoring, maximum per unit subsidy limits, or the cost allocation analysis - ensuring that, which will ensure the amount of MFDL Units as a percentage of total Units is equal to or greater than the percentage of MFDL funds requested as a percentage of total eligible NHTF Development costs, please use the 2020 Multifamily Direct Loan Unit Calculator Tool found here: https://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

5) Application Submission Requirements.

a. **Applications under this NOFA will be accepted starting at 8:00 a.m. Austin local time on February 20, 2020, through February 27, 2020, at 5:00 p.m. Austin local time.**

b. 2020 Application materials, including manuals, NOFAs, program guidelines, and rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the requirements in effect at the time of the Application Acceptance Date including any requirements of federal rules that may apply and subsequent guidance provided by HUD.

c. An Applicant may have only one active Application per Development at a time.

d. A 2020 Application must be on forms provided by the Department, and cannot be altered or modified, and must be in final form before submitting it to the Department. An Applicant must submit the Application materials as detailed in the Multifamily Programs Procedures Manual (MPPM) in effect at the time of the Application Acceptance Date. All scanned copies must be scanned in accordance with the guidance provided in the MPPM in effect at the time the Application Acceptance Date.

e. If an Applicant has an active Application (i.e. the Board has not made a Direct Loan Award), but wishes to apply for additional funds, it must withdraw that Application and submit a new Application.

f. The request for funds may not be less than $300,000. However, if the underwriting report indicates that the Development will be feasible with an award of less than $300,000, staff may recommend a lower award.

g. In addition to the NHTF Units, Applicants must provide a Matching Contribution to HOME Eligible Units as described in 10 TAC §13.(2)(9) in the amount of at least 5 percent of the Direct Loan funds requested. Except for Match in the form of the net present value of a below market interest rate loan or a property tax exemption under Sections 11.111, 11.18, 11.181, 11.182, 11.1825, or 11.1827 of Texas Property Tax Code, Match must be documented with a letter from the anticipated provider of Match indicating the provider's willingness and ability to make a financial commitment should the Development receive an award of NHTF funds.

h. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C).

6) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post Award requirements in 10 TAC Chapter 10, Subchapter E, Post Award and Asset Management Requirements and 10 TAC Chapter 13, as well as the Monitoring requirements in 10 TAC Chapter 10.

a. Awarded Applicants may, at the Department's discretion, be charged fees for underwriting, legal fees, asset management, and ongoing monitoring.

b. An Applicant will be required to record a Land Use Restriction Agreement (LURA) limiting residents' income and rent for the greater amount of Units required by the Direct Loan Unit Calculation Tool, or as represented in the Application for the term of the LURA.

c. An Applicant must have a current Data Universal Numbering System (DUNS) number and be registered in the federal System for Award Management prior (SAM) prior to execution of a Direct Loan contract. Applicants may apply for a DUNS number at dnb.com). Once you have the DUNS number, you can register with the SAM.

d. An awarded Applicant may be required to meet additional documentation requirements in order to draw funds, in accordance with its Previous Participation results.

e. Notwithstanding any other deadlines in 10 TAC Chapter 11, 12, or 13, if the Department and the Applicant are unable to execute a Contract by October 2, 2020, and the Department loses access to all or a portion of its 2018 NHTF funding, the Application may be subject to a partial or total reduction of the NHTF award.

7) Miscellaneous.

- **a.** This NOFA does not include text of the various applicable regulatory provisions pertinent to NHTF. For proper completion of the application, the Department strongly encourages potential Applicants to review the State and Federal regulations.
- **b.** All Applicants must comply with public notification requirements in 10 TAC §11.203.
- **c.** For questions regarding this NOFA, please contact Andrew Sinnott, Multifamily Loan Program Administrator, at andrew.sinnott@tdhca.state.tx.us.

Attachment A

Rules and Resource Links

State of Texas

Texas Administrative Code

10 TAC Chapter 1 (Administration)
10 TAC Chapter 2 (Enforcement)
10 TAC Chapter 10 (Uniform Multifamily Rules)
10 TAC Chapter 11 (Qualified Allocation Plan)
10 TAC Chapter 12 (Multifamily Housing Revenue Bonds)
10 TAC Chapter 13 (Multifamily Direct Loan Rule)
http://texreg.sos.state.tx.us/public/readtac$ext.ViewTAC?tac_view=3&ti=10&pt=1

Texas Government Code

Tex. Gov't. Code Chapter 2306
http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2306.htm

Department of Housing and Urban Development ("HUD'')

HUD Program Regulations (NHTF)

24 CFR Part 93 ("NHTF Interim Rule")
http://www.ecfr.gov/cgi-bin/text-idx?SID=222584118d192eb177d111b97b45cda8&mc=true&tpl=/ecfrbrowse/Title24/24cfr93_main_02.tpl

Federal Cross-Cutting Requirements

Visit https://www.tdhca.state.tx.us/program-services/training.htm for TDHCA training regarding the following requirements:

- Fair Housing
  https://www.tdhca.state.tx.us/fair-housing/index.htm
- Environmental Review and Clearance
  https://www.tdhca.state.tx.us/program-services/environmental/index.htm
- Minimizing Resident Displacement
  https://www.tdhca.state.tx.us/program-services/ura/index.htm
- Employment Opportunities for Low-Income People: HUD Section 3
  https://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm

2020-2 Multifamily Direct Loan Program - Application Log - December 17, 2019

Per 2020-2 Multifamily Direct Loan Notice of Funding Availability published in the *Texas Register* on 11/22/19

The following data was compiled using information submitted by each applicant. While this data has been reviewed or verified by the Department, errors may still be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Where Applications are layered with 9% or 4% Tax credits, the Applications are also subject to evaluation under the Department criteria for those fund sources. Applicants are encouraged to review 10 TAC §11.1(b) concerning Due Diligence and Applicant Responsibility, along with 10 TAC Chapter 11 Subchapter C related to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications. This log will be updated periodically as staff completes application reviews and as more applications are received. The Multifamily Direct Loan Program - Application Log is presented for informational use only, and does not represent a conclusion or judgment by TDHCA, its staff or Board. Applicants that identify an error in the log should contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

Applications sorted by Applicant Self-Score in descending order. All Applications will have an Application Acceptance Date of 1/6/20 in accordance with section 1 of 2020-2 NOFA and subject to Scoring Criteria in 10 TAC §13.6 as applicable.

NHTF $11,383,833

4%/Bond Layered Set-Aside Total Set Aside Funding Level: **$11,383,833**

TDHCA Application #	Property Name	Property City	Property County	Region	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Average Income Elected	Self-Score[1]	Comments
20411	Kitty Hawk Flats	San Antonio	Bexar	9	$ 3,000,000	General	239	49	Y	44	
20412	1604 Lofts	San Antonio	Bexar	9	$ 3,000,000	General	324	50	Y	44	
20410	Traders Flats	San Antonio	Bexar	9	$ 3,000,000	General	324	50	Y	37	
20405	Gala at Fate	Fate	Rockwall	3	$ 1,900,000	Elderly	185	19	Y	34	
20406	Gala at Central Park	Hurst	Tarrant	3	$ 3,000,000	Elderly	94	18	Y	30	
20400	Palladium West Francis	Midland	Midland	12	$ 3,000,000	General	240	16	N	25	
20416	Heritage Estates at Owen Tech	Austin	Travis	7	$ 3,000,000	Elderly	174	17	Y	22	
Total Amount Requested					**$ 19,900,000**	**Total Units**	**1,580**	**219**			
Total Amount Awarded					**$ -**	**Total Units**	**0**	**0**			
Total Amount Remaining					**$ 11,383,833**						

1= Self Score: Applicant Self-Score in Application. Scores have not been verified by staff.

2020-2 Multifamily Direct Loan Program - Application Log - January 13, 2020

Per 2020-2 Multifamily Direct Loan Notice of Funding Availability published in the *Texas Register* on 11/22/19

The following data was compiled using information submitted by each applicant. While this data has been reviewed or verified by the Department, errors may still be present. Those reviewing the log are advised to use caution in reaching any definitive conclusions based on this information alone. Where Applications are layered with 9% or 4% Tax credits, the Applications are also subject to evaluation under the Department criteria for those fund sources. Applicants are encouraged to review 10 TAC §11.1(b) concerning Due Diligence and Applicant Responsibility, along with 10 TAC Chapter 11 Subchapter C related to Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules for Applications. This log will be updated periodically as staff completes application reviews and as more applications are received. The Multifamily Direct Loan Program - Application Log is presented for informational use only, and does not represent a conclusion or judgment by TDHCA, its staff or Board. Applicants that identify an error in the log should contact Andrew Sinnott at andrew.sinnott@tdhca.state.tx.us as soon as possible. Identification of an error early does not guarantee that the error can be addressed administratively.

Applications sorted by Applicant Self-Score in descending order. All Applications will have an Application Acceptance Date of 1/6/20 in accordance with section 1 of 2020-2 NOFA and subject to Scoring Criteria in 10 TAC §13.6 as applicable.

NHTF $11,383,833

4%/Bond Layered Set-Aside

Total Set Aside Funding Level: **$11,383,833**

TDHCA Application #	Property Name	Property City	Property County	Region	Multifamily Direct Loan Request/ Award	Target Population	Total Units	MF Direct Loan Units	Average Income Elected	Self-Score[1]	Comments
20411	Kitty Hawk Flats	San Antonio	Bexar	9	$ 3,000,000	General	239	30	Y	38	
20412	1604 Lofts	San Antonio	Bexar	9	$ 3,000,000	General	324	30	Y	38	
20410	Traders Flats	San Antonio	Bexar	9	$ 3,000,000	General	324	38	Y	35	
20405	Gala at Fate	Fate	Rockwall	3	$ 1,900,000	Elderly	185	19	Y	34	
20406	Gala at Central Park	Hurst	Tarrant	3	$ 3,000,000	Elderly	94	18	Y	30	
20400	Palladium West Francis	Midland	Midland	12	$ 3,000,000	General	240	16	N	25	
20416	Heritage Estates at Owen Tech	Austin	Travis	7	$ 3,000,000	Elderly	174	17	Y	22	
Total Amount Requested					**$ 19,900,000**	**Total Units**	**1,580**	**168**			
Total Amount Awarded					**$ -**	**Total Units**	**0**	**0**			
Total Amount Remaining					**$ 11,383,833**						

1= Self Score: Applicant Self-Score in Application. Scores have not been verified by staff.

Shackelford
A LIMITED LIABILITY PARTNERSHIP
ATTORNEYS & COUNSELORS

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jshack@shackelford.law

January 20, 2020

Via Email: bobby.wilkinson@tdhca.state.tx.us
Bobby Wilkinson, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

RE: Palladium West Francis (the "Project");
TDHCA File No. 20-20400
Our File No. 51991.2

Dear Mr. Wilkinson:

Pursuant to 10 TAC 10 §1.7, this letter is to appeal (i) the decision of the Texas Department of Housing and Community Affairs (the "Department") to permit certain applicants seeking an award of a Multifamily Direct Loan ("MFDL") under the 2020-2 Special Purpose Notice of Funding Availability (the "NOFA") to re-submit their applications with an overwhelming advantage over the application of Palladium West Francis, Ltd. ("Palladium") filed for the Project, (ii) the failure of the Department to terminate certain applications that failed to comply with the terms of Sections 2.c.i. and iv of the NOFA, and (iii) the scoring log published by the Department on January 13, 2020.

Every applicant seeking funding under the NOFA, with the exception of the application filed by Palladium, submitted to the Department an application in non-compliance with the terms and provisions of the NOFA. With the exception of Palladium, every one of the applications submitted by the other applicants specifically violated Sections 2.c.i. and iv of the NOFA with respect to National Housing Trust Fund ("NHTF") units to "not be restricted to 30% AMI or less by Housing Tax Credits, or any other source." When the Department received these applications, the Department deemed such failures to be Administrative Deficiencies rather than Material Deficiencies and gave all of the other applicants an opportunity to revise their applications.

Most, but not all, of the other applicants made minor corrections to their applications consistent with the Administrative Deficiency process. One applicant, NRP ("NRP"), however, made such egregious and significant changes to its applications (Application Nos. 20410, 20411 and 20412) that, in our opinion, constitute a virtual re-write of their applications, contrary to the Administrative Deficiency process and they therefore should be terminated, for failing to file applications in accordance with the NOFA, subject to satisfying any Administrative Deficiencies.

The egregious and significant changes NRP made to their applications are as follows:

A. Change in the unit rent designations;
B. Change the number of NHTF units;
C. Change the per unit loan subsidy request for the NHTF units;
D. Change the amount of annual income;
E. Change the amount of operating expenses;
F. Change the interest rate from 2.5% to 0%;
G. Change the debt service coverage ratio;
H. Change the development cost schedule;
I. Change the permanent loan amount;
J. Change the amount of equity;
K. Change the amount of developer fee;
L. Change the amount of interest income on the bonds; and
M. Change the amount of cash flow.

Please see attached Exhibit A, which shows specifically each of the changes NRP made to their applications to successfully comply with the applicable rule of the NOFA and to remain financially feasible.

I am hopeful you will agree that this many changes goes far beyond the pale of what the Department permits applicants to provide to remedy an Administrative Deficiency. Wholesale changes to this degree violates the process because they essentially constitute a re-write of the applications and that is clearly not permitted in the Administrative Process. What NRP has done is an abuse of process and their applications should be terminated. No other applicant who received a Deficiency Notice made such wholesale revisions to their respective applications. Please compare what the other applicants did to satisfy their non-compliance issue with what NRP did and you will see a night and day difference. It is like comparing Paris, France to Paris, Texas. Other than they share the same name, they are not the same!

Palladium and I are surprised that the Department did not terminate NRP's applications, but we are hopeful your review and consideration of this situation will result in a reversal of staff's decision. In support of your review, I direct you, in particular, to items C through M above and ask you what does revising the loan subsidy amount, the interest rate and the development cost schedule have to do with remedying the 30% or less restriction on the NHTF units. The answer is all of those revisions had to be made by NRP to (i) score high enough to win a MFDL award for all of their applications and (ii) remain financially feasible.

The overwhelming changes clearly establishes that NRP re-wrote their applications to achieve a winning score. They were given a several bites at the apple, and they took advantage of it to ensure each of their applications would receive a MFDL award. It is important to note that filing an application compliant with the NOFA is completely within their control. This is not a situation where the applicant can legitimately make the argument that events out of their control caused them to be non-compliant.

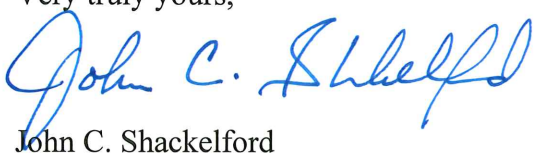
The impact of the decision by the Department to permit NRP to re-write their applications was to cause Palladium to no longer score well enough to receive an award under the NOFA. It cannot be unscored more forcefully that NRP was given a huge competitive advantage to submit re-written applications after seeing all of their competitors', including Palladium's, applications and final scores. NRP got to play a poker hand knowing what cards everyone else in the game were holding. Palladium has therefore been significantly penalized and harmed for completing its application correctly. For the good of the tax credit program, this injustice should not stand and fairness in the process should be at the heart of every decision made by the Department.

For the foregoing reasons, Palladium hereby respectfully requests you to reverse the decision of the Department and determine that NRP (i) failed to file applications by the deadline of December 13, 2019, subject to satisfying an Administrative Deficiency, (ii) filed what amounted to are new applications on January 10, 2010, which was beyond the NOFA deadline for filing applications, and (iii) should have their applications terminated.

In the alternative, Palladium requests the Department to grant Palladium an opportunity to make revisions to its application to level the playing field for Palladium. By doing so, then all the applicants will have been given the right to see their competitors' applications and scores. That is the only equitable thing to do to resolve this situation. Palladium and I know it is important to the Department that it treats everyone fairly and on the same basis. The Department stresses the importance of being impartial in its evaluation of applications and, therefore, to correct the situation, the Department should accommodate Palladium's request.

If you wish to discuss this matter, please feel free to contact me. I look forward to receiving a response to this letter and your decision.

Very truly yours,



John C. Shackelford

JCS/klm

cc: Marni Holloway, Director of Multifamily Finance (via email)
Teresa Morales, Director of Multifamily Bonds/Admin of 4% Housing Tax Credits (via email)
Andrew Sinnott, Administrator, Multifamily Loan Programs (via email)
Beau Eccles, Esq. (via email)
Thomas E. Huth (via email)
Sara Reidy (via email)
Linda S. Brown (via email)
Michelle Snedden (of the Firm)
Kara Hargrove (of the Firm)
Esther Lee (of the Firm)

20410 - Traders Flats	Original Application	Revised Application	Difference	Percentage of Change
Multifamily Direct Loan (MFDL) Request	$ 3,000,000	$ 3,000,000	-	0%
Total Units	324	324	-	0%
MFDL Loan Units	50	38	(12)	-24%
Self Score	37	35	(2)	-5%
Loan Request per MFDL Unit	$ 60,000	$ 78,947	18,947	32%
Interest Rate	2.50%	0.00%	-2.500%	-100%
TC30%	33	0	(33)	-100%
TC40%	0	38	38	100%
TC60%	224	240	16	7%
TC70%	67	46	(21)	-31%
Gross Annual Income	$ 3,422,818	$ 3,390,162	(32,656)	-1%
Total Operating Expense	$ 1,381,611	$ 1,361,964	(19,647)	-1.42%
TDHCA MFDL Payment	$ 142,244	$ 100,000	(42,244)	-30%
Debt Coverage Ratio	1.15	1.18	0.03	2.61%
Development Cost Schedule	$ 54,159,899	$ 54,099,173	(60,726)	-0.11%
Permanent Loan	$ 30,930,000	$ 30,630,000	(300,000)	-0.97%
Equity	$ 16,615,731	$ 16,608,304	(7,427)	-0.04%
Developer Fee	$ 2,327,023	$ 2,605,039	278,016	11.95%
Interest Income on Bonds	$ 958,830	$ 949,530	(9,300)	-0.97%
Cash Flow - Lease Up	$ 328,315	$ 306,300	(22,015)	-6.71%

20411 -Kitty Hawk Flats	Original Application	Revised Application	Difference	Percentage of Change
Multifamily Direct Loan (MFDL) Request	$ 3,000,000	$ 3,000,000	-	0%
Total Units	239	239	-	0%
MFDL Loan Units	49	30	(19)	-39%
Self Score	44	38	(6)	-14%
Loan Request per MFDL Unit	$ 61,224	$ 100,000	38,776	63%
Interest Rate	2.50%	0.00%	-2.500%	-100%
TC30%	24	0	(24)	-100%
TC40%	0	30	30	100%
TC60%	155	161	6	4%
TC70%	60	48	(12)	-20%
Gross Annual Income	$ 2,565,599	$ 2,545,718	(19,881)	-1%
Total Operating Expense	$ 1,555,695	$ 1,538,396	(17,299)	-1.11%
TDHCA MFDL Payment	$ 142,244	$ 100,000	(42,244)	-30%
Debt Coverage Ratio	1.15	1.18	0.03	2.61%
Development Cost Schedule	$ 43,478,791	$ 43,444,915	(33,876)	-0.08%
Permanent Loan	$ 22,850,000	$ 22,700,000	(150,000)	-0.66%
Equity	$ 13,492,478	$ 13,489,811	(2,667)	-0.02%
Developer Fee	$ 3,172,805	$ 3,297,921	125,116	3.94%
Interest Income on Bonds	$ 696,925	$ 692,350	(4,575)	-0.66%
Cash Flow - Lease Up	$ 266,583	$ 264,833	(1,750)	-0.66%

20412 - 1604 Lofts	Original Application	Revised Application	Difference	Percentage of Change
Multifamily Direct Loan (MFDL) Request	$ 3,000,000	$ 3,000,000	-	0%
Total Units	324	324	-	0%
MFDL Loan Units	50	30	(20)	-40%
Self Score	44	38	(6)	-14%
Loan Request per MFDL Unit	$ 60,000	$ 100,000	40,000	67%
Interest Rate	2.50%	0.00%	-2.500%	-100%
TC30%	33	3	(30)	-91%
TC40%	0	30	30	100%
TC60%	224	250	26	12%
TC70%	67	41	(26)	-39%
Gross Annual Income	$ 3,416,957	$ 3,392,915	(24,042)	-1%
Total Operating Expense	$ 1,364,987	$ 1,362,569	(2,418)	-0.18%
TDHCA MFDL Payment	$ 142,244	$ 100,000	(42,244)	-30%
Debt Coverage Ratio	1.16	1.17	0.01	0.86%
Development Cost Schedule	$ 55,582,827	$ 55,570,628	(12,199)	-0.02%
Permanent Loan	$ 30,825,000	$ 30,850,000	25,000	0.08%
Equity	$ 17,094,011	$ 17,094,338	327	0.00%
Developer Fee	$ 3,441,090	$ 3,402,573	(38,517)	-1.12%
Interest Income on Bonds	$ 940,163	$ 940,825	662	0.07%
Cash Flow - Lease Up	$ 282,563	$ 282,792	229	0.08%

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

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Sharon Thomason, Member
Leo Vasquez, Member

February 3, 2020

Writer's direct dial: 512/475-3296
Email: bobby.wilkinson@tdhca.state.tx.us

Via email to jshack@shackelford.law
John C. Shackelford
Shackelford, LLC
9201 N. Central Expressway
Dallas, TX 75231

RE: PALLADIUM WEST FRANCIS
TDHCA APPLICATION 20400
SHACKELORD FILE 51991.2

Dear Mr. Shackelford:

The Texas Department of Housing and Community Affairs (TDHCA or the Department) is in receipt of your letter dated January 20, 2020, which appeals the Department's handling of certain Administrative Deficiency responses from other Applicants to the 2020-2 Special Purpose Notice of Funding Availability (NOFA) pursuant to 10 TAC §1.7.

All of the Applicants to this NOFA, with the exception of Palladium West Francis, failed to designate separate units to be restricted by TDHCA within a Development that is using income averaging for tax credit purposes, as required by Section 2.c.iv. of the NOFA. The Applicants were issued the following deficiency notice:

> Section 2.c.i. of the 2020-2 Special Purpose NOFA under which this application was submitted states that eligible applications must be proposing NHTF units that: "Must be available for households earning the greater of the federal poverty limit or 30% AMI or less, and have rents no higher than the rent limits for Extremely low-income Tenants in 24 CFR §93.302(b)." Section 2.c.iv. of the 2020-2 Special Purpose NOFA, meanwhile, requires those NHTF units to "not be restricted to 30% AMI or less by Housing Tax Credits, or any other fund source." Please revise the Rent Schedule and all other impacted exhibits of the application and/or Third Party Reports to reflect the layering of the NHTF units

(30%) on HTC units restricted at 40% AMI or higher in accordance with sections 2.c.i. and iv. of the 2020-2 NOFA.

Your appeal claims that the Deficiency responses submitted for Applications 20410, 20411 and 20412 significantly change the Applications, to the extent that they should be considered Material Deficiencies leading to termination.

The appeal letter also claims that the Applicants had a competitive advantage during the Deficiency process, and were able to make significant changes to their Applications after reviewing their competitor's Applications. You request that if the Department does not terminate the Applications, your client, Palladium West Francis be allowed an equivalent opportunity to revise their Application.

Due to the breadth of staff's request for revisions in the deficiency response, and the fact that no scoring item points were increased, I do not find that the Deficiency responses exceed the requirements and limitations of 10 TAC §11.201(7) related to the Deficiency Process, and therefore do not find them to constitute Material Deficiencies. On this basis, I am denying this argument of your appeal under 10 TAC §1.7.

Your alternative appeal request that Palladium West Francis be granted an equivalent opportunity to revise Application 20400 after reviewing their competitor's Applications raises an important point regarding equity in the competitive environment of the 2020-2 NOFA. Indeed, the need to issue deficiencies was brought about because all but the application for Palladium West Francis failed to designate separate units to be restricted by TDHCA within a Development that is using income averaging for tax credit purposes, as required by Section 2.c.iv. of the NOFA. It may appear that the Palladium West Francis application was being provided less opportunity to clarify its application through the administrative deficiency process, despite the fact it was the only application that correctly designated the above-mentioned units. For this reason, I am directing staff to place an item on the agenda for the February 20, 2020, Governing Board meeting that will request cancellation of the 2020-2 NOFA, and the issuance of a 2020-2B NOFA under the same terms, but with an Application Acceptance Date of February 27, 2020. If granted, this functional extension will allow all Applicants who were eligible to apply under the 2020-2 NOFA (Developments that submitted 2020 Bond Lottery Applications to the Department by December 13, 2019) an opportunity to submit or revise their multifamily Applications as they see fit.

If you are not satisfied with this decision, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review 10 TAC §1.7 for the appeal process. If you have any questions or require further information, please contact Marni Holloway, Multifamily Finance Director, at marni.holloway@tdhca.state.tx.us.

Sincerely,

Bobby Wilkinson
Executive Director

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BOARD ACTION REQUEST

MULTIFAMILY FINANCE DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action regarding the approval for publication in the *Texas Register* of the 2020-4 Multifamily Direct Loan Special Purpose Notice of Funding Availability (NOFA): Predevelopment.

RECOMMENDED ACTION

WHEREAS, the Department issued a Special Purpose NOFA last year for Predevelopment activities funded with Tax Credit Assistance Program Repayment Funds (TCAP RF) that resulted in two nonprofit organizations receiving Predevelopment grants;

WHEREAS, staff believes that there are other nonprofits in the state that may be able to utilize this funding as they pursue development opportunities that may ultimately result in the use of the Department's HOME and/or National Housing Trust Fund;

WHEREAS, the Department has $200,000 in undedicated TCAP RF available;

WHEREAS, staff recommends making these available funds in this 2020-4 Special Purpose NOFA for predevelopment activities only; and

WHEREAS, the Department will limit eligible applicants for these funds to private nonprofits that have not received funding for a multifamily development from the Department since January 1, 2010;

NOW, therefore, it is hereby

RESOLVED, that $200,000 in TCAP Repayment Funds will be made available for Applicants through this 2020-4 Special Purpose NOFA: Predevelopment; and

FURTHER RESOLVED, the Executive Director and staff as designated by the Executive Director are authorized, empowered, and directed, for and on behalf of the Department to execute such documents, instruments and writings and perform such acts and deeds as may be necessary to effectuate the foregoing.

BACKGROUND

The 2020-4 Special Purpose NOFA announces the availability of Multifamily Direct Loan funds for predevelopment Applications received between March 20, 2020, and October 9, 2020. Awards under

this NOFA will be made as grants subject to the restrictions in this NOFA and its fund source. The funds in the NOFA are composed of $200,000 of the interest portion of TCAP RF accumulated.

This Special Purpose NOFA has been created for those Applicants seeking grant-based assistance to fund eligible activities related to preparing an application to develop affordable multifamily rental housing with Department funds. Eligible Applicants are limited to private nonprofit organizations that have not received an award of funds from TDHCA for a multifamily development since January 1, 2010, and did not receive an award of funds under the 2019-2 Special Purpose Notice of Funding Availability (NOFA): Predevelopment. Such Applicants may only be awarded one predevelopment grant in an amount not to exceed $50,000.

Unless otherwise indicated, applications awarded under this Special Purpose NOFA will be subject to the applicable requirements of 10 TAC Chapter 13, the Multifamily Direct Loan Rule, and applicable sections of 10 TAC Chapter 11, the Qualified Allocation Plan. If any provisions of this NOFA are in conflict with provisions in 10 TAC Chapters 11 and 13, then the rule shall control except as specifically outlined in the NOFA. Additionally, Applicants under this NOFA will be required to submit an Application using the 2020 Predevelopment Application, as well as submit required documentation referenced in the 2020 Predevelopment Application.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
MULTIFAMILY FINANCE DIVISION
2020-4 SPECIAL PURPOSE NOTICE OF FUNDING AVAILABILITY (NOFA):
PREDEVELOPMENT

1) **Summary.** The Texas Department of Housing and Community Affairs (the Department) announces the availability of $200,000.00 in Multifamily Tax Credit Assistance Program Repayment Funds (TCAP RF) funding for eligible predevelopment activities for Applications to finance affordable multifamily rental housing for low-income Texans through the Department. Additional funds may be added in order to completely fund awards. Applications under this Special Purpose NOFA will be accepted starting at 8:00 a.m. Austin local time on March 20, 2020, through October 9, 2020, at 5:00 p.m. Austin local time (unless ended sooner by Board Action).

2) **Eligible Applicants.** Each eligible Applicant (a private 501(c)3 or 501(c)4 nonprofit organization), including any staff or Board members of the organization, Affiliate entity, or any individual with Control of the proposed Development[1], that has not received an award of funds from the Department for a multifamily development after January 1, 2010), and did not receive an award under the 2019-2 Special Purpose Notice of Funding Availability: Predevelopment, may apply for a predevelopment grant in an amount of up to $50,000.00. A nonprofit organization (inclusive of any Affiliate organization) may receive only one award under this NOFA.

3) **Availability and Use of Funds.** Except as noted herein, if any provisions of this NOFA are in conflict with provisions of the following rules, as applicable, for which the use of these TCAP RF grant funds are subject to, the applicable rule will control, as further described in Addendum A.
   a. **Texas Administrative Code.**
      10 TAC Chapter 1 (Administration)
      10 TAC Chapter 2 (Enforcement)
      10 TAC Chapter 10 (Uniform Multifamily Rules)
      10 TAC Chapter 11 (Qualified Allocation Plan)
      10 TAC Chapter 13 (Multifamily Direct Loan Rule)

[1] A private nonprofit corporation that does not share a Principal with the Applicant and will not have an Ownership interest in the proposed Development, will not be deemed to have control for this eligibility determination, but may still have Control in accordance with other rules listed in this NOFA.

b. **Texas Government Code.**
Tex. Gov't Code Chapter 2306 (State Act)

c. **Federal Cross-Cutting Standards.**
Federal Fair Housing Act, 42 U.S.C. 3601-19

4) **Eligible Costs.**

a. **Eligible for Reimbursement.** Costs eligible for reimbursement under this NOFA are limited to those which are necessary in order to ultimately submit an Application for Development Funding in accordance with the applicable 10 TAC Chapter 11 or Chapter 13. All costs must be supported by a contract or similar agreement with the third party. Examples of eligible costs include, but are not limited to: costs for Third-Party Reports, accounting fees, architectural and engineering fees, zoning change fees, land surveys, legal fees unrelated to Application preparation, fees related to obtaining site control (e.g. earnest money fees, extension fees), etc.

b. **Ineligible for Reimbursement.** The Applicant's internal costs of operation are not eligible. Costs for consultants and similar entities to prepare an Application are not eligible. Costs incurred prior to Application Acceptance Period are not eligible.

i. **Costs related to Ineligible Development Site.** Additionally, costs related to a Development Site that is ineligible under 10 TAC §11.101 related to Site and Development Requirements and Restrictions are ineligible costs, unless the Department's Governing Board has made a determination of eligibility , or ineligibility is the result of information gained from Third-Party Reports or other work completed under this NOFA. For Neighborhood Risk Factors (10 TAC 11.101(a)(3)) and any other site requirement or restriction impacting eligibility that an Applicant knows at Application, an Applicant must submit a request for pre-determination prior to or with its Application under this NOFA. If a site requirement or restriction that would make the site or development ineligible is discovered as a result of information gained from Third-Party Reports or other work completed under this NOFA, an Applicant must submit a request for determination before incurring other costs under its award.

ii. **Costs related to Non-Conforming Existing Development.** Costs related to an Existing Development that is not able to meet the minimum Development size identified in 10 TAC §11.101(b)(2) are ineligible costs, unless the Department's Governing Board has made a determination of eligibility. An Applicant must submit a waiver request outlining conformance with the Development's Underwriting Rules and Guidelines as described in 10 TAC Chapter 11, Subchapter D.

5) **Restrictions on Third-Party Reports.** Awardees under this NOFA will be required to receive the Department's explicit written consent to allow Third-Party Reports paid for with funds awarded under this NOFA to be shared with any other public or private financing entities.

6) **Application Submission Requirements.**

a. **Summary.** Applications under this Special Purpose NOFA will be accepted starting at 8:00 a.m. Austin local time on March 20, 2020, through October 9, 2020, at 5:00 p.m. Austin local time (unless ended sooner by Board Action).

b. Date of Receipt. All Applications under this NOFA will be prioritized based on the business day of receipt until 5:00 pm, Austin local time on October 9, 2020 (unless earlier closed by Board action). The earliest date of receipt will be March 20, 2020.

c. Tie Breaker. All Applications with the same date of receipt will be ranked based on the greatest linear distance from the nearest Housing Tax Credit assisted Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report.

d. Fees. Applicants are **not** required to remit a Predevelopment Application fee.

e. Required Materials for all Applications under this Special Purpose NOFA. All Application materials including manuals, NOFAs, program guidelines, and rules will be available on the Department's website at https://www.tdhca.state.tx.us/multifamily/nofas-rules.htm and https://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm. An Application must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department. Applicant must submit the Application materials as detailed in the Multifamily Predevelopment Procedures Manual (Manual) in effect at the time the Application is submitted. An Application must be uploaded to the Department's secure web transfer server in accordance with 10 TAC §11.201(1)(C). Access to the ServU system is available with this request: https://www.tdhca.state.tx.us/multifamily/docs/19-ElectronicFilingAgreement.xls.

7) Post Award Requirements. Applicants are strongly encouraged to review the applicable Post-Award Requirements in 10 TAC Chapter 13, as well as the Compliance Monitoring requirements in 10 TAC Chapter 10, Subchapter F.

a. Grant Agreement. An Applicant awarded under this Special Purpose NOFA will be required to fully execute and adhere to any and all requirements under the 2020 Multifamily Predevelopment Contract and related Certifications. The Contract will have up to an 18 month period to pay for eligible predevelopment costs, and up to an additional six month period to submit draw requests for reimbursement of eligible predevelopment costs. The Contract performance period will be five years (unless extended). If the Applicant (or any Affiliate or assignee) receives an award of credits, bonds, grants, or loan funds for the Site identified in the Contract before the end of the performance period, Applicant will agree to put one TCAP-RF unit on the Development. That TCAP-RF Unit must meet the requirements for HOME-Match, as identified 24 CFR Part 92 and the Department's rules.

b. Draw Funds. Awarded Applicants may be required to meet additional documentation requirements in order to draw funds, in accordance with Previous Participation results and Contractual conditions.

8) Miscellaneous.

a. This NOFA does not include text of the various applicable regulatory provisions pertinent to the TCAP RF Program. For proper completion of the Application, the Department strongly encourages potential Applicants to review all State and Federal regulations.

b. An award under this NOFA does not constitute a finding of eligibility with regard to Site and Development Requirements and Restrictions under future Department rules.

c. The Board may on a case-by-case basis, or in whole, waive procedural provisions of this NOFA where such waiver or exception to the provision(s) are warranted and documented, and where such exception is not in violation with any state or federal requirement(s) and the NOFA is open.

d. For questions regarding this Special Purpose NOFA, please contact Alena R. Morgan, Multifamily Direct Loan Policy and Research Specialist, at alena.morgan@tdhca.state.tx.us or 512-475-2596.

ADDENDUM A

Unless otherwise specified, the following is a list of relevant provisions of the Texas Administrative Code (TAC) applicable to Applications proposing Predevelopment under this Special Purpose NOFA, as cited and enforceable by the TDHCA Governing Board:

10 TAC Chapter 1 (Administration)

10 TAC Chapter 2 (Enforcement)

10 TAC Chapter 11 (Housing Tax Credit Program Qualified Allocation Plan)

Subchapter A – Pre-Application, Definitions, Threshold Requirements, and Competitive Scoring

§11.1 (General)

Subchapter B – Site and Development Requirements and Restrictions

§11.101(a) Site and Development Requirements and Restrictions

Subchapter C – Application Submission Requirements, Ineligibility Criteria, Board Decisions and Waiver of Rules

§11.201(1)(General Requirements)
§11.201(6)(Order of Review of Applications under Various Programs)
§11.201(7)(Deficiency Process)
§11.201(8)(Limited Reviews)
§11.202(Ineligible Applicants and Applications)
§11.204(1)(Certification)
§11.204(2)(Applicant Eligibility Certification)
§11.204(10)(Site Control)
§11.204(13)(Ownership Structure and Previous Participation)
§11.204(14)(Nonprofit Ownership)
§11.206(Board Decisions)
§11.207(Waiver of Rules)

Subchapter D – Underwriting and Loan Policy

§11.303 Market Analysis Rules and Guidelines
§11.304 Appraisal Rules and Guidelines
§11.305 Environmental Site Assessment Rules and Guidelines
§11.306 Scope and Cost Review Guidelines

Subchapter E – Fee Schedule, Appeals, and Other Provisions

§11.903 (Adherence to Obligations)
§11.904 (Alternative Dispute Resolution Policy)

10 TAC Chapter 13 (Multifamily Direct Loan Rule)

§13.1(Purpose)
§13.2(Definitions)
§13.3(Loan Requirements)
§13.4(d)(Other Priorities)
§13.5(Award Process)
§13.11(b)(e) (Contract execution)
§13.11(b)(13)(A)(B)(D) and (H), (Disbursement of Funds)

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BOARD ACTION REQUEST

HOME AND HOMELESSNESS PROGRAMS DIVISION

FEBRUARY 20, 2020

Presentation, discussion, and possible action on the proposed repeal and proposed new 10 TAC Chapter 7, Subchapter A, General Policies and Procedures, and Subchapter B, Homeless Housing and Services Program; 10 TAC §7.31, §7.34, §7.36, §§7.41-44, Emergency Solutions Grants; and 10 TAC §7.62 and §7.65, Ending Homelessness Fund, and directing publication for public comment in the *Texas Register*

RECOMMENDED ACTION

WHEREAS, pursuant to Tex. Gov't Code §2306.053, the Texas Department of Housing and Community Affairs (Department) is authorized to adopt rules governing the administration of the Department and its programs;

WHEREAS, staff proposes repeal and proposed new rules at Subchapter A, General Policies and Procedures, and Subchapter B, Homeless Housing and Services Program, to incorporate updates in the administration of the Homeless Housing and Services Program, Emergency Solutions Grants Program, and Ending Homelessness Fund Program;

WHEREAS, staff proposes repeal and proposed new sections at 10 TAC §7.31, Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36, General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income, and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files to clarify the data sources used in the allocation formula; clarify the ESG Application process and requirements; clarify the Contract amendment and redistribution of funds processes; and update administration and reporting requirements;

WHEREAS, staff proposes repeal and proposed new sections at 10 TAC §7.62, EH Fund Subrecipient Application and Selection; and §7.65 Contract Term and Limitations, to update the Ending Homeless Fund rule to reflect new definitions, and to revise the Contract term and clarify other limitations;

WHEREAS, staff recommends to the Board that there is a need for these rule sections to be updated to assist Applicants in planning and preparation of requests for funds, and to assist Subrecipients in administration of their grants; and

WHEREAS, upon Board approval these actions will be published in the *Texas Register* for public comment, which will be accepted from March 6, 2020, through April 6, 2020, and then presented to the Board for final adoption;

NOW, therefore, it is hereby

RESOLVED, that the proposed repeal and proposed new Subchapter A, General Policies and Procedures; Subchapter B, Homeless Housing and Services Program; 10 TAC §7.31, §7.34, §7.36, §§7.41-44 Emergency Solutions Grants; and 10 TAC §7.62 and §7.65, Ending Homelessness Fund, with the preamble presented to this meeting, are hereby approved for publication in the *Texas Register* for public comment; and

FURTHER RESOLVED, that the Executive Director and his designees be and each of them hereby are authorized, empowered, and directed, for and on behalf of the Department, to cause the proposed actions to be published for public comment in the *Texas Register*, and in connection therewith, make such non-substantive technical corrections as they may deem necessary to effectuate the foregoing, including the preparation of the subchapter specific preambles.

BACKGROUND

10 TAC Chapter 7 went through a substantial update in fall of 2018, after extensive public outreach. While applying these rules over the ensuing year, staff has identified updates and clarifications needed to better administer the Homeless Housing and Services Program (HHSP), Emergency Solutions Grant (ESG) Program, and Ending Homelessness (EH) Fund.

The entirety of Subchapter A, General Policies and Procedures, and Subchapter B, Homeless Housing and Services Program, are recommended for repeal and replacement due to the updates in all sections of these rules. In addition, updates were made to both Subchapters to address new funding available through Rider 16 Funding to Address Youth Homelessness of the Appropriations Act (86th Legislative Session). Rider 16 appropriated $1.5 million in additional funding for homeless youth activities through HHSP. The rules have been updated to include a definition of Youth Headed Household and inclusion of eligible activities of transitional living facilities.

For Subchapter C, 10 TAC §7.31, Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36, General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income, and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files, are recommended for repeal and replacement. The Department received comment during the State Low Income Housing Plan (SLIHP) comment period requesting that 10 TAC §7.39, Uniform Selection Criteria, be revised. This portion of the rule is not included in this action as changes to the selection criteria would not be finalized in time to utilize different criteria prior to our anticipated federal deadline for award of the 2020 ESG allocation. Staff anticipates updates to the Uniform Selection Criteria to be presented to the Board prior to the application acceptance period for the 2021 ESG allocation, and will conduct a series of roundtables during calendar year 2020 to solicit feedback prior to presenting draft rules for approval.

For Subchapter D, 10 TAC §7.62, EH Fund Subrecipient Application and Selection, and §7.65, Contract Term and Limitations, are recommended for repeal and replacement. The changes

reflect clarification on eligible Applicants, and updates to the Contract term and limitations to allow for greater flexibility for Subrecipients.

The proposed changes are summarized below.

§7.1, Purpose and Goals. This section of the rule replaces the existing 10 TAC §7.1, Purpose and Goals, to remove a past date in which the current rule applied.

§7.2, Definitions. This section of the rule replaces the existing 10 TAC §7.2, Definitions, to include applicable federal laws, removing unnecessary definitions, and adding new definitions.

§7.3, Construction Activities. This section of the rule replaces the existing 10 TAC §7.3, Construction Activities, to clarify the terms used.

§7.4, Subrecipient Contract. This section of the rule replaces the existing 10 TAC §7.4, Subrecipient Contract, to clarify the restrictions of subgranting federal funds, add more detail on the amendment process, and clarify the Cost Reimbursement method of payment.

§7.5, Subrecipient Reporting. This section of the rule replaces the existing 10 TAC §7.5, Subrecipient Reporting. The new section clarifies the reimbursement process from the Monthly Expenditure Report, and includes the Recertification requirements of Program Participants being assisted under two homeless program Contracts, and clarifies reporting requirements on the Monthly Performance Report.

§7.6, Subrecipient Data Collection. This section of the rule replaces the existing 10 TAC §7.6, Subrecipient Data Collection, to reflect grammatical corrections.

§7.7, Subrecipient Contact Information. This section of the rule replaces the existing 10 TAC §7.7, Subrecipient Contact Information. Updates were made to be consistent with updates in 10 TAC §7.2, Definitions, and clarification on when to submit contact information updates.

§7.8, Records Retention. This section of the rule replaces the existing 10 TAC §7.8, Records Retention, and updates a citation to a rule.

§7.9, Contract Termination and Deobligation. This section of the rule replaces the existing 10 TAC §7.9, Contract Termination and Deobligation, and clarifies when termination would occur and provides consistency with §7.2, Definitions.

§7.10, Inclusive Marketing. This section of the rule replaces the existing 10 TAC §7.10, Inclusive Marketing, and was updated to be consistent with 10 TAC §7.2, Definitions.

§7.11, Compliance Monitoring. This section of the rule replaces the existing 10 TAC §7.11, Compliance Monitoring, and was updated to be consistent with 10 TAC §7.2, Definitions in §7.2.

§7.12, Waiver of Rules. This new section of the rule provides the Board with the ability to waive the rules of this chapter.

§7.21, Purpose and Use of Funds. This section of the rule replaces the existing 10 TAC §7.21, Purpose and Use of Funds, and adds transitional living activities for Youth Headed Households as an eligible activity.

§7.22, HHSP Subrecipient Application and Selection. This section of the rule replaces the existing 10 TAC §7.22, HHSP Subrecipient Application and Selection, and provides more clarification on to whom the section applies.

§7.23, Allocation of Funds and Formula. This section of the rule replaces the existing 10 TAC §7.23, Allocation of Funds and Formula. A new allocation formula is included for the youth set-aside funds. In addition, a new provision includes a mechanism to return unused funds and reallocate the funding.

§7.24, General HHSP Requirements. This section of the rule replaces the existing 10 TAC §7.24, General HHSP Requirements. A clarification of gross rent was included.

§7.25, Program Income. This section of the rule replaces the existing 10 TAC §7.25, Program Income. A clarification of program income and updates to be consistent with 10 TAC §7.2, Definitions, were included.

§7.27, Eligible Costs. This section of the rule replaces the existing 10 TAC §7.27, Eligible Costs. Transitional living facilities were included under operation costs, and administrative offices were removed from "operating costs," but are eligible under Administrative Costs.

§7.28, Program Participant Eligibility and Program Participant Files. This section of the rule replaces the existing 10 TAC §7.28, Program Participant Eligibility and Program Participant Files. Transitional living was included as an eligible activity, income requirements were clarified, and requirement to check waitlists for more permanent housing was removed.

§7.31, Purpose. This section of the rule replaces the existing §7.31, Purpose, to more fully complete the list of federal regulations that apply.

§7.34, Local Competition for Funds. This section of the rule replaces the existing §7.34, Local Competition for Funds. The update requires an appeal policy for Applicants in the Local Competition to the ESG Coordinator governing body, and prohibits Applicants from appealing to the Department's Board.

§7.36, General Threshold Criteria. This section of the rule replaces the existing §7.36, General Threshold Criteria. The updates include an increase in the match waiver amount that may be requested, clarification in the timing of the local government approval of a shelter activity, and clarification on the timing of the governing body action required with the ESG Application.

§7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets. This section of the rule replaces the existing §7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets. The updates include elimination of a 24-month Contract, amendment process clarifications, clarification on return of funds, and more detail on the reallocation of returned funds.

§7.42, General Administrative Requirements. This section of the rule replaces the existing §7.42, General Administrative Requirements. Updates included moving a reporting requirement to §7.5, Subrecipient Reporting, and consistency with 10 TAC §7.2, Definitions.

§7.43, Program Income. This section of the rule replaces the existing §7.3, Program Income, and clarifies that deposits are returned to the Program Participant.

§7.44, Program Participant Eligibility and Program Participant Files. This section of the rule replaces the existing §7.44, Program Participant Eligibility and Program Participant Files. Clarification included new details on the income documentation.

§7.62, EH Fund Subrecipient Application and Selection. This section of the rule replaces the existing §7.62, EH Fund Subrecipient Application and Selection, clarifying that Applicants for the EH Fund need to have been awarded ESG or HHSP funds or in a Contract for ESG or HHSP funds.

§7.65, Contract Term and Limitations. This section of the rule replaces the existing 10 TAC §7.65, Contract Term and Limitations to update clarify the Contract term and limitations.

Attachment A: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 7, Subchapter A, General Policies and Procedures

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 7, Homelessness Programs, Subchapter A, General Policies and Procedures. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, the overarching policies and procedures of the Emergency Solutions Grants, Homeless Housing and Services Program, and Ending Homelessness Fund programs (homeless programs).

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department or in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, the administration of homeless programs.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be more clarity on the

administration of homeless programs. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 7, Subchapter A, General Policies and Procedures

Attachment B: Preamble for proposed new 10 TAC Chapter 7, Subchapter A, General Policies and Procedures

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 7, Homelessness Programs, Subchapter A, General Policies and Procedures. The purpose of the proposed new section is to update the rule to remove outdated definitions, clarify existing definitions, and add new definitions; delineate the Contract amendment approval process; and clarify reporting requirements.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed rule does not create or eliminate a government program, but relates to the readoption of this rule which makes changes to an existing activity, the overarching policies and procedures of the Emergency Solutions Grants, Homeless Housing and Services Program, and Ending Homelessness Fund programs (homeless programs).

2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed rule does not require additional future legislative appropriations.

4. The proposed rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed rule will not expand, limit, or repeal an existing regulation.

7. The proposed rule will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, Ch. 2306.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately no small or micro-businesses subject to the proposed rule because these funds are limited to private nonprofit organizations and units of local governments per 24 CFR §576.202 for Emergency Solutions Grants funds; limited to counties and municipalities in Tex. Transportation Code §502.415 for the Ending Homeless Fund; and limited to municipalities or designated nonprofits per 10 TAC §7.22 for the Homeless Housing and Services Program.

3. The Department has determined that based on the considerations in item two above, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule will channel funds, which may be limited, only to nonprofits, private nonprofits, local governments, and counties and municipalities; it is not anticipated that the amount of funds would be enough to support additional employment opportunities, but would add to the services provided. Alternatively, the rule would also not cause any negative impact on employment. Therefore no local employment impact statement is required to be prepared for the rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that no impact is expected, there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be a rule that has greater clarity into the processes and definitions of the administration of homeless programs. There will not be any economic cost to any individuals required to comply with the new section because the processes described by the rule have already been in place through the rule found at this section being repealed.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the costs for administering the program in included in eligible activities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC §7.1 Purpose and Goals

(a) The rules established herein for Chapter 7 "Homeless Programs" Subchapter A "General Provisions" applies to all of the Homeless Programs, unless otherwise noted. Additional program specific requirements are contained within each program subchapter.
(b) The Homeless Programs administered by the Texas Department of Housing and Community Affairs (the "Department") support the Department's statutorily assigned mission to address the problem of homelessness among Texans.
(c) The Department accomplishes this mission by acting as a conduit for state and federal funds for homelessness programs. Ensuring program compliance with the state and federal laws that govern these programs is another important part of the Department's mission. Oversight and program mandates ensure state and federal resources are expended in an efficient and effective manner.
(d) Unless otherwise noted herein or required by federal law or regulation, or state statute, all provisions of this chapter apply to any Application received for federal funds and any Contract of state funds on or after September 1, 2018.
~~(ce)~~ ~~The Department's Governing Board (the "Board") may waive rules subject to this chapter for good cause to meet the purpose of the Homeless Programs described further in subsection (b) of this section. However, any waiver cannot conflict with the federal or state statutes or regulations governing any of the Homeless Programs.~~ ~~Waivers may not be granted for items that impact federally imposed obligation or Expenditure deadlines governing the ESG Program or state Expenditure deadlines governing HHSP.~~

10 TAC §7.2 Definitions

(a) To ensure a clear understanding of the terminology used in the context of the Department's Homeless Programs, a list of terms and definitions has been compiled as a reference.
(b) The words and terms in this chapter shall have the meanings described in this subsection unless the context clearly indicates otherwise. Other definitions may be found in Chapters 1 or 2 of this Title, or in federal or state law~~.~~ including, but not limited to, 24 CFR Parts 91, 200, 576, 582, and 583, and UGMS.
(1) Affiliate--An entity related to an Applicant that controls by contract or by operation of law the Applicant or has the power to control the Applicant or a third entity that controls, or has the power to control both the Applicant and the entity. Examples include but are not limited to entities submitting under a common application, or instrumentalities of a unit of government. This term also includes any entity that is required to be reported as a component entity under Generally Accepted Accounting Standards, is required to be part of the same Single Audit as the Applicant, is reported on the same IRS Form 990, or is using the same federally approved indirect cost rate.
(2) Allocation Formula--Mathematical relationship among factors, authorized by the Board, that determines how much funding is available in an area or region in Subchapters B, C, and D of this section.
(3) Applicant--A unit of local government, nonprofit corporation or other entity, as applicable, who has submitted to the Department or to an ESG Coordinator an Application for Department funds or other assistance.
(4) Application--A request for a Contract award submitted by an Applicant to the Department or to an ESG Coordinator, in a form prescribed by the Department, including any exhibits or other supporting material.

(5) At-risk of Homelessness--~~As defined~~Defined by 24 CFR §576.2 , except ~~that~~ as otherwise defined by Contract, the income limits for Program Participants ~~for state funds~~ are ~~subject to income limits set by Subrecipients that~~determined by the Subrecipient but, at a minimum, do not exceed the moderate income level pursuant to Tex. Gov't Code §2306.152.

(6) Code of Federal Regulations ~~("~~("CFR~~") --~~)--The codification of the general and permanent rules and regulations of the federal government as adopted and published in the *Federal Register.*

~~(7) Concern--A policy, practice or procedure that has not yet resulted in a Finding but if not changed will or may result in Findings and/or disallowed costs.~~

~~(8) Continuum of Care ("CoC")--The CoC Program is a HUD-funded program designed to assist sheltered and unsheltered homeless people by providing the housing and/or services needed to help individuals move into transitional and permanent housing, with the goal of long-term stability. HUD requires representatives of relevant organizations to form a CoC to serve a specific geographic area; the Department and the CoCs are required by HUD to coordinate relating to the ESG Program as set forth in 24 CFR §576.400. This does not include any funds given from the State to a specific CoC.~~

~~(9)~~ (7) Continuum of Care (CoC)--The group composed of representatives of relevant organizations, which generally includes nonprofit homeless providers; victim service providers; faith-based organizations; governments; businesses; advocates; public housing agencies; school districts; social service providers; mental health agencies; hospitals; universities; affordable housing developers; law enforcement; organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons that are organized to plan for and provide, as necessary, a system of outreach, engagement, and assessment; emergency shelter; rapid re-housing; transitional housing; permanent housing; and prevention strategies to address the various needs of homeless persons and persons at risk of homelessness for a specific geographic area. HUD funds a CoC Program designed to assist sheltered and unsheltered homeless people by providing the housing and/or services needed to help individuals move into transitional and permanent housing, with the goal of long-term stability.

(8) CoC Lead Agency--CoC collaborative applicant in the HUD CoC Program per 24 CFR §578.3.

(~~10~~9) Contract--The executed written agreement between the Department and a Subrecipient performing a program activity that describes performance requirements and responsibilities assigned by the document.

(~~11~~10) Contract System--~~Either the Community Affairs Contract System or the~~The Housing Contract System established by the Department, as required by the program.

(~~12~~11) Contract Term--Period of time identified in the ~~contract~~Contract during which program activities may be conducted.

~~(13) Contracted Funds--The gross amount of funds obligated by the Department to a Subrecipient as reflected in a Contract.~~

~~(14~~ (12) Cost Reimbursement--A Contract sanction whereby reimbursement of costs incurred by the Subrecipient ~~is made~~occurs only after the Department has reviewed ~~and approved backup~~all relevant documentation provided by the Subrecipient to support ~~such costs.~~ Expenditures. Reimbursement will only be approved by the Department where the documentation clearly supports the eligible use of funds.

~~(15~~(13) Declaration of Income Statement ~~("~~("DIS~~") --~~)--A Department-approved form used only when it is not possible for a Subrecipient to obtain third-party or firsthand verification of income, per 24 CFR §576.500(e)(4).

~~(16) Department of Housing and Urban Development ("HUD")--Federal department that provides funding for ESG.~~

~~(17~~(14) Dwelling Unit--A residence that meets Habitability Standards that is not an emergency

shelter, hotel, jail, institution, or similar temporary lodging. Transitional Housing is included in this definition unless the context clearly states otherwise. Common areas supporting the Dwelling Unit are also included in this definition.

(~~18~~15) Elderly Person--

(A) For state funds, a person who is 60 years of age or older; and

(B) For ESG, a person who is 62 years of age or older.

(~~19~~16) Ending Homelessness ("EH") Fund--The voluntary-contribution state program established ~~by~~in Texas Transportation Code §502.415.

(~~20~~17) Emergency Solutions Grants ~~("~~("ESG~~") --~~)--A HUD-funded program which provides funds for services necessary to help persons that are at risk of homelessness or homeless quickly regain stability in permanent housing.

(~~21~~18) ESG Coordinator--~~CoC Lead Agency or its designee~~An organization procured by the Department that administers a competition for funds in its CoC region and recommends ESG awards to the Department based on its competition.

(~~22~~19) ESG Interim Rule--The regulations with amendments promulgated at 24 CFR Part 576 as published by HUD for the ESG Program.

(~~23~~20) Expenditure--An amount of money accounted for by a Subrecipient as spent.

(~~24~~21) Finding--A Subrecipient's material failure to comply with rules, regulations, the terms of the Contract or to provide services under each program to meet appropriate standards, goals, and other requirements established by the Department or funding source (including performance objectives). A Finding impacts the organization's ability to achieve the goals of the program and jeopardizes continued operations of the Subrecipient. Findings include the identification of an action or failure to act that results in disallowed costs.

(~~25~~22) Head of Household--As defined in the most recent Homeless Management Information System (~~"~~HMIS~~"~~) Data Dictionary issued by HUD.

(~~26~~23) HMIS-Comparable Database--Database established and operated by a victim service provider or legal service provider that is comparable to HMIS and collects ~~client~~Program Participant-level data over time.

(~~27~~24) HMIS Data Dictionary--The Dictionary published by HUD which defines terms for the use of HMIS and comparable databases.

(~~28~~25) HMIS Data Standards Manual--Manual published by HUD which documents the requirements for the programming and use of all HMIS and comparable databases.

(~~29~~26) HMIS Lead Agency--The entity designated by the CoC to operate the CoC's HMIS on its behalf.

(~~30~~27) Homeless or Homeless Individual--An individual as defined by 42 U.S.C. §§11371 - 11378 and 24 CFR §576.2. For state-funded programs, a homeless individual may have right of occupancy because of a signed lease, but still qualify as homeless if his or her primary nighttime residence is an emergency shelter or place not meant for human habitation.

(~~31~~28) Homeless Housing and Services Program ~~("~~(HHSP~~") --~~)--The state-funded program established under Tex. Gov't Code §2306.2585.

(~~32~~29) Homeless Management Information System ~~("~~(HMIS~~") --~~)--Information system designated by the CoC to comply with the HUD's data collection, management, and reporting standards and used to collect ~~client~~Program Participant-level data and data on the provision of housing and services to homeless individuals and families and persons at-risk of homelessness.

(~~33~~30) Homeless Programs--Reference to programs that have the specific purpose of addressing homelessness administered by the Department, including ESG Program, HHSP, and EH Fund.

(~~34~~31) Homeless Subpopulations--Persons experiencing Homelessness who are part of the

following population categories, or as defined in the most recent Point In Time Data Collection guidance issued by HUD:

(A) Children of Parenting Youth;

(B) Parenting Youth;

(C) Persons Experiencing Chronic Homelessness;

(D) Persons Experiencing Severe Mental Illness;

(E) Persons with Chronic Substance Use Disorder;

(F) Persons with HIV/AIDS;

(G) Unaccompanied Youth;

(H) Veterans; and

(I) Victims of Domestic Violence.

(~~35~~32) Household--A Household is a single individual or a group of persons who apply together for assistance and who live together in one (1) Dwelling Unit, or, for persons who are not housed or in a shelter, who would live together in one (1) Dwelling Unit if they were housed, or as defined in the most recent HMIS Data Dictionary issued by HUD.

(~~36~~33) Households Served--A single individual or a group of persons who apply for Homeless Program assistance, meets a Homeless Program's eligibility requirements, receives a Homeless Program's services, and whose data is entered into an HMIS or comparable database.

(~~37~~34) Land Use Restriction Agreement ("LURA")--An agreement, regardless of its title, between the Department and ~~the shelter~~a property owner, including an emergency shelter, which is a binding covenant upon the ~~shelter~~ property owner and successors in interest, that, when recorded, encumbers the property with respect to the requirements of the programs for which it receives funds.

(~~38~~35) Local Competition--~~ESG Coordinators running a~~ A competition for ESG funding administered by an ESG Coordinator on behalf of the Department for ~~their respective~~a CoC ~~regions~~region.

(~~39~~36) Match--A ~~program requirement of~~ contribution to the ESG ~~which is~~Program from a non-ESG source governed by 24 CFR §576.201.

~~(40) Means-Tested Veterans Program--A program whereby applicants receive payments under Sections 415, 521, 541, or 542 of Title 38, United States, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.~~

~~(41~~ (37) Monthly Expenditure Report--Information on Expenditures from Subrecipients to the Department.

~~(42) Monthly Expenditure Report Guide--Document posted on the Department website which provides guidance for Subrecipients to complete a Monthly Expenditure Report.~~

~~(43)~~ (38) Monthly Performance Report--Information on ~~program participants~~Program Participants and program activities from Subrecipients to the Department.

~~(44) Monthly Performance Report Guide--Document posted on the Department website which provides guidance for Subrecipients to complete a Monthly Performance Report.~~

~~(45)~~ (39) Notice of Funding Availability ~~("~~(NOFA~~")--~~)--Notice of Funding Availability or announcement of funding published by the Department notifying the public of available funds for a Program with certain requirements.

~~(46) Observation--A notable policy, practice or procedure observed though the course of monitoring.~~

~~(47) Office of Management and Budget ("OMB")--Office within the Executive Office of the President of the United States that oversees the performance of federal agencies and administers the federal budget.~~

~~(48) OMB Circulars--Instructions and information issued by OMB to Federal agencies that set~~

~~forth principles and standards for determining costs for federal awards and establish consistency in the management of grants for federal funds. Uniform cost principles and administrative requirements for local governments and for nonprofit organizations, as well as audit standards for governmental organizations and other organizations expending federal funds are set forth in 2 CFR Part 200, unless different provisions are required by statute or approved by OMB.~~

~~(49~~ (40) Outcome--A benefit or change achieved by a Program Participant served by the Department's homeless programs.

(~~50~~41) Performance Target--Number of persons/Households served, outcomes reached, or construction/rehabilitation/conversion that the Subrecipient commits to accomplish during the Contract Term.

(~~51~~42) Private Nonprofit Organization--An organization described in §501(c) of the Internal Revenue Code (the "Code") of 1986 and which is exempt from taxation under subtitle A of the Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance. This does not include a governmental organization such as a public housing authority or a housing finance agency.

(~~52~~43) Project--A group of eligible activities identified in an Application or Contract to the Department, and designated in HMIS or HMIS-comparable database.

(~~53~~44) Program Participant--An individual or Household that is assisted by a Homeless Program.

(~~54~~45) Program Year--Contracts with funds from a specific federal allocation (ESG) or year of a state biennium (HHSP).

~~(55~~ (46) Recertification--Required review of a Program Participant's eligibility determination for continuation of assistance.

(47) Service Area--The city(ies), county(ies) and/or place(s) identified in the Application (as applicable), and Contract that the Subrecipient will serve.

~~(56) Single Audit--The audit required by OMB, 2 CFR Part 200, Subpart F, or the State of Texas Single Audit Circular, as reflected in an audit report.~~

~~(57~~ (48) State--The State of Texas or the Department, as indicated by context.

~~(58~~ (49) Subcontract--A contract made between the Subrecipient and a purveyor of goods or services through a procurement relationship.

(50) Subcontractor--A person or an organization with whom the Subrecipient contracts to provide services.

(~~59~~51) Subgrant--An award of financial assistance in the form of money made under a grant by a Subrecipient to an eligible Subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases.

(~~60~~52) Subgrantee--The legal entity to which a Subgrant is awarded and which is accountable to the Subrecipient for the use of the funds provided.

(~~61~~53) Subrecipient--An organization that receives federal or states funds passed through the Department to operate ESG and/or state funded homeless programs.

~~(62) Supplemental Security Income ("SSI") - A means tested program run by the Social Security Administration.~~

~~(63~~54) Texas Administrative Code ~~("~~(TAC~~") --~~)--A compilation of all state agency rules in Texas.

~~(64) Uniform Grant Management Standards ("UGMS") - The standardized set of financial management procedures and definitions established by Tex. Gov't Code Chapter 783 to promote the efficient use of public funds, by requiring consistency among grantor agencies in their dealings with grantees, and by ensuring accountability for the expenditure of public funds. State agencies are required to adhere to these standards when administering grants and other financial assistance agreements with cities, counties and other political subdivisions of~~

~~the state. This includes Housing Authorities, and Housing Finance Agencies. See Chapter 1, Subchapter D of this Title for additional information.~~

~~(65~~ (55) United States Department of Housing and Urban Development (HUD)--Federal department that provides funding for ESG.

(56) Unit of General Purpose Local Government--A unit of government which has, among other responsibilities, the authority to assess and collect local taxes and to provide general governmental services.

(~~66~~57) United States Code ~~("~~(U.S.C.~~") .~~)--A consolidation and codification by subject matter of the general and permanent laws of the United States.

~~(67) United States Department of Veteran Affairs ("VA") - Federal department that serves America's Veterans and their families with medical care, benefits, social support, and lasting memorials promoting the health, welfare, and dignity of all Veterans in recognition of their service.~~

(58) Youth Headed Household--Household that includes unaccompanied youth 24 years of age and younger, parenting youth 24 years of age and younger and children of parenting youth 24 years of age and younger.

10 TAC §7.3 Construction Activities

(a) A Subrecipient of Homeless Program funds that constructs or rehabilitates a building or Dwelling Unit, or converts a building(s) for use as a shelter may be required to enter into a LURA. No new construction of a shelter, or construction or rehabilitation of a Dwelling Unit is allowed with ESG funds.

(b) For construction under the ESG Program, the term of the LURA will be ten (10) years from the date of execution of the LURA when the cost of major rehabilitation or conversion exceeds seventy-five percent of the value of the building prior to rehabilitation or conversion, regardless of the amount of the ESG investment. The value of the building prior to conversion or rehabilitation must be evidenced by the submission of the most recent tax records showing the value of the property, an appraisal reflecting the value of the property prior to improvements, or other valuation method approved by the Department.

(c) The term of the LURA in other circumstances where construction was funded under the ESG Program shall be three years from the date of execution of the LURA.

(d) For state funds only, Tex. Gov't Code §2306.185 requires certain multifamily rental developments to have, among other provisions, a 30-year ~~land use restriction agreement.~~LURA.

(e) A Subrecipient that intends to expend funds for new construction, rehabilitation, or conversion must submit a copy of the activity budget inclusive of all sources and uses of funding, documents for a construction plan review, and identification of the entity and signature authorization of the individual (name and title) that will execute the LURA. These documents must be submitted no less than ~~ninety (~~90~~)~~ calendar days prior to the end of the Contract Term under which funds for the activity are provided. The Department may elect to reconsider award amounts if financial resources other than those presented in the Application are subsequently committed to an activity.

(f) A Subrecipient must request a final construction inspection within ~~thirty (~~30~~)~~ calendar days of construction completion. The inspection will cover the Shelter and Housing Standards, Uniform Physical Construction Standards, 2000 International Residential Code (or municipality adopted later version), Minimum Energy Efficiency Requirements for Single Family Construction Activities, and the Accessibility Standards in Chapter 1, Subchapter B, as applicable for the Homeless Program and activity.

10 TAC §7.4 Subrecipient Contract

(a) Subject to prior Board approval, the Department and a Subrecipient shall enter into and execute a Contract for the disbursement of program funds. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver authorized modifications and/or amendments to the Contract, as allowed by state and federal laws and rules.

(b) ~~The Subrecipient~~Subrecipients of state funds may ~~subcontract~~Subcontract for the delivery of ~~client~~Program Participant assistance without obtaining Department's prior approval, but must obtain the Department's written permission before ~~subgranting federal funds~~entering into a Subgrant. Department ESG funds and ESG Match may not be Subgranted.

(c) The Subrecipient is responsible for ensuring that the performance rendered under all ~~subcontracts, subgrants~~Subcontracts, Subgrants, and other agreements are rendered so as to comply with Homeless Program requirements, as if such performance rendered were rendered by the Subrecipient. Department maintains the right to monitor and require the Subrecipient's full compliance with the terms of the Subrecipient Contract.

(d) A performance statement and budget are attachments to the Contract between the Subrecipient and the Department. Execution of the Contract enables the Subrecipient to access funds through the Department's Contract System.

(e) Amendments and Extensions to Contracts.

(1) Except for amendments that only move funds within budget categories, ~~the Department reserves the right to deny~~program staff will recommend denial of amendment requests if any of the following conditions exist:

~~(A) the request for an amendment was received in writing less than thirty (30) calendar days from the end of the Contract Term;~~

(A~~B~~) if the award for the Contract was competitively awarded and the amendment would materially change the scope of the Contract performance or affected the score;

~~(C) if the funds associated with the Contract will reach their federal or state expiration date within forty five (45) calendar days of the request;~~

(B~~D~~) if the Subrecipient is delinquent in the submission of their Single Audit or their Single Audit Certification form required by §1.403 in Chapter 1 of this Title;

(C~~E~~) for an amendments adding funds to the Contract, if the Subrecipient owes the Department disallowed amounts in excess of $1,000 and a Department-approved repayment plan is not in place or has been violated;

(~~F~~D) for an amendment~~s~~ adding funds (not applicable to amendments for extending time), if the Department has cited the Subrecipient for violations within §7.11 of this Subchapter (related to Compliance Monitoring) and the corrective action period has expired without correction of the issue or a satisfactory plan for correction of the issue;

(E~~G~~) the Contract has expired; or

(F~~H~~) a member of the Subrecipient's board has been debarred and has not been removed.

(2) Except for amendments that only move funds within budget categories, program staff may recommend denial of amendment requests if any of the following conditions exist:

(A) the request for an amendment was received in writing less than 30 calendar days from the end of the Contract Term; or

(B) if the funds associated with the Contract will reach their federal or state expiration date within 45 calendar days of the request.

(3~~2~~) Denial of an amendment may be subject to §1.7 of this Title, regarding appeals.

(4) The Executive Director may on appeal approve an amendment where the Single Audit Certification Form has not been submitted as reflected in (B) of paragraph (1) of this section. In addition, t~~T~~he Executive Director may on appeal approve an amendment where the conditions in subparagraphs (A) and (B~~C~~) of paragraph (2) of this section exist. The Subrecipient must demonstrate good cause for the amendment, and such an amendment must not cause the Department to miss a federal obligation or expenditure deadline, or a state expenditure deadline.

(5) Additional program specific requirements for amendments and extensions to Contracts are found in the program rules of this chapter.

(f) The Department reserves the right to request supporting Expenditure documentation at any time in reviewing an Expenditure report for approval. The Department will use ~~a~~full Cost Reimbursement method of payment ~~whereby reimbursement of costs incurred by a Subrecipient is made only after the Department has reviewed and approved backup documentation provided by the Subrecipient to support such costs for all funds if at any time~~ whenever any of the following ~~apply:~~ conditions exists:

(1) The Department determines that the Subrecipient has maintained cash balances in excess of need;

(2) The Department identifies significant deficiency in the cash controls or financial management system used by the Subrecipient; or

(3) The Subrecipient fails to comply with the reporting requirements in §7.5 and §7.6 of this Subchapter.

(g) Voluntary deobligation. The Subrecipient may fully relinquish funds in the form of a written request signed by the signatory, or successor thereto, of the Contract. The Subrecipient may partially relinquish funds under a Contract in the form of a written request from the signatory if the partial relinquishment in performance measures and budget would not have impacted the award of the Contract. Voluntary relinquishment of a Contract does not limit a Subrecipient's ability to participate in future funding.

(h) Funds provided under a Contract may not be used for sectarian or explicitly religious activities such as worship, religious instruction or proselytization, and must be for the benefit of persons regardless of religious affiliation.

10 TAC §7.5 Subrecipient Reporting

(a) ~~The~~ Subrecipient ~~may~~will be reimbursed for the amount of actual cash disbursements as reflected in the approved Monthly Expenditure Reports~~, with the exception of a one-time working capital advance~~.

~~(b) Subrecipients may request a one-time working capital advance for thirty (30) calendar day cash needs up to eight percent of the Contract amount or an advance of $5,000, whichever is greater. In order to request an advance payment, Subrecipients must submit to Department a properly completed Monthly Expenditure Report that includes a request for advance funds. If the advance is not utilized, funds will be returned to the Department within sixty (60) calendar days.~~

~~-~~(~~c~~b) ~~Subrecipients~~Subrecipient must submit a Monthly Performance Report and a Monthly Expenditure Report through the Contract System not later than the last day of each month which reflects performance and expenditures conducted in the prior month.

(~~d~~c) For performance reports, Program Participants that are assisted continuously as a Contract ends and a new Contract begins in the same program will count as new Program Participants for the new Contract. However, the start of a new Contract does not require new eligibility

determination or documentation for Program Participants, except as required ~~by federal rule~~ for ~~ESG~~Recertification.

(~~c~~d) ~~Subrecipients~~Subrecipient shall reconcile their Expenditures with their performance at least monthly before seeking a request for funds for the following month. If the Subrecipient is unable to reconcile on a month-to-month basis, the Subrecipient must provide at the request of the Department, a written explanation for the variance and take appropriate measures to reconcile the subsequent month. It is the responsibility of a Subrecipient to ensure that it has documented the compliant use of all funds provided prior to receipt of additional funds, or if this cannot be done to address the repayment of such funds.

(~~f~~e) Failure of a Subrecipient to provide reports ~~within~~as required under Department rules or the Contract ~~term~~ may be sufficient reason ~~or~~for the Department to deobligate funds for which a Monthly Expenditure Report has not been submitted.

(~~g~~f) If the Subrecipient fails to submit within ~~forty-five (~~45~~)~~ calendar days of its due date, any report or response required by this section and responses to monitoring reports, Department may, in its sole discretion, suspend payments, place the Subrecipient on Cost Reimbursement method of payment, and initiate proceedings to terminate any active Contract.

~~(h) Subrecipients~~(~~h~~g) Subrecipient must report on all measures in the Monthly Performance Report for demographics and Program Participant Services for which they are awarded.

(~~i~~h) Subrecipient must submit information requested by the Department for annual or biannual reporting. The annual reporting may extend over multiple Contracts.

(1) ESG Subrecipients will submit information yearly as required for the Consolidated Annual Performance and Evaluation Report, including, but not limited to:

(A) HMIS exports as required HUD; and

(B) Section 3 provision of the HUD Act of 1968, as required per HUD.

(2) Subrecipients of state funds will submit information for biennial reporting to the Texas Legislature, including, but not limited to:

(A) ~~the~~The successes and challenges of the program, including using state funding in ways that cannot be used by other funding sources; and

(B) ~~how~~How funds were used to leverage other funding sources to persons experiencing homelessness.

10 TAC §7.6 Subrecipient Data Collection

(a) ~~Subrecipients~~Subrecipient must ensure that data on all persons served and all activities assisted under Homeless Programs is entered into the applicable HMIS or HMIS-comparable database for domestic violence or legal service providers in order to integrate data from all homeless assistance and homelessness prevention projects in a CoC.

(b) The Performance Targets shall be indicated in the Contract.

10 TAC §7.7 Subrecipient Contact Information

(a) In accordance with §1.22 of this Title (relating to Providing Contact Information to the Department), Subrecipients will notify the Department and provide contact information for staff that approve the Contract or submit/approve reports in the Contract System~~, including, but not limited to Executive Director, Program Director/Manager/Coordinator or any other person, regardless of title, generally performing such duties.~~. The notification will be sent to the Department by updating its Contract System access request information.

(b) Subrecipients will notify the Department and provide contact information for ~~subgrants or~~

~~subcontractors,~~Subcontractors and Subgrantees within ~~thirty (~~30~~)~~ calendar days of the effective date of the Subcontract or Subgrant. Contact information for the entities with which the Subrecipients' ~~subgrant~~Subcontract or ~~subcontract~~Subgrant must be provided to the Department, including~~:~~ the organization name, name and title of authorized person who entered into the ~~subgrant~~Subgrant or ~~subcontract~~Subcontract, phone number, e-mail address, and type of services provided.

(c) ~~Within thirty (~~At the start of the Contract and within 30~~)~~ calendar days of contact information changes, including entering into ~~subcontracts~~Subcontracts or ~~agreements for service delivery, Subrecipients~~Subgrants, Subrecipient will notify the Department of contact information used for the public to receive assistance through Homeless Programs. The contact information for the public should include, but is not limited to~~:~~, organization name, phone number to receive assistance, email to receive assistance, type of assistance offered, and ~~service area that~~Service Area in which the assistance is offered.

(d) The Department will rely solely on the contact information supplied by the Subrecipient as indicated in the Department's web-based Contract System. It is the Subrecipient's sole responsibility to ensure such information is current, accurate, and complete. Correspondence sent to the email or physical address shown in the Contract System will be deemed delivered to the Subrecipient. The Department is not required to send a paper copy and if it does so it does as a voluntary and non-precedential courtesy only.

10 TAC §7.8 Records Retention

(a) Records must be kept in accordance with §1.409 of this Title (relating to Records Retention).

(b) Record retention for construction/rehabilitation/conversion of emergency shelters or Dwelling Units must be retained until the expiration of the LURA.

(c) For ESG, retention for records relevant to the ESG Contract (including but not limited to shelter and habitability inspections) shall be kept in accordance with 24 CFR §576.500 and UGMS, as defined at 10 TAC §1.401, as applicable except if any litigation, claim, negotiation, audit, monitoring, inspection or other action has started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later. The record retention period does not begin until one year after the expiration of the Contract.

(d) For state funds, retention for records relevant to the Contract (including but not limited to shelter and habitability inspections) shall be kept in accordance with UGMS, and retained by the Subrecipient for a period of three years from the expiration of the Contract except if any litigation, claim, negotiation, audit, monitoring, inspection or other action has started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

10 TAC §7.9 Contract Termination and Deobligation

(a) When a Contract is terminated or voluntarily relinquished, the procedures described in this subsection will be implemented.

(b) The terminology of a "terminated" Subrecipient is intended to include the Subrecipient that is voluntarily or involuntarily terminating their Contract, but does not include Contracts ~~naturally reaching the end of their Contract Term.~~that expire without being sent a termination letter.

(1) The Department will issue a termination letter to the Subrecipient no less than ~~thirty (~~30~~)~~

calendar days prior to terminating the Contract. The Department may determine to take any of the following actions: suspend funds immediately or allow a temporary transfer to another Subrecipient; or provide instructions to the Subrecipient to prepare a proposed budget and written plan of action that supports the closeout of the Contract. The plan must identify the name and current ~~job~~ titles of staff that will perform the closeout and an estimated dollar amount to be incurred. The plan must identify the CPA or firm which will perform the Single Audit. The Department will issue an official termination date to allow all parties to calculate deadlines which are based on such date.

(2) No later than ~~thirty (~~30~~)~~ calendar days after the Contract is terminated, the Subrecipient will take a physical inventory of Program Participant files, including case management files.

(3) The terminated Subrecipient will have ~~thirty (~~30~~)~~ calendar days from the date of the physical inventory to make available to the Department all Program Participant files. Current and active case management files also must be inventoried.

~~(4) Within sixty (60) calendar days following the Subrecipient due date for preparing and boxing client files, Department staff will retrieve the files.~~

(~~5~~4) The terminated Subrecipient will prepare and submit no later than ~~thirty (~~30~~)~~ calendar days from the date the Department retrieves the files, a final report containing a full accounting of all funds expended under the Contract.

(~~6~~5) A Monthly Expenditure Report and a Monthly Performance Report for all remaining expenditures incurred during the closeout period must be received by the Department no later than ~~forty-five (~~45~~)~~ calendar days from the date the Department determines that the closeout of the program and the period of transition are complete.

(~~7~~6) The Subrecipient will submit to the Department no later than ~~forty-five (~~45~~)~~ calendar days after the termination of the Contract, an inventory of the non-expendable personal property acquired in whole or in part with funds received under the Contract.

(~~8~~7) The Department may require transfer of Equipment title to the Department or to any other entity receiving funds under the program in question. The Department will make arrangements to remove Equipment covered by this paragraph within ~~ninety (~~90~~)~~ calendar days following termination of the Contract.

(~~9~~8) A current year Single Audit must be performed for all entities that have exceeded the federal expenditure threshold under 2 CFR Part 200, Subpart F or the State expenditure threshold under UGMS, as applicable. The Department will allow a proportionate share of program funds to pay for accrued audit costs, when an audit is required, for a Single Audit that covers the date up to the closeout of the Contract. To be reimbursed for a Single Audit, the terminated Subrecipient must have a binding contract with a CPA firm on or before the termination date of the Contract. The actual costs of the Single Audit and accrued audit costs including support documentation must be submitted to the Department no later than ~~forty-five (~~45~~)~~ calendar days from the date the Department determines the closeout is complete. See §1.403 of this Title (relating to Single Audit Requirements) for more information.

(~~10~~9) ~~Subrecipients~~Subrecipient shall submit within ~~forty-five (~~45~~)~~ calendar days after the date of the closeout process all financial, performance, and other applicable reports to the Department. The Department may approve extensions when requested by the Subrecipient. However, unless the Department authorizes an extension, the Subrecipient must abide by the ~~forty-five (~~45~~)~~ calendar day requirement of submitting all referenced reports and documentation to the Department.

10 TAC §7.10 Inclusive Marketing

(a) The purpose of this section is to highlight certain policies and/or procedures that are required to have written documentation. Other items that are required for written standards are included in the federal or state rules.

(b) Participant selection criteria:

(1) Selection criteria will be applied in a manner consistent with all applicable laws, including the Texas and Federal Fair Housing Acts, program guidelines, and the Department's rules.

(2) If the local CoC has adopted priority for certain Homeless subpopulations or a specific funding source has a statutory or regulatory preference, then those subpopulations may be given priority by the Subrecipient. Such priority must be listed in the participant selection criteria.

(3) Notifications on denial, non-renewal, or termination of Assistance must:

(A) State that a Person with a Disability may request a reasonable accommodation in relation to such notice.

(B) Include any appeal rights the participant may have in regards to such notice.

(C) Inform ~~program participants~~Program Participants in any denial, non-renewal or termination notice, ~~include~~ information on rights they may have under VAWA (for ESG only, in accordance with the Violence Against Women Reauthorization Act of 2013 ~~("~~("VAWA~~")~~) protections). ~~Subrecipients~~Subrecipient may not deny admission on the basis that the applicant has been a victim of domestic violence, dating violence, sexual assault, or stalking.

(c) Other policies and procedures:

(1) Affirmative Fair Housing Marketing Plan. Subrecipients providing project-based rental assistance must have an Affirmative Fair Housing Marketing Plan created in accordance with HUD requirements to direct specific marketing and outreach to potential tenants who are considered "least likely" to know about or apply for housing based on an evaluation of market area data. ~~Subrecipients~~Subrecipient must comply with HUD's Affirmative Fair Housing Marketing and the Age Discrimination Act of 1975.

(2) Language Access Plan. ~~Subrecipients~~A Subrecipient that ~~interact~~interacts with ~~program participants or clients~~Program Participants must create a Language Access Plan for Limited English Proficiency ~~("~~("LEP~~")~~) Requirements. Consistent with Title VI and Executive Order 13166, ~~Subrecipients are~~Subrecipient is also required to take reasonable steps to ensure meaningful access to programs and activities for LEP persons.

(3) Affirmative Outreach. If it is unlikely that outreach will reach persons of any particular race, color, religion, sex, age, national origin, familial status, or disability who may qualify for those facilities and services, the Subrecipient must establish policies and procedures that target outreach to those persons. ~~The Subrecipients~~Subrecipient must take appropriate steps to ensure effective communication with persons with disabilities including, but not limited to, adopting procedures that will make available to interested persons information concerning the location of assistance, services, and facilities that are accessible to persons with disabilities. ~~Subrecipients~~Subrecipient must make known that use of the facilities, assistance, and services are available to all on a nondiscriminatory basis.

(4) Reasonable Accommodation. ~~The~~ Subrecipient must comply with state and federal fair housing and antidiscrimination laws. Subrecipient's policies and procedures must address Reasonable Accommodation, including, but not limited to, consideration of Reasonable Accommodations requested to apply for assistance. See Chapter 1, Subchapter B, of this Title, for more information.

10 TAC §7.11 Compliance Monitoring

(a) Purpose and Overview

(1) This section provides the procedures that will be followed for monitoring for compliance with the programs in 10 TAC Chapter 7.

(2) Any entity administering any or all of the programs detailed in this chapter, 10 TAC Chapter 7, is a Subrecipient. A Subrecipient may also administer other programs, including programs administered by other state or federal agencies and privately funded programs. If the Subrecipient has Contracts for other programs through the Department, including but not limited to the HOME Partnerships Program, the Neighborhood Stabilization Program, or the Texas Housing Trust Fund, the Department may, but is not required to and does not commit to, coordinate monitoring of those programs with monitoring of ~~the~~those programs under this Chapter.

(3) Any entity administering any or all of the programs provided for in subsection (a)(2) of this section as part of a Memorandum of Understanding ~~("~~("MOU"~~),~~), contract, or other legal agreement with a Subrecipient is a Subgrantee.

(b) Frequency of Reviews, Notification and Information Collection.

(1) In general, the Subrecipient or Subgrantee will be scheduled for monitoring based on state or federal monitoring requirements and/or a risk assessment. Factors to be included in the risk assessment include but are not limited to: the number of Contracts administered by the Subrecipient or Subgrantee, the amount of funds awarded and expended, the length of time since the last monitoring, findings identified during previous monitoring, issues identified through the submission or lack of submission of a Single Audit, complaints received by the Department, and reports of fraud, waste and/or abuse. The risk assessment will also be used to determine which Subrecipients or Subgrantees will have an onsite review and which may have a desk review.

(2) The Department will provide the Subrecipient or Subgrantee with written notice of any upcoming onsite or desk monitoring review, and such notice will be given to the Subrecipient and Subgrantee by email to the Subrecipient's and Subgrantee's Contract contact at the email address most recently provided to the Department by the Subrecipient or Subgrantee. In general, a ~~thirty (~~30~~)~~ day notice will be provided. However, if a credible complaint of fraud or other egregious noncompliance is received the Department reserves the right to conduct unannounced monitoring visits. It is the responsibility of the Subrecipients to provide to the Department the current contact information for the organization and the Board in accordance with §7.7 of this Subchapter (relating to Subrecipient Contact Information) and §1.22 of this Title (relating to Providing Contact Information to the Department).

(3) Upon request, ~~Subrecipients or Subgrantees~~Subrecipient and Subgrantee (if applicable) must make available to the Department all books and records that the Department determines are reasonably relevant to the scope of the Department's review. Typically, these records may include (but are not limited to):

(A) Minutes of the governing board and any committees thereof, together with all supporting materials;

(B) Copies of all internal operating procedures or other documents governing the Subrecipient's operations;

(C) The Subrecipient's Board approved operating budget and reports on execution of that budget;

(D) The Subrecipient's strategic plan or comparable document if applicable and any reports on the achievement of that plan;

(E) Correspondence to or from any independent auditor;

(F) Contracts with any third parties for goods or services and files documenting compliance

with any applicable procurement and property disposition requirements;

(G) All general ledgers and other records of financial operations (including copies of checks and other supporting documents);

(H) Applicable ~~client~~Program Participant files with all required documentation;

(I) Applicable human resources records;

(J) Monitoring reports from other funding entities;

(K) ~~Client~~Program Participant files regarding complaints, appeals and termination of services; and

(L) Documentation to substantiate compliance with any other applicable state or federal requirements including, but not limited to, the Davis-Bacon Act, HUD requirements for environmental clearance, Lead Based Paint, the Personal Responsibility and Work Opportunity Act, HUD LEP requirements, and requirements imposed by Section 3 of the Housing and Urban Development Act of 1968.

(c) Post Monitoring Procedures.

(1) In general, within ~~thirty (~~30~~)~~ calendar days of the last day of the monitoring visit, a written monitoring report will be prepared for the Subrecipient describing the monitoring assessment and any corrective actions, if applicable. The monitoring report will be emailed to the Subrecipient's ~~designated Contract contact, as applicable.~~Board Chair and Executive Director. All Department monitoring reports and Subrecipient responses to monitoring reports must be provided to the governing body of the Subrecipient within the next two regularly scheduled meetings. Issues of concern over which there is uncertainty or ambiguity may be discussed by the Department with the staff of cognizant agencies overseeing federal funding. Certain types of suspected or observed improper conduct may trigger requirements to make reports to other oversight authorities, state and federal, including but not limited to the State Auditor's Office and applicable Inspectors General.

(2) Subrecipient Response. If there are any ~~findings~~Findings of noncompliance requiring corrective action, the Subrecipient will be provided ~~thirty (~~30~~)~~ calendar days, from the date of the email, to respond, which may be extended for good cause. In order to receive an extension, the Subrecipient must submit a written request to the ~~Chief~~Director of Compliance within the corrective action period, stating the basis for good cause that justifies the extension. The Department will approve or deny the extension request within five calendar days.

(3) Monitoring Close Out. Within ~~forty five (~~45~~)~~ calendar days after the end of the corrective action period, a close out letter will be issued to the Subrecipient. If the Subrecipient's response satisfies ~~all Findings and Concerns noted~~issues raised in the monitoring letter, the issue of noncompliance will be noted as resolved. If the Subrecipient's response does not correct all ~~findings noted~~Findings, the follow-up letter will identify the documentation that must be submitted to correct the issue.

(4) Options for Review. If, following the submission of corrective action documentation, Compliance staff continues to find the Subrecipient or Subgrantee in noncompliance, and the Subrecipient disagrees, the Subrecipient may request or initiate review of the matter using the following options, where applicable:

(A) If the issue is related to a program requirement or prohibition of a federal program, the Subrecipient may contact the applicable federal program officer for guidance or request that the Department contact applicable federal program officer for guidance without identifying the Subrecipient.

(B) If the issue is related to application of a provision of the Contract or a requirement of the Texas Administrative Code, the Subrecipient may request to submit an appeal to the Executive Director consistent with §1.7, regarding appeals in Chapter 1 of this Title.

(C) The Subrecipient may request Alternative Dispute Resolution ~~("~~("ADR~~"). The~~). Subrecipient may send a proposal to the Department's Dispute Resolution Coordinator to initiate ADR pursuant to Chapter 1, Subchapter A of this title.

(5) If the Subrecipient does not respond to a monitoring letter or fail to provide acceptable evidence of compliance, the matter will be handled through the procedures described in Chapter 2 of this Title, relating to Enforcement.

10 TAC §7.12, Waiver of Rule

(a)The Department's Governing Board (the "Board") may waive rules in this chapter for good cause to meet the purpose of the Homeless Programs described further in §7.1. However, any waiver cannot conflict with the federal statutes or regulations or state statutes governing any of the Homeless Programs.

(b) A provision of a closed NOFA or a Local Competition may not be waived except in the case of a federal disaster as described in §1.15 or a change in federal law that make adherence to the requirements of the NOFA or Local Competition impossible or impracticable as determined by the Board.

Attachment C: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program (HHSP)

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 7, Homelessness Programs, Subchapter B, Homeless Housing and Services Program. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, the administration of the Homeless Housing and Services Program.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department or in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, the administration of homeless programs.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be more clarity on the administration of the Homeless Housing and Services Program. There will not be economic costs

to individuals required to comply with the repealed section.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.
REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.
STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program

Attachment D: Preamble for proposed new 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program (HHSP)

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 7, Subchapter B, Homeless Housing and Services Program. The purpose of the proposed new section is to update the rule to clarify eligible activities and funding allocation to be consistent with Rider 16, Funding to Address Youth Homelessness of the Appropriations Act (86th Legislative Session); create a mechanism to redistribute funding that is expected to be unspent by Homeless Housing and Services Program Subrecipients; clarify the program income process; and update the Program Participant eligibility and file requirements.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed rule does not create or eliminate a government program, but relates to the readoption of this rule which makes changes to an existing activity, administration of the Homeless Housing and Services Program.

2. The proposed new rule does not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed rule does not require additional future legislative appropriations.

4. The proposed rule will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed rule is not creating a new regulation, except that it is replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed rule will not expand, limit, or repeal an existing regulation.

7. The proposed rule will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed rule will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, Ch. 2306.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately no small or micro-businesses subject to the proposed rule because

these funds are limited to municipalities or designated nonprofits per 10 TAC §7.22 for the Homeless Housing and Services Program.
3. The Department has determined that based on the considerations in item two above, there will be no economic effect on small or micro-businesses or rural communities.
c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.
d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the rule as to its possible effects on local economies and has determined that for the first five years the rule will be in effect the new rule has no economic effect on local employment because this rule will channel funds, which may be limited, only to municipalities and nonprofits; it is not anticipated that the amount of funds would be enough to support additional employment opportunities, but would add to the services provided. Alternatively, the rule would also not cause any negative impact on employment. Therefore no local employment impact statement is required to be prepared for the rule.
Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that no impact is expected, there are no "probable" effects of the new rule on particular geographic regions.
e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new section will be a rule that has greater clarity into the processes and definitions of the administration of homeless programs. There will not be any economic cost to any individuals required to comply with the new section because the processes described by the rule have already been in place through the rule found at this section being repealed.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new section is in effect, enforcing or administering the new section does not have any foreseeable implications related to costs or revenues of the state or local governments because the costs for administering the program in included in eligible activities.
REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the new proposed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.
STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC §7.21 Purpose and Use of Funds

(a) In accordance with Tex. Gov't Code §2306.2585, HHSP provides funding to municipalities with populations of 285,500 or greater (which the Department will determine with the most recent available 1 Year American Community Survey ~~("~~(ACS~~")~~) data) to develop programs to prevent and eliminate Homelessness.

(b) HHSP eligible activities are:

(1) Administrative costs associated with HHSP, including Program Participant tracking using HMIS or a HMIS-comparable database;

(2) Case management for households experiencing or At-risk of Homelessness to assess, arrange, coordinate and monitor the delivery of services;

(3) Construction/rehabilitation/conversion of buildings or Dwelling Unit (including administrative facilities) to serve persons experiencing Homelessness or At-risk of Homelessness;

(4) Essential services for Homeless Households or Households At-risk of Homelessness to find or maintain housing stability;

(5) Homelessness prevention to provide financial assistance to Homeless Households or Households At-risk of Homelessness;

(6) Homelessness assistance to provide financial assistance provided to Homeless Households or Households At-risk of Homelessness;

(7) Operation of emergency shelters or administrative facilities to serve Homeless Households or Households At-risk of Homelessness; ~~and~~

(8) Transitional living activities for Youth Headed Households designed to provide safe short-term housing (typically less than 24 months) in conjunction with appropriate supportive services designed to foster self-sufficiency; and

(9) Other local programs to assist Homeless Households or Households At-risk of Homelessness, if approved by the Department in writing in advance of the Expenditure.

10 TAC §7.22 HHSP Subrecipient Application and Selection

(a) Any written information provided to the Department in order to execute a Contract is part of the Application, including but not limited to the information in this subsection.

(b) The municipality may apply to administer the funding directly or designate a Private Nonprofit Organization or other governmental entity to apply to administer the funds in the municipality in accordance with Tex. Gov't Code §2306.2585(a).

(1) Designation of administering entity. The municipality that is designating an entity to administer the funds within their jurisdiction shall provide notification to the Department within ~~sixty (~~60~~)~~ calendar days of notification of the allocated amount. The notification must be in the form of a resolution or other city council action from the municipality's governing body, and should indicate whether that the municipality is designating another entity to administer the funds on behalf of the municipality.

(2) The municipality may designate the other entity for one or two years, as desired by the municipality. If designated for two years, the requirement that the resolution or council action be submitted within ~~sixty (~~60~~)~~ calendar days of notification of allocated amount will be considered met for the second year since the council action was approved.

(c) Application for funds. Application for funds will be submitted within ~~sixty (~~60~~)~~ calendar days of notification of the allocated amount. After ~~sixty (~~60~~)~~ calendar days of notification, if no application for funding is received, the funding may be reallocated through the formula outlined

in this section to the other areas receiving HHSP funding. The Application for funding will include, but not be limited to:

(1) information sufficient to conduct a Previous Participation review for the municipality or entity designated to administer HHSP funds;

(2) proposed budget;

(3) proposed performance targets; and

(4) activity descriptions.

(d) Prior to Contract execution, entities expected to administer an award of HHSP funds must submit a resolution, governing body action, or other approved documentation approved by entity's direct governing body which includes authorization to enter into a Contract for HHSP funds and title of the person authorized to represent the entity and who also has signature authority to execute a Contract. The documentation submitted must be dated no more than ~~twelve (~~12~~)~~ months from the date of Contract execution.

(e) An entity recommended for HHSP funds is subject to the Department's Previous Participation Rule, found in §1.302 of this title. In addition to the considerations of the Previous Participation Rule, an entity receiving HHSP funds may not be in breach or violation, after notice and a reasonable opportunity to cure, of any contract with the Department or LURA.

(f) ~~HHSP Subrecipients~~Subrecipient must enter into a Contract with the Department governing the use of such funds. If the source of funds for HHSP is funding under another specific Department program, such as the Housing Trust Fund, as authorized by Tex. Gov't Code, §2306.2585(c), the Contract will incorporate any requirements applicable to such funding source.

10 TAC §7.23 Allocation of Funds and Formula

(a) Contract Award Funding Limits. The funding will be established by Allocation Formula as described in this section.

(b) HHSP funds will be awarded upon appropriation from the legislature, and will be made available to any of those municipalities subject to the requirements of this rule and be distributed in accordance with the formula set forth in subsection (c) of this section relating to Formula.

(c) General Population Formula. ~~Any funds~~Funds made available under HHSP for ~~HHSP~~the general population shall be distributed in accordance with an Allocation Formula that is calculated each year that takes into account the proportion of the following factors:

(1) ~~population~~Population of the municipality, as determined by the most recent available 1 Year American Community Survey ~~("~~(ACS~~")~~) data;

(2) ~~poverty~~Poverty, defined as persons in the municipality's population with incomes at or below the poverty threshold, as determined by the most recent available 1 Year ACS data;

(3) ~~population~~Population of Homeless persons, as determined by the most recent publicly available Point-In-Time Counts submitted to HUD by the CoCs in Texas or by the Texas Homeless Network;

(4) ~~population~~Population of Homeless veterans, as determined by the most recent publicly available Point-In-Time Counts submitted to HUD by the CoCs in Texas or by the Texas Homeless Network;

(5) ~~population~~Population of Homeless Unaccompanied Youth, Parenting Youth, and Children of Parenting Youth, as determined by the most recent publicly available Point-In-Time Counts submitted to HUD by the CoCs in Texas or by the Texas Homeless Network;

(6) population of persons with disabilities, defined as that percentage of the municipality's

population composed of persons with disabilities, as determined by the most recent available 1 Year ACS data; and

(7) Incidents of family violence, as determined by reports from local police departments.

(d) The factors enumerated shall be used to calculate distribution percentages for each municipal area based on the following formula:

(1) Thirty percent weight for population;

(2) Thirty percent weight for poverty populations;

(3) Twenty percent weight for the Homeless population;

(4) Five percent weight for population of Homeless Veterans;

(5) Five percent weight for population of Homeless Unaccompanied Youth, Parenting Youth, and Children of Parenting Youth;

(6) Five percent weight for population of persons with disabilities; and

(7) Five percent weight for instances of family violence.

(d) Youth Population Formula. Funds made available to HHSP for youth shall be distributed in accordance with an Allocation Formula that is calculated each year that takes into account the proportion of the following factors:

(1) Population of the municipality, as determined by the most recent available 1 Year American Community Survey (ACS) data;

(2) Poverty, defined as persons in the municipality's population with incomes at or below the poverty threshold, as determined by the most recent available 1 Year ACS data;

(3) Population of Homeless Unaccompanied Youth, Parenting Youth, and Children of Parenting Youth, as determined by the most recent publicly available Point-In-Time Counts submitted to HUD by the CoCs in Texas;

(4) Population of persons with disabilities, defined as that percentage of the municipality's population composed of persons with disabilities, as determined by the most recent available 1 Year ACS data; and

(5) Incidents of family violence, as determined by reports from local police departments.

(d) The factors enumerated shall be used to calculate distribution percentages for each municipal area based on the following formula:

(1) Thirty percent weight for population;

(2) Thirty percent weight for poverty populations;

(5) Thirty percent weight for population of Homeless Unaccompanied Youth, Parenting Youth, and Children of Parenting Youth;

(6) Five percent weight for population of persons with disabilities; and

(7) Five percent weight for instances of family violence.

(e) Prior to month nine of the Contract, the HHSP Subrecipient may choose to voluntarily deobligate up to 15% of the total amount of funds in the Contract if the HHSP Subrecipient anticipates that it will not expend all the funds. The Department reserves the right to refuse any returned funds prior to the end of the Contract Term. The Department may reallocate the voluntary deobligated funds to existing HHSP Subrecipients with the highest expenditure rates based on percent of funds expended. The increase of reallocated funds may not exceed 25% of the initial Contract award, unless approved by the Board.

10 TAC §7.24 General HHSP Requirements

(a) Subrecipient must have written policies and procedures to ensure that sufficient records are established and maintained to enable a determination that HHSP requirements are met.

(b) ~~Subrecipients~~Subrecipient must have written standards for providing HHSP assistance to

Program Participants. The written standards must be applied consistently for all Program Participants. The written standards must include, but not be limited to, Inclusive Marketing outlined in §7.10 of this chapter.
(c) Rent restriction. Rental assistance cannot be provided unless the gross rent complies with the standard of rent reasonableness established in the Subrecipient's written policies and procedures. Gross rent includes the contract rent and an estimate of utilities established by the Public Housing Authority for the area in which the Dwelling Unit is located.
(d) The occupancy standard set by the Subrecipient must not conflict with local regulations or Texas Property Code §92.010.
(e) Subrecipient must document compliance with the Shelter and Housing Standards in this Chapter, including but not limited to construction and shelter inspection reports, and the Accessibility Standards in Chapter 1, Subchapter B of this title.
(f) If the Subrecipient is providing funds for single family ownership, the requirements of Chapters 20, relating to Single Family Programs Umbrella Rule, and 21 Minimum Energy Efficiency Requirements for Single Family Construction Activities of this Part, will apply.
(g) If the Subrecipient is providing funds to an entity for rental ownership, operations, or providing project-based vouchers/rental assistance, the rental development must comply with the greater of regulatory regulations governing the development or program to which HHSP funds are comingled, or, if none, must comply with local health and safety codes.
~~(h) Subrecipient will coordinate to the greatest extent possible with other state-funded homeless programs including, but not limited to, the Texas Health and Human Services Healthy Community Collaborative.~~

10 TAC §7.25 Program Income

~~(a) Program income has the definition in UGMS.~~
(a) Program income is income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds, where authorized. Program income does not include interest on federal grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them. Interest earned in excess of $250 on grants or loans from purely state sources is considered program income.
(b) Security and utility deposits ~~paid should~~must be ~~a grant~~reimbursed to the Program Participant and are not considered program income. The deposit must remain with the Program Participant and be returned only to the Program Participant.
(c) In accounting for program income, the Subrecipient must accurately reflect the receipt of such funds separate from the receipt of program funds and Subrecipient funds.
(d) Program income that is received during the Contract Term may be expended for HHSP eligible costs during the Contract Term, and reported in the Monthly Expenditure Report.
(e) Program income that is received after the end of the Contract Term, or not expended within the Contract Term, must be returned to the Department within 10 calendar days of receipt.

10 TAC §7.26 Conflict of Interest

(a) Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of Contracts. Failure to maintain written standards of conduct and to follow and enforce the written standards is a condition of default and may result in termination of the Contract or deobligation of funds.

(b) No employee, officer, or agent of Subrecipient shall participate in the selection, award, or administration of a contract supported by funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the listed parties, has a financial or other interest in the firm selected for an award.
(c) The officers, employees, and agents, including consultants, officers, or elected or appointed officials of the Subrecipient or its ~~grantees~~Subgrantees shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. ~~Subrecipients~~Subrecipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.
(d) The provision of any type or amount of direct HHSP assistance may not be conditioned on a Program Participant's acceptance or occupancy of emergency shelter or housing owned by the Subrecipient or Subgrantee, or a parent or subsidiary of the Subrecipient or Subgrantee.
(e) No Subrecipient may, with respect to Household occupying a Dwelling Unit owned by the Subrecipient or Subgrantee, or any parent or subsidiary of the Subrecipient or Subgrantee, carry out the initial intake required for Program Participant files.
(f) For transactions and activities other than the procurement of goods and services, no officers, employees, and agents, including consultants, officers, or elected or appointed officials of the Subrecipient, Subgrantee, or ~~subcontractor~~Subcontractor who exercises or has exercised any functions or responsibilities with respect to activities assisted under HHSP, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under the program, may obtain a financial interest or benefit from an assisted activity; have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity; or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure.

10 TAC §7.27 Eligible Costs

(a) Administrative costs include employee compensation and related costs for staff performance of management, reporting, and accounting of HHSP activities~~.~~, including office space. Costs associated with the purchase or licensing of HMIS or an HMIS-comparable databases are eligible administrative costs.
(b) Case management costs include staff salaries related to assessing, arranging, coordinating and monitoring the delivery of services related to finding or maintaining housing. Costs include, but are not limited to, Household eligibility determination, counseling, coordinating services and obtaining mainstream benefits for Program Participants, monitoring Program Participant progress, providing safety planning for persons under VAWA, developing a housing and service plan, and entry into HMIS or an HMIS-comparable database.
(c) Construction rehabilitation, and conversion costs include, but are not limited to, costs for:
(1) Pre-Development, such as environmental review, site-control, survey, appraisal, architectural fees, and legal fees.
(2) Development, such as:
(A) ~~land~~Land acquisition;
(B) ~~site~~Site work (including infrastructure for service utilities, walkways, curbs, gutters);

(C) ~~lot~~Lot clearance and site preparation;

(D) ~~construction~~Construction to meet uniform building codes, international energy conservation code, or local rehabilitation standards;

(E) ~~accessibility~~Accessibility features to site and building;

(F) ~~essential~~Essential improvements and energy-related improvements;

(G) ~~abatement~~Abatement of lead-based paint hazards;

(H) ~~barrier~~Barrier removal/construction for accessibility features for persons with disabilities; and

(I) ~~non~~Non-luxury general property improvements.

(d) Essential services costs are associated with finding and maintaining stable housing, and include, but are not limited to, costs for:

(1) ~~out~~Out-patient medical services;

(2) ~~child~~Child care;

(3) ~~education~~Education services;

(4) ~~legal~~Legal services;

(5) ~~mental~~Mental health services;

(6) ~~local~~Local transportation assistance;

(7) ~~drug~~Drug and alcohol rehabilitation; and

(8) ~~job~~Job training.

(e) Homelessness prevention and homelessness assistance costs are associated with housing relocation, stabilization and assistance costs. Staff time entering information into HMIS or HMIS-comparable database related to homelessness prevention and homeless assistance is also an eligible cost. Homeless prevention and homelessness assistance costs include, but are not limited to, hotel or motel costs; transitional housing; rental and utility assistance; rental arrears; utility reconnection fees; reasonable and customary security and utility deposits; and moving costs.

(f) Operation costs include rent, utilities, supplies and equipment purchases, food pantry supplies, and other related costs necessary to operate an emergency shelter or ~~administrative offices~~Transitional Living Activities, serving individuals experiencing or at-risk of homelessness.

10 TAC §7.28 Program Participant Eligibility and Program Participant Files

(a) A Program Participant must satisfy the eligibility requirements by meeting the appropriate definition of Homeless or At-risk of Homelessness in this Chapter, including but not limited to applicable income requirements.

(b) A Program ~~Participants~~Participant who is Homeless qualifies for emergency shelter, Transitional Living Activities, case management, essential services, and homeless assistance.

(c) A Program Participant who is At-risk of Homelessness qualifies for case management, essential services, and homeless prevention.

(d) The Subrecipient shall establish income limits that do not exceed the moderate income level pursuant to Tex. Gov't Code §2306.152 in its written policies and procedures, and may adopt the income limit calculation method and procedures in HUD Handbook 4350 to satisfy this requirement.

(e) Recertification. Recertification is required for Program Participants receiving homelessness prevention and homelessness assistance within twelve (12) months of the assistance start date. Subrecipient's written policies may require more frequent recertification. At a minimum, recertification includes that Program Participants receiving homelessness prevention or homelessness assistance:

(1) ~~meet~~Meet the income eligibility requirements as established by the Subrecipient , if such limits are implemented in the Subrecipient's policies and procedures and required to be reviewed at ~~recertification~~Recertification; and

(2) ~~lack~~Lack sufficient resources and support networks necessary to retain housing without assistance.

(f) Break in service. The Subrecipient must document eligibility before providing services after a break in service. A break in service occurs when a previously assisted household has exited the program and is no longer receiving services through Homeless Programs. Upon reentry into HHSP, the Household is required to complete a new intake application and provide updated source documentation, if applicable. The Subrecipient would not need to document further eligibility for HHSP if the Program Participant is currently receiving assistance through ESG.

(g) Program participant files. ~~Subrecipients~~Subrecipient or their Subgrantees shall maintain Program Participant files, for non-emergency activities providing direct subsidy to or on behalf of a Program Participant that ~~contains~~contain the following:

(1) An Intake Application, including the signature or legally identifying mark of all adult Household members certifying the validity of information provided, an area to identify the staff person completing the intake application, and the language as required by Tex. Gov't Code §434.212;

(2) Certification from the Applicant that they meet the definition of Homeless or At-risk of Homelessness. The certification must include the Program Participant's signature or legally identifying mark;

(3) Documentation of income eligibility, if applicable, which may include a DIS if documentation is unobtainable;

(4) Documentation of ~~recertification~~annual Recertification, as applicable, including income eligibility ~~and~~determination and verification that the Program Participant lacks sufficient resources and supports networks necessary to retain housing without assistance;

(5) Documentation of determination of ineligibility for assistance when assistance is denied. Documentation must include the reason for the determination of ineligibility;

(6) Copies of all leases and rental assistance agreements for the provision of rental assistance, documentation of payments made to owners for the provision of rental assistance, and supporting documentation for these payments, including dates of occupancy by Program Participants;

(7) Documentation of the monthly allowance for utilities used to determine compliance with the rent restriction; and

(8) Documentation that ~~applicable waiting lists have been checked for availability at least every six months as required for Program Participants who have been assisted for more than 24 months with rental assistance; and~~

~~(9) Documentation that~~ the Dwelling Unit for Program Participants receiving rental assistance complies with the Housing Standards in this Chapter.

10 TAC §7.29 Shelter and Housing Standards

(a) Minimum standards for emergency shelters. Any building for which HHSP funds are used for construction, rehabilitation, conversion, or other renovation, must meet state or local government safety and sanitation standards, as applicable, and the following minimum safety and sanitation standards. Any emergency shelter that receives assistance for shelter operations must also meet the following minimum safety and sanitation standards.

(1) Structure and materials. The shelter building must be structurally sound to protect residents

from the elements and not pose any threat to health and safety of the residents. Any renovation (including major rehabilitation and conversion) carried out with HHSP assistance must use Energy Star and WaterSense or equivalent products and appliances.

(2) Access. The shelter must be accessible in accordance with Section 504 of the Rehabilitation Act (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8; the Fair Housing Act (42 U.S.C. 3601 et seq.) as outlined in 10 TAC Chapter 1, Subchapter B, and implementing regulations at 24 CFR Part 100; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131 et seq.) and 28 CFR Part 35; where applicable.

(3) Space and security. Except where the shelter is intended for day use only, the shelter must provide each program participant in the shelter with an acceptable place to sleep and adequate space and security for themselves and their belongings.

(4) Interior air quality. Each room or space within the shelter must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

(5) Water supply. The shelter's water supply must be free of contamination.

(6) Sanitary facilities. Each program participant in the shelter must have access to sanitary facilities that are in proper operating condition and are adequate for personal cleanliness and the disposal of human waste.

(7) Thermal environment. The shelter must have any necessary heating/cooling facilities in proper operating condition.

(8) Illumination and electricity. The shelter must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.

(9) Food preparation. Food preparation areas, if any, must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(10) Sanitary conditions. The shelter must be maintained in a sanitary condition.

(11) Fire safety. There must be at least one working smoke detector in each occupied unit of the shelter. Where possible, smoke detectors must be located near sleeping areas. The fire alarm system must be designed for hearing-impaired residents. All public areas of the shelter must have at least one working smoke detector. There must also be a second means of exiting the building in the event of fire or other emergency.

(b) Minimum standards for housing for occupancy. Housing assisted under HHSP must meet the minimum habitability standards within ~~thirty (~~30~~)~~ calendar days after the term of assistance begins. HHSP funds may assist a Program Participant in returning the Dwelling Unit to the minimum habitability standard in cases where the Program Participant is the responsible party for ensuring such conditions.

(1) Structure and materials. The structures must be structurally sound to protect residents from the elements and not pose any threat to the health and safety of the residents.

(2) Space and security. Each resident must be provided adequate space and security for themselves and their belongings. Each resident must be provided an acceptable place to sleep.

(3) Interior air quality. Each room or space must have a natural or mechanical means of ventilation. The interior air must be free of pollutants at a level that might threaten or harm the health of residents.

(4) Water supply. The water supply must be free from contamination.

(5) Sanitary facilities. Residents must have access to sufficient sanitary facilities that are in proper operating condition, are private, and are adequate for personal cleanliness and the disposal of human waste.

(6) Thermal environment. The Dwelling Unit must have any necessary heating/cooling facilities

in proper operating condition.

(7) Illumination and electricity. The structure must have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There must be sufficient electrical sources to permit the safe use of electrical appliances in the structure.

(8) Food preparation. All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a safe and sanitary manner.

(9) Sanitary conditions. The housing must be maintained in a sanitary condition.

(10) Fire safety.

(A) There must be a second means of exiting the building in the event of fire or other emergency.

(B) Each Dwelling Unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each occupied level of the unit. Smoke detectors must be located, to the extent practicable, in a hallway adjacent to a bedroom. If the unit is occupied by hearing impaired persons, smoke detectors must have an alarm system designed for hearing-impaired persons in each bedroom occupied by a hearing-impaired person.

(C) The public areas of all Dwelling Units must be equipped with a sufficient number, but not less than one for each area, of battery-operated or hard-wired smoke detectors. Public areas include, but are not limited to, laundry rooms, community rooms, day care centers, hallways, stairwells, and other common areas.

(c) Lead-based paint remediation and disclosure. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations in 24 CFR Part 35, subparts A, B, H, J, K, M, and R apply to all shelters and all Dwelling Units occupied by Program Participants.

Attachment E: Preamble, including required analysis, for proposed repeal of 10 TAC §7.31, Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36, General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmarks, and Return of Funds; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income; and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC §7.31 Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36 General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmarks, and Return of Funds; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income; and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files. The purpose of the proposed repeals is to eliminate outdated rules while adopting new updated rules under separate action.
The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, the administration of the Emergency Solutions Grant Program.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, the administration of homeless programs.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.
The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.
c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate or authorize a taking by the Department; therefore, no Takings Impact Assessment is required.
d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6).
The Department has evaluated the proposed repeal as to its possible effects on local economies

and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.
e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be more clarity on the administration of the Homeless Housing and Services Program. There will not be economic costs to individuals required to comply with the repealed section.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.
REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.
STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC §7.31, Purpose

10 TAC §7.34, Local Competition for Funds

10 TAC §7.36, General Threshold Criteria under a Department NOFA

10 TAC §7.41, Contract Term, Expenditure Benchmarks, and Return of Funds

10 TAC §7.42, General Administrative Requirements

10 TAC §7.43, Program Income

10 TAC §7.44, Program Participant Eligibility and Program Participant Files

Attachment F: Preamble for proposed new 10 TAC §7.31, Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36, General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income; and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC §7.31 Purpose; 10 TAC §7.34, Local Competition for Funds; 10 TAC §7.36, General Threshold Criteria under a Department NOFA; 10 TAC §7.41, Contract Term, Expenditure Benchmark, Return of Funds, and Performance Targets; 10 TAC §7.42, General Administrative Requirements; 10 TAC §7.43, Program Income; and 10 TAC §7.44, Program Participant Eligibility and Program Participant Files. The purpose of the proposed new sections is to update the rules to use the most updated sources of data when calculating the Allocation Formula; ensuring an appeal process is available for Applicants in a Local Competition; update threshold requirements for Applications; clarify the Contract extension process; clarify the voluntary return of funds; clarify the redistribution of returned funds; clarify that deposits should be returned to the Program Participant; rearrange and update reporting and administration requirements; and provide more detail for Program Participant eligibility and files.

Tex. Gov't Code §2001.0045(b) does not apply to the rule proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed rules do not create or eliminate a government program, but relates to the readoption of these rules which make changes to an existing activity, administration of the Emergency Solutions Grants Program.

2. The proposed new rules do not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed rules do not require additional future legislative appropriations.

4. The proposed rules will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed rules are not creating a new regulation, except that they are replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed rules will not expand, limit, or repeal an existing regulation.

7. The proposed rules will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed rules will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rule, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, Ch. 2306.

1. The Department has evaluated this rule and determined that none of the adverse effect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately no small or micro-businesses subject to the proposed rule because these funds are limited to private nonprofits and local governments 24 CFR §576.202.

3. The Department has determined that based on the considerations in item two above, there will be no economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rule does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the rules as to their possible effects on local economies and has determined that for the first five years the rules will be in effect the new rules have no economic effect on local employment because this rule will channel funds, which may be limited, only to municipalities and nonprofits; it is not anticipated that the amount of funds would be enough to support additional employment opportunities, but would add to the services provided. Alternatively, the rules would also not cause any negative impact on employment. Therefore no local employment impact statement is required to be prepared for the rule.

Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that no impact is expected, there are no "probable" effects of the new rule on particular geographic regions.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new section is in effect, the public benefit anticipated as a result of the new sections will be rules that have greater clarity into the processes and definitions of the administration of homeless programs. There will not be any economic cost to any individuals required to comply with the new sections because the processes described by the rules have already been in place through the rule found at this section being repealed.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments because the costs for administering the program in included in eligible activities.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the new proposed sections. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.

STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC §7.31 Purpose

(a) The purpose of this rule is to provide guidance and procedures for the Emergency Solutions Grant (ESG) Program as authorized by Tex. Gov't Code §2306.053. ESG funds are federal funds awarded to the State of Texas by HUD and administered by the Department.
(b) The regulations in this subchapter govern the administration of ESG funds and establish policies and procedures for use of ESG funds to meet the purposes contained in Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. §§11371 - 11378) (the Act), as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act).
(c) In addition to this subchapter, an ESG Subrecipient shall comply with the regulations applicable to the ESG Program as set forth in Chapters 1 and 2 of this title (relating to Administration and Enforcement, respectively), Subchapter A of Chapter 7 of this title (relating to General Policies and Procedures) and as set forth in 24 CFR ~~Part~~Parts 5, 91, and ~~24 CFR Part~~ 576 (the Federal Regulations). An ESG ~~Subrecipients~~Subrecipient must also follow all other applicable federal and state statutes and the regulations established in this chapter, as amended or supplemented.
(d) In the event that Congress, the Texas Legislature, or HUD add or change any statutory or regulatory requirements, special conditions, or waivers, concerning the use or administration of these funds, an ESG Subrecipient shall comply with such requirements at the time they become effective.

10 TAC §7.34 Local Competition for Funds

(a) TDHCA may procure contractors for the purpose of administering a local competition within a CoC. The contractor selected will be the designated ESG Coordinator for the CoC region or CoC regions in which a contract is awarded.
(b) Application materials, other than those created by the Department that will be utilized by an ESG Coordinator during a CoC Local Competition are subject to Department review prior to the Application acceptance period, and must not conflict with §7.33(d) of this subchapter (relating to Apportionment of ESG Funds). Applicants recommended to the Department by the ESG Coordinator after a CoC Local Competition must satisfy the general threshold criteria established in §7.36 of this subchapter (relating to General Threshold Criteria under a Department NOFA), and establish performance targets as required by §7.40 of this subchapter (relating to Program Participant Services Selection Criteria).
(c) The ESG Coordinator must submit Applications recommended for funding under the CoC Local Competition to the Department prior to award recommendations being made by the Department to its Board. The recommendations must utilize all funding available in the region, unless all eligible Applications received are funded, and there is a remaining balance in the region. An Applicant that applies in a Local Competition for funding is not eligible to be awarded funding in the TDHCA funding competition.
(d) Applications not recommended by the ESG Coordinator for funding must be retained by the ESG Coordinator for a minimum of five years in accordance with 24 CFR §576.500 and must be made available to the Department upon request.
(e) The ESG Coordinator must establish an appeals process wherein Applicants may appeal scoring procedures, and such appeals must be reviewed by the governing body of the ESG Coordinator. Results of the Local Competition submitted to the Department are final, and Applicants in a Local Competition may not appeal the final determination of the ESG Coordinator to the Executive Director or to the Board.

10 TAC §7.36 General Threshold Criteria under a Department NOFA

(a) Applications submitted to the Department in response to a NOFA are subject to general threshold criteria. Applications which do not meet the general threshold criteria or which cannot resolve an administrative deficiency related to general threshold criteria are subject to termination. Applicants applying directly to the Department to administer the ESG Program must submit an Application on or before the deadlines specified in the NOFA, and must include items in paragraphs (1)-(13) of this subsection:

(1) Application materials as published by the Department including, but not limited to, program description, budget, and performance statement.

(2) An ESG budget that does not exceed the total amount available within the CoC region or other geographic limitation, as applicable.

(3) A copy of the Applicant's written standards that comply with the requirements of 24 CFR §576.400 and certification of compliance with these standards. Any occupancy standard set by the Subrecipient must not conflict with local regulations or Texas Property Code §92.010.

(4) A copy of the Applicant's policy for termination of assistance that complies with the requirements of 24 CFR §576.402 and certification of compliance with these standards.

(5) For a NOFA under the Allocation Formula, a Service Area which consists of at least the entirety of one county or multiple counties within the CoC region under which Application is made, unless a CoC region does not include an entire county. When the CoC region does not encompass at least the entirety of one county, the Service Area must encompass the entire CoC region. The Service Area selected within an Application must be fully contained within one CoC region.

(6) Commitment in the budget to the provision of 100% Match, or request for a Match waiver, as applicable. Match waivers will be considered by the Department based on the rank of the Application. Applicants requesting an award of funds in excess of ~~$50,000~~57,500 are not eligible to request or receive a Match waiver. In the event that the Match waivers requested exceed $100,000, the waivers will be considered only for the highest scoring eligible Applications, subject to availability of excess ~~match~~Match provided by ESG Applicants. Applicants that do not receive the waiver and are unable to provide a source of Match ~~funding~~ will be ineligible for an ESG award.

(7) For a NOFA under the Allocation Formula, evidence from the CoC Lead Agency in the region that the Applicant consulted with the CoC in the preparation of their ESG application and that the CoC Lead Agency agrees that the Application meets CoC priorities for serving persons experiencing homelessness and/or persons At-risk of Homelessness.

(8) Applicant certification of compliance with State and federal laws, rules and guidance governing the ESG Program as provided in the Application.

(9) Evidence of Data Universal Numbering System (DUNS) number for Applicant.

(10) Documentation of existing Section 501(c) tax-exempt status, as applicable.

(11) Completed previous participation review materials, as outlined in 10 TAC Chapter 1, Subchapter C of this title (relating to Previous Participation) for Applicant.

(12) Local government approval per 24 CFR §576.202(a)(2) for an Applicant that will be providing shelter activities with ESG or as ESG Match, as applicable. This documentation must be submitted ~~no~~not later than 30 calendar days after the Application submission deadline as specified in the NOFA. ~~If the documentation~~Receipt of the local government approval is ~~not received by~~a condition prior to the Department ~~within 30 calendar days of the Application submission deadline, the emergency shelter~~obligating ESG funding ~~components in the~~

~~Application will be removed from consideration in the Application review; the amount requested will be reduced by the amount that had been designated for emergency shelter funding; any points requested for emergency shelter activities will be deducted from the self-score and final score; and performance for emergency shelter component will be removed from expected deliverables~~.

(13) A resolution or other governing body action from the Applicant's direct governing body which includes:

(A) Authorization of the submission of the Application;

(B) Title of the person authorized to represent the entity and who also has signature authority to execute a Contract; and

(C) Date that the resolution was passed by the governing body, which must be ~~within~~not older than 12 months preceding the date the Application is submitted.

(b) An Application must be substantially complete when received by the Department. An Application may be terminated if the Application is so unclear or incomplete that a thorough review cannot reasonably be performed, as determined by the Department. Such Application will be terminated without being processed as an administrative deficiency. Specific reasons for a Department termination will be included in the notification sent to the Applicant but, because the termination may occur prior to completion of the full review, will not necessarily include a comprehensive list of all deficiencies in the Application. Termination of an Application may be subject to §1.7 of this title, (relating to the Appeals Process).

10 TAC §7.41 Contract Term, Expenditure ~~Benchmarks, and~~Benchmark, Return of Funds, and Performance Targets

(a) The Contract Term for allocated funds may not exceed 12 months under a one-year funding cycle. ~~The initial Contract Term for allocated~~ All funds ~~and may not exceed 12 months under a two-year funding cycle, but may be amended to include an additional 12 months if allocated funds are~~ awarded ~~to~~under the ~~Applicant in~~Contract must be expended by the ~~second year~~Subrecipient on or before the expiration of the ~~funding cycle. The~~ Contract ~~Term for a two-year funding cycle shall not exceed 24 months, as amended~~, unless an extension has been granted in accordance with this section. A request to extend the Contract Term must show evidence that the extension is necessary to provide services required under the Contract, and provide good cause for failure to timely expend the funds. Extensions of Contract Terms are considered on a case-by-case basis, but are subject to Section 7.4(e) of this Title, concerning Amendments and Extensions of Contracts.

~~(b) Expenditure benchmarks are ineligible for extension, except that an extension may be granted for expenditure benchmark two or four. A request to extend an expenditure benchmark must support that the extension is necessary to provide services required under the Contract, must evidence good cause for failure to meet the benchmark, and is subject to approval by the Department.~~

(1) The ~~Division Director or his or her designee may approve an extension to the Contract Term or Expenditure benchmark two or four that do not exceed one month.~~

~~(2) The~~ Executive Director or his or her designee may approve an extension to the Contract Term ~~or Expenditure benchmark two or four that does not exceed three months~~of up to six months from the original Contract Term.

~~(3) If~~ (2) Board approval is required if the Subrecipient requests to extend the Contract Term ~~or Expenditure benchmark~~ for more than ~~three months, but less than six months, Board approval is required. Extensions for greater than~~ six months ~~may not be granted~~from the original Contract

Term.

~~(4) Extensions will be considered on a cumulative basis.~~

~~(c) Expenditure benchmarks for 12 or 24 month Contracts are listed in paragraphs (1) - (4) of this paragraph, unless otherwise stated in the Contract as amended. For Contracts with a 12 month term, the third and fourth Expenditure benchmarks do not apply.~~

~~(1) Expenditure benchmark one:~~ (4) Amendments of Expenditure requirements will not be granted by the Executive Director or the Board when such action would cause the Department to miss a federal expenditure deadline.

(b~~c~~) Subrecipient is required to have reported ~~expenditures~~Expenditures in its Monthly Expenditure Reports reflecting at least 50% of the Contracted funds by month nine of the original Contract Term. A Subrecipient that has not met ~~the first~~this Expenditure benchmark must submit a plan to the Department evidencing the ability of the Subrecipient to expend the remaining funds by month 12 of the original Contract Term. This Expenditure benchmark may not be extended though amendment.

~~(2) Expenditure benchmark two: A Subrecipient is required to have reported expenditures in its first 12 Monthly Expenditure Reports reflecting at least 100% of the Contracted funds. A Subrecipient that has not met the second Expenditure benchmark, or that has not timely submitted Monthly Expenditure Reports, is subject to deobligation of funds.~~

~~(3) Expenditure benchmark three: A Subrecipient awarded funds in the second year of a two-year funding cycle is required to have reported expenditures in its Monthly Expenditure Reports reflecting at least 75% of the Contracted funds by month 21 of the amended Contract. Subrecipients that have not met the third Expenditure benchmark evidencing the ability of the Subrecipient to expend the remaining funds by end of the amended Contract Term.~~

~~(4) Expenditure benchmark four: Subrecipients awarded funds in the second year of a two-year funding cycle are required to have reported expenditures in its last Monthly Expenditure Report reflecting at least 100% of the Contracted funds expended. Funds remaining after the deadline for submission of the last Monthly Expenditure Report are subject to deobligation of funds.~~

~~(d) Funds remaining at the end of Contract's close out period will be automatically deobligated.~~

(c~~d~~) Not later than 60 days prior to the end of the Contract Term~~Deobligation of funds may affect future funding recommendations.~~

~~(e) Prior to the Expenditure benchmarks two and four, as applicable~~, a Subrecipient may submit a written request to voluntarily return some or all of its funds to the Department~~, if the Subrecipient expects it will not fully expend and wishes to avoid deobligation or a reduced second funding cycle if awarded during a two-year cycle.~~. Voluntary return of funds prior to the Expenditure benchmark constitutes a reduction in the awarded amount, and returned funds at or prior to the Expenditure benchmark will not ~~impact~~be considered deobligated funds for the purpose of future funding recommendations.

(d~~e~~) Funds remaining at the end of Contract which are not reflected in the last Monthly Expenditure Report will be automatically deobligated. Deobligation of funds may affect future funding recommendations.

(e~~f~~) The Department may request information regarding the performance or status of a Contract prior to ~~a Contract~~the Expenditure benchmark, ~~or~~ at various times during the ~~term of a~~ Contract, or during the record retention period. Subrecipient must respond within the time limit stated in the request. Prolonged or repeated failure to respond may result in suspension of funds, ~~default of the Contract, and ultimately in~~ termination of the Contract by the Department, and could impact future funding recommendations.

(~~g~~f) If additional funds become available through returned or deobligated amounts from an

award made under the allocation formula or program income generated from an award made under the allocation formula, the funds ~~will~~may be offered to ~~the~~ ESG Subrecipients with active ~~contracts~~Contracts that have not been amended to extend the Contract Term. Funds that become available subsequent to an allocation under a NOFA will be offered with priority given to ESG Subrecipients with the highest ~~expenditure~~Expenditure rate~~,~~ as of the most recent Monthly Expenditure Report. ~~These funds~~Funds will be offered first to ~~the~~eligible ESG Subrecipients within the CoC region from which the additional funds became available, and then available statewide~~. The~~; however, funds may not be offered to any Subrecipient that returned funds, or from whom funds were deobligated. The Executive Director or designee may increase the Contract of an ESG Subrecipient ~~one time~~or authorize a new Contract with a Subrecipient by up to 25% of the original Contract amount~~. Upon Board Approval,~~ from funds that become available after the ~~Department may elect to reallocate retained funds by this method.~~initial allocation under a NOFA.

(~~h~~g) Funds that have been returned more than once or returned less than three months before the federal expenditure deadline may be retained by the Department.

(h~~i~~) The Contract will reflect the Performance Targets that were utilized as selection criteria for the award of funds. Requests to amend Performance Targets may not be submitted less than 60 days prior to the end of the Contract Term. Requests to amend Performance Targets will not be granted if such an amendment would have precluded the award to the Subrecipient.

10 TAC §7.42 General Administrative Requirements

(a) Subrecipient must have written policies and procedures to ensure that sufficient records are established and maintained to enable a determination that ESG requirements are met. The written standards must be applied consistently for all Program Participants. Written policies must include, but not be limited to Inclusive Marketing outlined in §7.10 of this chapter.

(b) Subrecipient must obtain the correct level of environmental clearance prior to expenditure of ESG funds. Activities for which the Subrecipient does not properly complete the Department's environmental review process are ineligible, and funds will not be reimbursed or will be required to be repaid.

(c) Subrecipient is prohibited from charging occupancy fees for emergency shelter activities supported by funds covered by this subchapter.

(d) If a Private Nonprofit Organization ESG Subrecipient wishes to expand the geographic scope of its emergency shelter activities after Contract execution, an updated certification of approval from the Unit of General Purpose Local Government with jurisdiction over the updated Service Area must be submitted to the Department before funds are spent on emergency shelter in those areas.

(e) Subrecipient must document compliance with the shelter and housing standards per 24 CFR §576.500(j) and (k), including but not limited to, maintaining sufficient construction and shelter inspection reports.

(f) Rental developments must comply with all construction or operational requirements governing the development or program to which ESG funds are comingled, and must comply with local health and safety codes.

(g) Subrecipient may be required to complete Contract orientation training prior to submission of the first Monthly Expenditure Report. Subrecipient must also complete training as requested by the Department in response to Findings or other issues identified while managing the Contract.

(h~~(h) Subrecipient must report on all measures in the Monthly Performance Report for~~

~~demographics and Program Participant Services for which they are awarded.~~

(~~i~~) Subrecipient must develop and establish written procurement procedures that comply with federal, State, and local procurement requirements. A conflict of interest related to procurement is prohibited by 2 CFR §200.317-318 or Chapter 171 of the Local Government Code, as applicable.

(~~ji~~) In instances where a potential conflict of interest exists related to a beneficiary of ESG assistance, Subrecipient must submit a request to the Department to grant an exception to any conflicts prohibited using the procedures at 24 CFR §576.404. The request submitted to the Department must include a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict, a description of how the public disclosure was made, and an attorney's opinion that the conflict does not violate State or local law. No ESG funds will be committed to assist a Household until HUD has granted an exception.

(~~k~~j) Subrecipient will comply with the requirements under 24 CFR §576.409, "Protection for victims of domestic violence, dating violence, sexual assault, or stalking."

(1) Compliance with 24 CFR §576.409 includes, but is not limited to, providing two Departmental forms called "Notice of Occupancy Rights under the Violence Against Women Act" based on HUD form 5380 and "Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking," HUD form 5382, to each of the following:

(A) All applicants for short- and medium-term rental assistance at the time of admittance or denial;

(B) Program Participants of short- and medium-term rental assistance prior to execution of a Rental Assistance Agreement;

(C) Program Participants of short- and medium-term rental assistance with any notification of eviction or notification of termination of assistance; and

(D) Program Participants of short- and medium-term rental assistance either during an annual ~~recertification~~Recertification or lease renewal process, whichever is applicable.

(2) Subrecipient will adopt and follow an Emergency Transfer Plan based on HUD's model Emergency Transfer Plan by no later than June 14, 2017, pursuant to 24 CFR §5.2005(e). Within three calendar days after Program Participants request transfers, ~~Subrecipients~~Subrecipient will inform Program Participants of their eligibility under their Emergency Transfer Plan and keep records of all outcomes.

10 TAC §7.43 Program Income

(a) Program income is gross income received by the Subrecipient or its Affiliates directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

(b) Program income received and expended during the Contract Term will count toward meeting the Subrecipient's Matching requirements, per 24 CFR §576.201(f), provided the costs are eligible ESG costs that supplement the ESG program.

(c) Security and utility deposits paid on behalf of a Program Participant should be treated as a grant to the Program Participant. The deposit must remain with the Program Participant, and if returned, is to be returned only to the Program Participant. If the landlord or the utility service provider requires that the deposit be returned to the Subrecipient, Affiliate, Subcontractor, or Subgrantee, the deposit is program income, and must be treated as described in this subsection. ~~If the deposit is returned to the Subrecipient, it is program income, and must be treated as described in this subsection.~~

(d) In accounting for program income, the Subrecipient must accurately reflect the receipt of

such funds separate from the receipt of federal funds and Subrecipient funds.
(e) Program income that is received after the end of the Contract Term, or not expended within the Contract Term, along with program income received two years following the end of the Contract Term must be returned to the Department within 10 calendar days of receipt. Income directly generated by a grant-supported activity after the two year period is no longer program income and may be retained by the Subrecipient.

10 TAC §7.44 Program Participant Eligibility and Program Participant Files

(a) Program participants must meet the applicable definitions of Homeless or At-risk of Homelessness.
Proof of the eligibility or ineligibility for Program Participants must be maintained in accordance with 24 CFR §576.500, Recordkeeping and reporting requirements.
(1) The Applicant must ~~keep~~retain income documentation for Program Participants receiving homelessness prevention ~~or being re-certified for~~ and Program Participants receiving rapid re-housing~~. The Department offers Income Certification and Income Screening Tool forms, which may be used by~~ that require annual Recertification. Program Participant income eligibility must be calculated and documented in accordance with the ~~Applicant.~~
~~(2) The~~Requirements of HUD Handbook 4350, except that the Department's ~~Declaration of Income Statement (~~DIS~~)~~ form ~~must~~may be utilized if income cannot be documented ~~for Program Participants receiving homelessness prevention or being recertified for rapid re-housing. The~~in accordance with 24 CFR §576.500(e)(4). A DIS must be completed and signed by Program Participants ~~for activities that have an income requirement. The DIS is not~~whom are subject to ~~provisions in HUD Handbook 4350~~income eligibility determination.
(b) The Subrecipient must document eligibility before providing services after a break-in-service. A break-in-service occurs when a previously assisted Household has exited the program and is no longer receiving services through Homeless Programs. Upon reentry into ESG, the Household is required to complete a new intake application and provide updated source documentation, if applicable.
(c) The ESG Subrecipient must utilize the rental assistance agreement promulgated by the Department if providing rental assistance. The rental assistance agreement does not take the place of the lease agreement between the landlord/property manager and the tenant.
(d) The Subrecipient must retain a copy of the signed Disclosure Information on Lead Based Paint and/or Lead-Based Hazards for housing built before 1978 in the Program Participant's file in accordance with 24 CFR §576.403(a).

Attachment G: Preamble, including required analysis, for proposed repeal of 10 TAC Chapter 7 Homelessness Programs, Subchapter D, Ending Homelessness Fund, 10 TAC §7.62, EH Fund Subrecipient Application and Selection, and §7.65, Contract Term and Limitations

The Texas Department of Housing and Community Affairs (the Department) proposes the repeal of 10 TAC Chapter 7 Homelessness Programs, Subchapter D, Ending Homelessness Fund, 10 TAC §7.62 EH Fund Subrecipient Application and Selection, and §7.65, Contract Term of Limitations. The purpose of the proposed repeal is to eliminate an outdated rule while adopting a new updated rule under separate action.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed repeal would be in effect:

1. The proposed repeal does not create or eliminate a government program, but relates to the repeal, and simultaneous readoption making changes to an existing activity, the administration of the Ending Homelessness Fund.

2. The proposed repeal does not require a change in work that would require the creation of new employee positions, nor is the proposed repeal significant enough to reduce work load to a degree that any existing employee positions are eliminated.

3. The proposed repeal does not require additional future legislative appropriations.

4. The proposed repeal does not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed repeal is not creating a new regulation, except that it is being replaced by a new rule simultaneously to provide for revisions.

6. The proposed action will repeal an existing regulation, but is associated with a simultaneous readoption making changes to an existing activity, the administration of homeless programs.

7. The proposed repeal will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed repeal will not negatively or positively affect this state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002.

The Department has evaluated this proposed repeal and determined that the proposed repeal will not create an economic effect on small or micro-businesses or rural communities.

c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed repeal does not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.

d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the proposed repeal as to its possible effects on local economies and has determined that for the first five years the proposed repeal would be in effect there would be no economic effect on local employment; therefore, no local employment impact statement is required to be prepared for the rule.

e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the proposed repeal is in effect, the public benefit anticipated as a result of the repealed section would be more clarity on the

administration of the Ending Homelessness Fund. There will not be economic costs to individuals required to comply with the repealed section.

f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the proposed repeal is in effect, enforcing or administering the repeal does not have any foreseeable implications related to costs or revenues of the state or local governments.

REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the proposed repealed section. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 78711-3941 or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.

STATUTORY AUTHORITY. The proposed repeal is made pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed repealed sections affect no other code, article, or statute.

10 TAC §7.62, EH Fund Subrecipient Application and Selection

10 TAC §7.65, Contract Term and Limitations

Attachment H: Preamble for proposed new 10 TAC Chapter 7 Homelessness Programs, Subchapter D, Ending Homelessness Fund, 10 TAC §7.62, EH Fund Subrecipient Application and Selection, and §7.65, Contract Term and Limitations

The Texas Department of Housing and Community Affairs (the Department) proposes new 10 TAC Chapter 7 Homelessness Programs, Subchapter D, Ending Homelessness Fund, 10 TAC §7.62 EH Fund Subrecipient Application and Selection, and §7.65, Contract Term and Limitations. The purpose of the proposed new sections is to update the rule to reflect new definitions, and to clarify the Contract term and limitations.

Tex. Gov't Code §2001.0045(b) does not apply to the rules proposed for action because it was determined that no costs are associated with this action, and therefore no costs warrant being offset.

The Department has analyzed this proposed rulemaking and the analysis is described below for each category of analysis performed.

a. GOVERNMENT GROWTH IMPACT STATEMENT REQUIRED BY TEX. GOV'T CODE §2001.0221.

Mr. Bobby Wilkinson, Executive Director, has determined that, for the first five years the proposed new rule would be in effect:

1. The proposed rules do not create or eliminate a government program, but relates to the readoption of these rules which makes changes to an existing activity, administration of the Ending Homelessness Fund.

2. The proposed new rules do not require a change in work that would require the creation of new employee positions, nor are the rule changes significant enough to reduce work load to a degree that eliminates any existing employee positions.

3. The proposed rules do not require additional future legislative appropriations.

4. The proposed rules will not result in an increase in fees paid to the Department, nor in a decrease in fees paid to the Department.

5. The proposed rules are not creating a new regulation, except that they are replacing a rule being repealed simultaneously to provide for revisions.

6. The proposed rules will not expand, limit, or repeal an existing regulation.

7. The proposed rules will not increase or decrease the number of individuals subject to the rule's applicability.

8. The proposed rules will not negatively or positively affect the state's economy.

b. ADVERSE ECONOMIC IMPACT ON SMALL OR MICRO-BUSINESSES OR RURAL COMMUNITIES AND REGULATORY FLEXIBILITY REQUIRED BY TEX. GOV'T CODE §2006.002. The Department, in drafting this proposed rules, has attempted to reduce any adverse economic effect on small or micro-business or rural communities while remaining consistent with the statutory requirements of Tex. Gov't Code, Ch. 2306.

1. The Department has evaluated these rules and determined that none of the adverse affect strategies outlined in Tex. Gov't Code §2006.002(b) are applicable.

2. There are approximately no small or micro-businesses subject to the proposed rule because these funds are limited to counties and municipalities in Tex. Transportation Code §502.415 for the Ending Homeless Fund.

3. The Department has determined that based on the considerations in item two above, there will be no economic effect on small or micro-businesses or rural communities.
c. TAKINGS IMPACT ASSESSMENT REQUIRED BY TEX. GOV'T CODE §2007.043. The proposed rules do not contemplate nor authorize a taking by the Department; therefore, no Takings Impact Assessment is required.
d. LOCAL EMPLOYMENT IMPACT STATEMENTS REQUIRED BY TEX. GOV'T CODE §2001.024(a)(6). The Department has evaluated the rules as to their possible effects on local economies and has determined that for the first five years the rules will be in effect the new rules have no economic effect on local employment because these rules will channel funds, which may be limited, only to municipalities and nonprofits; it is not anticipated that the amount of funds would be enough to support additional employment opportunities, but would add to the services provided. Alternatively, the rules would also not cause any negative impact on employment. Therefore no local employment impact statement is required to be prepared for the rules.
Tex. Gov't Code §2001.022(a) states that this "impact statement must describe in detail the probable effect of the rule on employment in each geographic region affected by this rule…" Considering that no impact is expected, there are no "probable" effects of the new rule on particular geographic regions.
e. PUBLIC BENEFIT/COST NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(5). Mr. Wilkinson has determined that, for each year of the first five years the new sections are in effect, the public benefit anticipated as a result of the new sections will be a rule that has greater clarity into the processes and definitions of the administration of homeless programs. There will not be any economic cost to any individuals required to comply with the new sections because the processes described by the rule have already been in place through the rule found at this section being repealed.
f. FISCAL NOTE REQUIRED BY TEX. GOV'T CODE §2001.024(a)(4). Mr. Wilkinson also has determined that for each year of the first five years the new sections are in effect, enforcing or administering the new sections does not have any foreseeable implications related to costs or revenues of the state or local governments because the costs for administering the program in included in eligible activities.
REQUEST FOR PUBLIC COMMENT. The public comment period will be held March 6, 2020, to April 6, 2020, to receive input on the new proposed sections. Written comments may be submitted to the Texas Department of Housing and Community Affairs, Attn: Naomi Cantu, Rule Comments, P.O. Box 13941, Austin, Texas 8711-3941, by fax to (512) 475-0220, or email naomi.cantu@tdhca.state.tx.us. ALL COMMENTS MUST BE RECEIVED BY 5:00 p.m., Austin local time, APRIL 6, 2020.
STATUTORY AUTHORITY. The new sections are proposed pursuant to Tex. Gov't Code §2306.053, which authorizes the Department to adopt rules. Except as described herein the proposed new sections affect no other code, article, or statute.

10 TAC §7.62 EH Fund Subrecipient Application and Selection

(a) The Department will produce an Application which, if properly completed by an eligible Applicant and approved by the Department, may satisfy the Department's requirements to receive an award of funds under the EH Fund. Applicants that have an existing ESG or HHSP Contract or ~~are applying for ESG~~<u>who have been awarded ESG</u> or HHSP funds may be eligible to submit an abbreviated EH Fund Application if such Application is made available by the Department.
(b) Funds will be available to Applicants determined to be eligible for the EH Fund under

§7.63(b)(1) of this subchapter, or as specified in a NOFA as defined in and under §7.63(b)(2) of this subchapter, as applicable.

(c) Application for funds. ~~All~~ Applicants for an award from the EH Fund must submit the following items ~~(1) - (5) of this subsection~~:

(1) A complete Application including an Applicant certification of compliance with state rules, federal laws, rules and guidance governing the EH Fund as provided in the Application;

(2) All information required under 10 TAC Subchapter C to conduct a Previous Participation and Executive Award Review and Advisory Committee review;

(3) A proposed budget in the format required by the Department;

(4) Proposed performance targets in the format required by the Department; and

(5) Activity descriptions, including selection of administration under Subchapter B of this chapter related to HHSP or Subchapter C of this chapter related to ESG.

(d) ~~For~~ Applications submitted by existing ESG or HHSP Subrecipients or awarded Applicants for ESG or HHSP, eligible activities are limited to those activities in ESG or HHSP, except that the EH Fund is not subject to limitations on the amount of funds that may be spent for any given activity type.

(e) The Department must receive all Applications within 30 calendar days of notification of eligibility to Applicants per §7.63(b)(1) of this subchapter, or as specified in the NOFA, as applicable.

10 TAC §7.65 Contract Term and Limitations

(a) For EH Fund Applicants that do not have a current ESG or HHSP Contract, and have not been awarded ESG or HHSP funds, the Department requires evidence in the form of a certification or resolution adopted by the governing body of the Applicant specifying who is authorized to enter into a Contract on behalf of the Applicant. This certification or resolution is due to the Department no later than 90 calendar days after the award has been approved by the Board, must be received prior to execution of any Contract for EH funds, and must include:

(1) Authorization to enter into a Contract for EH Fund;

(2) Title of the person authorized to represent the organization and who also has signature authority to execute a Contract; and

(3) Date that the certification or resolution was adopted by the governing body, which must be within 12 months of Application submission.

(b) ~~For the~~ EH Fund~~, Applicants that~~ Contracts will generally have ~~a current Contract or have been awarded ESG or HHSP funds for a subsequent~~an initial period~~,~~ of 12 months for fund Expenditure. A request to extend the Contract Term must evidence that the extension is necessary to provide activities required under the Contract ~~Term of the EH funds may not extend past~~, and provide good cause for failure to timely expend the funds. Extensions of a Contract Term ~~of~~ are considered on a case-by-case basis and are subject to Section 7.4(e) of this Title, concerning Amendments and Extensions of Contracts.

(1) The Executive Director or his or her designee may approve an extension to the ~~existing ESG or HHSP~~ Contract ~~or~~Term that for up to six months from the ~~subsequent ESG or HHSP~~original Contract Term. ~~For EH Fund Applicants that do not have current or awarded ESG or HHSP funds,~~

(2) Board approval is required if the Subrecipient requests to extend the Contract Term ~~may not exceed 24 months.~~for more than six months from the original Contract Term. Extensions for greater than 12 months may not be granted.